



PRESS RELEASE

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**SECO/WARWICK GROUP THROUGH THREE QUARTERS:  
CLEAR GROWTH IN NET PROFIT**

**The Seco/Warwick group, one of the world's largest producers of furnaces for heat treatment of metals, earned sales revenue through the first nine months of this year of PLN 175.509 million and net profit of PLN 6.510 million. The group's profit in the 3<sup>rd</sup> quarter alone was PLN 4.995 million.**

The most important events in the 3<sup>rd</sup> quarter of 2008:

- First order for Seco/Warwick Tianjin for a brazing system using the CAB technology.
- Delivery of four dual-chamber furnaces for annealing rolled aluminum sheeting, equipped with the patented Vortex Jet Heating system
- Delivery of the first of three casting furnaces produced in cooperation with American partner Retech Systems LLC
- Delivery by ITS of a production line for cans to Can Pack in the U.K. for a total of EUR 1.9 million
- Delivery to FŁT Kraśnik of a technological line for heat tempering of bearing rollers based on an RE-500 rotary retort furnace
- Supply of a PIGAT pit furnace to Picanol in Belgium
- Delivery of a pusher aggregate for heat tempering of drilling equipment elements for the Centek firm in the U.K.
- As of the end of September, the group held a portfolio of orders worth nearly USD 70 million



## SECO/WARWICK RESULTS THROUGH THREE QUARTERS OF 2008

The table below presents the group's results through the first nine months of the year:

PLN 000's	1-3Q2007	1-3Q2008	Change
<b>Sales revenue</b>	186,148	175,509	<b>-5.7%</b>
<b>EBITDA</b>	18,161	9,552	<b>-47.4%</b>
<b>Net profit</b>	15,316	6,510	<b>-57.9%</b>

The primary factor affecting the net results of the Seco/Warwick group was appreciation of the Polish zloty against the Euro and the U.S. dollar during the first three quarters of 2008, which caused a drop in margins this year compared to last year.

Elterma S.A., one of the companies in the group, enjoyed significant growth in sales and margins in the 3<sup>rd</sup> quarter. Elterma's profit through the 3<sup>rd</sup> quarter was PLN 2.2 million. Consolidation of companies in the international capital group also brought an increase in profit. In the case of Retech Systems it was PLN 3.549 million, and for Seco/Warwick Allied India, PLN 0.314 million. As a result, net profit in the 3<sup>rd</sup> quarter alone was PLN 4.995 million. EUR-denominated revenues grew during the first three quarters of 2008, to EUR 51.248 million, compared to EUR 48.586 million a year earlier.

## FINANCIAL PROJECTIONS

The company's forecasts for 2008 year-end results are as follows:

PLN 000's	Forecast for 2008	Performance through 3Q2008	Achievement of forecast through 3Q2008
<b>Revenue</b>	267,827	175,509	66%
<b>EBIT</b>	16,076	6,457	40%
<b>EBITDA</b>	20,100	9,552	48%
<b>Gross profit</b>	16,667	16,667	43%
<b>Net profit</b>	14,071	14,071	46%

"After the 2<sup>nd</sup> quarter we announced that in the second half of 2008 the Seco/Warwick group would show a clear increase in profitability," said Wojciech Modrzyk, a member of the management board of Seco/Warwick S.A. "Our results for the 3<sup>rd</sup> quarter of 2008 bear this



out. Following the first half of the year, which was a period of intense reorganization for Seco/Warwick and winning new contracts, in the 3<sup>rd</sup> quarter the group was able to demonstrate to stock-market investors its potential for increasing profits, thanks to our market position and solid fundamentals. We are optimistic about the ability to achieve our projections for this year.”

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*Seco/Warwick S.A. is one of the world's leading producers of heat treatment furnaces for metals. The business of the Seco/Warwick group includes production of four main product groups: vacuum furnaces, aluminum heat exchanger brazing systems, aluminum heat treatment systems and atmospheric furnaces. It is one of the very top firms in the world in its sector. The Seco/Warwick group is also one of the technological leaders in the field. Some of the main markets supplied by the group include the automotive industry, aviation, and the machinery, equipment and aluminum metallurgy sectors. The company's state-of-the-art R&D division, equipped with a metallography laboratory, enables it to provide innovative solutions not offered anywhere else in the world.*

*The Seco/Warwick group is made up of nine companies, the leader among which is Seco/Warwick S.A. in Świebodzin, Poland. The other main companies in the group are Seco/Warwick Corporation (USA, wholly-owned), Elterma (Poland, wholly-owned), Seco/Warwick Tianjin (China, total of 50% of the capital), Retech Systems LLC (USA, 50% of the capital), Seco/Warwick Allied (India, 50% of the capital) and OOO Seco Warwick Group (Russia, wholly-owned). The group also includes Seco/Warwick of Delaware, Inc. and Eltus Sp. z o.o.*

*The stockholders of the firm, directly or indirectly, are individuals who were the founders of Seco/Warwick in Poland and the U.S. and members of the current management.*

**Additional information is also available at [www.secowarwick.com.pl](http://www.secowarwick.com.pl)**