



Stability of Sales over the first nine months of 2008

Consolidated sales (Million €)	2008	2007	Change
1 st quarter	51.2	52.6	- 2.6%
2 nd quarter	52.2	48.8	+7.0%
3 rd quarter	48.6	50.5	-3.7%
Total	151.9	151.8	+0.1%

Increased sales in the 3rd quarter of 2008 with constant exchange rate: + 0.4%

At constant exchange rates, RADIALL registered over the first nine months of 2008, an increase of its turnover by 0.4% with sales reaching €50.6 million, against €50.5 million for the same period in 2007. This performance is carried by strong performances within the military and space sectors, in spite of new delays in the aeronautical programs and a globally declining economic situation.

As a consequence of the negative impact of the exchange rate, the business over the first nine months of 2008 has technically decreased by 3.7% whereas the turnover comes to €151.9 million, with a growth of 0.1% compared to 2007.

Outlook for 2008

Due to the new economic and financial environment, whose initial signs of decline were observed during the third quarter of 2008, the company expects neither significant growth for the activity in the fourth quarter nor improved margins, in spite of the more convenient expected impact of the €/USD parity and of the cost of raw materials.

Taking this forecast into consideration, the company has taken since October; measures to reduce its expenditures and investments in order to immediately adapt itself to this new environment.

RADIALL benefits from several fundamental advantages to successfully get through this difficult period:

- A diversified client portfolio across several sectors, some of which are benefiting from sustained growth (military and space),
- The scheduled launch of new products at the end of the year,
- Ongoing balancing of foreign currency flow following the opening of its factory in Obregon, Mexico,
- A solid balance sheet with predominantly positive cash flow.

Considering a degraded economical context, RADIALL would like to express caution over 2008.

The Group plans to realize at the conclusion of its exercise, an annual turnover slightly in withdrawal in regard of 2007 in published figures, and a second half-year operational margin subordinated to the one registered on the first half of the year 2008.

Next release:

Annual turnover for 2008: **January 16th 2009.**

About RADIALL

RADIALL designs, develops, and manufactures electronic components for wireless communications, automotive telematics, and military and aeronautical equipment.

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