

## Partial deleveraging of Quantel Group

### Quantel disposes of assets of its Dermatology branch and confirms the terms of the sale of its head office building

QUANTEL is today announcing the sale of its Dermatology-Aesthetics Lasers business. This transaction ties in with the Group's deleveraging strategy and follows the sale of the head office building, which was announced in May and has just been finalized.

#### **Sale of the head office building**

The final contract of sale of QUANTEL's head office building in Les Ulis was closed on Monday June 11th, 2012 with an investment company for €6.6 million. Moving forward, Quantel will remain in the building as tenant. As a reminder, this building had been acquired in 2005 under a contract of financial lease, of which the remaining capital before the transfer was around € 3 million.

This transaction is reflected in an accounting capital gain of over €3 million, increasing the Group's shareholders' equity by the same amount, combined with a reduction in net financial debt by over €5 million.

The increase in annual costs between, on the one hand, the new rent, and on the other, the previous finance lease charges and the financial expenses linked to the portion of debt that has been paid down will be less than €150,000 per year. Over 2012, this increase will be negligible.

The net proceeds from the sale of the building attributed to Quantel, i.e. € 2 million, was allocated to cash requirements for current operations of the Group.

#### **Sale of the Dermatology branch**

Quantel has just signed an agreement with the Israeli firm ALMA Lasers to sell its Dermatology-Aesthetics Lasers business.

Under this agreement, QUANTEL would be selling the non-current, tangible and intangible assets corresponding to this business line, as well as part of its inventories. The non-current assets and inventories required for producing these devices will continue to be owned by the Group.

QUANTEL will continue to produce the devices from the dermatology range on behalf of ALMA. This manufacturing agreement is being entered into for a minimum of one year and may be renewed if requested by ALMA.

The Dermatology branch generated €9.3 million in revenues over 2011 and recorded a negative consolidated margin, which affected the Group's consolidated earnings.

This sale, which will only become definitive once a certain number of conditions have been met over the coming weeks, will enable the QUANTEL Group to improve its profitability and reduce its debt. It will also pave the way for the Medical Division to focus on developing the Ophthalmology business, which is continuing to increase its market shares thanks to the innovative products released during the last few years.

The operation should generate a consolidated capital loss of around €2.5 million, which would be offset by the capital gain recorded on the sale of the head office building.

## Reduction in the Group's debt

Alongside these two operations, and in connection with the acquisition of the company EOLITE by the American group ESI, QUANTEL has sold its stake in EOLITE for around €400,000, equivalent to the cost price of this interest, acquired in 2006.

Overall, these sales should enable the QUANTEL Group to bring its net financial debt down by around €11 million in time. In view of the sums locked in as guarantees for these two operations, the deleveraging will be lower in 2012, although still coming in at over €9 million.

These strategic operations will help Quantel to cover the refinancing installments scheduled for 2013 more easily and realign its activities around its original businesses, on which it has strong commercial positions globally.

The Group indeed keeps studying different opportunities to diversify its funding sources and is still considering the best options to refinance the Oceane maturing in January 2013 for a total of € 6.6 million.

Founded in 1970, the QUANTEL Group has over the last 10 years established itself as one of the world's leading specialists for scientific (research laboratories, universities), industrial (marking) and medical (ophthalmology, dermatology) laser technologies.

Present in France, the US and Germany, through its subsidiaries QUANTEL USA and QUANTEL DERMA, the QUANTEL Group generated €59.7 million in revenues in 2011, with over 75% internationally, split between scientific and industrial laser applications (50%) and medical applications (50%).

Quantel's shares are listed on Euronext C (NYSE Euronext). FR0000038242 – QUA

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