



2014 Quarterly Results

Growth in turnover of 6.5%

Current operating profit up 24%

The Board of Directors of the Delta Plus Group, a major player in the personal protective equipment (PPE) market, approved the Group's consolidated accounts for the first half of 2014 on 27 August 2014. These accounts have been reviewed by the statutory auditors.

Results for the first half of 2014 show a very good performance, both in terms of the Group's profitability and in terms of its balance sheet structure.

The Delta Plus Group's sales rose by nearly 6.5% in the first six months of 2014 to € 80,1 million. Current operating income increased even higher, due to an improvement in the gross margin and the control of fixed costs.

Net income, which increased by 12% compared to 2013, was impacted by higher financial expenses than those in 2013 relating primarily to foreign exchange differences in the Ukraine and consecutive to the weakening of the local currency in the first six months of the year.

Continued efforts on optimising working capital requirement items confirmed, in the first half of 2014, the significant improvements recorded over two years on debt and balance sheet structure.

Turnover: continued growth due to the recovery in Europe and momentum in emerging markets

With turnover increased by 10% in the first half of 2014 compared to the same period in 2013 (+13.5% at constant scope and exchange rates), the emerging markets continued to drive the Group's growth. In this geographical area, the Group will remain vigilant in the second half on the development of the political situation in the Ukraine and the economic uncertainties in Argentina.

In Europe, the first half was marked by a return to growth in almost every country in the region. The continued strength of sales in the eastern and southern European countries in particular have enabled the Group to record an increase of 3.7% of its turnover (+5.2% at constant scope and constant exchange rates) over the first six months of the year.

Current operating profit: 24% increase compared to 2013

In millions of Euro	30.06.2014	30.06.2013 (1)	30.06.2013 (2)	Variation vs (2)	% vs (2)
Turnover	80.1	74.6	75.2	4.9	+6.5%

Cost of sales	-40.7	-38.5	-38.9	-1.8	+4.6%
Gross margin	39.4	36.1	36.3	3.1	+8.4%
<i>in % of turnover</i>	<i>49.3%</i>	<i>48.3%</i>	<i>48.3%</i>		
Variable costs	-6.8	-5.6	-5.6	-1.2	+21.0%
<i>in % of turnover</i>	<i>8.5%</i>	<i>7.4%</i>	<i>7.4%</i>		
Staff costs	-14.4	-13.1	-13.4	-1.0	+7.9%
Fixed charges	-11.5	-11.8	-11.9	0.4	-4.0%
Other operating income and expenses	-0.1	-0.1	-0.1	-	
Current operating income	6.6	5.5	5.4	1.2	+24.1%
<i>in % of turnover</i>	<i>8.3%</i>	<i>7.4%</i>	<i>7.1%</i>		
Non-current operating income	-	-	-	-	
Non-current operating expenses	-	-0.4	-0.5	0.5	
Operational income	6.6	5.1	4.9	1.7	+33.7%
Cost of financial debt	-1.1	-0.9	-0.9	-0.2	+17.3%
Other financial items	-0.6	0.3	0.3	-0.9	
Income before tax	4.9	4.5	4.3	0.6	+14.6%
Taxes on income	-1.1	-0.9	-0.9	-0.2	+26.1%
Net income from continuing operations	3.9	3.7	3.5	0.4	+11.7%
Income from discontinued operations	-	-0.2	-	-	
Net income of the consolidated group	3.9	3.5	3.5	0.4	+11.7%
Attributable to the Group	3.9	3.5	3.5	0.4	+11.6%

- (1) The income statement for 2013 has been adjusted for discontinued operations (Workstore Marseille, discontinued operation in the second half of 2013)
- (2) Financial statements as of 30/06/2013 published 30 August 2013

By strengthening its business on higher added value product families and the integration of Pro Safety over the first half (against three months last year), the Delta Plus Group confirmed an increase of one point of its gross margin, in the first half of 2014, which reached 49.3% of turnover.

Variable expenses and personnel expenses increased due to the inclusion of Pro Safety (Brazil) over the first half in 2014.

Fixed costs were controlled, allowing the Group to generate an operating profit of € 6.6 million (8.3% of turnover), an increase of € 1.2 million compared to 2013.

Non-recurring operating costs are zero in 2014. They represented a net expense of € 0.5 million in 2013, corresponding to acquisition costs relating to Pro Safety.

The cost of finance has increased by € 0.2 million compared to 2013 as a result of the loan taken out mid-year 2013 to finance the acquisition of Pro Safety.

Other financial items include an exchange difference in the Ukraine as a result of the depreciation of the Hryvnia against the Euro in the first half.

The effective tax rate, which stood at 22% in the first half of 2014 is consistent with that recorded for 2013.

Incorporating these items, net income increased by 12% to € 3.9 million on 30 June 2013, compared to € 3.5 million for the first six months of last year.

Structure of the consolidated balance sheet: further improvement of WCR and debt equity ratio

ASSETS

in millions of Euro	30.06.2014	31.12.2013	30.06.2013	Variation 6 months
Goodwill	43.1	42.8	45.3	+0.3
Intangible assets	0.6	0.6	0.7	-
Tangible assets	6.3	6.6	6.6	-0.3
Other financial assets	1.3	1.2	1.2	+0.1
Deferred tax assets	2.0	2.0	1.7	-
Fixed assets	53.3	53.2	55.5	+0.1
Stock	41.5	42.0	45.6	-0.5
Customer receivables	30.2	30.5	30.9	-0.3
Other receivables	10.1	9.7	10.5	+0.4
Availability	17.3	16.8	14.8	+0.5
Current assets	99.1	99.0	101.8	+0.1
Total Assets	152.4	152.2	157.3	+0.2

LIABILITIES

in millions of Euro	30.06.2014	31.12.2013	30.06.2013	Variation 6 months
Capital	3.7	3.7	3.7	-
Treasury shares	-1.6	-1.9	-1.9	+0.3
Consolidated Income & Reserves	64.4	63.4	62.9	+1.0
Attributable to non-controlling interests	-	-	-	-
Equity	66.5	65.2	64.7	+1.3
Non-current financial liabilities	10.9	12.3	12.7	-1.4
Commitments given to employees	0.7	0.7	0.7	-
Non-current provisions	0.2	0.7	0.6	-0.5
Non-current liabilities	11.8	13.7	14.0	-1.9
Trade payables	16.5	13.4	16.3	+3.1
Fiscal and social debts	7.3	7.3	6.4	-
Other debts	6.8	7.2	6.8	-0.4
Current financial liabilities	43.5	45.4	49.1	-1.9
Current liabilities	74.1	73.3	78.6	+0.8
Total Liabilities	152.4	152.2	157.3	+0.2

On the balance sheet, the first half of 2014 has strengthened the improvements implemented over the past two years, particularly in terms of operational working capital requirement and debt ratio.

The WCR thus improved by € 3.0m compared to 31 December 2013, due to the control of the client and supplier stations to a now optimised stock level.

The ratio of net debt to equity (Gearing) was 56% on 30 June 2014. It was 73% on 30 June 2013 and 63% on 31 December 2013.

Net debt amounted to € 37.1M on June 30, 2014, a decrease of € 3.8 million in the first six months of the year.

2014 growth prospects confirmed

The performance in the first half of 2014 reinforces Delta Plus Group's goal of achieving historical turnover for the Group at year-end.

A recovery is confirmed in Europe and the continued positive trend in most developing countries makes it possible to envisage a growth in turnover over these two regions.

In parallel, the Group continues its efforts to control costs, particularly in the European structures, and anticipates a growth in operating profit in 2014.

On the balance sheet, the performance of the first half of 2014 should enable the Group to maintain the standard levels of WCR at year-end as obtained late 2013.

Next publication: Turnover 3rd quarter of 2014
Thursday 13 November 2014, after trading

About DELTA PLUS:

The Delta Plus Group designs, standardises, manufactures or produces and distributes a complete range of Personal Protective Equipment (PPE). Delta Plus Group is listed in compartment C of NYSE-EURONEXT (ISIN: FRO004152502 - Ticker: DLTA)

For more information: www.deltaplus.eu

CONTACT

Jérôme BENOIT
Chief Executive Officer

Arnaud DANIEL
Chief Financial Officer

E-mail: relation.investisseur@deltaplus.eu

Tel.: 04 90 74 20 33