

2008: an exceptional year for Prayon Slowdown in first quarter of 2009

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Key figures for 2008

- Turnover: €879 million, up 45% compared to 2007 (€604 million)
- EBITDA: €111.55 million (compared to €23.25 million in 2007)
- Net result: €81.6 million (compared to €2.8 million in 2007)

Key events in 2008

- Construction of a new sulphuric acid production unit on the Engis site
- Creation of Solustep (a joint venture with French company Dupuy) in the water treatment sector
- Signing with the French Atomic Energy Commission of a technology transfer agreement for Prayon to produce boron-doped lithium iron phosphate for use in electric car batteries

Yves Caprara, CEO of Prayon, commented on the 2008 results: "The economic environment was exceptional throughout 2008, due mainly to the impact of the price trend for the main raw material, i.e. fertiliser-grade phosphoric acid. A sales strategy geared to the circumstances made it possible to achieve very good performance in the first nine months of the year before the financial crisis suddenly slowed down business starting in October."

Despite the excellent results posted by the Group in 2008, debt rose sharply during the year from €87 million at end-2007 to €146 million at end-2008. "This can be explained by a significant investment programme (€41.6 million, more than half of which is for the Sulfine project - a new sulphuric acid production plant on the Engis site), and by a major increase in working capital requirements (up €123 million). This increase follows on from the very significant price rises and an increase in inventory at the end of the year."

Outlook for 2009

The outlook is less encouraging for 2009. "The economic crisis had a major impact on our business in the first quarter of 2009 due to accumulated inventory by our customers in 2008. While the first signs of recovery are appearing in the second quarter of 2009, it is critical to stay the course and, now more than ever, implement a relevant strategy."



Innovation is strongly rooted in Prayon's strategy. "In a highly competitive market, innovation must be an ongoing challenge", says Yves Caprara. "We are increasingly specialising in food additives, horticulture and industrial niche markets. Major developments have been made in four key areas: boron-doped lithium iron phosphate for electric vehicle batteries, uranium extraction, probiotics (nutrition) and water treatment in industrial water treatment plants. These developments are bolstered by partnerships, specifically the partnership with the University of Liège. We are convinced that a strategic re-gearing will be necessary for the company's long-term survival."

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