

## Revenues at 30 September 2008 Down 4,2%

- **Good resistance despite the worsening economic environment**
- **Healthy financial situation**
- **Introduction of measures to reduce operating spending in the short term**

Paris - 12 November 2008 – In a very difficult economic context, Rougier has achieved revenues of 127,1M€ over a period of nine months, down 4,2% compared with the same period in 2007, but virtually stable on a like for like basis (-1,1%). The performance varies according to the business activity: The France Import-Distribution activity continues to do well with good sales results for the quarter while the Africa and International Trade sector is slightly affected by the global economic slowdown.

### Evolution Per Business Activity

- France Import-Distribution: Buoyant business activity in the third quarter despite a slightly unfavourable 2007 base effect

For the first nine months of 2008, the France Import – Distribution activities have risen by 8,8% thanks to the sales efforts, the growth of the finished product ranges and client diversification.

In the third quarter of 2008, business has remained strong taking account of the unfavourable base effect and the environment that has been affected by the downturn in the construction sector and the healthy state of affairs in the renovation market.

- Africa and International Trade: A drop in sales in a context of a strong market slowdown

During the first nine months of 2008, sales for the Africa and International Trade activity show a 7,3% drop in real terms (-3,5% on a like for like basis).

This evolution reflects the economic context that has continued to worsen over the last three months, notably in North America and Europe.

To face this downturn in business, at the beginning of the second half-year of 2008, Rougier undertook a programme to adjust production resources so as to be in line with global market demand. In parallel, the Group has also pursued with its rigorous cost control programme and has continued to reduce its investments.

## Evolution of the Product Mix

The revenues distribution between the Group's various products over the first nine months of the year has evolved in compliance with the trends observed over previous months:

- The log product line shows a 9,0% drop and accounts for 29,7% of the consolidated revenues, compared with 31,2% at 30 September 2007.
- Revenues from sawn timber are mainly affected by the real estate and construction market slowdown in the western economies. At 30 September 2008, they are down 1,7% and account for 48,9% of the consolidated revenues compared with 47,7% for the same period of 2007.
- Benefiting from a mix effect that is still doing well, plywood sales are resisting well at 21,4% of the consolidated revenues, compared with 21,1% at 30 September 2007.

Finally, processed products account for 70% of the revenues since the beginning of the year, compared with 68% in 2007.

## Evolution Per Geographic Zone

At 30 September	2007	2008
Europe	65%	63%
Asia	20%	21%
Mediterranean Basin and Middle East	7%	11%
America	6%	3%
Sub-Saharan Africa	2%	2%

Rougier is continuing to adapt its policy to the lead markets. Within this perspective, revenues have evolved in a contrasting manner in each geographic zone. Hence, the volumes sold in Europe are affected by a situation that has considerably worsened during the course of the last three months. On the other hand, Rougier has continued to perform well in those zones that are growing fast, notably in the Mediterranean Basin, the Middle East and certain emerging countries of South-East Asia.

## Evolution of the Financial Situation at 30 September 2008

The operational profitability at 30 September 2008 should be affected by the worse than expected downturn of the economic climate.

The Group's balance sheet shows no significant change at 30 September 2008 compared with 30 June 2008. Rougier specifies that its financial structure is particularly sound given its net debt that is well under control (less than 50% of the Group's equity) and given the existence of credit lines that are in line with the Group's current and future needs.

## **Outlook**

The visible downturn of the macro economic context over the last few months and the lack of visibility that results from this leads Rougier to approach the last quarter of 2008 with enhanced caution. In this context, and given the unfavourable 2007 base effect, the Group anticipates a drop in revenues for the financial year 2008.

In order to better safeguard its profitability, Rougier has decided to introduce measures that aim to reduce its operational spending: Temporary closure of production sites, a selective approach to industrial and logistics investments and inventory reduction. The impact of these measures will make it possible to limit the impact of the strong downturn in the current macro economic climate, to exploit those markets that are still buoyant and to prepare for a global market turnaround under the best possible conditions.

Rougier is on course with its strategy to optimise the forestry concessions and develop its industrial added value, reinforced by the international recognition of responsible forest management as the recent FSC certification of Rougier Gabon attests. In the medium term, Rougier's prospects are promising thanks to its mastery of quality lasting and sustainable raw materials that form the foundations of its development.

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