

2012 HALF-YEARLY RESULTS

In EUR thousands	H1 2011	H1 2012
Revenues	56,291	54,105
Recurring operating income	8,423	5,507
Recurring operating margin	15.0%	10.2%
Operating income	8,433	5,473
Group net income	4,814	2,883
Net margin	8.6%	5.3%

The statutory auditors' review report for Audika's consolidated financial statements for the first half of 2012 is currently being drafted.

The first half of 2012 was characterized by less buoyant commercial activity in France and Italy, primarily due to a morose economic environment. Nonetheless, despite the knock-on drop in revenues having a direct impact on Audika's results, the Group's fixed-cost structure meant it was able to maintain its comfortably strong level of profitability and reduce its financial debt over the period.

Half-yearly revenues

At EUR 54.1 million, Audika's revenues for the first six months of 2012 were down 3.9% year-on-year (-5.0% like-for like), with the Group's activities in France accounting for EUR 50.1 million and its operations in Italy for EUR 4.0 million. Like all players in its sector, the Group noted that, despite the high level of in-store traffic, the overriding sentiment amongst clients is a wait-and-see approach.

Recurring operating margin

Down EUR 2.9 million to EUR 5.5 million, Audika's recurring operating margin was directly affected by the slump in revenues. The Group's gross margin fell EUR 2.7 million. Its carefully-managed cost structure, which is almost entirely made up of fixed costs, remained virtually unchanged on the first half of 2011 despite the reinforcement of the marketing teams and change in consolidation scope. In Italy, the Group's operations were close to break-even, reporting a half-yearly loss of EUR 0.3 million. All told, Audika's recurring operating margin stood at 10.2%, of which close to 12% was generated by its activities in France.

Group net income

Following the EUR 0.4 million reduction in financial expenses and EUR 2.1 million drop in its corporate income tax, net income for Audika

over the period came in at EUR 2.9 million, resulting in a net margin of 5.3%.

Drop in net financial debt

Audika's Group shareholders' equity stood at EUR 60.8 million on June 30, 2012. At EUR 5.0 million, cash flow from operations was more than sufficient to cover the investments made over the period, enabling the Group to not only continue to reduce its debt but also pay out a global dividend of EUR 2.6 million. Gearing was reduced to 36% (compared with 48% on June 30, 2011).

Trends for the second half of 2012

Audika Group intends to restore growth as of the second half of 2012, notably by drawing on what remains a strong portfolio of a very high number of potential clients, the reinforcement of its marketing teams, and the launch in France of a new attractive product offer: "Audilib® - a hearing solution for just 1 euro a day and with 1 month to change your mind". Carefully designed to meet the ever-changing needs of its target clients, Audika is looking to maximize the immediate take-up on this innovative new offer on the hearing correction market which should pave the way for future growth.

Given the Group's economic model, a return to growth would automatically mean a substantial improvement in margins, particularly as seasonal trends point to a lower cost base in the second half of the year.

Audika will also be pursuing the development of its French network and various negotiations are already underway for the acquisition of new centers. In Italy, the Group remains more than open to new opportunities but without ever compromising its very strict selection criteria.

About Audika:

With more than 440 centers in 91 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 60 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 C.

Audika Group will publish its third-quarter revenues on October 15, 2012 after the close of the markets.

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www.audika.com

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