



Systèmes Intelligents de Sûreté



Protection en Milieux Nucléaires



Projets & Services Industriels



Paris, 12 September 2013, 8 a.m.

Strong growth of 43% in Group EBITDA Outlook confirmed for the 2nd half

€ millions	H1 2013 ⁽¹⁾	H2 2012 ⁽²⁾	2012 ⁽²⁾
Revenue	98.6	96.8	208.4
EBITDA⁽³⁾	6.7	4.7	16.4
Current operating income (COI)	3.8	2.5	10.1
Operating income	2.8	(4.1)	(1.1)
Net income from continued activities	0.2	(3.1)	0.6
Net income from discontinued activities	-	(0.5)	(1.5)
Net income	0.2	(3.6)	0.8
Net income, Group share	0.4	(1.3)	0.7

(1) The consolidated financial statements have been reviewed to a limited extent by the statutory auditors and were approved by the meeting of the Board of Directors of 9 September 2013

(2) The 2012 financial statements have been readjusted: reclassification of presentation with no impact on operating income, application of reviewed IAS 19 and correction of errors with the BAUMERT and ECA ROBOTICS companies (-€1.3million on 2012 operating income)

(3) EBITDA: COI before goodwill and net depreciation, amortisation and provisions

After a downturn during the first quarter, a good performance over the second quarter enabled Groupe Gorgé to report revenue of €98.6 million, growth of 1.9% compared with the first half of 2012. Growth was driven by the nuclear division and the fire protection business. EBITDA rose 43% and current operating income grew by 52%.

Smart Safety Systems (SIS) recorded a slight drop in revenue, to €42.7 million (compared with €45.8 million the year before) owing to a negative base effect on the Airbus A350 XWB contracts, the revenue from which was down €7.7 million in 2013. However, this base effect is gradually receding. The half-year recorded by **SIS** was marked by improved returns, following on from the

second half of 2012. Despite the fall in revenue, EBITDA rose to €2.2 million, versus €1.7 million in June 2012, and current operating income was back in the black (+€0.2 million as opposed to -€0.5 million in June 2012). Current operating income is traditionally much lower over the first half than it is during the second, a trend that will be followed by the 2013 financial year, as efforts to improve returns should gradually begin to take effect.

Industrial Projects & Services (PSI) reported revenue of €37 million, up by 4.5%, driven by fire protection business which, partly on account of the consolidation of VAN DAM (contribution of €4.5 million) has posted growth of 32%. On a like-to-like basis, revenue came to €32.5 million. Current operating income dipped slightly (€1.24 million versus €1.32 million as at June 2012) owing to reduced income from CIMLEC (-€0.9 million from one half-year to the next). By contrast, PSI's EBITDA showed significant growth of 53% to €17 million. Orders have also grown for all of PSI's business activity.

Revenue from **Protection in Nuclear Environments (PMN)** was €18.9 million (versus €15.7 million as at 30 June 2012), i.e. growth of 20.2%. PMN now being very internationally-oriented, the share of exports is almost 55% of total revenue. Current operating income was €2.4 million, up 51% to reach 12.6% of revenue. Orders are looking much healthier (almost €64 million) over the year and there is still a large number of significant international projects.

A sound financial structure

In May 2013, GROUPE GORGÉ converted the OCEANE bonds (convertible into/ exchangeable for shares) it had taken out with its ECA subsidiary. Through this transaction and then the payment by ECA of its dividend in shares, the level of GROUPE GORGÉ's holding in ECA rose to 63.88%. After payment of the dividend (€4.1 million) to the shareholders, equity stood at €64.8 million. The readjusted net debt⁽¹⁾ is €18.2 million, higher than before primarily on account of investments, especially the acquisition of Phidias.

⁽¹⁾Readjusted net debt: net debt minus treasury stock

PHIDIAS: a structure-based acquisition in a high-growth market

During the first half-year, the Group acquired 90% of the PHIDIAS share capital, with the remaining 10% still held by the company's founder. PHIDIAS markets 3D printers using DLP technology, which affords more speed and greater precision than other techniques currently on the market.

The market open to machines designed by the Group represents between \$400 and \$800 million, including the sale of systems and resins. In the medium term, the Group intends to provide a full range of machines, from the high capacity model designed for large scale production, to lighter solutions intended for smaller companies.

Sales of resin, the consumable used in 3D printers, are also a part of the strategy. A chemist has already taken place and the development laboratory should be operational by the first half of 2014, when the first materials will also be marketed.

Outlook confirmed

For all three core businesses, Groupe Gorgé has confirmed the ambitions for growth it announced in the press release on annual revenue figures, published on 26 July last.

The Group has orders to the tune of €189 million, an increase of 8% in six months.

For **SIS**, the second half-year will be a great improvement on the first six months owing to this division's traditional seasonal trends and to the effects of the reorganisation implemented over the past year. The dispute with BAE Systems plc. over an apparent patent infringement for the Group's mine-killer system is still pending and an appeal will be heard towards the end of 2014. Without waiving its rights in the ongoing court case, ECA has developed a new and competitive mine-killer, the DARTFISH, which will protect its positions in the market pending the outcome of the dispute. SIS continues to consolidate its positions as leader in ground and naval robotics and is also responding to calls for tenders in the drone market.

Orders for **PSI** are high and stand at €45 million, a satisfactory figure. It is primarily sustained by the buoyancy of fire protection activities. The trend for the second half-year should follow that seen over the first six months. CIMLEC (12% of Group revenue) looks to be rebounding from a low ebb, although the Group is keeping a close eye on orders for the second half-year. Growth drivers for the company are currently in the pipeline.

PMN will record sustained growth throughout the whole of the financial year. Its operating performance should remain at record levels. Orders were again close to €64 million at the end of June. The very large unitary size of orders leads to strong variations in the book of orders that are of little significance when seen on a half-yearly scale. The number of international projects has given rise to particularly high ambitions. In this favourable context, Groupe Gorgé recently opened a new production subsidiary in China.

For the past two years, the group has been rolling out an active external growth policy (four acquisitions in four half-year periods) and intends to pursue these activities. In particular, the Group has made Air Liquide a take-over bid for the robotics business of Air Liquide Welding France (around €7 million in revenue; 53 employees). The acquisition, still subject to conditions precedent and notably the information-consultation procedure with personnel representatives, would be carried out by the CIMLEC Industrie subsidiary. The robotics department of Air Liquide Welding has equipped over 500 industrial customers with robotised facilities in areas that are complementary to CIMLEC's own business areas, 90% outside the automotive field. This potential acquisition would strengthen the CIMLEC's expertise in the high-growth robotics market for SMEs.

Our next appointment

Meeting with analysts/investors to present half-yearly results on 12 September 2013, 2.30 p.m.
at: NYSE EURONEXT.

Publication of 3rd quarter revenue on 23 October 2013, after the stock market closes.

About Groupe Gorgé

Established in 1990, Groupe Gorgé is an industrial group operating in three areas of expertise:

Smart Safety Systems – *Using technology to work in risk environments. Group Gorgé holds 63.88% of the capital in ECA, listed on the NYSE Euronext exchange in Paris – Compartment C;*

Protection in Nuclear Environments – *Protecting people and securing buildings operating with radioactive materials;*

Industrial Projects & Services – *Conducting industrial projects for industry and service-sector players.*

In 2012, the Group reported revenue of €208.4 million. It is backed by 1,200 employees and operations in over ten countries.

More information available on www.groupe-gorge.com

Groupe Gorgé is listed on the NYSE Euronext exchange in Paris

Compartment C.

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