



## **2013 Quarterly Results**

### **Growth in turnover of 0.9%**

### **Current operating profit up 2.1%**

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 year 2013 on August 26, 2013. The statutory auditors have reviewed these accounts.

The results of the first quarter show a performance consistent with the objectives set at the beginning of the year.

The Delta Plus Group sales rose by nearly 1% in the first six months of 2013 to € 75.2 million.

Current operating income increased in slightly higher proportions, while non-recurring expenses related to the acquisition of Pro Safety impacted net income.

Continued efforts on optimising working capital requirement items confirmed, in the first half of 2013, significant improvements recorded on the balance sheet structure in 2012.

#### **Continued growth through sales outside Europe and the integration of Pro Safety**

With turnover up by 14% in the first half of 2013 compared to the same period in 2012, emerging markets continued to drive the Group's growth, a reinforced base trend by integrating Pro Safety, consolidated Brazilian company since April 1, 2013.

In Europe, turnover, down 7% compared to last year, was primarily impacted by the activity in France, following the discontinuation, during 2012, of the distribution of the Showa brand.

In other European countries, however, the Delta Plus Group was able to return to a growth of 3% in the first six months of the year, confirming the recovery in sales initiated in the second half of 2012.

## 2.1% increase in current operating margin

In millions of Euro	30.06.2013	30.06.2012	Variation	%
<b>Turnover</b>	<b>75.2</b>	<b>74.5</b>	<b>0.7</b>	<b>+0.9%</b>
Cost of sales	-38.9	-39.9	1.0	-2.4%
<b>Gross margin</b>	<b>36.3</b>	<b>34.6</b>	<b>1.7</b>	<b>+4.9%</b>
<i>in % of turnover</i>	<i>48.3%</i>	<i>46.5%</i>		
Variable costs	-5.6	-5.4	-0.2	+2.8%
<i>in % of turnover</i>	<i>7.4%</i>	<i>7.3%</i>		
Staff costs	-13.4	-12.0	-1.4	+11.7%
Fixed charges	-11.9	-11.6	-0.3	+2.7%
Other operating income and expenses	-0.1	-0.4	+0.3	
<b>Current operating income</b>	<b>5.4</b>	<b>5.2</b>	<b>0.2</b>	<b>+2.1%</b>
<i>in % of turnover</i>	<i>7.1%</i>	<i>7.0%</i>		
Non-current operating income	-	1.9	-1.9	
Non-current operating expenses	-0.5	-1.8	1.3	
<b>Operational income</b>	<b>4.9</b>	<b>5.3</b>	<b>-0.4</b>	<b>-7.0%</b>
Cost of financial debt	-0.9	-1.1	0.2	-14.3%
Other financial items	0.3	-	0.3	
<b>Income before tax</b>	<b>4.3</b>	<b>4.2</b>	<b>0.1</b>	<b>+2.0%</b>
Taxes on income	-0.9	-0.6	-0.3	+35.0%
<b>Net income</b>	<b>3.5</b>	<b>3.6</b>	<b>-0.1</b>	<b>-4.0%</b>
Attributable to the Group	3.5	3.6	-0.1	-3.2%

By strengthening its business with higher added value product families, the Delta Plus Group reported in the first half of 2013 an increase of almost two percentage points in its gross margin, which reached 48.3% in turnover.

Staff expenses increased by 12%, due to the integration of Pro Safety, and especially the increase in staff in outside Europe subsidiaries, designed to capture the growth of activity in these areas.

Other expenses, variable and fixed, have been controlled, which has enabled the Group to generate a current operating profit of € 5.4 million (7.1% of turnover), up € 0.2 million compared to 2012.

Non-recurring operating expenses, which amounted to € 0.5 million, against a profit of € 0.1 million in 2012, corresponding to the Pro Safety acquisition fees, fully recognised in the first half of 2013.

Financing costs fell by € 0.2 million compared to 2012, reflecting the decline in average net debt over the period.

The effective tax rate, which stood at 20% in the first half, rose by 5 percentage points compared to that of last year, which benefited from the use of tax losses, especially in China.

Incorporating these items, net income stood at € 3.5 million on June 30, 2013, compared to € 3.6 million for the first six months of last year.

## Structure of consolidated balance sheet: stabilization of WCR and debt equity ratio

### ASSETS

in millions of Euro	30.06.2013	31.12.2012	30.06.2012	Variation 6 months
Goodwill	45.3	39.9	39.9	+5.4
Intangible assets	0.7	0.7	0.9	-
Tangible assets	6.6	6.7	6.2	-0.1
Other financial assets	1.2	1.1	0.9	+0.1
Deferred tax assets	1.7	1.3	1.1	+0.4
<b>Fixed assets</b>	<b>55.5</b>	<b>49.7</b>	<b>49.0</b>	<b>+5.8</b>
Stock	45.6	43.1	44.3	+2.5
Customer receivables	30.9	30.8	31.1	+0.1
Other receivables	10.5	10.1	10.4	+0.4
Availability	14.8	12.6	7.0	+2.2
<b>Current assets</b>	<b>101.8</b>	<b>96.6</b>	<b>92.8</b>	<b>+5.2</b>
<b>Total Assets</b>	<b>157.3</b>	<b>146.3</b>	<b>141.8</b>	<b>+11.0</b>

### LIABILITIES

in millions of Euro	30.06.2013	31.12.2012	30.06.2012	Variation 6 months
Capital	3.7	3.7	3.7	-
Treasury shares	-1.9	-2.0	-1.8	+0.1
Consolidated Income & Reserves	62.9	62.1	59.3	+0.8
Attributable to non-controlling interests	-	-	-	-
<b>Equity</b>	<b>64.7</b>	<b>63.8</b>	<b>61.2</b>	<b>+0.9</b>
Non-current financial liabilities	12.7	9.1	5.2	+3.6
Commitments given to employees	0.7	0.7	0.6	-
Non-current provisions	0.6	0.5	0.5	+0.1
<b>Non-current liabilities</b>	<b>14.0</b>	<b>10.3</b>	<b>6.3</b>	<b>+3.7</b>
Trade payables	16.3	12.8	13.6	+3.5
Fiscal and social debts	6.4	7.3	7.0	-0.9
Other debts	6.8	6.1	4.5	+0.7
Current financial liabilities	49.1	46.0	49.1	+3.1
<b>Current liabilities</b>	<b>78.6</b>	<b>72.2</b>	<b>74.3</b>	<b>+6.4</b>
<b>Total Liabilities</b>	<b>157.3</b>	<b>146.3</b>	<b>141.8</b>	<b>+11.0</b>

On the balance sheet, the first half of 2013 confirmed improvements initiated last year, particularly in terms of operational working capital requirement and debt equity ratio.

The WCR has stabilised compared to 31 December 2012, control of receivables and payables offsetting a slight increase in the level of inventories.

The "Goodwill" item in the consolidated balance sheet increased by € 5.4 million due to the acquisition of Pro Safety. This also explains the increase of € 4.5 million in net debt, which stood at € 47.0 million.

The ratio of net debt to equity (Gearing) was 73% on June 30, 2013, compared to 77% on 30 June 2012 and 67% on 31 December 2012.

### **2013 growth prospects confirmed**

The Delta Plus Group, which opened a new subsidiary in Turkey earlier this year and completed the acquisition of Pro Safety, specialising in the production and marketing of protective head gear in Brazil, confirms its Geographic diversification strategy for emerging countries and the strengthening of product families of higher added value.

These transactions reinforce the Group's objective, which, despite an economic environment that remains tense, is expected to grow its turnover in 2013.

In parallel, the Group continues its efforts to control costs, particularly in the European structures, and anticipates a growth in operating profit in 2013.

On the balance sheet, the performance of the first half of 2013 can be considered a confirmation of significant improvements made in 2012 at year-end.

**Next publication:** Turnover 3<sup>rd</sup> quarter of 2013  
Tuesday 14 November 2013, after trading

### **About DELTA PLUS:**

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*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: FR0004152502 - Ticker: DLTA)*

For more information: [www.deltaplus.eu](http://www.deltaplus.eu)

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