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Press release

2013 first-half earnings

Paris, 19 September 2013 (5:45 pm) – Rougier's earnings for the first half of 2013 reflect a difficult global economic climate, combined with the significant impact of the difficulties encountered in Gabon. Income from ordinary operations came to €(4.4) million. Net income (Group share) totaled €(6.6) million, notably affected by impairment of assets in Gabon for a total of €3.6 million. During the second half of the year, the turnaround measures rolled out in Gabon should enable Rougier to look ahead to 2014 under better conditions.

Condensed consolidated income statement

(€'000)	H1 2013**	H1 2012 restated*	2012 restated*
Revenues	65,267	73,691	142,557
Income from ordinary operations	(4,415)	(41)	(638)
% of revenues	(6.8%)	(0.1%)	(0.5%)
EBIT	(8,078)	(35)	(1,394)
% of revenues	(12.4%)	(0.1%)	(1.0%)
Of which, asset write-downs	(3,575)	-	(880)
Net income	(10,194)	(1,736)	(5,217)
Net income (Group share)	(6,597)	(1,097)	(3,551)
% of revenues	(10.1%)	(1.5%)	(2.5%)
Cash flow from operations after cost of net financial debt and tax	(2,051)	2,405	3,827

*Following the application of IAS 19 (revised) relating to employee benefits

** Interim accounts have not been subject to a limited review since the listing of the shares was transferred to Alternext in August 2012

Downturn in profitability, compounded by non-recurring elements

In a sluggish global economic environment, the Group's business and profitability have reached a low point resulting from the decline in volumes sold and the combination of non-recurring negative factors.

In Gabon, the changes required in terms of the organization of activities and adaptations in line with the new business model have led to significant losses. In Cameroon and Congo, the administrative and logistical constraints faced have had only a temporary and limited impact on the subsidiaries' operational performances. In France, the Import-Distribution branch's results have been penalized by the contraction in the building sector.

In this context, income from ordinary operations totaled €(4.4) million at 30 June 2013, compared with €(0.04) million at 30 June 2012. EBIT came to €(8.1) million for the first half of 2013, factoring in an exceptional impairment of intangible assets for €3.6 million concerning activities in Gabon as a result of a lag in terms of the trend reversal.

After taking into account the cost of net financial debt for €1.5 million and a €0.4 million tax expense, net income represents €(10.2) million, reflecting the consolidation on an equity basis of earnings recorded by Lignafrica, the joint-venture specialized in the development of industrial forest plantations in Africa. On a Group share basis, net income comes out at €(6.6) million.

Limited impact on the financial structure

Following on from these results, total shareholders' equity represented €59.8 million at 30 June 2013, compared with €69.5 million at 31 December 2012. Despite the difficult environment, the increase in net financial debt has been limited (+€3.0 million), rising to €51.1 million at 30 June 2013.

Outlook

The general economic climate is not expected to improve during the second half of 2013, even if the low point was reached during the first part of the year. With performance levels improving in Cameroon and Congo, Rougier is focusing over the short term on the realignment of its activities in Gabon: selling off assets, developing local revenues and ensuring effective control over operations. This recovery plan will be accompanied by a ramping up of savings measures launched during the second quarter: adjusting the workforce levels in Gabon, optimizing logistics, reducing the organization's structural costs and limiting investments.

Alongside this, Rougier is diversifying its activities. This strategy can be seen with the development of a business for international trade in African tropical timber, as well as the effective start of operations for the joint-venture subsidiary Lignafrika, which now operates in Gabon selling logs from its okoume forest plantations and which signed a technical agreement in Ivory Coast this summer for the awarding of current or future planted areas.

Rougier aims to improve the profile of its activities, moving towards segments with the highest levels of profitability and most potential for development.

All these actions will make it possible to further strengthen the Group's positioning faced with the timber sector's transformation.

Next date: 2013 third-quarter revenues on 13 November 2013 (after close of trading)



Rougier Sylvaco and Rougier Panneaux (importing and distribution in France of timber from all origins).

www.rougier.fr

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), Lignafrika (research, management and investment in industrial forest plantations in Africa),

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