



Paris, 27 August 2012

H1 2012 earnings down amid market deterioration

- H1 gross profit of €36.87 M, down 2.4% on a reported basis (down 10.7% LFL¹)
- Headline PBIT of €7.50 M, for a decline of 14.4%
- Net income of €4.65 M, decreasing 17.8%
- More favourable trend expected in H2 and target to maintain stable EPS in 2012 compared with 2011.

(in € M)	H1 2012	H1 2011	Change N/N-1
Gross profit	36.87	37.79	-2.4% (-10.7% LFL ¹)
Headline PBIT ²	7.50	8.76	-14.4%
Operating margin (headline PBIT/gross profit)	20.3%	23.2%	-290 bp
Pre-tax income	7.46	8.39	-11.1%
Net income	4.65	5.66	-17.8%
Earnings per share (EPS, in €)	0.44	0.53	-16.8%
Net cash ³	23.77	28.26 ⁴	-€4.49 M

¹ Like-for-like data have not been audited and are calculated as follows:

- Including the acquisitions of POS Media, MRM and RC Médias as of 1 January 2011 and the sale of the French "In-store Field" businesses as of 1 January 2011.

- At constant exchange rates (GBP, CZK, HUF, PLN, UAH, TRY) by applying average exchange rates over 2012 to 2011 data.

² Headline PBIT: profit before interest, tax and restructuring costs.

³ Net cash: Cash and marketable securities less gross current and non-current financial liabilities.

⁴ At 31 December 2011.

Richard Caillat, Chairman of the Management Board, stated, "Despite the worsening economic environment in Europe over the first six months of 2012, HighCo maintained its business positions, pursued its innovation strategy focused on digital technologies and dematerialisation and expanded into new countries. We anticipate a change in business trends in the second half of the year."

Analysis of half-year results

As announced on 16 July, HighCo posted gross profit of **€36.87 M** for H1 2012, down **2.4%** on a reported basis and **10.7% like-for-like¹**.

Headline PBIT, at **€7.50 M**, was affected by this performance, registering a 14.4% drop (23% like-for-like), despite a 6.9% like-for-like¹ reduction in indirect operating expenses.

Pre-tax income only fell by 11.1% to **€7.46 M** due to a drop in restructuring costs and the lack of acquisition costs but despite decreasing financial gains. **Net income** attributable to equity holders of the parent was down by 17.8% to **€4.65 M**, and earnings per share came to **€0.44**, compared with €0.53 for H1 2011.

HighCo's financial structure remains robust with **net cash** of **€23.77 M** as against €28.26 M at 31 December 2011. Cash flow reached €5.94 M in the first half of the year, while the negative Working Capital, mainly generated by the clearing businesses, dropped by €6.17 M.

In geographical terms, **gross profit** fell 8.8% to **€20.68 M** in **France** and 13% to **€16.19 M** **Internationally** due to the poor business performance in Belgium (down 15.7%), mitigated by the strong resilience of new countries (Spain, Central Europe and the United Kingdom). **Headline PBIT** declined 20% in France and 1.4% Internationally (Belgium and New countries).

Highlights and strategic outlook

Due to the continued aggravation in the market over the first six months of the year, both in terms of advertisers' communications budgets and retailers' declining business in the hypermarket segment in Europe, HighCo noted:

- **A drop in In-store Media**, particularly sharp in France and Belgium
- **A decline** in the volumes of coupons processed (*Clearing*)
- **Growth** in the new businesses (money-back offers, Logistics, and the SMS Platform).

Given this environment, HighCo has focused on **two priorities**:

- **Maintaining its business positions** by renegotiating key agreements, restructuring its operations and adjusting costs in France and Belgium.
- **Pursuing its Digital and International development:**
 - o **In the Digital** businesses, the R&D teams at HighCo Lab in charge of innovation defined the major projects that would enable brands and retailers to "Connect with Shoppers" through new media and digital solutions (webcoupons, load to card, drive, F-coupon, mobile applications, scanners). They have also intensified their work on the digital processing of promotional promotional data.
 - o **In the International** businesses, synergies were established in new countries with the initial coupon issuing campaigns in Hungary, Czech Republic, coupon processing in Spain and the winning of the The Co-operative Group budget in the United Kingdom (fifth-largest retailer nationwide). A new partnership was also forged in the United Arab Emirates with Integral Shopper.

Outlook

Business is expected to improve in the second half of 2012 compared with the first half of the year thanks to a better base effect (-8.8% in H2 versus -1.3% in H1 2011). Based on these assumptions, HighCo aims for stable earnings per share in 2012 compared with 2011.

Furthermore:

- Capex is estimated within a range of €2 M to €2.5 M for the year, of which €1.2 M generated as at 30 June.
- Share buybacks are expected to total less than €1 M in 2012 (€0.4 M at 30 June).

Acquisitions and/or investments are also under review for H2 2012.

The meeting to present the half-year earnings and outlook for 2012 will take place on 28 August at 2.30 pm at the Paris Victoire conference centre in Paris. The presentation will be available online on the Group's website at the beginning of the meeting. The half-year financial report (including the half-year financial statements which have been subject to a limited review by the Statutory Auditors) will be online after market close on 28 August.

About HighCo

HighCo, operating in 13 countries across Europe, is the leading non-media communications group specialised in mass-market retail and consumer goods. Through its two complementary divisions, SHOPPER and DATA, HighCo connects with the consumer all along the customer path, implements promotional campaigns and analyses and processes data.

- CONNECT SHOPPER: coupon issuing, promotion, in-store media, services
 - PROCESS DATA: clearing, management, monitoring, logistics.
- HighCo employs nearly 900 staff members in France, Benelux, Spain, United Kingdom and Central Europe and is listed in compartment C of NYSE Euronext Paris.

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Upcoming events

Publications shall be released after market close

Q3 and 9-month 2012 Gross Profit:	23 October 2012
2012 Gross Profit:	24 January 2013



HighCo is a component stock of the following indices: CAC® Small (CACS), CAC® Mid&Small (CACMS) and CAC® All-Tradable (CACT).

ISIN: FR0000054231

Reuters: HIGH.PA

Bloomberg: HCO FP

For further financial information and press releases, go to www.highco.fr.

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