



15th February 2008

Presentation of 2007 Results



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PCAS GROUP

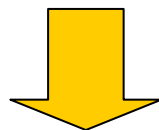


PCAS GROUP

A clear position centred on 2 activities

Pharmaceutical
Synthesis

Fine Speciality
Chemicals



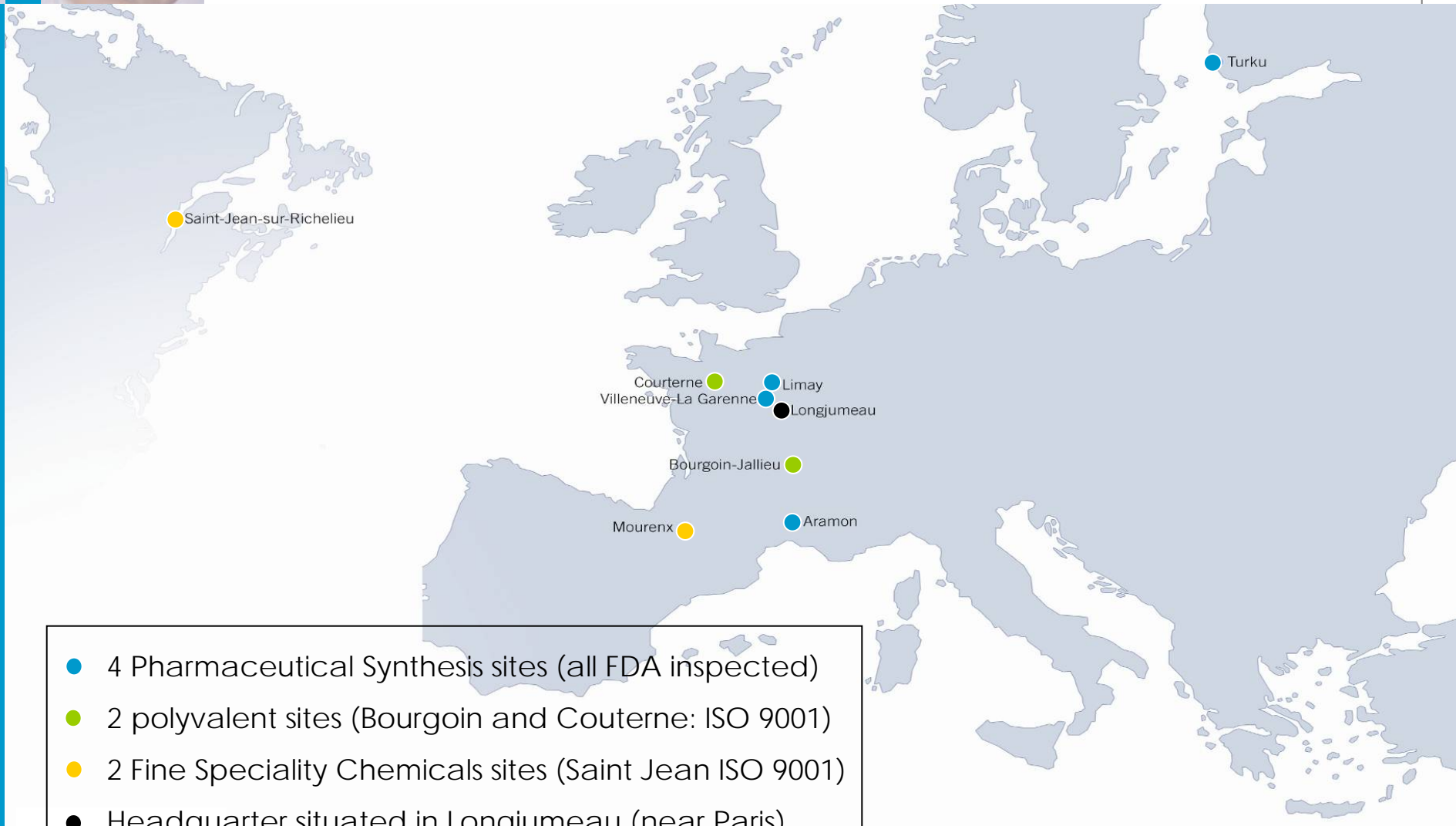
Manufacturer of complex, very high-added value molecules, sold around the world and applying leading-edge technology



PCAS

An international Group

Sites location



- 4 Pharmaceutical Synthesis sites (all FDA inspected)
- 2 polyvalent sites (Bourgoin and Couterne: ISO 9001)
- 2 Fine Speciality Chemicals sites (Saint Jean ISO 9001)
- Headquarter situated in Longjumeau (near Paris)

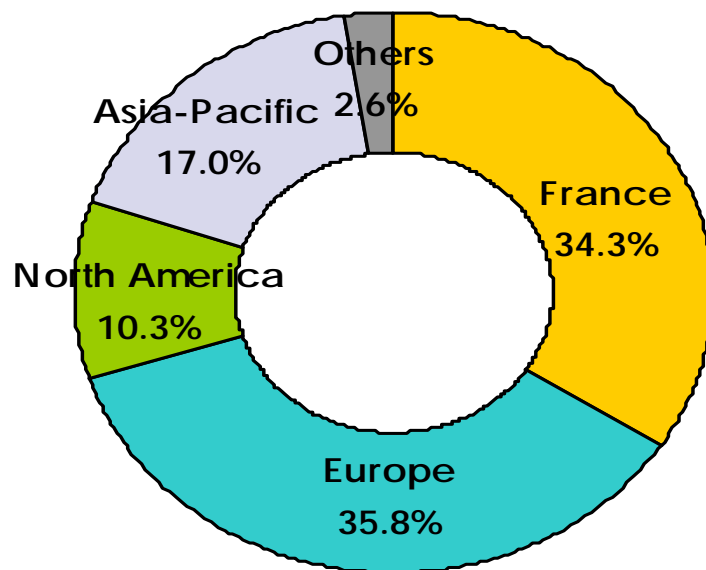


PCAS GROUP

An international Group

Sales breackdown

2007 Net Sales : 185.3 M€



Pharmaceutical Synthesis : 109.4M€

Fine Speciality Chemicals: 75.9M€



PCAS GROUP

An exceptional portfolio of clients

Pharmaceutical Synthesis

sanofi aventis
L'essentiel c'est la santé.

Pfizer

Wyeth

Roche

SHIONOGI
人々の健康と幸福に奉仕する

Bristol-Myers Squibb Company

AKZO NOBEL

MERCK

Lilly

NOVARTIS

SOLVAY

SCHERING

SCHWARZ PHARMA

SERVIER

BEAUFOUR IPSEN

CHIRON

alza

PLIVA

Johnson & Johnson



PCAS GROUP

An exceptional portfolio of clients

Perfumery-Aroma-Cosmetics



Performane Chemicals



New Technologies





PCAS GROUP

History

- **1962** PCAS created by 2 French entrepreneurs
- **1982** PCAS joins Stauffer Chemicals then Akzo Nobel
- **1992** **The Dynaction Group acquires** PCAS for 8.3 M€
- **1993** Acquisition of **Saint-Jean Photochimie** (Quebec)
- **1995** **Introduction** on the « second marché » of the Paris stock exchange valuing PCAS at 23 M€
- **1996** **SBS** created, specialising in the production of **acrolein** derivatives
- **1998** Acquisition of Seloc France (**Limay**) specialising in Pharmaceutical Synthesis (now merged with PCAS)
- **1999** Acquisition of PCF (Mineral Chemicals) and of Vernolab
- **2001** Acquisition of **Expansia, of PCAS Finland** and of Creapharm
- **2004** Sale of Vernolab to the SGS Group – 85% purchase of **VLG Chem** (Sanofi-Aventis maintaining 15% of the capital) – **PCAS America Inc** created
- **2005** Sale of Creapharm
- **2006** **PCAS Biosolution** created – interest taken in Protéus (6%)– Sale of a majority stake in PCF to management
- **2007** Interest in **Protéus** capital increased to 32% - Interest in PCF capital reduced to 19.9%

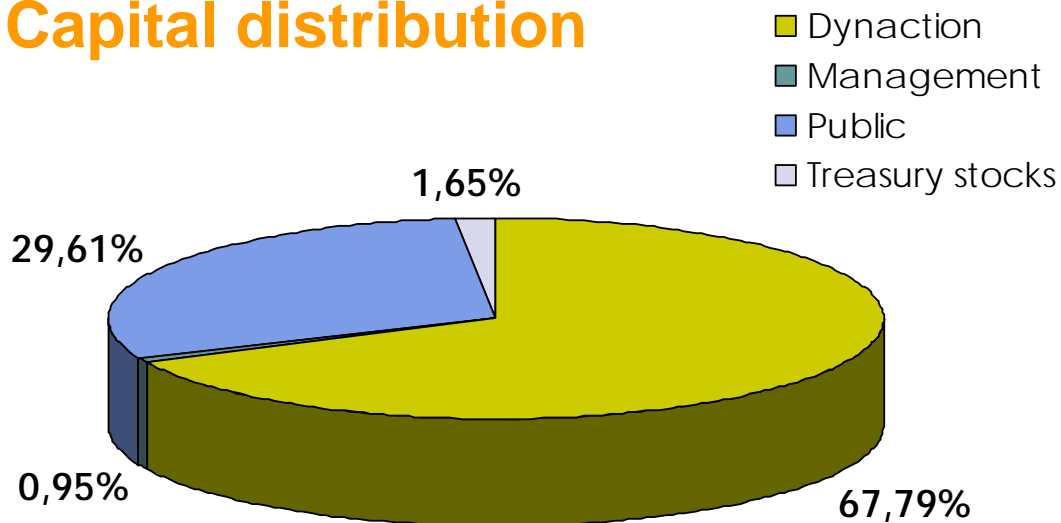


PCAS GROUP

Shareholding

Source : TPI 31st December 2007

Capital distribution



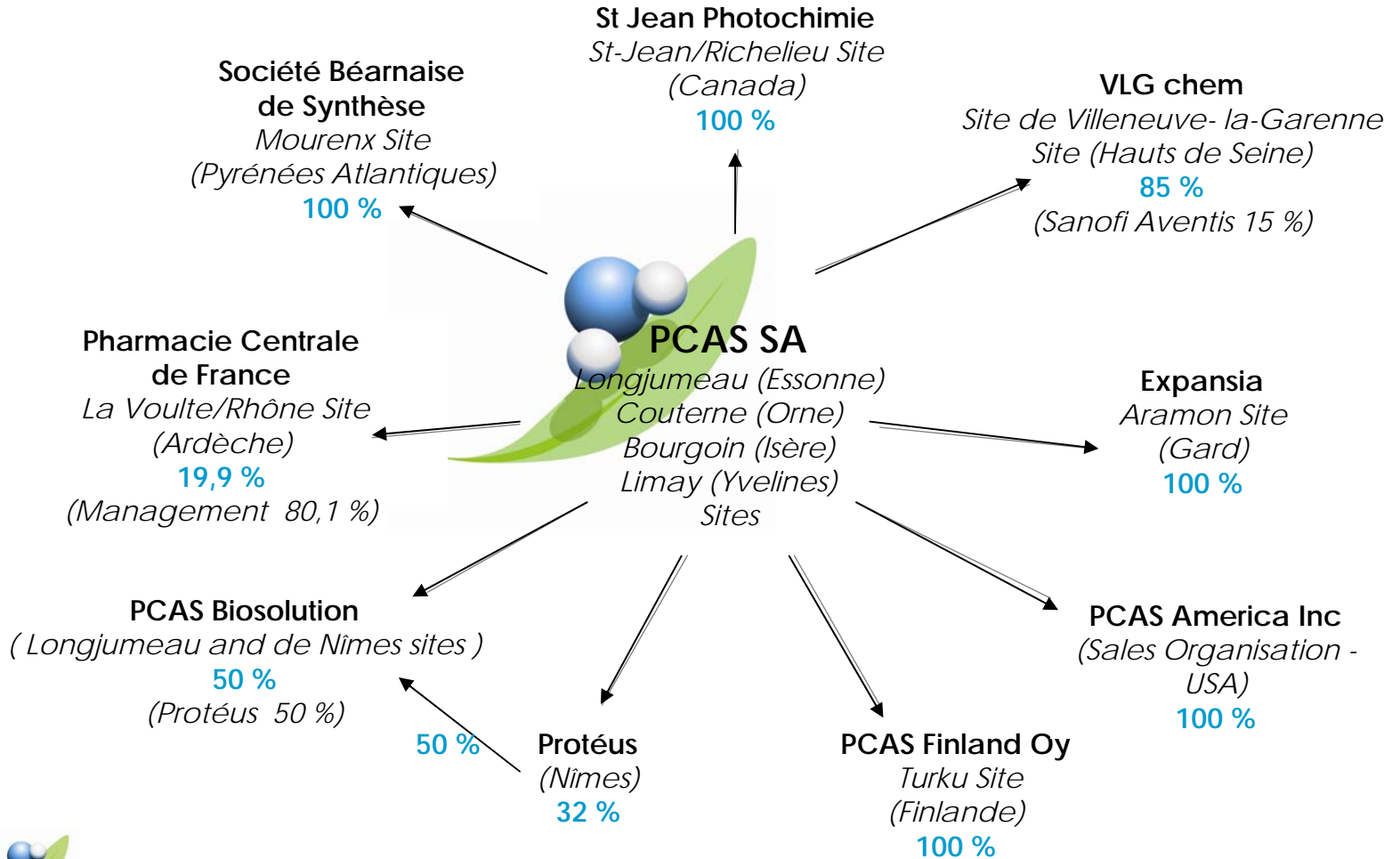
Other information

Isin code	FR 0000053514 – PCA
As of 31st January 2007 :	
Number of shares	13 003 882
Market compartment	Euronext C
Price	4,10 €
Market value	53,3 M€



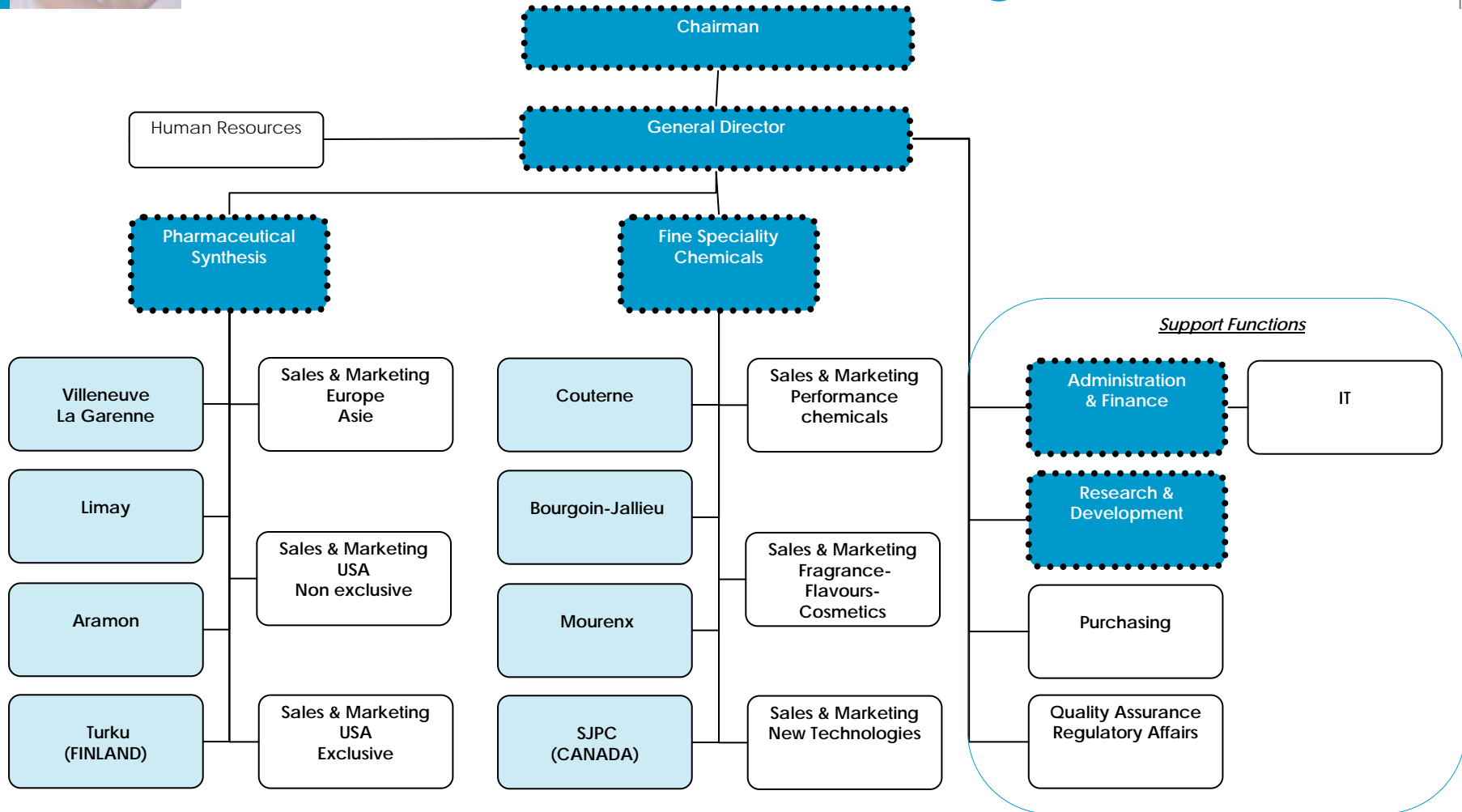
PCAS GROUP

Legal structure





PCAS GROUP Organisation chart





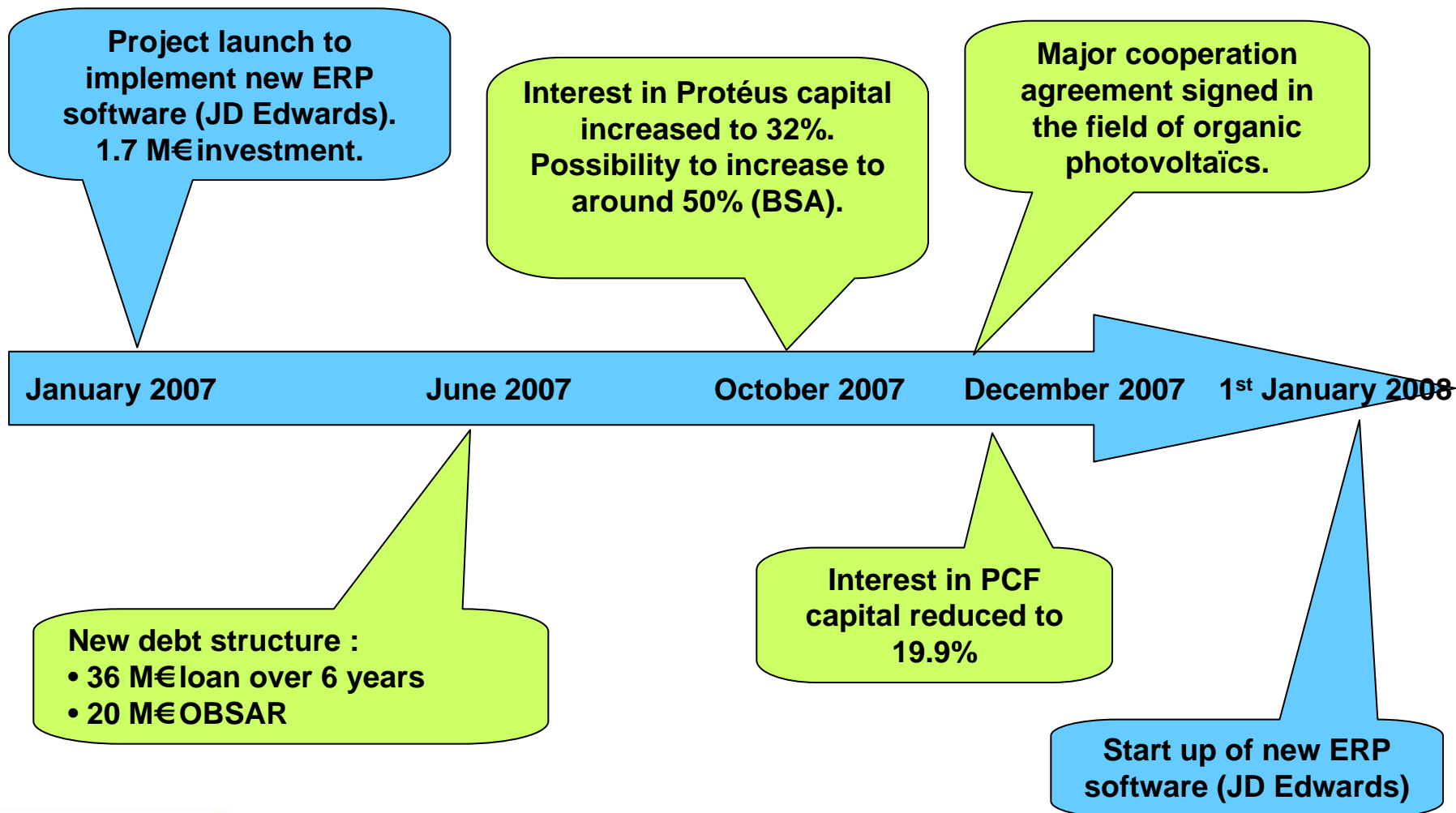
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2007 RESULTS



2007 RESULTS

2007 Significant Events





2007 RESULTS

All financial indicators are at green

Net sales :

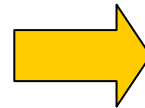
- . + 3.9 % at 185.3 M€
- . + 5.3 % at a constant exchange rate

Net debt reduced from 79.0 M€ to 70.1 M€



Results strongly increasing and conforming to objectives :

- . EBIT : +51.9 % to 12.0 M€
- . EBITDA : + 22.4 % to 26.8 M€



Objectives :

ROC : 8 % of net sales

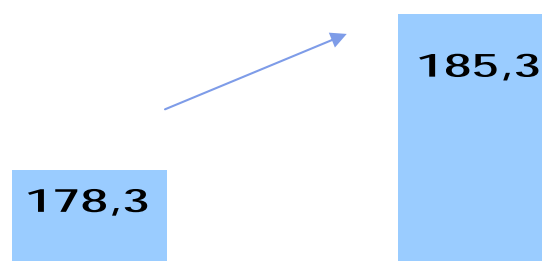
EBITDA : 15 % of net sales



2007 RESULTS

2007 Net Sales

+ 3.9 % (+ 5.3 % at a constant exchange rate)



<i>In millions of euros</i>	2007		2006	
Net sales	185.3	100 %	178.3	100 %
Pharmaceutical Synthesis	109.4	59.1%	109.9	61.7%
Fine Speciality Chemicals	75.9	40.9%	68.4	38.3%

- 11% growth in net sales for the Fine Speciality Chemicals pole
 - Boosted by the Perfumery-Aroma-Cosmetics and Performance Chemicals activities
- Pharmaceutical Synthesis pole's net sales are stable

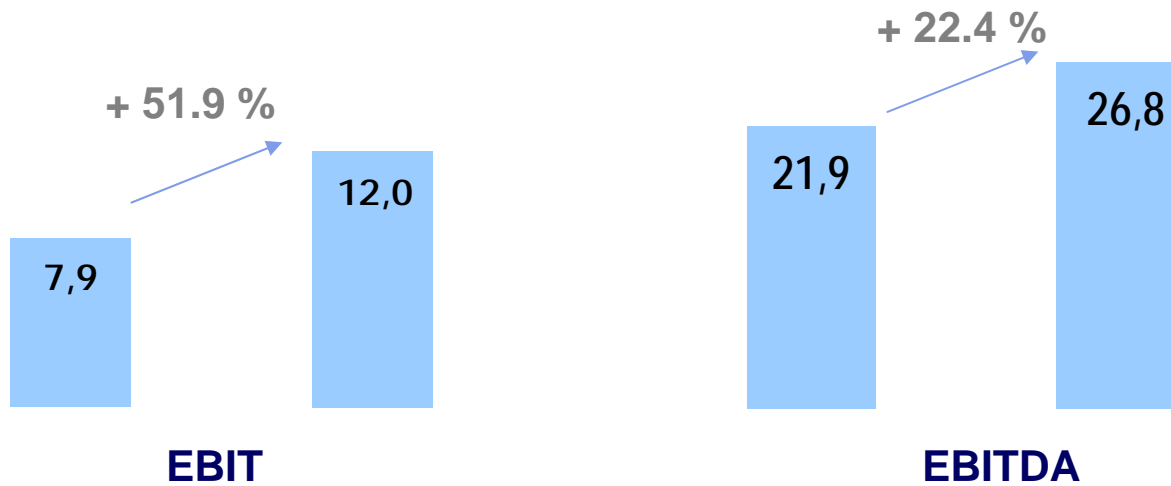


2007 RESULTS

2007 EBIT and EBITDA

Greatly increasing profitability – first effects of actions carried out :

- . margin improvement
- . cost reduction



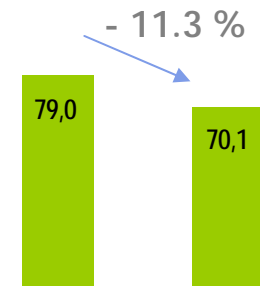


NEW DEBT STRUCTURE

Repayment of 58.8 M€ syndicate loan

- Repayment of the 2007 due amount regarding our former syndicated loan for 4.8 M€
- A new syndicate loan for 36 M€ over 6 years
- An OBSAR issue (Bonds with equity warrants attached) for a net amount of 19.3 M€:

- Nominal unit value : 600 euros
- Number of OBSAR : 33 333
- Number of BSAR : 3 333 300
- Expiry : 31st December 2012
- Interest's rate : 5,25%
- Repayment price : 606 euros
- BSAR exercise price: 6.90 euros
- BSAR exercise period: at any time up to the 31st December 2012

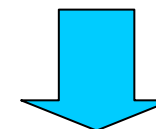


Conforming to currently enforced IFRS rules, this hybride debt integrates a debt part and an equity part which rise to 17.6 million euros and 1.3 million euros (taking account deffered taxes) as of 31st December 2007, respectively.



2007 RESULTS Key Figures

In millions of euros	2007	2006	2005
Net sales	185.3	178.3	170.6
EBITDA	26.8	21.9	18.4
<i>as a percentage of net sales</i>	<i>14.5 %</i>	<i>12.3%</i>	<i>10.8%</i>
Depreciation and provisions	(14.8)	(14.0)	(14.0)
Current operating income (1)	12.0	7.9	3.9
<i>as a percentage of net sales</i>	<i>6.2 %</i>	<i>4.4%</i>	<i>2.31%</i>
Other operating income and expenses (2)	(3.0)	(0.8)	(0.5)
Net interest expense on debt	(4.7)	(4.0)	(3.9)
Net profit	2.7	1.2	(2.5)
Net profit – excluding impact of free shares	4.7	1.2	(2.5)
Investments	10.0	9.2	9.1
Net debt	70.1	79.0	82.5
Equity	75.3	69.1	68.9
Gearing	0.93	1.14	1.20



EBITDA : + 22.4 %

ROC : + 51.9 %

- (1) Including Research Tax Credit previously known as a reduction in tax charges
 (2) In 2007 : 2.0M€ for the free share distribution plan and 1.0M€ for restructuring costs
 In 2006 : restructuring costs
 In 2005 : tangible fixed assets depreciations



2007 RESULTS

Consolidated income statement

Economic presentation

<i>In millions of euros</i>	2007		2006	
Net sales	185.3	100 %	178.3	100 %
Pharmaceutical Synthesis	109.4	60.3%	109.9	63.4%
Fine Speciality Chemicals	75.9	39.7%	68.4	36.6%
Purchases (raw materials and change in inventory)	(66.2)	35.2%	(63.1)	33.1%
Staff costs	(54.2)	29.9 %	(53.7)	31.1 %
External costs	(35.5)	18.7 %	(35.4)	19.8 %
Taxes	(5.6)	2.9 %	(7.0)	4.0 %
EBITDA	26.8	14.5%	21.9	12.3%
Depreciation and provisions	(14.8)	8.0 %	(14.0)	7.9 %
Current operating income	12.0	6.5 %	7.9	4.4 %
Pharmaceutical Synthesis	7.3	6.7%	7.4	6.7%
Fine Speciality Chemicals	4.7	6.2%	0.5	0.7%



2007 RESULTS

Consolidated income statement

<i>In millions of euros</i>	2007	2006
Current operating income	12.0	7.9
Other operating income and expenses (*)	(3.0)	(0.8)
Operating income	8.9	7.1
Net interest expense on debt	(4.7)	(4.0)
Income tax expense	(0.6)	-
Net result of non-current assets intended to be sold	-	(2.0)
Net profit	2.7	1.2

(*) in 2007 : 2.0 M€ for the free shares plan and 1.0 M€ for restructuring costs

(*) in 2006 : restructuring costs



2007 RESULTS

Consolidated balance sheet

<i>In millions of euros</i>	2007	2006	<i>In millions of euros</i>	2007	2006
Non-current assets	101.5	103.1	Total equity	75.3	69.0
Current assets	91.0	97.1	OBSAR	17.6	0.0
Cash and cash equivalents	2.8	3.2	Long-term debt	55.4	82.3
			Other liabilities	47.0	52.1
Total assets	195.3	203.4	Total liabilities	195.3	203.4



2007 RESULTS

Consolidated statements of cash flows

<i>In millions of euros</i>	2007	2006
Net cash provided by operating activities	23.3	18.5
<i>of which cash flow</i>	24.4	19.5
<i>of which changes in working capital</i>	0.3	0.4
<i>of which income tax</i>	(1.4)	(152)
Net cash provided by investing activities	(11.2)	(7.8)
<i>of which property, plant & equipment and intangibles</i>	(10.0)	(9.2)
<i>of which financial assets</i>	(1.2)	(1.7)
<i>Of which net effect of changes in the scope of consolidation</i>	-	3.1
Net cash provided by financing activities	(10.5)	(6.0)
<i>of which net debt variation</i>	(5.5)	(2.0)
<i>of which net interest expense in debt</i>	(4.7)	(4.01.7)
Net change in cash and cash equivalents	1.6	4.7



3 |

PHARMACEUTICAL SYNTHESIS



PHARMACEUTICAL SYNTHESIS

3 TYPES OF INTERNATIONAL CUSTOMER

- Pharmaceutical Laboratories (60%)
- Generic Manufacturers (30%)
- Start-ups (10%)

6 PRODUCTION SITES

cGMP

- Limay
- Aramon
- VLG
- PCAS Finland

ISO

- Couterne
 - Bourgoin
- } *Polyvalent sites*



PHARMACEUTICAL SYNTHESIS

Significant events

- Stable Net sales
- Action plan adhered to concerning site cost reduction
- Partnership activity (*) reduced in 2007 compensated by Custom Manufacturing (new products) (*) and Generics (commercial prospecting)

Activity Split

- Customer-Partner activity (- 13 %)
- Generic activity (+ 16 %)
- Custom Manufacturing activity(+ 6 %), including strong sales to the US market
- Start-up of projects and invoicing involving PCAS Biosolution

Sites

- Change to 5 shifts (7 days a week) at the PCAS Finland site to meet a high demand in Custom Manufacturing
- Reduction in activity at the Expansia site (Veinotoniques no longer being reimbursed) and at VLG Chem site (stock reduction)
- Very stable activity at the Limay site to respond to Generic sales and the launching of new products

() Custom Manufacturing : made-to-measure synthesis activity of products for the pharmaceutical industry
Partnerships : previous site owners*



PHARMACEUTICAL SYNTHESIS

Outlook

- Less than favourable impact during the year due to our « customer-partners » stock reduction plans
- Growth in R&D invoicing of phase 1 and 2 project launches
- Ongoing negotiations concerning two important API (*) contracts as well as « preferred supplier » contracts with major market players
- Prospecting new markets (Russia, South America, the Middle East, Asia)
- Optimisation of Supply Chain and production at cGMP sites
- Recovery expected at Expansia site in 2008 following the introduction of new products which will compensate for the decrease in production of veinotonics.



4 |

FINE SPECIALITY CHEMICALS



FINE SPECIALITY CHEMICALS

3 ACTIVITIES

- Performance Chemicals (30 %)
- Perfumery – Aroma – Cosmetics (35 %)
- New technologies (35 %)

4 PRODUCTION SITES

- Couterne
 - Bourgoin-J.
 - Mourenx
 - Saint-Jean sur Richelieu
- } *Polyvalent sites*



FINE SPECIALITY CHEMICALS

Performance Chemicals

Significant Events

- Growth in net sales: + 7.1%
- Profit improvement through optimising capacity and the product mix
- Diversification of sulfonate (*) applications in lubricants
- Consolidating market position of large accounts (made-to-measure)
- New formulation development for fluids of material transformation

Outlook

- Accompanying the development of our large international customers especially in Asia
- Development of East Europe and Russian market prospection
- Continuing to add value to our technologies and industrial equipment
- Continuing to improve processes

() Sulfonates : organic molecule containing sulphur whose polarity brings specific performances*



FINE SPECIALITY CHEMICALS

Perfumery-Aroma-Cosmetics

Significant Events Forecast

- Very strong growth in net sales : + 30.0%
- Stable activity in all fields and in particular in cosmetic custom manufacturing
- Solid activity by distributors, notably in Japan
- Product portfolio review
- Optimisation of processes
- New opportunities with the profession's leading companies
- R&D efforts intensified to renew product catalogue
- Working closely with strategic distributors



FINE SPECIALITY CHEMICALS

New technologies

Significant Events

- Good performance by the Canadian subsidiary despite a weak US dollar against a Canadian dollar (estimated impact -0.5 M€ on operating income)
- Rigorous selection of product portfolio and efforts in management: slight reduction in net sales and strong profit recovery
- Pause in the rapid development of the microelectronics industry, following the strong growth of 2006, has impacted the Canadian site
- Strengthening of the sales team and North American market prospection
- Intense prospecting concerning custom manufacturing projects

Outlook

- Increase in net sales due to new custom manufacturing projects currently in negotiation
- Expected increase in demand in the microelectronics industry in 2008
- Continuing the pursuit of geographical diversification
- Redeployment of new activities (colourings and polymers of high added-value, photovoltaic...)



5 |

RESEARCH & DEVELOPMENT



RESEARCH & DEVELOPMENT

PHARMACEUTICAL SYNTHESIS:

Reminder: 65 staff (20 of whom have PhDs)
9.0 M€ in 2007

92 project reviews (320 steps)

- 4 synthesis laboratories + 2 Kilo-Labs (Aramon & Turku)) + 3 pilot work shops (GMP-Aramon & Limay + ISO-Couterne)
- 48 employees in the laboratory, 14 of whom are in analytical development
- 16 employees in the pilot workshop(12 GMP et 4 ISO 9001)

GMP : Good Manufacturing Practices



RESEARCH & DEVELOPMENT

FINE SPECIALITY CHEMICALS:

Reminder: 35 staff (12 of whom have PhDs)
 3.5 M€ in 2007

45 project reviews (77 steps) in Performance Chemicals
41 reviews in Industrial Chemicals

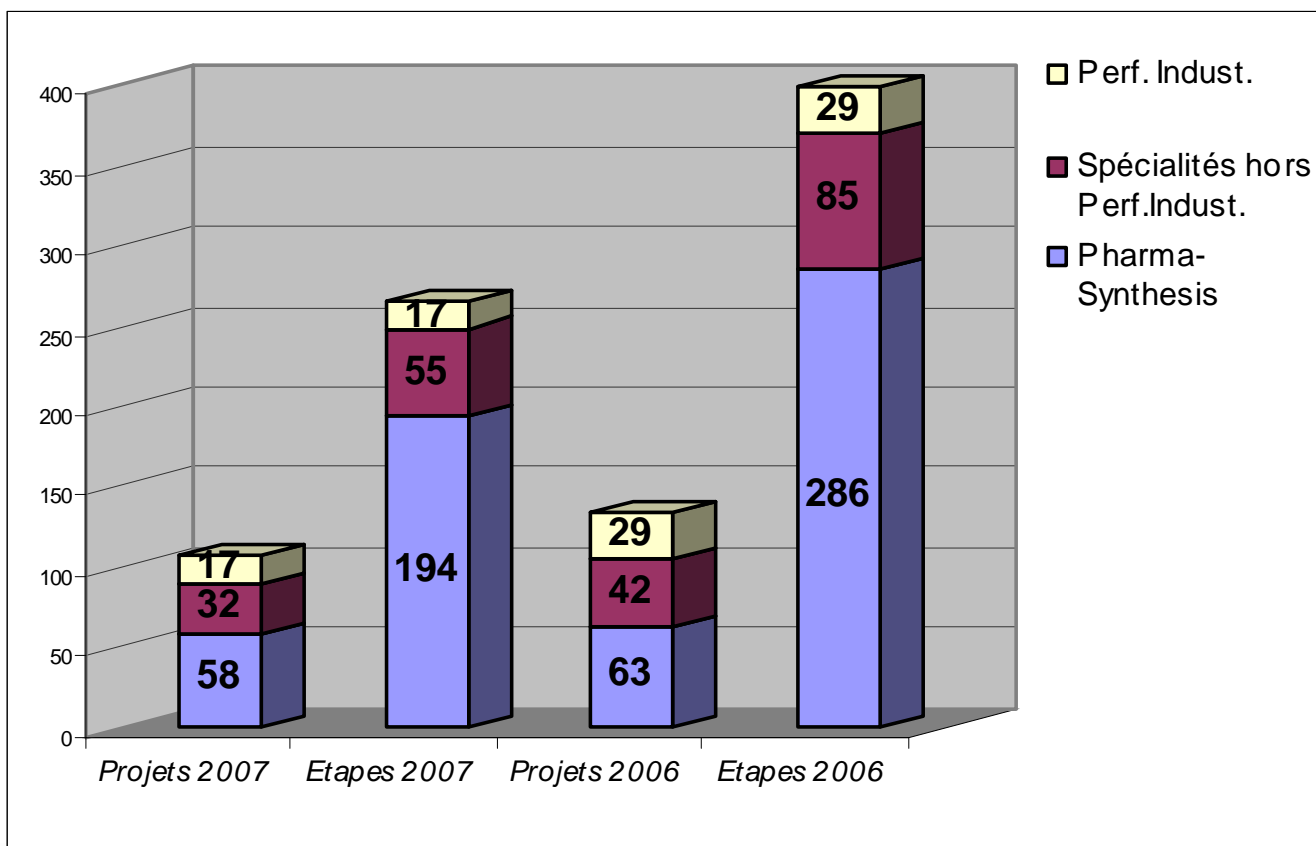
- Non-GMP synthesis intermediates and performance products
- 1 central laboratory (Longjumeau : 19 employees)
- 1 specialised laboratory (Quebec : 6 employees)
- 2 pilot workshops (Couterne + Bourgoin Jallieu : 10 employees)



RESEARCH & DEVELOPMENT

Projects as of 31st December 2007

2007 project reviews: 'an increased selectivity'





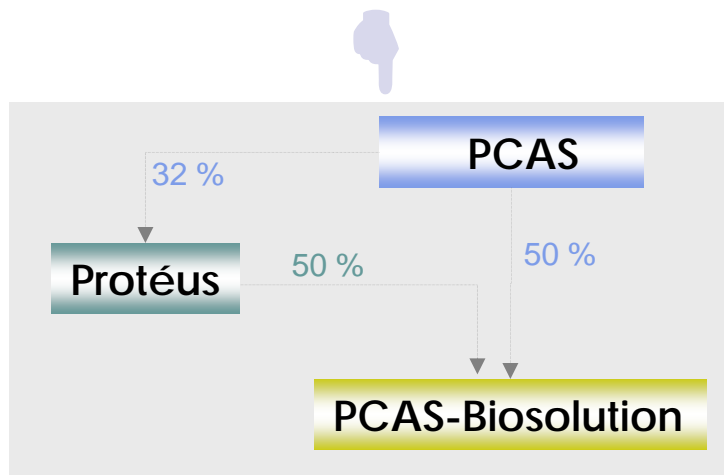
PCAS and Biotechnologies

The fundamentals

- ❑ **Shift in Pharmaceutical industry**
→ applying new technologies known as « 3rd generation »
- ❑ **Biotechnologies** : a real contributor to development just like the discovery and obtaining of new « medicine candidates »
- ❑ **A new class of pharmaceutical ingredients**
« Biomedicine » or therapeutic proteins (11% of the world net sales, 70 M > USD)

The strategy

- ❑ To apply innovative technologies
- ❑ To better respond to market needs
- ❑ To respect the environment using less aggressive reagents whilst containing costs





Activities

- 👉 Discovering, fine-tuning, optimising and producing new proteins
- 👉 Developing innovative processes for industrial applications
- 👉 Two main types of proteins developed ::
 - **Catalytic proteins** or enzymes (biocatalyser) : chemical synthesis and industrial applications (detergents, animal foods, Fine Chemical cosmetics, renewable energies...)
 - **Therapeutic proteins** or biomedecine for customer use (health, Pharmaceutical)

Proteus SA

- 👉 Created in 1998 by biotechnology specialists
- 👉 Based in Nîmes on 2100m² of land (near **PCAS-Aramon**)
- 👉 Employees : about 40 people including scientists (50% hold PhDs or degrees) and intellectual property specialists
- 👉 Adapted equipment and laboratories (engineering, screening at an automated « HTS » rate, fermentation and purification to produce targetted proteins,...)



An exclusive collection of biodiversity (notably originating from extreme environments), a renowned expertise and a coherent range of **owned** technologies (EU, US) for ::

- high rate screening (**CLIPS-O™**)
- optimisation of proteins (**EvoSight™**, **L-Shuffling™**)
- protein expression (**Phenomix™**)
- Immunogenicity evaluation

Un flexible business model



Services

« Proteus services for industry »

↳ **Dream'line** : optimisation of targetted protein performance (activity, specificity, stability, immunogenicity, solubility...)

↳ **Prod'line**: Biological production and selection of the best expression system for optimal production of the proteins of interest (enzymes or therapeutic proteins)

↳ **Immuno'line**: invitro tests enabling one to evaluate the therapeutical protein immunogenicity before launching clinical tests on human beings

Partners

R&D of innovative bio-products and bio-processes for the world-wide market in collaboration with leading industries in their field

Veolia, Adisseo, Henkel, Evonik -Degussa, Thales...

PCAS-Biosolution :

An exclusive partnership with PCAS for the development of chemo-enzymatic synthesis routes for the production of active ingredients or pharmaceutical intermediates



PCAS
Leader in chemical synthesis
Renowned supplier to the pharmaceutical industry

Proteus
Leader in industrial biotransformations and bioconversions

Chimio biocatalytic processes
for the production of pharmaceutical ingredients (API & intermediates)

Customer Typology

1. Custom projects
- Originating from classic management agreements, but with improvements to be made to a biocatalysis step
2. Ownership projects of the « Generic + » type

PCAS projects

- Advanced development : **2 projects**
- Development of key intermediates « building blocks »
- **New** : development of chiral intermediate catalogue products introduced into the synthesis of active ingredients originating from biocatalysis

« custom » projects

- Pilot stage : 1 project
- Advanced development «: 2 projects
- Screening & optimisation: **4 projects** (of which 3 are with leading pharma companies)
- Collaboration management contracts currently under signature with « major » pharmaceutical companies as well as

PMEs



6 |

OUTLOOK 2008



OUTLOOK

Objectives : Progress of 2007 – 2009 plan

- Financial
 - Profitability: 2007 ✓
 - Financial structure: New loan and OBSAR ✓
(ongoing plan on the working capital)
- Industrial & commercial
 - Productivity
 - New IT system: operational as of 1st January 2008
 - Implentation of a « lean manufacturing » approach in 4 plants: launch of transversal sites, to be carried out during 2008

Financial targets : - 5 M€ on costs and - 5 M€ on inventories



OUTLOOK

Objectives: Progress of 2007 – 2009 plan

- Commercial
 - Strengthening of sales drive
 - Optimisation of mix-produits
- R&D
 - Continuing actions to improve efficiency of R&D spending
 - Continuing the development of Isogel (new product with isolating properties : thermal and sound are particularly interesting)
 - As a reminder, PCAS will fully benefit from the new french tax law concerning Research Expenses Credit for 2008 (additional profit around 1.6M€)



OUTLOOK

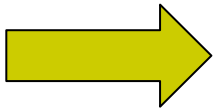
Objectives : Progress of 2007 – 2009 plan

- Strategic technological partners
 - Protéus : Initial technical success of PCAS Biosolution. Significant contract signed by Protéus
 - Saint-Jean Photochimie : Major co-operation contract in the field of organic photovaltaïcs signed
 - Others : Currently under review
- Shareholding
 - Preparing for the merger with Dynaction : debt reduction ongoing at Dynaction

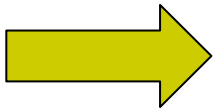


OUTLOOK

- **Reminder of financial targets**



ROC : 8% of net sales
(Results : 2007 = 6.5%, 2006 = 4.4%)



EBITDA : 15% of net sales
(Results : 2007 = 14.5%, 2006 = 12.3%)



DYNACTION & PCAS STOCK Listed on Euronext compartment C

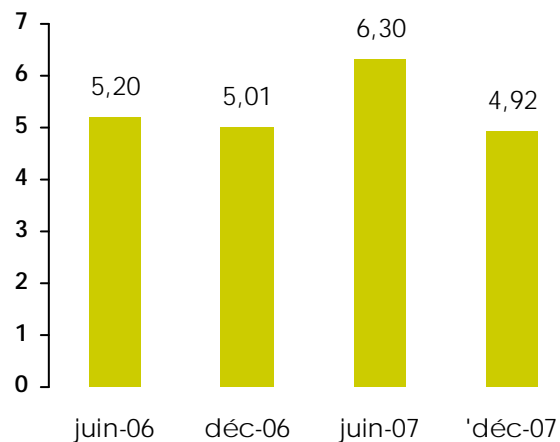
Number of Dynaction shares:

3 295 842

Number of PCAS shares:

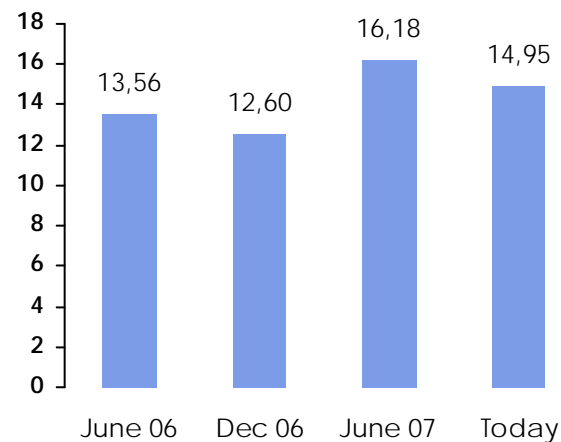
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PCAS- Price



Decrease compared to June 2006: -5.4%
Decrease compared to December 2006: -1.8%

Dynaction -Price



Decrease compared to June 06 : -2.4 %
Increase compared to December 2006 : +5.08%

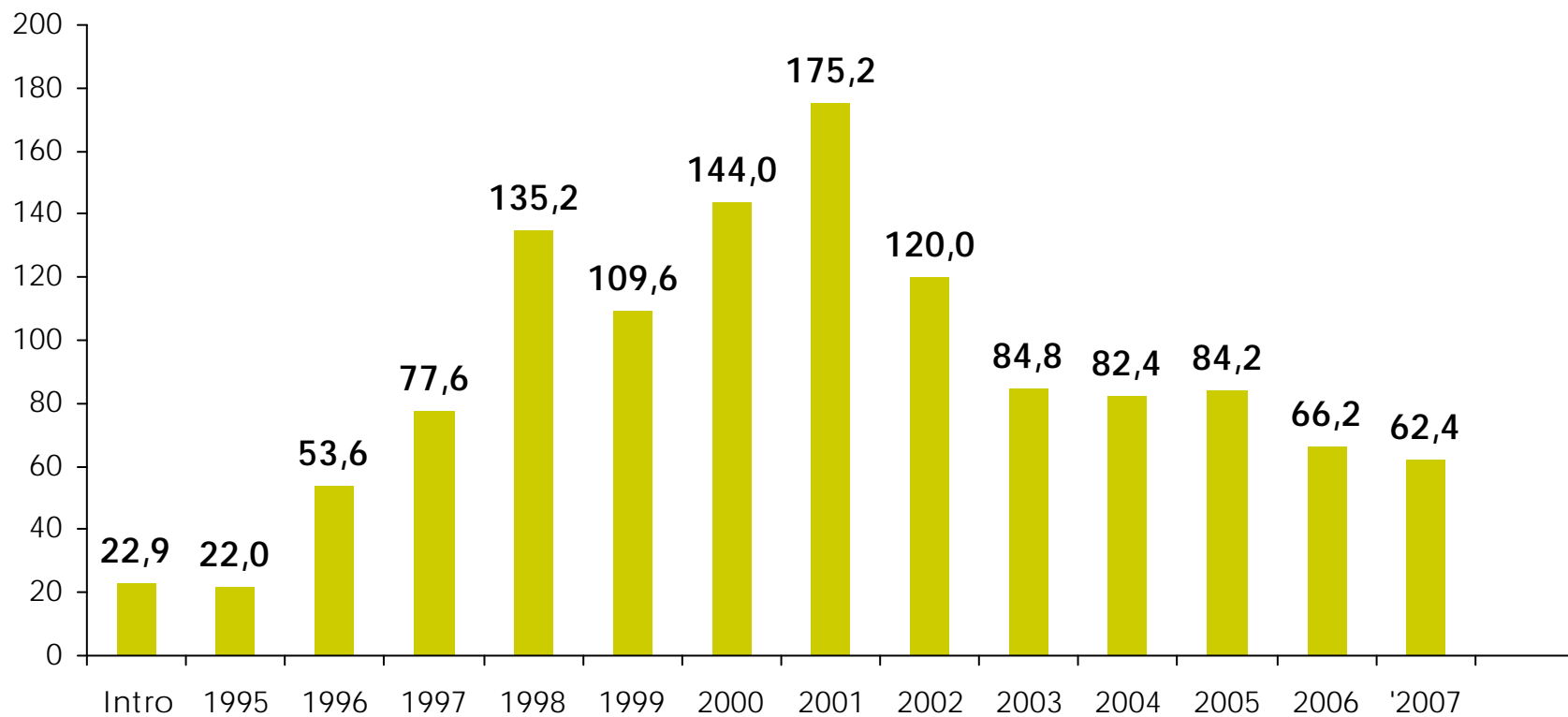


PCAS CAC SMALL 90





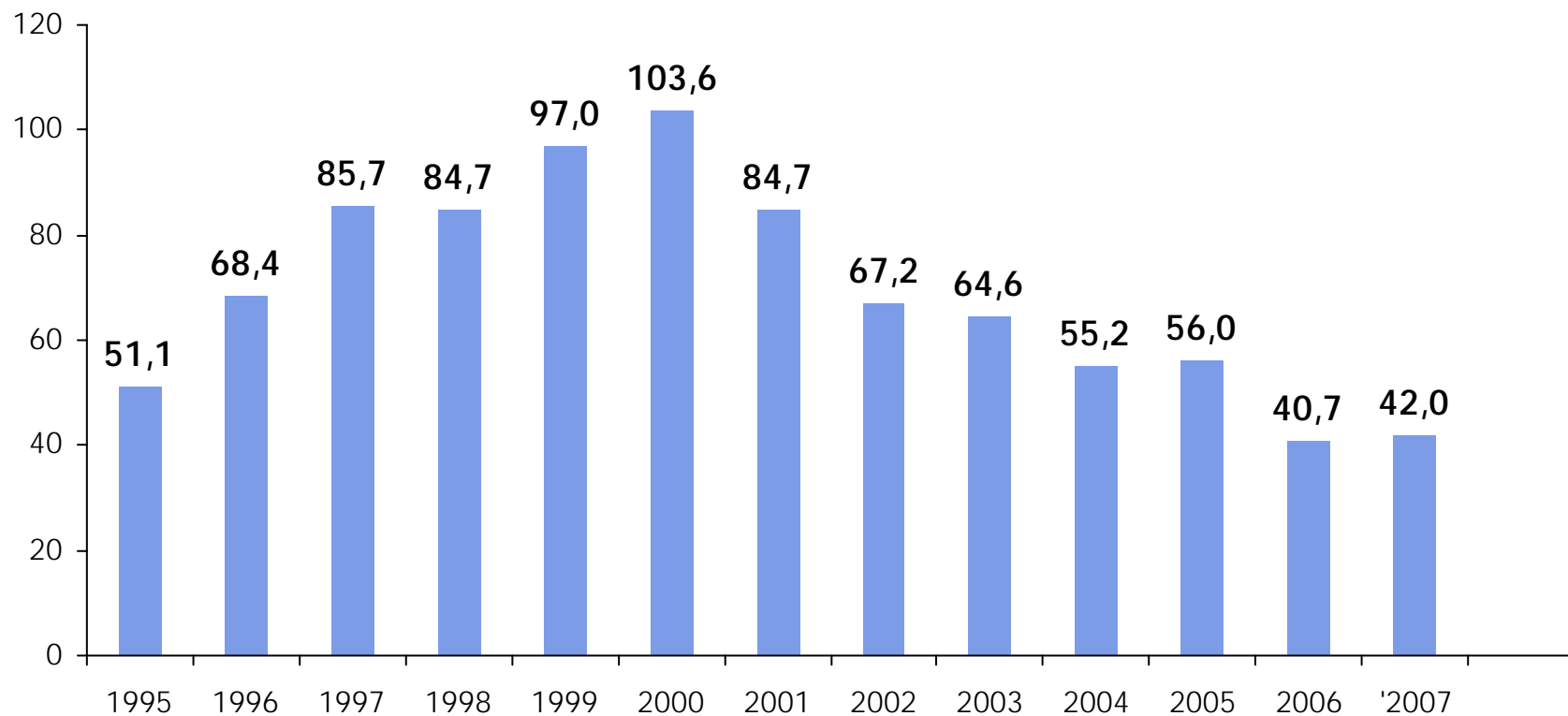
PCAS Stock Market Capitalisation





DYNACTION

Stock Market Capitalisation





Thank you for your attention

Next meeting :
Shareholders' meeting
30th April 2008