



Spraying is our business

FY 2010-2011 first quarter
Gradual improvement in market conditions

- **Materials Protection:** Confirmation of renewed growth driven by the automobile sector and emerging countries
- **Plant Protection:** First encouraging signs of recovery

Consolidated data in € millions	2009-2010	2010-2011	Change (%)
First-quarter revenue (September to November)	77.6	73.8	-4.9%
o.w. <i>Plant Protection</i>	56.5	48.0	-15.0%
o.w. <i>Materials Protection</i>	21.1	25.8	+22.3%

□ **Plant protection (65% of consolidated revenue)**

In the first quarter of FY 2010-2011 (September to November), the Plant Protection business had revenue of €48 million, still 15% below the same period one year earlier.

Reduced activity in this pre-season quarter reflects the lower backlog of orders at August 31, 2010 and the wait-and-see attitude of distributors preferring to postpone orders until the beginning of the season, particularly in France.

Still, while revenue in the first quarter has remained low, new order intakes were up 29%, with an acceleration at the end of this period. This in large part reflects the positive impact of rising cereal prices contributing to renewed confidence by farmers. Given the low level in the same period one year earlier, this trend in consequence signals a return to more normal market conditions.

Finally, the Group both launched new products (cf. the last quarterly press release) and has continued to invest. As a result, the new 5,000 m² logistics platform of Exel gsa, its gardening subsidiary, will enable it to better service its customers throughout the world.

□ **Materials protection (35% of consolidated revenue)**

In the Materials Protection business, revenue continued to grow in the FY 2010-2011 first-quarter, advancing 22% to €25.8 million.

Trends have furthermore remained positive with an uptick in orders and particularly strong momentum in the automobile sector and emerging countries. On this basis, Sames and Kremlin-Rexson were awarded several major contracts in Brazil, Russia and Romania in the first quarter. These included contracts in which both participated involving new applications for these companies.

These contracts are consistent with other actions taken in recent months to leverage the complementary nature of these two companies highlighted by their new common graphic charter and matrix organization for sales in the automobile sector.

□ **Outlook and strategy**

Patrick Ballu, Chairman & CEO of EXEL Industries, commented:

"At the present time, given these recent positive developments, FY 2010-2011 performances are expected to be better than in the prior year. While this rebound is still tentative, we continue to be cautious. However, our solid financial position ensures that we will remain able to effectively pursue our strategy in 2011. These include four objectives: 1/ Market share gains in global markets 2/ Further improving margins 3/ Strengthening our net cash position 4/ Pursuing capital investments for R&D and our manufacturing sites."

Upcoming press releases: FY 2010-11 second-quarter revenue, March 29, 2011.

About EXEL Industries: www.exel-industries.com

A world leader in precision spraying technologies for agriculture (No. 1 worldwide) and manufacturing (No. 3), EXEL Industries employs approximately 2,600 people in 23 countries on all five continents.

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