



Paris, March 29th 2010

# AGAINST THE CHALLENGING MARKET IN 2009, HIGHCO HELD UP WELL AND INNOVATES

- Gross profit of €68.52 M, down 3.2% like-for-like<sup>1</sup> on 2009, but slight growth in Q4
- Headline PBIT<sup>2</sup> of €11.06 M, down 14.1% like-for-like<sup>1</sup> on 2009, but stable in H2 2009
- 42.6% rise in Group net income and dividend proposal up by 50% to €0.15 per share
- Net cash up by 55.8% to €20.62 M
- 2010 outlook of a return to organic growth as of Q1 and improvement in profitability

(in € M)	2009	2008 LFL <sup>1</sup>	2008	Change N/N-1
Gross profit	68.52	70.80	68.64	-0.2%
Headline PBIT <sup>2</sup>	11.06	12.87	13.07	-15.4%
Operating margin <sup>3</sup>	16.1%	18.2%	19.0%	-15.4%
Group net income	6.19	NA	4.34	+42.6%
Net Cash <sup>4</sup>	20.62	NA	13.23	+55.8%

<sup>1</sup> Like-for-like = full-year consolidation of BleuRoy.com and VMS in 2008 and exclusion of discontinued operations in Italy

<sup>2</sup> Headline PBIT = Profit Before Interest, Tax and restructuring costs

<sup>3</sup> Operating margin = headline PBIT/gross profit

<sup>4</sup> Net cash = net cash surplus = cash minus gross financial debt

*Richard Caillat, Chairman of the Management Board, stated: In 2009, we experienced a change in environment: a strong economic drop in investment in communication, a change in the Brand/Distributor relations with the application of the LME law in France, consumers increasingly taking advantage of promotional offers and the pick-up in the use of new technologies. As such, HighCo delivered sound performance in 2009 and stepped up its innovation policy. With the definition of new concepts, high-performance digital applications and the creation of new services for brands and distributors, HighCo expects to record higher gross profit and starting in the first quarter and improve its profitability throughout 2010.*

## 2009 financial performance

Against a very challenging market (drop in advertising expenditure across Western Europe estimated at 11.8% by Zénith Optimedia), 2009 **gross profit** remained virtually stable on a reported basis (0.2%) and fell by 3.2% like-for-like. The Group saw a sequential improvement in business with a low in Q2 (down 8.3%) and slight growth in Q4 (up 0.1%).

**Headline PBIT**, which fell by 15.4% on a reported basis in 2009 and 14.1% on a like-for-like basis, improved over the year from being down 19% in the first half to stabilising in the second half.

**Group net income** grew by 42.6% to €6.19 M in 2009, thanks to a drop in the effective tax rate and a favourable comparison basis (no impairment of goodwill in 2009).

The **Group's financial position** continued to improve with a net cash surplus of €20.62 M, representing an increase of nearly 56%.

In light of this positive performance despite the crisis, the Group proposes a **dividend payout of €0.15/share** for 2009, i.e. a 50% rise on the dividends paid in 2008 and 2007.

## Highlights and strategic outlook

2009 was the year HighCo withstood the market and consolidated its positions:

- The "Store" businesses suffered from the crisis and the new relationship between retailers and manufacturers due to the LME law. However, HighCo also strengthened its positioning with distributors and pursued its development strategy by launching new merchandising businesses in France.
- The "Digital" continued to grow, with increasing numbers of advertisers and consumers signing on (over 6 M Webcoupons issued in France and Benelux). HighCo also stepped up its innovation programme with HighCo Lab.
- The "Data" businesses had an excellent year, thanks to a growing number of "promotion-hungry" consumers (11% more coupons cleared in 2009) and the launch of new businesses such as promotional logistics in France and Benelux.

The Group kicked off 2010 with a clear strategy based on two main ideas:

- **Simplification:** HighCo will continue to streamline its offer and structure with its two businesses: Operational Communications (Store: Consulting, Field Marketing, In-store Media) and Data Processing (Promotions Back Office). They benefit from a development unit in France and the set-up of an international Data unit in new countries (United Kingdom and Spain).
- **Innovation:** HighCo currently innovates with:
  - New concepts that combine TV, web and in-store expertise (TF1Conso, achetermieux.tv, www.good-deal.be, etc.) and the development of digital merchandising.
  - Technological advances, notably with contactless technologies (Pixiwallet®), and the digitisation of promotional offers and data processing.
  - New services, with the set-up of new promotional logistics infrastructures in France and the launch of the "Marketing Database Management" business in the Benelux countries.

## Targets

Building on its clear strategic positioning, HighCo forecasts a **return to organic growth for its gross profit in 2010, starting in Q1 2010**. This return to organic growth, along with the tight management of operating expenses, is expected to improve **operating margin in 2010**.

The Group also plans to use its **financial resources** to finance its CAPEX (about €1.5 M), the dividend payout (€1.7 M), share buybacks (€2 M to €4 M) and make acquisitions of any medium-sized companies should the opportunity arise.

*The Supervisory Board approved the financial statements for the year ended on December 31st 2009 at its meeting on March 25th 2010. At the time of writing, the audit of the consolidated financial statements has been carried out. The certification report will be issued once the required procedures have been finalised in order to file the registration document.*

*A financial analysts' meeting is scheduled for Tuesday, March 30th at 2.30 pm at the Palais Brongniart. The presentation will be available online prior to the meeting on the company's website, [www.highco.fr](http://www.highco.fr).*

## About HighCo

*HighCo is a digital and offline Marketing Solutions group for mass-market retailers and consumer goods manufacturers. The Group employs over 800 staff in France, Benelux and Spain and is listed in compartment C of Eurolist by Euronext.*

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### Upcoming events

Q1 2010 Gross profit  
Q2 and H1 2010 Gross profit  
2010 Half-yearly results  
Q3 and 9-month 2010 Gross profit  
Q4 2010 Gross profit

April 21st 2010 (after market close)  
July 19th 2010 (after market close)  
August 30th 2010 (after market close)  
October 19th 2010 (after market close)  
January 26th 2010 (after market close)

**HCO**  
**LISTED**  
**NYSE**  
**EURONEXT**

*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](http://www.highco.fr)*

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