

RIBER

Press release

2014 FIRST-HALF EARNINGS

Bezons, September 26th, 2014 – 7 am – RIBER, global leader for molecular beam epitaxy (MBE), is announcing its earnings for the first half of 2014 and its outlook for the full year.

(€'000,000)	H1 2014	H1 2013	2013
Revenues	4.8	7.8	23.5
Systems revenues	2.1	4.8	16.9
Services and accessories revenues	2.3	2.5	5.3
Cells and sources revenues	0.4	0.5	1.3
Gross margin	0.6	2.2	7.5
Operating income	(3.6)	(2.0)	0.2
Pre-tax earnings	(3.6)	(2.0)	0.2
Net income	(3.6)	(2.0)	0.2

As Frédéric Goutard, President of the Executive Board, confirms: "The recent sale of several units of the all new Compact 21DZ highlights RIBER's ascendancy on the market for R&D MBE machines. The company is focusing its efforts on this segment, as well as sales of MBE accessories and cells, for which the order book has grown significantly over the past year. Alongside this, Riber is moving forward with its roadmap in the OLED sector, looking ahead to the industrial deployment of this type of product following a sale of pilot linear sources. On markets that were still contracting during this half-year period, Riber is ramping up its efforts to reduce its fixed costs. A better pipeline for orders since the second quarter points to a recovery in 2015".

HIGHLIGHTS

- Global MBE market in a low cycle during the first half of 2014
- Successful launch of the innovative C21 DZ Discover system
- Significant progress on the OLED market

CHANGE IN EARNINGS

2014 first-half revenues came to €4.8 million, reflecting the market's weakness, as well as the fact that deliveries are scheduled primarily for the second half of the year.

During the half-year period, only two research MBE machines were billed, compared with five during the same period in 2013.

Sales of services, cells and accessories are down slightly, with the increase in sales to research customers offsetting to a great extent the sluggish level of demand among industrial customers.

Earnings at June 30th were adversely affected by the trend for revenues and the strong seasonality of the production plan for 2014, with a half-year gross margin of €0.6 million at June 30th, 2014. Provisioning for inventories led to a net charge of €0.5 million, linked directly to the contraction in business.

Sales and administrative costs are down 15% thanks to the savings measures rolled out by the Company.

In this context, consolidated net income shows a €3.6 million loss (-€2.0 million at June 30th, 2013).

OUTLOOK

At the end of August 2014, the order book represented €8.5 million, with nine research systems and orders for services, effusion sources and spare parts (3m€). Three of the systems were produced during the first half of the year for a combined total of €3.2 million, but, for contractual reasons, they will only be delivered and billed in the second half of 2014.

RIBER is focusing its sales and marketing actions on the research market and developing its new range of OLED cells, for which a pilot order was recorded in August.

In view of the program for deliveries between now and the end of the year, and depending on the finalization of several major orders soon, revenues are expected to come in at €15 to 19 million for 2014, with a loss of over €3 million.

In a context marked by a low level of business during the first half of the year, the cash position at end-June 2014 gives a €0.9 million loss. It returned to breaking even at end-August 2014 and will improve during the second half of the year as orders are booked.

RIBER is forecasting a financial turnaround in 2015, with the R&D MBE market's expected recovery, the launch of the C21 DZ Discover system and the savings plans rolled out. Alongside this, recent progress in the OLED sector is expected to consolidate the company's diversification strategy from 2015.

NEXT DATE: 2014 third-quarter revenues on October 22nd (after close of trading)

The condensed consolidated half-year accounts have been subject to a limited review by the statutory auditors. The half-year financial report was approved by the Management and Supervisory Boards on September 25th, 2014. It is available in French on the company website (www.riber.com).

ABOUT RIBER:

Riber designs and produces molecular beam epitaxy (MBE) systems as well as evaporation sources and cells for the semiconductor industry. This high-tech equipment is essential for the manufacturing of compound semiconductor materials and new materials that are used in numerous consumer applications, from new information technologies to OLED flat screens and new generation solar cells.

The Riber Group recorded €23.5 million in revenues for 2013, with 109 employees at the end of 2013. The company is ISO9001 certified. Riber is listed on NYSE-Euronext Paris, Compartment "C", and is part of the CAC Small, CAC Mid & Small, CAC Technology and CAC T. HARD. & EQ indices. Riber is one of the best-rated companies in the Gaïa-index, the leading SRI index for French mid-caps. Riber is eligible for SME share-based savings schemes.



ISIN: FR0000075954 - RIB
Reuters: RIBE.PA
Bloomberg: RIB: FP
BPI France-approved innovative company

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