



Spraying is our business!

*1st half 2011-2012 results:
Current Operating Profit and Net Profit up €10 million*

- > Growth in turnover (+36.8%) and COP (+€10 M) vs. last year
- > A rising number of orders, both in Plant Protection and Materials Protection
- > Positive exchange rate effects (€3.4 M gain)
- > Unchanged and robust financial structure

Consolidated data in €M	S1 2011/2012	S1 2010/2011	Variation in €M	Variation in %
Turnover	239.2	174.9	64.3	36.8%
Value added	87.4	67.5	19.9	29.5%
Current Operating Profit	7.0	-3.4	10.4	ns
Operating Profit	7.0	-4.2	11.2	ns
Profit Before Tax	9.6	-6.4	16.1	ns
Net Profit	5.7	-4.9	10.6	ns
Operating Cashflow	-14.5	-17.4	2.9	17%
Employees	2 752	2 649	103 people	3.9%

Unaudited accounts

~ Analysis of the results for the 1st half of 2011-2012

Income statement:

During the 1st half of 2011-2012 (September to February), the consolidated turnover of EXEL Industries grew by 36.8%, thanks to the dynamism of the Materials Protection (+40.8%) and Plant Protection (+35%) activities. During this half, EXEL Industries generated most of its sales (57%) on export markets.

Current Operating Profit was over €10 M higher than the previous period, reaching €7 M. The growth in Current Operating Profit came entirely from sales growth, with better performances in production and deliveries.

The price increases applied in September compensated the inflationary pressure but the positive effect on margins is yet to come, and will be visible in the second half of the period, when the new commercial conditions will be applied to all invoicing.

In order to cope with the significant increase in orders over the period, the Group reinforced its production resources, principally through seasonal or temporary staff. Permanent teams, meanwhile, are up by 103 people, mainly outside of France and in research and commercial teams.

Operational profit is up €2.6 M thanks to the effect of exchange rate movements, representing +€3.4 M, including €1.4 M of real effects on payments and €2 M of latent effects. Net profit rose to €5.7 M after taking into account a tax charge of €4.2 M. It should be noted that the Group does not include any possible tax credits on research in its accounts until the publication of its annual results.

Balance sheet:

Purchases of strategic components during the previous accounting period have an impact on stocks at the end of February 2012, as well as the scaling up of production. All this has led to a €28 M increase in stocks. The WCR increased by €24.8 M, despite the continued reduction in customer days, which are down 8%.

Net debt is €35.8 M. With a gearing of 18.7% and shareholder equity of €191.6 M, the Group has a solid financial situation and credit lines available, which have been confirmed at the same level as last year.

~ Evolution of the activity by market

u **Plant Protection** (68% of consolidated turnover)

Over the first six months of the 2011-2012 accounting year, the Plant Protection activity grew by 35% to €162.7 M, at the same rhythm in the first half of the year as the second.

All farming subsidiaries are developing, driven by a positive climate for investment among farmers; with France being more dynamic than international markets. Sales in France have returned to the benchmark level of 2008.

The progression of export sales comes essentially from Western Europe, the CIS and beginnings of growth in the USA. The moderate sales growth in Australia is amplified by favourable exchange rate effects on the AUD.

The general public segment is down 6%, mainly because of the postponement of export order deliveries to S2. As announced, the new Easyfresh® spray range, for refreshment with a fine spray of water droplets, will be launched in the second half of the year.

Freezing temperatures in January and February caused a "wait and see" approach from farmers regarding new orders. Nevertheless, orders remain higher than the levels of February 2011.

u **Materials Protection** (32% of consolidated turnover)

Over the 1st half of 2011-2012, the turnover in Materials Protection grew by 40.8% to €76.5 M, with growth much higher abroad than in France. Turnover in Materials Protection is dominated by international sales.

The highest growth was posted in South America and North America in the automotive industry.

Over the first six months, order entries were higher than last year, especially in the second quarter. In February 2012, orders remained higher than February 2011, with certain automotive projects being delivered next year, at customers' request.

~ Outlook and Strategy

Guerric Ballu, Managing Director of EXEL Industries, explains:

"The 37% growth in our turnover is a great performance by EXEL Industries Group. Of course, it is compared with a particularly low first half of 2011, but this progression is thanks to the commercial success of the Group's brands in France and abroad.

Operating profit rose by €10 M. This is the productivity plans at work; project management has been reinforced, but the impact on gross margins will be progressive. The Group is defending its leading global position in the field of Plant Protection and is continuing to grow in Materials Protection, targeting an improvement in operating profits.

We are confident in the progress underway, and reassured by the very healthy level of orders. The solidity of the Group's fundamentals is confirmed every quarter by our operational reactivity. The solidity of the balance sheet and our financial capacity are precious assets that provide opportunities for external growth."

Next release: Turnover for the 3rd quarter 2011-12, on Tuesday 26 June 2012.

About EXEL Industries: www.exel-industries.com

Global specialist in precision spraying techniques for farming (world no.1) and industry (world no.3), EXEL Industries employs around 2600 people in 23 countries on all five continents.

*NYSE-Euronext Paris, Compartment B (Ticker EXE / ISIN FR0004527638)
SBF 250 index, CAC Mid&Small 190, CAC Small 90*



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