



HERIGE

FY 2015

L'Herbergement, 15 March 2016

Steady gross margin Rebound in internal investment Stable debt Strategic transition

	Before IFRS 5		After IFRS 5	
	2014 ¹	2015	2014 ¹	2015
Turnover	590.9	583.7	556.3	547.0
Current operating income	4.3	2.4	3.3	0.9
Other operating income and expenses	0.2	-11.6	0.2	-7.4
Operating income	4.5	-9.2	3.5	-6.4
Financial income	-3.1	-1.7	-2.9	-1.6
Income tax	-1.3	1.0	-0.7	1.7
Share in SME income	0.7	-4.8	0.2	-0.1
Income from companies currently being sold	0.0	0.0	0.7	-8.3
Total net income	0.8	-14.6	0.8	-14.6

⁽¹⁾ Figures restated to reflect the application of IFRIC 21 governing the accounting of levies and taxes.

HERIGE has released its audited results for financial year 2015. The consolidated financial statements were examined by the Supervisory Board at its meeting of 11 March 2016.

On 3 February 2016, the Group announced that it has entered into exclusive negotiations for the sale of its building materials trading companies in French West Indies and French Guiana (excluding Point Bois).

In accordance with accounting standard IFRS 5, the assets and liabilities of the ventures in the process of being sold have been booked under separate headings on the Group's balance sheet and income statement.

However, in order to allow for a clearer comparison with the previous year, all of the comments pertaining to the Group's activities and profitability in the current press release are based on HERIGE's figures including said ventures, i.e. prior to the application of IFRS 5.

2015 results impacted by the drop in activity in the first half of the year

HERIGE posted turnover of €583.7 million for 2015, down by a limited 1.2% after a more dynamic second half (+1.6%), and with signs pointing to a recovery in activity at the end of the year (+3.4% in Q4 2015).

At €219.2 million, consolidated gross margin kept pace with turnover, down 1.6% on 31 December 2014, but steady at 37.6% of turnover thanks to the Group's product mix.

Current operating income for 2015 came in at €2.4 million (0.4% of turnover), versus €4.3 million posted for 2014 (0.7% of turnover), falling by €1.9 million.

As part of its strategic planning and the decisions taken in consultation with its supervisory board, HERIGE's development roadmap for 2016-2020 will see the Group seek to redeploy on its core business, prompting the entry into exclusive negotiations for the sale of its building materials trading companies in French West Indies and French Guiana (excluding Point Bois).

This new strategic shift and the completion of the first step of its "Site Performance Plan" in place since September 2014 has resulted in a loss in value for some of the Group's intangible assets. Goodwill impairment for 2015 amounted to -€16.7 million, with the companies in the process of being sold accounting for 55% and the remainder spread across the Group's various activities.

Consolidated net income subsequently amounted to -€14.6 million as against a figure of €0.8 million at the end of 2014.

Financial situation: rebound in internal investment and stable net debt

Against this difficult backdrop, HERIGE Group nonetheless resumed its programme of internal investment over the year (€15.1 million on 31 December 2015 compared with €11.3 million on 31 December 2014) in order to renew its fleet and improve its logistics and production resources. It was also able to maintain a steady level of net debt (€90.4 million at the end of 2015 versus €89.7 million on 31 December 2014). At year-end, gearing stood at 80% compared with 70% at the end of December 2014.

Dividend

HERIGE will not be recommending the payment of dividends for financial year 2015 at its 2015 Annual General Meeting.

Outlook and developments

In response to the challenges of a constantly-changing market and in line with its reorganization which began in 2014, HERIGE will be seeking to strengthen its fundamentals and return to a level of profitability that will allow it to finance its future development.

As such, the Group's efforts will focus on:

- the pursuit of its disposals programme (announced in February 2016),
- the consolidation of its strong market positions,
- the reinforcement of measures to continuously improve performance.

NEXT PUBLICATION: Turnover for Q1 2016 on 10 May 2016 (after the stock exchange closes).

All our financial communications are available on our website www.groupe-herige.fr

ABOUT HERIGE

HERIGE (ex VM Matériaux) focuses on three business sectors of the building industry: Materials trading, the Concrete industry and Industrial Joinery. Originally based in the Vendée region, HERIGE currently employs close to 2,700 people and is active in Western France and the French overseas departments and territories, as well as in China and Canada.

HERIGE is listed on Euronext Paris, Compartment C PEA/PME eligible

Indices: CAC SMALL, CAC MID & SMALL, CAC ALL TRADABLE, ENTERNEXT@PEA-PME 150

Codes: ISIN FR0000066540, Ticker: HERIG

Bloomberg HERIG.FP, Reuters HERIG.PA

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