



## 2008 full-year earnings:

### Strong level of business Significant breakthroughs on energy production

**Europlasma, the French Group specialized in clean technologies and renewable energy production, is releasing its full-year earnings for 2008.**

- ▶ Turnover: €35.3 million, up 19%;
- ▶ EBIT: -€0.3 million, impacted by non-recurring items;
- ▶ Group cash position at December 31<sup>st</sup>, 2008: €20.3 million;
- ▶ 2008: a year of transition, enabling the Group to focus on developing new renewable energy production projects.

### Strong level of business and effectively managed growth

In 2008, the breakdown of the Group's activities was as follows:

- **The historical business for marketing and operating the proprietary plasma torch technology** accounted for 6.5% of the Group's turnover.

In Asia, the region where the Group has had a certain amount of success over the past 10 years, Europlasma has notably benefited from a major order in February 2008 from the South Korean chemical fiber production market leader. At the end of the year, Europlasma also received a first order from a European industrial group. In addition, this first commercial initiative has significant potential for development over 2009.

- **The air depollution activities for industry** (*Europe Environnement* subsidiary, 63.5% of turnover) have continued to grow in an environment supported by the stronger pollution controls coming into force.

A major contract has been signed with a leading household waste collection and processing firm in Spain. This represents the biggest contract since the creation of Europe Environnement, which is also continuing to work with its broad portfolio of customers (nearly 400) made up of multinational industrial groups and SMEs.

- **The asbestos and hazardous waste destruction activities** (*Inertam* subsidiary, 30% of turnover) have made it possible to process 6,100 tons of waste through glassification.

In this way, the Morcenx processing center has benefited from the continued application of existing contracts, while further developing its customer portfolio, particularly thanks to the major contracts sealed with EITMM (Ensemble Immobilier Tour Maine-Montparnasse), a leading real estate company in France and AP-HP (Assistance Publique des Hôpitaux de Paris), representing a combined total of over 3,000 tons of asbestos waste to be reclaimed over the next few years.

- **The new renewable energy production activities** (*CHO Power* subsidiary) have made major progress, with the effective completion of the preliminary stages needed to start up four projects for production plants: Morcenx, France; Port Hope, Ontario, Canada, in partnership with SunBay Energy; Beja, Portugal, in partnership with Regenco and Eneolica; and Hirwaun, in Wales, in partnership with Enviroparks. R&D focused on using new processes with the plasma torch technology, which CHO Power's activities are notably based on, lies at the heart of Europlasma's development projects for 2009 and the years to come.

At the end of 2008, EBIT showed a slight loss, coming in at €0.3 million. Expenditure in 2008 was on the whole in line with the previous year's levels, with the exception of expenses linked to activities to operate and develop the clean energy production business.

The financial result is positive, representing €0.5 million, reflecting the effective management of the resources assigned for further strengthening the Group's financial structure.

Net income (Group share) shows a loss of €0.9 million, primarily reflecting the impact of the depreciation of goodwill, notably following the Europe Environnement Group's acquisition in April 2008 of Amcec, the US company specialized in the processing of volatile organic compounds.

	Dec 31, 2008*		Dec 31, 2007		Change
	€'000,000	% turnover	€'000,000	% turnover	%
<b>NET TURNOVER</b>	<b>35.298</b>	<b>100%</b>	<b>29.587</b>	<b>100%</b>	<b>19.3%</b>
Other operating income	2.329	6.6%	1.720	5.8%	35.4%
Purchases of goods	0.464	1.3%	0.516	1.7%	
Change in inventories (goods)	0.024	0.1%	0.026	0.1%	
Purchases of raw materials and other supplies	1.179	3.3%	5.569	18.8%	
Change in inventories (raw materials)	0.214	0.6%	-0.159	-0.5%	
Other external expenses and purchases	22.218	62.9%	12.919	43.7%	
Tax, duties and related	0.731	2.1%	0.736	2.5%	
Salaries and wages	7.262	20.6%	6.172	20.9%	
Payroll taxes	3.142	8.9%	2.731	9.2%	
Depreciation and provisions	2.022	5.7%	1.739	5.9%	
Other expenses	0.701	2.0%	0.140	0.5%	
<b>EBIT</b>	<b>-0.331</b>	<b>-0.9%</b>	<b>0.918</b>	<b>3.1%</b>	<b>-136.0%</b>
<b>FINANCIAL RESULT</b>	<b>0.463</b>	<b>1.3%</b>	<b>0.205</b>	<b>0.7%</b>	<b>125.8%</b>
<b>NON-RECURRING INCOME</b>	<b>0.302</b>	<b>0.9%</b>	<b>0.217</b>	<b>0.7%</b>	<b>39.1%</b>
Employee profit-sharing	0.096	0.3%	0.236	0.8%	
Corporate income tax	0.445	1.3%	0.352	1.2%	
Goodwill amortization	0.790	2.2%	0.504	1.7%	
<b>NET INCOME</b>	<b>-0.896</b>	<b>-2.5%</b>	<b>0.248</b>	<b>0.8%</b>	
Minority interests	0.150	0.4%	0.432	1.5%	
<b>NET INCOME (GROUP SHARE)</b>	<b>-1.046</b>	<b>-3.0%</b>	<b>-0.185</b>	<b>-0.6%</b>	

*\*Currently being audited*

With regard to the main items on the balance sheet at December 31<sup>st</sup>, 2008, the changes specifically concern the financing of activities carried out in 2008, and in particular the resources assigned for the development of clean energy production activities. This business is highly strategic for the Group's development over the medium and long term.

<i>Balance sheet - Assets (€'000,000)</i>	<i>Dec 31, 2008*</i>	<i>Dec 31, 2007</i>
Intangible fixed assets	15.610	11.128
Tangible fixed assets	7.292	7.735
Long-term financial investments	0.378	0.196
<b>Fixed assets</b>	<b>23.280</b>	<b>19.059</b>
Inventories and work-in-progress	2.692	3.690
Receivables	14.844	11.166
Cash, cash equivalents and other	20.688	22.945
<b>Current assets</b>	<b>38.224</b>	<b>37.801</b>
<b>TOTAL ASSETS</b>	<b>61.504</b>	<b>56.860</b>
<i>Balance sheet - Liabilities (€'000,000)</i>	<i>Dec 31, 2008*</i>	<i>Dec 31, 2007</i>
<b>Shareholders' equity</b>	<b>39.958</b>	<b>39.921</b>
Other equity	0.200	0.200
<b>Provisions for liabilities and charges</b>	<b>1.205</b>	<b>0.961</b>
<b>Financial liabilities</b>	<b>6.866</b>	<b>4.452</b>
<b>Sundry liabilities</b>	<b>11.555</b>	<b>9.765</b>
Accrued income	1.720	1.558
<b>TOTAL LIABILITIES</b>	<b>61.504</b>	<b>56.860</b>

*\* Currently being audited*

## Outlook for 2009

For the current year, Europlasma is continuing to develop its business focusing on three key areas:

- **Further strengthening its industrial capabilities**, driven by its proprietary plasma torch technology and its various applications. These commercial actions, rolled out alone or in partnership with other industrial players, are being carried out alongside R&D activities aimed at capitalizing on new outlets on a strongly growing market;
- **Ramping up energy production activities**, as the four Electricity from Waste (EfW) projects launched in 2008 continue moving forward, including the Morcenx pilot project. The good performance on the overall process should also enable CHO Power to raise the funds needed for the gradual deployment of the projects already announced and in the exploratory phase;
- **Rolling out structuring initiatives** in order to further strengthen the Group's governance and organization, in line with its ambitions for international development and its commitments to sustainable development.

### About Europlasma



Founded in 1992, Europlasma is a French Group specialized in clean technologies and renewable energy production. The Europlasma Group is made up of four companies and 260 employees who are all firmly committed to sustainable development and experts in waste processing and reclamation.

- > **Europlasma** develops, produces and markets waste processing and energy production solutions based on its proprietary plasma torch technology.
- > **Inertam** is the global specialist for the destruction and reclamation of asbestos and hazardous waste.
- > **CHO Power** is a waste gasification power producer (EfW – Electricity from Waste).
- > **Europe Environnement** is the European market leader for ventilation and air depollution systems for industry.

[\[www.europlasma.com\]](http://www.europlasma.com)

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