First half 2012 activity report

The Gévelot Group's consolidated revenues and earnings of the first half of 2012 compared with the first half of 2011, based on International Financial Reporting Standards (IFRS), are as follows:

In millions of euros	1st half 2012	1st half 2011	2011
Consolidated revenues	102.9	109.7	220.8
Current operating income	*6.1*	*10.9*	20.8
Operating income	*6.1*	*10.9*	20.3
Net financial income	*- 0.4*	*- 0.3*	- 1.0
Pre-tax current income of consolidated companies	*5.7*	*10.6*	19.3
Tax	*- 1.8*	*- 3.5*	- 6.5
Net income of consolidated companies	*3.9*	*7.1*	12.8
Associate undertakings	*0.4*	*- 0.1*	0.9
Consolidated net income	*4.3*	*7.0*	13.7
Minority interests	-	-	-
Net income (group share)	*4.3*	*7.0*	13.7

Because of the initial impact of the economic downturn, particularly in the automotive sector, and an uncertain international context, the Group's consolidated revenue shrank by 6.2% in the first half of 2012 to €102.9m.

Revenues in the Extrusion division fell 7.2%, year-on-year, to €55.2m on a European market that shrank by 6%, driven down by a depressed French market (-14%). French sites were down by 12.3%, while the German facility was relatively stable (+1.6%), driven by solid German automaker exports.

Pump division revenues fell by 4.1% to €39.7m, as Oil & Gas billings were unable to return to the solid level of the previous period in certain geographical areas in the midst of a sharply downgraded geopolitical environment.

Revenues in the Engineering division fell by 9.6% to €8.0m. This is due mainly to negative trends on its historical markets, especially in the supply of spare carburettors to politically unstable Western African countries.

Consolidated group current operating income in the first half of 2012 was positive at €6.1m vs. €10.9m in the first half of 2011.

Operating income came to €6.1m vs. €10.9m in the first half of 2011.

The share of associate undertaking earnings (i.e., within the Pump division: Kudu Inc. in Canada) was a positive €0.4m, vs. a negative €0.1m in the first half of 2011.

The nature of transactions undertaken by the Group with its Affiliates is detailed in Note N°15 to the Consolidated Accounts of 30 June 2012.

After-tax net income for the first half of 2012 (Group share) came to a positive €4.3m vs. a €7.0m profit in the first half of 2011.

At the end of the first half of 2012, the Group cancelled 2500 of its treasury shares, thus lowering equity capital to €31,838,310, or 909,666 shares of €35 par value each.

2012 GUIDANCE

Extrusion sector

The sharp downturn in the European auto industry and ongoing restructuring in the production capacities of our Clients will have a big impact on division revenues and earnings, particularly at French sites.

As a result, the sharp downturn in activity at Gévelot Extrusion in France in the last months of the year should lead, on the whole, to a net loss. However, the German subsidiary is likely to stay in the black.

Pump sector

Overall revenues are likely to decline, particularly in Oil & Gas, despite the solid performance of the Food and Industry sectors compared to a fast-growing 2011. Earnings are likely to decline from one year earlier.

Engineering sector

Revenues will be down in the second half, especially in the auto segment. However, the overall result should remain in positive territory.

After a satisfactory first half, consolidated net income for the 2012 financial year may remain in the black but will be down sharply compared to the previous financial year.