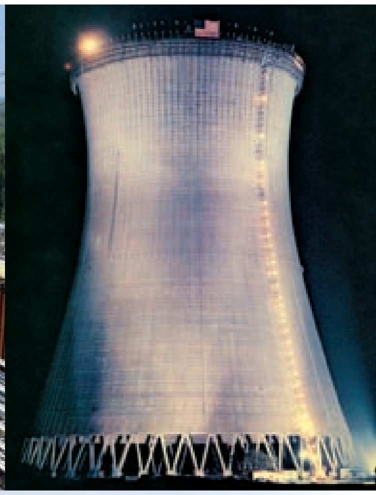
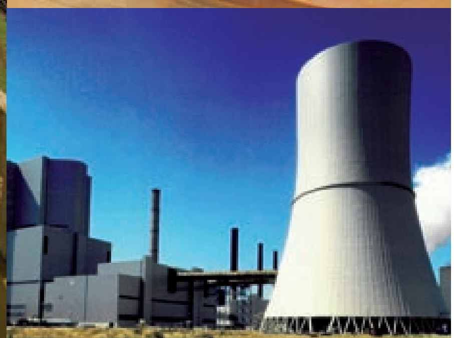
Hamon Annual Report

2008

HAMON







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Plume-abated cooling towers installed by Hamon in Spain

PART 1

General presentation of the Group

Key figures

in EUR million	2008	2007	2006	2005	2004
INCOME STATEMENT					
Revenue	366.7	432.6	354.4	283.7	194.4
EBITDA (1)	46.6	46.3	35.8	25.9	11.1
EBIT (operating profit after restructuring costs)	43.7	43.4	32.0	20.3	0.9
Net result from continued operations	20.7	19.6	14.9	22.9	(3.5)
Net result of discontinued operations	(1.8)	(1.2)	(1.8)	(15.7)	(15.3)
Group's share in net result for the year	18.5	18.3	13.0	7.1	(18.8)
Cash flow (2)	34.7	28.5	20.5	6.5	(3.8)
BALANCE SHEET					
Non-current assets	66.8	57.0	59.9	66.4	55.2
Non-current assets held for sale and current available-for-sale financial assets	0.2	0.0	0.1	1.8	86.7
Cash and cash equivalents	59.1	35.7	24.4	20.0	12.7
Other current assets	159.5	142.2	127.9	111.3	73.6
Total assets	**285.6**	**234.8**	**212.4**	**199.5**	**228.2**
Equity (3)	49.4	34.4	19.1	(10.5)	(33.0)
of which minority interests	0.7	0.3	0.3	0.2	(0.0)
Borrowings (cur. & non-cur.; excl. sub. loan)	69.9	62.6	66.4	86.9	77.4
Subordinated loans	0.0	0.0	0.0	0.0	6.3
Non-current provisions	3.9	3.6	4.2	8.3	9.1
Other non-current liabilities	5.4	10.2	6.1	3.3	1.8
Non-current liabilities held for sale	0.0	0.0	0.0	0.0	82.7
Current liabilities (excl. borrowings)	157.1	124.0	116.5	111.5	84.0
Total equity and liabilities	**285.6**	**234.8**	**212.4**	**199.5**	**228.2**
Net working capital (4)	2.4	18.2	11.3	(0.2)	(10.4)
Net financial debts (5)	10.8	26.9	42.0	66.9	64.7
Capital employed (6)	69.4	75.1	71.4	68.0	48.8
Average staff number (yearly average)	**1,015**	**912**	**779**	**769**	**832**

(1) EBITDA = operating profit before depreciation, amortization and restructuring costs
(2) Cash flow = cash generated from operations after restructuring excl. interests
(3) Including minority interest
(4) Current assets (excluding Cash & equivalents) - non-financial current liabilities (continued operations only)
(5) Borrowings (excl. subordinated loans) - cash & equivalents
(6) Non-current assets + net working capital + non-current net assets & liabilities held for sale

in EUR million	2008	2007	2006	2005	2004
RATIOS					
EBIT / revenue	11.9%	10.0%	9.0%	7.1%	0.5%
ROCE (7)	63.0%	57.8%	44.8%	29.8%	1.9%
Debt / equity (8)	0.2	0.8	2.2	(6.4)	(2.0)
Enterprise value / EBITDA (9)	3.3	7.8	6.5	3.9	7.3
DATA PER SHARE (in EUR/share)					
Group's share in net result for the year	2.57	2.54	2.19	1.58	(6.96)
Net result from continued operations	2.87	2.72	2.50	5.14	(1.29)
Equity (excl. minority interests)	6.77	4.74	3.16	(2.40)	(12.19)
Gross dividend	0.57	0	0	0	0
P/E (share price on 31.12) (10)	6.8	17.2	10.6	1.1	non significant
Total weighted number of shares	7,191,472	7,191,472	5,948,680	4,458,340	2,703,579
Total number of shares on 31.12	7,191,472	7,191,472	7,191,472	5,874,310	2,703,579
Market capitalization on 31.12	140,233,704	336,129,401	190,574,008	34,364,714	11,084,674
Share closing price on 31.12	19.50	46.74	26.50	5.85	4.10
Year average share closing price	29.79	38.66	13.93	4.97	4.87

(7) EBIT / capital employed
(8) Net financial debts / equity (incl. minority interests)
(9) Enterprise value = 31.12 market capitalization + minority interests + net financial debt + subordinated loans - investment in associates
(10) Share price on 31.12 / net result from continued operations (per share)

Discussion with Francis Lambilliotte

2008 was a year where we were able to consolidate our commercial and financial positions, as well as prepare for further international developments foreseen for the 2009-2011 period, both in terms of markets and new products.

FRANCIS LAMBILLIOTTE, MANAGING DIRECTOR.

Francis Lambilliotte can rightly claim satisfaction: the financial health of Hamon improved again during 2008. And as you will read, the principal reasons for this progress were as predicted. As for the future, while there is every reason to be prudent, it is nevertheless a bright one. This confidence is justified as it is built upon the core activities of the Group and the long-term demand for its products/services.

ONE YEAR AGO, YOU SAID: "I BELIEVE WE'LL BE ABLE TO MANAGE 2008 WITHOUT CAUSE FOR CONCERN." NOW THAT YOU HAVE THE RESULTS FOR THE YEAR, WERE YOU RIGHT?

Francis Lambilliotte – Yes, because we have progressed in two areas. Our orders are up by 10% over 2007, which contributed a backlog at the end of December of more than one year's sales. This was up by 40% year on year. As for our deliveries, these too followed the same curve. You can see this as our EBIT margin was just under 12%. In profit terms, I'm also very pleased, as it was slightly up over 2007, and so it is the highest profit Hamon has ever had. I'm very happy to see that the teams worked so well, and that the clients are all 'present and satisfied'.

YOU MENTIONED THREE AREAS FOR CONSOLIDATION. WHAT ABOUT THE FIRST OF THOSE, NAMELY THE RECRUITMENT OF MORE TALENT?

F.L. – We have indeed hired more new staff, mainly to reinforce our commercial teams and our R&D department. Amongst them, there are a number of young graduates and a few proven professionals. As always, we've kept the freshmen/women at the head office in order to train them, and have sent the 'proven ones' out into the field, both to start up and to realize more difficult projects.

YOU ALSO TALKED ABOUT IMPROVING THE PERFORMANCES OF YOUR PRODUCTS...

F.L. – We have indeed made progress, and this in many areas. Of course, we've invested in the technological performances of our products, which explains the wealth of talent recruited with an R&D bias. Amongst other things, we're working on a natural draft hybrid tower that produces less plume and we've also got a new fan-assisted natural draft tower that is considerably less high than a traditional concrete tower: 80 meters instead of 160/180m. They offer the advantage of being able to blend in with the environment more easily, while still offering the same efficiency – this thanks to powerful fans. We have also improved the performance and competitiveness of our electrostatic precipitators and fabric filters while reinforcing and deepening our knowledge in dry FGD. Next to this, we've improved our commercial strategies and our project follow up, including risk management, which again is reflected in our levels of EBIT.

THE LAST ELEMENT THAT YOU MENTIONED WAS THE GEOGRAPHIC EXPANSION OF HAMON. WHAT'S NEW ON THIS FRONT?

F.*L.* – That it is indeed a reality. In Saudi Arabia, we have a new air-cooled heat exchanger factory that was opened at the start of 2008. It serves the local market and has obtained the necessary approvals to sell its production there. We've also opened a commercial office in Bahrain, which works with our three European business units – Cooling Systems, Heat Exchangers and Air Pollution Control – and covers the entire Persian Gulf region except Dubai. In India, via the Joint Venture Hamon Shriram Cottrell, we have started air pollution control activities in 2008, an excellent initiative judging by the backlog at the beginning of the year, and we have also reinforced our position as the de facto partner in the Cooling System sector.

2008 ALSO SAW A SERIES OF IMPORTANT DIVERSIFICATIONS AND REDEPLOYMENTS?

F.L. – Yes. It was most notably the case in South Africa, where our subsidiary diversified following a very large contract with Eskom in Air Pollution Control, over 4 years. It was a first and especially notable since this subsidiary previously exclusively concentrated on Cooling Systems. We've also had a major redeployment in Brazil, where looking past the difficult market today, we see a market with enormous potential in the mid-term. We have started a restructuring process, taken 100% control, and already put a new management team in place, an absolute necessity if we are to have better control of the company, and start off on a sound basis.

AS THE RESULTS IN 2008 ARE A SUCCESS, WE CAN LOGICALLY CONCLUDE THAT ALL 5 OPERATIONAL UNITS DID WELL...

F.L. – Correct. The Cooling Systems BU had an excellent performance, mainly thanks to large orders coming from Germany and countries in the East and in Asia. In one year, the new order bookings increased by 13% and the EBIT margin is almost 9%. On top of that, there are many projects that reach right through to 2011.

The Heat Exchangers BU had an excellent 2^{nd} half of the year at a commercial point of view, which compensated for a rather slow start to the year. It finally allowed the BU to increase its sales by 20% and have an EBIT margin above 9%.

For the Air Pollution Control activity, 2008 was another successful year. In the USA, it confirmed its leadership position in terms of fabric filters for coal fired power stations and has taken a larger portion of the market as it relates to renovations of existing power plants, while also developing the dry desulphurization and wet gas scrubber (wgs+) market for refineries.

In Europe, the Air Pollution Control BU concentrated mainly on putting in place the infrastructure necessary for the new commercial strategy, including a greater geographical diversification; a multiplication of commercial and technical contacts in Germany and Eastern Europe; and new projects, mainly in India and China (and in Brazil, as mentioned). We expect the benefits of this new infrastructure to be reflected in the 2009 figures.

As for Chimneys, it is still in an excellent position in North America, where its activities increased by 20%, and where the EBIT doubled relative to 2007.

POLLUTE LESS AND DEVELOP RENEWABLE ENERGIES IS NOW ONE OF THE OBJECTIVES OF COMPANIES. DO YOU HAVE AMBITIONS IN THIS AREA?

F.L. – On one side, I believe that with our cooling systems, our air pollution control installations, as well as our gas treatments, we're already fighting pollution – the cumulative effect of all our systems is to provide more while reducing pollution. Besides this, we've also created a joint venture with a major producer of solar panels, namely Solel, in the domain of thermal solar power plants. This market is growing fast, with units up to 250 MW. Hamon SOLEL will now supply 'Solar Powered Steam generation systems', in other words the mirrors, the generation and recuperation of the steam, all except the turbine/generator. Besides this we also have a stake in the biomass energy business, through the company Xylowatt (Belgium) since 2008.

A LARGE NUMBER OF COMPANIES ARE HURT BY THE CURRENT CRISIS. WHAT ARE THE IMPACTS FOR HAMON?

F.L. – We're lucky in that our activity puts us as one of the lucky few. This is due to the fact that the most affected sectors, like the automobile industry, minerals or steel, represent just 5 to 10% of our business activity. In essence, our main clients, power stations and the oil & gas sector are less concerned. We are also able to take advantage of the fact that electric power plants have aged, and that the new environmental norms demand that they be renovated or replaced. So for the moment, we are not much feeling the effects of the crisis. Having said that, our customers take more time for reflexion and usually need a few more months to take their decisions.

YOU ARE THEREFORE OPTIMISTIC FOR 2009.

F.L. – I am quietly confident, but I won't make a guess about the final results. I believe that the current economic climate demands that we are careful and vigilant. However, facts remain encouraging. Our good order book shows us that 2009 will be a busy one. There are more and more new projects – notably in dry desulphurization, in WGS (wet gas scrubbing), in fabric filters, etc. The other good news is that after 5 years of non-competition with the company SPX, to whom we sold our activities Dry Cooling & Wet Cooling NAFTA, we are relaunching these activities under the names Research Cottrell Dry Cooling and Research Cottrell Cooling, with new processes and new products. On top of that is the fact that we adopted a measured policy of commercial and financial redeployment, and confirmed our international development projects in promising markets like Eastern Europe, Brazil, India and China. The good news is that it is from these countries that a pick-up in the economy should take place. And as we are more and more active in these places, there is every chance that we'll be able to participate in future growth in these markets.

AS IT'S NOT FORBIDDEN TO DREAM, WHAT HOPES FOR HAMON DO YOU HAVE?

F.L. – For many years now, we have been the partners of large worldwide producers of energy. Tomorrow, I hope that we'll be at the heart of both traditional energy projects with environmental protection systems and also in renewable energy projects, clearly a source of development for the future.

Group Profile

POSITIONING AND MISSION

Hamon, an international engineering and contracting company (EPC), positions itself as one of the world leaders, both for equipment and aftermarket sales and service in certain niche markets:

- Cooling systems
- Air Pollution Control systems
- Heat Exchangers
- Industrial chimneys.

The services offered to clients include design, manufacture of certain key components, management of projects, installation on site, start-up and aftermarket sales and service.

The main clients are principally:

- Electric power plants
- The oil, gas and petrochemical industries
- Other heavy industries including steel, cement, glass, waste incineration.

The objective of Hamon is to offer its shareholders a return on investment that is at least comparable to other companies in its sector. The company offers its customers innovative systems that use the latest technology at competitive prices, and that effectively respond to their needs, all with strict cost control.

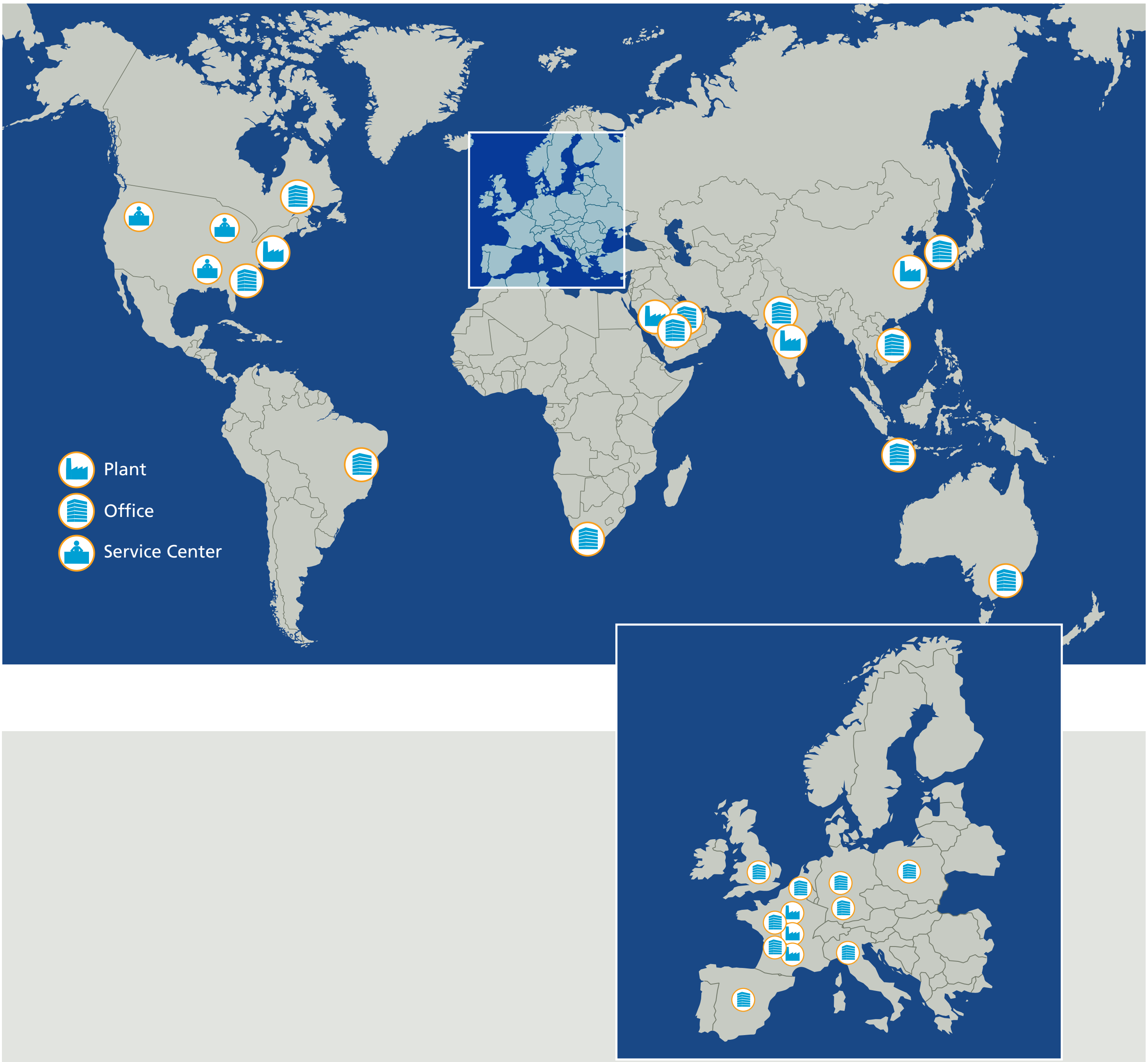
Apart from the satisfaction of its shareholders and clients, Hamon takes great care in assuring the satisfaction and development of its personnel and its partners, while at the same respecting the norms of sustainable development in each environment in which it operates.

OUR PRESENCE IN THE WORLD

In 2008, Hamon employed 1015 people in 20 countries and on 5 continents across the world. Several hundred others are hired on limited duration contracts (most notably on building sites). In 2008, the Group had revenues of EUR 367 million. The other key figures are presented at the start of this annual report.

Hamon shares have been listed on the Euronext stock exchange of Brussels, since 1997.

HAMON IN THE WORLD



The main activities of our five business units

Group profile

COOLING SYSTEMS

International business unit

Businesses

Design, manufacturing, installation, start-up, aftermarket sales service.

Products/Services

- Wet cooling systems (made-to-measure or standard)
- Hybrid cooling systems
- Aftermarket sales services: maintenance, rehabilitation, spare parts, performance improvement

Customers

- Power stations
- Industries

Organization

- One business unit of international scope and dimension

2008 Highlights

- EUR 109 million in revenue: +7% relative to 2007
- 30% of the Group's total revenue
- Average headcount 2008: 432 people
- First consolidation of the Indonesian subsidiary
- Dynamic markets, principally in Europe, Middle East and Asia
- One of the world leaders in humid and hybrid systems

2009 Prospects and Objectives

- Maintain results in new units and in revamping thanks to the markets wich remain good in Europe and in some parts of Asia
- Launch wet cooling systems in North America
- Launch dry cooling (or air cooled condensers) on the world stage

HEAT EXCHANGERS

International business unit

Businesses

Design, manufacturing, assistance with assembly, aftermarket sales services

Products/Services

- Air coolers
- Hair-pin heat exchangers
- Tank heaters, suction heaters, line heaters
- Finned tubes
- Aftermarket sales-services: maintenance and spare parts

Customers

- Oil & Gas industries
- Petrochemical and chemical industries

Organization

- One business unit based in France, plus a production joint venture in Saudi Arabia

2008 Highlights

- EUR 49 million in revenue: +22% relative to 2007
- 13% of the Group's revenue
- Average headcount 2008: 170 people
- An important player in process air coolers
- Main geographic markets: Europe, Middle East, North Africa, and the former USSR
- Markets remained good thanks to the continued demand in the oil and gas industry

2009 Prospects and Objectives

- Results should remain good, thanks to strong demand where we are located and the excellence of the technical and commercial teams of the BU

AIR POLLUTION CONTROL

Businesses

Design, manufacturing, installation, start-up, aftermarket sales services

Products/Services

- Dust extractors: electrostatic precipitators, fabric filters, cyclones
- Gas scrubbers (wet and dry): deSOx, deNOx, etc.
- Economizers, heat recovery, waste heat boilers (USA)
- Aftermarket sales services: maintenance, rehabilitation, spare parts

Customers

- Power plants
- Refineries and petrochemical
- Household waste incineration units
- Industries in general

Organization

- Two Business units: NAFTA and the Rest of the World

Business unit EMEA/Brazil

2008 Highlights

- EUR 38 million in revenue
- 10% of the Group's revenue
- Average headcount 2008: 112 people
- Business unit now responsible for all Air Pollution Control activities outside North America
- In 2008: development of activities and organization in Germany, South Africa, India, Brazil

2009 Prospects and Objectives

- Continued growth outside Western Europe: China, India, South America, Africa, Eastern Europe,...

Business unit NAFTA

2008 Highlights

- EUR 77 million in revenue
- 21% of the Group's revenue
- Average headcount 2008: 175 people
- Markets have been tighter in 2008, but HRC still has a strong position

2009 Prospects and Objectives

- U.S. market is still tight during the first half of the year, especially in the industrial sectors (steel, minerals,...). The electricity producers should be less affected, especially for renovations

CHIMNEYS

Businesses

Design, site management, construction, aftermarket sales service, demolition

Products / services

- Concrete chimneys
- Aftermarket sales service: emission control, maintenance, repair

Customers

- Power plants
- Industries

Organization

- Hamon Custodis in North America (chimneys)

Business Unit – North America (NAFTA)

2008 Highlights

- EUR 92 million in revenue: +10% versus 2007
- 25% of the Group's revenue
- Average headcount in 2008: 63 people
- One of the leaders in the North American market (concrete chimneys)
- Strong activity, following large orders for new chimneys taken since 2005 for new chimneys

2009 Prospects and Objectives

- Maintain sales and results at a high level, thanks to a strong order book, whose delivery and execution is spread out over several years as well as the dynamic market for the USA (stimulated by gas effluent treatment projects)

OUTSIDE OF BUSINESS UNITS: ACS

Components in FRP (Fiberglass Reinforced Polyester) including exhaust gas ducts, tanks, gas scrubbers, etc.

Evolution of our markets

The main clients (end users) of the Hamon Group are the electricity producers, followed by the Oil & Gas industry, as illustrated in the graph below. Others include heavy industries like steel, non-ferrous metals, municipal waste incinerators, the cement makers, chemicals etc. These last few years, Hamon has diversified its client portfolio, which has the effect of increasing the part represented by other heavy industries.

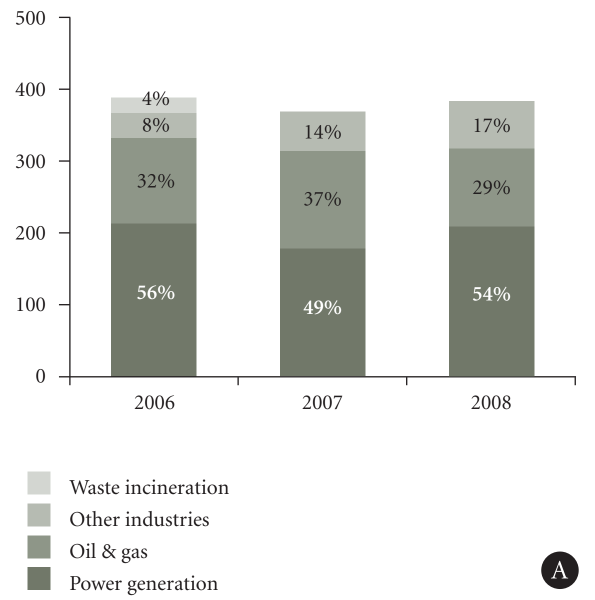
It is worth mentioning that orders are split between new installations (81% in 2008) and after sales service (19% in 2008).

The split of revenue by business unit, illustrated by the next chart, shows that Cooling Systems and Chimneys are the largest business units in terms of revenue.

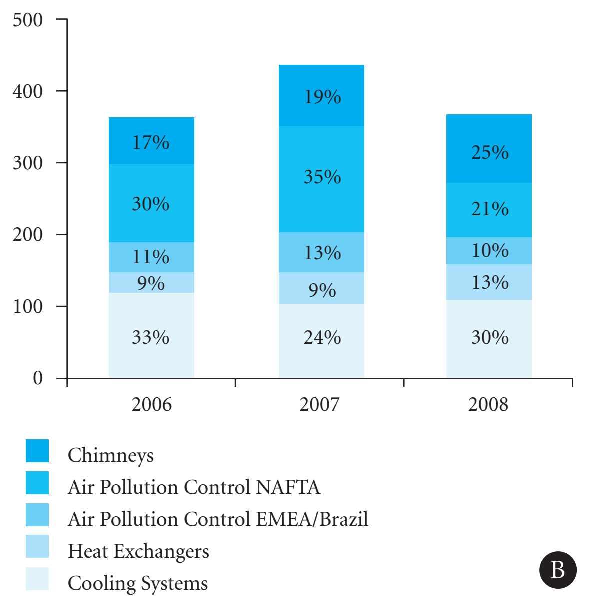
IMPACT OF THE FINANCIAL CRISIS

The financial crisis was particularly strong in 2008, especially from the fall. As a consequence, the granting of credit towards companies was reduced, and there were certain financial issues in certain sectors. Nevertheless the sectors of activity and the projects that concern Hamon directly (namely the construction and modernization of electric power stations, refineries and other oil, gas and petrochemical installations) were less affected by the crisis. The companies that Hamon deals with (large engineering groups such as Alstom, Technip, Foster Wheeler etc. or the end users such as EDF, RWE, Total, ExxonMobil etc.) are financially sound, and have no problems financing big long-term investment projects.

Bookings by industry,
in EUR million



Revenue breakdown by BU,
in EUR million



POSITIVE EVOLUTION OF OUR MARKETS IN 2008

Despite the financial crisis and its impact on the real economy from Autumn 2008 onwards, Hamon's business continued to grow during the year. This is illustrated by the published figures of new orders booked by large engineering groups and competitors, which increased by around 10% in 2008 over 2007. Nevertheless, from the 4th quarter 2008 onwards, there was a slow down in the decision making process for new order bookings; however no major project was cancelled.

Hamon often intervenes as second in line on projects, for example in the construction of new electric power stations. Our installations (cooling towers, air pollution control systems, chimneys etc.) have shorter delivery times than other components, such as steam turbines. The construction of power plants started one or more years ago generally have continued, even if economic conditions have worsened. Linked to this is the fact that certain projects are linked to the continued growth in consumption of electricity over the long term. The technologies also continue to evolve, and this results in an improvement in the performance of the power stations, thus consuming less energy and polluting less for the same output in electricity.

Also a factor is the change in the type of power station, such as the decision to abandon nuclear in Germany, and the dilapidated state of not very efficient (and therefore polluting) power stations, means that there is a demand for new electricity generating stations, even if the consumption of electricity is the same.

Hamon has a good order book at the end of 2008, and this represents about 107% of 2008 revenue. The backlog is 40% higher than at the end of 2007. This will reduce the effect of an eventual slow down in the market whenever it would deepen in 2009.

Important events in 2008

JANUARY

The official inauguration of the new Hamon D'Hondt Middle East factory in Jubail, Saudi Arabia. This factory produces and manages the after sales services for air coolers in the Persian Gulf region.

MARCH

A minority stake was taken in the Belgian company Xylowatt, thereby confirming Hamon's interest in renewable energy. Xylowatt is one of the leaders in the development and commercialization of combined heat and power plants through biomass gasification.

MAY

- Opening of a representative office in Bahrain. This office serves the entire Persian Gulf region, and works for the three business units based in Europe: Cooling systems; Heat exchangers; Air pollution Control.
- Signed agreement putting an end to the disagreement between Hamon and the Indian company, GEI Industrial Systems Ltd and its main shareholders. In August, cash gains are made following the sale of a large part of the shares owned by Hamon in GEI.

JULY

Control of the company ACS anti corrosion structures, a Belgian company that makes pipes, tanks, gas scrubbers and other articles in FRP (Fiberglass Reinforced Polyester) that resist corrosion.
New management is put in place. ACS is a strategic supplier of Hamon, but also works for other companies.

SEPTEMBER

The dividend is back with the payment of 0.30 EUR per share on the 2008 results.

OCTOBER

Restructuring, refinancing and full control of the JV Hamon Research Cottrell do Brazil.
A new management team is also installed.

DECEMBER

Signed agreement between Hamon and SPX that signals the end of the various disputes between the two companies.

End of the non-compete clause with SPX.
This allows Hamon to restart its activities in wet cooling in North America, and dry cooling worldwide.

DURING THE YEAR 2008

Important expansion of the Air Pollution Control EMEA/Brazil business unit beyond its traditional Western European and North African markets:

- Opening of a new office in Germany and hiring of a team of qualified managers.
- Development of air pollution control activities in South Africa and booking of a large order from Eskom.
- Growth of air pollution control activities in India (through the joint venture Hamon Shriram Cottrell).
- Restructuring of Hamon Research Cottrell do Brazil.

▲
First new order leaving the new Hamon D'Hondt Middle East plant in Saudi Arabia

FRP elements for flue gas ducts, manufactured by the new subsidiary ACS ▶

Beginning of the construction works for a natural-draft cooling tower in Germany (picture: André Laaks, RWE AG)
▼

Human Resources

In 2008, the Group Human Resources department concentrated on the recruitment of new staff members and on the implementation of our strategy as defined according to the Group's needs.

EVOLUTION OF THE HEADCOUNT IN 2008

The average headcount of the Group went from 912 people in 2007 to 1015 people in 2008, an increase of 103 people or 11% in 2008. This increase is mainly due to:

- The integration of ACS (Belgium) from August 2008 onwards.
- The significant increase in headcount in India, thanks to the launch of Air Pollution Control activities and to the strong growth of Cooling Systems.
- The consolidation of Hamon Research-Cottrell do Brazil from October 2008 onwards.
- The significant increase in the number of people at our factory in China opened in 2006.

This explains the considerable growth in personnel in Asia, Europe and in South America.

Average headcount per region	2008	2007	2006
Europe	560	534	463
North America	241	249	211
Australia & Asia	173	112	81
Africa	22	17	24
South America	19	0	0
Total	1015	912	779

Average headcount per BU	2008	2007	2006
Cooling Systems	432	417	357
Heat Exchangers	170	163	145
Air Pollution Control EMEA/Brazil	112	59	50
Air Pollution Control NAFTA	175	182	155
Chimneys	63	64	54
Corporate and others	63	27	18
Total	1015	912	779

As it relates to the business units, the most important growth was recorded by:

- The business unit Air Pollution Control EMEA/Brazil, where the headcount from Brazil and South Africa (this last subsidiary is refocusing on these activities in 2008) and a part of the headcount of our joint venture in India pro rata temporis were added.
- The part 'others' – into which has been added the headcount of ACS.

Average headcount per category	2008	2007	2006
Management	39	39	39
Employees	582	511	468
Workers	394	362	272
Total	1015	912	779

The increase in headcount can be noted in several ways:

- More employees, while the numbers in management stay stable.
- More workers, thanks to the addition to the scope of consolidation of certain companies with more industrial activities (Hamon Research-Cottrell do Brazil, ACS) and the significant increase of personnel in the factories of India, China and Saudi Arabia.

Notes:
1. These numbers take into account the staff of the subsidiaries consolidated by full integration method and the proportional numbers for subsidiaries consolidated by proportional integration, and this on a pro rata basis of capital held by Hamon.
2. The numbers are based on full time equivalents and only include staff on an open-ended contract.
3. Hamon also employs a number of temporary workers not included in the above tables, primarily for its worksite projects. These projects usually last a few months and are scattered worldwide.

Inspection of an electrostatic precipitator

Training visit for new engineers

STRATEGY AND DEVELOPMENT AT THE GROUP HUMAN RESOURCES LEVEL

In 2008, the recruitment efforts were aimed mainly at reinforcing our professional teams, most notably our engineers. In the context of this talent chase, our challenge was successful thanks to an internal process of reflection as to our positioning as an employer, and the consequent actions needed to recruit young graduates while still at the Universities.

Regarding our Human Resources management, our efforts focused on:

- The analysis of differences in terms of HR policy and programs between different business units in the same country and the development of an action plan to harmonize these programs.
- The analysis of our policy as it relates to total remuneration and the identification of programs necessary to promote internal and external equity, and the development of an action plan in this direction. In this way, one of the action plans was the development of a stock option plan for certain countries and a 'phantom stock' plan for other countries.

Information seminar organized by the Cooling Systems BU

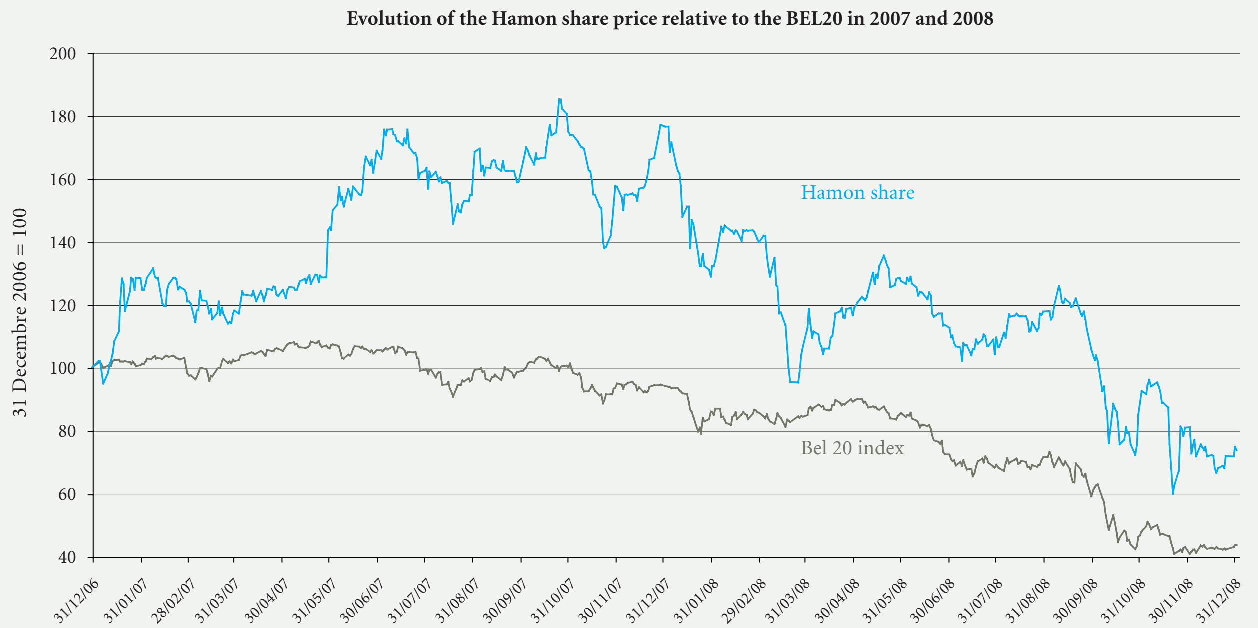
Relations with our shareholders

HAMON SHARES

Hamon shares are listed on the regulated market Euronext Brussels, on the continuous market in the quotation group A1.

in EUR/share	2008	2007	2006
Average closing price	29.79	38.66	13.93
Maximum closing price	46.74	49.04	26.90
Minimum closing price	15.85	25.10	5.32
Closing price on 31 December	19.50	46.74	26.50
Average daily trading volume (number shares / day)	4,879	10,100	3,737
Total number of shares on 31 December	7,191,472	7,191,472	7,191 472
Mean total number of shares	7,191,472	7,191,472	5,948,680
Market capitalization on 31 December (EUR million)	140.2	336.1	190.6

Having considerably increased during 2006 and 2007, Hamon share prices have significantly dropped in 2008, as many other shares and stock exchange indexes, in this financial crisis. During the period 2007 – 2008, the Hamon share lost 26.4%, this compares with the reduction of the BEL20 index of 56.5%, as the graph illustrates below.



In compliance with the law of 14 December 2005 on the suppression of bearer shares and article 96 of the law of 25 April 2007 containing various requirements, the intangible form of the Hamon shares was adopted by the Board of Directors during its meeting of 17 December 2007 and the articles of association of the company have been modified in consequence. This process of de-materialization of shares runs from 1 January 2008 until 31 December 2013. From the 1st January 2008, Hamon shares are represented either by named inscription in the shareholder register of the Company or via the inscription on a share account with a financial institution. It means that those shareholders with physical shares who wish to participate in the next Annual General Meeting (28 April 2009) should convert their physical shares into intangible shares. Alternatively, owners of physical shares should deposit their shares in a share account in order to receive the payment of a dividend directly into their bank account.

GRANTING OF OPTIONS ON SHARES

Hamon's Board of Directors has within the authorized capital granted (i) 19,900 share options to the members of its personnel in Belgium and Germany during the course of the 1st semester 2008 and (ii) 5,500 share options to personnel of France during the 2nd semester 2008. A total of 22,550 options have been taken up by the beneficiaries, giving them the right to subscribe to 22,550 new shares during given periods between 2012 and 2015. The price of the share options is EUR 33.58 for the German and Belgian beneficiaries and EUR 29.71 for the French beneficiaries.

HAMON'S SHAREHOLDING STRUCTURE ON 31.12.2008

Conforming to the terms of Article 9 of the Hamon & Cie (International) articles of association as modified on 27 May 2008, the shareholders who pass the level of 2%, 3%, 4%, 5%, 7.5% and 10% and then every multiple of 5% on top are required to inform the Company and the banking, financial and insurance Commission, following the legal requirements.

Conforming to the terms of the Royal statute of 14 February 2008 as it relates to the communication of important participations, Hamon & Cie has received the following information as it relates to the following participations, thus indicating the repartition of the shareholding on 31 December 2008:

On the 14 August 2008, Sopal International bought 50,000 Hamon shares from Sogepa by exercising a purchase option on the 30 June 2008, in conformity to the shareholder agreement of June 2005, and amended in 2007. This sale does not affect the free float.

The companies Ratio Asset Management, Fortis Investment Management and Baillie Gifford are institutional investors who have bought shares in Hamon for their investment funds.

FINANCIAL CALENDAR

The statutory date for the Annual General Meeting has been modified by the Extraordinary General Meeting held on 27 May 2008; in future it will take place on the 4th Tuesday of April instead of the 4th Tuesday of May.

2009 Annual General Meeting	28 April 2009
Publication of the results of 1st quarter 2009	28 April 2009
Publication of the results of the 1st half year of 2009	27 August 2009
Publication of 2009 results	25 February 2010
2010 Annual General Meeting	27 April 2010

RELATIONS WITH INVESTORS AND FINANCIAL COMMUNICATION

Bernard Van Diest, Chief Financial Officer
Telephone: +32 10 39.04.22
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E-mail: bernard.vandiest@hamon.com

Financial information, notably annual reports and press releases are also available on our web site: http://www.hamon.com

Shareholder	31/12/08 Shares	31/12/08 in %
Sopal International SA (1)	4,452,911	61.92%
Walloon Region, represented by the Société Wallonne de Gestion et de Participation SA	250,000	3.48%
Esindus S.A.	303,506	4.22%
Ratio Asset Management	247,407	3.44%
Fortis Investment Management SA	175,106	2.43%
Baillie Gifford	148,469	2.06%
Other public	1,614,073	22.44%
Total	7,191,472	100%

(1) acting in concert with Sogepa and Mr. Francis Lambilliotte; the figure at the end of 2008 includes the 2,900 shares held by the latter.

Management report

The year 2008 is a very good year for Hamon:

- **New order bookings up by 8%** versus 2007, at EUR **469.5 million**
- **Backlog** as of 31 December **up by 40%**, at EUR **391 million**
- **EBIT margin** of **11.9% of revenue**
- **Net result** for the year amounting to EUR **18.9 million** (+ 3%)
- **Strengthened balance sheet structure** as of 31 December 2008 (**44% increase of equity** and **60% decrease of net financial debt**)
- **Return to dividends**, after interruption of several years

OVERVIEW OF THE MAIN CHANGES OF THE YEAR

1. Commercial activities

Group

in EUR million	2008	2007
New order bookings	469.5	435.0
Backlog on 31/12	391.0	279.7

New order bookings reached a record level at EUR 469.5 million. The activities of the Hamon Group expanded favorably in 2008, based on a strong demand for the products of its various business units during the first half year. The second half year remained strong, with new order bookings 9% higher than during the second half of 2007. New orders booked have a longer period of execution (18 to 36 months versus 9 to 15 months in the past). Indeed, Hamon is booking more and more contracts related to new units, mainly for power plants; delaying the recognition of revenue resulting from execution of these new orders in our financial statements.

Backlog at end of December 2008, amounting to EUR 391.0 million versus EUR 279.7 million one year earlier, is at a very high level and foretells good future results. This backlog represents 107% of the 2008 revenue.

2. Summarized consolidated income statement

in EUR millions	2008	2007
Revenue	366.7	432.6
EBITDA	46.6	46.3
Operating profit before restructuring costs	43.8	43.4
Restructuring costs	-0.1	0.0
Operating profit after restructuring costs (EBIT)	43.7	43.4
EBIT/Revenue	*11.9%*	*10.0%*
Net finance costs	-8.6	-9.9
Result before tax (continued operations)	35.1	33.5
Income tax expenses	-14.4	-14.0
Net result from continued operations	20.7	19.5
Net result of discontinued operations	-1.8	-1.2
Net result for the year	18.9	18.3
Share of the group in the net result	18.5	18.2
Results in EUR per share		
Average number of shares	7,191,472	7,191,472
EBITDA per share	6.48	6.44
Earnings per Share (EPS)	2.57	2.54

The income statement presentation has been modified. To improve its readability, interests received on Cash & equivalents and exchange rate differences related to debt are now included in net finance costs, below the operating profit.

Net result, amounting to EUR 18.9 million, exceeds the historical level of 2007. It is worth noting that this net result is obtained with an EBIT of EUR 43.7 million and an 11.9% operating margin, a new absolute record for the Group.

These excellent results would have been even better if revenue had not been limited to EUR 366.7 million. This decline in revenue is explained by:
- The relatively low level of opening backlog as of 1st January 2008.
- The longer average execution period of our projects whose effect, given the adopted accounting method, is to delay the recognition of turnover of the contracts in progress; as a comparison, with a similar kind of new orders as in 2007, the same level of new orders booked in 2008 would have generated revenue around EUR 45 million higher.
- The negative change in the average exchange rate of the US dollar versus 2007, which reduced our revenue by EUR 14.3 million.

Changes in revenue (in EUR million)

Revenue in 2007	**432.6**
Impact of U.S. dollar exchange rate	-14.3
Product mix impact	-45.0
Other factors (opening backlog, etc.)	-6.6
Revenue in 2008	**366.7**

In other terms, with the same product mix and US dollar exchange rate as in 2007, the 2008 revenue would have reached EUR 426 million, a level close to 2007. Gross margin and EBIT would have been EUR 10.7 million higher (EUR 1.7 million impact of US dollar and around EUR 9 million impact of product mix).

Hamon activities remained extremely strong, with overhead costs well under control. On the other hand, whereas 2007 was impacted by expenses related to the exit of its fire engineering activities in South Africa (EUR -1.5 million), 2008 benefits from the sale of its GEI shares in India, or a result before tax of EUR +0.8 million.

It should be noted that the income statement presentation has been modified to make it more readable; interest income on cash & equivalents and exchange rate differences related to debt are now in interest income or interest charges, below the operating profit.

For a more detailed overview of the business, please see the analysis by business unit (part 2).

Net finance costs reduced thanks to the improved borrowing conditions subsequent to the 28 December 2007 debt refinancing. This refinancing had a EUR 2 million negative impact on 2007 accounts. In 2008, exchange rate fluctuations and active management of the Group debt in USD, used to cover the long US dollar position of the Group, have negatively impacted results by EUR 2.1 million.

The effective tax rate, at 41.1%, is slightly lower than in 2007; this is mainly due to the lower part of the result represented by the more heavily taxed U.S. activities. On the other hand, the Group believes that it should be able, during the next few years, to progressively benefit from its deferred tax assets amounting to EUR 6.0 million in the balance sheet as of 31 December 2008 (excluding the deferred tax assets which have not been taken into account, amounting to EUR 24.2 million).

The net result of discontinued operations includes EUR 1.5 million of costs related to the agreement concluded between Hamon and SPX in December 2008, putting an end to five years of expensive legal proceedings.

It should be noted that the consolidation scope has been modified and includes:

- from 1st August 2008 the activities of ACS (FRP products resisting to corrosion; not included into the business units);
- from 1st October 2008 the activities of Hamon Research Cottrell do Brazil (in the BU APC EMEA/Brazil),

which contributed EUR 5.8 million to revenue; EUR 1.9 million to EBIT and EUR 1.0 million to net result.

3. Summarized consolidated balance sheet

in EUR millions	31/12/2008	31/12/2007
Non-current assets	66.8	57.0
Current assets excl. cash	159.7	142.1
Cash & equivalent	59.1	35.7
Total assets	285.6	234.8
Equity	49.4	34.4
Group share	48.7	34.1
Minority interests	0.7	0.3
Non-current liabilities, excl. borrowings	9.3	13.9
Non-current borrowings	40.3	50.5
Current liabilities, excl. borrowings	157.0	123.9
Current borrowings	29.6	12.1
Total equity and liabilities	285.6	234.8
Net financial debt	10.8	26.9
Net working capital (continued operations)	2.4	18.2

Hamon's balance sheet structure shows continued improvements. Equity amounts to EUR 49.4 million after taking into account the advance payment on dividends made in September 2008.

Changes in non-current assets result from:

- Settlement of the receivable from SPX (EUR - 5 million) following the settlement of the SPX claim.
- Goodwill resulting from the acquisition of ACS and of the Brazilian activities (EUR + 11 million).
- Investments made during the year (EUR + 4 million).

Net working capital is down, thanks to an active management of current assets and current liabilities.

Net financial debt, amounting to EUR 10.8 million, fell sharply thanks to operating cash flows. It represents only 23% of EBITDA (based on the last 12 months) and 0.2 x equity; these ratios are improving continuously.

RESEARCH & DEVELOPMENT

In 2008, Hamon's R&D activities focused on the following areas:

- Development of new thermal exchange surfaces for our cooling systems.
- Attenuation of the noise due to water dropping in our cooling towers.
- Development of a software to assess the environmental impact of our cooling systems.
- Development of hybrid natural draft cooling towers (to remove the plume) and of fan-assisted natural draft cooling towers.
- Improvement of our dry flue-gas desulphuring process.
- Development with our partners of further improvements for flue gas scrubbing (air pollution control).
- Development of dry cooling sofwares.

RISK MANAGEMENT

The Group is confronted with a series of risks growing out of its activities, the extent and the kinds of markets in which it operates. The main risks are the following (non-exhaustive list):

- Risks related to economic, regulatory, competitive and market environment.
- Uncertainties related to the new environmental regulations and their periods of entry into force (impact on the air pollution control activities mainly).
- Risks related to partners and to activities in emerging countries, including the political risks.
- Supplier risks; including products of insufficient quality, which do not meet specifications, or delivery delays.
- Monetary risks, such as fluctuations of the US dollar exchange rate.
- Technical risks, related to the design or proper implementation of some projects.
- Risks related to guarantees given on executed projects.
- Risks related to the environment, e.g. on Hamon's customers sites, or in our plants.
- Industrial (accidents) or human risks, or risks related to professional diseases.
- Risks related to litigation in which the Group is involved, to liquidation of Hamon Research Cottrell Italia, or to guarantees given for asset disposals.
- Financial risks: realization of the deferred tax assets; possible impairment tests on the value of some assets; delay in repayment schedules of some debts as negotiated with creditors, etc.

Hamon takes measures to control these risks through an active risk management policy.

As far as covering monetary risks is concerned, Hamon uses interest rate swaps on about half of its gross financial debt (variable rates have been swapped against fixed rates). Hamon also covers on a discretionary basis its positions or risks related to the U.S. dollar and some Asian currencies.

For the projects, Hamon mainly uses bank guarantees issued in the context of construction contracts, or parent company guarantee letters.

For more information on risk management, see note 39 in the Financial report.

EVENTS AFTER THE BALANCE SHEET DATE

Hamon signed, in February 2009, an agreement aiming to create a joint venture with one of the world leaders in solar technology - Solel - in the area of solar thermal power stations, a booming market. Hamon and Solel will provide Solar Powered Steam Generation Systems (SSGS), that is to say thermal capture, steam generation, recovery components, excluding the steam turbine and power generator.

Together with taking a stake in Xylowatt (a company active in biomass gasification), this agreement shows the willingness of the Hamon Group to participate to the renewable energy sector. This sector should grow significantly in the future.

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.

Commercial activities are very strong for the moment in all our business areas. Our 'hot tender' list is very promising; however some customers take more time than usual to decide and book their new orders. New order forecasts are thus more difficult to assess from quarter to quarter.

MISCELLANEOUS

For items which could be of importance in case of a public offering on the Hamon shares, see the Corporate Governance part further down in this annual report.

Construction of an ESP in a petrochemical plant in Saudi Arabia

Part 2

Overview by Business Unit

Cooling Systems

The Cooling Systems business unit offers associated equipment and services intended to cool the water used in power stations and heavy industry processes most notably chemicals, petrochemicals, iron and steel, paper making, and sugar refining.

PRODUCTS AND SERVICES

Hamon delivers technical solutions adapted to the needs and requirements of its customers: electric power plants, engineering companies of international renown and industries.

Wet cooling systems can be described according to their functioning, by natural draft or by mechanical draft, and whether they include a plume-abated system or not; this design is called 'hybrid' or 'wet-dry' cooling.

These wet cooling systems are either proposed as a standard model designed for variable capacities, or are custom designed at the customer's request.

The cooling systems market is subdivided into two sub-segments: new and after-sales service, which includes the sale of spare parts, repair, rehabilitation, and thermal performance improvement.

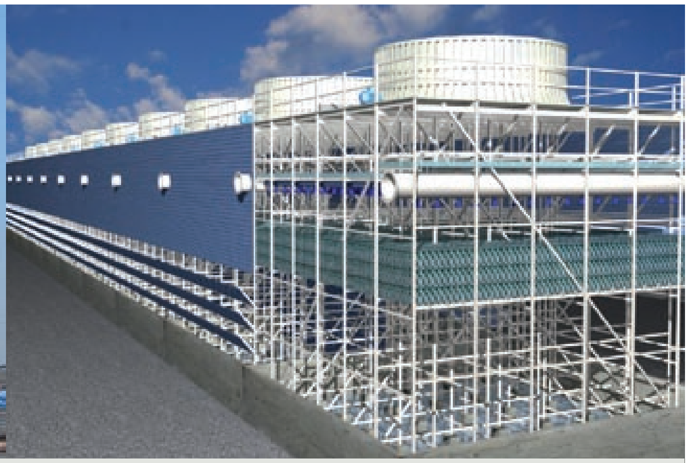
Hamon is responsible for the marketing, engineering, manufacturing of certain components, assembling, project management, and after-sales service of wet and plume-abated systems everywhere in the world.

ORGANIZATION

The business unit's center of expertise is located in Mont-St-Guibert (Belgium). In addition to a network of independent agents, it has subsidiary companies located in various countries: France, Germany, England, South Africa, South Korea, India, Thailand, Indonesia, Australia, China. Certain components are manufactured in three factories belonging to the Group, installed in France, India and China.

Inside view of a mechanical draft cooling tower built for a nuclear power plant in France

Mechanical draft cooling systems installed in Thailand



3-dimensional modeling of a cooling system for Dubai

KEY FIGURES

in EUR million	2008	2007
New order bookings	147.0	130.5
Revenue	109.4	102.6
Backlog (as of 31 December)	122.6	93.1
EBIT	9.7	4.2
EBIT / revenue	8.8%	4.1%
Average headcount	432	417

2008 RESULTS

The Cooling Systems business unit had orders for EUR 147 million in 2008, which includes orders for: (1) the supply of two natural draft cooling towers with injection of the exhaust gases in a new power station of RWE in Westfalen, Germany; (2) the repair and improvement of performance for six natural draft cooling towers in France, Germany and Switzerland; and (3) the supply of mechanical draft cooling towers to Chile, Qatar and Australia. Finally, Hamon also made a contract for the delivery of a fan-assisted natural draft cooling tower for EnBw, showing (again) use of innovative Hamon technology.

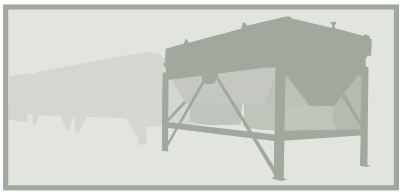
Revenue amounted to EUR 109.4 million. This number takes into account the fact that project execution tends to take longer than scheduled, particularly new builds as opposed to retrofits. This lengthening of the process has the effect of slowing the recognition of orders taken at the end of 2007 and during 2008.

The improvement of the EBIT, +130% relative to 2007, comes from a constant concern to execute projects with strict cost controls at every level.

PROSPECTS FOR 2009-2010

Markets should remain solid in 2009 and 2010, especially those related to electric power plants. Utilities continue to invest around the world, both in new construction as well as in renovation of existing sites. Several natural draft cooling tower projects are underway, most notably in Asia and Europe.

Note too that Hamon is planning to develop its wet cooling systems in North America, as well as its dry cooling (or air cooled steam condensers) worldwilde. This nicely completes the portfolio of products particularly in the regions where water is scarce (consumption of water is almost zero in these systems).



Heat Exchangers

The Heat Exchangers business unit offers various systems intended to cool or heat, often at high pressure, more or less corrosive liquids or gases resulting mainly from petrochemical processes. It operates either directly with its industrial clients like Aramco, BASF, ExxonMobil, Gasco, Shell and Total, or indirectly via engineering companies of international renown like Bechtel, Foster Wheeler, Jacobs, Mitsubishi, Saipem and Technip.

PRODUCTS AND SERVICES

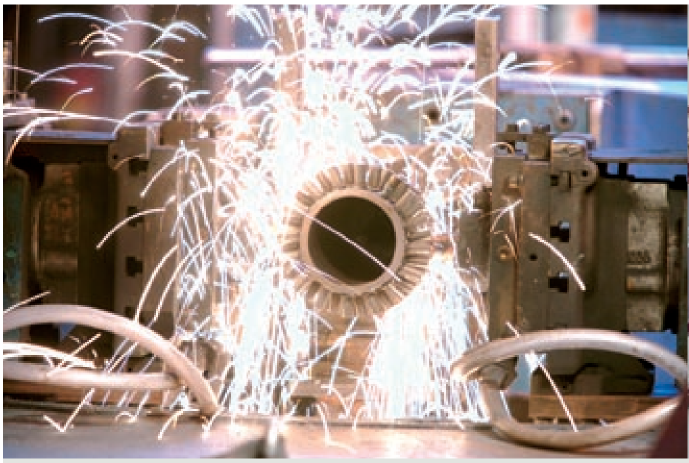
This unit delivers design, manufacturing and assistance with the assembly of thermal equipment – mainly air coolers, but also hairpin tubular heat exchangers, heaters, welded steel finned tubes, and other heat exchangers. It also offers integrated aftermarket sales services including maintenance, rehabilitation and the sale of spare parts.

ORGANIZATION

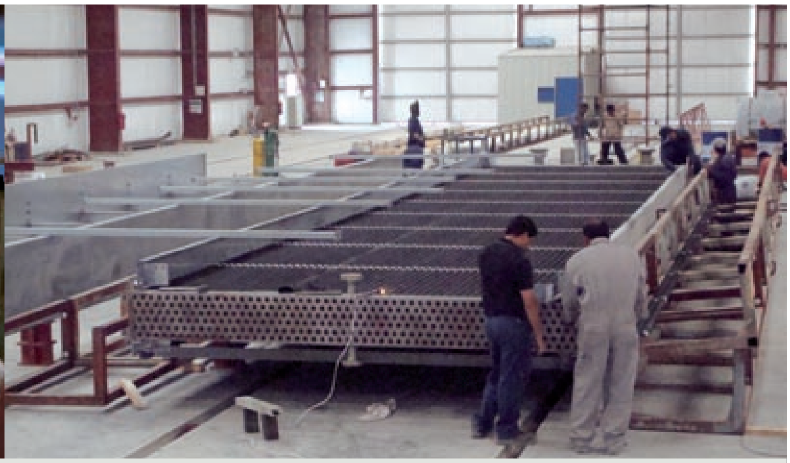
The Heat Exchangers business consists of two companies established in France, as well as a joint venture in Saudi Arabia.

- Hamon D'Hondt, which represents the major part of this operational unit: design, marketing and promotion, manufacturing, and after-sales service of air coolers as well as the manufacturing of welded steel finned tubes. Hamon D'Hondt also has 40% of a joint venture in Jubail in Saudi Arabia, Hamon D'Hondt Middle East, specializing in the manufacturing of air coolers for the Persian Gulf market.
- Brown Fintube France: design, sale, manufacturing of hair-pin heat exchangers and line and suction tank heaters. Brown Fintube France is one of the leaders in this market in Europe.

General view of a refinery and its air coolers



Welding of studs on steel tubes



Assembling of an air cooler in the Jubail plant

KEY FIGURES

in EUR million	2008	2007
New order bookings	49.4	53.0
Revenue	48.9	39.8
Backlog (as of 31 December)	36.8	34.9
EBIT	4.6	2.4
EBIT / revenue	9.4%	6.1%
Average headcount	170	163

2008 RESULTS

New order bookings amounted to EUR 49.4 million. The delay in booking of new orders due to the over activity of the oil & gas sector was partially offset during the second half of the year. Amongst the major orders are those for the Hellenic Petroleum refinery and for Turkmengaz. The amount of pending offers (‘hot tenders’) is very solid.

Revenue, significantly up, shows the excellence of the Hamon production facilities and their good use.

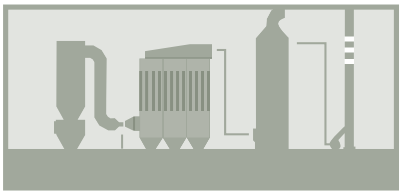
Operating profit doubled relative to 2007 and reached EUR 4.6 million thanks to the increased sales but stable fixed costs, as well as excellent project management.

PROSPECTS FOR 2009 – 2010

Prospects for 2009 are good. The high level of ‘hot tenders’ is the best illustration of this. In the longer term, the evolution of the market is linked to the economic situation in general and more specifically to the price of oil and natural gas, and therefore is uncertain.

Air cooler installed in a gas complex
in Sakhaline, Russia

Air Pollution Control EMEA / Brazil



The objective of the Air Pollution Control EMEA/ Brazil business unit is to provide industries with the means to control the impact of their businesses on the environment. Other than providing an integrated service, this unit also designs, makes and installs air pollution control systems for different kinds of pollutants, thus ensuring strict conformity to the air protection regulations in force.

PRODUCTS AND SERVICES

The business unit offers, on its own or in partnership, turnkey solutions for the environmental problems faced by its customers.

The market is segmented between:
- power stations and energy production in general;
- heavy industry such as iron and steel, cement, glassmaking and petrochemicals;
- biomass energy producers utilizing household, industrial and hospital, and water purification sludge.

The internationally renowned technologies that make up its product portfolio can be divided into two groups: one is a physical kind, de-dusting, while the other is physico-chemical– neutralization of acid gases, deSOx, deNOx, elimination of heavy metals. The acquisition of new technologies has allowed Hamon to adapt and progressively complete its range of products and services so that it can now deliver to every specific need in the market.

The BU activity is divided into two parts. On the one hand, the design and installation of new equipment for new plants or to retrofit existing ones, and on the other, after-sales services including amongst other things maintenance and the supply of spare parts.

Air Pollution Control is a complex business. Mitigating the technological risks requires know-how and solid experience, as well as an excellent knowledge of the customers' processes. This is the case of Hamon Research-Cottrell, also known as Hamon Environmental. The BU enjoys an excellent reputation in its target markets; energy, glassmaking, cement, waste-to-energy facilities, steel and the petrochemical industry.

Additionally, Hamon is one of the leaders in Western Europe in bringing waste incinerators up to present air quality standards.

ORGANIZATION

The organization of the business unit was completely reviewed in 2008. It now covers the entire world outside of North America, this region being under the responsibility of the North American business unit (see following pages).
The unit has taken over the activities of the air pollution control subsidiaries in both Brazil and India. It has also developed its activities in South Africa following a very large order obtained in the country.
In this way, the activity is now spread out over companies established in Belgium, France, Germany, India, Brazil, South Africa as well as a branch in Italy.

2008 RESULTS

The BU recorded some significant orders during the course of the year, which confirms the excellence of its product range and how its worldwide sourcing strategy meets the needs of its clients, particularly as it relates to Cottrell electrostatic precipitators and fabric filters. Hamon recorded its first major order from South Africa for the repair and improvement of electrostatic precipitators in six boilers of 600 MW in the power plant of Eskom in Matla. Elsewhere, Hamon continues to lead the market for incineration conformity, most notably at the Remival site in Reims (France).

ESP built in a petrochemical plant in Italy

Construction of one of the first ESP built by our JV in India

KEY FIGURES

in EUR million	2008	2007
New order bookings	53.2	48.7
Revenue	37.6	56.9
Backlog (as of 31 December)	41.9	23.1
EBIT	3.1	6.1
EBIT / revenue	8.2%	10.7%
Average headcount	112	59

The fall in revenues is explained by the low level of on-going business at the end of 2007, as well as the fact that the delivery of orders was longer, implying less work done in 2008.

The operating result was EUR 3.1 million, resulting from the lower level of sales in 2008 and by the efforts made to extend the activities of the business unit to South Africa and Eastern Europe, which itself increases the number of personnel on the books. Despite these elements, the EBIT margins are good and close to the objective of the Group, at 8.2% of sales.

The increase in staff level comes principally from South Africa, Brazil (3 months) and India.

PROSPECTS FOR 2009-2010

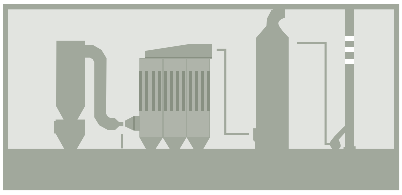
Markets should stay solid for 2009 and 2010 in Europe, and especially in the BRIC region (Brazil, Russia, India and China).

The fact that many sites still need to conform to environmental norms remains a driving force for these products, as well as the increases in production capacity.

The business unit should be able to take advantage of its new subsidiaries active in air pollution control in South Africa, Brazil and India. It plans to reinforce its activities in areas outside of Western Europe.

Gas scrubber installed in a fertilizer plant in the United Arab Emirates

Air Pollution Control NAFTA



This business unit's objectives are to provide industries with the means of controlling the environmental impact of their processes, and to help them to reduce their energy consumption. This entity designs, installs and ensures the after-sales service of Air Pollution Control systems, adapted to the various kinds of pollutants, in order to ensure strict compliance with environmental regulations in its territory. Another activity of the BU is Heat Recovery.

PRODUCTS AND SERVICES

Air pollution control technologies are divided into two groups: one is of a physical kind – de-dusting – the other is of chemical - neutralization of acid gases, deSOx, deNOx, elimination of heavy metals, etc. The range of air pollution control technologies has been adapted to meet the various market segment needs, thanks to many acquisitions and to the development of its own new technologies.
The activity portfolio of this business unit includes technologies tested and accepted by industrialists of international renown.

Today, this business unit markets five air pollution control technologies adapted to meet the various needs - present and future - of the industries:

1. De-dusting by means of electrostatic precipitators.
2. De-dusting by means of fabric filters.
3. Wet gas scrubbing (an 'ExxonMobil' process), used in the petrochemical industry; it is a deSOx and particulate removal system for gases emitted by catalytic cracking plants. It has recently been complemented by a deNOx process, with the combined offering called WGS+.
4. Dry gas scrubbing (a 'Marsulex' process), used for desulphurizing the gases emitted by coal- and biomass-fired power stations.
5. A process to transform urea into ammonia, a difficult-to-handle reagent used in SCR deNOx systems.

The Heat Recovery product line includes recuperators, economizers, gas-to-gas heat exchangers, etc.

The activities are subdivided into two parts. On the one hand, the design and installation of new equipment (on new plants or on existing plants so as to bring them up to standard) and on the other hand, after-sales service including amongst other things maintenance and the supply of spare parts.

Air pollution control is a complex business. Mitigating the technological risks requires know-how and solid experience, as well as an excellent knowledge of the customers' processes. This is the case of Hamon Research-Cottrell, which for a century has benefited from a solid reputation in its target markets, which include power stations, petrochemical plants, glass making facilities, cement plants, waste-to-energy facilities and the iron and steel industry.

ORGANIZATION

The Business Unit consists of three main subsidiaries:

- Hamon Research-Cottrell U.S. (HRCUS), specializing in the design and installation of new air pollution control units.
- Hamon Custodis Cottrell Canada.
- Thermal Transfer Corporation (TTC), specializing in the manufacturing of heat recovery systems as well as electrodes for electrostatic precipitators. TTC also serves as a logistics base for HRCUS.

2008 RESULTS

New order bookings for 2008 were EUR 113 million, about the same level as 2007. In USD terms though, the increase was 13%!

The main orders were in deSOx/deNOx installations, using WGS and WGS+ technology of Exxon Mobil, in oil refineries (Valero Memphis & Delaware) and in fabric filters for electric power plants (Consumer Energy, Pacificorp) or of Dry FGD (Sun Coke Energy).

Fabric filter under construction in a power plant in USA

A new ESP is put in place in a refinery in USA

KEY FIGURES

in EUR million	2008	2007
New order bookings	113.0	111.1
Revenue	76.8	150.7
Backlog (as of 31 December)	65.8	24.1
EBIT	17.1	28.1
EBIT / revenue	22.3%	18.6%
Average headcount	175	182

Sales and the operating margin were influenced by 2 factors:

- the weakness of the backlog at the end of December 2007;
- the longer duration needed to execute the projects booked by the BU, wich means a lower recognition of revenue in 2008 from the new orders booked during the year.

The EBIT margin, at 22.3% was a new record, thanks to:

- excellent cost control on operational costs, this thanks to the constant improvement in the efficiency of the personnel;
- shift in product mix toward oil & gas, traditionally with higher margins;
- completion of several contracts with better than predicted margins.

PROSPECTS FOR 2009-2010

The US market is going through a severe recession, and this is affecting both the steel and the minerals industry. The oil & gas industry has also been severely affected. The impact is less on electricity producers, who should continue to invest in 2009 and 2010. Uncertainties in terms of environmental policy continue, which makes the evaluation of the future that much more difficult. Nevertheless the market for refurbishment should stay solid.

Wet gas scrubber built in USA

Chimneys

This business unit offers complete systems, designed to evacuate flue gas generated by power plant boilers and other various industries (incinerators, steel mills, pulp & paper facilities, cement factories, glass factories, etc.). These systems include the chimney and its auxiliaries (linings, silencers and intermediate elements), and are designed and adapted to the customer's various needs and constraints.

PRODUCTS AND SERVICES

Hamon Custodis designs tall chimneys; they are often more than 200 meters tall. Made from various materials, but mainly concrete, they include a flue liner depending on the nature of the waste gases: steel, brick, fiberglass-reinforced plastic and special alloys to handle corrosive gases.

The design and installation of high chimneys require specialized expertise, equipment, labor, and other resources that only a few companies possess, creating a competitive advantage for Hamon. These barriers to market entry explain the limited number of players involved in this market in US.

ORGANIZATION

In North America, Hamon is active in the chimney market through its subsidiary companies Hamon Custodis, based in the United States, and Hamon Custodis Cottrell Canada, located in Ontario, Canada. Moreover, Hamon Custodis operates four regional offices strategically located in the contiguous United States, which offer mainly after-sales services (maintenance and repair.) The market segments in which the business unit is involved consist mainly of end-users. They consist in large part of coal-fired power stations.

Construction of a concrete chimney in USA

Upper platform of a slip form

Chimneys under construction in USA

KEY FIGURES

in EUR million	2008	2007
New order bookings	99.6	91.6
Revenue	91.5	83.1
Backlog (as of 31 December)	117.1	104.6
EBIT	9.1	4.9
EBIT / revenue	10.0%	5.9%
Average headcount	63	64

2008 RESULTS

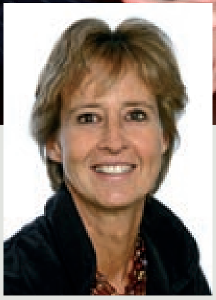
The business unit Chimneys – Hamon Custodis in the USA and Canada – continues to enjoy a growing market in the construction of chimneys. In 2008, the unit had orders for two new chimneys from Georgia Power, one from NorthEast Utilities and rebuild contracts from, amongst others Arizona Public Service, Pacificorp and Inco in Canada.

The execution of new chimney projects signed in 2006 and 2007 yielded an increase in the sales figures. Profitability has also increased thanks to the volume effect and an excellent handling of the costs.

PROSPECTS FOR 2009 – 2010

The market for chimneys should stay good in North America during 2009 and 2010 (construction of new chimneys and retrofits). The performance for the unit should stay solid, thanks to its high backlog.

Chimney in a power plant in USA



The members of the Hamon Executive Committee (from left to right: sitting: Rodica Exner, Francis Lambilliotte, Aart Nobel; standing: René Robert, Bernard Van Diest, Philippe Delvaux, Bernard Vuylsteke; insert: Michèle Vrebos)

Part 3
Corporate Governance

Corporate governance

1. GENERAL CONSIDERATIONS

Consistent with the recommendations of the Belgian Corporate Governance Code, the Board of Directors has adopted a Corporate Governance Charter, published on our web site www.hamon.com. It is also free to be viewed at the head office of the Company. The information that follows includes several elements of the Charter, mainly the principles of corporate governance that took place in 2008.

2. BOARD OF DIRECTORS

Composition

The composition of the Board of Directors is determined in accordance with Article 14 of the Articles of Association and the shareholder agreement signed with the Walloon Region on 8 June 2005, and amended on 28 August 2007. The members of the Board of Directors are nominated at the Annual General Meeting of shareholders. Their term is for a duration of no more than six years. If it becomes necessary to replace one of the directors, the new director will be chosen amongst candidates presented by the shareholder having proposed the outgoing director. The directors whose mandate is at an end will stay in place until such time as the General Assembly has approved a replacement. The General Assembly has the power to revoke a directorship at any time. Note too, that outgoing directors are re-electable and no age limit is imposed for the exercise of a mandate.

Currently, the Board of Directors is composed of eight members, seven of whom are non-executive directors, and three are independent directors. Four of them are proposed by Sopal International S.A. The mandates of the majority of them were renewed at the Annual General Meeting of 27 May 2008.

Amongst these, Baron Philippe Bodson, Pierre Meyers and Martin Gonzalez del Valle are named as independent directors. They meet the requirement of independence foreseen in new article 526 ter of the Company Code.

Sogepa SA, represented by Mrs. Sabine Colson, represents the interests of the Walloon Region on the board of directors. The mandates of Messrs Francis Lambilliotte and Bernard Lambilliotte are to expire at the next General Meeting scheduled for 28 April 2009.

Main subjects discussed by the Board of Directors during 2008

The Board of Directors met six times in 2008. The main subjects discussed were the approval of the results of the Group, the monitoring of the business and the financial situation of the Group, in particular certain subsidiaries, the following and closing of certain important legal issues, the creation of a program of stock options for certain members of the personnel in Belgium and abroad, the review of investment projects, the forecasting of results, annual budgets and the strategic plan.

The members of the Board of Directors are:

Name	Position	Start	End
Baron Philippe Bodson	Chairman, Independent Director	27.05.08	26.04.11
Mr. Jacques Lambilliotte	Honorary Chairman, Director	27.05.08	26.04.11
Mr. Francis Lambilliotte	Managing Director	25.05.04	28.04.09
Mr. Jean Hamon	Director	27.05.08	26.04.11
Mr. Bernard Lambilliotte	Director	25.05.04	28.04.09
Sogepa SA represented by Ms. Sabine Colson	Director	27.05.08	26.04.11
Mr. Pierre Meyers	Independent Director	27.05.08	26.04.11
Mr. Martin Gonzalez del Valle	Independent Director	27.05.08	29.04.14

Directors' Remuneration

All the directors are remunerated for their directorship (with the exception of Francis Lambilliotte), in accordance with the decision of the General Shareholders Meeting. In 2008, the total remuneration of the non-executive directors amounted to EUR 175,000.

The Annual General meeting of 27 May 2008 decided to allocate, from 2008 onwards, a remuneration for the directors, of up to a maximum of EUR 200,000 per year (to be indexed on the retail price index every January against the level in January 2008), to be divided up annually amongst its members by the Board of Directors.

Committees

Under its own responsibility, the Board of Directors set up Audit, Remuneration and Appointment committees in June 2005. The composition of these committees was reviewed on 27 May 2008, when the new Chairman of the Board of Directors was appointed.

The mandate of Mr. Bernard Lambilliotte (Audit Committee) is due to end at the next Annual General Meeting of 28 April 2009.

The Audit Committee made up of four non-executive directors of which two are independent, met three times during the course of 2008. The subjects discussed were principally:

- The annual accounts of 31 December 2007 ;
- The mode of calculation in the 'cost to cost' situation for new types of contract 'new builds', whereby the length of delivery and execution is longer than typical classic contracts;
- The accounts as of 30 June 2008.

The Remuneration Committee and the Nomination Committee, both made up with non-executive directors of which two independent directors, met together four times in 2008. The following subjects were discussed: the policy of variable remuneration; development of a long-term remuneration program and more specifically the possibility of a stock option plan; revision of the pension plan for management members; the remuneration of the senior members of the direction.

The members of the committees are as follows:

Name	Audit Committee	Appointment Committee	Remuneration Committee	End of term
Baron Philippe Bodson (i)		Chairman	Chairman	26.04.11
Mr. Jacques Lambilliotte		Member	Member	26.04.11
Sogepa SA represented by Ms. Sabine Colson	Chairman	Member	Member	26.04.11
Mr. Pierre Meyers (i)	Member		Member	26.04.11
Mr. Martin Gonzalez del Valle (i)	Member	Member		29.04.14
Mr. Bernard Lambilliotte	Member			28.04.09

(i) independent directors

3. EXECUTIVE COMMITTEE

Composition

The Company has not set up any management board as outlined in the article 524 bis of the Company Code. The Board of Directors has appointed an Executive Committee most notably to assist the Managing Director in his functions. The members of the Executive Committee have no mandate, and are nominated for an indeterminate period of time.

The composition of the Executive Committee was modified in December 2008 with the nomination of an operational manager, René Robert. On 31 December 2008, it was made up as follows:

Francis Lambilliotte,
Managing Director, Chairman of the Executive Committee

Aart Nobel,
General Manager Americas,
Vice President of the Executive Committee

Philippe Delvaux,
General Manager of the Air Pollution Control EMEA/Brazil BU

Rodica Exner,
General Manager of the Cooling Systems BU

René Robert,
General Manager of the Heat Exchangers business unit

Bernard Van Diest,
Group Financial Director

Michèle Vrebos,
Group Legal Director and Secretary General

Bernard Vuylsteke,
Group Human Resources Director

The Executive Committee also continues to enjoy the experience of an invited member:

Thierry Tondreau,
Group Administrative Director
and Director of Risk Management

It is worth mentioning the retirement of Jean Gilbert, invited member of the Executive Committee, on 30 June 2008. We take this occasion to warmly thank him for his good and loyal services and his contribution to the success of the Group over almost forty years.

Mr. Francis Lambilliotte, as the Company's Managing Director, performs the day-to-day management function.

Remuneration and benefits of Board of Directors and Executive Committee

In 2008, the total amount of remunerations and benefits in kind allocated to the company's directors and to the members of the Executive Committee for their work in the Company and its subsidiaries amounted to EUR 6.27 million. For more detailed information, please see note 45 of the consolidated accounts.

4. IMPORTANT ASPECTS IN CASE OF A PUBLIC OFFER OF PURCHASE

Article 5 bis of the articles of association of Hamon & Cie foresee that the Board of Directors is authorized to increase the capital once (or more times) up to EUR 2,157,441.60. This authorization is limited to 5 years; it can however be renewed once or several times for a further 5 years, by the Annual General Meeting. The increase in capital as decided by this authorization, whether made in kind or in cash, can be made by using available or unavailable reserves or share premium, with or without the creation of new shares, preferential or not, with or without a right to vote, and with or without subscription right. Within the authorization given to it by the articles of association, the Board may decide to issue bonds, subscription rights, or the right to options just as it can also cancel or limit the preference rights of existing shareholders if it is in the interest of the Company and within the legal framework to do so and including one or more persons or members of the Company's personnel, or a linked company.

The Extraordinary General Meeting of Hamon & Cie has also given clear authority to the Board of Directors, in case there is a public offer on the shares of the Company to increase the capital either in nature or in kind, by limiting or canceling, as the case may be, the preference rights of shareholders including those favoring one or more particular persons.

The articles of association of Hamon & Cie also foresee that the Company is authorized to buy its own share on the stock market without necessarily making an offer to shareholders. The Board is authorized to dispose of shares of the Company through the stock market or in any other way that is foreseen by the law, without prior authorization of the Annual General Meeting. The Board is authorized to acquire or dispose of shares in the company to ward off any serious or imminent danger to the company, as is possible within the law.

Note too that the shareholder convention signed in June 2005 by both Sopal International and the Walloon Region, represented by Sogepa, and amended on 28 August 2007, foresees that the two groups mutually inform each other if they intend to reduce or increase their participation in Hamon & Cie. The convention also foresees the existence of a pre-emptive right in favor of one of the two groups, and a right to buy in favor of Sogepa if Sopal International should decide to sell its shares. The convention also foresees a put option for the Walloon Region and a call option in favor of Sopal International.

5. AUDITORS

The Company accounts and consolidated accounts ending 31 December 2008 were audited by Deloitte, Reviseurs d'Entreprises, SC s.f.d. SCRL, Berkenlaan 8B, 1831 Diegem, represented by Mr. Laurent Boxus.

The appointment of the auditor for a term of three years was approved by the Annual General Meeting of 27 May 2008.

6. APPROPRIATION OF PROFITS

On 5 September 2008, the Company paid a dividend on the results of 2008 of EUR 0.30 per share. The Company proposes to distribute a complement to this dividend of EUR 0.27 per share for the result of 2008.

The dividend policy aims to make a pay out of around 25% of the result of the year, which it is felt will correctly remunerate shareholders while still keeping the required funds necessary for continued growth within the Group.

Part 4

Hamon Group IFRS financial statements for the year ended on 31 December 2008

Financial statements
Table of content

I. Consolidated income statement

in EUR '000'	Note	2008	2007	2006
Revenue	8	366,679	432,648	354,423
Cost of sales		(279,240)	(339,799)	(285,260)
Gross margin		**87,439**	**92,849**	**69,163**
Sale & marketing costs	9	(8,697)	(9,872)	(8,677)
General & administrative costs		(34,018)	(35,147)	(24,772)
Research & development costs		(663)	(580)	(700)
Other operating income / (expenses)	10	(210)	(3,813)	(2,605)
Operating profit before restructuring costs		**43,851**	**43,437**	**32,409**
Restructuring costs	11	(132)	(8)	(441)
Operating profit (EBIT)		**43,719**	**43,429**	**31,968**
Interest income	12	1,255	1,240	430
Interest charges	12	(9,904)	(11,126)	(7,600)
Share of the profit (loss) of associates			-	407
Result before tax		**35,070**	**33,543**	**25,205**
Income taxes	13	(14,411)	(13,952)	(10,351)
Net result from continued operations		**20,659**	**19,591**	**14,854**
Net result of discontinued operations	14	(1,788)	(1,246)	(1,754)
Net result for the year		**18,871**	**18,345**	**13,100**
Equity holders of the company		18,505	18,258	13,021
Minority interest		366	87	79
Earnings per share				
Continued and discontinued operations	16			
Basic earnings per share (EUR)		2.57	2.54	2.19
Diluted earnings per share (EUR)		2.57	2.54	2.19
Based on their strike price, the stock options granted to Group employees have no dilutive impact at 31 December 2008				
Continued operations				
Basic earnings per share (EUR)		2.82	2.71	2.48
Diluted earnings per share (EUR)		2.82	2.71	2.48

The income statement presentation has been modified to improve its readability (see page 60)

II. Consolidated balance sheet

in EUR '000'	Note	31/12/2008	31/12/2007	31/12/2006
ASSETS				
Non-current assets				
Intangible assets	21	3,832	1,240	1,757
Goodwill	22	29,589	17,317	17,701
Property, plant & equipment	23	23,374	19,079	19,309
Investment in associates	24	-	681	884
Deferred tax assets	26	5,975	9,364	11,542
Available-for-sale financial assets	25	1,383	1,001	1,070
Trade and other receivables	29	2,602	8,292	7,645
Derivative financial assets	37	-	-	-
		66,755	**56,974**	**59,908**
Current assets				
Inventories	27	8,892	6,296	6,676
Amount due from customers for contract work	28	37,877	44,090	26,509
Trade and other receivables	29	104,426	88,254	91,853
Derivative financial assets	37	434	-	-
Cash and cash equivalents	30	59,089	35,658	24,442
Other current assets		4,157	2,295	2,597
Current tax assets		3,756	1,217	225
Available-for-sale financial assets	25	244	9	141
		218,875	**177,819**	**152,443**
Total assets		**285,630**	**234,793**	**212,351**
EQUITY	31			
Share capital		1,892	1,892	1,892
Reserves		9,200	15,296	18,152
Retained earnings		37,566	16,906	(1,262)
Minority interest		711	268	278
Total equity		**49,369**	**34,362**	**19,060**
LIABILITIES				
Non-current liabilities				
Financial liabilities	35	40,252	50,509	3,520
Provisions for pensions	33	2,603	2,284	2,212
Provisions for other liabilities and charges	32	1,280	1,355	1,981
Deferred tax liabilities	26	3,273	7,183	2,570
Other non-current liabilities		2,146	3,052	3,557
		49,554	**64,383**	**13,840**
Current liabilities				
Financial liabilities	35	29,606	12,055	62,928
Amount due to customers for contract work	28	69,403	30,106	32,013
Trade and other payables	36	79,788	87,773	79,765
Current tax liabilities		2,817	2,492	3,152
Current derivative financial liabilities	37	1,597	-	-
Provisions for other liabilities and charges	32	3,496	3,622	1,593
		186,707	**136,048**	**179,451**
Total liabilities		**236,261**	**200,431**	**193,291**
Total equity and liabilities		**285,630**	**234,793**	**212,351**

The balance sheet presentation has been modified to improve its readability (see page 60)

III. Consolidated cash flow statement

in EUR '000'	Note	2008	2007	2006
Cash flows from operating activities	17			
Cash receipts from customers		426,820	381,664	324,992
Cash paid to suppliers and employees		(374,302)	(339,846)	(296,226)
Cash generated from operations before interests and taxes		**52,518**	**41,818**	**28,766**
Other expenses and financial income (paid)/received		(325)	(4,153)	(2,059)
Income taxes paid		(17,214)	(8,556)	(5,139)
Non operating cash items		-	(341)	-
Net cash from operating activities		**34,979**	**28,768**	**21,568**
Restructuring costs		(302)	(297)	(1,110)
Cash generated from operations after restructuring		**34,677**	**28,471**	**20,458**
Cash flows from investing activities	18			
Dividends received		43	34	-
Proceeds on disposal of subsidiary/branch		-	259	-
Proceeds on disposal of PP&E		587	416	197
Proceeds/(Purchase) of investments held for trading		1,032	(324)	390
Acquisition of Subs		(1,528)	-	-
Acquisition of PP&E		(3,362)	(3,402)	(3,523)
Increase/(decrease) of government grants		-	-	(47)
Disposal/(purchase) of intangible assets		(2,152)	(194)	(54)
Expenditure on R&D		(1,199)	(740)	(426)
Net cash used in investing activities		**(6,579)**	**(3,951)**	**(3,463)**
Cash flows from financing activities	19			
Dividends paid to shareholders		(2,130)	-	-
Dividends paid to minorities		(5)	-	-
Proceeds from issuance of shares		198	-	19,194
Interest received		1,489	1,282	464
Interest paid		(6,448)	(7,142)	(6,572)
New bank borrowings		24,386	129,075	15,841
Reimbursement of bank borrowings		(22,586)	(131,558)	(35,606)
Net cash from financing activities		**(5,096)**	**(8,343)**	**(6,679)**
Cash flows from other activities	20			
Other variations from discontinued activities		(441)	(2,746)	(4,330)
Net cash used in other activities		**(441)**	**(2,746)**	**(4,330)**
Net increase in cash and cash equivalents		**22,561**	**13,431**	**5,986**
Cash and cash equivalents at beginning of period		35,658	24,442	20,022
Impact of translation differences		870	(2,215)	(1,566)
Cash and cash equivalents at end of period		59,089	35,658	24,442
Net increase in cash and cash equivalents		22,561	13,431	5,986

The cash flow presentation has been modified to improve its readability (see page 60)

IV. Consolidated statement of changes in equity

in EUR '000'	Share capital	Legal Reserve	Share premium	Retained earnings	Change in fair value	Share based payments	Hedging reserve	Translation reserve	Equity attributable to equity holders of the parent	Minority interests	Total equity
Balance at 1 January 2006	**1,513**	**671**	**43**	**(14,321)**				**1,385**	**(10,709)**	**237**	**(10,472)**
Capital increase	379		18,815						19,194		19,194
Exchange differences								(2,762)	(2,762)	(19)	(2,781)
Profit or loss of the period				13,021					13,021	79	13,100
Other movements				38					38	(19)	19
Balance at 31 December 2006	**1,892**	**671**	**18,858**	**(1,262)**				**(1,377)**	**18,782**	**278**	**19,060**
Balance at 1 January 2007	**1,892**	**671**	**18,858**	**(1,262)**	**-**			**(1,377)**	**18,782**	**278**	**19,060**
Capital increase									-		-
Exchange differences								(2,838)	(2,838)	(11)	(2,849)
Profit or loss of the period				18,258					18,258	87	18,345
Other movements				(90)			(18)		(108)	(86)	(194)
Balance at 31 December 2007	**1,892**	**671**	**18,858**	**16,906**			**(18)**	**(4,215)**	**34,094**	**268**	**34,362**
Balance at 1 January 2008	**1,892**	**671**	**18,858**	**16,906**	**-**	**-**	**(18)**	**(4,215)**	**34,094**	**268**	**34,362**
Capital increase									-		-
Exchange differences								(1,071)	(1,071)	(91)	(1,162)
Profit or loss of the period				18,505					18,505	366	18,871
Dividends paid to shareholders				(2,157)					(2,157)	(5)	(2,162)
Change in fair value of available for sale financial assets					(26)				(26)	-	(26)
Change in share based payments reserve						(17)			(17)	-	(17)
Change in fair value of hedging instruments							(674)		(674)	(19)	(693)
Other movements			(4,308)	4,312					4	192	196
Balance at 31 December 2008	**1,892**	**671**	**14,550**	**37,566**	**(26)**	**(17)**	**(692)**	**(5,286)**	**48,658**	**711**	**49,369**

V. Notes to the consolidated financial statements

1. GENERAL INFORMATION

Hamon & Cie (International) (hereafter called 'Hamon' or 'the Company') is a limited liability company under Belgian law. Its registered office is in Axisparc, rue Emile Francqui 2, 1435 Mont-St-Guibert, Belgium; telephone: 32-10-39.04.00.

The principal activities of Hamon and the various subsidiary companies of the Group are described in the first part of this annual report. The legislation governing the activities of Hamon & Cie (International) is Belgian law or the law of the countries in which its subsidiary companies are established. The country of origin of the Company is Belgium.

The Company's financial year begins on the 1st January and closes on the 31 December of each year.
The Company was founded on 31 December 1927 for an unlimited period.
The Company registration number is 0402.960.467

2. DECLARATION OF COMPLIANCE AND RESPONSIBILITY

The consolidated financial results were approved by the Board of Directors on the 19 February 2009.

We declare that to our knowledge:

- The consolidated financial results have been prepared according to the International Financial Reporting Standards (IFRS) as approved by the European Union.
- The financial results are a faithful view of the assets, and the financial situation and results of the Group.
- The Management report is a faithful review of the ongoing business, the results and the situation of the Group, and it includes a description of the principle risks and uncertainties which the Group is facing.

The 19 February 2009.

Francis Lambilliotte	Bernard Van Diest
Managing Director	CFO

3. PRINCIPAL ACCOUNTING STANDARDS

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards.

They have been prepared on basis of the historical cost convention except for some financial intruments measured at fair value in conformity with IAS 39. The financial statements are presented in thousands of euro, rounded to the nearest thousand.

Standards and Interpretations that became applicable in 2008

This year, the group has adopted new interpretations and amendments to the following Standards applicable for accounting years beginning on or after 1 January 2008.

- IFRIC 11 – IFRS 2 Group and Treasury share Transactions (applicable for accounting years beginning on or after 1 March 2007)

- IFRIC 12 – Service Concession Arrangements (applicable for accounting years beginning on or after 1 January 2008)

- IFRIC 14 – IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction' (applicable for accounting years beginning on or after 1 January 2008).

- Amendments to IAS 39 – Financial Instruments: Recognition, Measurement and IFRS 7 – Financial Instruments: Disclosure – Reclassification of financial assets (applicable for accounting years beginning on or after 1 July 2008).

The adoption of those new standards and interpretations did not cause any material impact on the consolidated financial statements of the Group.

Early application of standards and interpretations
The group has decided not to anticipate the application of standards and interpretations.

At the certification date of the 31 December 2008 financial statements, the following interpretations were published but not yet applicable:

- IAS 1 – Presentation of Financial Statements (applicable for annual periods beginning on or after 1 January 2009). This Standard replaces IAS 1 – Presentation of Financial Statements (revised in 2003) as amended in 2005.

- Amendments to IAS 27 – Consolidated and Separate Financial Statements (revised in 2008) (applicable for annual periods beginning on or after 1 July 2009).

- Amendment to IFRS 2 – Vesting Conditions and Cancellations (applicable for annual periods beginning on or after 1 January 2009).

- Amendments to IAS 32 – Financial Instruments: disclosure and IAS 1 – Presentation of Financial Statements – puttable financial instruments and obligations due to a liquidation (applicable for annual periods beginning on or after 1 January 2009).

- Amendments to IAS 39 – Financial Instruments: Recognition and Measurement – Qualifying Hedging Instruments (applicable for accounting years beginning on or after 1 July 2009).

- IFRS 3 – Business Combinations revised in 2008 (applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009).

- Amendments to IFRS 7 – Financial Intruments: disclosures (applicable for accounting years beginning on or after 1 January 2009).

- IFRS 8 – Operating Segments (applicable for accounting years beginning on or after 1 January 2009)

- Amendment to IAS 23 – Borrowing Costs revised in 2007 (applicable for accounting years beginning on or after 1 January 2009)

- Improvements to IFRS revised in 2008 (applicable for accounting years beginning on or after 1 January 2009)

- Amendments to IFRS 1 – First-time adoption of IFRS and IAS 27 – Separate and Combined financial statements (applicable for accounting years beginning on or after 1 January 2009)

- IFRIC 13 – Customer Loyalty Programs (applicable for accounting years beginning on or after 1 July 2008)

- IFRIC 15 – Agreements for the construction of real estate (applicable for accounting years beginning on or after 1 January 2009)

- IFRIC 16 – Hedges of a net investment in a Foreign Operation (applicable for accounting years beginning on or after 1 October 2008)

- IFRIC 17 – Distribution of Non-cash Assets to owners (applicable for accounting years beginning on or after 1 July 2009)

- IFRIC 18 – Transfer of assets from customers (applicable for accounting years beginning on or after 1 July 2009)

Adoption of these new standards and interpretations in subsequent years will have the following main impacts:

• The presentation of a statement of comprehensive income aggregating the net income of the year with items of income and expenses directly recognized in equity (representing a negative amount of EUR 1,881 thousand in 2008) in accordance with IAS 1 – revised. This has only a presentation impact;
• Future acquisitions and transactions relating to subsidiaries will have to be treated in accordance with IFRS 3 – revised and IAS 27 – revised respectively;
• Some additional disclosures in the financial statements, including for financial instruments;
• Borrowing costs will have also to be included in costs of new contract considered as qualifying assets in accordance with IAS 23 – revised.

The financial statements also include the information prescribed by the 4^{th} and the 7^{th} European directive.

Conversion of Foreign Currencies Operations

Foreign currency transactions (i.e. in a currency other than the functional currency of the entity) are recorded at the spot exchange rate on the date of the transaction. At each closing date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate. Gains and losses arising from the settlement of foreign currency monetary items or on their re-evaluation at the closing date are recognized in the Income statement in the 'Other operating income/(expenses)'; and in net finance costs for gains/losses related to the financial debt.

The assets and liabilities of the Group activities whose working currency is not the Euro are converted into Euros at the financial year's closing rate. Income and charges are converted at the average rate of the period except if the exchange rates have been subject to major fluctuations. Resulting exchange gains and losses are posted as a distinct component of the equity. At the time of the disposal of an activity whose working currency is not the Euro, the accumulated deferred exchange gains and losses appearing under the 'Foreign Exchange Reserve' heading are posted in the Income Statement.

Goodwill and other adjustments of the fair value resulting from the acquisition of an activity whose working currency is not the Euro are treated as assets and liabilities of the activity and posted in accordance with the preceding paragraph.

Consolidation Principles

The consolidated financial statements include the financial statements of all the subsidiary companies; the financial investments in joint ventures are consolidated according to the proportionate method and associated companies are accounted for using the equity method.

The consolidated financial statements are prepared using uniform accounting policies for transactions and events occurring in similar circumstances. All intra-group balances and transactions including income, dividends and expenses are eliminated in the consolidation.

Subsidiary Companies

Subsidiary companies are entities that are directly or indirectly controlled. Control is supposed to exist as soon as the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity but as well as soon as it has the power to govern the entity's financial and operating policies in order to obtain benefits from its activities. Consolidation of the subsidiary companies starts as of the moment when Hamon controls the entity until the date on which that control ceases.

Joint Ventures

Entities for which the Group contractually shares control with one or more co-contractor(s) qualify as joint ventures. Contractual agreements of this kind ensure that strategic financial and operating decisions require the unanimous consent of all the co-contractors. Proportional consolidation of the jointly controlled entities starts as of the moment joint control is established until the date on which it ceases.

Associated Companies

Associated companies are the entities over which Hamon exerts a significant influence by taking part in the entity's decisions, without holding control or joint control. The significant influence is supposed to exist as soon as the parent owns, directly or indirectly through subsidiaries, more than twenty percent of the voting power of an entity. Consolidation of the associated companies is accounted for using the equity method until the date on which the significant influence ceases.

Business Combinations

The purchase or acquisition method is used for all business combinations.

Applying the purchase method involves the following steps:

a) identifying the acquirer;
b) measuring the cost of the business combination; and
c) allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of a business combination is the aggregate of:

a) the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the purchased company; plus
b) any costs directly attributable to the business combination.

Assets and liabilities of the purchased entity are measured at their acquisition-date fair value.
The Non Controlling Interest (NCI) is measured at fair value or at the NCI's proportionate share of net assets of the acquired entity.

Balance Sheet Elements

Intangible Assets

Intangible assets are recognized if it is probable that the future economic benefits attributable to the asset will flow to the Group and if their costs can be measured reliably. After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortization and impairments.

Patents, Trademarks and Similar Rights

Patents and trademarks are initially measured at cost and are amortized on a straight-line basis over the shorter of their useful lives or their contractual period.

Development Costs

In-house development costs are capitalized as intangible assets only if all following conditions are met:

- An identifiable asset has been created (such as software and new processes)
- It is probable that the asset will generate future economic benefits; and
- The asset's development costs can be measured reliably.

The development phase starts when the new products, processes or software programs ('Identifiable Asset') are defined. The objective consists of developing an Identifiable Asset, which fulfils the customers' technical and qualitative requirements or enables the customers' requirements to be met at a lower cost for the company. The development activities are based on the results obtained from industrial research or from existing know-how and are generating profit. This condition is reviewed each year in order to determine the project's profitability potential. Development costs are amortized over a maximum period of 5 (five) years.

When the above recognition criteria are not met, the development expenditure is charged to expenses.

Other internally generated intangible assets

Except for development costs meeting the above conditions, costs linked to any other internally generated intangible element such as brands, customer lists, goodwill, research are charged to expenses and are not capitalized.

Goodwill

Goodwill acquired in a business combination is recognized by the group Hamon as an asset and is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Goodwill is not depreciated but it is tested for impairment at least once a year. Any impairment loss is charged to the Income Statement. An impairment loss posted on goodwill cannot be reversed at a later date.

At the time of the sale of a subsidiary company or a jointly controlled entity, the relevant goodwill is included in the determination of the result of the sale. Goodwill on associated companies is presented under 'Investments In Associated Companies'.

Tangible Assets

An item of property, plant and equipment is recognized as a tangible asset if it is probable that the future economic benefits attributable to the asset will flow to the Group and if their costs can be measured reliably.

After the initial accounting, all tangible assets are stated at cost less the accumulated depreciation and impairment losses. The cost includes all the costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs are not included in the cost of the asset.

Repair and maintenance costs and other subsequent expenditure linked to an asset are charged as expenses in the income statement of the financial year during which they are incurred.

The depreciable amount of an asset is allocated systematically over its useful life using the straight-line method. The depreciation of an asset begins when it is available for use. The estimated useful lives of the most significant elements of tangible assets are as follows:

Description	Useful live
Land	No depreciation
Administrative buildings	33 years
Industrial buildings	33 years
Machines	10 years
EDP equipment	4 years
Other equipment	10 years
Leasehold Improvements	10 years
Tools	4 years
Furniture	10 years
Vehicles	4 years

Depreciation charges are posted to operating expenses by reference to the function of the underlying assets (cost of sales, selling & marketing expenses, general and administration costs, research and development costs).

Gains or losses arising from the sale or disposal of tangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and are charged to the income statement under 'Other Operating Income /(Expenses) '.

The Group has elected to use the cost model for the measurement of property, plant and equipment. Therefore items of property plant and equipment may not be carried at a re-valued amount after their initial recognition.

Impairment of Tangible and Intangible Assets

Except for intangible assets in progress that are tested for impairment annually, tangible and intangible assets are subject to an impairment test only when there is an indication that their carrying amount exceeds their recoverable amount.

If an asset does not generate cash flows independently of those of other assets, the Group makes an estimation of the recoverable value of the cash-generating unit to which the asset belongs. The recoverable value is the highest value between the fair value less costs to sell and the value in use. If the recoverable value of an asset (cash flow generating unit) is lower than its carrying amount, an impairment loss is immediately recognised as an expense in the income statement.

When an impairment is reversed at a later date, the carrying amount of the asset (cash flow generating unit) is increased to the revised estimate of its recoverable value, without however being higher than the carrying amount which would have been determined if no impairment had been recognised for this asset (cash flow generating unit).

Lease Agreements

Capital Leases

A lease is classified as a finance lease if it substantially transfers the entire risks and rewards incidental to ownership to the lessee. The other lease agreements are classified as operating leases.

At the commencement of the lease term, the Group recognizes finance leases as assets and liabilities in its balance sheet at amounts equal to the lower of fair value of the leased property or the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability is posted in the obligations under finance leases. Subsequently, during the lease period, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to obtain a constant periodic interest rate on the remaining balance of the liability. Leased assets are depreciated over their estimated useful live consistently with the method applicable to similar depreciable assets owned by the Group.

Operating Leases

Lease agreements that do not substantially transfer the entire risks and rewards incidental to ownership to the lessee are classified as operating leases. The lease payments are recognized as an expense on a straight-line basis over the period of the rental agreement.

Financial Assets and Liabilities

Financial assets or liabilities are recognized on the balance sheet at the date of the transaction, which corresponds to the date on which the entity contractually commits to buy or sell an asset.

When a financial asset or financial liability is recognized initially, it is measured at its fair value plus (in case of financial asset) or minus (in case of financial liability) transaction costs except for financial assets at fair value through profit or loss.

Fair value is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction

There are four categories of financial assets:
- Financial assets at fair value through profit or loss (designated by the entity or classified as held for trading)
- Held-to-maturity investments
- Loans and receivables
- Available-for-sale financial assets

There are two categories of financial liabilities:
- Financial liabilities at fair value through profit or loss
- Other financial liabilities measured at amortized cost

Subsequently,
- the fair value changes in financial assets and liabilities at fair value through profit or loss are recognized through the income statement.
- the fair value changes in available for sale assets are recognized directly in the equity until the asset is sold or is identified as impaired. Then the cumulative gain/loss that had been recognized in equity shall be removed and recognized in profit or loss.
- investments in equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured by an alternative pricing method are evaluated at cost.
- loans and receivables, held-to-maturity Investments and other financial liabilities are measured at amortized cost using the effective interest rate method, except for fixed term/time deposits, which are valued at cost.

The **effective interest rate** is the rate that exactly discounts estimated future net cash settlements or receipts through the expected life of the financial asset or liability to its net carrying amount.

Trade and Other Receivables (Payables)
Receivables and payables are recognized using the amortized cost method i.e. the discounted value of the receivable. Appropriate impairment losses are recognized on receivables in case of expected default of payments.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand and demand deposits together with short-term, highly liquid investments, that are readily convertible into a known amount of cash, that have a maturity of three months or less, and that are subject to an insignificant risk of change in value. These elements are taken into the Balance Sheet at their nominal value. Bank overdrafts are included in the current financial liabilities.

Equity Instruments
Any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities is an equity instrument. Equity instruments issued by the Company are measured at their fair value net of issuance costs.

Loans & borrowings
Loans and borrowings are initially recognized at fair value, plus or minus transaction costs. They are subsequently measured at amortized cost using the effective interest method. Any subsequent change in value between the fair value and the settlement value (including the redemption premium to be received or paid) is recognized in the income statement over the period of the borrowing (effective interest rate method). The borrowing issuance costs related to mixed facilities including debt and bank guarantee lines agreement are prorated between the different lines and presented in deduction of the financial liabilities on the balance sheet.

Derivative Financial Instruments
The Group enters into derivative financial instruments to manage its exposure to interest rate risks arising from financing activities and foreign exchange rate risks arising from operational activities (cash flow hedges). The Group's policy is not to enter into speculative transactions nor issue or hold financial instruments for negotiation purposes.

Derivative financial instruments are initially recognized at their fair value and are subsequently revaluated to their fair value at each reporting date.

a) Derivatives qualifying for cash flow hedge
The effective portion of changes in the fair value of derivatives qualifying as cash flow hedges are immediately deferred in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

When the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, then the gains or losses previously deferred in the equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When the forecast transaction that is hedged results in the recognition of a financial asset or liability, then the gains or losses previously deferred in the equity are recycled in the income statement in the periods when the hedged item is recognized in the income statement. However if it is likely that a portion or the whole cumulative loss posted in equity will not be offset in the future periods, the (portion of the) loss unlikely to be offset is recognized in the income statement.

When the forecast transaction that is hedged does not result in the recognition of an asset or liability, then the gains or losses previously deferred in the equity are recycled in the income statement in the periods when the hedged item is recognized in the income statement.

b) Derivatives which do not qualify for hedging
The changes of fair value of financial instruments that do not qualify for hedge accounting are immediately posted in the income statement.

Stock options

Share options are measured at their fair value at the date of grant. This fair value is assessed using the Black & Scholes option pricing model and is expensed on a straight-line basis over the vesting period of these rights, taking into account an estimate of the number of options that will eventually vest.

Inventory

Inventory is carried at the lower of cost and net realizable value. The cost of inventory includes the cost of purchase of direct materials, the cost of conversion (including manufacturing costs) and other costs incurred in bringing the inventory to their present location and condition. The cost of interchangeable inventory items is determined using the weighted average cost method. The net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs to make the sale.

Pensions and other Employee Benefits

In accordance with the local legislation and practices, the Group's subsidiaries subscribe to post-employment defined contribution or defined benefit plans.

Defined Contribution Plans

Contributions that are payable for defined contribution plans in exchange for services rendered by employees during the period are charged to the income statement as incurred.

Defined Benefit Plans

For defined benefit plans, the amount recognized in the balance sheet is the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and reduced by the fair value of plan assets at the balance sheet date. If the calculation of the balance sheet amount as set out above results in an asset, the amount recognized should be limited to the net total of unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

In the Income Statement, the current service cost, the past service cost and the amortization of actuarial gains/losses are posted as cost of sales, distribution and marketing expenses or general and administrative costs, research and development expenses, while the interest costs and the expected return on the plan assets are charged to the 'other financial expenses'.

The present value of the defined benefit obligation is determined using the Projected Unit Credit Method. The discount rate is determined annually by reference to market yields at the balance sheet date on high quality corporate bonds with a term similar to the weighted average payment term of the obligation.

Actuarial gains/losses resulting from the effects of the differences between the previous actuarial assumptions and the actuals and from the effects of the changes in actuarial assumptions are calculated separately for each 'defined benefit plan'. When the accumulated actuarial gains/losses exceed 10% of the greater of the defined benefit obligation or the fair value of the plan assets (corridor), the portion in excess is recognized in the income statement through its amortization over the average remaining working lives of the employees.

Past service costs due to changes in benefits under the plan are amortized on a straight-line basis over the average period until the amended benefits become vested.

Early Retirement Plan

Early retirement plans are treated as post-employment defined benefit plans.

Provisions for Liabilities and Charges

Provisions are recognized if and only if the Group has a present obligation (legal or constructive) arising from a past event, which will probably result in an outgoing payment for which the amount can be reliably estimated.

Provisions for guarantee are recognized upon the sale of the product, on basis of the best estimate of the expenditure necessary for the extinction of the Group's obligation. Provisions for restructuring are recognized only after the Group has adopted a detailed formal plan that has been publicly announced to the parties involved before the closing date.

Provisions are measured at their present value where the effect of the time value of money is material.

Income Statement Elements

Income

Income is recognized when it is probable that the future economic benefits attributable to a transaction will accrue to the Group and if its amount can be measured reliably.

Revenues are measured at the fair value of the counterpart received or to be received and represent amounts to be received following the supply of goods or the rendering of services in the course of the ordinary activities of the Group.

- Sales revenue are recognized once the delivery has been made and when the transfer of the risks and benefits has been completed.
- Construction revenue are recognized in accordance with the Group's accounting methods relating to construction contracts (see below).
- Interest revenue are computed based on the time passed, the outstanding liability and the effective interest rate, which is the rate that exactly discounts future cash flows through the expected life of the financial asset to its net carrying amount.
- Dividends are recognized when the shareholder's right to receive the payment is established.

Construction Contracts

When the outcome of a construction contract can be estimated reliably, the contract's revenues and costs are recognized in proportion to the stage of completion of the contract activity at the closing date. The contract stage of completion is determined by reference to the contract's components (engineering, supply, erection and manufacturing).

As its markets have evolved, Hamon has noticed an important change in the nature of the contracts it signs with its customers. These contracts have a much longer duration of execution than in the past and generally speaking refer more to new construction than to refurbishment. Hamon has decided to adopt a new method to take into account these new kinds of contracts. The contract stage of completion of these new contracts is now determined by reference to the 'cost to cost' method instead of the previous 'expensed progress' method that was originally well adapted to the pure engineering activity of the Group.

In consequence, the recognition of the revenue and the margin on these construction contracts is slower than on the contracts previously recorded by the Group, which causes an increase of the backlog.

When the outcome of a construction contract cannot be estimated reliably, the revenue is recognized only to the extent that contract costs incurred are expected to be recoverable while contract costs are expensed as incurred. The costs of the contracts are recognized in the income statement during the period in which they are incurred.

An expected loss on a construction contract is immediately recognized as an expense as soon as such loss is probable.

Contract revenues include the initial agreed amount of the contract, the agreed change orders as well as forecasted incentive payments and forecasted claims only when the incentives/claims are accepted and when their amounts can be measured reliably.

Contract costs include the direct costs attributable to the contracts and the costs relating to the general contracting activity to the extent that they can reasonably be allocated to the contract (indirect costs). Tender costs are included in contract costs only if they can be identified separately and measured reliably, and if it is probable that the contract will be obtained.

The amounts included under the 'Amounts Due From Customers For Contract Work' correspond to the costs incurred plus the margin (less the losses) recognized on contracts in excess of the advances billed to the customers for contracts for which this difference is positive. While the amounts included under the 'Amounts Due To Customers For Contract Work' correspond to the advances billed to the customers in excess of the costs incurred plus the margin (less the losses) recognized on contracts for other contracts.

Government Grants

Government grants related to staff costs are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis.

Government grants related to tangible assets are presented in deduction of the property, plant and equipment's carrying amounts. These grants are recognized as income over the life of the depreciable assets.

Repayable government grant are transferred to financial liabilities.

Income Taxes

Income taxes include both current and deferred taxes. They are recognized in the Income statement except if they relate to elements recognized directly in the equity, in which case they are posted to equity.

The current tax is the amount of income tax payable/recoverable in respect of the taxable profit/loss for a period. Current income taxes for current and prior periods are calculated based on the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxes originate from temporary differences i.e. differences between the carrying amounts of assets and liabilities in the balance sheet and their tax base. Deferred taxes are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities related to goodwill and business combinations are not recognized since the Group does not expect that the timing difference will be reversed in the foreseeable future.

Deferred tax assets are recognized for the deductible temporary differences as well for the carry forward of unused tax losses and credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the unused tax losses and credits could be utilized.

The carrying value of the deferred tax assets is reviewed at each closing date. They are impaired when it becomes unlikely that the deferred tax assets will be utilized against future taxable profits.

Discontinued Business

A discontinued operation is a portion of an entity that either is being or has been sold or disposed by the Group. This entity represents a significant separate major line of business or geographical area of operations.

Besides general information detailing the discontinued operations, financial statements disclose the amounts of assets and liabilities, and the profit or loss and the tax charge as well as the net cash flows attributable to the operating, investing, and financing activities of discontinued operations.

Assets classified in discontinued operations or held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. They are not depreciated anymore but they are considered for impairment upon any indication of a decrease of their net realizable value.

Disclosure

In order to improve the clarity of the financial statements, the following modifications have been brought to their disclosure:

- Income Statement: the interest revenues on cash and equivalents as well as the exchange differences related to the debt are now included in the net financial charges
- Cash Flow Statement: the interest revenues and expenses are now included in the investment cash flow
- Balance Sheet: ‘Tax Liabilities’ only includes liabilities on income tax, other sundry tax liabilities are now classified in other payable.

The disclosure of the financial statements and the notes has been modified according to these modifications for previous years as well.

4. KEY ASSUMPTIONS AND ESTIMATES

Within the framework of preparation of its consolidated financial statements, the Group must, on certain occasions, formulate assumptions and/or carry out estimates affecting the balance sheet entries and/or the income statement.

Management bases its estimates on its previous experience and formulates certain assumptions that seem reasonable taking into account the circumstances. The actual results can differ from these estimates.

The estimates are used in the assessment of losses in value/reductions in value on current and non-current assets, in the estimate of the result and the degree of progress of the construction contracts in progress, in the assessment of the residual lifespan of tangible and intangible fixed assets except for the goodwill, in the provisions for pensions, reorganizations and potential litigations as well as in the assessment of the recoverable character of the deferred tax assets.

Accounting estimates and their key assumptions are reexamined regularly and the effects of their revisions are reflected in the financial statements in the corresponding period.

When such assumptions and estimates have been made, they are explained in the notes relating to the elements to which they refer.

5. CONSOLIDATED ENTITIES

As of 31 December 2008, the Group has the following subsidiaries:

Subsidiary	Country	% Group interest	% Group control
1. Subsidiaries consolidated by full integration method			
Hamon & Cie (International) SA	Belgium	Parent company	Parent company
Hamon Thermal Europe SA	Belgium	100%	100%
Hamon Research-Cottrell SA	Belgium	99.98%	100%
ACS SA (1)	Belgium	90.95%	100%
Compagnie Financière Hamon S.A.	France	99.10%	100%
Hamon Thermal Europe (France) S.A.	France	99.10%	100%
Hamon D'Hondt S.A.	France	99.10%	100%
Brown Fintube France S.A.	France	99.10%	100%
Hamon Environmental S.A.R.L.	France	99.98%	100%
Hacom Energiesparsysteme GmbH	Germany	100%	100%
Hamon Thermal Germany GmbH	Germany	100%	100%
Hatex Apparatebau GmbH	Germany	100%	100%
Hamon Environmental Deutschland GmbH	Germany	100%	100%
Hamon Polska Sp.Zo.O	Poland	100%	100%
Hamon UK Ltd.	Great Britain	100%	100%
Hamon Dormant Co. Ltd	Great Britain	100%	100%
Hamon (Nederland) B.V.	Netherlands	100%	100%
Heat Transfer Ré Services S.A.	Luxemburg	100%	100%
Hamon Corporation	United States	100%	100%
Hamon Custodis Inc.	United States	100%	100%
Hamon Research-Cottrell Inc.	United States	100%	100%
Thermal Transfer Corporation	United States	100%	100%
Hamon Custodis Cottrell (Canada) Inc.	Canada	100%	100%
Hamon Australia (Pty) Ltd.	Australia	100%	100%
Hamon (South Africa) (Pty) Ltd.	South Africa	70%	100%
Hamon Korea Co Ltd.	South Korea	89.73%	90%
Hamon Korea Youngnam Ltd.	South Korea	45.76%	100%
Hamon - B.Grimm Ltd.	Thailand	49.20%	49.2%
Hamon India PVT Ltd.	India	100%	100%
P.T. Hamon Indonesia	Indonesia	89.73%	100%
Hamon Malaysia SDN. BHD.	Malaysia	100%	100%
Hamon Thermal & Environmental Technology (Jiaxing) Co. Ltd	China	65.9%	100%
Hamon Trading (Jiaxing) Co.,Ltd. (1)	China	62.8%	100%
Hamon Research-Cottrell do Brazil (1)	Brazil	100%	100%
Hamon Do Brazil Ltda.	Brazil	100%	100%
2. Subsidiaries consolidated by proportional integration			
Hamon Shriram Cottrell PVT Ltd	India	50%	50%
Hamon D'Hondt Middle East Company Ltd	Saudi Arabia	39.64%	40%
Hamon Cooling Towers Company	United Arab Emirates	50%	50%

(1) changes in 2008 (see management report)

6. EXCHANGE RATES USED BY THE GROUP

Exchange rates for 1 EUR		Year-end exchange rate			Average exchange rate		
		2008	2007	2006	2008	2007	2006
UAE Dirham	AED	5.1057	5.4057	4.8431	5.4172	5.0448	4.6344
Australian Dollar	AUD	2.0274	1.6757	1.6730	1.7342	1.6377	1.6696
Brazilian Real	BRL	3.2436	2.6189	2.8154	2.6366	2.6596	2.7528
Canadian Dollar	CAD	1.6998	1.4449	1.5345	1.5581	1.4691	1.4240
Chinese Yuan	CNY	9.4956	10.7524	10.2922	10.2787	10.4306	10.0477
Pound Sterling	GBP	0.9525	0.7334	0.6738	0.7934	0.6841	0.6823
Indonesian Rupiah (100)	IDR	152.3912	138.3038	118.5930	141.7556	125.5367	115.5322
Indian Rupee	INR	67.7232	58.0155	58.3635	63.7679	56.6725	57.1972
South Korean Won (100)	KRW	18.3913	13.7796	12.2634	16.0640	12.7410	12.0193
Malaysian Ringgit	MYR	4.8048	4.8682	4.6522	4.9106	4.7125	4.6200
Polish Zloty	PLZ	4.1535	3.5935	3.8293	3.5018	3.7857	3.9012
Saudi riyal	SAR	5.2170	5.5190	4.9453	5.5326	5.1454	4.7321
Thai Baht	THB	48.2850	43.8000	47.6693	48.6770	45.9905	47.7735
U.S. Dollar	USD	1.3917	1.4721	1.3187	1.4604	1.3728	1.2591
South African Rand	ZAR	13.0667	10.0298	9.2975	11.9545	9.6407	8.5623

7. INFORMATION BY SEGMENT

The Group presents information relating to its branches of activity and its geographical sectors. The first level of segment information reflects the organization of the Group's activities. The selected segments correspond to Business Units, as defined below.

The Group has been organized into five Business Units: Cooling Systems, Heat Exchangers, Air Pollution Control EMEA/Brazil, Chimneys and Air Pollution Control NAFTA. Additional Business Unit information is presented in the first part of this annual report.

The second level of segment information is based on the geographical location of its clients, i.e. Europe, the United States and Canada, the other Americas, the Middle East and Africa and the Asia-Pacific zone, whereas the assets and the investments are included according to their own location.

The results of a segment and its assets and liabilities, include all the elements that are directly ascribable to it as well as the headings that can reasonably be allocated to a segment.

First level – Branch of activity

Income statement

in EUR '000'	Cooling Systems	Heat Exchangers	Air Pollution Control EMEA/Brazil	Air Pollution Control NAFTA	Chimneys	Non allocated	Elimination	Total
For the year ended 31 December 2006								
External sales	117,856	30,248	39,490	105,865	60,947	17	-	354,423
Inter-segment sales	194	147	-	49	-	-	(390)	-
Total revenue	118,050	30,395	39,490	105,914	60,947	17	(390)	354,423
Operating profit before restructuring costs	6,718	1,165	3,411	17,760	2,622	733	-	32,409
Restructuring costs	(474)	(34)	-	67	-	-	-	(441)
Operating profit (EBIT)	6,244	1,131	3,411	17,827	2,622	733	-	31,968
Interest income						430		430
Interest charges						(7,600)		(7,600)
Share of the profit/(loss) of associates	-	407	-	-	-	-	-	407
Result before tax								**25,205**
Income tax expenses						(10,351)		(10,351)
Net result from continued operations								**14,854**

in EUR '000'	Cooling Systems	Heat Exchangers	Air Pollution Control EMEA/Brazil	Air Pollution Control NAFTA	Chimneys	Non allocated	Elimination	Total
For the year ended 31 December 2007								
External sales	102,342	39,742	56,873	150,604	83,077	10	-	432,648
Inter-segment sales	303	108	-	95	-	-	(506)	-
Total revenue	102,645	39,850	56,873	150,699	83,077	10	(506)	432,648
Operating profit before restructuring costs	4,212	2,424	6,106	28,105	4,865	(2,275)	-	43,437
Restructuring costs	(5)	-	-	-	-	(3)	-	(8)
Operating profit (EBIT)	4,207	2,424	6,106	28,105	4,865	(2,278)	-	43,429
Interest income						1,240		1,240
Interest charges						(11,126)		(11,126)
Share of the profit/(loss) of associates	-	-	-	-	-	-	-	-
Result before tax								**33,543**
Income tax expenses						(13,952)		(13,952)
Net result from continued operations								**19,591**

in EUR '000'	Cooling Systems	Heat Exchangers	Air Pollution Control EMEA/Brazil	Air Pollution Control NAFTA	Chimneys	Non allocated	Elimination	Total
For the year ended 31 December 2008								
External sales	109,312	48,758	37,493	76,709	91,461	2,946	-	366,679
Inter-segment sales	47	114	150	50	-	930	(1,291)	-
Total revenue	109,359	48,872	37,643	76,759	91,461	3,876	(1,291)	366,679
Operating profit before restructuring costs	9,657	4,731	3,096	17,135	9,144	88	-	43,851
Restructuring costs	(5)	(127)	-	-	-	-	-	(132)
Operating profit (EBIT)	9,652	4,604	3,096	17,135	9,144	88	-	43,719
Interests income						1,255	-	1,255
Interest charges						(9,904)	-	(9,904)
Share of the profit/(loss) of associates	-	-	-	-	-	-	-	-
Result before taxs								**35,070**
Income tax expenses						(14,411)		(14,411)
Net result from continued operations								**20,659**

Other elements of the income statement

in EUR '000'	Cooling Systems	Heat Exchangers	Air Pollution Control EMEA/Brazil	Air Pollution Control NAFTA	Chimneys	Non allocated	Total
For the year ended 31 December 2006							
Depreciation and amortization	(1,074)	(771)	(59)	(565)	(194)	(720)	(3,383)
Impairment of inventory	1	(238)	-	121	-	-	(116)
Impairment of trade receivables	798	(345)	-	32	140	360	985
(Increase) / decrease in provisions	204	(53)	(58)	386	-	(245)	234
For the period ended 31 December 2007							
Depreciation and amortization	(823)	(769)	(53)	(375)	(293)	(565)	(2,878)
Impairment of inventory	(13)	(240)	-	23	-	-	(230)
Impairment of trade receivables	(320)	(305)	505	(792)	-	-	(912)
(Increase) / decrease in provisions	(2,206)	(72)	-	(780)	-	607	(2,451)
For the period ended 31 December 2008							
Depreciation and amortization	(596)	(827)	(109)	(345)	(322)	(544)	(2,743)
Impairment of inventory	14	(159)	(6)	-	-	-	(151)
Impairment of trade receivables	347	(14)	(101)	(33)	-	-	199
(Increase) / decrease in provisions	128	(79)	(258)	(658)	(178)	476	(569)

Balance sheet information

in EUR '000'	Cooling Systems	Heat Exchangers	Air Pollution Control EMEA/Brazil	Air Pollution Control NAFTA	Chimneys	Non allocated	Total
As of 31 December 2006							
Assets	77,828	22,631	22,863	46,674	16,708	24,763	211,467
Investments in associates	-	1,677	-	(883)	-	90	884
Total assets	**77,828**	**24,308**	**22,863**	**45,791**	**16,708**	**24,853**	**212,351**
Total liabilities	**51,462**	**17,665**	**14,486**	**36,590**	**12,151**	**60,937**	**193,291**
Capital expenditures	1,463	292	55	246	1,122	604	3,782
As of 31 December 2007							
Assets	79,434	25,441	29,286	46,219	15,729	38,003	234,112
Investments in associates	-	1,686	-	(1,005)	-	-	681
Total assets	**79,434**	**27,127**	**29,286**	**45,214**	**15,729**	**38,003**	**234,793**
Total liabilities	**54,471**	**18,381**	**17,847**	**22,145**	**8,846**	**78,741**	**200,431**
Capital expenditures	1,628	1,166	78	208	241	696	4,017
As of 31 December 2008							
Assets	93,756	29,560	44,682	38,799	20,533	58,300	285,630
Investments in associates	-	-	-	-	-	-	-
Total assets	**93,756**	**29,560**	**44,682**	**38,799**	**20,533**	**58,300**	**285,630**
Total liabilities	**68,569**	**21,871**	**33,287**	**(1,421)**	**7,737**	**106,218**	**236,261**
Capital expenditures	3,508	899	200	272	217	966	6,062

Second level – geographical segment

in EUR '000'	2008	2008 in %	2007	2007 in %	2006	2006 in %
Revenue						
Europe	127,690	34.8%	138,717	32.1%	126,904	35.8%
USA and Canada	164,650	44.9%	226,841	52.4%	156,337	44.1%
Other Americas	7,958	2.2%	5 748	1.3%	11,504	3.3%
Middle-East and Africa	23,906	6.5%	30 178	7.0%	14,649	4.1%
Asia - Pacific	42,475	11.6%	31 164	7.2%	45,029	12.7%
	366,679	**100.0%**	**432 648**	**100.0%**	**354,423**	**100.0%**
Total assets						
Europe	149,092	52.2%	129,798	55.3%	117,354	55.2%
Americas	114,254	40.0%	88,906	37.8%	76,637	36.1%
Middle-East and Africa	3,244	1.1%	2,070	0.9%	1,420	0.7%
Asia - Pacific	19,040	6.7%	14,019	6.0%	16,940	8.0%
	285,630	**100.0%**	**234 793**	**100.0%**	**212,351**	**100.0%**
Capital expenditures						
Europe	4,119	68.0%	2,768	68.9%	1,307	35.3%
Americas	606	10.0%	633	15.8%	1,517	40.9%
Middle-East and Africa	61	1.0%	11	0.3%	29	0.8%
Asia - Pacific	1,276	21.0%	605	15.0%	852	23.0%
	6,062	**100.0%**	**4,017**	**100.0%**	**3,705**	**100.0%**

8. REVENUE

The regular activities of the Group (excluding discontinued operations) decreased 15% compared to 2007 (+3% compared to 2006). This temporary reduction is mostly attributable to the following three factors:

- The low opening backlog on 1st January 2008.
- The longer duration of most of our contracts which equates to a slower recognition of revenue in our books;
- The weakness of the US dollar which directly impacted the conversion to Euro of our American activities.

The breakdown of activities is as follows:

in EUR '000'	2008	2007	2006
Construction contracts	347,229	414,939	334,245
Manufacturing	11,048	10,875	10,101
Spares	4,476	5,181	6,569
Services	3,735	1,442	3,135
Royalties	191	211	373
Total	**366,679**	**432,648**	**354,423**

9. OPERATING EXPENSES

in EUR '000'	2008	2007	2006	Delta 08/07
Remuneration and direct social benefits	*50,645*	*46,342*	*40,031*	
Employer's contribution for social security	*11,312*	*9,032*	*8,318*	
Other personnel costs	*2,127*	*1,567*	*1,098*	
Charges/costs of the personnel	64,084	56,941	49,447	12.5%
Depreciation & amortization	2,743	2,878	3,383	-4.6%
Other operating expenses	26,030	25,633	22,387	1.5%
Total gross operating expenses	**92,857**	**85,452**	**75,217**	**8.7%**
Costs allocation [1]	(49,479)	(39,853)	(41,068)	24.2%
Total net operating expenses	**43,378**	**45,599**	**34,149**	**-4.9%**
Sale & marketing costs	8,697	9,872	8,677	-11.9%
General & administrative costs	34,018	35,147	24,772	-3.2%
Research & development costs	663	580	700	14.3%
Total net operating expenses	**43,378**	**45,599**	**34,149**	**-4.9%**
Average Headcount	**1,015**	**912**	**779**	**11.3%**

[1] Cost of time spent by personnel on development projects, proposals and client contracts

The increase in the gross operating costs of the Group (predominantly personnel costs), a direct consequence of the growth of our activities and new entries in the consolidation scope of the Group has, in 2008, been more than offset by a strong rise in the costs allocated to business. The net operating expenses have therefore diminished by 5%, demonstrating the concern of the Group to optimize its resources.

10. OTHER OPERATING INCOME (EXPENSES)

The operating income and expenses are be broken down as follows:

in EUR '000'	2008	2007	2006
Dividends and financial income	61	118	81
Profit/(loss) on disposals of assets	1,111	(103)	(1,128)
Exchange differences, net	(1,506)	(623)	(451)
Other operating income	648	513	793
Various operations on related parties	171	171	138
Impairment of current assets	(406)	(1,162)	(804)
Closing of 'Fire Protection' product line in South Africa		(1,501)	
Other operating expenses	(289)	(1,226)	(1,234)
Total	**(210)**	**(3,813)**	**(2,605)**

In 2008, the Group did not have to bear any cost relative to the disposal of its non-core activities that were being developed in South Africa in the 'Fire Protection' product line (fire protection in industrial and commercial installations through sprinklers); all of the costs having been accrued or supported during 2007.

The gains on the disposal of assets essentially relates to the sale of 2,500,000 shares of GEI Industrial Systems (GEI) to the main GEI shareholders. The payment of this transaction was made on 11 August 2008.

The other operating income consist mainly of insurance products and sub-letting of installations.

The other operating expenses principally include banking charges and fees not directly attributable to construction contracts.

11. RESTRUCTURING COSTS

Immaterial for 2008 (EUR 132 thousand). as all restructuring costs of our Business Units have been accrued and charged to previous years' accounts. As a reminder they were EUR 8 thousand in 2007 and EUR 441 thousand in 2006.

12. NET FINANCE COSTS

Deatails of finance costs are as follows:

ien EUR '000'	2008	2007	2006
Interest charges	(6,523)	(7,142)	(6,637)
Costs related to anticipated reimbursement		(1,985)	
Other borrowing costs	(3,381)	(1,999)	(963)
Sub Total	**(9,904)**	**(11,126)**	**(7,600)**
Interest revenue	1,255	1,240	430
Sub Total	**1,255**	**1,240**	**430**
Total	**(8,649)**	**(9,886)**	**(7,170)**

This table has been reorganized for clarity: interest received from cash & cash equivalent are now presented in 'Interest revenue', below EBIT.

Interest charges on the debt of the Group have been reduced in 2008 (EUR 6,523 thousand) compared to 2007 (EUR 7,142 thousand). This is the result on the one hand of the reduction of both Euros and US dollars short term interest rates and, on the other, the utilization of new credit lines in December 2007 to refinance the debt granted by the previous bank pool. These new credit lines carry financial margins which are much more advantageous compared to the previous ones (see note 35).

The section "Other borrowing costs" includes EUR 1,102 thousand amortization of refinancing costs incurred in 2008 pertaining to the implementation of the credit lines in December 2007, excluding interests and according to the amortized cost treatment method as stipulated in the IFRS guidelines. The reevaluation and active management of the US dollars debt of the Group have negatively impacted this same section, namely by EUR 2,099 thousand.

The average cost of the debt was 8.91% for 2008 (10.42% for 2007) or 10.91% (or 14.75% in 2007) if the amortized refinancing costs with regard to the implementation of the credit lines are incorporated..

Interest income in 2008 is comparable to that of 2007 despite the strong increase of cash and cash equivalents since 2007 (see note 30). This is, again, the result of the fall of both Euros and US dollars short term interest rates.

13. INCOME TAX

in EUR '000'	2008		2007		2006	
Components of tax (expense)/income	**(14,411)**		**(13,952)**		**(10,351)**	
Current tax	**(15,769)**		**(7,148)**		**(7,694)**	
Related to current year	(15,010)		(8,088)		(7,372)	
Related to past years	(759)		940		(322)	
Deferred tax	**1,358**		**(6,804)**		**(2,657)**	
Related to current year	1,358		(7,504)		(2,657)	
Related to past years	-		700		-	
Reconciliation of Group income tax charge						
Result before tax	35,070		33,543		25,205	
Share of the profit (loss) of associates	-		-		(407)	
Result before tax and before share of the profit (loss) of associates	**35,070**		**33,543**		**24,798**	
Domestic income tax rate	33.99%		33.99%		33.99%	
Group theoretical income tax charge	**(11,920)**	**-33.99%**	**(11,401)**	**-33.99%**	**(8,429)**	**-33.99%**
Effect of different tax rates of subsidiaries operating in other juridictions	(904)	-2.58%	(1,630)	-4.86%	(922)	-3.72%
Withholding tax on intra group dividend distribution	-	0.00%	(805)	-2.40%	-	0.00%
Impact of deferred tax assets not recognised	(1,459)	-4.16%	(2,117)	-11.43%	(1,489)	-6.00%
Other movements	631	1.80%	361	6.19%	811	3.27%
Income tax expense related to current year	**(13,652)**	**-38.93%**	**(15,592)**	**-46.48%**	**(10,029)**	**-40.44%**

The income tax rate of the Group relative to the current financial year, at 38.9%, has been pushed upwards through the non recognition of deferred tax assets on the tax losses generated by the holding company, and to a lesser extent by the high income tax in the United States (37,5%) where the Group makes a significant part of its profit.

14. DISCONTINUED OPERATIONS

The results of discontinued operations are as follows:

in EUR '000'	2008	2007	2006
Miscellaneous expenses			
FBM & HRCI	(47)	(46)	(288)
Entech (USA)	-	(865)	(664)
Dry & Wet NAFTA cooling activities sold to SPX	(1,715)	(6)	(654)
Others	(26)	(329)	(148)
Total	**(1,788)**	**(1,246)**	**(1,754)**

The costs borne in 2008 primarily relate to (EUR 1,500 thousand) the cost of the settlement concluded between Hamon and SPX in December 2008 regarding the Hold-back Transaction of EUR 5 million related to the sale, in December 2003, of the global Dry and Wet NAFTA Cooling activities.

As a reminder, the costs borne by the Group on discontinued operations during the last years consist, in essence, of:

- Miscellaneous late costs related to the sale, at the end of 2005, of the Italian subsidiary FBM to KNM Group Berhard and the liquidation, beginning 2005, of the Italian activities of the Group operating within a subsidiary – Hamon Research Cotrell Italia Srl
- Post cessation costs of Air Industrie Thermique-Loreatt
- Cessation costs of Entech in the United States

The impact of discontinued activities on the cash flow of the Group for the 2008 financial year is EUR -441 thousand (EUR -2,746 thousand and EUR -4,330 thousand for the 2007 and 2006 financial years)(see note 20).

At the 31 December 2008, 2007 and 2006, assets and liabilities of the discontinued activities are zero.

15. BUSINESS COMBINATIONS

in EUR '000'	2008
Non current assets	3,841
Current assets	3,665
Non current liabilities	-1,536
Current Liabilities	-16,279
Net assets acquired	**-10,309**
Group share in net assets acquired	-10,343
Goodwill	11,007
Purchase price	-663
Non cash consideration	-937
Purchase price in cash	-1,600
Net cash & cash equivalent acquired	72
Net cash out for acquisition of subsidiaries	**-1,528**

On 29 July 2008 Hamon acquired 91% of ACS, a Belgian company active in the construction of large scale chimneys and flues in FRP (Fiberglass reinforced plastic), as well as gas scrubbers, used in power plants and in industry.

On 22 September 2008 Hamon acquired 55% of Hamon Research Cotrell Do Brazil (active in air pollution control and cooling towers in Brazil), thus taking 100% control.

Since their entry into the consolidation scope, these acquisitions have contributed EUR 5,832 thousand to the consolidated turnover of the Group and generated an EBIT of EUR 1,860 thousand.

As of today, the Group is not able to show the 12-month results of the acquired companies.

The generated goodwill (see note 22) is primarily attributable to expected synergies and, as far as HRCBRA is concerned, to the penetration of the Brazilian and South American markets and the know-how of the company in the glass and pulp & paper sectors. The goodwill has been provisionally allocated to the identifiable assets and liabilities without necessarily recognizing other assets, liabilities or eventual liabilities. This allocation is not final and is subject to revision during the course of a year.

16. EARNINGS PER SHARE

Continued and discontinued operations

The basic earnings per share coming from the continued and discontinued operations is calculated by dividing the net result for the year ascribable to the ordinary shareholders by the weighted average number of ordinary shares in circulation during the fiscal year:

in EUR '000' or in EUR / share	2008	2007	2006
Net result for the year (equity holders of the company)	18.505	18.258	13.021
Weighted average number of ordinary shares during the year	7.191.472	7.191.472	5.948.680
Basic earnings per share (EUR/share)	2,57	2,54	2,19

The weighted average number of shares is calculated on the numbers in note 31.

The basic earnings per share are identical to the diluted earnings per shares. Indeed, given their strike price, the stock options granted to Group employees have no diluting impact as of 31 December 2008 – see note 34.

Continued operations

The basic earnings per share coming from the continued operations is calculated by dividing the net result coming from the continued operations of the year ascribable to the ordinary shareholders by the weighted average number of ordinary shares in circulation during the fiscal year:

in EUR '000' or in EUR / share	2008	2007	2006
Net result for the year (equity holders of the company)	18.505	18.258	13.021
Net result of discontinued operations	-1.788	-1.246	-1.754
Net result from continued operations (equity holders of the company)	20.293	19.504	14.775
Weighted average number of ordinary shares during the year	7.191.472	7.191.472	5.948.680
Basic earnings per share (EUR/share)	2,82	2,71	2,48

Discontinued operations

The basic and diluted earnings per share for the discontinued operations amounted to EUR -0.25 per share on the 31 December 2008 (EUR -0.17 and EUR -0.29 per share on the 31 December 2007 and 2006), calculated on the basis of the net result of the discontinued operations of EUR -1,788 thousand in 2008 (EUR -1,246 thousand and EUR -1,754 thousand in 2007 and 2006) and of the denominators detailed above.

17. CASH FLOW FROM OPERATING ACTIVITIES

Despite a 15% reduction of the Group revenue, cash generated from operations (after restructuring costs) improved by EUR 6,206 thousand compared to 2007. This performance comes essentially from improved gross margins (23.9% vs 21.5%), a return to normal payment terms with our main suppliers, and from the receipt of sizeable advance payments on numerous contracts at the inception phase.

The increase in company tax paid stems essentially from our American activities which no longer benefit from tax losses carry forwards.

18. CASH FLOW FROM INVESTING ACTIVITIES

Net cash flow from investments was EUR -6,579 thousand for 2008. The significant increase compared to last year (EUR -2,628 thousand) essentially comes from the acquisition of ACS in July 2008 (see note 15), from the acquisition cost of the name "CleanFlow", from the strategic increase in the R&D cost, all partially compensated by the disposal of an important part of our participation in GEI (see note 24) and the sale of an industrial building on the Brown Fintube site in France.

Besides the recurrent replacement investments, the principal investments in tangible assets this period have been the acquisition of machines and tools to further increase the production capacity of our factories, the furnishing costs of offices acquired in 2007 by our Joint Venture in India and the acquisition of land in Korea on which the construction of an industrial building has started.

19. CASH FLOW FROM FINANCING ACTIVITIES

The cash flow from financing activities is EUR -5,096 thousand in 2008.

'New bank borrowings', at EUR 24,386 thousand, comes principally from the use, during 2008, of the new revolving credit facility and a loan in US dollars drawn under a term loan facility used to reimburse a loan in Euros under the same facility. These revolving credit facilities and long term loans are all part of the new credit lines signed on 21 December 2007 (see note 35).

'Repayment of bank borrowing', at EUR -22,856 thousand, results principally from reimbursements made in the course of the year of loans drawn under the term loan facility (including the replacement of the Euro loan by a US dollar loan, as previously mentioned). An amount of EUR 10,000 thousand was a contractual repayment on the senior credit agreement signed on 21 December 2007. This contractual repayment was progressively undertaken in 2008 and in part in advance of the repayment due date.

The section 'dividends paid to shareholders' results from the payment, on 5th September 2008, of an interim dividend of EUR 2,130 thousands, or EUR 0.30 per share.

Please refer to note 12 for the interests received and paid during 2008.

20. CASH FLOW FROM DISCONTINUED ACTIVITIES

Disbursements related to discontinued operations fell during 2008 to EUR 441 thousand. They primarily relate to the agreement finally signed with SPX (see note 14).

21. INTANGIBLE ASSETS

in EUR '000'	Patents and trademarks	Development costs	Total
As of 31 December 2005			
Cost	10,188	3,550	13,738
Accumulated amortization and impairment	(8,199)	(2,452)	(10,651)
Net carrying amount	**1,989**	**1,098**	**3,087**
For the year ended 31 December 2006			
Exchange difference	(97)	(310)	(407)
Additions	58	201	259
Disposals	-	-	-
Amortization charge for the year	(755)	(427)	(1,182)
Net carrying amount at closing date	**1,195**	**562**	**1,757**
As of 31 December 2006			
Cost	8,387	4,366	12,752
Accumulated amortization and impairment	(7,192)	(3,804)	(10,995)
Net carrying amount	**1,195**	**562**	**1,757**
For the year ended 31 December 2007			
Exchange difference	(57)	(234)	(290)
Additions	213	401	615
Disposals	(162)	-	(162)
Amortization charge for the year	(438)	(241)	(679)
Net carrying amount at closing date	**751**	**489**	**1,240**
As of 31 December 2007			
Cost	7,883	4,205	12,088
Accumulated amortization and impairment	(7,132)	(3,716)	(10,848)
Net carrying amount	**751**	**489**	**1,240**
For the year ended 31 December 2008			
Exchange difference	21	137	158
Additions	2,152	548	2,700
Disposals	-	-	-
Amortization charge for the year	(254)	(12)	(266)
Net carrying amount at closing date	**2,670**	**1,162**	**3,832**
As of 31 December 2008			
Cost	10,054	4 891	14,945
Accumulated amortization and impairment	(7,384)	(3 729)	(11,113)
Net carrying amount	**2,670**	**1,162**	**3,832**

All intangible assets have a finite utility period against wich the assets are amortized.

The trademarks and licenses are predominantly composed of software licenses and include also, since end 2008, the name 'Cleanflow'.

22. GOODWILL

in EUR '000'

As of 1st January 2006	
Cost	18,805
Accumulated amortization and impairment	(639)
Net carrying amount	**18,166**
For the year ended 31 December 2006	
Exchange Difference	(465)
Net carrying amount at closing date	**17,701**
As of 1st January 2007	
Cost	18,340
Accumulated amortization and impairment	(639)
Net carrying amount	**17,701**
For the year ended 31 December 2007	
Exchange Difference	(384)
Net carrying amount at closing date	**17,317**
As of 1st January 2007	
Cost	17,956
Accumulated amortization and impairment	(639)
Net carrying amount	**17,317**
For the year ended 31 December 2008	
Exchange Difference	(231)
Acquisitions through business combinations	11,007
Entry/exit in/from the consolidation scope	1,496
Net carrying amount at closing date	**29,589**
As of 1st January 2008	
Cost	30,228
Accumulated amortization and impairment	(639)
Net carrying amount at closing date	**29,589**

During 2008 Hamon proceeded with the acquisition of ACS and Hamon Research Cottrell do Brasil (see note 15). The goodwill generated (provisionally) by these acquisitions, of EUR 11,007 thousand, was allocated to the EMEA/Brazil Air Pollution Control for Brazil and temporarilly not allocated for ACS.

The Group annually performs an impairment test of goodwill in conformity with the accounting principles under Section IV. The recoverable value of cash generating units was determined on the basis of their fair value decreased by the sale expenses related to those cash generating units.

The fair value of cash generating units is estimated on the basis of:

- Current and future EBITDAs as derived from the budgets of the Group, approved by the Board of Directors.
- Usual market multiples for similar activities
- Corrections due to non-operational assets and liabilities of which the value is not reflected by the EBITDAs.

The multiples used are in the lower range of current market multiples. They were researched by referring to a number of other quoted companies in our sector and compared with recent transactions, principally on the American markets (they go from 6 to 13 x EBITDA). This analysis confirmed the prudent nature of the adopted multiples.

The fair value obtained was, thereafter, compared to the net book value, including goodwill, of the activity evaluated. On the basis of the tests carried out, no impairment of the value of the Group's goodwill were deemed necessary in 2008.

On December 31st 2008 the allocation of the net book value of the goodwill between the cash generating units is as follows:

in EUR '000'	2008	2007	2006
Cooling Systems	4,543	5,016	5,005
Heat Exchangers	851	851	851
Air Pollution Control EMEA/Brazil	18,226	7,168	7,168
Air Pollution Control NAFTA	4,099	3,952	4,316
Chimneys	341	330	361
Waiting for allocation	1,529	-	-
Total	**29,589**	**17,317**	**17,701**

23. PROPERTY, PLANT & EQUIPMENT

in EUR '000'	Land and buildings	Furniture and vehicles	Plant, machinery and equipment	Other tangible assets	Assets under construction and advance payments	Total
As of 31 December 2005						
Cost	18,103	6,005	21,660	466	1,312	47,546
Accumulated depreciation	(6,695)	(3,835)	(14,908)	(182)	(963)	(26,583)
Net carrying amount	**11,408**	**2,170**	**6,752**	**284**	**349**	**20,963**
For the year ended 31 December 2006						
Exchange difference	(398)	(54)	(271)	(3)	(10)	(736)
Additions	592	530	1,675	633	93	3,523
Disposals	(18)	(849)	(1,245)	(128)	-	(2,240)
Depreciation charge for the year	(693)	(419)	(1,002)	(85)	(2)	(2,201)
Transferred from an account to another	(9)	(146)	132	48	(25)	
Net carrying amount at closing date	**10,882**	**1,232**	**6,041**	**749**	**405**	**19,309**
As of 31 December 2006						
Cost	18,202	4,709	19,842	1,001	410	44,164
Accumulated depreciation	(7,320)	(3,477)	(13,801)	(252)	(5)	(24,855)
Net carrying amount	**10,882**	**1,232**	**6,041**	**749**	**405**	**19,309**
For the year ended 31 December 2007						
Exchange difference	(443)	(54)	(220)	(2)	(8)	(727)
Additions	383	675	1,914	181	249	3,402
Disposals	(23)	(33)	(256)	-	(233)	(544)
Depreciation charge for the year	(625)	(400)	(1,044)	(130)	-	(2,199)
Exit from the consolidation scope	(95)	(20)	(47)	-	-	(162)
Transferred from an account to another	-	-	4	-	(4)	-
Net carrying amount at closing date	**10,079**	**1,400**	**6,392**	**798**	**410**	**19,079**
As of 31 December 2007						
Cost	17,267	4,559	18,753	1,171	409	42,159
Accumulated depreciation	(7,188)	(3,159)	(12,361)	(373)	1	(23,080)
Net carrying amount	**10,079**	**1,400**	**6,392**	**798**	**410**	**19,079**
For the year ended 31 December 2008						
Exchange difference	(229)	(23)	65	(9)	(38)	(234)
Additions	900	418	1,432	104	508	3,362
Disposals	(135)	(19)	(68)	(2)	(24)	(248)
Depreciation charge for the year	(755)	(432)	(1,117)	(173)	-	(2,477)
Entries in the consolidation scope	2,738	116	629	149	260	3,892
Transferred from an account to another	17	-	266	-	(283)	-
Net carrying amount at closing date	**12,615**	**1,460**	**7,599**	**867**	**833**	**23,374**
As of 31 December 2008						
Cost	22,308	5,172	25,303	1,468	832	55,083
Accumulated depreciation	(9,693)	(3,712)	(17,704)	(601)	1	(31,709)
Net carrying amount	**12,615**	**1,460**	**7,599**	**867**	**833**	**23,374**

The amount included under the 'Land and buildings' heading includes a net amount of EUR 5,126 thousand for assets under finance lease on 31st December 2008 (EUR 5,334 thousand on 31 December 2007).

24. INVESTMENT IN ASSOCIATES

in EUR '000'	31/12/08	31/12/07	31/12/06
Balance as at beginning date	681	884	1.556
Sales	(1.423)		(669)
Share of the profit (loss) of associates			407
Transfer from one caption to another	(263)		(335)
Other variations	1.005		(4)
Exchange difference		(203)	(71)
Balance as at closing date	**-**	**681**	**884**

Cost of investment in associates		1.764	2.290
Share of post-acquisition profit, net of dividend received		(1.083)	(1.406)
Balance as at closing date	**-**	**681**	**884**

At the end of 2008, Hamon no longer has stakes in associated enterprises.

The stakes previously held concerned GEI Industrial Systems Ltd, held at 20.8% and Hamon Research Cottrell Do Brasil (Brazil)(HRCBRA) held at 45%.

On 11th August 2008, Hamon received the proceeds of the sale of 2,500,000 of 2,995,000 shares held in GEI. The remaining 495,000 shares (or a stake of 3.5%) were reclassified in available-for-sale financial assets (note 25).

Regarding HRCBRA, Hamon increased its stake from 45% to 100% as of 1st October 2008. For more details regarding this transaction, please refer to note 15 – Business combinations.

As a reminder, the financial statements of these two companies (at 100%) could be summarized as follows:

in EUR '000'	31/12/07	31/12/06
Total assets	28,815	24,046
Total liabilities	25,884	19,833
Net assets	2,931	4,213
Group's share of associates' net asset	(899)	344

in EUR '000'	2007	2006
Revenue	47,263	24,798
Net result for the year	(2,467)	(119)
Equity holders of the company	(1,428)	(233)
HRCBRA non recognised loss	1,701	420
Gain related to GEI value increase		220
Group's share of associates' net result for the year		407

25. AVAILABLE-FOR-SALE FINANCIAL ASSETS

in EUR '000'	Non-current	Current
For the year ended as of 31 December 2006		
Balance as at opening date	575	1,794
Additions	315	-
Disposals	-	(1,750)
Transfer from one caption to another	335	-
Other variations	(97)	97
Exchange difference	(58)	-
Balance as at closing date	**1,070**	**141**
For the year ended as of 31 December 2007		
Balance as at opening date	1,070	141
Additions	132	14
Disposals	(84)	(146)
Other variations	(115)	
Exchange difference	(2)	-
Balance as at closing date	**1,001**	**9**

in EUR '000'	Non-current	Current
For the year ended as of 31 December 2008		
Balance as at opening date	1,001	9
Additions	669	-
Disposals	(113)	-
Transfer from one caption to another	-	263
Impairment charge	-	(26)
Exchange difference	(174)	(2)
Balance as at closing date	**1,383**	**244**

The non-current 'available-for-sale- financial assets' include investments in companies in which the Group holds no notable influence.

The main movements of the year concern:

- A 7.79% stake taken in Xylowatt, a company active in the biomass sector;
- A reclassification of the balance of the stake held in GEI Industrial Systems Ltd.

26. DEFERRED TAX

	Assets			Liabilities		
in EUR '000'	31/12/08	31/12/07	31/12/06	31/12/08	31/12/07	31/12/06
Temporary differences						
Intangible assets and goodwill	-	-	102	(751)	(456)	(278)
Property, plant & equipment	16	-	8	(387)	(776)	(2,393)
Construction contracts	439	47	915	(2,092)	(6,854)	(1,124)
Provisions	326	1,240	93	(269)	(214)	(514)
Finance lease contracts	56	104	452	(892)	(895)	
Miscellaneous liabilities			1,027			
Others	2,085	1,123	160	(1,294)	(284)	(652)
Total temporary differences	**2,922**	**2,514**	**2,757**	**(5,685)**	**(9,479)**	**(4,961)**
Tax losses and other tax credits	**5,465**	**9,146**	**11,176**			
Total deferred tax assets/liabilities	**8,387**	**11,660**	**13,933**	**(5,685)**	**(9,479)**	**(4,961)**
Compensation of assets and liabilities per tax entity	(2,412)	(2,296)	(2,391)	2,412	2,296	2,391
Total, net	**5,975**	**9,364**	**11,542**	**(3,273)**	**(7,183)**	**(2,570)**

Table of variation of deferred taxes

in EUR '000'	2008	2007	2006
Net deferred taxes as of 1 January	2.181	8.972	11.694
Income tax (expense)/income	1.358	(6.804)	(2.657)
Exchange difference	(838)	17	(4)
Others	1	(4)	(61)
Net deferred taxes as of 31 December	**2.702**	**2.181**	**8.972**

The deferred tax assets are recognized only if their use is probable, that is to say if a sufficient taxable benefit is expected in the future years. These assets are only recognized after extensive review of the business plans for the next five years by the Board of Directors. It is believed that there is a high probability these amounts would be used due to the positive markets in which the Group is involved, the Group's strong performance in those markets and the growing profitability of its operations.

The Group did not recognize deferred tax assets for a total amount of EUR 24,176 thousand as of 31 December 2008 (respectively EUR 22,902 thousand and EUR 20,818 thousand on 31 December 2007 and 2006) and will review this situation during later financial years according to the profitability of the various tax entities.

27. STOCKS

in EUR '000'	31/12/08	31/12/07	31/12/06
Raw materials & consumables	4,191	2,577	2,815
Inventories and work-in-progress - not related to construction contracts	2,330	1,879	1,643
Finished goods	2,371	1,840	2,218
Total	**8,892**	**6,296**	**6,676**

On 31 December 2008, the balance of write-downs amounted to EUR 1,056 thousand (respectively EUR 905 thousand and 554 thousand at 31 December 2007 and 2006). Write-downs amounting to EUR 151 thousand were posted in 2008 (respectively EUR 230 thousand and EUR 116 thousand in 2007 and 2006).

On 31 December 2008, the net book value of the pledged inventories amounted to EUR 0 (respectively EUR 0 and EUR 4.258 thousand on 31 December 2007 and 2006).

28. CONTRACT WORKS

in EUR '000'	31/12/08	31/12/07	31/12/06
Contract costs incurred plus recognized profits (less recognized losses to date)	279,447	364,684	175,809
Less: progress billings	(310,973)	(350,700)	(181,313)
Total	**(31,526)**	**13,984**	**(5,504)**
Amount due from customers for contract works	37,877	44,090	26,509
Amount due to customers for contract works	(69,403)	(30,106)	(32,013)
Total	**(31,526)**	**13,984**	**(5,504)**

Contracts in progress, i.e. those for which the guarantee period has not yet started, are maintained in the balance sheet. The change, as it relates to costs incurred and advances billed to clients, is thus linked to the timing of the receipt of orders rather than the growth of our activities.

Retentions held by our clients on progress billings and which, in conformity with contractual conditions, will be paid to Hamon on the final acceptance of considered projects, stand at EUR 1,390 thousand as of 31 December 2008 (respectively EUR 656 thousand and EUR 174 thousand on 31 December 2007 and 2006).

On 31 December 2008 an amount of EUR 17,170 thousand (respectively EUR 1,580 thousand and EUR 956 thousand on 31 December 2007 and 2006) included under the headings 'Amount due to customers for contract works' relates to the contracts which will not be finisheded before 31 December 2009.

29. TRADE AND OTHER RECEIVABLES

in EUR '000'	31/12/08	31/12/07	31/12/06
Trade receivables	89,461	69,807	74,115
less: impairment of receivables	(2,227)	(2,883)	(2,120)
Trade receivables - net	**87,234**	**66,924**	**71,995**
Retentions	1,390	656	174
Prepayments	3,649	3,079	3,146
Cash deposits and guarantees paid	560	726	1,597
Receivables on related parties	4,980	7,424	8,293
Other receivables	9,215	17,737	14,293
Subtotal	**107,028**	**96,546**	**99,498**
Trade and other receivables - non-current:			
Receivables on related parties	706	412	-
Cash deposits and guarantees paid	560	726	1,597
Other non current receivables	1,336	7,154	6,048
less non-current portion:	**(2,602)**	**(8,292)**	**(7,645)**
Trade and other receivables - current	**104,426**	**88,254**	**91,853**

On 31 December 2008, receivables for a total of EUR 2,346 thousand (EUR 3,916 thousand on 31 December 2007) were assigned without recourse to financial organizations and are deducted from the section 'Trade receivables'.

The practice sometimes requires that clients retain a percentage on payments (called retention) until the final acceptance of the contract. This percentage is generally limited to 10%.

30. CASH AND CASH EQUIVALENTS

in EUR '000'	31/12/08	31/12/07	31/12/06
Credit Institutions	16,078	8,022	14,153
Cash in hand	47	1,482	150
Fixed Income Securities	40,846	24,382	
Short term cash deposits	2,118	1,772	10,139
Cash and cash equivalents	**59,089**	**35,658**	**24,44**

On 31 December the amount of cash and cash equivalents that the Group cannot dispose of freely stands at EUR 2,931 thousand against EUR 4,009 thousand on 31 December 2007 and EUR 3,439 on 31 December 2006.

Fixed income securities (EUR 40,846 thousand) are principally composed of daily placements in two Money Market Funds that are invested in American Treasury bonds and guaranteed bonds of the US Department of Treasury. The sum placed on these funds as of 31 December 2008 is EUR 40,538 thousand against EUR 24,382 thousand on 31 December 2007.

31. SHARE CAPITAL

The capital and number of shares stand as follows:

	2008	2007	2006
Number of shares as of 31 December	7,191,472	7,191,472	7,191,472
Share capital (in EUR)	2,157,442	2,157,442	2,157,442
Face value per share (in EUR/share)	0.30	0.30	0.30

Shareholders:

Shareholder	Shares 31/12/08	%
Sopal International SA	4,452,911	61.9%
Esindus S.A. (Spanish company)	303,506	4.2%
Walloon Region, represented by the Société Wallonne de Gestion et de Participation S.A.	250,000	3.5%
Ratio Asset Management LLP	247,407	3.4%
Fortis Investment Management S.A.	175,106	2.4%
Baillie Gifford	148,469	2.1%
Other public	1,614,073	22.5%
Total	**7,191,472**	**100%**

On 31 December 2008 the share capital stood at EUR 2,157,442 made up of 7,191,472 shares with no stated value. None of the company shares is held by the Group.

The evolution of the number of shares is as follows:

Evolution of the number of shares	Shares
Number of shares as of 31 December 2005	5.874.310
Capital increase on 11 December 2006 (1)	1.145.358
Capital increase on 14 December 2006 (2)	171.804
Number of shares as of 31 December 2006	7.191.472
Number of shares as of 31 December 2007	7.191.472
Number of shares as of 31 December 2008	7.191.472

(1) Parts A and B (2) Over-allotment option

The Group proceeded in 2006 with a capital increase of EUR 20 million in two parts. The costs relative to the capital increase (EUR 826 thousand) have been deducted from the capital and share premiums.

Dividend:

The Company paid an advance on the 2008 dividends of EUR 0.30 per share on the 5 September 2008. The company proposes to distribute an additional dividend of EUR 0.27 per share for the year 2008. This supplement, pending approval by the Annual General Assembly of Shareholders on 28 April 2009, will be paid on 15 May 2009.

32. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Provisions for restructuring, warranty, losses on contract and others are accounted and estimated on the basis of the probability of future cash-out payments as well as historical information based on facts and circumstances known at the closing date.The actual charge may differ from the posted amounts.

The 'provisions for restructuring' relate to entities located in Belgium, the related cash out being spread out in time.

The 'other provisions' decreased a lot in 2008; a lot of claims covered by those provisions (sale and shut down of our Italian activities (see note 43); rent of an office building;...) being solved during the year. The Board of Directors considers that these amounts constitute the best current estimate and that the Group will not have to bear any additional charge.

in EUR '000'	Restructuring	Warranty	Losses on contracts	Other provisions	Total
Balance as of 1st January 2007	**1,194**	**790**	**552**	**1,038**	**3,574**
Additions	80	853	488	1,176	2,597
Reversals	(81)	(57)	(14)	(182)	(334)
Utilization	(288)	(266)	(86)	(112)	(752)
Exchange difference		(107)	(1)		(108)
Other movements		-	(200)	200	-
Balance as of December 2007	**905**	**1,213**	**739**	**2,120**	**4,977**
Additions	-	864	299	94	1,257
Reversals	-	-	-	(493)	(905)
Utilization	(170)	(70)	(23)	(1,310)	(1,161)
Exchange difference	-	97	24	(4)	117
Change in consolidation scope	-	-	367	124	491
Other movements	-	-	-	-	-
Balance as of 31 December 2008	**735**	**2,104**	**1,406**	**531**	**4,776**
of which con-current liabilities	591	32	619	38	1,280
of which current liabilities	144	2,072	787	493	3,496
Total as of 31 December 2008	**735**	**2,104**	**1,406**	**531**	**4,776**

33.PROVISIONS FOR PENSIONS

The provisions for pension benefits amount to EUR 2,603 thousand at the end of 2008. They are primarily made up of post-employment benefit in line with local practices.

in EUR '000'	Provision for pension plan	Provisions for retirement lump sum	Other long term benefit	Total
As of 1st January 2006	**1,959**	**50**	**94**	**2,103**
Additions	222	-	7	229
Reversals (-)	(36)	(29)	-	(65)
Utilization (-)	(51)	-	(21)	(72)
Currency translation differences	(16)	-	-	(16)
Others	-	-	33	33
As of 31 December 2006	**2,078**	**21**	**113**	**2,212**
Additions	383	39	15	437
Reversals (-)	-	-	-	-
Utilization (-)	(261)	-	(14)	(275)
Currency translation differences	(66)	-	(24)	(90)
As of 31 December 2007	**2,134**	**60**	**90**	**2,284**
Additions	458	13	9	480
Reversals (-)	(3)	-	-	(3)
Utilization (-)	(219)	(6)	(12)	(237)
Acquisitions & changes in consolidation scope	297	-	-	297
Currency translation differences	(189)	(1)	(28)	(218)
As of 31 December 2008	**2,478**	**66**	**59**	**2,603**
of which defined benefit plan net obligation	2,478	66	-	2,544

Retirement Obligations

The post-employment benefits are categorized as either defined contribution plans or defined benefit plans.

The retirement plans based on defined contributions are plans for which the organization pays determined contributions to a separate entity in accordance with the plan's provisions. The Group has no obligation beyond these contribution payments. The contributions paid for these plans amounted respectively to EUR 696 thousand in 2008, EUR 496 thousand in 2007 and EUR 679 thousand in 2006. These plans are primarily offered by Belgian, German, British and South African companies within the Hamon Group.

The defined benefit plans require booking the obligations of the company towards its employees in its financial statements. These benefits are granted by Belgian, German, French, Indian and Korean companies. The net obligations resulting from these plans and their changes are the object of an actuarial annual review. The sums accounted for in these plans are:

in EUR '000'	31/12/08	31/12/07	31/12/06
Service cost: employer	236	264	131
Interest cost	213	167	91
Expected return on plan asset	(40)	(29)	-
Amortization of actuarial net losses/(gains)	16	19	-
Past service cost recognized this year	42	-	-
Losses/(gains) on curtailments/settlements	-	(169)	-
Net expense recognized - Defined benefit plans	**467**	**252**	**222**

The cost is posted in the profit & loss statement. Its growth, compared to last year, only comes from the non recurrence of a gain on curtailments/settlements booked last year.

The balance sheet amounts for the defined benefit plans are as follows:

in EUR '000'	31/12/08	31/12/07	31/12/06
Funded plans - defined benefit obligations	1,039	895	842
Fair value of plan assets (-)	(898)	(753)	(595)
Deficit of funded plans	**141**	**142**	**247**
Unfunded plans - defined benefit obligations	2,789	2,460	2,428
Deficit	**2,930**	**2,602**	**2,675**
Unrecognized actuarial gain/(losses)	(386)	(408)	(597)
Unrecognized past service cost	-	-	-
Amount not recognized as asset due to asset ceiling	-	-	-
Net liability/(asset) in the balance sheet	**2,544**	**2,194**	**2,078**
Liability recognized in the balance sheet	2,544	2,194	2,078
Asset recognized in the balance sheet (-)	-	-	-

The obligations are financed in part by the assets that have evolved over the course of the year as such:

in EUR '000'	31/12/08	31/12/07	31/12/06
Fair value of plan assets at beginning of period	753	595	595
Actual return on plan assets	40	29	-
Actual Employer contributions	116	91	-
Actual Employee contributions	28	36	-
Actual Benefits paid	(41)	(32)	-
Others	2	34	-
Fair value of plan assets at end of period	**898**	**753**	**595**

The movement of net obligations in 2008 is as follows:

in EUR '000'	31/12/08	31/12/07	31/12/06
Net amount at beginning of period	2.194	2.078	1.959
Net expense - defined benefit plan	467	252	222
Company contributions and direct benefit payments	(225)	(91)	(87)
Changes in consolidation scope	8	-	-
Others	100	(45)	(16)
Net amount at end of period	**2.544**	**2.194**	**2.078**

The changes in gross obligations during the year is presented below:

in EUR '000'	31/12/08	31/12/07	31/12/06
Defined Benefit Obligation at beginning of period	3,355	3,270	2,801
Service cost: employer	236	264	131
Interest cost	213	167	91
Actual employee Contribution	28	36	-
Plan Amendment	27	-	-
Curtailments/Settlements	-	(169)	(36)
Actuarial loss (gain)	(69)	(203)	350
Actual Benefits paid	(225)	(32)	(51)
Others	263	22	(16)
Defined Benefit Obligation at end of period	**3,828**	**3,355**	**3,270**

The actuarial assumptions used for the valuation of the obligations and their movements give the following average rates:

	31/12/08	31/12/07	31/12/06
Discount rate	5.50%	5.66%	4.78%
Expected future salary increase rate	3.47%	4.02%	3.68%
Underlying Inflation rate	3.00%	3.00%	2.05%
Expected return rate on plan assets	4.25%	5.00%	4.50%

The interest rates used to discount the obligations change from year to year according to the market rate fluctuations.

The number of employees covered by the plans has increased to 461 (of which 7 are inactive) in comparison to 354 in 2007 and 349 in 2006. The increase is justified principally by the requalification of the benefits to the employees of our Indian Joint-Venture in defined benefit plans.

34. SHARE BASED COMPENSATION (STOCK OPTIONS)

The Board of Directors, with the approval of the Extraordinary General shareholders meeting of 27th May 2008 decided to grant a stock option plan to the managers of the Group (around 40 persons) with the goal of focusing them on the long-term development of the Group.

The details of these plans are as follows:

Stock option plans granted by the company

Plan	Bénéficiaries	Grant date	End date	Exercise price	Exercise period	Outstanding options at 31/12/2008
ESOP 2008 (B+G)	Belgium and Germany	27/05/08	26/05/15	33.58	From 2012 to 2015, from 15 March till 31 May and from 15 September to 15 November	17,050
ESOP 2008 (F)	France	6/10/08	26/05/15	29.71	In 2012 from 6 October to 15 November; from 2013 to 2015 from 15 March to 31 May and from 15 September to 15 November	5,500
Total						**22,550**

Each option is a right to buy a Hamon share at the price and dates indicated. This right can only be exercised if the beneficiary is still working for the Group at the date of the exercise period. The American management of the Group benefit from 'Phantom stock options' under the same conditions as the French Management. These phantom options are thus a plan of which the settlement is made through payment and not shares.

2008	Number of share options	Weighted average exercise price
Number of stock options as of 1 January	0	
Stock options granted	22,550	32.64
Forfeitures of rights & options expired	0	0.00
Stock options exercised	0	0.00
Stock options expired	0	0.00
Number of stock options as of 31 December	22,550	32.64
Stock options exercisable as of 31 December	0	0.00

The model values the options as follows:

Valuation of options granted during the year

2008	ESOP 2008 (B+G)	ESOP 2008 (F)
Number of stock options granted	17,050	5,500
Valuation model	Black & Scholes	
Assumed volatility (% pa)	50.00%	50.00%
Risk free interest rate (% pa)	2.27%	2.27%
Dividend yiels	1.56%	1.56%
Rate of pre-vesting forfeiture (% pa)	0.00%	0.00%
Rate of post-vesting forfeiture (% pa)	0.00%	0.00%
Proportion who exercise given minimum gain achieved (% pa)	100.00%	100.00%
Fair Value per granted instrument at the Grant date (EUR)	7.42	4.97
Total fair value of the options granted (EUR thousands)	**127**	**27**
Total		**154**

Volatility was estimated on the basis of historical volatilities on 50 and 500 days. The impact of the stock options plan in 2008 represents a charge of EUR 17 thousand calculated according to the Black and Scholes model and was charged to the profit & loss statement.

35. FINANCIAL LIABILITIES

in Eur '000'	31/12/08	31/12/07	31/12/06
Subordinated loans		-	-
Bank borrowings	62,105	58,385	60,082
Bank overdrafts	4,301	1,001	985
Sub-total bank borrowings	**66,406**	**59,386**	**61,067**
Other financial commitments	1,101	399	1,850
Obligations under finance lease	2,351	2,779	3,531
Sub-total other borrowings	**3,452**	**3,178**	**5,381**
Total	**69,858**	**62,564**	**66,448**
Of which:			
- Amount due for settlement within the year (current)	29,606	12,055	62,928
- Amount due for settlement in the 2nd year	10,014	9,784	637
- Amount due for settlement in the 3rd year	28,378	9,780	580
- Amount due for settlement in the 4th year	355	29,799	499
- Amount due for settlement in the 5th year and after	1,505	1,146	1,804
Sub-total non-current:	40,252	50,509	3,520
Total	**69,858**	**62,564**	**66,448**

Because of the short term nature of the draw downs made on the 'revolver' credit line, the amount of outstanding borrowings on 31 December of the financial year are presented as current financial liabilities even though the contractual maturity of this credit line is at present still superior to one year.

	31/12/08	31/12/07	31/12/06
Borrowings (in EUR 000) due for settlement within the year in			
EUR	19,372	5,087	58,363
USD	7,631	6,278	4,085
Others	2,603	690	480
Non-current borrowings (in EUR 000) in			
EUR	30,638	36,552	1,875
USD	9,007	13,667	1,628
Others	607	290	17

The Hamon Group has profited from the improvement in its results to refinance credit lines signed in December 2006 and used for the first time on 16 February 2007. Two new credit lines were signed on 21 December 2007 with a bank pool for a total amount of 75,000 thousand, with various costs and seniority.

The first utilization and, thereby, refinancing of debts with the preceding bank pool, was carried out on 28 December 2007 by using the credit lines for a total amount of EUR 75,000 thousand spread over three lines with various cost and seniority.

Here is the breakdown of costs for the credit lines of 31 December 2008:

in EUR '000'	Original amount	Margin vs. EURIBOR	Maturities 1 year	2 years	3 years	4 years
Revolving line of credit	15,000	2.25%		15,000		
Term loan	30,000	2.00%	10,000	10,000		
Senior subordinated loan	30,000	6.00%			30,000	
Total	**75,000**		**10,000**	**25,000**	**30,000**	**0**

These new credit lines carry much more advantageous conditions not only in terms of financial margin and financial covenants but also sureties, and have a series of standard conditions related to:

- The implementation of sureties on stock held in the principal subsidiaries of the Group;
- The absence of pledges on assets to the profit of third parties
- The absence of major investment and divestment
- The disclosure of regular financial information
- Non-occurence of 'MAC' – material adverse changes or elements with a significant negative influence
- The limitation of payment of dividends to maximum 25% of the distributable profit.

The bank debts of the Group on 31 December 2008 (EUR 69,858 thousand) are principally with the bank pool (EUR 61,464 thousand).

The average interest rate level of the debt in 2008 is 8.91% and was 10.42% in 2007 and 6.41% in 2006. The average cost of the debt including refinancing costs stands at 10.91% for 2008 (compared with 14.75% for 2007 and 8.7% for 2006).

The debt of the Hamon Group – with the exception of leasing debts – is using variable interest rate references.

36. TRADE AND OTHER PAYABLES

in EUR '000'	31/12/08	31/12/07	31/12/06
Trade payables	49,426	59,581	53,864
Amounts due to related parties	3,750	4,187	1,614
Other received advances	298	609	737
Social security and other payables	10,891	11,717	10,144
Other (non income) tax payable	8,017	5,017	5,514
Other current liabilities	2,124	2,572	3,338
Accruals and deferred income	5,282	4,090	4,554
Total	**79,788**	**87,773**	**79,765**

The companies of the Hamon Group receive on average between 30 and 60 days of credit from their suppliers.

37. DERIVATIVE INSTRUMENTS

Derivative financial instruments designated as 'cash flow hedge'.

in EUR '000'	Notional or Contractual amount 31/12/08	31/12/07	31/12/06	Fair Values 31/12/08	31/12/07	31/12/06
Forward currency contracts sales	1,940	1,046		(241)		
Forward currency contracts purchases						
Interest rate swaps	35,000	35,000		(470)	(18)	
Fair values recognized in the fair value reserves recorded in Equity				**(711)**	**(18)**	

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be directly recognized in Equity through the fair value reserves in Equity. The ineffective portion of the gain or loss on the hedging instrument shall be recognized in profit or loss.

The Hamon Group negotiated, at the end of September 2007, two interest rate swaps (IRS) for a total sum of EUR 35,000 thousand which hedge our Euro debt until 22 September 2009. On 31 December 2008, the debt in Euro stands at EUR 50,010 thousand, of which EUR 19,372 thousand is due within the year and EUR 30,638 thousand is due in more than a year (see note 41). The fixed leg of the IRS was negotiated at 4.44%.

The floating leg of the IRS uses the same reference as the underlying debt negotiated with the bank pool. The settlement of interests and the IRS flows match perfectly.

The forward currency contracts through which the Group hedged a collection of USD 2,700 thousand (equivalent to EUR 1,940 thousand) against the Korean Won also obtained the qualification of cash flow hedge The fair values of these forward currency contracts were EUR -241 thousand at 31 December 2008. This hedge is perfectly effective.

Derivative financial instruments designated as 'held for trading'.

in EUR '000'		Notional or Contractual amount 31/12/08	Fair Values 31/12/08
Forward currency contracts sales	- Assets	21,669	422
	- Liabilities		(694)
Forward currency contracts purchases	- Assets	3,843	12
	- Liabilities		(192)
Fair values recognized in the income statement			
under 'Unrealized exchange gains'			**434**
under 'Unrealized exchange losses'			**(886)**

The forward currency contracts used to hedge the transactional risks on currencies are accounted as if they were held for trading.

However, such forward currency contracts are being used to hegde existing transactions and commitments which are not speculative by nature.

The fair values were immediately recognized in the income statement in the non-realized exchange gains or losses.

38. FINANCIAL INSTRUMENTS

Financial assets and liabilities

The following table presents the nominal amounts of the financial assets and liabilities in the accounts of the Group:

in EUR '000'	31/12/08	31/12/07	31/12/06
Financial Assets			
Cash and cash equivalents	59,089	35,658	24,442
Available-for-sale financial assets	1,627	1,010	1,211
Loans and receivables	102,888	91,622	95,277
Derivative financial assets designated as 'held for trading'	25,512		
Derivative financial assets designated as 'hedging instrument'	36,940	36,046	-
	226,056	**164,336**	**120,930**
Financial Liabilities			
Borrowings at amortized cost	69,858	62,564	66,448
Other payables	58,181	64,308	59,453
Derivative financial liabilities designated as 'held for trading'	25,512		
Derivative financial liabilities designated as 'hedging instrument'	36,940	36,046	-
	190,491	**162,918**	**125,901**

Fair value and book value

The fair values of the financial assets and liabilities are equivalent to the book values for the following reasons:

The financial assets are mainly current. Their fair value thus does not differ from their book value. Their book value already takes into account possible provisions when the collection seems compromised. The financial assets available for sale are made of investments in various small companies not quoted on the stock exchange. They were evaluated at their acquisition value. Their fair value is greater than their acquisition value but given the small impact, this has not been taken into account.

The non-current financial liabilities were evaluated at amortized cost which is excluding transaction costs. The borrowings principally include the debt renegotiated at the end of the year 2007 for which the fair value is comparable with the value in the accounts. The "other payables" are mainly trade payables for which the fair value does not differ from the book value due to its current nature. The financial instruments include Interest Rate Swaps and forward currency contracts. The fair values of the Interest Rate Swaps and forward currency contracts were calculated on the basis of net present value of future flows over the lifetime of the financial instruments using markets interest and foreign exchange rates at the closing of day on 31 December 2008.

Portion of income statement related to financial instruments

in EUR '000'	31/12/08	31/12/07	31/12/06
Net gain/(loss) on:			
Loans & receivables	1,242	1,090	377
Available for sale financial assets		43	34
Net foreign exchange gain/(loss)	(1,506)	(623)	(451)
Impairment of trade & other receivables	199	(912)	985

As presented in the table above, the gains and losses on financial instruments include reductions in values and realized or unrealized gains or losses, including the unrealized gains or losses on the ineffective portion of interest rate Swaps and on the forward currency contracts designated as held for trading, the unrealized gains or losses on the effective portion of the interest rate Swaps and on the forward currency contracts designated as cash flow hedge being recognized in the fair value reserves recorded in equity.

It should be noted that the cash flow hedges were perfectly effective in 2007 and 2008 (see note 37).

39. RISK MANAGEMENT POLICIES

Management of foreign exchange risk

The operations and international transactions of the Group, and in particular the construction contracts carried out in distant countries, is creating exposures to foreign exchange risks in the day-to-day management of its business. Foreign exchange risks can be defined as the risks of fluctuations in fair values of future cash flows due to the fluctuations in foreign currencies. The most significant foreign exchange risks of the group are related to transactions in US dollars and English pounds.

Conversion impacts related to subsidiaries located outside of the EURO zone

Many companies within the Group are located outside the EURO zone. The accounts of these entities are converted into EURO in order to be incorporated in the consolidated accounts of the Group. The effects of the fluctuations in foreign currencies on the conversion of net assets of entities located outside the EURO zone are recognized in the consolidated equity of the Group. It is the reason why the Group decided to hedge this risk of fluctuations in foreign currencies on the conversion of net assets in US dollars with bank borrowings in US dollars. For the calculation of the exposure to foreign exchange risks, the assumption has been made that the investments in the operational entities located outside the EURO zone are permanent and the reinvestment in these entities is continuous.

The group uses different strategies to reduce this foreign exchange rate risk exposure, in particular:

- By trying to match its sale and purchases commitments in the same currencies
- By limiting the invoicing in currencies different from the functional currency of the Hamon entity
- By reporting the foreign exchange rate risk exposures to the Corporate department, which after consolidation decides to hedge the net consolidated exposures with the use of financial instruments when necessary, specifically using forward currency contracts and/or bank borrowings made by the parent company.

The following table presents for all the subsidiary companies of the Group the consolidated financial assets and liabilities in currencies other than their functional currency as well as firm commitments in other currencies (contracts to be invoiced, signed orders) and finally, forward currency contracts that they have made to reduce their exposure to these currencies:

	31/12/08				31/12/07				31/12/06			
in EUR '000'	USD	GBP	Other currencies	**Total**	USD	GBP	Other currencies	**Total**	USD	GBP	Other currencies	**Total**
Gross balance sheet exposure	(13,726)	1,217	4,233	**(8,276)**	(5,174)	(586)	49	**(5,711)**	(900)	(90)	1,680	**690**
thereof financial assets	6,672	2,829	5,338	**14,839**	5,650	838	1,185	**7,673**	5,232	820	899	**6,951**
thereof financial liabilities	(20,398)	(1,612)	(1,105)	**(23,115)**	(10,824)	(1,424)	(1,136)	**(13,384)**	(6,132)	(910)	781	**(6,261)**
Gross exposure from firm commitments	15,997	-	5,161	**21,158**	2,630	-	(654)	**1,976**	(257)	(57)	501	**187**
Foreign exchange transactions	(14,532)	-	(5,234)	**(19,766)**	(1,046)	-	-	**(1,046)**	-	-	-	**-**
Net exposure	(12,261)	1,217	4,160	**(6,884)**	(3,590)	(586)	(605)	**(4,781)**	(1,157)	(147)	2,181	**877**

+ for incoming flow/ ( ) for outgoing flow

Note that the Hamon Group uses financial liabilities in US dollars (essentially bank borrowings for the equivalent of EUR 12,773 thousand) which are carried by Euro functional entities to hedge the net assets of the Group in US dollars. The assets and liabilities in US dollars of American companies of the Group are not presented in this table as they are in their functional currency, but they nevertheless are an exposure for the Group which is consolidated in Euro. This hedge through bank borrowings in US Dollars is considered as trading in 2008 and will be treated as net investment hedge under IFRS in 2009.

in EUR '000'	31/12/08	31/12/07	31/12/06
Sensitivity to market rates			
% variation EUR	10%	10%	10%
Impact on current year P&L	(828)	(571)	69
Impact on future cash flows	(812)	(478)	88

An appreciation/depreciation of 10% in the Euro against all currencies used by the Group in comparison to the end of year levels used by the Group would cause a positive/negative impact of EUR 828 thousand on the income statement of the year underway, and EUR 812 thousand on the future financial flows after hedging. This calculation refers to the balance sheet only.

The impact of the change of the EUR/USD exchange rate fluctuations on the 2008 results of the Group is explained in the management report (impact on revenues EUR -14,300 thousand; and on EBIT: EUR – 1,700 thousand).

Management of interest rate risk

Interest rate risk comes from the exposure of the Group to the fluctuations of interest rates and their possible impact on the cost of financing. The major part of the cost of the Group's debt is based on the EURIBOR-3 month. It is the policy of the Group to limit its exposure to the variability of the interest rates by using financial instruments which swap a variable interest rate into a fixed rate, in particular interest rate Swaps (IRS).

The following table shows the debts of the Group (excluding refinancing costs and the IRS impact) with a fixed interest rate and those with a variable interest rate:

	31/12/08		31/12/07		31/12/06	
in EUR '000'	Average level	Principal	Average level	Principal	Average level	Principal
Fixed rate intrument						
Financial liabilities	6.82%	2,666	5.91%	2,789	7.51%	3,661
Variable Rate Instrument						
Financial liabilities	8.99%	70,247	10.62%	61,935	6.35%	64,670
	8.91%	72,913	10.42%	64,724	6.41%	68,331

	2008	2007	2006
Sensitivity to market rate			
Bp change	180	90	90
Impact on P&L	(1,190)	(570)	(656)
Hedging effect of Interest Rate Swaps	774	78	-
Net Profit or (loss)	(416)	(492)	(656)

The calculation of the markets interest rate sensitivity is based on a hypothetical variation of 180 basis points on the reference markets interest rate (comparable with the variation of the EURIBOR- 3M over the year 2008).

In the event of an increase of the markets interest rate by 180 basis points, the gross negative impact on net income would be EUR 1,190 thousand partly compensated by the effects of the interest rate Swaps. The net effect would therefore be only EUR 416 thousand compared to EUR 492 thousand in 2007.

The costs of financing of the Group is analyzed as follows (for more detail, see note 12):

in EUR '000'	31/12/08	31/12/07	31/12/06
Interest on bank overdrafts and loans	(6,384)	(6,960)	(6,407)
Interest on finance leases	(139)	(182)	(230)
Total interest expense	**(6,523)**	**(7,142)**	**(6,637)**
Costs related to anticipated reimbursement		(1,985)	
Refinancing costs (amortized cost treatment under IFRS)		(1,102)	(983)
Foreign exchange losses on management of US debts	(2,099)		
Other financing costs	(180)	(1,016)	(963)
Total other finance costs	**(3,381)**	**(3,984)**	**(963)**
Total	**(9,904)**	**(11,126)**	**(7,600)**

The financial assets as well as the commercial debts of the Group have generated negligible interests – in fact almost non-existent – except for the EUR 40,846 thousand of cash surplus of the American subsidiary companies at December 31, 2008 invested in two Money Market Funds.

Management of credit risk

Because of its construction activities, the Group is exposed to credit risks. However, the financial credit risk of Hamon Group customers is very high since they are mainly large & international Engineering & Contracting (EPC) groups or electricity producers. Therefore, credit risk is less than that of more traditional constructions companies.

The customer risk materializes in the accounts since the non-payment by a customer could lead to a reduction in value of the receivable concerned. When the receivable becomes doubtful following the suspension of payment or the bankruptcy of a customer, the Group makes a provision for doubtful receivable. If, thereafter, the receivable becomes uncollectible, the balance is written down to reflect the amount deemed appropriate.

The Group does not have significant concentration of credit risk since this risk is distributed over a significant number of customers and counterparts around the world. The most important customer is a financially very strong American customer and accounts for 8.36% of the total commercial receivables.

At the time of the booking of important contracts, the finance department carries out a credit analysis of the customer on the basis of credit reports obtained from external companies.

According to the financial risk profile of the customer, the Group will decide to cover or not its credit risk. Moreover, it takes particular measures for those customers located in countries where the risk is significant. As credit risk solutions, the Group requests in some case the payment prior to delivery, irrevocable letters of credits (confirmed by our banks) as well as credit insurance policies covering the residual risks (political, embargo...) and the risks of unfair calls on the bank guarantees.

The following table presents an analysis of the financial receivables of the Group. They include the trade receivables and other receivables of the Group, with the exception of the non-financial receivables like tax assets. The amounts presented in the following table are the gross values of the receivables before the provisions for doubtful receivables.

in EUR '000' as of 31/12/08	Total	Due over 3 months	Due 2- 3 months	Due 1-2 months	Current	Not due
Financial Receivables	103,801	14,429	3,399	7,506	45,375	33,092

in EUR '000' as of 31/12/07	Total	Due over 3 months	Due 2- 3 months	Due 1-2 months	Current	Not due
Financial Receivables	94,851	9,055	2,243	5,616	41,580	36,357

in EUR '000' as of 31/12/06	Total	Due over 3 months	Due 2- 3 months	Due 1-2 months	Current	Not due
Financial Receivables	97,397	5,189	2,067	5,038	44,285	40,818

Payment terms with our customers are usually between 30 and 60 days.

Commercial receivables with terms that have been renegotiated are not significant. The Group does not hold guarantees or other forms of credit enhancement on its receivables.

The amounts provisioned for doubtful receivables have evolved during the course of the years 2008, 2007 and 2006 as follows:

in EUR '000'	31/12/08	31/12/07	31/12/06
Balance at beginning of the year	**(3,229)**	**(2,120)**	**(3,524)**
Amounts written off during the year	(162)	(1,474)	(665)
Amounts recovered during the yeare	483	562	1,406
Other (forex, transfer,…)	681	149	663
Balance at end of the year	**(2,227)**	**(2,883)**	**(2,120)**
Net impairment on receivable in P&L	199	(912)	985

Liquidity Risk Management

The Group's liquidity risk is related to the capacity of the Group to respect its obligations with regard to its financial liabilities.

The net liquidity position of the Group has continued to improve in 2008.

in EUR '000'	31/12/08	31/12/07	31/12/06
Cash and cash equivalents	**59,089**	**35,658**	**24,442**
Total liquidity	**59,089**	**35,658**	**24,442**
Short term debt & current maturities of long term debt	(29,606)	(12,055)	(62,928)
Long term debt	(40,252)	(50,509)	(3,520)
Total debt	**(69,858)**	**(62,564)**	**(66,448)**
Net liquidity	**(10,769)**	**(26,906)**	**(42,006)**

The Group has a revolving credit line with its bank pool at its disposal in order to address possible short term treasury needs (see note 35). The revolving credit line, utilized for EUR 14,300 thousand under the form of short term loans and an overdraft, was reported in the bank borrowings due from 6-12 months due to the nature of its utilizations. The termination date of the revolving credit line is December 2010.

It is to be noted however that new credit lines signed in December 2007 allow the Group to secure its liquidity needs over a longer term. This becomes clear by comparing the following tables showing the contractual and consolidated liabilities of the Group:

in EUR '000' as of 31/12/08	Total	Due before 6 months	Due 6 -12 months	Due 1 - 2 years	Due 2 - 5 years	Due over 5 years
Loans from Banks	66,406	1,808	27,133	9,368	28,097	-
Obligations under finance leases	2,351	263	280	458	678	672
Other non derivative financial liabilities	1,101	-	122	188	336	456
Trade and other Payables	51,497	48,937	414	2,136	10	-
Derivative financial liabilities	1,163	-	1,163	-	-	-
Total	**122,519**	**51,008**	**29,112**	**12,150**	**29,121**	**1,128**

in EUR '000' as of 31/12/07	Total	Due before 6 months	Due 6 -12 months	Due 1 - 2 years	Due 2 - 5 years	Due over 5 years
Loans from Banks	59,386	1,165	10,383	9,280	38,558	-
Obligations under finance leases	2,779	245	262	301	1,177	794
Other non derivative financial liabilities	399	-	-	203	196	-
Trade and other Payables	64,308	60,032	1,105	1,450	1,721	-
Derivative financial liabilities	18	-	-	18	-	-
Total	**126,890**	**61,442**	**11,750**	**11,252**	**41,652**	**794**

in EUR '000' as of 31/12/06	Total	Due before 6 months	Due 6 -12 months	Due 1 - 2 years	Due 2 - 5 years	Due over 5 years
Loans from Banks	61,067	12,637	48,430	-	-	-
Obligations under finance leases	3,531	285	297	393	1,501	1,055
Other non derivative financial liabilities	1,850	-	1,279	244	310	17
Trade and other Payables	59,452	46,727	9,168	50	3,504	3
Derivative financial liabilities	-	-	-	-	-	-
Total	**125,900**	**59,649**	**59,174**	**687**	**5,315**	**1,075**

The derivative financial liabilities entry reports the sum of fair values of interest rate swaps and forward currency contracts whether or not recognized as cash flow hedges. It embodies the risk of unwinding these transactions on 31 December 2008.

40. GUARANTEES ON THE GROUP'S ASSETS

The following table shows the Group's assets which have guarantees attached.

The guaranteed financial assets are principally restricted bank accounts.

in EUR '000'	31/12/08	31/12/07	31/12/06
Inventories	-	-	4,258
Intangible assets	-	-	-
Property, plant & equipment	979	581	652
Financial Assets	2,931	4,009	3,439
Total	**3,910**	**4,590**	**8,349**

On top of pledges on inventories, in 2006 the banking pool had asked for guarantees on business goodwill and the commercial receivables of Hamon. These conditions were lifted in 2007 following renegotiation of the debt (see note 35). A procedure to completely remove these guarantees is currently under way.

41. FINANCE AND OPERATIONAL LEASE AGREEMENTS

Financial leasing agreements

The main financial leasing contracts relate to land and buildings in France and North America and signed respectively in Euros and dollars. Less significant leases exist for vehicles and office equipment.

The commitments of the Group in terms of financial leasing for the years to come can be resumed as follows:

	Minimum lease payments			Present value minimum lease payments		
in EUR '000'	31/12/08	31/12/07	31/12/06	31/12/08	31/12/07	31/12/06
Amounts due for finance leases						
within one year	641	646	764	543	506	581
in the second to fifth years inclusive	1,429	1,803	2,337	1,136	1,478	1,894
after 5 years	715	883	1,218	672	795	1,056
Subtotal	**2,785**	**3,332**	**4,319**	**2,351**	**2,779**	**3,531**
Less: future finance charges	(434)	(553)	(788)	N/A	N/A	N/A
Present value of lease obligations	**2,351**	**2,779**	**3,531**	**2,351**	**2,779**	**3,531**
Less: Amounts due for settlement within 12 months				(543)	(506)	(581)
Amount due for settlement after 12 months				**1,808**	**2,273**	**2,950**

The average term for the obligations on financial leasing is 5.3 years. The average interest rate is 7.31%.

The fair value of these financial leases is close to their nominal value.

Operational Leases

The commitments taken by the Group for operating leases for future years is as follows:

in EUR '000'	31/12/08	31/12/07	31/12/06
Minimum lease payments under operating leases recognised as an expense in the year	3,831	4,153	4,200
Minimum lease payments due for operating leases			
within one year	2,885	2,488	2,284
in the second to fifth years inclusive	8,744	8,451	6,547
after five years	1,099	881	1,829
Total	**12,728**	**11,820**	**10,660**

Operational leases mainly relate to offices and to a lesser extent, vehicles, machines and office equipment.

42. COMMITMENTS

As part of its business, the Group is often required to issue guarantees in favor of clients for the reimbursement of advance payments, the correct execution of contracts or obligations of technical guarantees.

Some of these commitments require bank guarantees or insurance bonds to be provided by the Group.

in EUR '000'	31/12/08	31/12/07	31/12/06
Bank guarantees	69,849	48,717	34,249
Insurance bonds	2,479	6,245	6,572
Total	**72,328**	**54,962**	**40,822**

The total amount of outstanding bank guarantees increased through 31 December 2008, a direct result of the increased orders of the Group, as our activity is closely linked to the issuance of bank guarantees.

The line available for letters of credit and bank guarantees increased to EUR 100,000 thousand, coming from EUR 50,000 thousand with the previous bank pool in 2007. Moreover, the Group also has at its disposal a "U.S. bonds" line of USD 50,000 thousand.

The Group has also endorsed commitments relating to companies sold in 2005 (FBM), bankruptcies (HRCI)) or associated companies as follows:

in EUR '000'	31/12/08	31/12/07	31/12/06
Commitment of good project execution	8,685	10,634	24,206
Comfort letters to banks	2,110	2,110	3,325
Comfort letters to suppliers	4,080	4,080	4,080
Total	**14,876**	**16,824**	**31,611**

The commitments for which payment is probable are recorded as liabilities. The contractual end of commitments explains the reduction in both 2007 and 2008.

43. CONTINGENT LIABILITIES

The Group finalized several litigations during 2008.

SPX

An agreement was signed between Hamon and SPX on 9 December 2008, putting an end to the arbitration procedure relating to various disputes arising from the acquisition by SPX of certain assets in the activity "Dry Cooling", as well as certain assets in "Wet Cooling" activities of the Group for North America. By the terms of this agreement, Hamon has recorded a loss of EUR 1.5 million.

Bankruptcy of Hamon Research-Cottrell Italia (HRCI)

The general assembly of HRCI decided to put this company into voluntary liquidation in April 2005. Hamon had already recorded a significant amount related to the liquidation in its 2004 accounts. In June 2005, the liquidator lodged the books with the commercial court of Milan. An agreement was signed between Hamon and the bankruptcy administrator of HRCI in July 2008, putting an end to bankruptcy claims towards Hamon.

FBM Hudson Italiana

The company having purchased the Italian company FBM Hudson Italiana Spa in December 2005 has initiated a conciliation procedure with Hamon in July 2007 according to the Sale Share Agreement. The purchaser claims to Hamon and its directors to the board of FBM Hudson Italiana Spa liability indemnities for an amount of approximately EUR 14 million. Hamon considers this complaint to be unfounded because (i) no prejudice was shown in the chief of the purchaser; (ii) the purchaser knew perfectly well the situation of FBM Hudson Italiana Spa following its extensive due diligence; (iii) Hamon did not give any form of guarantee on the accounts submitted to the purchaser, accounts that were approved by the purchaser post acquisition. The sales agreement foresees a cap on the possible compensations by Hamon of EUR 550 thousand. Hamon rejects any responsibility of the Company or of the directors who represented it.

Asbestos

The Group is involved in various proceedings for physical injuries related to asbestos. These litigations relate to a period prior to the acquisition by the Group in 1998 of the assets of Research Cottrell, Inc. Asbestos is not used in the operations of Hamon in the USA. In the acquisition agreements of 1998, the seller committed itself to compensate the Group for all damage sustained because of such proceedings. The costs of these proceedings are, until now, exclusively handled by the seller. Insofar as these proceedings go back to a period prior to the acquisition of the US subsidiaries of the Group and taking into account the compensation clause, Hamon's management thinks that these do not present risks of significant liability for the Group.

Other litigations

The nature of the Group's activities leads us to file/receive complaints about/from our suppliers and our customers. The complaints are covered by specific provisions already made, and this from the moment it is probable that they will give rise to payouts and where their amount can be reliably estimated. The Group believes that these complaints do not risk having a significant impact on Hamon's financial situation.

44. RELATED PARTIES

The Mother company of the Group is Sopal International SA. See note 31 for detailed structure of the shareholders of the Group.

The transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated from the consolidated accounts and are not considered in this note.

The details of the transactions between the company and the related parties are detailed below:

Income statement as of 31/12/08

	Purchases				Revenue			Financial		
en EUR '000'	of goods	of services	lease of assets	management fees	Goods	Services	Royalties	Expenses	Income	Dividends
Controlling shareholder and other entities directly and indirectly controlled by the controlling shareholder	10	7	63	79		760	174			-
Other shareholders with significant influence	797	-	-	12	2,252	-	95	-	-	-
Associates	-	611				-	-			-
Other related parties					-					

Balance sheet as of 31/12/08

en EUR '000'	Non-current assets	Current assets	Non-current liabilities	Current liabilities
Controlling shareholder and other entities directly and indirectly controlled by the controlling shareholder	351	507	-	-
Other shareholders with significant influence	-	3,472	-	2.692
Associates	355	295	121	1.058
Other related parties		-		

Income statement as of 31/12/07

	Purchases				Revenue			Financial		
in EUR '000'	of goods	of services	lease of assets	management fees	Goods	Services	Royalties	Expenses	Income	Dividends
Controlling shareholder and other entities directly and indirectly controlled by the controlling shareholder	-	-	377	63	1,117	236			282	
Other shareholders with significant influence	-	-	-	50	454	-	211	-	-	-
Associates	20	-			1,112	129		-		
Other related parties					-					

Balance sheet as of 31/12/07

in EUR '000'	Non-current assets	Current assets	Non-current liabilities	Current liabilities
Controlling shareholder and other entities directly and indirectly controlled by the controlling shareholder	345	542	-	45
Other shareholders with significant influence	-	3,124	-	2,761
Associates	67	3,758	121	1,381
Other related parties		-		

During 2008, no write-downs were recorded on receivables with the related parties (EUR 842 thousand in 2007).

The other entities directly or indirectly controlled by the controlling shareholder are the following companies:
- Gefimco SA;
- Cogim NV;
- Promo Services (Belgium) SA;

The relations with the related companies include:
- Commercial relations (purchase/sale of goods and services, payment of management fees to shareholders, office space rental); and
- Financial commitments (payment of commissions on guarantees)

The Group has not issued any guaranties or off balance sheet commitments to related parties other than commitments towards associates, as described in note 42. The sales and purchase of goods with related parties are made under the standard terms and conditions of the Group.

45. MANAGEMENT COMPENSATION

The table below details the remuneration (cumulative and including charges) of the Managing Director, the directors and the management team, who should be regarded as the 'key executives' in the sense of the IAS definition. (These amounts include the social security charges born by the employer.)

in EUR '000'	2008 [3]	2007 [2]	2006 [1]
Short term benefits			
Fixed remuneration	3,006	2,751	1,807
Variable remuneration	2,954	2,993	1,587
Subtotal	**5,960**	**5,744**	**3,394**
Long term benefits	310	133	85
Total	**6,270**	**5,877**	**3,479**

[1] In 2006, the Executive Committee was composed of 5 members

[2] In 2007, the Executive Committee is composed of 9 members, but on a yearly basis this corresponds to a pro-rated 8.3 full time equivalents

[3] In July 2008, the Executive Committee was reduced to 8 members (retirement of Jean Gilbert); a 9th member joined it in December (René Robert); this corresponded to 8.6 full-time equivalents

The total of gross emoluments granted to the non executive directors during this fiscal year 2008 amounts to EUR 175 thousand (EUR 82 thousand in the previous year). These emoluments have been granted according to the decisions (in terms of global amount paid annually) of the Annual Shareholders Meeting. There was no profit sharing allocation and the Company has not made any loans to the directors. The directors have also not made any special or unusual transactions with the Company.

46. STAFF

The charges and costs of the personnel are split as follows:

in EUR '000'	2008	2007	2006
Remuneration and direct social benefits	50,645	46,342	40,031
Employer's contribution or social security	11,312	9,032	8,318
Other personnel costs	2,127	1,567	1,098
Total	**64,084**	**56,941**	**49,447**

The distribution of personnel within the Group by segment is as follows:

Average headcount per BU	2008	2007	2006
Cooling Systems	432	417	357
Heat Exchangers	170	163	145
Air Pollution Control EMEA / Brazil	112	59	50
Air Pollution Control NAFTA	175	182	155
Chimneys	63	64	54
Corporate & Others	63	27	18
Total	1,015	912	779

The main variations are stemming from the following segments:

- Cooling systems, following the development of Hamon Indonesia (+14 people), increasing number of workers in our China factory (+15 people) and the reduction of the site/field team in England (-19 people).
- Air Pollution Control EMEA/Brazil, as a result of increased activities in South Africa (+22 people) and India (+9 people) as well as the acquisition of the company in Brazil from October onwards (+19 people on a pro rata basis).
- Corporate and Others (+26 people) that provisionally includes the staff of ACS, while the activity is awaiting allocation to a specific segment.

47. EVENTS AFTER THE BALANCE SHEET DATE

Hamon signed, in February 2009, an agreement aiming to create a joint venture with one of the world leaders in solar technology - Solel - in the area of solar thermal power stations, a booming market. Hamon and Solel will provide Solar Powered Steam Generation Systems (SSGS), that is to say thermal capture, steam generation, recovery components, excluding the steam turbine and power generator.

48. AUDITOR'S FEES

For the whole of the consolidated Group, the fees paid to the auditor and its network (Deloitte) for 2008 amounted to EUR 879,503 and are broken down as follows:

Fees linked to financial statements audits	EUR 585,904
Other auditing missions	EUR 89,345
Legal missions	EUR 17,793
Tax assistance missions	EUR 186,461

VI. Auditor's report

HAMON & CIE (INTERNATIONAL) SA

STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of HAMON & CIE (INTERNATIONAL) SA ('the company') and its subsidiaries (jointly 'the group'), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2008, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 285,630 (000) EUR and the consolidated income statement shows a consolidated profit (group's share) for the year then ended of 18,505 (000) EUR.

The financial statements of several significant entities included in the scope of consolidation which represent total assets of 27,659 (000) EUR and a total loss (Group's share) of 188 (000) EUR have been audited by other auditors. Our opinion on the accompanying consolidated financial statements, insofar as it relates to the amounts contributed by those entities, is based upon the reports of those other auditors.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the 'Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren'. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, together with the reports of other auditors on which we have relied, provides a reasonable basis for our opinion.

In our opinion, and based upon the reports of other auditors, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2008, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

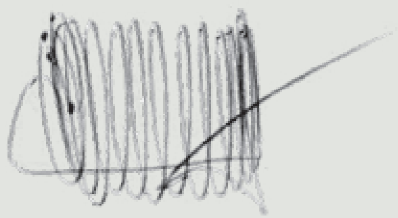
The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Diegem, 20 February 2009

The statutory auditor



DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Laurent Boxus

VII. Summarized statutory accounts of Hamon & Cie (International) SA

SUMMARIZED BALANCE SHEET AS OF 31 DECEMBER 2008, AFTER APPROPRIATION

The statutory accounts of the parent company, Hamon & Cie (International) S.A., are presented below in summary form. The Management Report and statutory accounts of Hamon & Cie (International) S.A., as well as the Audit Report, will be filed at the National Bank of Belgium once approved by the Annual General Meeting of shareholders of 28 April 2009, in accordance with Clauses 98, 100, 101 and 102 of the Companies Code published on 6 August 1999.

These reports are available, on request, at the company's address:
Rue Emile Francqui 2, 1435 Mont-St-Guibert, Belgium.

The Auditor has certified, without qualification, the 2008 Annual Accounts of Hamon & Cie (International) S.A.

in EUR '000'	31/12/08	31/12/07	31/12/06
Fixed assets	**91,173**	**69,244**	**69,131**
I. Formation expenses	3,587	4,798	917
II. Intangible assets	642	193	295
III. Tangible assets	678	824	653
IV. Financial assets	86,266	63,429	67,266
Current assets	**26,061**	**15,503**	**13,391**
VI. Stock and contracts in progress	3,542	1,184	0
VII. Amounts receivable within one year	21,990	14,148	11,532
VIII. Short term deposits	0	0	16
IX. Cash at bank and in hands	139	22	274
X. Deferred charges and accrued income	389	150	1,569
Total assets	**117,234**	**84,747**	**82,522**
Equity	**40,209**	**29,087**	**19,341**
I. Capital	2,157	2,157	2,157
II. Share premium account	15,360	19,668	19,668
IV. Reserves	11,569	11,569	11,569
V. Profit carried forward	11,122	(4,308)	(14,054)
Provisions and deferred taxes	**5**	**752**	**764**
Amounts payable	**77,020**	**54,907**	**62 417**
VIII. Amounts payable after more than one year	30,934	32,836	36
IX. Amounts payable within one year	45,644	21,562	62,190
X. Accrued charges and deferred income	442	509	191
Total liabilities and equity	**117,234**	**84,747**	**82,522**

SUMMARIZED INCOME STATEMENT AS OF 31 DECEMBER

in EUR '000'	2008	2007	2006
I. Operating revenues	**10,742**	**10,180**	**4,056**
A. Turnovers	10,416	10,180	4,056
D. Other operating revenues	326	0	0
II. Operating expenses (-)	**9,881**	**10,733**	**6,106**
A. Cost of materials	522	1,317	17
B. Services and other goods	4,515	4,119	2,354
C. Remuneration, social security and pension costs	3,138	3,597	2,486
D. Depreciation and amortization	1,578	1,637	1,219
F. Increase (decrease) in provisions for liabilities & charges	(13)	(11)	(13)
G. Other operating expenses	141	74	43
III. Operating income	**861**	**(553)**	**(2,050)**
IV. Financial income	16,779	17,992	3,734
V. Financial expenses	(7,487)	(5,162)	(5,757)
VI. Net operating income before taxes	**10,153**	**12,277**	**(4,073)**
VII. Extraordinary income	4,929	494	4,491
VIII. Extraordinary expenses	(139)	(2,221)	(2,115)
IX. Net income before taxes	**15,221**	**10,551**	**(1,697)**
X. Income taxes	(0)	(805)	0
XI. Net income	**15,221**	**9,746**	**(1,697)**

Glossary

Air Coolers: heat exchangers in which an often corrosive liquid or gas, under high pressure and high temperature, passes through special alloy finned tubes and is cooled by air from a ventilator. Used mainly in petrochemicals, and the Oil & Gas industry, but also in the cooling of auxiliaries, for example water in the steel industry.

Bank Guarantees: guarantees given by the bank for a certain amount and over a fixed period, when contracts are made (sold) and executed. Principal categories: advance payment bond, performance bond, and warranty bond.

Cooling System when referred to in the context of electricity generation: in a traditional electricity generating power plant, water is heated and transformed in vapor at high pressure. This turns a vapor turbine connected to an alternator, which is an electromechanical device that converts mechanical energy to alternating current electrical energy. At the exit of the turbine, the vapor is cooled in an indirect surface condenser between the vapor and cold water running through a cooling circuit. This water is then sent to a second cooling system, before it is re-injected into the cooling system again.

deNOx: elimination of Nitrogen oxides, NOx in short form, in the form of waste gases.

deSOx: elimination of Sulphur oxides, SOx in short form, in the form of waste gases.

Dry cooling system or air condenser: used in the production of electricity, this system directly condenses water vapor at the exit of the vapor turbine, in the alloy and finned tubes cooled by the surrounding air.

EBIT: Earnings before interest and tax, and after any costs for restructuring.

EBITDA: Earnings before interest, taxes, depreciation and amortization. Operational results plus amortization and depreciation of fixed assets. (Operating Revenue – Operating Expenses + Other Revenue).

EMEA: Europe, Middle East and Africa

ESP: abbreviation of Electrostatic Precipitator, an electrostatic filter that eliminates particles from the waste gases.

FRP: Fiberglass-Reinforced Polyester. Used for amongst other things pipes for the evacuation of gas in the chimneys.

Group or Hamon Group: the name for Hamon and its subsidiaries in the sense of the Company Code, article 6, 2°.

Hamon: the name of the limited company under Belgian law of Hamon & Cie (International) SA, with its head office at Axisparc, rues Emile Francqui 2, 1435 Mont-St-Guibert.

Hybrid cooling system: combination of a wet cooling system and finned tube bundles that slightly heats the saturated and humid air, in order to limit the plumes of water vapor.

NAFTA (North Amercian Free Trade Agreement): the territory including the United Sates of America, Canada and Mexico.

North America: the territory including the United States of America, Canada and Mexico.

Wet Cooling: The wet cooling systems are classified according to the type of operation, by natural draft or by mechanical draft process, and according to whether or not they provide a plume reduction system (system known as 'hybrid system' or 'wet/dry').

Wet cooling system: a system that cools the water from 30-40° C to 20-30°C. The cooling happens via direct contact between the water and the air on surface streaming, with evaporation of a part of the water.

General information

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