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Press release - 2010 first-half earnings
 Paris, 28 September 2010

Upturn in earnings confirmed over the first half of 2010 Significant reduction in financial debt

Paris, 28 September 2010 (5:45 pm) – During the first half of 2010, Rougier confirmed the upturn that began in the second half of 2009. With €67.8 million in revenues, up 11%, Rougier recorded €1.5 million in EBIT and a net profit of €0.6 million, compared with a €12.8 million loss one year earlier. Despite the continuing uncertainties surrounding the global economy, the outlook for the whole year remains positive.

INCOME STATEMENT			
€'000	H1 2010	H1 2009	2009
Revenues	67,780	61,044	124,761
Income from ordinary operations	1,553	(7,448)	(12,140)
% of revenues	2.3%	(12.2%)	(9.7%)
EBIT	1,545	(11,843)	(16,074)
% of revenues	2.3%	(19.4%)	(12.9%)
Net income	579	(12,778)	(15,561)
Net income (Group share)	600	(12,759)	(15,524)
% of revenues	0.9%	(20.9%)	(12.4%)
Of which, asset write-downs	-	(4,400)	(4,400)
Cash flow from operations	3,237	(4,643)	(4,266)
<small>after cost of net financial debt and tax</small>			

Sustained growth in business over the first half of 2010

Rougier generated €67.8 million in revenues during the first half of 2010, up 11.0% in relation to the first half of 2009. The second quarter of 2010 saw business improve by 22.1%, benefiting in particular from the better level seen on the end markets, combined with sales prices trending up.

The France Import-Distribution segment recorded €21.4 million in revenues, up 12.7% in relation to 30 June 2009. Commercial efficiency and the good fit between the offering and market requirements have made it possible to achieve significant improvements in terms of profitability.

The Africa and International Trade branch posted €50.2 million in half-year revenues, an increase of 6.5% compared with the previous year. With global demand gradually picking up again, the second quarter was dynamic, with +20.3% growth. These developments have led to an increase in production across all the industrial and timber sites, helping better absorb fixed costs and paving the way for a clear upturn in operations for the branch.

However, the ban on log exports from Gabon since 1 January 2010 and the wait for the government measures to support this have undermined the Gabonese subsidiaries and affected their profitability. Buoyed by FSC certification (30% of production volumes in log equivalents sold with this label), Rougier Gabon is already working in line with the new government policy introduced with the Green Gabon concept and intends to continue to be a major player in the industry, meeting the best social and environmental criteria. By moving forward with the concrete transformation of its business model, Rougier aims to return to new levels of probability.

In the three countries where the Group is present - Gabon, Cameroon and Congo - the internal transformation rate (direct and indirect) reached 85% of total log production for the first half of the year.

Encouraging positive half-year earnings

Following a year marked by an unprecedented economic crisis and a major destocking trend within the distribution chain in 2009, Rougier saw a return to profitability during the first half of 2010.

The gross margin is up to 64.5% of consolidated revenues (compared with 55.6% at 30 June 2009), with this strong level reflecting the greater focus on processed products in the product mix, the strengthening of sales prices and the better operational efficiency achieved.

€13.3 million higher than at 30 June 2009, EBIT came to €1.5 million, with a margin rate representing 2.3% of consolidated revenues, compared with -19.4% for the first half of 2009. Excluding non-recurring items, with a negative balance of €4.4 million at 30 June 2009, the €1.5 million in EBIT at 30 June 2010 compares with a €7.5 million loss at 30 June 2009. This clear improvement factors in the rigorous management of fixed costs, a gradual resumption of all production and a steady improvement in sales prices.

The cost of net financial debt is down to €1.07 million from €1.18 million at 30 June 2009, resulting from the reduction in consolidated average net debt (-4.7%) and the drop in interest rates.

After taking into consideration a €0.5 million tax expense, net income comes out at €0.58 million (€0.60 million Group share), representing 0.8% of consolidated revenues.

Further strengthening of the financial structure

Shareholders' equity, stable in relation to 31 December 2009, represented €57.3 million at the end of June 2010 (€56.5 million Group share).

As expected, the Group significantly reduced its financial debt over the period. Consolidated net debt came to €31.3 million, down 14.7% in relation to 31 December 2009 (€36.7 million). The net financial debt to equity ratio has improved, moving from 65% at the end of 2009 to 55% at 30 June 2010.

The strengthening of Rougier's balance sheet, set against an upturn in business, has been accompanied by a €4.0 million improvement in the cash position. Investments have remained under control (€3.1 million at 30 June 2010, compared with €2.9 million one year earlier) and the effective management of customer credit and inventories are reflected in a lower level of operational working capital (-€3.6 million).

Outlook

Rougier is continuing to work towards the permanent focuses in its medium and long-term strategy, based on developing the value of forest concessions, ensuring good forest management certification, and developing industrial value added. Set against this backdrop, the group aims to further strengthen its position as a major player in the tropical woods industry, backed by a strong offering with a wide range of quality products, focusing in priority on certified products.

In view of the performances achieved during the first half, Rougier expects to return to a positive net profit over the full year in 2010

Next date: 2010 third-quarter revenues on Tuesday 9 November 2010 (after close of trading)

The audit procedures on the consolidated accounts have been completed. The half-year financial report at 30 June 2010 will be published and filed with the French securities regulator (AMF) on 29 September. It may be consulted on Rougier's internet site.

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