

## **Interim board of Directors' report on the publication on the interim financial information's ended June 30th, 2009.**

Ladies and Gentlemen,

We are pleased to present our interim management report on the financial information's ended 30 June 2009.

The consolidated results presented here comply with the accounting methods and valuation criteria established by IAS/IFRS standards. The interim management report includes an accurate figure of the information's imposed by \$5 and 6 of the article 13 of the R.D. dated 14 November 2007 related to the obligations of issuers of financial instruments admitted to trading on a regulated market.

### **1. Group's business evolution during 1st half 2009.**

At the end of June 2009 the consolidated sales turnover totalled EUR 18 M€ down by 11.1 % compared to the end of June 2008. Within a difficult economic environment, the decrease of the turnover is explained by a reduction of 4.5 % of the sales volume of Group's subsidiaries (50% of the total) and by a step back of the purchases from independent dealers (- 14.6 %). The Product mix has evolved favourably with benefit for the Rapsody range.

Consolidated Operating Cash Flow (EBITDA) amounted to EUR 3.9 M, or 21.6 % of turnover compared to 21.5 % for 1<sup>st</sup> half of 2008 (EUR 4.4 M). Operating cash flow, the Group's key indicator, is composed of earnings before amortization, write-offs, interests of the debt, taxes and non recurring reorganisation costs (EUR – 285K end June 08, EUR – 78K end June 08)

The 2009 and 2008 taxes (2008 presented in compliance with the IAS 8) were entered pursuant to IAS 12 & IFRS 3 taking into account the retroactive application of these standards. These concern on one hand the entry of deferred tax liabilities further to the entry at their fair value of intangible assets (goodwill) acquired in the context of groupings of companies (allocation of the 1<sup>st</sup> consolidation difference), and on the other the entry of deferred tax assets on intangible fixed assets (French goodwill) acquired from third parties, due to depreciations.

The restated net result end of June 2008 is 1,118 K€ vs 1,013 K€ before. The restated taxes are 943 k€ vs 1,096 before.

The taxes end of June 2009 are 0.5 M€ (0.9 M€ end of June 2008).

Group's net consolidated result for the 1st half of 2009 amounted to EUR 878 K (EUR 1.118 end June 08).

Group's net debt at end June 09 stays flat at EUR 11.4 M compared to end 2008. during the 1<sup>st</sup> half 2009, the Group has paid for EUR 1.3 M dividends and has invested EUR 2.3 M (exercise of the call option on the HQ building, acquisition of Fountain SUD in Belgium and "table top" machines rented to customers).

Belgium, France and the Netherlands account for the greater part of consolidated sales.



## **2. Consolidation scope**

The financial statements end June 2008 includes the balance sheet of Fountain SUD acquired in June 09, the P/L will be consolidated from 1 July 2009.

## **3. Valuation rules**

Valuation rules used by the Group for the publication of this interim report are identical to the ones used for the publication of the annual accounts 2008.

## **4. Absence of conflict of interest**

During 1st half 2009, the Board did not have to adopt any resolution related to Articles 523 and 524 of the Companies Code

## **5. Share Capital**

The total number of shares representing the share capital of Fountain SA amount to 1.660.360.

## **6. 2009 perspectives and majors risks and uncertainties till the end of the financial year.**

Based on the results end of June and given the economical environment, the Fountain Group confirms its forecasting of a decline of the EBITDA of 5 to 10 %.

At the exception of the global evolution of the economy, the board has not identified any specific risk of uncertainty that the company may have to face as part of the evolution of the business, earnings of financial situation.

The Group partially covered its interest risk through two interest rate swap (EUR 3 M and EUR 4.2 M), there is no hedging on raw material supplies.

*The Board of Directors.  
26 Augustus 2009.*