

2013 first-half revenues: €65.3 million Improvement in trends during the second quarter

Paris, 12 August 2013 (5:45 pm) - Rougier generated €65.3 million in revenues during the first half of 2013, down 11.4% year-on-year. In a persistently difficult economic environment, and following a slowdown in the first quarter of 2013, the second quarter saw trends improve, with €34.6 million in revenues, down by only -5.2% compared with the previous year.

Rougier Africa International: trend reversal

The Rougier Africa International branch recorded a limited contraction in its revenues during the second quarter, dropping -4.5% to €27.0 million, making it possible to reverse the trend from the first quarter, which had been penalized by certain exceptional external factors. First-half revenues came to €51.1 million, down 9.6% in relation to the first half of 2012. In Cameroon, following the first quarter's slowdown linked to the new administrative procedures coming into force, business picked up again significantly in the second quarter. In Congo, changes to overland logistics due to the political situation in the Central African Republic have limited shipments. In Gabon, factoring in the transformation of the business model, sales picked up again in the second quarter, following a first quarter that was affected by lower levels of forest production.

France Import-Distribution: sales resilient

The France Import-Distribution segment recorded €16.8 million in half-year revenues, coming in 14.1% lower than the first half of 2012 in view of a difficult context and adverse weather conditions. The second quarter of 2013 confirmed the start of a trend reversal, with a limited contraction in sales compared with the second quarter of 2012 (-6.7%) and sequential growth of 9.6% in relation to the first quarter of 2013. The drive to adapt the ranges of products offered by Rougier Sylvaco and Rougier Panneaux has made it possible to minimize the impact of the significant slowdown on the construction market in France.

Change in the product mix

At 30 June (€'000,000)	2013	2012	Change
Logs	14.0	20.5	-31.8%
Sawn timber and derivatives	36.9	37.2	-0.7%
Panels and derivatives	14.0	15.7	-10.6%

Log sales (21.5% of consolidated revenues at 30 June 2013) are down 31.8% versus the first half of 2012, with a limited contraction in sales for the second quarter (-9.7%). The delay sustained during the first quarter has not yet been made up for despite the turnaround for log exports in Cameroon and the upturn in local sales in Gabon during the second quarter.

Sawn timber sales (56.9% of consolidated revenues at 30 June 2013) came in at a similar level to the first half of 2012. Despite the difficult general environment in Europe, and France in particular, business remained solid during the second quarter, with sequential sales growth of 3.4% versus the first quarter of 2013. This good level of business has been driven by the diversification of the timber species offered and the expansion of the ranges of processed products.

Plywood sales (21.6% of consolidated revenues at 30 June 2013) are down 10.6% in relation to the first half of 2012. This change reflects the low point reached for business in a context marked by the slowdown in demand in Europe, competition from temperate woods and the temporary difficulties with sourcing quality logs for industrial facilities in Gabon. Nevertheless, this trend reversed in the second quarter, with sequential revenue growth of 4.6% compared with the first quarter of 2013.

Developments for each region

At 30 June (€'000,000)	2013	2012	Change
Europe	34.5	41.3	-16.4%
Asia	16.8	21.3	-21.4%
Mediterranean Basin and Middle East	5.2	4.4	+18.3%
Sub-Saharan Africa	5.3	4.2	+24.9%
America	3.5	2.5	+41.8%

The strategy to diversify its geographical positions and expand its product ranges is enabling the Group to benefit from contrasting market trends, in addition to offsetting the weak level of demand on the main European markets, and France in particular. During the first half of the year, this strategy was reflected in the continued development of certified products in Northern Europe and America, as well as the upturn on certain markets in the Mediterranean Basin. In Asia, the penetration of new markets and the increase in sales of primary-processed products have not made it possible to offset the temporary reduction in log shipments to China.

Outlook

While remaining cautious over the short term, in view of the persistent economic uncertainties that are continuing to affect current profitability, Rougier is moving forward with a strategy for responsible development, based on creating value through its forest concessions in Africa, industrializing its production and developing its ability to build a comprehensive range of certified products, particularly FSC®.

Focused in priority on improving its performances, Rougier is supporting its strategy with the realignment of its activities in Gabon still in progress, the development of value-added products in Cameroon and Congo, as well as the launch of an African tropical timber sourcing and trading business. Alongside this, Rougier is continuing to diversify its activities through its joint-venture subsidiary Lignafrica, with this summer seeing the first harvesting and sales of logs from its okoume forest plantations in Gabon, as well as a technical agreement signed in Ivory Coast for the awarding of current or future planted areas.

Next date

2013 first-half earnings: Thursday 19 September 2013 (after close of trading)



Founded in 1923, the Rougier Group is a market leader for certified African tropical timber. The Group operates around three activities: Rougier Afrique International (natural forest harvesting, industrial processing and international trade), Lignafrica (research, management and investment in industrial forest plantations in Africa), Rougier Sylvaco and Rougier Panneaux (importing and distribution in France of timber from all origins).
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