



29-02-2008

Again a very good year for Campine

Key-figures Campine Consolidated (IFRS)		
In '000 EUR	31/12/2007	31/12/2006
Revenue	127.399	100.448
Result of operating activities	13.156	8.700
Net financial result	-3.282	-1.965
Result of operating activities after net financial result	9.874	6.735
Tax expense	-3.481	-2.212
Result of the period	6.393	4.523
Group share in the net result of the period	6.393	4.523

Net result per share (in EUR) (1.500.000 shares)		
Result of operating activities	8,77	5,80
Group share in the net result of the period	4,26	3,02

Campine Consolidated – IFRS Basis

- ◆ In 2007 the Campine Group realised a turnover of 127.40 million EUR compared to 100.45 million EUR in 2006 (+ 27%).
- ◆ The operating profit was 13.16 million EUR (2006: 8.70 million EUR) (+ 51%).
- ◆ The second half of the year usually has a lower result than the first owing to both summer (July) and Christmas holiday periods which have reduced sales and the impact of high major maintenance cost as all annual costs of major maintenance were taken in the second semester, following IFRS rules.
However, for 2007 the operational result of the second semester was much higher than the first semester thanks to the favourable movement of LME lead prices.
- ◆ The new hall built to increase capacity and to improve the environmental standard of the recycling of old batteries came into service in March 2007.
Unfortunately quality problems with the special acid resistant coating of the floor arose in April 2007. As a result an additional depreciation of 0.39 Mio EUR was recorded to full degree cost. Legal actions have been undertaken to recover the direct and indirect consequential loss.
- ◆ In view of our decision to further improve infrastructure on site, a provision of 1.37 million EUR has been made. This is for the cost of removing soil which was polluted many years ago. This is part of our continuous program of improving the environment.
- ◆ Net financial cost was 3.28 million EUR compared to 1.96 million EUR in 2006. Interest expenses increased to 0.98 million EUR (0.52 million EUR in 2006) as the Group borrowed more to finance the higher working capital due to higher metal prices.
The lead hedging resulted in a net cost of 2.32 million EUR (1.49 million in 2006).

- ◆ The profit after taxes went up sharply to 6.39 million EUR, compared to 4.52 million EUR in 2006 (+ 41%).
- ◆ Dividend proposed is 2.00 EUR gross per share resulting in a total amount for the company of 3,000,000 EUR. In 2007 a dividend of 1.33 EUR gross per share was paid.

Results per Business Unit

- **Campine Recycling:** Turnover increased significantly to 61.83 million EUR (35.60 million EUR in 2006) (+ 74%) while the volume of our deliveries also rose to 43,379 mT (40,237 mT in 2006) (+ 8%).
Campine Recycling again benefited in 2007 from the very strong lead price. LME Lead prices started the year at 1,650 USD/mT went up gradually reaching 2,647 USD/mT by 30 June 2007 and peaked at 3,717 USD/mT in October 2007, falling to 2,532 USD/mT by 31 December, This more than compensating for raw material cost increase. Improvements in the refinery also helped increase efficiency.

The volume of Lead sold forward on the LME was 3,250 tons at 31 Dec 2006. This was maintained until mid November 2007 when it was increased in stages to 5,700 tons by 31 Dec 2007 at an average price of 2,767 USD/mT. The additional sales were made to reduce the risk of the larger physical stock at the end of the year.
- ◆ **Antimony:** Turnover increased slightly to 47.47 million EUR (46.67 million EUR in 2006) (+ 2%) while volume slightly reduced to 10,660 mT (11,008 mT in 2006) (-3%). Sales price levels in EUR went up less than in USD due to the weak USD, as the metal proportion in our products is expressed in USD.
In 2007 antimony metal prices fluctuated between 5,300 and 5,700 USD/mT. Pressure on margins still remained, both for specialties as well as the standard qualities but our quality and service enables a competitive position to be held.
- ◆ **Plastics:** The plastics department realised a turnover of 18.53 million EUR (17.69 million EUR in 2006) (+ 5%) Volume remained similar at 5,518 mT (2006: 5,581 mT).

Perspectives 2008

- ◆ Results will depend greatly on the development of metal prices and currency fluctuations. Taking into account the volatile metal prices and the weak USD, we expect reduced margins compared to very strong 2007.
- ◆ At a corporate level our “Permit 2011” project is being implemented, aiming to realise:
 - ◆ the continuity of the company by the planned prolongation of our exploitation permit
 - ◆ a long term strategy in view of the further globalisation of the economic partners
 - ◆ an intensive and extended safety and health attitude programme for the entire personnel.
- ◆ Campine manages the increasing regulatory demands due to significant effort by our personnel. We consider REACH as an additional severe requirement but also as an opportunity to better position our product folio.
The outcome of the Risk Assessments for antimony and lead looks positive.
- ◆ Campine Recycling: We anticipate that our plant will process good volumes of Lead during 2008. Recent price volatility of 30% in a month make it hard to predict short term results but in the longer term business looks sound.
- ◆ Antimony & Plastics: We will maintain our strong European market position because of our overall market presence and quality reputation. Due to the weak USD it continues to be challenging to realise our ambitions in the USA for specialties as competition with Far

East suppliers gets harder.

We merged Antimony and Plastics into one Business Unit in 2007.

Dividend

The dividend of the financial year 2007, which ended on 31-12-07 is payable from 30 May 2008 at Fortis Bank, ING and KBC against presentation of coupon no. 3 for the bearer shares and will be transferred automatically for the registered shares.

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