VM Matériaux: net debt reduced and reorganisation continues

- Turnover: €306.8 million
- Current operating profit: €4.0 million
- Net group profit: €3.0 million

<table>
<thead>
<tr>
<th>IFRS – € million</th>
<th>H1 2014 (1)</th>
<th>H1 2013(2)</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>306.8</td>
<td>329.6</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Current operating profit</td>
<td>4.0</td>
<td>7.5</td>
<td>-46.8%</td>
</tr>
<tr>
<td>Current operating margin</td>
<td>1.3%</td>
<td>2.3%</td>
<td>-</td>
</tr>
<tr>
<td>Net profit</td>
<td>2.8</td>
<td>6.0</td>
<td>-53.7%</td>
</tr>
<tr>
<td>Net margin</td>
<td>0.9%</td>
<td>1.8%</td>
<td>-</td>
</tr>
<tr>
<td>Net Group profit</td>
<td>3.0</td>
<td>5.4</td>
<td>-44.7%</td>
</tr>
</tbody>
</table>

(1) The company statutory auditors have performed a limited audit of the accounts.
(2) Figures have been restated to reflect application as of 1st January 2014 of IFRS 10 and 11.

First-half profitability hurt by deteriorated construction market

During H1 2014, VM Matériaux registered turnover of €306.8 million, down from the same period in the 2013 financial year (-6.9% on a current basis and -4.6% at constant scope restated). The Group’s business was penalised by a still-weak market for home construction and unfavourable climatic conditions in western France during H1 2014.

Operating profitability declined to 1.3% of turnover from 2.3% for the comparable period in 2013. Current operating profit amounted to €4.0 million compared with €7.5 million in H1 2013, reflecting market deterioration, especially in the regions where the Group has activities.

To limit the market effects, VM Matériaux continued its efforts to cut costs and improve the gross margin. External charges decreased by 1.4%, and personnel costs were stable. Continuing its controlled management approach, the Group has also cut the cost of customer risk by more than 30%.

During the period, the Group finalised the asset sales planned since end 2012, generating a €1.3 million capital gain from the sales. Net Group profit for the period was €3.0 million, compared with €5.4 million at 30 June 2013.
Financial position: debt reduced

In line with its commitment, the Group has reduced net debt by €24.5 million since 30 June 2013. Net debt at 30 June 2014 stood at €109.4 million compared with €133.9 million at 30 June 2013. The improvement particularly reflects the sale of non-strategic assets and cash flow from the business during the last 12 months.

Moreover, during H1 2014, the Group resumed its internal investment programme (€3.9 million at 30 June 2014 compared with €2.0 million at 30 June 2013) to renew its vehicle fleet and better equip its sales and production teams.

In February, VM Matériaux issued a €3.8 million bond and also set up a new factoring contract in April. These operations will diversify its sources of financing and increase short-term liquidity.

The Group’s gearing ratio, traditionally high at this period of year because of the seasonality of its business, was 82% compared with 106% at 30 June 2013.

Growth and outlook

During H2 2014, the Executive Board, composed of Alain Marion as Chairman and Gérard Charrier as Managing Director, plans to maintain a disciplined management policy in an uncertain market.

Valuing its independence, the Group remains confident in the involvement of its teams and the family shareholding structure. It will continue to make changes to the organisation and operations.

As it has announced, VM Matériaux is preparing for the future. It is giving more delegation to each of its branches to support and strengthen their efficiency, sales effectiveness and agility.

------------------------------------------------------------------------------------------------------------------------

The VM Matériaux Group is eligible for the new PEA-PME investment vehicle. VM Matériaux shares may be included in PEA-PME accounts, which enjoy the same tax advantages as the traditional PEA savings plan.

NEXT PRESS RELEASE: Q3 2014 turnover on 4 November 2014 (after stock exchange closes)

All our financial communications are available at our website www.vm-materiaux.fr