Paris, 29 August 2011

H1 2011: strategic advances and slight drop in earnings

- H1 headline PBIT[2] fell by 4.3% on a reported basis and by 1.2% LFL[1]
- Stable pre-tax income (down 0.9%) and net income decreased by 13.9%
- HighCo expects an improvement in the H2 EPS trend vs. H1, with the positive contribution from acquisitions, 100% of MRM and 48.25% in POS Media, made in July

Richard Caillat, Chairman of the Management Board, stated, *"**The first half marked a turning point for HighCo. The Group is taking on a new dimension in Europe with the acquisitions in the United Kingdom and Central Europe. Despite a slight drop in earnings, our teams remain motivated on two major fronts: ongoing digitisation and the development of the STORE and DATA offers in the 11 countries where we operate.**"*

(in € M)	H1 2011	H1 2010	Change N/N-1
Gross profit	37.79	37.79	+0.0% (-1.3% LFL[1])
Headline PBIT[2]	8.76	9.15	-4.3% (-1.2% LFL[1])
Operating margin[3]	23.2%	24.2%	-100 bp (+0 bp LFL[1])
Pre-tax income	8.39	8.47	-0.9%
Attributable net income	5.66	6.57	-13.9%
Earnings per share (attributable to equity holders of the parent)	0.54	0.62	-12.9%
Net cash	37.49	31.31[4]	€6.18 M

(1) On a like-for-like basis (LFL) including Scan ID and Publi-Info Benelux as of 1 January 2010.
(2) Headline PBIT = Profit before interest, tax and restructuring costs.
(3) Operating margin = headline PBIT/gross profit.
(4) Net cash = cash minus gross financial debt at 31 December 2010.

Analysis of half-yearly results

As announced on 19 July, HighCo posted gross profit of €37.79 M for the first half of 2011. This figure was stable on a reported basis but represented a slight drop of 1.3 % like-for-like[1] on the first half of 2010.

Thanks to the shrewd management of operating expenses, headline PBIT fell by only 1.2% like-for-like as against the first half of 2010, amounting to €8.76 M (down 4.3% on a reported basis).

Pre-tax income came out at €8.39 M and remained stable on H1 2010, despite the decline in business and costs arising from the acquisitions of MRM and POS Media (€0.54 M). Net income attributable to equity holders of the parent was down by 13.9%, mainly due to the favourable tax effect of the legal restructuring that took place in France in the first half of 2010.

The Group's net cash continued to improve, rising by €6.18 M since 31 December 2010 to reach €37.49 M at 30 June 2011. The negative working capital of the DATA businesses contributed €2.69 M to this increase.

Geographically speaking, in Belgium HighCo's gross profit fell by 4.1% to €15.47 M, while in France business saw moderate growth of 0.8% to €22.32 M. In terms of operating profitability, the Group's headline PBIT rose sharply, by

20.8%, in France. However, international headline PBIT (Belgium, Spain) suffered from the decline in the STORE business in Belgium, falling by 35.9%.

An offer and geographical presence that are now unique in Europe

As announced on 5 July 2011, **the main highlight of the first half of the year is the considerable advances the Group has made internationally** both in:

- The STORE division, with the acquisition of a 48.25% stake in POS Media, the largest retail media group in Central Europe.
- The DATA division, with the acquisition of 100% of MRM, a leader in promotional campaigns on the UK market.

HighCo is now the operational marketing group with the most extensive geographical coverage in Europe (11 countries). The Group will develop its leadership both in the STORE and DATA businesses in all the countries where it operates, notably with the set-up of DATA joint ventures in Spain and Central Europe and now a team dedicated to international development. In July, HighCo took out a €23 M syndicated loan to refinance €9.4 M (bullet repayment in 4 years) of the acquisitions of MRM and POS Media as well as future deals.

The digitisation of HighCo's businesses continues to expand. The teams are mobilised to pursue this major shift by developing new digital media at points of sale or virtual promotional media (HighCo's virtual coupon solutions: NFC mobile coupon manager, self-scanning, coupons loaded from the web to loyalty cards).

Targets

Despite the current economic uncertainty, HighCo expects an improvement in the H2 EPS trend vs. H1 (attributable to equity holders of the parent) in H2 compared with H1, with the positive contribution from the acquisitions of POS Media and MRM. The Group is also in line with the its 2011 targets in terms of capex of more than €2 M (€1.72 M in H1) and share buybacks of between €1.5 M and €3 M (€1.17 M in H2) and intends to pursue further acquisitions in H2 thanks to its persistently robust financial structure.

The meeting to present the half-yearly earnings will take place on Tuesday 30 August at the *Club Confair* at 2.30 pm. The presentation will be available online on the Group's website at the beginning of the meeting. The half-yearly financial report (including the half-yearly financial statements which have been subject to a limited review by the Statutory Auditors) will be online as of 31 August.

About HighCo

HighCo is a "Non-Media" Communication Group offering marketing solutions that cover operational communication ("STORE") and data processing ("DATA") for retail and consumer goods brands to attract consumers and promote their loyalty. As a pioneer in Digital Marketing, HighCo also invests heavily in R&D through HighCo Lab. HighCo employs nearly 1,000 staff members in France, Benelux, Spain, United Kingdom and Central Europe and is listed in compartment C of NYSE Euronext Paris.

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Upcoming events

Q3 and 9-month 2011 Gross profit	*18 October 2011 (after market close)*
Q4 and FY 2011 Gross profit	*25 January 2012 (after market close)*

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

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