



## Strong increase in 2012 annual results

- 8.2% sales growth
- 80% increase in profit from recurring operations
- Significant cash flow generation

*“Strong growth in 2012 results, driven by development momentum in the Aeronautics and Industrial sectors, demonstrates the appropriateness of our strategy of continued innovation and international reach. In an economic environment that remains challenging, the favourable trend in our activities allows us to look forward to 2013 with confidence”*,



Pierre Gattaz, Chairman of the Management Board of RADIALL.

| (€ millions) – IFRS – year to 31 December                       | 2012                 | 2011                 | % change     |
|---|----------------------|----------------------|--------------|
| <b>Sales</b>  | <b>220.1</b>         | <b>203.3</b>         | <b>+8.2%</b> |
| <b>Profit from recurring operations</b><br><i>as % of sales</i> | <b>18.3</b><br>8,3%  | <b>10.1</b><br>5.0 % | <b>+80%</b>  |
| <i>Operating profit</i>   | 19.7                 | 9.9                  | +99%         |
| <i>Cost of financial debt</i>                                   | (0.7)                | (1.6)                |              |
| <i>Other income (expenses)</i>                                  | (0.1)                | (1.0)                |              |
| <i>Income tax</i>   | (5.1)                | (2.1)                |              |
| <b>Net profit</b><br><i>as % of sales</i>                       | <b>13.8</b><br>6.3 % | <b>5.2</b><br>2.6 %  | <b>+165%</b> |
| <b>Cash net of debt</b>   | <b>30.5*</b>         | <b>9.4</b>           | <b>+223%</b> |

\* Following the partial redemption in July 2012 of the remaining OBSAAR warrants issued in July 2007, for € 20.8 million, and the disposal of 50% of the subsidiary RAYDIALL.

### Sustained growth in 2012

RADIALL achieved sales of €220.1 million in 2012, an increase of 8.2% on a reported basis compared to 2011, and 8.8% on a constant group structure basis. Growth was 4.4% on a like-for-like basis, due to the proportional consolidation of RAYDIALL as from July, 1<sup>st</sup> 2012 and more favourable foreign exchange rates in 2012, reflecting continued sales growth since 2009.

North America was the geographic region that contributed the most to the sales momentum in 2012, driven in particular by civil aeronautics, the market segment that experienced the strongest growth in all geographic regions. Industry was also one of the best-performing business sectors, unlike the Telecom sector which reported a decline.

2012 international sales accounted for 80.5% of total Group sales, which was an increase of 10.8% compared to 2011.

## Significant increase in profitability

RADIALL's 2012 profit from recurring operations substantially increased to €18.3 million, representing 8.3% of sales and an increase of 80.4% compared to 2011. This performance was underpinned by:

- Sales growth, combined with a highly favourable product/market mix.
- Increased operational excellence, which notably generated productivity gains.
- Favourable movements in the EUR/USD exchange rate and raw material prices compared to 2011.

After including non-recurring income of €1.5 million partly generated by the disposal of 50% of the equity investment in the automotive subsidiary RAYDIALL, the Group's 2012 operating profit totalled €19.7 million, almost double that of the previous financial year.

After taking account of a reduction in the cost of financial debt and other financial income and expenses compared to 2011, and an unfavourable income tax effect due to the increase in operating profit, net profit was €13.8 million, representing 6.3% of sales, a significant increase of 165% compared to the 2011 financial year.

## Sound balance sheet further strengthened

RADIALL benefits from a sound balance sheet, with shareholders' equity of €137.5 million and €44.9 million in cash at 31 December 2012. During the financial year, financial debt was reduced from €28.1 million to €14.4 million, primarily as a result of the redemption in July 2012 of the last OBSAAR warrants issued in 2007, for €20.8 million. Cash flow of €25.4 million generated during the financial year includes a further reduction in Working Capital Requirements despite sales growth, resulting in a year-end cash net of debt balance of €30.5 million, a €21.0 million increase compared to the end of December 2011.

## Cash dividend

The Management Board will propose a cash dividend of €1.15 per share for the 2012 financial year, compared to €0.90 for 2011.

## Confidence for 2013

RADIALL's overall operations are expected to remain well oriented in 2013 and should generate moderate growth in light of the robust growth outlook for the Aeronautics sector and stable, if not increased Group market shares in other market segments. Some of the latter remain uncertain however due to potential delays in the rollout of customer programmes.

This outlook remains subject to a continuation of the current overall business environment, provided the Group does not have to face further unfavourable movements in the EUR/USD exchange rate or raw material prices.

## Shareholders' agenda:

2013 first quarter sales: 18 April 2013.

### About RADIALL

*RADIALL designs, develops and manufactures electronic components dedicated to wireless communication, automotive telematics and military and aeronautic equipment applications.*

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