1st Quarter 2005 results

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LBC presentation

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LBC Presentation

- Second largest chemical storage company with 2.2 million cubic meters of storage capacity
  - 12 terminals strategically located in Western Europe and the US
  - Nearly 10 million metric tons of product throughput annually
  - 640 employees
- LBC provides a series of value added services in addition to storage :
  - Blending, drumming, filtering
  - Warehousing of packed goods
  - Waste water treatment
  - Truck/Iso/tankcar cleaning & storage
  - Forwarding / administration
- Main figures :
  - Sales last twelve months: 117,5 M€ (€/$ - 1.2437)
  - EBITDA last twelve months: 40,3 M€ (€/$ -1.2437)
  - Acquisition by One Equity Partners on May 13, 2004
  - Net Debt of 180,3 M€ as of March 31, 2005

Highlights March 2005

- YTD Occupancy Rates at 92.6 % versus 85.5 % in March 2004 and 85.5% in December 2004
  - Occupancy rates are trending upwards since September 2004 reflecting a better economic situation in the chemical industry.
  - Chemical companies still seeking more efficient use of storage capacity
- Throughput increased 16.4% in Q1 2005 to 2.7 million of metric tons versus Q1 2004
- Sales for Q1 2005: 29,7 M€ -- up 4.2 % on a constant currency basis from 2004 (29,0 M€)
- EBITDA for Q1 2005: 10,7 M€ -- up 15.1 % on a constant currency basis from 2004 (9,5 M€)
- CAPEX Q1 2005: 2.0 M€
- Net loss of 2.4 M€
- Net debt increased to 180,3 M€ (Mainly due to Forex – 1.3621 vs 1.305)

1st Quarter 2005: In line with targets

- Sales improvement in a better economic environment :
  - Demand for storage growing reflected in a much better occupancy rate
  - Chemical industries growing in volumes reflected in our throughputs
  - Still headroom for improvement: space available and still low utilization of value added services assets particularly in Rotterdam and Marseille.

- Cost efforts and restructuring implementation are showing results
  - Port St Louis costs non significant in 2005
  - Global insurance program generating major savings (approx. 2.2 M€ on a full year basis)
  - Head-count reductions and discretionary expenses lowering annual
  - Tax efficiency in France and in the US

- Waiver on cash coverage ratio obtained. Discussions on better solution for avoiding covenant breach on an on-going basis initiated.
- Marketing team implemented: objective to focus on profitable businesses, on value added services and better synergies between terminals

Profit and Loss Summary

in M€	Proforma management report Q1 2004	Q1 2005	Q1 2005 Forex adjusted	Deviation Forex Adj.	
€ / $	1,25	1,3095	1,25	1,25	
SALES	29,0	29,7	30,2	1,2	4,2%
EBITDA	9,5	10,7	10,9	1,4	15,1%
%	32,8%	36,1%	36,3%		
EBIT	3,9	5,1			
Net Financial Expense	4,8	5,6			
Exceptional result	0,0	-0,1			
Income tax	0,7	1,0			
Minority Interest	0,1	0,2			
Goodwill	0,6	0,6			
GROUP NET RESULT	-2,2	-2,4			

Balance Sheet Summary

in M€	December 2004	March 2005
€ / $	1,3621	1,305
Fixed assets	246,2	245,1
Working capital	3,2	2,3
Premium and deferred expenses	16,8	17,6
Cash and Cash Equivalents	9,9	13,3
	========	========
TOTAL ASSETS	270,6	278,3
Shareholders Equity	63,1	62,6
Minority Interest	4,7	4,9
Provisions for risk and charges	5,8	5,9
Bank and shareholder Financial debt	186,1	187,7
Deferred Taxes	16,4	17,2
	========	========
TOTAL LIABILITIES AND SHAREHOLDER EQUITY	270,6	278,3

Cash Flow Summary

in M€ For the quarter ended	March 2005
Cash and equivalents December 2004	**9,8**
Result before Goodwill and Minority Interest	-1,6
Depreciation and amortization	6,0
Net change in working capital	0,8
Cash flow from Operating activities	5,2
Additions to fixed assets	-2,0
Other net changes in fixed assets	0,1
Cash flow used in investing activities	-2,0
Borrowings Under Senior Credit Facility	0,0
Bank Debt and Prior Shareholder Payments	0,3
Stock Payment to prior Shareholder	0,0
Cash flow used in financing activities	0,3
Net Changes in cash and equivalents	3,5
Cash and equivalents March 2005	13,3

France Business Review for the quarter ended March 31, 2005

Operating Data	March 2004	March 2005	%
Capacity '000 m3	819	741	-9,5%
Occupancy rate YTD	82,7%	88,9%	6,2%
Throughtput '000 metric tons	641	753	17,6%

Results	March 2004	March 2005	%
Sales M€	8,7	9,2	5,3%
Ebitda M€	2,4	2,5	2,6%
%	27,5%	26,8%	

Change 2004 / 2005 M€	Sales	0,5
	Ebitda	0,1

- Operations in Le Havre, Nantes, Bayonne and Marseille.
- Sales:
  - Sogestrol excellent activity (+ 15% in occupancy rate and +44 % in traffic) reflected in our sales: + 551 k.
  - Good results of Sotrasol and Nantes (+346 k) negatively offset by Marseille (-430k)
  - Marseille still has a poor occupancy rate (72.5%) and througput is weak (-7% compared to 2004).
- Cost:
  - Normal increase of operational costs (inflation) and additional legal costs (+120k in overheads) due to the complexity of the group structure compared to previous year
- Ebitda:
  - Slightly lower than expected compared to the budget but seasonality should compensate delay.

Europe (Excl. France) Business Review for the quarter ended March 31, 2005

Operating Data	March 2004	March 2005	%
Capacity '000 m3	552	552	0,0%
Occupancy rate YTD	89,3%	88,2%	-1,1%
Throughtput '000 metric tons	527	672	27,5%

Results	March 2004	March 2005	%
Sales M€	10,5	11,0	4,4%
Ebitda M€	2,7	3,7	34,4%
%	25,9%	33,4%	

Change 2004 / 2005 M€	Sales	0,5
	Ebitda	0,9

- Operations in Antwerp, Rotterdam, Santander, Cartagena and Lisbon.
- Sales:
  - Outstanding sales at Lisbon (+ 373k) due to throughput (+106%) – drought in Portugal.
  - Excellent performance at Cartagena (+ 288 k) due to increased activity
  - Difficult market in north European terminals (-201k) with -4% in throughput and respectively

    -6.4% and – 3.7% in occupancy rates in Antwerp and Rotterdam
- Cost:
  - Damage reduction in North European Terminals: (+200k)
  - Other operating costs in Antwerp and Rotterdam (+200k)
  - Additional fee on Lisbon Throughput (+88 K)
  - Low cost in Spanish operations
- EBITDA
  - Above budget expectations but realised with lower sales in Rotterdam and better performance in Portugal.

United States Business Review for the quarter ended March 31, 2005

Operating Data	March 2004	March 2005	%
Capacity '000 m3	826	826	0,0%
Occupancy rate YTD	88,0%	95,3%	7,3%
Troughtput '000 metric tons	1 166	1 291	10,7%

Results	March 2004	March 2005	%
Sales M$	12,1	12,5	2,8%
Ebitda M$	5,5	6,0	9,9%
%	45,1%	48,3%	

Change 2004 / 2005 M$	Sales	0,3
	Ebitda	0,5

- Operations in Houston and Baton Rouge
- Sales:
  - Improving due to better activity in both terminals :
    - Occupancy rate at Bayport (+15%) and
    - Troughput in Baton Rouge (+15% also).
- Cost:
  - Normal Inflation increases
  - Headcount reduction impact effective
  - Currently lower maintenance than 2004 but will be within the year.
- Ebitda:
  - On line with budget expectations despite sales slightly lower than budget but higher cost control efforts.

Interest Cost Details for the quarter ended March 31, 2005

Financial Cost details	mars-05
HYB interest	3 657
HYB Premium amortization and Non cash	454
SFA interest	638
Other interest (net)	56
Net interest cost	4 805
Forex net	793
Interest expense net	5 598

Other P&L Comments

- Exceptional items:
  - No significant item

- Income Tax:
  - 967 k for the period. 802 K as a cash tax reserve. High amount caused by good performance in Spain, Portugal and Sogestrol; joint ventures where tax optimisation could not be implemented

- Goodwill / Purchase accounting :
  - A goodwill on the acquisition of €51.8 M has been determined and amortised over 20 years

Capital Expenditures

- Main items are related to maintenance and regulatory investments and some commercial capex

Capex M€	**2004**
France	1,2
Europe (ex. France)	0,7
United States	0,2
	=====
TOTAL	2,1

- Implementation of our new Terminal Management System is progressing with small delays due to lack of resources and some local additional functionalities requested by our terminals to cope with local legislations
- The CAPEX facility of 15 M€ included in the Senior Facility Agreement remains undrawn

Conclusion and Outlook

EBITDA level on target

- Free cash flow satisfactory
- 2005 Outlook:
  – Revenues: Throughput and occupancy are showing improvement since September 2004. Industry pick up reflecting in our revenues growth.
  – Cost: Benefits expected from 2004 actions reflecting in our Ebitda margin for 2005
- Current Trading:
  – April 2005: Occupancy rate at 91.6% versus 86.0% in 2004 and throughput of 3,5 Mt versus 3,2 Mt
  – Waiver on technical bank covenant breach obtained. We expect to be in compliance with covenants in the next reporting period.
  - Positive comparisons expected in Q2 2005 versus Q2 2004
  - Discussions with several clients implying significant capacity additions to be launched in 2005 and 2006 (potential 75 000 cm)

Thank you

Q&A