



Financial statements for the 1st half 2013:

Net income €1.0m

Free cash flow €1.9m

Net cash flow doubled

As expected, a highly adverse base effect and environment

HF Company achieved sales amounting to €48.9m during the 1st half of the 2013 financial year, down by 20.5% compared to the 1st half of 2012. In a persistently morose environment, business was impacted by a very adverse base effect, with the 1st half of 2012 including switch-off sales in Europe and the CPL contract. The group benefitted from a return to high growth in its Broadband sector reinforced by the economy measures implemented.

Protecting profitability and cash flow

| Income M€ ⁽¹⁾ | H1 12 | H1 13 | Variation in M€ |
|--------------------------|-------|-------|-----------------|
| Turnover | 61.5 | 48.9 | -12.6 |
| Operating income | 1.1 | 0.6 | -0.5 |
| Cost of financial debt | 0.2 | 0.1 | -0.1 |
| RNPG | 0.8 | 1.0 | +0.2 |
| RNPG per share | 0.22 | 0.27 | - |

(1) Limited examination procedures

HF Company rapidly adapted its supply levels to the downtrend in business volume. At the same time, the group has pursued the efforts to reduce overheads initiated several quarters ago. Expenses have dropped 20% allowing HF Company to maintain an operating income of €0.6m. The robustness of the financial structure and a favourable tax effect have allowed the group share of net income to grow to the extent of 1 million euros.

HF Company achieved a six-monthly operating cash flow of 2.7 million euros. This is the 16th consecutive half-year of positive operating cash flow for HF Company. The targeted investment management policy provided free cash flow of €1.9m, approximating the cash flow variation. In the 1st half, the group has shown net cash flow amounting to € 3.3m, more than twice the figure at 31 December 2012.

Outlook

In the second half, HF Company is expected to benefit from a less adverse base effect, as the CPL contract CPL came to an end in Q3 2012. Ongoing lively dynamics in the Broadband sector and the roll-out of the Thomson home automation box should also contribute to improve business in the second part of the year. The group will continue to give priority to generating cash flow and intends to pursue its cost reduction efforts.

Next release:

Publication of turnover for the 3rd quarter 2013, on 15 October 2013 after trading hours

Contacts

HF Company

☎ : +33 2 47 34 38 38

Press: Stephanie Stahr

☎ : +33 1 45 96 77 83

comfi@hfcompany.com

| stephanie.stahr@cmcics.com

ISIN : FR0000038531– Reuters : HFCO.LN Bloomberg : HFCO NM

METRONIC
SOLUTIONS POUR LA TELEVISION NUMERIQUE

Extel **Lea**
VIVRE MEUX

OMENEX

avidsen
Simplicity & Comfort

About HF Company: HF Company is a major player in the Digital Home Automation, CPL technology, and comfort technologies arenas. Through its Broadband sector, the group is also a world leader in XDSL solutions. HF Company is listed on Euronext (compartment C), and holds an Innovative Company rating from OSEO ANVAR (n°A1303001F).

oseo **anvar**
