

2016 first-half revenues: €79.3 million Resumption of growth expected for the second half of the year

Rougier is reporting €79.3 million in revenues for the first half of 2016, down 8.5% year-on-year. While the second quarter's revenues show a solid performance of €43.5 million, this is still lower than the second quarter of 2015, which had been particularly high with €47.6 million.

Change in revenues for each business

In a highly volatile environment, the Rougier Afrique International branch recorded contrasting business trends over the first half of this year. In Cameroon and Congo, sales were temporarily limited as a result of weak demand from Asian markets, which has led to increased competition across all the markets. In Gabon, revenues are up from the previous year.

Growth for the France Import-Distribution branch has been driven by the strengthening of its product ranges and the diversification of its customer base.

At 30 June (Group contribution)	2016		2015		Change
	€M	% of rev.	€M	% of rev.	
Rougier Afrique International	62.6	79.0%	70.4	81.3%	-11.1%
France Import-Distribution	16.4	20.6%	15.8	18.3%	+3.3%
Other	0.3	0.4%	0.3	0.4%	-
Total	79.3		86.6		-8.5%

Change in revenues for each product

The slowdown in demand in certain emerging countries has impacted sawn timber sales, faced with a drop in prices for certain wood species and a contraction in the trading business based on sourcing from outside of the Group. Log sales have made up part of the delay recorded in the first quarter thanks to i/ the upturn in exports from Cameroon in the second quarter, and ii/ the strong level of local demand in Gabon, marked by the resumption of sales of certain high value-added timber species, such as Kevazingo, which had been suspended by a government decree in the second half of 2015.

Plywood and veneer sales have achieved strong growth, supported by demand picking up again in Europe.

At 30 June	2016		2015		Change
	€M	% of rev.	€M	% of rev.	
Sawn timber and derivatives	43.3	54.7%	50.9	58.8%	-14.9%
Logs	19.2	24.2%	21.1	24.3%	-8.8%
Plywood and derivatives	16.0	20.2%	13.2	15.2%	+21.7%
Other	0.7	0.9%	1.5	1.7%	
Total	79.3		86.6		-8.5%

Change in revenues for each region

The first half of 2016 was affected by weak demand on several markets in Asia, particularly China, and the Americas, as well as highly volatile levels of demand in the Middle East and North Africa. These developments have been partially offset by the dynamic performance for sales in Europe and certain sub-Saharan African countries.

At 30 June	2016		2015		Change
	€M	% of rev.	€M	% of rev.	
Europe	40.5	51.1%	38.0	43.8%	+6.8%
Asia	21.2	26.7%	28.2	32.6%	-25.0%
Sub-Saharan Africa	9.0	11.3%	7.5	8.7%	+19.5%
Middle East and North Africa	4.9	6.2%	7.1	8.2%	-30.3%
Americas and Pacific Region	3.6	4.5%	5.8	6.7%	-37.6%
Total	79.3		86.6		-8.5%

Outlook

While profitability for the first half of 2016 is expected to be affected by the contraction in revenues over the period, Rougier expects its performances to gradually improve over the second half of the year thanks to a more favorable basis for comparison. This turnaround should be accompanied by operations to sell non-strategic real estate assets with a view to further strengthening the Group's balance sheet and financial flexibility.

In an uncertain environment, Rougier is looking to support its dynamic commercial development in France and internationally, while reducing its costs and strengthening productivity across all its subsidiaries. Alongside this, the Group is preparing to start up its new activities in the Central African Republic, building on close synergies with its operations in Cameroon and Congo.

Next date

2016 first-half earnings on 21 September 2016 (after close of trading)



Managing forests. Enriching wood.

Founded in 1923, the Rougier Group is a market leader for certified African tropical timber. The Group has three core business lines: Rougier Afrique International (natural forest harvesting, industrial processing and international trade), Importing and distribution in France of timber from all origins (including Rougier Sylvaco Panneaux) and Plantations (research, management and investment in industrial forest plantations in Africa).

www.rougier.fr



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Reuters: ALRGR.PA

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Eligible for SME share-based savings schemes

Contact:

Cyril Combe

cyril.combe@calyptus.net

Tel: +33 (0)1 53 65 68 68