



H1 2014 RESULTS (6 months)

CUSTOMER COMMITMENT PLAN CONTINUES TO SHOW ENCOURAGING SIGNS

SIGNIFICANT ACQUISITION: EISMANN France

SALES: €148.9m
OPERATING INCOME: €-0.4m
GEARING: 32%

Civrieux d'Azergues (France), 29 July 2014

The Toupargel Groupe SA Board of Directors met on 25 July 2014 to approve the interim financial statements on the basis of IFRS for the period from 1 January to 30 June 2014.

The interim financial statements have been subject to a limited review by the Statutory Auditors.

Key figures

✓ *Consolidated income statement*

<i>(in €m)</i>	Sales		Change
	2014	2013	
1 st quarter	68.9	74.1	-7.0 %
2 nd quarter	80.0	71.5	+11.9 %
1st half	148.9	145.6	+2.3 %

H1 2014 sales totalled €148.9 million, up 2.3% compared with H1 2013. This amount includes Le Comptoir du Surgelé's contribution of €2.2 million and Eismann's contribution of €11.5 million. These companies have been consolidated since 1 January 2014 and 1 April 2014, respectively. Excluding acquisitions, H1 2014 sales were down 7.2% based on a trading calendar equivalent to that of 2013.

The "Customer commitment 2014-16" program has produced initial positive results. In the second quarter, customer loyalty continued to rise in all customer segments and across all regions. The balance between new customer creation and customer attrition continued to even out as the cost of new customer creations continued to decline. The average shopping basket decreased, driven by our customers' preference for lower value-added products and our decision to reduce prices and packaging. This was partially offset by an increase in the number of items per order. In the second quarter, the number of orders also increased.

<i>(in €m)</i>	H1 2014 (6 mos.)	H1 2013 (6 mos.)	2013 (12 mos.)
Sales	148.9	145.6	294.4
Gross profit	84.6	83.2	165.2
Operating income	(0.4)	3.8	8.3
<i>Operating margin</i>	<i>(0.3 %)</i>	<i>2.6 %</i>	<i>2.8 %</i>
Net financial cost	(0.1)	(0.0)	0.0
Net income, Group share	(0.2)	2.3	5.1
<i>Net profit margin</i>	<i>(0.1 %)</i>	<i>1.6 %</i>	<i>1.7 %</i>
Earnings per share (in €)	(0.02)	0.22	0.50
Cash flow	3.3	7.1	14.1
Cash flow per share (in €)	0.32	0.68	1.38

After accounting for the new “competitiveness-employment” tax credit of €2.1 million, the Group reported an operating loss of €0.4 million. In accordance with our business plan, the acquisitions and the revitalization of our historical activity required significant commercial investments. Productivity gains continued to improve, but have not offset the investments.

✓ *Change in scope of consolidation*

The contribution of our acquired companies (Le Comptoir du Surgelé over six months and Eismann over three months) to first-half earnings was as follows:

<i>(en M€)</i>	H1 2014		
	Toupargel	Acquisitions	Total Group
Sales	135.1	13.8	148.9
Gross profit	76.0	8.6	84.6
Operating income	(0.3)	(0.1)	(0.4)

✓ *Shareholders equity - Debt- Capital expenditure*

<i>(in €ms)</i>	30/06/2014	30/06/2013	31/12/2013
Shareholders' equity	88.1	85.4	88.4
Gross debt	26.9	11.9	11.6
Net debt	27.8	11.2	9.4
Gearing	32 %	13 %	11 %
Capital expenditure	16.5	2.8	6.0
Net assets per share (in €)	8.5	8.2	8.7

Equity increased from €85.4 million to €88.1 million. No dividends were distributed on 2013 earnings. As of 30 June 2014, net debt totalled €27.8 million, compared to €11.2 million a year earlier, owing to the acquisitions carried out in the first half of the year using existing financing sources.

Acquisitions

Le Comptoir du Surgelé, acquired on 31 January 2014, is now fully consolidated by Toupargel. During the second quarter of 2014, our sales teams switched from a mobile store sales system to a teledelivery system (order taken by phone then delivered to the customer’s home) and we pooled our infrastructure.

Eismann, our major acquisition of the first quarter, outperformed the objectives set at the time of its acquisition. During the second half of 2014, we will harness procurement and infrastructure synergies. The presence of a second brand in our Group portfolio will boost our capacity to increase our market share.

Outlook

Toupargel does not anticipate a return to organic growth before 2015.

Upcoming events

30 October 2014: Q4 2014 sales (after market close)

*Toupargel, the specialist in home delivery of food products
to individual customers*
NYSE Euronext Paris, Segment C
CAC® All-Share, Gaia Index
Isin FR 0000039240 – Bloomberg: TOU – Reuters: TPGEL.PA

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