



# Full-year 2007 results

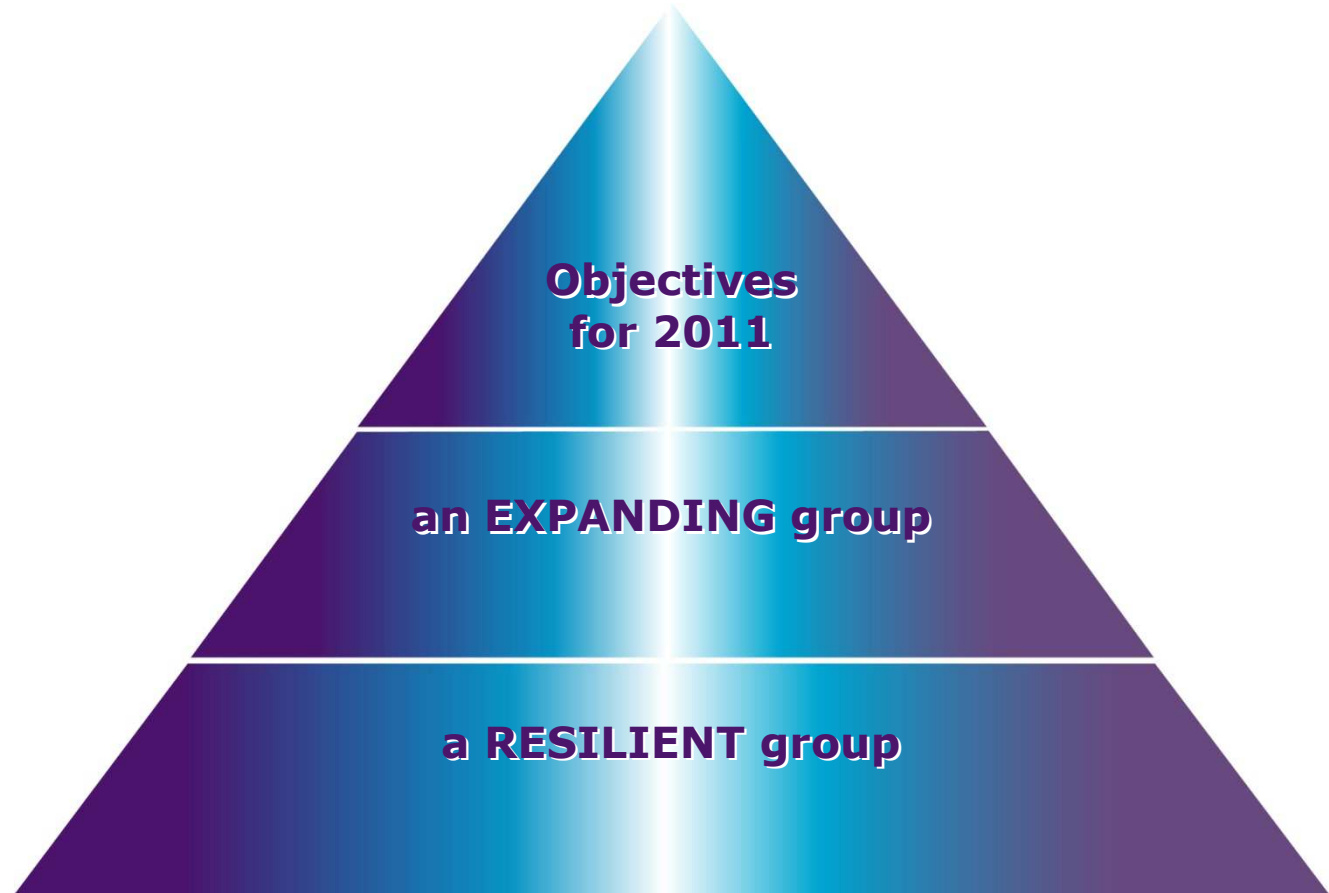
Tuesday March 18, 2008

*Dedicated Innovation, Dedicated Partner*

An abstract graphic design featuring a dark purple background with a grid of light purple lines. Overlaid on this are several wavy, horizontal bands in shades of cyan, lime green, and orange, creating a sense of movement and depth.



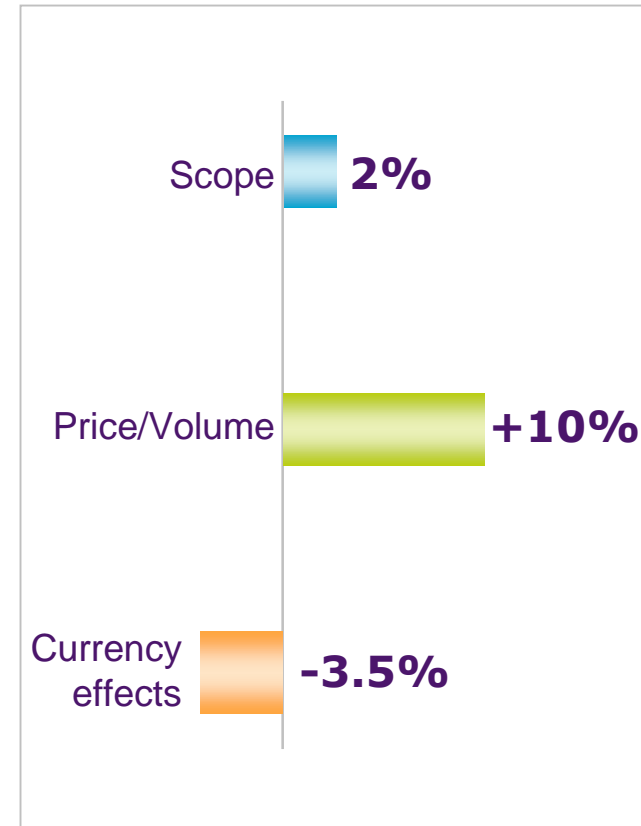
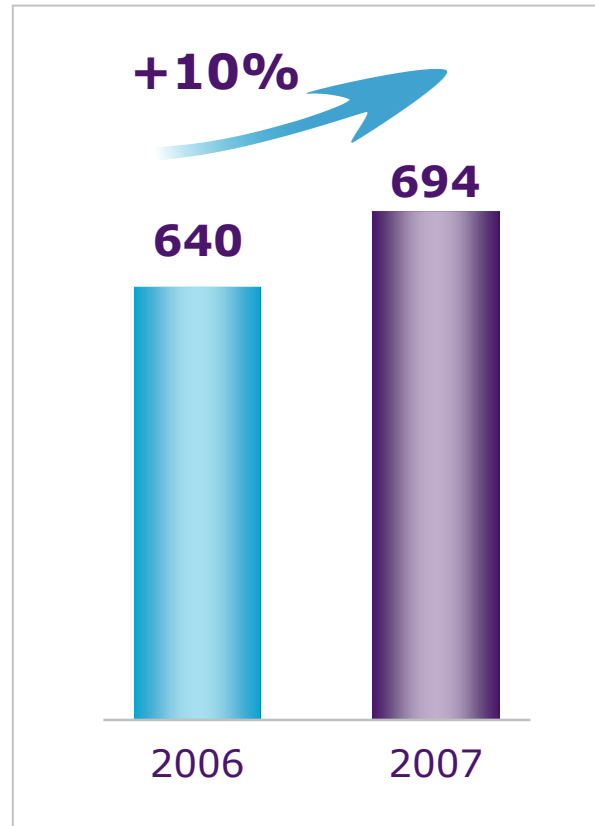
- Introduction
- Full-year results
- An enhanced growth profile





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- Full-year results
- An enhanced growth profile

# Higher sales

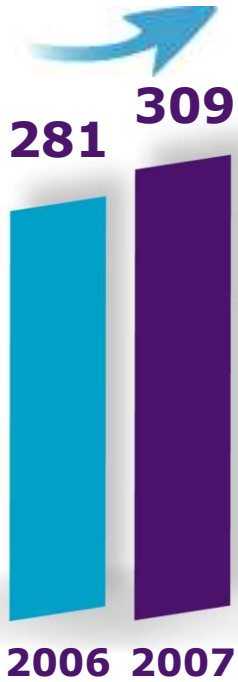


*Sales in €M - % change on a like-for-like basis*

# Growth across all the Group's regions

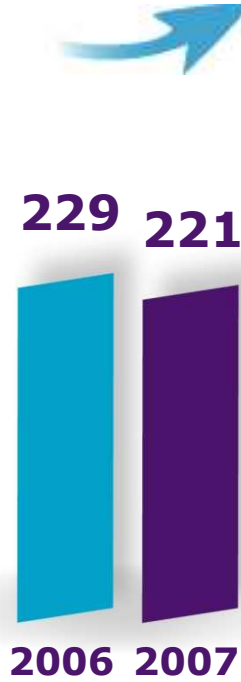
**Europe**

**+7%**



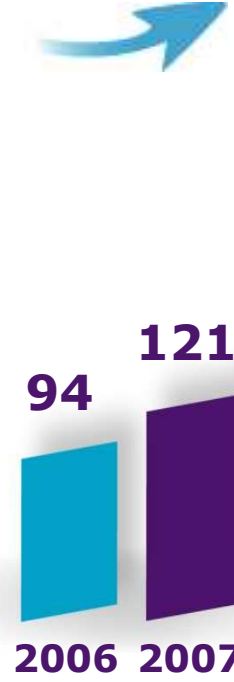
**North America**

**+4%**



**Asia**

**+27%**



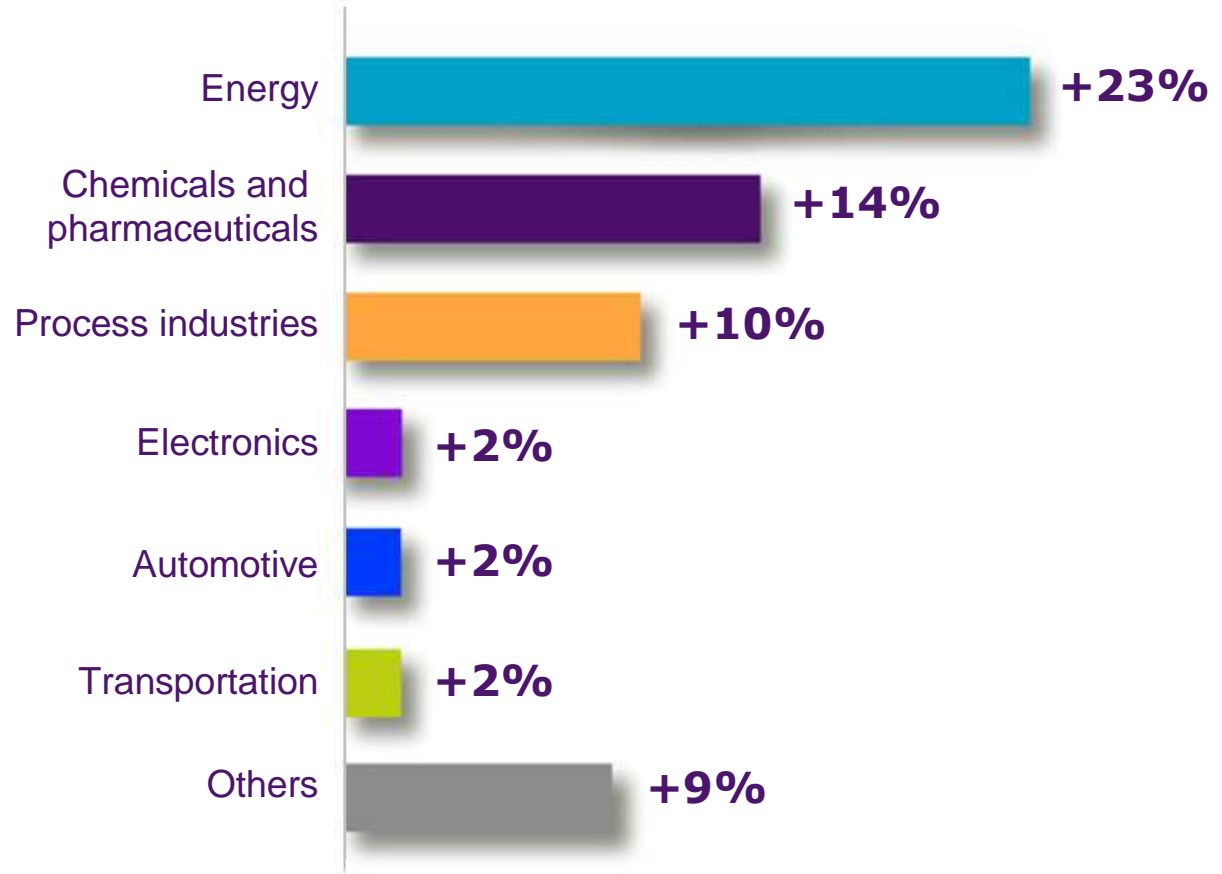
**Rest of the world**

**+21%**

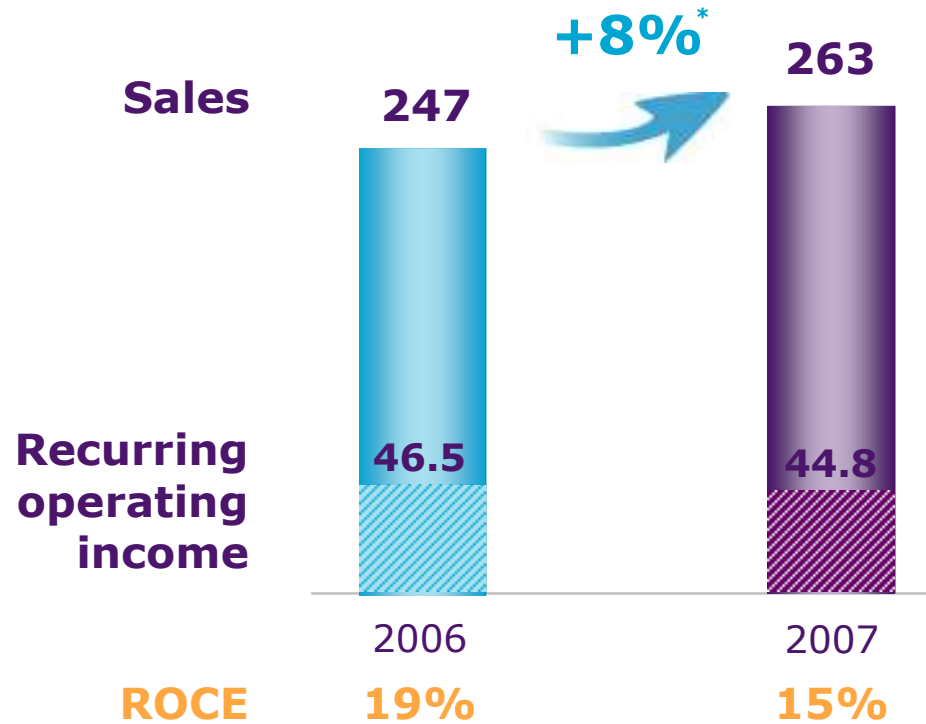


**Group sales +10%**

# Growth in the principal markets



*% change on a reported basis*



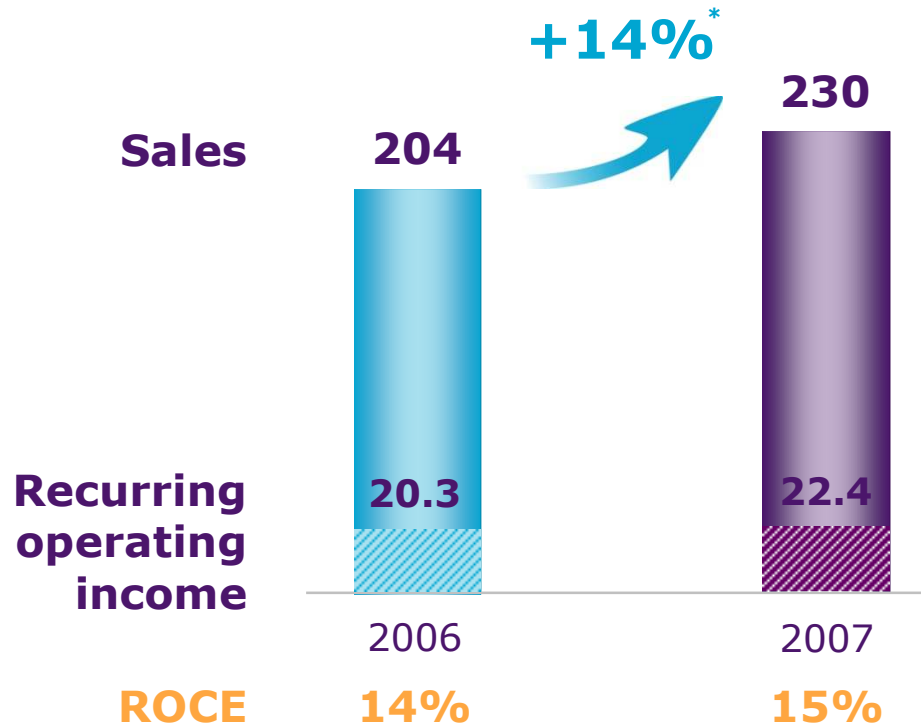
### LEVERAGES

- Additional capacity
- Improved cost positions

\*Change on a like-for-like basis



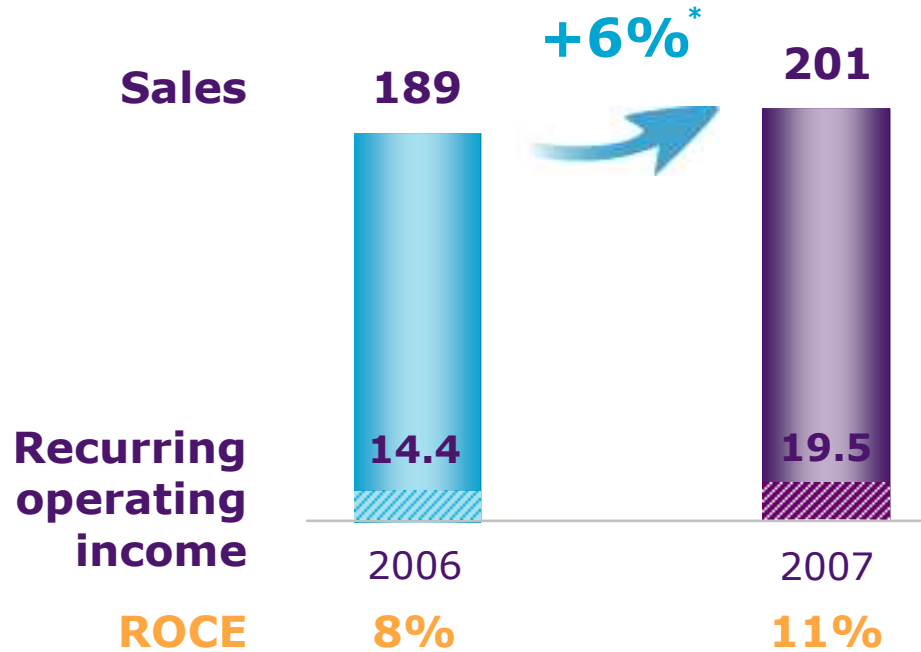
# Electrical Protection



## LEVERAGES

- Expansion in Asia
- Growth in new products

\*Change on a like-for-like basis

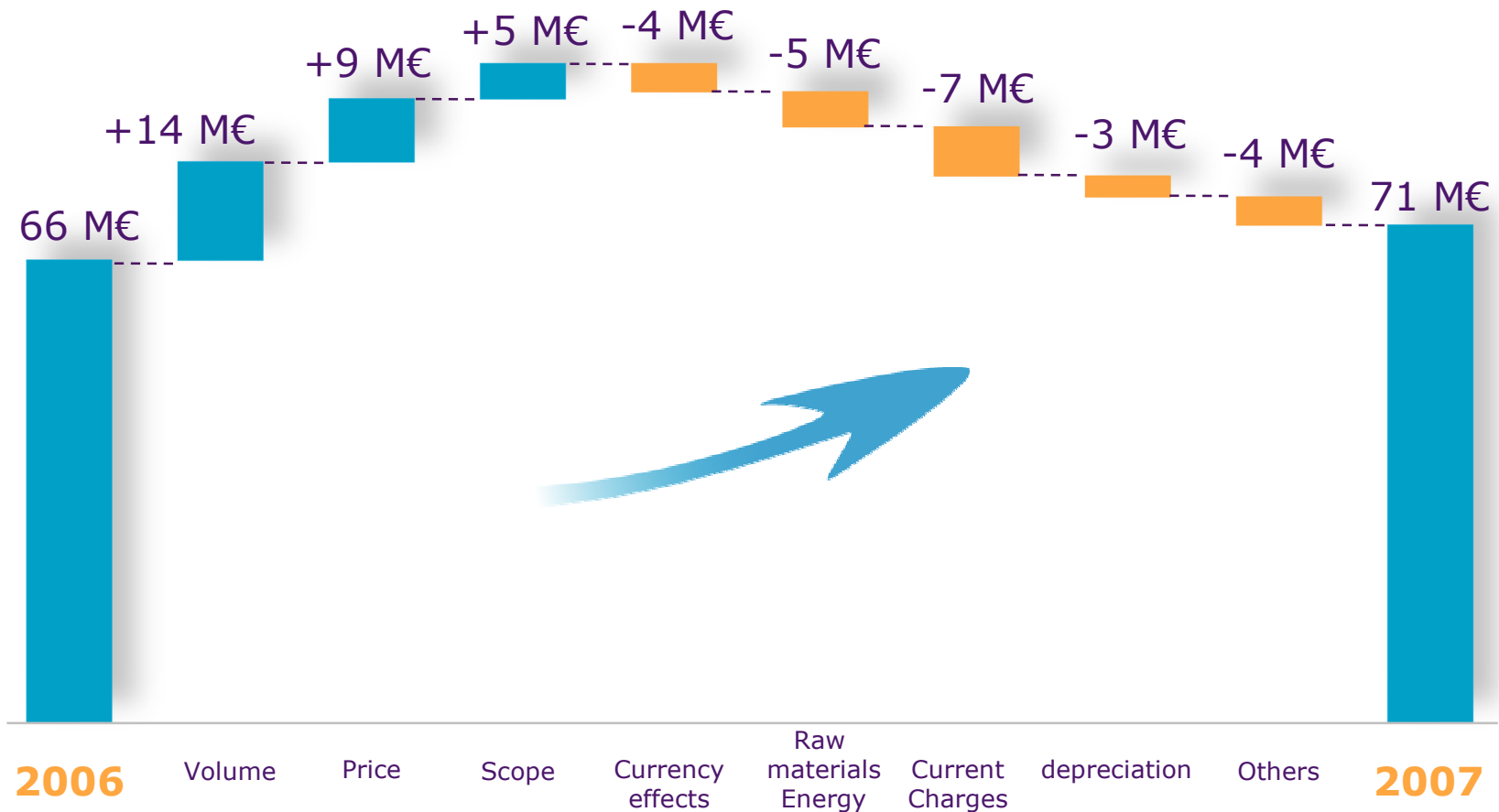


**LEVERAGES**

- Expansion in emerging markets
- Growth in the wind energy market

\*Change on a like-for-like basis

# Operating income before non-recurring items: +7%



Operating margin before non-recurring item **10%**

# Non-recurring charges

	(€ m)	2007
Automobile goodwill write-off		(20.2)
Start-up costs from companies in China		(4.4)
Restructuring in North America		(3.2)
Other		(0.2)
<b>Total</b>		<b>(28.0)</b>

# Income statement

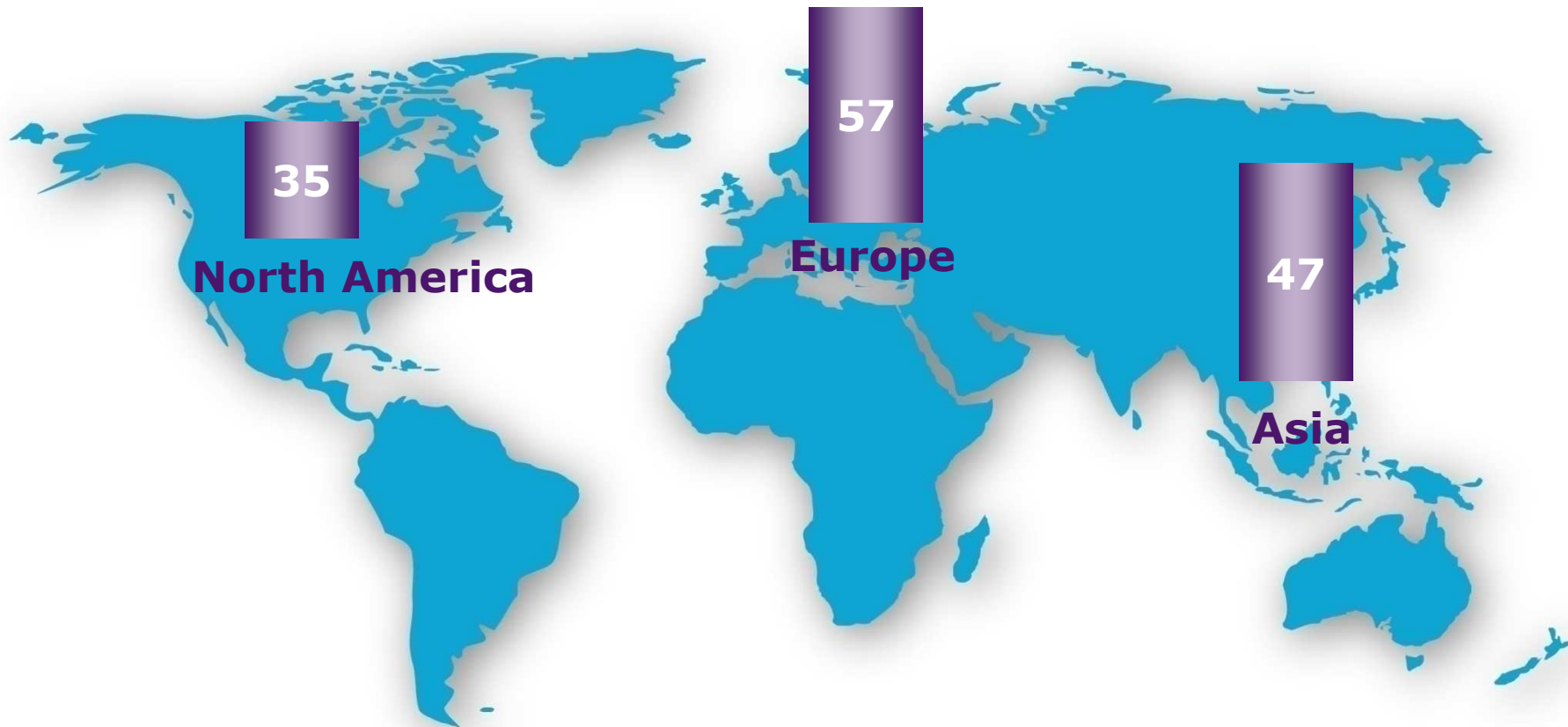
	(€ m)	2007	2006
<b>Sales</b>		<b>694</b>	<b>640</b>
<b>Recurring operating income</b>		<b>70.7</b>	<b>66.1</b>
Non-recurring income and expense		(7.8)	(5.1)
Goodwill impairment loss		(20.2)	
<b>Operating income</b>		<b>42.7</b>	<b>61.0</b>
Finance costs, net		(11.3)	(9.7)
Current and deferred income tax		(15.1)	(11.0)
Net income from disc. operations			(5.4)
<b>Net income</b>		<b>16.3</b>	<b>34.9</b>

# Statement of cash flows

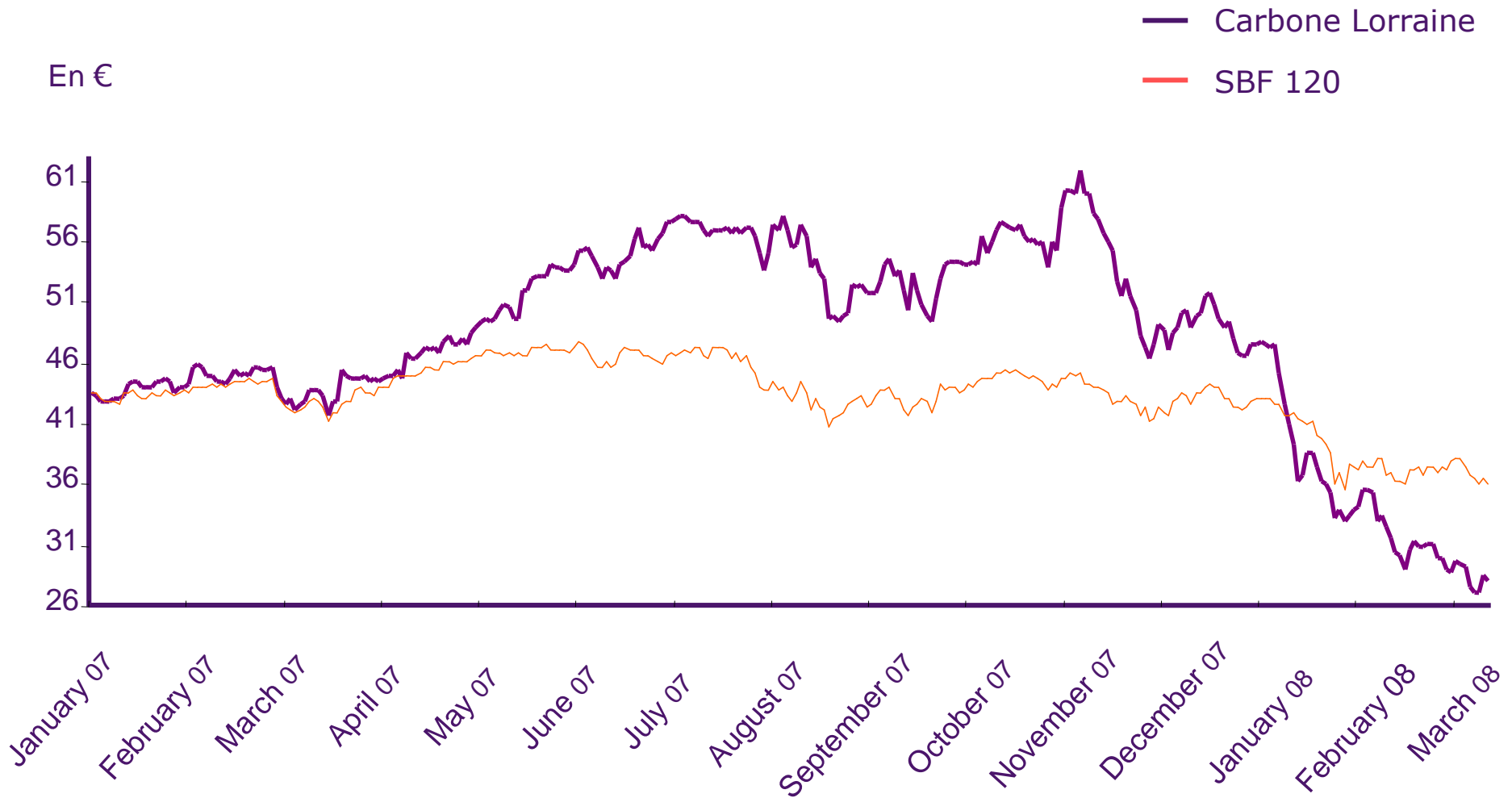
	(€ m)	2007	2006
<b>Operating activities</b>			
<b>Cash flow</b>		<b>85.5</b>	<b>80.3</b>
Change in the WCR		(11.8)	(12.0)
Tax		(12.4)	(8.9)
<b>Cash flow from operating activities</b>		<b>61.3</b>	<b>59.4</b>
<b>Investing activities</b>			
Increase in PP&E and intangible assets		(60.3)	(32.5)
Increase in financial assets		(2.9)	(6.9)
Changes in the scope of consolidation		(15.3)	(10.2)
Disposals of non-current assets		4.0	0.6
<b>Cash flow</b>		<b>(74.5)</b>	<b>(49.0)</b>
<b>Cash flow before financing activities</b>		<b>(13.2)</b>	<b>10.4</b>

# Balance sheet

	(€ m)	2007	2006
Non-current assets		412	379
Working capital requirement		157	150
Deferred tax		19	23
<b>Total assets</b>		<b>588</b>	<b>552</b>
Equity		307	308
Provisions		47	46
Employee benefits		41	42
Financial instruments		1	2
Net debt		192	154
<b>Total liabilities</b>		<b>588</b>	<b>552</b>
<b>Net debt/equity</b>		<b>0.62x</b>	<b>0.50x</b>
<b>Net debt/EBITDA</b>		<b>2.02x</b>	<b>1.74x</b>









- Healthy trends across all our markets at the beginning of the year
- Sources of operational improvement reinforced
- Investments accelerating growth

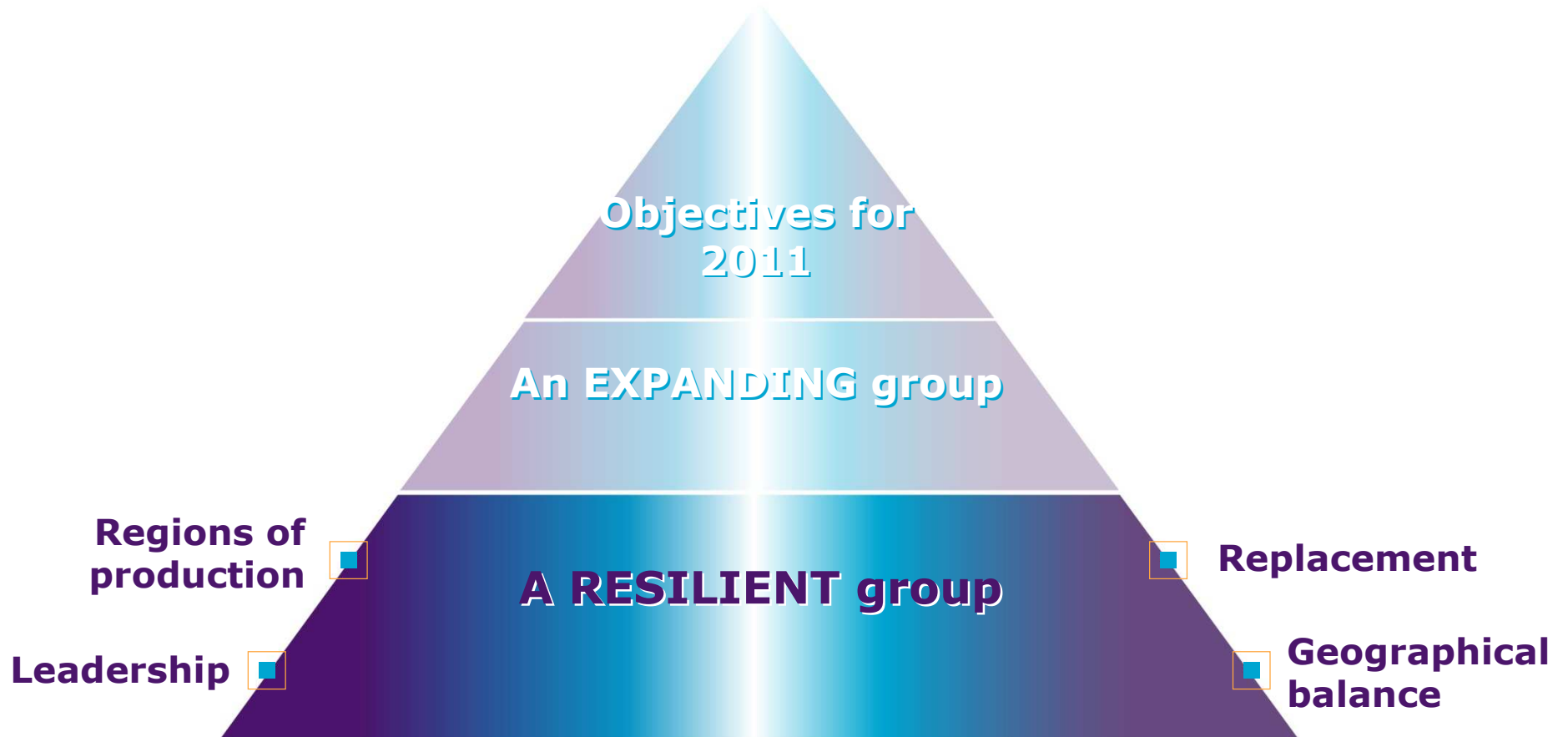
## Objectives for 2008

- Sales growth of 5% like-for-like
- Double-digit growth in recurring operating income



- Introduction
- Full-year results
- An enhanced growth profile

# An enhanced growth profile underpinned by solid fundamentals



## World number one or two



### Advanced Materials and Technologies

- Even better cost positions
- Market share strengthened in Asia
- Technical advantages for customers

## World number two



### Electrical Protection

- Fast-growing new products
- Market share gains in Asia and Eastern Europe
- Scope for improvement in Europe

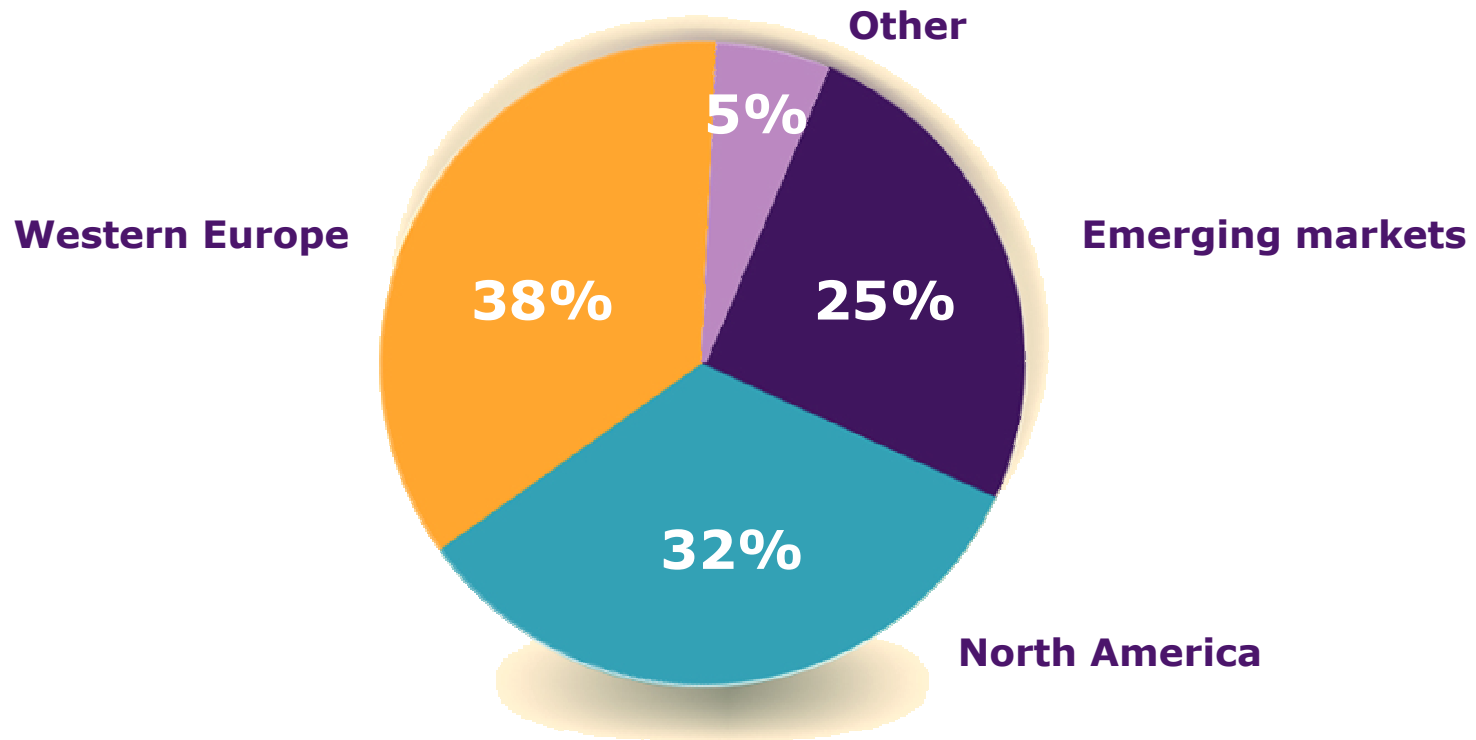
## World number one



### Electrical Applications

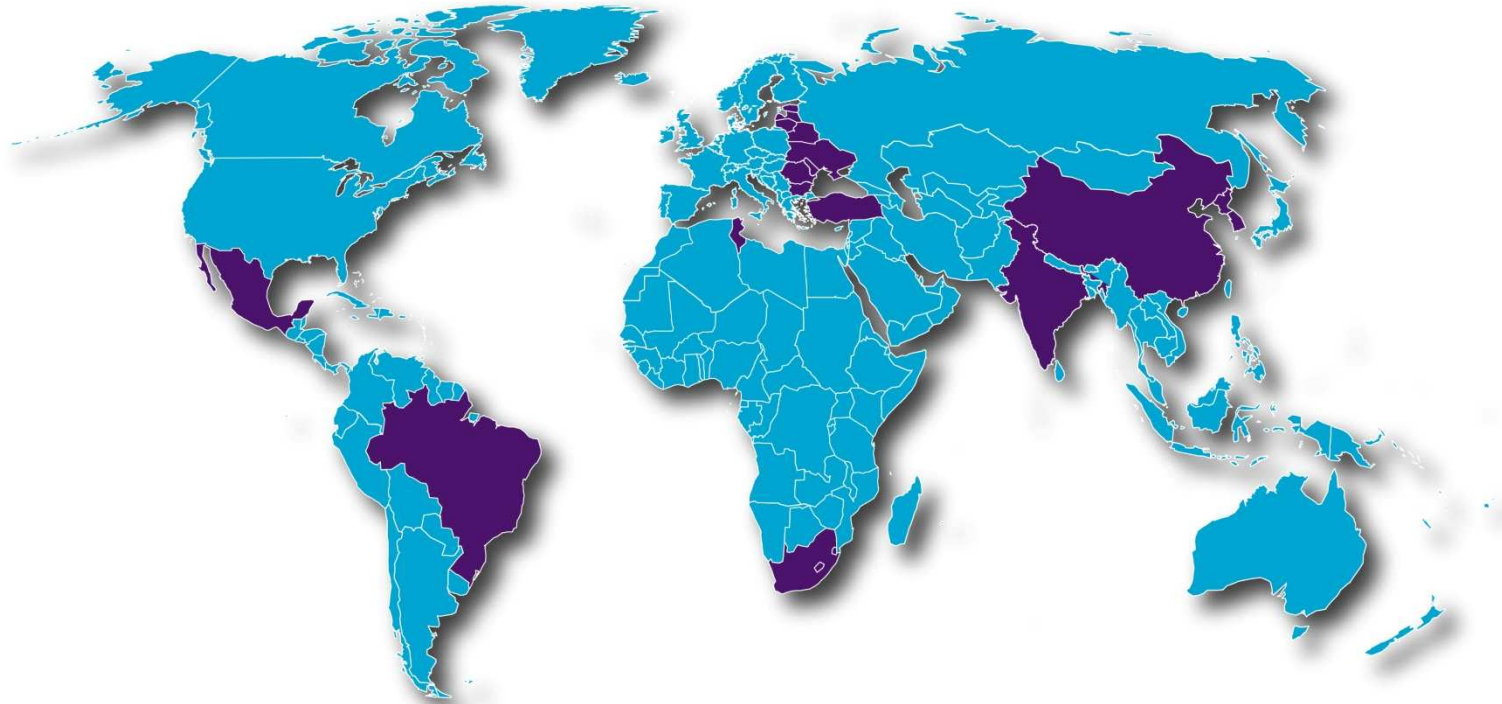
- Healthier situation in the automobile sector
- Leadership positions in wind energy
- Market share gains through quality of service

# Favorable sales mix

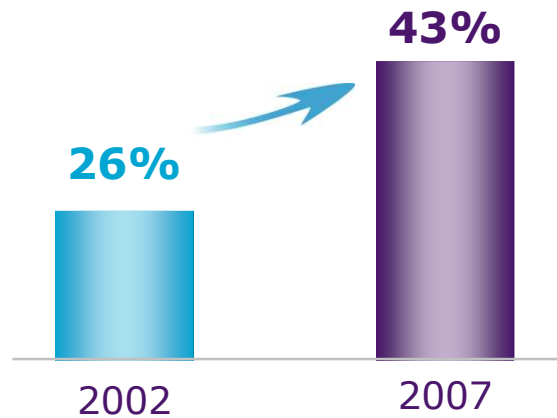


- Geographical sales mix
- Stronger presence in emerging markets

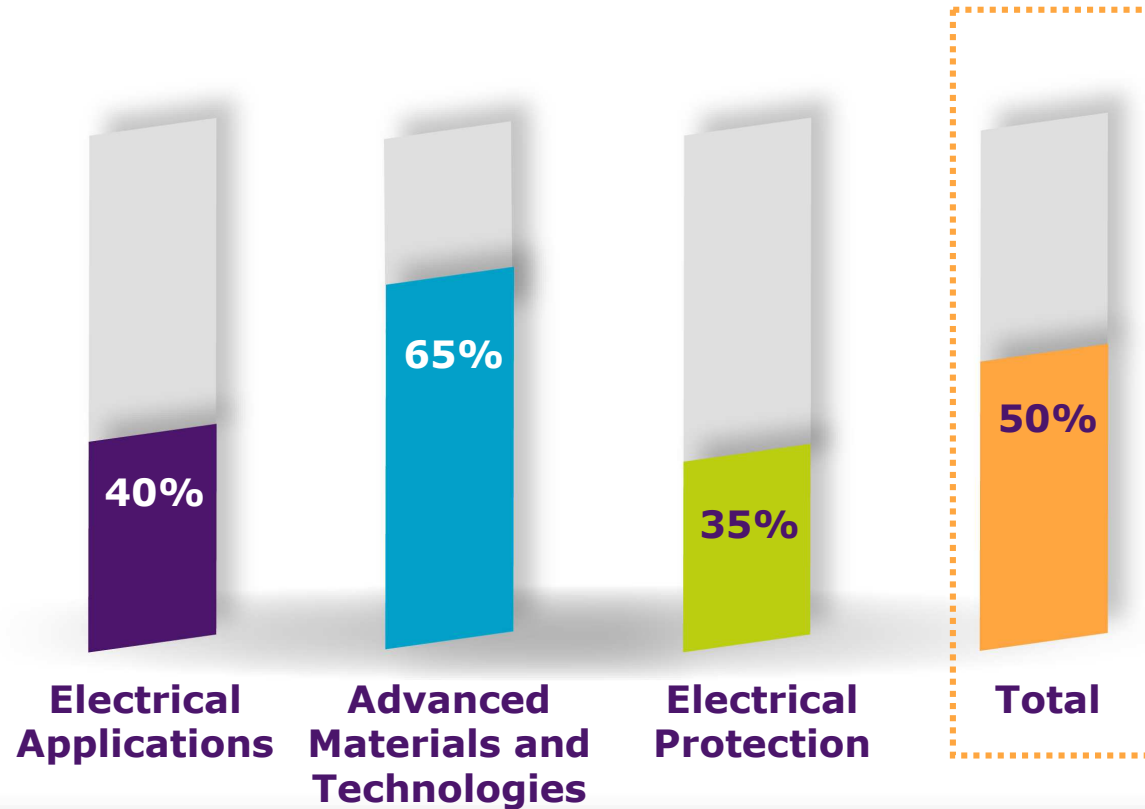
# Rebalancing of production regions



**Percentage of the headcount in emerging markets**



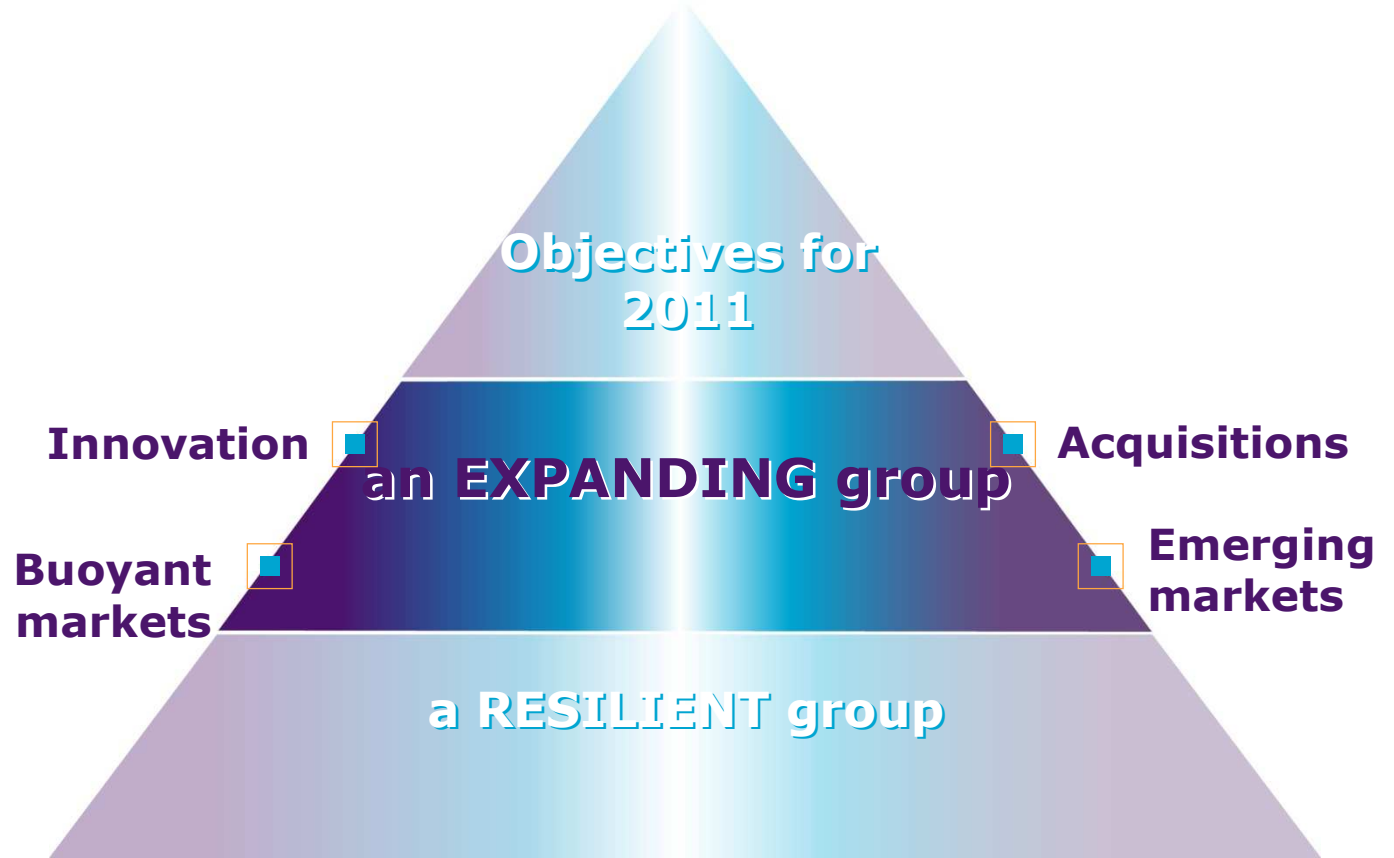
# Focus on replacement and consumable markets



- Rapid growth in consumables (AMT)
- Expansion of the replacement market (wind energy)



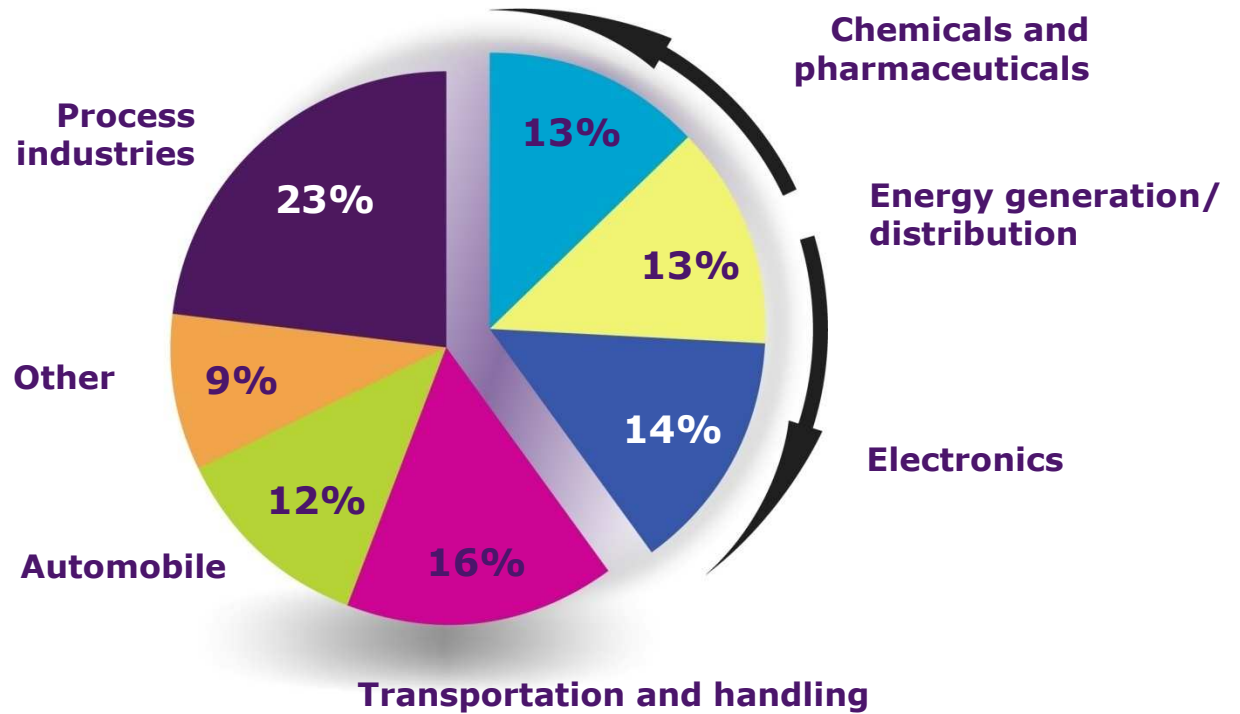
# An enhanced growth profile underpinned by solid fundamentals



# Buoyant markets in 2008



**40% of the Group's sales derive from fast-expanding markets**



*N.B. Analysis of 2007 sales*



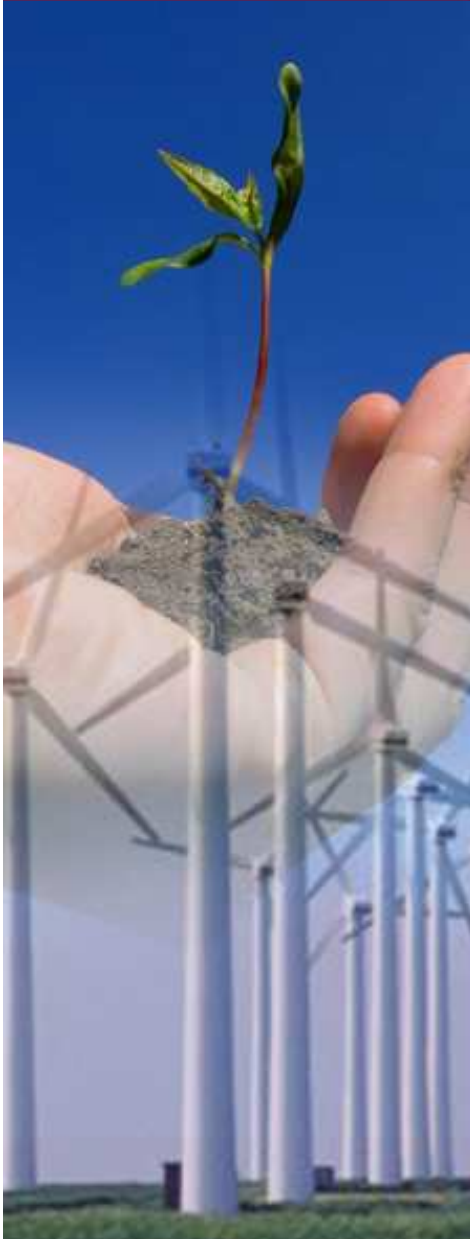
- Sales growth of 14% in 2007

## Effective sources of improvement

- success of CL Clad, synergies with Kapp
- Leadership in the acetic acid segment
- 90% of the budget in the order backlog



■ Sales in millions of euros



## ■ Wind energy

Sales growth of 80% in 2007

### Effective sources of improvement

- Success of signal transmission systems
- New workshops in Asia
- maintenance/spare parts market
- Over 20% of sales of industrial brushes



■ Sales in millions of euros



## ■ Solar energy

Sales growth of 70% in 2007

### Effective sources of improvement

- Acceleration in the sector
- Start-up of Chongqing plant
- Downstream integration



■ Sales in millions of euros



- Sales growth of 2% in 2007

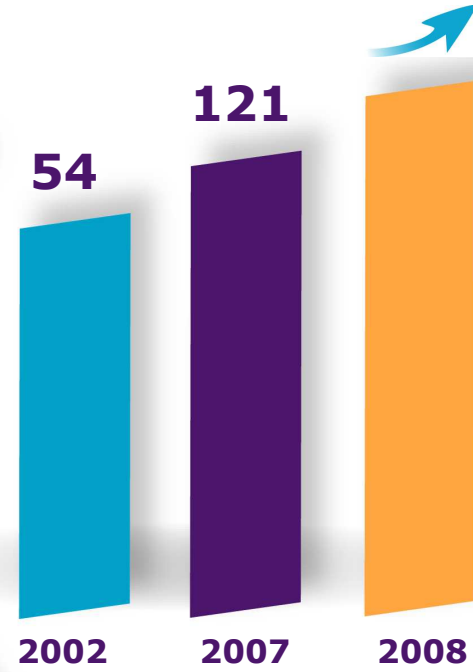
## Effective sources of improvement

- Growing success of coolers
- Further graphite sales for LEDs
- Recovery in ion implantation sales



■ Sales in millions of euros

Already **15 units** in production



■ Sales in millions of euros

# Proven Innovation Ability

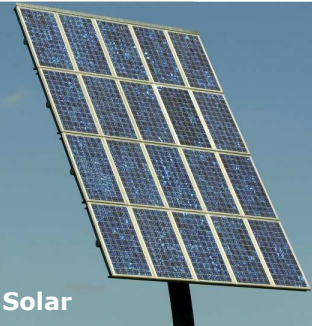
**LEDs**



**Coolers**



**wind energy**



**Solar**



**Plastics**



**Nuclear**



**Biofuels**



■ Acquisitions of GE and Areva medium-voltage fuses

**Promising growth in medium-voltage fuses business**

- Growth in emerging markets
- Demand from mature markets
- World wide leadership



# Targets for 2011 reiterated

