Paris, August 26th 2009

H1 2009: sluggish but healthy financial performance

- **H1 gross profit down by 4.5% like-for-like, headline PBIT[1] of €8.42 M, down 19.2%.**
- **Half-yearly cash flow of €7.24 M resulting in a €4.91 M rise in net cash totalling €18.14 M.**
- **With its "Store & Digital" positioning, HighCo enjoys robust fundamentals, confirming its growth strategy.**
- **Given the current economic climate, gross profit and headline PBIT[1] for the full year 2009 are expected to drop by the same extent than the first half of the year.**

(in € m)	H1 2009	H1 2008	Change 09/08
Gross profit	36.19	36.07	+0.3 % (-4.5% LFL)
Headline PBIT[1]	8.42	10.42	-19.2%
Operating margin[2]	23.3%	28.9%	-
Net income	5.52	6.76	-18.4%
Net cash surplus	18.14	13.23[3]	+37.1%

[1] Headline PBIT: profit before interest, tax and restructuring costs.
[2] Operating margin: Headline PBIT/gross profit.
[3] Net cash surplus at December 31st 2008

Richard Caillat, Chairman of the Management Board, stated: *With our clients' communication budgets currently shrinking, HighCo recorded a drop in operating profitability but has held up better than its market and enjoys robust fundamentals. Building on our unique point-of-sale positioning and our innovation in digital marketing, we are more aggressive than ever in developing new media and technologies. We expect full-year numbers (gross profit and headline PBIT) in line with our first-half results but remain confident in the future. Our "Store & Digital" strategy has proven successful and our priorities are clear: we are maintaining our efforts vis à vis our clients, our investments in our Digital businesses and continue to seek out potential acquisitions.*

Analysis of half-yearly results

As announced in July, the deterioration in market conditions weighed on business. Moreover, in France the law on the modernisation of the economy (*LME*) prompted distributors and brands to invest in price cuts rather than certain marketing campaigns. Gross profit came in at €36.19 M in the first half of 2009, representing growth of 0.3% as against the reported H1 2008 figure for gross profit. However, gross profit fell by 4.5% on a like-for-like basis, accounting for the acquisitions of BleuRoy.com and VMS as of

January 1st 2008. As such, this drop was not as sharp as the drop in advertising spending across Western Europe, estimated at 9.2% for 2009 by *ZenithOptimedia.*

For the first half of 2009, headline PBIT stood at €8.42 M, down by 19.2% compared with headline PBIT recorded one year earlier, i.e. €10.42 M. This fall stems from the natural rise in indirect operating expenses primarily arising from the integration of BleuRoy.com and VMS into the Group. As a result, operating margin went from 28.9% in H1 2008 to 23.3% in H1 2009.

Net income fell by 18.4% to €5.52 M over the first half, thus tracking headline PBIT. The 14.8% drop in net earnings per share to €0.52 was tempered by the share buyback programme launched in 2008.

HighCo's balance sheet continued to grow stronger, with half-yearly cash flow of €7.24 M and a net cash surplus of €18.14 M as at June 30th 2009, boasting growth of over 37% compared with December 31st 2008.

Robust fundamentals and confirmed growth strategy

HighCo was faced with a challenging first half of 2009, tackling the economic recession in Europe, the significant contraction of the communication market and the battle between industry and commerce in France. However, HighCo enjoys robust fundamentals, which include:

- **A confirmed "Store & Digital" strategy**

The **"store"** businesses remain vital for High Co, despite diverging trends in the first half of the year. First, the Group's main clients reduced their commercial co-operation and communication budgets. Second, consumers were won over by promotional tools. The clearing businesses saw strong growth, and HighCo staff processed a record number of coupons over the first six months of 2009.
At the same time, the **"Digital"** businesses continued to develop amongst distributors and consumers with increasing innovation and usage. A growing number of webcoupons® were issued in France, and e-clearing was launched in Belgium. HighCo is involved in innovative projects such as HighCo Lab' 3.0, the set-up of an e-space selling unit on September 1st 2009 and the first Web-TV dedicated to consumer promotions.

- **Consolidated commercial position**

Thanks to the strength of its offer and its teams, HighCo has ensured the loyalty of the main distributors and major brands in France and Benelux.

- **Careful cash management**

HighCo's businesses generate recurring cash flow, and, with its shrewd management of its investments, the Group demonstrated prudence in applying its acquisition policy. The Group's investment capacity remained intact.

HighCo continues to hold the position of market leader and benchmark in the "Point of sale" and "Digital Marketing" communication businesses. Faithful to its culture of innovation, the Group will pursue the development of its offer and ever-attractive medium-term projects.

Targets

In light of the current recession on its markets, HighCo expects a drop in its gross margin on a like-for-like basis and headline PBIT for the full-year 2009, in line with its first-half results.

About HighCo

HighCo offers point-of-sale, digital and data marketing solutions that enable brands and distributors to reach consumers at the point of sale at the time of purchase. The Group employs over 850 staff in France, Benelux, Spain, Italy and Poland and is listed in segment C of Euronext Paris.

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Upcoming events

Q3 2009 Gross profit	*October 20th 2009 (after market close)*
Q4/FY 2009 Gross profit	*January 27th 2010 (after market close)*

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HighCo is a component stock of the following indices: CAC Small90, CAC Mid&Small 190 and SBF250.

ISIN: FR0000054231
Reuters: HIGH.PA
Bloomberg: HCO FP

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