



First-half 2010 results

On 20 July 2010, the merger between Jacquet Metals and IMS became effective and JSA, controlled by Eric Jacquet, became IMS' largest shareholder with 40.20% of the capital and 45.99% of the voting rights. After JSA's purchase of the IMS shares held by Jacquet Metals for €49.6 million, the Group's debt totals €168.8 million. With proforma shareholders' equity of €275.1 million, this gives a gearing ratio of 61.4%. As part of the merger, the Group also negotiated a €160 million refinancing deal.

IMS + Jacquet Metals (proforma and excluding merger costs)

in thousands of euros	H1 2010	H1 2009	Change
Turnover	530,126	457,961	+15.8%
Gross margin	118,849	55,746	+113.2%
% of turnover	22.4%	12.2%	
Operating result	(9,811)	(71,184)	
Net financial result	(7,239)	(9,779)	
Consolidated net result	(20,547)	(63,438)	

In the first half of 2010, the merged Group generated turnover of €530.1 million, representing year-on-year growth of 15.8% with volumes contributing 10.2% and prices 5.6%. Sales volumes rose in all product lines relative to 2009. However, the main driver of growth remained stainless products – i.e. quarto plates distributed by Jacquet and long products distributed by Stappert – which also saw price increases.

Gross margin in the first half of 2010 amounted to €118.8 million, more than double the figure for the year-earlier period. This was after taking into account a €10 million write-down on inventories, reflecting in particular the strategic decision to reduce slow-turnover inventories.

The Group made an operating loss of €9.8 million after the €10 million inventory write-down and €5.9 million of extraordinary costs related to the reorganisation carried out by the Group's new management. Other measures taken after 30 June 2010 or still being considered will affect second-half earnings by around €7 million.

The Group made a consolidated net loss of €20.5 million. This includes €2.2 million of extraordinary bank charges relating to the refinancing, and €5.2 million relating to decisions on tax loss carryforwards in Italy. A further €4 million of additional bank charges, resulting from the merger-related refinancing, will be incurred in September. These charges were not taken into account in the first-half figures, and will partially affect consolidated net profit in the second half of 2010.

From 2011, the Group will have four operational sub-groups with strong brands, corresponding to the four markets in which the Group already has strong positions: engineering steels (IMS), wear-resistant steels (Abraservice), stainless steel bars (Stappert) and stainless steel quarto plates (Jacquet). Each sub-group will have its own development strategy, aimed at making it a profitable leading operator in Europe and with a significant presence in emerging markets.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE IMS AND JACQUET METALS GROUPS

On 31 August 2010, IMS' Board of Directors, chaired by Eric Jacquet, examined IMS' consolidated financial statements for the six months ended 30 June 2010, reviewed by the statutory auditors, and the unaudited consolidated financial statements of the Jacquet Metals group (merged with IMS on 20 July 2010).

(in thousands of euros)

	IMS H1 2010	Jacquet Metals H1 2010
Turnover	447,051	83,075
Gross margin	93,326	25,524
% of turnover	20.9%	30.7%
Operating result*	(16,617)	1,697
Net financial result	(6,652)	(885)
Consolidated net result	(24,443)	291

* after €3.0 million of merger costs for IMS and €2.1 million for Jacquet Metals.

Download the financial report for the six months ended 30 June 2010 at www.ims-group.com

Financial analysts meeting: 30 September 2010



IMS is a European leader in the distribution of special steels, operating in four markets: engineering steels, wear-resistant steels, stainless bars and stainless quarto plates. With a workforce of close to 2,500 staff, IMS operates a network of 90 distribution centres in 22 countries (Europe, Turkey, China and the USA).

Listed on Euronext Paris - compartment B of NYSE Euronext, member of the SBF 250 and Small 90 indices.
ISIN: FR0000033904 - Reuters: ITMT.PA - Bloomberg: IMS FP

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