

## 2008 FINANCIAL RESULTS

### Highlights

The strengthening of the Environment Division (services to local communities) undertaken in 2007 and the launch of the PO 2009 cost-reduction plan in first-half 2008, several months before the sudden second-half drop in worldwide automobile production, enabled Plastic Omnium to lessen the impact of the decline. For the second half, the Company reported an operating profit, even in the Automotive Division, as well as positive free cash flow. The PO 2009 plan was considerably reinforced because of the breadth and depth of the crisis. Restructuring costs totaled €72.6 million, leading to a net loss of €63.2 million for the year.

### Financial Highlights

Consolidated data reviewed by the auditors (in €millions)	2007	2008
Consolidated revenue	2,685.1	2,696.5
Operating margin <i>as a % of revenue</i>	101.2 3.8%	70.7 2.6%
EBITDA <i>as a % of revenue</i>	245 9.1%	220 8.2%
Restructuring costs	(14.8)	(72.6)
Net profit (loss)	51.0	(63.2)
Free cash flow (before restructuring costs)	28.0	16.0
Net debt at 31 December	447	560

### Earnings

In line with the Company's strategic objectives, the Automotive generated 80% of revenue for the year, with the Environment Division accounting for the remaining 20%. Following the acquisitions of Sulo and Signature in mid-2007, Plastic Omnium Environment revenue increased by 21%. This helped to offset the second-half decline in the Automotive business, which was due to the collapse of global automobile production volumes, especially in the fourth quarter. Plastic Omnium Automotive revenue contracted by 21% in the fourth quarter, compared with a 25% decline for total automobile production in Europe and North America.

Given this environment, operating margin held up well—at 2.6% of revenue—and amounted to €70.7 million, including the combined negative €24-million impact of higher raw material costs and the decline of the dollar against the euro. Plastic Omnium Environment operating margin increased to €28.5 million in 2008, from €22.8 million the year before, and represented 5.4% of revenue, compared with 5.2% in 2007. The Division contributed 40% of the consolidated total. Automotive Division operating margin totaled €42.2 million, or 1.9% of revenue. Despite the decline in volumes, the Division showed a profit in the third and fourth quarters, lifted by the initial benefits of the PO 2009 plan.

Completed in September 2008, the PO 2009 plan was considerably expanded given the scope of the crisis impacting the automobile industry, with additional downsizing measures around the world and new initiatives to reduce operating costs. The cost of these measures to adjust the workforce to production volumes, totally provided for in 2008, came to €72.6 million at 31 December 2008, of which €43 million has already been spent.

Net finance costs totaled €50.5 million and integrated a loss of €5.5 million on financial instruments.

The Company reported a net loss of €63.2 million for the year.

Excluding restructuring costs, it would have shown a net profit of €0.4 million.

Funds from operations, excluding cash costs for restructuring, stood at €61.3 million, compared with €79 million in 2007.

### **Balance sheet**

Free cash flow, before restructuring costs, was positive both for the second half and over the entire year, thanks to measures undertaken to reduce working capital requirement.

After recognition of restructuring costs already paid and the reduction in receivables sales, net debt came to €60 million at 31 December 2008, compared with €96 million at 30 June 2008 and €447 millions at 31 December 2007. The net debt-to-equity ratio stood at 128%.

Plastic Omnium has sufficient cash and cash equivalents to meet its commitments and no material debt maturities before year-end 2011.

### **Outlook for 2009**

Plastic Omnium foresees a further sharp decline in worldwide automobile production of approximately 40% in first-half 2009 and 25% for the full year. In this market environment, the Company will continue to demonstrate its resilience with:

- Positive free cash flow
- A greater contribution from the Environment business.
- Ongoing responsiveness, around the world, to changes in production volumes.

To ensure future growth, Plastic Omnium is maintaining its innovation spending, which enabled it to win important new orders in 2008. It is also pursuing its development in emerging countries with the launch of series-production projects in China, India and Russia for local customers.

### **Recommended dividend of €0.35**

At the Annual Meeting of Shareholders on 28 April 2009, the Board of Directors will recommend a dividend of €0.35 per share, reduced by half from the previous year. If approved, the dividend will be payable on 12 May 2009.

#### **Investor Relations**

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Plastic Omnium is a world leader in automotive components and modules, and a major European player in products and services for local communities. Plastic Omnium is listed on the Euronext Paris stock market, Compartment B, and is included in the SBF 250 and CAC Mid 100 indexes (ISIN code: FR0000124570).