



French limited company (SA) with capital of € 19 775 052  
 Registered office : Zone Industrielle de la Vigne aux Loups - 23 rue Bossuet  
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## 2010 EARNINGS

<i>in millions of euros</i>	2009	2010
<b>Net sales</b>	<b>152.5</b>	<b>158.5</b>
<i>including Pharmaceutical Synthesys</i>	<i>109.3</i>	<i>99.4</i>
<i>including Fine Specialty Chemicals</i>	<i>43.3</i>	<i>59.1</i>
<b>EBITDA (*)</b>	<b>17.4</b>	<b>15.9</b>
<i>EBITDA margin</i>	<i>11.4%</i>	<i>10.0%</i>
<b>Current Operating Income (*)</b>	<b>4.0</b>	<b>3.2</b>
Restructuring costs	-4.2	-2.2
Financial results	-4.4	-4.2
<b>Result before taxes and without restructuring costs</b>	<b>-0.4</b>	<b>-1.0</b>
Taxes (**)	3.1	-0.9
<b>Net result</b>	<b>-1.4</b>	<b>-4.2</b>
<b>Equity</b>	<b>72.1</b>	<b>70.4</b>
<b>Net debt</b>	<b>48.1</b>	<b>48.5</b>
<i>Gearing</i>	<i>0.67</i>	<i>0.69</i>
<b>Net asset (attributable to the Group) per share</b>	<b>14.3</b>	<b>13.5</b>

(\*) of which research tax credit (CIR): € 2.6 M in 2009 and € 2.7 M in 2010

(\*\*) in 2009, including a tax asset of € 3.1 M derived from a new entry within the tax consolidation scope

The audit procedures have been performed on the consolidated accounts. The audit report will be issued once the procedures required for publishing the financial annual report have been finalized.

At the Board meeting on February 15th, 2011, the Directors approved the annual financial statements for 2010.

The Dynaction Group's consolidated revenues are up 3.9% compared to 2009, with contrasting performances between the two business divisions.

### Pharmaceutical Synthesis (around 2/3 of the Group's revenues)

2010 saw a contraction of 9%, affected by the downturn in the Exclusive Pharma business (processing for major clients and startups) primarily as a result of:

- The lower level of volumes produced in 2010 following an exceptional year in 2009, and the application of the new volume and pricing conditions under the contract with Sanofi Aventis from June 2010,

- The production of an API (active principle) by a European laboratory being post-poned to 2012 after its launch program was revised,
- A time-lag effect with the 2008-2009 crisis reflected in pharmaceutical chemicals in 2010 with the cautious policy applied by pharmaceutical customers for managing their inventories, the pruning of their product pipelines and the scaling down of their R&D programs,
- The stopping of production, following a negative decision by the US FDA in June 2010, for a product in its commercial launch phase. On the other hand, Non-exclusive Pharma products (generic APIs developed on a proprietary basis) have continued to grow, while not managing to make up for the other segments on this market.

#### Fine Specialty Chemicals (around 1/3 of the Group's revenues)

The Fine Specialty Chemicals business returned to growth in 2010, climbing 36.5%, split relatively equally across its three business segments, marking a clear end to the crisis, although without moving back up to the historical levels seen before 2008.

2010 was also marked by the multi-year partnership agreements signed in the special polymers sector, as well as the development of proprietary product ranges and the international deployment achieved, with good sales growth for PCAS China.

In total, current operating income fell slightly in 2010 compared with 2009.

The Dynaction Group's net income for 2010 shows a €4.2 million loss, taking into account in the non-operating costs for restructuring the Aramon Site (€ 2.2 million), affected more specifically by the lower level of business for Pharmaceutical Synthesis.

During the second half of 2010, PCAS took total control of Protéus, further strengthening and expanding its possibilities for development on green chemicals, which were previously limited to biocatalysis for the pharmaceuticals industry. PCAS will also continue to support Protéus' development in its other business areas, and particularly bioenergy and the environment, through partnerships with industrial players from the sectors in question.

#### **Outlook**

The expected growth in sales on Pharmaceutical Synthesis and Fine Specialty Chemicals, combined with the impacts of the new adaptation measures rolled out at the end of 2010, as well as ongoing moves to manage all costs effectively, are expected to pave the way for a significant improvement in earnings over 2011.

Furthermore, the process is underway with a view to refinancing PCAS' debt in order to cover the OBSAR 2012 redemptions, as well as financing for future developments. The aim is to finalise these discussions during the first half of 2011.

Looking beyond the natural growth in its main markets, PCAS' key growth drivers over the next few years are still as follows:

- . Increase in the number of proprietary products, on both Pharmaceutical Synthesis (generic APIs) and Fine Specialty Chemicals (performance products, special polymers, etc.), thanks to a sustained, innovative and targeted R&D drive;
- . Geographical expansion of the Group's commercial and logistics presence as from the businesses established by PCAS China in China and PCAS Nanosyn in California in 2010, already generating € 2.8 million sales ;
- . Development of new technologies, particularly in green chemicals and sustainable development.

Next date: Shareholder's meeting on April 20th, 2011, 11:00 am in Longjumeau

Dynaction is an industrial holding company focused on a unique development division: **Fine Chemicals, its subsidiary PCAS's core business** in which it holds a majority stake of 63.80%.

Longjumeau, February 16th, 2011