

First half-year results 2013

Norbert Dentressangle maintains controlled development plans

Turnover: €1,932m

Operating margin: 2.9%

- Turnover stable in the first half-year 2013 at €1,932m, sustained by strong growth in the Logistics activity, which counteracted the downturn in Transport and Freight Forwarding activities
- Operating profit before goodwill at €55.1m, down 14%, primarily as a result of one-off charges linked to measures taken by Transport to adapt to the weakened market conditions
- Strict financial controls maintained with disciplined balance sheet ratios, fine-tuning of the WCR and continuing efforts to reduce Group debt
- Continuing transformation with targeted acquisitions and a major international partnership: the logistics activities of the Fiege Group in Italy and the Iberian peninsula, the Freight Forwarding activities of Daher in France and Russia and the setting-up of a chilled logistics joint venture with Danone in Russia

Commenting on the results for the first half-year 2013, Hervé Montjotin, Chief Executive Officer of Norbert Dentressangle, said: *“Norbert Dentressangle’s teams have been working hard during this first half-year to remain on our development course despite very different situations in each of the businesses. In Transport, the order of the day was to adapt to a sluggish economic climate, particularly for our industrial clients in France. The action we have taken has affected our operating profitability over the first half-year but we expect to see the first positive effects on the second half-year. Logistics is maintaining solid growth with a good level of profitability that is allowing us to expand the business outside Europe. Finally, as a result of our acquisition of Daher’s Freight Forwarding operations, our Freight Forwarding business will reach a size that will allow Norbert Dentressangle to become a significant player in the sector and ensure a strong, efficient and profitable business platform. Based on current market conditions, the seasonal nature of the Group’s results, with a second half-year traditionally stronger than the first, and our solid foundations, we remain confident about our prospects”.*

In millions of euros (Audited accounts)	1 st half-year 2013	1 st half-year 2012 re-stated**	Change H1 13/ H1 12	1 st half-year 2012 published
Turnover	1,932	1,934	-0.1%	1,934
EBITDA *	112.1	118.1	-5.1%	118.1
Operating profit before goodwill (EBITA)	55.1	64.0	-14%	64.3
EBITA margin (%)	2.9%	3.3%		3.3%
Consolidated net profit	24.5	27.4	-10%	29.9

*: operating profit before allowances/reversals linked to amortisation, depreciation or provisions.

** : with consideration for the IAS 19_R standard relating to social obligations.

Turnover: Maintaining the level of activity

In what is still a difficult economic climate in Europe, Norbert Dentressangle's consolidated turnover in the first half-year 2013 was €1,932m, stable compared to the same period in 2012. The exchange rate impact over the period was down 1%. On a like-for-like business basis, organic growth was -0.5% compared to the first half-year 2012.

Business outside France was 58% of total turnover this half-year, with Great Britain, the second biggest contributor to Group turnover, accounting for over 30% of total sales during the first six months of 2013.

First half-year Turnover in millions of euros	H1 2013	H1 2012	Total Change %	Like for like Change %
Transport	1,010	1,041	-3.0%	-2.4%
Logistics	897	862	+4.0%	+2.5%
Freight forwarding	64	68	-6.2%	-14.2%
Inter-divisions*	(38)	(37)	-	-
Consolidated total	1,932	1,934	-0.1%	-0.5%

Second Quarter Turnover in millions of euros	Q2 2013	Q2 2012	Total Change %	Like for like Change %
Transport	510	519	-1.8%	-1.0%
Logistics	461	440	+4.6%	+2.7%
Freight forwarding	31	36	-13.1%	-19.1%
Inter-divisions*	(19)	(20)	-	-
Consolidated total	983	976	+0.8%	+0.3%

* Including turnover for the Dagenham site in the UK (sold in early October 2012)

- **Transport**, with turnover of €1,010 m at 30 June 2013, down 3% compared to the same period in 2012, turned in a contrasting performance depending on the sector: pallet network activities performed well, while full-load transport, more exposed to the difficult industrial sector climate, is suffering from a more sluggish than anticipated economic situation in France. The volume/price effect of -0.3% recorded in H1 demonstrates a good sales momentum in spite of the economic climate.
- **Logistics** maintained its growth with a turnover of €897m, up 4% year-on-year, and up 2.5% like-for-like. These figures demonstrate Norbert Dentressangle's ability to roll out its Logistics offer to a diversified base of high profile, market leading clients. The sales performance achieved in the major markets – France, the United Kingdom, Italy and the Netherlands – over the half-year will ensure sustained growth in Logistics over the second half-year and beyond. The Logistics activity is currently developing outside Europe with, in particular, the creation of a joint venture in Russia with Danone to develop chilled logistics and transport in this high growth-potential region.

- Over the first half-year 2013, **Freight Forwarding**, which was launched in 2010, achieved a turnover of €64 m, a decrease of 6.2% compared to the same period in 2012.

Operating profit negatively impacted by one-off charges in the Transport activity

Operating profit before goodwill was €5.1m, 14% down on the first half-year 2012, giving an operating margin of 2.9% compared to 3.3% over the same period the previous year. This reduction in operating profitability, which suffered from an unfavourable basis for comparison with the first half-year 2012, was mainly explained by one-off restructuring charges linked to adjustment measures implemented in the Transport activity.

The underlying operating margin benefited from the implementation of the Competitiveness and Employment Tax Credit (CICE), worth €5.6 m over the half-year and stood at 3.1% compared to 3.3% in the first half-year 2012.

- Transport** achieved an operating profit of €23.8 m compared to €31.7m in the first half-year 2012. The operating margin was at 2.4% compared to 3.0% over the same period in 2012. This fall in profitability demonstrated the Transport teams' ability to react immediately by introducing measures to address the unfavourable economic conditions. The first positive effects of these operating efficiency initiatives will be seen during the next half-year.
- Logistics'** operating profit was €31.8m compared to €30.8m in the first half-year 2012, an increase of 3%. The operating margin for the business remained stable at 3.6% compared to the first half-year 2012. All the Group's major logistics markets performed well – France, the United Kingdom, Italy, the Netherlands –, supporting the new, high-potential growth areas outside Europe. The turnaround plan for the activities acquired from Nova Natie in Antwerp is still on going.
- Freight Forwarding** remained close to break-even with an operating loss of €0.6m at 30 June 2013.

Net profit for the first half-year 2013 was **€24.5m** compared to €27.4m (re-stated to incorporate the introduction of the IAS 19_R standard for social obligations) over the same period in 2012, a reduction of 10%.

A robust, strengthened financial structure

The **Group's net financial debt** at 30 June 2013 was €65m compared to €98m over the same period in the previous year, an improvement of over €130m resulting from a limited level of CAPEX over the early part of the year and cash flow generation of nearly €120m as a result of rigorous management of the working capital requirement.

Consolidated net equity, at €43m, has been re-stated further to the implementation of the IAS 19_R standard from 01/01/13 taking account of the pension fund deficits in the accounts statement.

With Gearing (104%) and Net Debt / EBITDA (2.4x) ratios improving compared to the same period last year and largely below bank covenants, the Group continued to strengthen its financial structure in a period requiring caution, rigour and sound management, but also the capacity to grasp any opportunities for external growth.

Since 4 July, Norbert Dentressangle shares also now trade on NYSE Euronext London in addition to NYSE Euronext Paris with the clear aim of diversifying its shareholder base and increasing its visibility among major UK and international investors and institutions.

Pursuing targeted external growth

In line with its international development and transformation strategy, Norbert Dentressangle has

completed a number of targeted, complementary acquisitions over this half-year:

- The acquisition, on **27 May**, of the logistics activities of Fiege in Italy, Spain and Portugal, with turnover valued at approximately €130m, will strengthen the Group's leadership in the Logistics sector in Southern Europe and broaden its client portfolio in sectors such as consumer goods, retail, health and pharmacy. The operation enables Norbert Dentressangle to double in size in Italy to become the 4th biggest logistics operator in the country.
- The signature, on 16 July, of an agreement to acquire the freight forwarding activities of the Daher Group in France and Russia, covers a total of 287 employees with turnover of €80m in 2012. The operation should be completed during the third Quarter and is subject to the approval of the French competition authorities. With this operation, Norbert Dentressangle is adding to its global international freight forwarding offer and reaching an initial level of consolidation for the business – launched in early 2010 – with an annual turnover of nearly €220m. The incorporated activities will then immediately contribute towards improving Freight Forwarding profitability. The addition of the eight Daher Group agencies in France will also enable Norbert Dentressangle to immediately reach a significant size in its domestic market.

Outlook

Faced with a sluggish, uncertain economic climate, Norbert Dentressangle will continue to rely on rigorous management and the reactivity of its operational teams to keep its profitability up to a level comparable with that achieved over the last few years.

The slight improvement in the Group's key activity indicators seen in the second quarter of 2013, the initial results of the measures taken in transport and the favourable seasonal nature of its results marked by a second half-year traditionally stronger than the first all suggest that we can look forward to a better outlook for the next half-year.

As a result of the sound financial situation at the end of this half-year – one which will continue to improve during the second half-year, the Group has the resources to pursue its development both inside and outside Europe.

Next release: Turnover for the third quarter 2013: 23 Oct. 2013 after marketclose

About Norbert Dentressangle:

Norbert Dentressangle is an international transport, logistics and freight forwarding company, with in 2012, €3.9 billion turnover of which 59% outside France, 32,500 people and a presence in 26 countries. Norbert Dentressangle develops high added value solutions in its three sectors, across Europe, America and Asia, and places sustainable development at the heart of all its activities. Norbert Dentressangle, which is listed on the CAC Small & CAC All Tradable, is headed by Hervé Montjotin.

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