

PRESS RELEASE

RESULTS as at 30 SEPTEMBER 2016¹

Sales: €126.8 million (€196.3 million as at 30 September 2015)

Operating result (EBIT): - €10.8 million (€0.5 million as at 30 September 2015)

Net loss for the period: - €8.0 million (- €0.4 million as at 30 September 2015)

Results

The tendencies we have seen in the first half-year of 2016 were confirmed in the third quarter:

- § While the global cereal harvest reached a historically high level – leading to a fall in prices – the poor weather conditions that were experienced in Western Europe generated very low yields in these regions and particularly in France (30% decline in comparison with 2015).

The combination of these two factors negatively impacted the income of the farmers, and consequently they keep on adopting a wait and see attitude and postponing their orders.

On the European market, this difficult context gave rise to a strong competition amongst producers of fertilizers and especially among raw material integrated producers.

In the third quarter, this situation led to a sharp fall in the consumption of compound fertilizers such as those sold by Rosier in its usual trading area.

- § In terms of export, and as a consequence of the fierce competition, our sales also decreased although to a lesser extent (-12 %) with margins reaching the same level as last year.

This unfavourable environment has further influenced our activities and results as at 30 September 2016:

- § Sales as at end of September 2016 totalled €126.8 million, a sharp decline (-35.4%) in comparison with sales of €196.3 million in 2015. The decline in volumes comes from our entire range of products.
- § The fall in volumes greatly influenced the gross margin; the overall gross margin decrease totalled €12 million.

¹ The financial data reported in this press release were compiled according to IFRS standards and were not audited by the Statutory Auditor

- § The implementation, as from the beginning of the second quarter of 2016, of a major programme aiming at reducing operating costs allowed to significantly reduce this expenditure (-€1.6 million).
- § After deducting operating expenses, which include amortisation, depreciation and impairment charges of €3.3 million (€3.5 million in 2015), operating result (EBIT) was negative at €10.8 million against a loss of €0.5 million for the operating result as at 30 September 2015.
- § After deduction of financial expenses and income tax, the net loss for the period was €8.020 million (-€31.45 per share), compared with a net loss of €0.369 million (-€1.45 per share) at the end of the third quarter of 2015.

Outlook

The fourth quarter of 2016 remains uncertain:

- The programme aimed at reducing operating costs will be extended; this programme applies to all of our activities and shall keep on generating significant savings.
- We make every effort to fill-up our order book and limit the financial impact on the fourth quarter.

Nevertheless, we remain confident in the future: the demand should rebound according to the fundamentals of our business.

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Chairman and CEO of Rosier Group

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