Trading update Q1 2009

Highlights

Hamon and its Business Units performed well during the first quarter of 2009, especially considering the troubled financial & economic environment in which we currently have to operate. New bookings for the Group amounted to EUR 99.2 million for the first quarter, in line with the average previous quarters.

The electric power generation and the oil & gas sectors, the Group’s two key sectors, remain globally good and attractive.

Markets & Regions

Utilities and Oil & Gas represent 77% of the bookings for the quarter (83% for the whole year 2008)

Europe & North America, our historic markets, make the bulk of the bookings. It should be noted that the other geographical markets, at more than 30% of our bookings and growing, show that our strategy in those regions is starting to bear fruit.
Review by business unit

Wet Cooling

The business Unit performed well during Q1 with new contracts signed for a value of EUR 26 million. This total includes a contract from EDF for the refurbishment of a Natural Draft Cooling Tower at a nuclear power plant in France and contracts for the supply of mechanical draft cooling towers for the petrochemical industry in Belgium, Korea as well as for an IPP power plant to be built in India.

Heat Exchangers

At EUR 20.4 million for Q1, Heat Exchangers signed one of their best commercial performance ever. This success, after an excellent Q4 2008, reflects that many financed projects in the Oil & Gas sector, previously delayed due to final client request for rebid, are now back at award and execution phase.

The Business Unit is now able to bid and be successful on much larger projects than before thanks to an excellent track record and increased production capacity.

Air Pollution Control EMEA & Brazil

After a quiet second half of 2008, the Business Unit performed well in Q1 with bookings of EUR 24 million.

Among others, the Business Unit was awarded contracts for the supply of a Flue Gas Installation for an incineration plant in Mulhouse, France, scrubbers for a fertilization plant in Algeria and Electrostatic Precipitators for industrial plants in India.

Air Pollution Control NAFTA

The NAFTA market is extremely difficult at this time mainly because of the lack of clear regulatory guidelines from the new administration. The economic crisis in the USA is not helping either. However, Hamon’s excellent positioning in the oil & gas (exclusively licensed technologies from Exxon-Mobil) and dedusting (fabric filters and electrostatic precipitators) sectors helped us to secure new bookings for USD 14.4 million.
Chimneys

Bookings, at USD 9 million, do not take into account letter of intents that should translate into orders in the coming months. This continue to reflect Hamon Custodis excellent positioning and performance. Hamon is successfully constructing 7 chimneys at present - a company first - which allows it to capitalize on the experience gained in 2006-2008 and to continue to improve strongly its operating margins.

Other

ACS, acquired during the summer of 2008 and mostly active in the fabrication of big FRP conducts for chimneys and other industrial applications, has booked orders for a value of EUR 11.4 million.

Hamon has entered into a commercial joint venture with Solel, one of the world leaders in solar panels, in the area of thermal solar power plants, a booming market. Hamon Solel will supply the solar powered steam generation systems (SSGS), namely mirrors, the steam generation and recovery components, excluding the steam turbine and power generator.

Prospects

In view of the general economic environment, it has been decided not to release any guidance on the future results. However the Group confirms its good positioning for 2009 given its excellent backlog and its strong financial structure.

Forward looking statements

This presentation contains forward-looking information that involves risks and uncertainties, including statements about Hamon’s plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Hamon. Should one or more of these risks, uncertainties or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, neither Hamon nor any other person assumes any responsibility for the accuracy of these forward-looking statements.
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