

Quarterly Financial Information as of 30th September 2008

The transposition in the Directive 2004/109/CE monetary and financial code of the European parliament and council of 15th December 2004 (known as the Transparency Directive) imposes that companies listed on the Eurolist Paris communicate quarterly financial information by email within forty-five days following the closure of the third quarter.

The information report presented hereafter subscribes to these measures.

Progress of the activity

<i>(in thousands of euros)</i>	2008	2007	% variation
First quarter	45 877	50 295	-8.8%
<i>including Pharma Synthesis</i>	26 467	30 641	-13.6%
<i>including Fine Speciality Chemicals</i>	19 410	19 654	-1.2%
Second quarter	46 621	48 987	-4.8%
<i>including Pharma Synthesis</i>	27 200	29 290	-7.1%
<i>including Fine Speciality Chemicals</i>	19 421	19 697	-1.4%
Third quarter	36 611	39 258	-6.7%
<i>including Pharma Synthesis</i>	20 796	22 056	-5.7%
<i>including Fine Speciality Chemicals</i>	15 815	17 202	-8.1%
Total as of 30th September 2008	129 109	138 540	-6.8%
<i>including Pharma Synthesis</i>	74 463	81 987	-9.2%
<i>including Fine Speciality Chemicals</i>	54 646	56 553	-3.4%

PCAS Group consolidated net sales reports a 6.8 % drop as of 30th September 2008 in comparison to the same period of the previous exercise (- 4.8 % at a constant exchange rate).

Pharmaceutical Synthesis

There is a 9.2 % decline at the end of September (- 7.5 M€) and a 5.7% drop in the third quarter (- 1.3 M€).

The main reasons for this are :

- 4.2 M€ invoiced in the first half 2007 of an exceptional order manufactured in 2006 (phase 2), and due to the fact that other projects in clinical phase have been postponed to 2009, this has not been compensated for.
- the difficulties encountered by our main customer in the supply of a raw material, difficulties which have been gradually reduced but which have impacted our activity by 2.7 M€ (0.4 M€ in the third quarter).
- 1.4 M€ fall in value of the US Dollar.

Fine Speciality Chemicals

Whilst net sales were practically stable in the first half year in comparison to 2007, despite an unfavourable (dollar) exchange rate (- 0.9 M€) and a voluntary decision to stop manufacture of loss-making products (- 1

M€), the third quarter reported a 1.4 M€ decline. This was mainly concentrated in the perfumery/cosmetic markets, impacted by the slow-down in consumption as well as by a poor summer season. The performance chemicals division however continued its growth (+ 8 % at the end of September), thanks to its policy of tailor-made products adapted to the needs of its customers.

Significant events of the quarter

Within the scope of the development of its commercial activities in Europe, a commercial subsidiary was created in Germany; a market covered up to now from France. PCAS GmbH mission is to manage current Fine Speciality Chemicals sales in this region and to ensure its development. PCAS GmbH also covers Austria, Switzerland and the Netherlands. It is operational since the 15th October 2008. PCAS's turnover for these geographical zones is around 18 M€ and should be increased according to market potential, thanks to its local presence.

PCAS' stake in PROTEUS' equity was increased to 39.5 %, PCAS having options to go up to 49%. PROTEUS, a biotechnology company, is developing a very promising activity in its four fields of interest : health, pharmaceutical fine chemicals, bio-energy and environment. Its unique technology attracts large international customers with subjects of world-wide interest.

Negotiations concerning the extension of the contract binding VLG to its main customer were pursued and resulted in a new agreement valid until the end of 2012, underlining this world leader's confidence in PCAS' capability.

No other notable event which could have had a significant influence on the company's sales or situation has occurred during the third quarter 2008.

Forecasts for the current year

The slow-down in sales reported in 2008 will not enable the Group to reach its profitability goals nor its 2007 earnings level ; the EBITDA could be set back by about 25 %. However, handling the financial flow well has enabled the Group to continue its reduction of debt : the debt reduction was brought down to 63.4 M€ at the end of September compared to 69 M€ the year before.

The Pharmaceutical Synthesis pole's sales forecasts are improving, whilst those of the Fine Chemicals pole continue to be set back, but the whole should nevertheless progress.

In this context, the Group is currently considering a reorganisation of its activities to come back to its profitability goal in 2010 and to fully benefit from the economic recovery when it occurs.

Moreover, PCAS continues to uphold its policy of developing niche activities with high added-value and international development in buoyant markets.

About PCAS

PCAS is a Group listed on the Eurolist compartment C, specialising in Fine and Speciality Chemicals. It develops and manufactures molecules of high added-value or of strong technological content for Pharmaceuticals, Perfumery, Cosmetics and Industry. The PCAS Group employs 1050 employees, has 8 production sites (4 of which are cGMP, FDA inspected), invests around 7% of its net sales each year in R&D and achieves 65% of its net sales in export.