PRESS RELEASE

2011 results
Recurring operating profit: -€1.3m
Net profit: +€33.9m

La Seyne-sur-Mer, 11th April 2012: Groupe VIAL (ISIN: FR0010340406 – Ticker: VIA), France's leading independent discount industrial joinery group, today announces its audited annual results for the financial year to 31st December 2011, approved by the Board meeting of 27th March 2012. The auditors' reports will be issued within the regulatory timeframe before the Annual Shareholders' Meeting.

- **Activity in line with targets**

Despite a difficult context associated with the completion of the Safeguard Procedure on 20th October 2011, Groupe VIAL managed to maintain sales growth of +2.77% in 2011, in line with the sales figure of €105m laid out within the framework of the Safeguard Procedure.

In Europe (France, Spain, Portugal), the annual increase in activity was purely organic, with no new store having opened since the 1st quarter of the previous year.

Activity in Bolivia consists of direct sales of semi-finished wood products from 2 factories and via the creation of 5 (wholly-owned) stores in that country.

At 31st December 2011, Groupe VIAL's distribution network thus consisted of 74 stores, 64 of them in France, 4 in Spain, 1 in Portugal and 5 in Bolivia.

- **2011 audited consolidated results**

In millions of euros *IFRS*	**2011**	**2010**	***Δ (€m)***
Sales	**104.4**	101.6	*+2.8*
Gross margin	**58.6**	57.0	*+1.6*
Recurring operating profit	**-1.3**	0.7	*-2.0*
Operating profit	**-3.0**	-0.5	*-2.5*
Other financial income and charges	**27.4**	2.0	*+25.4*
Net profit	**33.9**	**-3.4**	***+37.3***
Attributable net profit	*33.8*	*-3.0*	*+36.8*

The **gross margin** increased by +€1.6m compared to 2010, despite a particularly difficult economic context. It totalled €58.6m, and thus represented 56.1% of sales, stable compared to 31st December 2010.

This performance was the result of various factors:

- a product offer adapted to market demand (renovation products), with a particularly competitive quality-price ratio;

- increased awareness backed by a targeted advertising campaign, notably from the second half of 2011;

- an unfavourable economic context in Europe offset by dynamic activity in Bolivia, with the opening of 5 stores during the year:

    - In Europe: weak consumption, pricing pressure (promotional operations in France over the second and fourth quarters) and a fall in new housing starts in France;

    - Dynamic wood sales on the Bolivian market, where activity consists of direct sales of semi-finished wood products from 2 factories and the creation of 5 sales agencies and 4 partners.

- the ongoing positioning on the renovation market that is continuing to have a positive impact on the Group's global margin;

- the improvement in the supply chain and the strengthening of the centralisation of inventories in France in order to reduce supply costs.

Recurring operating profit was a negative -€1.3m in 2011, compared to +€0.7m in 2010. This decrease was essentially due to the impact of the following charges:

- substantial increase in personnel costs (+€1.8m), which nevertheless remains under control within the context of the Group's restructuring,

- an increase in external costs relating to Transport, Advertising and Fees (+€2.4m).

Operating profit totalled -€3.0m (versus -€0.5m in 2010), affected by substantial but non-recurring Safeguard Procedure costs of €1.2m.

The **cost of gross financial debt** was -€2.9m, the same as in 2010.

Once financial income of €27.3m associated with the conversion of OCEANE bonds into shares on 8th December 2011 (applying IFRS - IFRIC 19) and tax income of €12.3m associated with the reversal of the deferred tax liability that disappeared with the bond conversion are taken into account, net profit for the year was +€33.9m.

- **2011 results fully in line with the Safeguard Procedure targets**

Regarding the Safeguard Procedure targets, the Group's 2011 annual sales reached 99.5% of the target, EBITDA was slightly below the target (-€0.7m) and the cash position at the end of the year was substantially above the target (+€9.5m):

In millions of euros (IFRS)	**Safeguard procedure 2011 target**	**2011 actual**	**Difference**
Sales	105.0	104.4	-0.6
EBITDA*	4.2	3.5**	-0.7
Cash position at yearend***	13.6	23.1	+9.5

* EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation
** Recurring operating profit was used to calculate EBITDA, as no non-recurrent elements were taken into account when drawing up the Safeguard Procedure targets
*** The cash surplus mentioned in point (e) of the Safeguard Procedure corresponds to the change in the cash position between the end of one year and the end of the next

- **Financial structure and debt**

In millions of euros (IFRS)	**31.12.11**	**31.12.10**
ASSETS		
Non-current assets	33.6	33.5
Current assets	95.6	96.4
of which: cash	*25.1*	*22.6*
Total	**129.2**	**129.9**
LIABILITIES		
Shareholders' equity	50.5	17.9
Non-current liabilities	47.3	60.9
Current portion of long-term financial debts and loans	4.3	28.4
Other current liabilities	27.1	22.7
Total	**129.2**	**129.9**

The main consolidated accounting impacts resulting from the adoption of the Safeguard Procedure, directly tied to the conversion of the OCEANE bonds being written down in accordance with IFRIC 19, are the following:

- firstly, the cancelling of the bond debt of €28.3m,
- secondly, an increase in consolidated reserves of €1m (as well as the writing down of non-operating profit of €27.3m).

Following the conversion of the OCEANE bonds into capital on 8th December 2011, the Group held 10.6% of its capital in the form of treasury shares, and intends to comply with legal requirements and reduce this to below 10% by 8th December 2012.

- **Cash position and cash flow**

At 31st December 2011 the Group's net cash position stood at €23.1m, compared to €21.7m at 31st December 2010.

The Group has continued to pursue its efforts to reduce its working capital requirements, notably cutting its stocks by close to €3.4m (-6.5%). Over the period, working capital requirements were thus reduced by €4.5m in 2011, following an initial reduction of €9.5m in 2010.

Net cash flow generated by activity totalled +€5.5m over the year.

- **Implementation of the Safeguard Procedure: issuance of stock warrants**

Within the framework of the Safeguard Procedure, Groupe VIAL has pledged to issue a minimum of €2m of stock warrants via a public offering.

A Board meeting will be held shortly to set the definitive size of the operation, which should be launched during the second quarter.

If this operation is not carried out by 31st July 2012, the main shareholder will have to pay the sum of €2m into a frozen current account subordinated to the repayment in full of the Group's bank debt.

The Group will publish its sales for the 1st quarter of 2012 on 14th May 2012.

About Groupe VIAL (www.groupe-vial.com)
Groupe VIAL, listed on Euronext Paris by NYSE Euronext since December 2006, sells and manufactures wood, aluminium and PVC products for the home such as doors, windows, gates and staircases. It offers an unmatched ratio of price to quality, thanks to full control of its supplies, its effective and modern production facilities and its vast distribution network, which at 31st December 2011 comprised 74 stores under the VIAL Menuiseries banner, including 4 in Spain, 1 in Portugal and 5 in Bolivia.

Commercial website: www.vial-menuiseries.com

Compartment C of Euronext Paris, part of the NYSE Euronext Group
Reuters: **VIA.PA** - Bloomberg: **VIA FP**

VIA
LISTED
NYSE
EURONEXT

Groupe VIAL
Patrick Thinet
CEO
investisseurs@groupe-vial.com

NewCap.
Financial communication – Investor relations
Dusan Oresansky / Pierre Laurent
Tel: +33 (0)1 44 71 94 94
vial@newcap.fr