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Volatile metal markets put pressure on good operational results

Key-figures Campine Consolidated (IFRS)		
In '000 EUR	30/06/2007	30/06/2006
Revenue	62.578	51.371
Result of operating activities	5.970	5.559
Net financial result	-3.189	-120
Result of operating activities after net financial result	2.781	5.439
Tax expense	-880	-1.785
Result of the period	1.901	3.654
Group share in the net result of the period	1.901	3.654

Net result per share (in EUR) (1.500.000 shares)		
Result of operating activities	1,85	3,63
Group share in the net result of the period	1,27	2,44

Campine Consolidated – IFRS Basis

- ◆ During the first semester 2007 the Campine Group achieved a turnover of EUR 62.58 million compared with EUR 51.37 million in 2006 (+22 %).
- ◆ The operating result amounted to EUR 5.97 million (EUR 5.56 million in 2006) (+7 %). The rise is due to firmer margins in Lead influenced by higher sales prices.
- ◆ Net financial costs increased significantly to EUR 3.19 million (EUR 0.12 million in 2006). The forward sales position of 3,250 tons made in 2006 on the LME was maintained during the first semester of 2007. However LME Lead prices rose by US\$ 1,098 per ton to US\$ 2,647 per ton by 30 June resulting in a cost of EUR 2.6 million. This cost will be recovered by prices of physical deliveries or when LME Lead prices fall. Other financial costs rose from KEUR 120 to KEUR 586 as the Group borrowed more to finance the higher working capital due to higher metal prices.
- ◆ Battery reception hall
The new hall built to increase capacity and to improve the environmental standard of the recycling of old batteries came into service in March. Unfortunately quality problems with the special acid resistant coating of the floor arose in April. Legal actions have been undertaken to recover direct and indirect consequential loss and a provision of EUR 0.39 million, against the cost of this investment is foreseen.
- ◆ Profit after taxes amounted to EUR 1.9 million, compared with EUR 3.65 million in 2006 (-48 %).

07 half year

◆ Results per Business Unit :

- ◆ **Campine Recycling:** Turnover reached EUR 25.49 million (EUR 18.57 million in 2006) (+37 %) while the volume reduced slightly to 20,952 mT (21,059 mT in 2006) (-1 %). Average sale prices, which are linked to the LME Lead price, rose by 38%. Margins are only 8% above last year, as costs of raw material have increased sharply. Customer demand in Europe was not as strong as expected.
- ◆ **Antimony:** Turnover rose by almost 10 % to EUR 25.74 million (EUR 23.48 million in 2006) while the volume reduced marginally to 5,875 mT (5,998 mT in 2006) (-2 %). Average sales prices per ton rose by 12%, margins were relatively stable.
- ◆ **Plastics:** The Plastics division sales were up with a turnover of EUR 9.92 million (EUR 9.07 million in 2006) (+9 %). Sales volume increased slightly to 2,910 mT (2,892 mT in 2006) (+0.6 %).

Although average sales price increased by 9% margins fell by 11% due to metal price effects.

Perspectives full year 2007

Results will depend greatly on the development of metal and currency prices. On basis of current price levels we expect a positive second half – during which we undertake significant annual maintenance.

- ◆ **Campine Recycling:** LME Lead prices rose to US\$ 3,500/mT but seem to have peaked and fallen back to around US\$ 3,200/mT now. Production rate should improve. Margin on physical sales may well reduce from the exceptionally high levels of the last 2 years while we should benefit from our forward sales position.
- ◆ **Antimony:** Prices are relatively stable around US\$ 5,500/mT. We are confident of further developing our strong European base of customers.
- ◆ **Plastics :** Continuous effort to maximise results from new projects as well as better plant utilisation is being made.

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07 half year