

## CARMEUSE GROUP Interim Report as of March 2009

1. **Net turnover amounts to € 225.6 million, compared to € 282.9 million during the same period 2008, reflecting the drastic downturn of the economy.**
2. **EBITDA amounts to € 56.9 million, showing an organic deterioration of 13%, when compared to first three months of 2008.**

### **OPERATIONS**

The global economic slowdown has significantly affected our business in the period, the EBITDA of the first quarter being supported by a € 19 million non recurrent contribution. Those first months of the year noticed overall steel industry running at approximately 50% capacity and worsened by detrimental weather conditions in the first 2 months as well as gas supply issue from Ukraine in Central Europe in January.

#### **Europe**

Western Europe: the net turnover for the period decreased due to lower volumes sold. The operating result suffered from the decreased activity.

March reflected however better volumes in crude products and in quicklime, for the Benelux activity, driven by infrastructure works and chemical industry. Activity in France was contrasted but with a positive contribution in burnt products during the last weeks of the quarter.

Volumes exported out of Europe supported the level of activity.

Central and Eastern Europe, Turkey: the net turnover for the period decreased due to decrease in volumes sold. Volumes in the steel market and building and construction sectors have been the main drivers to the decreasing level of revenues.

The operating results deteriorated accordingly and, at Group consolidated level, the devaluation of the currencies had a negative impact as well.

The important reduction of the EBITDA, linked to low demand in lime volumes, has been partially offset by approximately € 19 million of non recurrent revenues.

#### **North America**

Following the strengthening of US\$, the net turnover for the period benefited from currency improvement. On a comparable basis, the net turnover decreased 27% over the equivalent period of last year, reflecting mostly the continued slowdown in steel and construction industry. Such reduction in volumes sold, despite ongoing rationalization plan, resulted in a net deterioration of the financial performance compared to the equivalent period of last year.

Reduced demand in the shingle and glass industries has negatively impacted our North American operations while volumes in the sands market have been very low as closely linked to the oil & gas production.

## GROUP FINANCING

Compared to December 2008, the Group financial net debt is stable at € 856 million, notwithstanding the negative impact from the conversion in € of US\$ denominated debt. The interest charges for the first quarter ended up somewhat below the last year number thanks to the active management of our financial charges and sharp decrease in interest rates.

Despite the impact of deteriorated economic environment, the Group complies with all of its financial covenants and obligations at the end of March.

## RESULT BEFORE TAXES

This first quarter 2009 shows up a negative result before taxes of € 0.7 million (Q1 2008 was negative at € 0.4 million). While same period of last year has been mainly negatively impacted by -the financial result, this year faced reduction of operating profit linked to the economic environment.

## PERSPECTIVES AND OUTLOOK

Actions are taken in all regions to mitigate as much as possible the impact of the severe downturn of the economy especially in some of our key market segments.

Our first priorities were to adapt our capex plans and production networks to the new demand environment.

We remain impacted by the current economic downturn given our exposure to key markets as steel industry and construction sector. Like for most industries, the visibility remains limited.

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*The Carmeuse Group is a leading global producer of lime, with almost 150 years of experience in the extraction and processing of high calcium limestone and dolomitic stone into lime and lime-related products for industrial and commercial customer.*

*Lime is used in multiple aspects of our everyday life (steel, construction, agro-food, paper, chemicals, plastics, carpets, paints, pollution control, water treatment.) .*

*Carmeuse is present in about 90 locations across Western Europe (Italy, Belgium, France and the Netherlands), Central and Eastern Europe (Slovakia, the Czech Republic, Hungary, Romania, Bosnia and Turkey), North America (the United States and Canada) and Africa (Ghana).*

*Total consolidated group net turnover amounted to 1.2 billion Euros in 2008.*