



## PRESS RELEASE

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## 2008 third quarter results

(€m)	Q3 2007	Q3 2008	Change	30 Sept. 2007 (9 months)	30 Sept. 2008 (9 months)	
Tonnage sold	141,489	149,738	+5.8%	488,501	526,564	
Sales	340.3	336.4	-1.1%	1,088.3	1,127.4	
Operating profit	10.3	17.3	+68.0%	97.0	64.0	
Net profit	2.7	8.5	+214.8%	54.5	38.9	
				Net financial debt (including factoring)	235.4	269.7
				Gearing (debt to equity ratio)	72.9%	77.6%

### Improvement in margins in Q3 2008

Third quarter performance was in line with the Group's expectations. Price increases introduced during the quarter improved margins in Engineering and Wear Resistant steels. The Stainless business returned to volume growth in the third quarter, but its margins were dented by a windfall loss of €6.3 million.

### 2008 consolidated operating profit target: €72 million

The fourth quarter will likely show an inventory rundown in the Engineering market (distributors and end customers), faced with prospects of a contraction in activity.

Thanks to its robust business model and broad customer spread, IMS should be able to contain the decline in volumes distributed to 10% in the fourth quarter of 2008 compared to the same period of 2007. With about 670,000 tonnes distributed in 2008 versus 650,000 tonnes in 2007,

IMS expects to report a normalised operating profit of €88 million, before an estimated windfall loss of €16 million.

Furthermore, IMS aims to reduce its debt to €215 million by the year end due to a decrease in average prices and inventory volumes.

### 2009 outlook: adapting to a difficult environment

IMS has a number of strengths, primarily its high local market shares, which should enable it to outperform its markets in decline compared to 2008. In 2009, IMS will capitalise on its robust multi-line distributor model aimed at all industrial operators.

IMS will focus first on optimising its operating performance by adapting its organisation and cost structures to this new environment, and by reducing its working capital requirement and debt.

To download the third-quarter activity report, go to [www.ims-group.com](http://www.ims-group.com), click on the English version ("EN", on the left), then "Investors", then "Reports, Results and Slideshows"



Nanterre, 6<sup>th</sup> November 2008

IMS is a European leader in the distribution of wear-resistant steel, stainless steel and engineering steel.

Listed on Euronext Paris - compartment B of the NYSE Euronext, member of the SBF 120 and Small 90 indices.  
ISIN: FR0000033904 - Reuters: ITMT.PA - Bloomberg: IMS FP

IMS: [www.ims-group.com](http://www.ims-group.com)

2008 Annual Results Publication: 10<sup>th</sup> February 2009, after market