

2008 RESULTS

**SALES AFFECTED BY THE ECONOMIC CLIMATE AND EXCEPTIONAL EVENTS.
OPERATING PROFITABILITY HAS RESISTED WELL.
CONTINUED REDUCTION IN NET DEBT.**

<i>In millions of euros</i>	2008	2007
Net sales	168.4	185.3
EBITDA (*)	18.6	26.7
EBITDA margin	11.1%	14.5%
Current operating income (*)	3.8	11.6
Other operating income and expenses	2.0	(3.2)
Financial result	(5.3)	(5.9)
Net income	(0.6)	1.9
Equity	72.9	74.2
Net debt	63.2	74.4
Gearing	0.87	1.00
Net asset per share	22.1	22.5

* including Research Tax Credit (CIR) : 2.2 million euros in 2008 and 0.9 in 2007.

The group's net sales were recorded at 168.4 million euros in 2008 as compared to 185.3 million in 2007, that is a 9.1% decline (-7.8% on a comparable basis).

The deterioration in the world's financial and economic climate was indeed felt:

- . in Pharmaceutical Synthesis with the postponement of a certain number of product development projects
- . in Fine Speciality Chemicals by the sudden drop in sales in the second half-year mainly in the Perfumery-Cosmetics markets

The Pharmaceutical Synthesis division's sales recorded a fall of 7.4% (8.1 million euros) in 2008, being predominantly linked to the exceptional invoicing at the beginning of 2007 of a product (phase 2) manufactured in 2006 and representing 4.2 million euros. It is also due to difficulties met by the Group's main customer in the supply of a raw material; difficulties that are being gradually resolved but which impacted sales in 2008 by 1.8 million euros. Lastly, the drop in value of the US Dollar, representing 1.5 million euros, also played a negative role.

As for the Fine Speciality Chemical division, it recorded a fall in sales of 11.6% (8.8 million euros), reflecting the conscious decision to stop manufacture of loss-making products or those considered to be insufficiently profitable at 1.1 million euro, as well as the impact of the unfavourable exchange rate (US Dollar), estimated at -0.9 million euros.

Operational profitability resisted well and debt reduction programme continued

In a difficult climate, measures concerning cost reduction and margin improvements were continued to allow the Group to limit the decline in its operational profitability in 2008. **The current EBITDA** was recorded at 18.6 million euros as compared to 26.7 million euros in 2007. **The Group's net debt** was reduced to 63.2 million euros as compared to 74.4 million euros in 2007.

In 2008, other operating income and expenses mainly included the profit released by Dynaction in the sale of its property assets in Bezons and Boulogne (1.0 million euros) and the profit released by the Finnish subsidiary due to the sale of non-strategic financial assets. In 2007, it included the effects of the posting of the free share programme in particular, implemented in January 2007 (2.0 million euros), as well as restructuring costs (1.0 million euros).

Having taken into account the financial result and taxes, representing -5.3 million euros and -0.7 million euros in 2008 respectively, the Dynaction **Group's net income** recorded a 0.6 million euro loss in 2008 as compared to a 1.9 million euro profit in 2007.

Forecast

Although the crisis in the world's financial and economic climate makes it particularly difficult to forecast, the Pharmaceutical Synthesis division should improve in 2009, whilst that of the Fine Speciality Chemical division should continue to be in retreat as compared to 2008, the two combined could however experience a slight increase.

In this context, the group plans to speed up and reinforce measures to adapt its production capacity to be more efficient and to return to its profitability objective as quickly as possible, and thus fully benefit from the recovery of the economic situation when it occurs.

It should be noted that the recent government decisions in terms of anticipated reimbursements of various fiscal accounts receivables (research tax credit and carry-back) will bring additional financing of almost 7 million euros, allowing the group to tackle the imposed changes whilst maintaining room for manoeuvre in an uncertain environment.

Moreover, PCAS will continue its policy of developing high added-value niche activities and increasing its international presence in buoyant markets. As such, from the beginning of first half-year 2009, PCAS should finalise two projects regarding North American development in association with local partners.■

Dynaction is an industrial holding company centred on a unique development pole since the end of December 2005 : **Fine Speciality Chemicals, a field of its subsidiary PCAS** and in which it holds a majority share of 67.79% as of 31st December 2008

Next meeting :

Shareholder's Meeting on the 29th April 2009

Longjumeau, 18th February 2009