



## 2009 Annual Results: A year of adjustment

- Adjustment to scale of business, preparing for the recovery
- Marked improvement in WCR and cash position
- Profitability adversely affected by significant non-recurring charges

(€ millions) – IFRS – to 31 December	2009	% of sales	2008	% of sales
<b>Sales</b>	<b>159,8</b>		<b>198,7</b>	
<b>Profit (loss) from recurring operations</b>	<b>-(3,9)</b>	(2,4%)	<b>11,1</b>	5,6%
<i>Operating profit</i>	(11,5)	(7,2%)	11,1	5,6%
<i>Cost of financial debt</i>	(1,3)		(0,2)	
<i>Other income (expenses)</i>	(0,0)		0,3	
<i>Income tax</i>	(0,4)		(2,2)	
<b>Net profit</b>	<b>(13,2)</b>	(8,3%)	<b>9,1</b>	4,6%
<b>Cash net of debt</b>	<b>21,0</b>	-	7,4	-

*“Within an extremely unfavourable economic climate, our Group implemented drastic downsizing plans in 2009 in order to adjust to this new environment, while preserving its fundamentals, in particular its capacity to innovate, and maintain its R&D, its values and its organization cohesion at a high level. Our Group thus lowered its break-even point in order to reach a renewed profit from recurring operation at a level of sales identical to 2009, and has enjoyed generated cash in excess of € 12.1 million, due in particular to a very significant decline in working capital requirements and optimised capital expenditure. The Group also redefined its strategic targets in order to prepare for its future expansion. Against this background, Radiall is very well positioned to benefit from a recovery in its markets, which, although uncertain, is showing early signs of an upturn at the start of this year”,* stated Pierre Gattaz, Chairman of the Management Board.

### Impact of the economic situation on sales and profitability

Radiall's results for the 2009 financial year reflect the impact of the global economic environment on the Connectics industry. In spite of the good resilience of our Group in its markets, sales fell by 19.6 % and the loss from recurring operations represented 2.4% of sales for the period.

This decline was more marked in the telecom and industrial sectors, and was felt at a later stage, i.e. at the end of the year by aeronautics. Conversely, military and space operations proved more resilient. In December 2009, the first flight of the Boeing 787 opened up a more favourable outlook for the future rollout of this aeronautic project, to which the Group is significantly committed.

Stringent downsizing plans, in particular intensifying the fixed cost reduction steps undertaken from October 2008 yielded significant results over the financial year, but could only partly offset the effects of the decline in the business volume.

After recognising non-recurring charges of € 7,6 million, relating to personnel severance pay, property, plant and equipment writedowns (Isère and Shanghai industrial sites), intangible asset impairment (goodwill of the IDMM subsidiary and AEP brand) and non-recurring fees, Radiall reports an operating loss of € 11,5 million, being -7,2 % of sales.

### **Strong cash generation over the financial year**

The major priority given to WCR reduction, the refocusing on strategic capital expenditure and cash flow optimisation in general enabled the Group, in spite of the highly deteriorated conditions, to generate a net cash flow of € 12.1 million over the financial year. The Group's cash net of debt increased from € 7.4 million at end December 2008 to € 21.0 million at end December 2009.

At 31 December 2009, the Group had shareholders' equity of € 134,6 million and cash position of € 66.3 million, of which € 21.1 million was paid to shareholders as part of the public share buyback transaction of February 2010.

### **Cash dividend:**

The Management Board will submit the payment of a cash dividend of € 0.75 per share to the Annual General Meeting.

### **Share buyback transaction of February 2010**

Subsequent to the share buyback offering of 29 January to 18 February 2010, and following the cancellation by the Management Board of Radiall of the securities bought back on 10 March 2010, the general public's shareholding fell from 24.8% to 11.2%. Against this background, the Group maintains its eventual objective of freeing from the constraints relating to the stock market listing.

### **2010 outlook**

The Group expects 2010 sales to be in line with that reported in 2009, in a connectics market that remains uncertain in spite of some signs of an upturn.

Having reduced its break-even point due to the action plans implemented in 2009, the Group aims at achieving a profit from recurring operations in 2010.

The audit procedures on the consolidated financial statement have been carried out. The Statutory Auditors' report will be released after the due diligence required for the publication of the annual financial report has been finalised.

**Shareholders' agenda:** First quarter 2010 sales: 20 April 2010

### **About RADIALL**

---

*RADIALL designs, develops and manufactures electronic components dedicated to wireless communication, automotive telematics and military and aeronautic equipment applications.*

Company profile: [www.radiall.com](http://www.radiall.com)

Financial communication: Guy de Royer e-mail: [guy.deroyer@radiall.com](mailto:guy.deroyer@radiall.com) Tel: 33(0)1 49 35 35 51

ISIN code: FR0000050320 – Eurolist C of NYSE Euronext Paris – Member of the NextEconomy segment