



Press release
Paris, 18 July 2011

Rougier invests in the development of industrial forest plantations in Africa and adjusts its legal structure

Paris, 18 July 2011 (7:30 am) – The Gabonese government has awarded the management and development of the Mvoum reforestation area to Lignafrica, a 50-50 joint venture between Rougier and FRM, specialized in the development of industrial forest plantations in Africa. Alongside this, Rougier is announcing the adaptation of its legal structure.

Signing of an agreement for the allocation of forest plantation to Lignafrica in Gabon

Lignafrica, joint-venture between Rougier and FRM has been awarded the Mvoum reforestation area (PRM). Located around 70 km from Libreville, the PRM covers 39,000 ha. It includes around 14,000 ha of plantations reaching maturity, which will be brought into production over the next 25 years. During this period, a further 6,000 ha will be planted, taking the plantation up to 20,000 ha in time.

The PRM reforestation area's management and development represents an innovative program for managing wooded plots. It involves harvesting longstanding okoume plantations with an annual timber harvesting potential estimated at 70,000 m³ for the first 25 years. It is combined with a program to plant okoume or other fast-growing timber species, based on 600 to 1,000 ha per year, renewing older plantation areas which have been harvested or rehabilitating damaged secondary natural forest areas.

Build on the best sustainable development criteria, the project will make it possible to develop a modern lumber processing industry in Gabon, optimizing the use of woody materials. Downstream, a specific small-diameter okoume processing plant will be set up near the PRM reforestation area. Upstream, an applied research program on tropical forest plantations will be developed, with work focusing on genetic improvements in the plant material (okoume and teak).

The PRM reforestation area has a strong social focus, with more than 400 direct jobs created, as well as small private plantation programs engaging local communities in the PRM. From an environmental perspective, the plantation forests created will coexist with the PRM's primary natural forests, which will be covered by conservation and protection measures, as well as the reclamation of timber biomass.

Created in 2010, Lignafrica (www.lignafrica.com) is a 50-50 joint-venture between Rougier (www.rougier.fr) and FRM (www.frm-france.com), which have been present for several decades in Gabon, where they are major economic players in the timber industry. The awarding of the Mvoum reforestation area recognizes Lignafrica's expertise in intensive industrial forest plantations. It also confirms Rougier's ability to invest in high-potential innovative projects.

To help ensure the success of this ambitious project, the Gabonese State will be supporting Lignafrica with its implementation and will be taking a 15% capital interest in the future Gabonese company in charge of managing and developing the PRM reforestation area.

Legal structure change

Rougier is adjusting its organization to its strategic priorities. In this way, the Board of Directors decided on 12 July 2011 to change legal structure of the Group to further phase with its managerial organization and to enable financing facilities adapted to the specificities of each business:

- Rougier Africa International: primary natural forest harvesting in Africa, wood processing industries and international trade. At the end of the reorganization, Rougier Africa International (previously Rougier International) will bring together all the activities of the branch ;
- France Import-Distribution: Rougier Sylvaco and Rougier Panneaux, specialized in the importing and marketing of tropical wood from all origins;
- Lignafrica: management and development of plantation forests in Africa.

The legal structure change will contribute towards improving the group's operational and financial management, while helping drive its development and consolidating its lasting foundations.

Next dates:

- 2011 first-half revenue, tuesday 9 August 2011

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