



Results 30 June 2008

Third quarter sales

Million Euros, IFRS	1 st half 2008	1 st half 2007
Sales	15.4	12.8
Earnings before interest and tax <i>of which amortization and depreciation of fixed assets</i>	(0.4) (0.6)	(3.1) (0.6)
Net earnings	(0.9)	(3.3)
Cash flow	(0.3)	(2.4)
EBITDA	0.0	(2.3)

Record sales figures

Egide achieved record sales figures of 15.4 million Euros during the first half year, showing a rise of 20% in comparison with the same period in 2007. At a constant exchange rate, growth is more than 29%.

With growth of more than 30%, the telecoms sector shows stronger growth when compared to the other sectors; this was particularly due to the products manufactured by our American subsidiary. The military and space market (+18%) remains overall well positioned for the long term, with especially a space market that is benefiting from strong orders from European satellite programs and a stable American military market. The growth in the industrial sector (+16%) is due to the return of demand for relay bases for civil avionics.

Operating cash flow returns to equilibrium

The strong growth in sales (+ 20%), improvements in output and productivity as well as a reduction in fixed charges have resulted in a very significant improvement in sales in the first half of 2008 in comparison with those of the equivalent half in 2007. Leaving aside real estate transactions (transfer of the Trappes site) the EBITDA is in line with the objectives fixed for this first half year.

Egide France is showing better than expected results: growth of more than 40% in sales, improvements in productivity and improved absorption of fixed costs have led to positive EBITDA.

For Egide USA those non-recurring items that had affected the second half year in 2007 have been overcome. Nevertheless EBITDA is still negative (-3% of the subsidiaries sales) but is improving constantly.

The performance of Egide UK is delicate. Despite sales growth of 8% (in £), earnings before interest and tax remain negative (-10% as compared with overall sales). This particular industrial activity however, only represents 7% of the consolidated sales figures for the Group.

Earnings before interest and tax therefore moved from -3.1 million Euros in 30 June 2007 to -0.4 million Euros on 30 June 2008. Taking into account financial components (-0.5 million Euros), net earnings came out at -0.9 million Euros as against a loss of 3.3 million Euros during the first half of 2007.

Consolidated balance sheet, 30 June 2008

As at the 30 June, cash balances were at 1.3 million Euros. As envisaged, the transfer of the Trappes site occurred in March 2008. Working capital requirement is at 76 days of sales and remains stable Stockholder equity is 6.8 million Euros and net debt is at 3.7 million Euros (of which 3.6 million are linked to factoring).

Activity in the third quarter

Consolidated sales (unaudited) of Egide Group for the third quarter of 2008 are at 7.26 million Euros, a growth of 17% at constant exchange rates (11% at actual exchange rates). However, this improved level of activity shows a sequential slowdown, a consequence of world economic difficulties in certain sectors. Telecoms represented 28% of the sales figures (strong growth was thanks to Egide USA, the military and space sectors 35% and the industrial sector 37%).

Egide USA's borrowing (shown on the balance sheet as 1.4 million dollars) was repaid during October thanks to the transfer/leasing of the Cambridge building. The cash balances as at 30 September remain stable at 1.3 million Euros.

Future prospects

The growth in sales will be slowed by the international crisis which is affecting some of our sectors; automotive, civil aeronautics, electronics. As a consequence the sales figures for the second half of the year should be lower than those of the first half but nevertheless a great deal higher than the figures for the second half of 2007, by about 10%.

Despite significant progress made, we will not meet our objective of positive earnings before interest and tax will not be met. In addition our industrial strategy will be adapted in the light of changes in our markets; the Casablanca site will be downsized (large reduction in the workforce) and will be concentrated on relay bases.

"With half year sales over 15 million Euros and balanced EBITDA, Egide has passed an important milestone. With this level of activity and our gains in productivity we are well armed and ready to overcome the world crisis that will have a severe impact of some of the sectors we work in. This is especially due to our successful diversification into other areas; we are now strongly present in sectors that will be less affected or not affected at all by the crisis (space, defense). In addition, the return of a more favorable dollar/euro exchange rate will improve our competitiveness. As concerns the revival of telecoms which remains inevitable given the saturation of certain networks, the world economic crisis might slow the necessary investment; Egide is therefore positioning itself in innovative high-end products for which solid demand should remain despite the crisis" reported Philippe Brégi CEO of the Group.

Before adding, *"The objective for 2009 will be the attainment of stable EBIT over the year with positive EBITDA as early as the first half year. Keeping to this objective will ensure a suitable level of liquidity that does not require any financing transactions."*

About Egide

Egide SA is a European Group on an international scale, specializing in the manufacture of hermetic packaging for sensitive electronic components. The Group is active in high tech markets such as Space, Defense, Aeronautics, Telecommunications, Automotive and Medical. As the only dedicated global player, Egide is present in France, in the United States, in Great Britain and in Morocco.

Find out more about Egide at: www.egide.fr

EGIDE is quoted on the NYSE Euronext Paris™- Compartiment C
ISIN: FR0000072373 – Reuters: EGID.PA – Bloomberg: GID

Egide renewed its OSEO – ANVAR innovative enterprise status on the 14 September 2006
ISO 14001:2004 certified environmental management system

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