



## PRESS RELEASE

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### H1 2012 results

- Turnover: €348.5 million (-4.9%)
- Current operating profit: €4.5 million (-58.9%)
- Net group profit: €1.9 million (-71.8%)

IFRS – €m	H1 2012 <sup>(1)</sup>	H1 2011	Change %
<b>Turnover</b>	<b>348.5</b>	366.4	-4.9 %
<b>Current operating profit</b>	<b>4.5</b>	11.0	-58.9 %
<b>Current operating margin</b>	<b>1.3 %</b>	3.0 %	-
<b>Net profit</b>	<b>2.3</b>	7.3	-68.7 %
<b>Net margin</b>	<b>0.7 %</b>	2.0 %	-
<b>Net group profit</b>	<b>1.9</b>	6.8	-71.8 %

(1) The company statutory auditors have performed a limited audit of the accounts. The figures have included 100% of Havraise de Matériaux since 1<sup>st</sup> January 2012 (50% in 2011) and 100% of Fene-Tech since 1<sup>st</sup> April 2012.

### H1 2012 turnover and profit

VM Matériaux posted turnover of €348.5 million for the six months ended 30 June 2012, down 4.9% from the same period in 2011 (down 7.8% at constant scope) in a difficult business climate, particularly in the construction sector.

For the period as a whole, the pullback affected all three of the Group's business sectors:

- Building distribution posted turnover of €244.7 million, down 5.7% (-8.8% at constant scope), due to lower individual housing starts. However, through gains in market share, the Public Works segment achieved fine performance.
- The Industrial Joinery division's turnover slipped 9.0% at current scope to €67.8 million (-12.4% at constant scope). Because it serves the renovation market, this business has felt severe impact from reductions in tax incentives this year. At current scope, the division benefited from the integration of Quebec-based Fene-Tech since 1<sup>st</sup> April.
- The Concrete activity was down 3.7%, mainly because climate conditions early in the year caused volumes to fall on shutdowns at all concrete plants.

Consolidated gross profit amounted to €4.5 million (1.3% of turnover) compared with €11.0 million (3.0% of turnover) for the comparable period in 2011, reflecting a poorer economic climate. However, the difficult environment was partially offset by a policy of reduction in both external and employee costs, beginning in the second quarter of 2012.

Net group profit declined to €1.9 million from €6.8 million at end-June 2011. Net profitability represented 0.6% of turnover.





## Financial structure

The Group had total equity of €140.7 million at 30 June 2012 (compared with €138.4 at 30 June 2011) and net financial debt rose to €156.6 million (€131.4 million at 30 June 2011).

The Group's gearing ratio, traditionally high at this time of year because of the seasonality of its business, was 111% (versus 95% at 30 June 2011). The deterioration resulted from lower profits, a continued high level of investment and the change in the working capital requirement due to reduced activity and the longer inventory cycle.

Investments during H1 2012 amounted to €17.3 million (versus €16.3 million in H1 2011).

## Composition of the Board of Directors

Following the departure of Jean-Charles Chaigne, who headed the Building distribution business, changes were made to the Board of Directors. Gérard Charrier, who heads the overseas subsidiaries, has joined the Board. Building distribution is temporarily headed by Philippe Audureau as Chairman of the Board, in collaboration with the other members of top management and the business heads.

## Outlook for 2012

Due to the uncertain economic climate and the deterioration in half-yearly profits, the Group is approaching the second half of 2012 with a cautious attitude. It is considering the steps to take to preserve its economic fundamentals and secure its competitive position in this environment. For example, VM Matériaux is continuing its efforts to cut operating costs and trim investments, while working to reduce its debt.

At the same time, the Group aims to develop its specialist position in constructive solutions for energy performance as well as its innovation strategy.

**NEXT PRESS RELEASE: Q3 2012 turnover on 6 November 2012  
(after stock exchange closes)**

**All our financial communications are available at our website [www.vm-materiaux.com](http://www.vm-materiaux.com)**

### ABOUT VM MATÉRIAUX

The VM Matériaux Group focuses on three business sectors of the building industry:

- *Building distribution (70% of total turnover): distribution of building materials for the construction and public works sector, through a network of 118 specialized branch offices (including 24 overseas) providing locally-based advice to professional and DIY customers; the Group is also present in China, where it trades in natural stone for exterior work and interior decoration;*
- *Concrete industry (11% of total turnover): manufacture of ready-to-use and industrial concrete (slabs, paving, breeze blocks and prefabricated facade components);*
- *Industrial joinery (19% of total turnover): manufacture of exterior joinery (windows and doors in PVC, aluminium or wood), closures (roller shutters, gates, garage doors) and wood structures (trusses, traditional frames and wood panels).*

Originally based in the Vendée region, VM Matériaux now employs close to 3,000 people and is active in Western France and the French overseas departments as well as in China and Canada. In 2011, the Group generated total turnover of €707.0 million.

**VM Matériaux is listed on NYSE- Euronext Paris, Compartment C**

**Indexes: PAX, Gaia Index**

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