Hamon Information Press Release

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2009 Annual Results

Another Good Year For Hamon!

Net result at EUR 18.0 million

- Excellent net profit for 2009
- EBIT margin at **10.2%** of revenues, above the Group's target of 10%

Revenues at EUR 379.8 million

- **+4%** increase compared to last year

Sound backlog representing close to 1 year of activities

- New orders at **EUR 301.5** million
- Backlog at **EUR 339.2** million

Extremely strong balance sheet structure

- Operating cash flow generated in 2009 amounts to **EUR 38.6** million, after CAPEX
- Equity at **EUR 65.8 million**
- Ample credit lines available further to December 2009 refinancing
- Net positive cash at **EUR 8.2** million v/s Net debt of EUR 10.8 million in 2008 thanks to tight working capital management

Increase of total dividend by 5% to EUR 0.60 per share

- In the light of the excellent result, the Board will recommend a total dividend of EUR 0.60 per share to the Annual Shareholders Meeting to be held on 27 April 2010; taking into account the advance dividend paid in September 2009, the final dividend will amount to EUR 0.45 to be paid on 10 May 2010

Prospects

In view of the general economic environment, Hamon has decided not to release any guidance on its future results. However the Group confirms its good positioning for 2010 given its excellent backlog and its strong financial structure.

SUMMARY MANAGEMENT REPORT

1. Commercial activities

The new orders, at EUR 301.5 million, have suffered from the regulatory uncertainties in the power sector in the United States, affecting negatively our APC (air pollution control) and Chimneys business units. The general economic uncertainties have had so far a limited impact on our activities. Moreover, significant contracts were awarded to Hamon during 2009 under the form of letters of intent or unconfirmed options, which are not reported in bookings or backlog.

Group in EUR million	2009	2008
New order bookings	301.5	469.5
Backlog at closing date	339.2	391.0

The backlog, at EUR 339.2 million, represents about 90% of one year revenues, creating good prospects for 2010.

2. Consolidated income statement

The EBIT margin at 10.2% has been maintained above the target of the Group of 10% of revenues. The level of activity stayed at a very high level, with overhead costs under strict control. The net result, at EUR 18.0 million, is slightly below the record level of 2008. It should be noted that the 2008 results benefited from the sale of the GEI shares in India for EUR 0.8 million before tax but were negatively impacted by EUR 1.5 million of costs related to the agreement concluded between Hamon and SPX in December 2008. Changes in the USD parity allowed for higher reported EBIT from our US operations as EBIT would have been lower by EUR 1.1 million at constant exchange rates.

in EUR million	2009	2008
Revenue	**379.8**	**366.7**
EBITDA	42.8	46.6
Operating profit before restructuring	39.2	43.8
Restructuring costs	-0.4	-0.1
Operating profit after restructuring costs (EBIT)	**38.8**	**43.7**
EBIT/Revenue	***10.2%***	***11.9%***
Net finance costs	-7.2	-8.6
Result before tax (continued	31.6	35.1
Income tax expenses	-13.3	-14.4
Net result from continued operations	18.3	20.7
Net result of discontinued operations	-0.3	-1.8
Net result for the period	**18.0**	**18.9**
Share of the group in the net result	17.4	18.5
Results in EUR per share		
Average number of shares	7,191,472	7,191,472
EBITDA per share	5.90	6.48
Earnings per Share (EPS)	**2.42**	**2.57**

It should be noted that the consolidation scope has been modified as follows compared to 2008:

- ACS full year vs. 5 months (from 1st August) in 2008 ;
- Hamon Research Cottrell do Brazil full year vs. 3 months (from 1st October) in 2008 ,
- from 1st July 2009 the APC activities in China

The change in scope impacted revenues by EUR 9.7 million, EBIT by EUR -0.6 million and net result by EUR -1.7 million.

Detailed explanations of the activities during the year are available in the analysis by BU section.

Net finance costs decreased thanks to lower interest rates prevailing in 2009 and because debt in foreign currency was fully hedged in 2009 while exchange losses impacted net finance cost by EUR 2 million in 2008. Net finance costs include a one time charge of EUR 0.7 million of debt issuance costs further to the debt refinancing that took place in December 2009.

3. Overview by business unit

a) Cooling systems

Cooling systems in EUR million	2009	2008
New order bookings	110.1	147.0
Revenue	143.8	109.4
Backlog	104.3	122.6
EBIT	12.5	9.7
EBIT / revenue	8.7%	8.8%
Average headcount	482	432

The new orders booked by the cooling systems in 2009 amount to EUR 110.1 million, including:

- the revamp and performance improvement of natural draft cooling towers at nuclear power plants in France, Russia and Switzerland;
- the construction of a 30 cells plume abated cooling tower in the UK;
- the supply of mechanical draft cooling towers in Germany, Thailand, Abu Dhabi, North Africa and Poland;
- the supply of mechanical draft cooling towers for the petrochemical industry in Belgium as well as for an IPP power plant to be built in India;
- the refurbishment of five natural draft cooling towers in Germany.

In 2009 Hamon was awarded the contract for the construction of a 1500 MW wet/dry fan assisted natural draft cooling tower with noise attenuators in Hamburg-Moorburg coal power plant (a Vattenfall Germany plant). This contract award will translate into bookings during 2010 as the client operates with “limited notices to proceed” during the engineering phase. The first two steps of approval and detailed engineering have been awarded in 2009.

In addition, Hamon and the State Nuclear Electric Power Planning Design & Research Institute (SNPDRI) of China signed a Cooperation Agreement for Super Large Cooling Towers for Nuclear Power Plants on 7 October 2009. This agreement strengthens the relationship between Hamon and the Chinese power sector already using the Hamon wet cooling technologies.

Even though some regions (UK, US, Dubai, …) are heavily impacted by the economic crisis, the business unit managed to keep an excellent backlog at the end of 2009 (EUR 104.3 million), below the 2008 year-end backlog but well above 2007.

Revenues, at EUR 143.8 million, were mainly derived from the backlog booked since the beginning of 2008.

EBIT improved by 29% compared to 2008, thanks to the higher revenue, the professional execution of the jobs and a strict costs management at all levels.

The business unit activities should remain at a good level during 2010, with the Dry cooling developments coming as an add up. The wet cooling activities in the NAFTA region, carried out under the Research Cottrell Cooling brand name, will also contribute positively to the business unit.

b) Process Heat Exchangers

New bookings during 2009 at EUR 55.6 million reach a new record. Many projects in the Middle East, previously delayed due to final client request for rebid, are now back at award and execution phase.

Process Heat Exchangers in EUR million	2009	2008
New order bookings	55.6	49.4
Revenue	54.4	48.9
Backlog	38.4	36.8
EBIT	5.3	4.6
EBIT / revenue	9.7%	9.4%
Average headcount	174	170

Sales are increasing thanks to the investment made in the manufacturing installations and their good utilization.

Good performance in projects management and positive volume effect generated an EBIT at EUR 5.3 million, at 9.7% of revenues.

2010 activities should remain at a good level.

c) Air Pollution Control EMEA - Brazil

2009 bookings, at EUR 67.3 million, include contracts for the supply of a Flue Gas Treatment Installation for an incineration plant in France, scrubbers for a fertilizer plant in North Africa and Electrostatic Precipitators for industrial plants in India and in Brazil.

APC EMEA - Brazil in EUR million	2009	2008
New order bookings	67.3	53.2
Revenue	39.1	37.6
Backlog	85.6	41.9
EBIT	0.0	3.1
EBIT / revenue	-0.1%	8.2%
Average headcount	172	112

Hamon also got large contracts for power plants, one for the supply of ESP in Guadeloupe and another one for the supply of DENOx DCR in Guyane.

The level of EBIT, close to zero, results primarily from the low level of sales. New orders were taken mostly during the end of the fourth quarter of 2009 and will not become sales until 2010. Low sales did not cover the additional overhead costs incurred for the set up of the Central and Eastern European teams, the turn around costs linked with the Brazilian activities, the development costs of the Indian JV and the consolidation of the South African operations. In addition, Hamon has recorded a provision on a customer whose financial situation did not allow to receive the payments when due.

Additional average headcount is coming from the acquisition made in China during H2 2009 and from establishing a team responsible for Central and Eastern Europe.

The investments made in China, Brazil and Central and Eastern Europe should allow for a return to growth and profitability in 2010.

d) Air Pollution Control NAFTA

APC NAFTA in EUR million	2009	2008
New order bookings	34.4	113.0
Revenue	68.0	76.8
Backlog	30.8	65.8
EBIT	11.7	17.1
EBIT / revenue	17.2%	22.3%
Average headcount	147	175

New orders for 2009 are at a low point mainly due to the lack of clear regulatory guidelines from the new administration, the current decrease in electricity and oil demand and of course the ongoing economic and financial crisis.

The bulk of the 2009 bookings was for fabric filter projects, where HRCUS continues to have a substantial performance advantage over its rival technologies for customers such as Pacificorp and Reliant Energy. Other bookings included four major ESP rebuilds and a smaller ESP for Canada.

Despite the adverse economic environment, the Business Unit still performed extremely well in 2009 thanks to strict control of operating expenses, strong opening backlog and largely trouble-free project execution that allowed the completion of several contracts with substantially higher margins than originally budgeted.

Hamon sees positive signs with higher level of request for quotation from customers but the volume of bookings will depend from the timing of the US economic recovery and environmental regulation clarifications.

e) Chimneys

Chimneys in EUR million	2009	2008
New order bookings	19.7	99.6
Revenue	72.8	91.5
Backlog	62.0	117.1
EBIT	12.7	9.1
EBIT / revenue	17.4%	10.0%
Average headcount	56	63

Similarly to APC NAFTA, the Chimney BU has seen a slow down of tender activity and corresponding orders for new projects which stems from the regulatory uncertainties in the United States, compounded by the current economical crisis.
With most new (and major retrofit) of Coal Fired Power Plants postponed, 2009 new bookings were almost entirely in the aftermarket business. Significant Letters of Intent have not been included in the reported bookings and backlog.

Of special notice is the EBIT margin which at 17.4%, well above the industry benchmark, sets a new record for the Business Unit.

2010 should see restart of new bookings depending of course on the timing of the economic recovery in the United States.

4. Consolidated balance sheet

The Hamon Group balance sheet structure keeps on improving; equity at the end of December 2009 reaches EUR 65.8 million. The net financial debt turned out to a net cash position of EUR 8.2 million on the back of a very well controlled working capital which also became negative during the current year. Hamon wants to keep operating at low working capital, knowing however that the nature of its business, with significant individual payments, can generate significant swings from one day to the other.

Consolidated balance sheet in EUR million	31/12/2009	31/12/2008
Non-current assets	88.4	66.8
Current assets excl. cash	135.3	159.8
Cash & equivalent	83.3	59.1
Total assets	**306.9**	**285.6**
Equity	**65.8**	**49.4**
Group share	64.7	48.7
Minority interests	1.1	0.7
Non-current liabilities, ex. borrowings	14.3	9.3
Non-current borrowings	57.4	40.3
Current liabilities, excl. borrowings	151.7	157.1
Current borrowings	17.6	29.6
Total equity and liabilities	**306.9**	**285.6**
Net financial debt	-8.2	10.8
Net working capital (cont. operations)	-16.4	2.4

Also, Hamon signed a new Senior Facilities Agreement with a pool of banks on 17 December 2009. This four-year agreement foresees credit lines amounting to EUR 275 million, of which EUR 200 million of bonding facility. It replaces the syndicated loan agreements existing since 2007.

CAPEX were committed to support the development of our activities in Korea, China and India, the development of the production capacity of the Heat Exchangers JV in Saudi Arabia and the set up of our dry cooling production capacity. In addition to CAPEX, the acquisition of the Chinese Air Pollution Control companies generated substantial goodwill, well justified by the excellent profitability and prospects for these companies within the Hamon Group.

5. Post Balance Sheet Events

Hamon is extremely proud to have been awarded the turnkey contract for the design and construction of two natural draft cooling towers for Plant Vogtle, Waynesboro, GA, in the USA. The new nuclear generation units 3 & 4 of Plant Vogtle will be among the first units built in the US in the last three decades. This order, worth approximately USD 95 million, was awarded to our subsidiary Research Cottrell Cooling Inc, tasked with the return of the Hamon Group in the Wet Cooling business in the NAFTA region. This order, confirmed on 24 February 2010, augurs well for the future of our come back in the cooling business in the NAFTA, just one year after the end of a 5 years non compete period.

Auditor's Report

The auditor, Deloitte Reviseurs d'entreprises SC s.f.d. SCRL represented by Laurent Boxus, confirmed that the accounting information included in this press release does not result into any qualification and is in accordance with the financial statements approved by the board of directors.

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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Financial Calendar

Presentation to analysts	04/03/2010
Shareholders meeting	27/04/2010
Trading update Q1 2010	27/04/2010
Payment of remaining part of dividend	10/05/2010
Publication of the first half-year 2010 results	31/08/2010

Hamon Profile

The Hamon Group is a world player in engineering & contracting (design, installation and project management). Its activities include the design, the manufacturing of critical components, the installation and the after-sale services of ***cooling systems****, process* ***heat exchangers****,* ***air pollution control*** *(APC) systems, and* ***chimneys****, used in power generation, oil & gas and other heavy industries like metallurgy, glass, chemicals.*