

Trigano reports information about its provisional results for 2006 and displays its confidence for 2007

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The operating profit before tax and extraordinary items for the 2005/06 financial year should be close to 8% of the turnover, down by around 10% compared with the previous financial year. Indeed, despite the sustained level of leisure vehicles sales, the profitability was hampered by partly unexpected items:

- The Group felt the knock-on effects of the advent of the new chassis for motor caravans (this operation occurs every 10/12 years) which resulted in cost overruns. The production backlog on new models entailed by the labour unrest in the plant of Tournon amplified locally the consequences of these disruptions,
- The sales mix of motor caravans per country and per product eventually turned out to be less favourable than expected, hence a decrease in the operating profit,
- The start-up of the production plants of Peniscola and Sablé entailed higher costs than anticipated,
- The garden equipment activity had to face up to delays in delivery from subcontractors which led to turnover losses and the implementation of late delivery penalties by the large-scale distribution,
- Lesser sales of awnings and trailer tents (-23%) affected by the downward UK and Dutch markets resulted in underutilizing some camping equipment manufacturing plants.

Considering that most above-listed items are non recurrent, the outlook for 2007 remains favourable despite some persistent production gaps on the first months of the financial year coupled with the impact of restructuring-related measures which will possibly be implemented.

The unveiling of the new ranges of motor caravans gave rise to a warm welcome from the distribution networks and from the end customers, as confirmed by the autumn exhibitions.

Trigano will stand by its policy of organic and external growth which should be instrumental, in the medium and long term, in a significant increase in the sales volume and in the operating profit. Therefore, the takeover of the second largest UK LV's accessory specialist has already been concluded (turnover of £7m).

The definitive results for the 2005/06 financial year will be disclosed on November 30, 2006 after closing of the stock exchange.

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