2010 half year results

Audika

(in EUR thousands)	H1 2009	H1 2010
Revenues	**51,620**	**52,486**
Recurring operating income	**8,832**	**8,181**
Recurring operating margin	17.1%	15.6%
Operating income	8,823	8,191
Group net income	**4,953**	**4,109**
Net margin	**9.6%**	**7.8%**

The consolidated financial statements were partially audited by the Statutory Auditors.

The end of the first half of the year occurred against an unfavorable backdrop for consumption by seniors, both in terms of the economy and the media. Against this backdrop, which favored clients' wait-and-see attitudes, Audika's marketing campaigns, although well received by the public both in terms of image and brand awareness, were less effective.

Despite the impact of the slowdown in growth, Audika's interim results demonstrated the soundness of its economic model, enabling the Group to continue its strategic investments, both developing its networks in France and Italy and strengthening its structures.

First-half revenues totaled EUR 52.5 million, representing overall growth of 1.7% (-3.0% like-for-like). Of these revenues, 91.6% were generated in France, with Italy accounting for the remaining 8.4%.

Recurring operating margin of 15.6%

Audika's operating margin came out at 15.6%, drawing on an excellent gross margin of 84.5% and sound control of expenses. This figure includes a slight operating loss of EUR 0.3 million in Italy, which was particularly due to the fact that the Group prioritized the reorganization of internal procedures and staff training. Audika's recurring operating margin in France came out to an excellent 17.6%.

Net financial items improved slightly to EUR -0.9 million compared to EUR -1.0 million in the first half of 2009.

At EUR 3.2 million, income tax paid increased by EUR 0.5 million due to the *Cotisation sur la Valeur Ajoutée des Entreprises*, which taxes the added value of the taxpayer, and was previously included in operating expenses. Net income therefore amounted to EUR 4.1 million.

Extremely solid balance sheet structure

At June 30, 2010, Group shareholders' equity totaled EUR 50.5 million. Traditionally high at the end of the half (dividend payment, seasonal WCR effect), net financial debt came out to 56% (compared to 70% at June 30, 2009), reinforcing the Group's position to continue its investment. Audika has notably added 24 centers to its French network and 2 in Italy since the beginning of the year.

Trends for the second half of 2010

In light of the sluggish backdrop which appears to be continuing, Audika has adapted its marketing campaigns for the second half of the year in order to increase their effectiveness and boost store traffic. Through this, Audika intends to optimize its performance in its markets and is committed to generating higher operating income in the second half of the year than the first. Moreover, Audika will continue the development of its French network over the rest of the year.

In the medium-term, the French and Italian markets retain all of their growth potential, particularly thanks to the gradual demographic impact of the oldies boom over the coming years.

About Audika:

With more than 420 centers in 90 different regions and a 14% market share, Audika is the number one network offering hearing correction consulting and solutions in France. The Group has been present in Italy since 2007 and now has a network of almost 50 centers. Positioned on the market for hearing correction solutions for senior citizens, Audika aims to consolidate its leadership in a sector that remains very highly fragmented. Audika is listed on Euronext Paris, Segment B and the SBF 250, CAC Mid & Small 190 and CAC Small 90 indexes.

Audika Group will publish its revenues for the third quarter of 2010 on Monday, October 11, 2010 after market close.

If you would like to receive free financial information on Audika by e-mail, go to:
www.audika.com

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