



# H1 2012 results High profitability sustained at 15.2%

The Board of Directors of the Tessi Group convened on 3<sup>rd</sup> September 2012 to approve the accounts of the first half 2012. These consolidated accounts were examined by the Statutory Auditors.

### **Consolidated income statement** (1<sup>st</sup> January – 30<sup>th</sup> June)

In M€	30.06.2012	30.06.2011
Turnover	127.2	124.8
Operating income from continuing operations	19.3	20.8
Operating margin from continuing operations	15.2%	16.6%
Operating income	19.0	20.7
Net income Group share	11.3	12.6
Net margin	8.9%	10.1%

#### Good dynamic sustained with organic growth of 2.1%

Activity in H1 2012 posted an increase of 2% with 2.1% in organic growth. During the period, Tessi sold the US subsidiary Docubase Inc. taking effect on 1<sup>st</sup> January 2012. In sequential terms, the first quarter posted a 4% rise while the second quarter was stable at +0.2%.

Over the half, the activity and results per business unit were mixed:

- The activity generated by Tessi Documents Services grew 4.2% to €82.8m (+4.4% in organic growth). Despite price pressure and keen competition, operating profitability from continuing operations remained high at 11.7% (vs. 13.3% in H1 2011).
- The activity of Tessi Marketing Services fell by 11.2% to €17.5m. The results of this BU, with operating profitability of €0.3m compared to €0.2m in H1 2011, remain fundamentally penalized by a sharp downturn in the logistics activity.

  Restructuring measures taken in 2011 were insufficient to offset the drop in volumes observed in this sector of activity. Corrective measures have been taken to put the logistics activity within Tessi Marketing Services back on track to attain profitability by 2013.
- The activity generated by CPoR Devises grew by 5.1% to €26.9m, with operating profitability remaining at the very good level of 36.6% (vs. 38.7% in H1 2011).

Tessi SA

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#### Consolidated operating margin from continuing operations at 15.2%

After record results in 2011, the consolidated operating margin from continuing operations descended to the more normal level of 15.2% of turnover. The period witnessed a slight increase in levies and taxes (€+0.5m) and an increase in provisions (€+0.6m).

After taking into account a financial loss of €-0.1m and income tax of €6.2m, the consolidated net income came to €12.6m, which is a return of 9.9%.

The net income Group share stood at €11.3m.

## Tessi has an extremely strong financial structure to finance its development with net cash of €61.8m

Tessi has considerable financial resources to finance its internal and external development projects.

The main items on the balance sheet are:

In M€	30.06.2012	31.12.2011
Net cash and net cash equivalents from financial debt	61.8	52.1
Cash and cash equivalents	84.2	77.3
Shareholders' equity Group share	118.9	113.0

Operating cash flow stood at €20.5m. Investment during the period came to €2.5m. Free cash flow amounted to €6.9m.

#### Favourable trends for 2012

For the 2012 financial year as a whole, Tessi plans to pursue its growth. Group results in the 3<sup>rd</sup> quarter will, however, be penalized by an extremely unfavourable basis of comparison given the exceptionally high level in Q3 2011.

Next press release, Q3 2012 turnover, on 8th November 2012 after trading.



#### **About Tessi:**

- Tessi is the document processing specialist in France
- 3,464 staff at 31 december 2011
- Listed on Euronext Paris Eurolist B ISIN Code: FR0004529147 Symbol: TES Registered head office in Grenoble (38)
- Established in 1971 and acquired in 1979 by Marc Rebouah, current CEO
- N°1 in France in data acquisition and processing
- N°1 in France in deferred promotional management
- N°2 in France in check processing

For more information about the Group: www.tessi.fr



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