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Press Release

Earnings resilience in 2008
Priority given to adaptation in 2009

Paris, 4 March 2009

The Sperian Protection Group announced today its consolidated results for the year 2008. In a context of worldwide economic recession, Sperian Protection demonstrated its resilience. However, the acceleration of the recession from mid-fourth quarter 2008 on has required restructuring and cost reduction measures.

The Group is expecting 2009 to be a difficult year and has mobilized its entire team to meet the challenges of the months ahead.

Sales up in 2008 excluding currency impact

Consolidated sales were €750.9 million in 2008, a growth of 3.3% at constant exchange rates. The depreciation of the dollar against the euro during 2008 had a negative impact on consolidated revenue of 3.8%.

The revenue from last acquisitions – Nacre for the first half and Combisafe for four months of 2008 (September-December) – was approximately €30 million, or 4% of sales.

The organic decline in sales of the head protection business (down 3.4%) was due mainly to a weaker second-half contribution from Nacre compared with the year before, as mentioned earlier when Sperian reported its annual revenue for 2008.

The body protection business, on the other hand, continues to grow (up 2.5%) on the back of strong performance in the fall protection segment and despite the discontinuation of unprofitable sales in the gloves and safety shoes segments.

2008 operating margin in line with most recent guidance

Income of operating activities amounted to €101.5 million, or €105.7 million at 2007 exchange rates, compared with €111.0 million in 2007. Operating margin[1] was 13.5% in 2008, compared with 14.7% last year.

The decline in operating margin relative to 2007 was due to a combination of factors: contraction in gross margin associated with the reduced level of activity late in the year, sales and marketing investments in developing countries and in end-user markets, and administrative and R&D spending in line with sales growth.

EBITDA[2] was €118.8 million or 15.8% of sales, compared with 17.0% in 2007.

Net income

In a year that combined slowing markets with unfavourable currency movements, the Group's net income held up well at €48.0 million, compared with €59.1 million in 2007.

[1] Income of operating activities/revenue

[2] Earnings before interest, tax, depreciation, amortization and exceptional items

This result is after restructuring costs of €2.8 million, which include a €2.3 million provision for the capacity adjustment and adaptation plans initiated by the Group in late 2008. Net income also reflects an expense of €4.2 million associated with the change in company name (versus €3.2 million in 2007) and €4.8 million of amortization on intangible assets.

Financial income amounted to -€22.6 million, compared with -€17 million in 2007. Interest on debt was in line with the amount incurred in 2007 (€13.7 million in 2008 versus €14 million the year before), but foreign exchange loss was less favourable owing mainly to the loss on the Swedish krona, already reported by the Group.

Current tax expense was €18.5 million, resulting in an effective tax rate of 27.6%, compared with 16.9% in 2007% and 32.3% in 2006. The Group benefits from tax-loss carryforwards in France. Its effective tax rate in 2007 was exceptionally low because certain provisions recognized in that year were tax-deductible.

Financial position

Sperian Protection net debt position was €303 million at 31 December 2008, compared with €236 million at 31 December 2007. The variation in debt during the year includes €71 million of net borrowing associated with the Combisafe and Musitani acquisitions. Without acquisitions impact, the net debt would have been at the same level as last year.

Net cash flow from operating activities was €68.5 million, allowing the financing of €29 million of capital expenditures, the payment of dividends, and the buy-back share program.

The working capital requirement was equivalent to 84 days of sales at year-end 2008 (pro forma basis excluding Combisafe), compared with 77 days at year-end 2007. The change is attributable mainly to the significant increase in inventories.

The net debt-to-EBITDA ratio was 2.5x and the net debt-to-equity ratio was 53% at 31 December 2008.

Dividend of €1.20

In view of the good earnings performance in 2008 but also considering the risks evident for 2009, the Board of Directors has decided to propose a dividend of €1.20 per share to the general meeting of shareholders to be held on 6 May 2009, compared to €1.50 in 2008. The dividend will be payable on 9 July 2009.

Actions taken in late 2008

Actions taken in the fourth quarter led the Group to book a provision of €2.3 million for reorganization plans at year-end. This amount is included in the total of restructuring costs recorded in 2008. These measures will have a positive impact of close to €5 million in 2009.

Furthermore, other measures were initiated in late 2008, such as temporary layoffs, cuts in temporary staff, and overhead cost reductions, that will have a financial impact mainly in 2009.

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2009 situation and business priorities

The slowdown in sales toward the end of 2008 has worsened since the beginning of this year. Sperian is therefore expecting the first quarter to be down sharply compared with 2008, when first-quarter sales were particularly strong.

The Group is taking on the year 2009 with realism, responsiveness, and determination. Realism, in that Sperian is anticipating a more difficult economic climate. Responsiveness, which has led it to focus its efforts on optimizing cash flow and adjusting its capacity and its organization. Lastly, determination to continue differentiating Sperian from its competitors through innovation sustained by being closer to its customers, through stronger recognition of its brands, and through expansion of its market shares in developing countries.

The measures already initiated in late 2008 or decided in early 2009 will lead to a reduction in headcounts of approximately 760 Group employees. In addition, the Group is continuing efforts to optimize purchasing costs and to cut costs that will produce savings excluding inflation of about €23 million on a full year basis.

Because of the uncertain outlook, the Group is not providing any guidance for 2009. However, Sperian is disclosing the following two simulations: if Group's organic growth is around -5% for the year, operating margin will be roughly between 11% and 13% of sales and net debt between 2.5x and 3x EBITDA. If Group's organic growth is around -15% for the year, operating margin will be between 7% and 9% of sales and net debt between 3x and 4x EBITDA.

Changes in the product mix, geographic composition of sales, and exchange rates will have a significant influence on these simulations.

Henri-Dominique Petit stated: "The Group is prepared to resist fiercely to a difficult economic environment. The entire Sperian team has been mobilized to preserve our competitiveness and enhance the differentiation that makes our products stand out. I am convinced that together we will be up to the task of meeting the challenges we face and putting the Group on the right trajectory to emerge stronger from the crisis."

Sperian Protection will report first quarter 2009 sales revenue on 20 April 2009 after the market close.

About Sperian Protection
With about 6000 employees worldwide, Sperian Protection is resolutely geared towards international markets.
The world leader in personal protective equipment (hearing, eye, respiratory and fall protection, gloves, clothing and footwear), the Group offers innovative products adapted to high-risk environments so that workers in the manufacturing and services industries can work with confidence.
Sperian Protection is listed on Euronext's Eurolist and on the SBF120. It is eligible for the SRD deferred settlement system.

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Consolidated balance sheet

at 31 December 2008

Assets	Dec 2008 €'000	Dec 2007 €'000
Non-current assets		
Goodwill on acquisition	554 869	516 570
Other intangible assets	98 213	83 673
Total intangibles assets	653 082	600 243
Property, plant and equipment	95 315	79 777
Deferred tax assets	35 698	29 850
Other financial assets	4 188	5 155
Total non-current assets	**788 283**	**715 025**
Current assets		
Inventories and work in progress	140 047	116 138
Trade receivables	126 786	133 674
Other operating receivables	28 843	27 031
Derivative financial instruments	6 044	2 025
Cash and cash equivalent	24 629	19 772
Total current assets	**326 349**	**298 640**
Total assets	**1 114 632**	**1 013 665**

Equity and Liabilities		
Equity attributable to equity holders of the parent		
Share capital	15 310	15 503
Share premium	436 533	442 138
Currency translation difference	(69 382)	(58 206)
Gain/Loss on cash-flow hedges	(1 298)	(858)
Income from the period	47 776	58 833
Reserves and retained earnings	138 511	91 040
Total shareholder's equity	**567 450**	**548 450**
Minority interets	1 289	1 116
Total equity	**568 739**	**549 566**
Non-current liabilities		
Deferred tax liabilities	26 204	18 780
Long term financial debt	252 668	146 573
Retirement benefit obligation	11 128	11 782
Provisions	57 481	52 919
Total non-current liabilities	**347 481**	**230 054**
Current liabilities		
Trade payables and other operating payables	95 679	108 038
Current tax liabilities	10 462	5 965
Short-term financial debt	74 814	108 741
Derivative financial instrument	10 172	3 755
Provisions	7 285	7 546
Total current liabilities	**198 412**	**234 045**
Total liabilities	**545 893**	**464 099**
Total equity and liabilities	**1 114 632**	**1 013 665**

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Consolidated income statement
for the period ended 31 December 2008

Continuing operations	Dec 2008 €'000	Dec 2007 €'000
Revenue	750 880	754 386
Cost of sales	(458 568)	(456 932)
Gross Profit	**292 312**	**297 454**
Sales & Marketing expenses	(98 492)	(93 145)
General & administrative expenses	(78 448)	(78 732)
R&D expenses	(13 903)	(14 599)
Income of operating activities	**101 469**	**110 978**
Restructuring costs	(2 833)	993
Amortization & depreciation of revalued intangible assets	(4 805)	(7 495)
Other income	(4 855)	(16 342)
Income before tax & finance costs	**88 976**	**88 134**
Financial income	(22 580)	(17 048)
Income before tax	**66 396**	**71 086**
Income tax	(18 348)	(11 986)
Net income	**48 048**	**59 100**
Attributable to :		
Equity holders of the parent	47 776	58 833
Minority interest	272	267
	48 048	59 100
Earnings per share		
basic (net income)	6,32	7,65
diluted (net income)	6,30	7,59
Weighted average number of shares in issue	7 565 342	7 688 063
Weighted average number of shares fully diluted	7 577 689	7 751 304

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Consolidated statement of cash-flows

	Dec 2008 €'000	Dec 2007 €'000
Operating activities		
Attributable net income before tax	66 124	70 819
Minority interest	272	267
Non-cash income and expense:		
Share-based payment	2 590	1 614
Depreciation and amortization	23 487	25 816
Change in provisions	(409)	11 539
Change in financial instruments	4 632	(699)
Other financial transactions	5 144	0
Gain/loss on divestments of assets	(32)	(1 185)
Interest charges	12 629	12 948
Interest paid	(13 019)	(12 775)
Income tax paid	(15 708)	(17 167)
Operating cash-flow before change in working capital	**85 710**	**91 177**
(Increase)/Decrease in inventories and work in progress	(15 242)	(897)
(Increase)/Decrease in trade receivables	12 129	(1 308)
Increase/(Decrease) in trade payables	(7 791)	1 737
Change in other operating assets/(liabilities)	(6 275)	(2 902)
Change in working capital	**(17 179)**	**(3 370)**
Net cash provided by operating activities	**68 531**	**87 807**
Investing activities		
Acquisition of intangible, tangible and financial assets	(28 951)	(21 160)
Acquisition of investments in consolidated companies, net of cahs acquired	(71 153)	(87 492)
Divestment of consolidated companies, net of cash disposed of	0	(1 483)
Divestment of intangible and tangible assets	237	2 463
Net cash provided/(used) by investing activities	**(99 867)**	**(107 672)**
Financing activities		
Increase in financial liabilities	0	90 471
(Decrease)/Increase in borrowings	58 098	(62 749)
Other financial transactions	(5 144)	0
Capital increase	86	6 711
Capital increase from minority interests in subsidiaries	0	80
Change in treasury shares	(8 474)	(6 924)
Dividends paid to parent company shareholders	(11 362)	(8 062)
Dividends paid to minority interests in consolidated companies	(79)	(173)
Net cash provided/(used) by financing activities	**33 125**	**19 355**
Effect of exchange rate changes on cash and cash equivalent	(1 580)	(647)
Change in cash and cash equivalents	**209**	**(1 157)**
Opening net cash and cash equivalents	(10 740)	(9 583)
Closing net cash and cash equivalents	(10 531)	(10 740)
Movements in cash and cash equivalents	**209**	**(1 157)**