



Moderate sales rise and exponential growth in PLC business Profit potential remains intact Company expects situation to gradually return to normal

Moderate growth and very strong jump in PLC business again during 1st half

- The PLC business continued to grow sharply by 340% to €11.6 million and became the Group's main activity in the 2nd quarter
- The office automation business continued to do well with a conspicuous rise of 23% in France
- TV activities were down due to the end of the international switch over
- Broadband activities were down due to the slowdown in VDSL investments in the USA

€ million	H1 10	% sales	H1 11	% sales	+/-
Sales	72.0	-	73.1	-	+1.5%
Operating profit	5.2	7.2%	1.2	1.6%	-77%
Net profit after minority interests	3.5	4.9%	0.6	0.8%	-82.9%
Net borrowings*	0.6	-	0.1	-	-83 %

*Medium and long-term debt before adjustment for leases

Profitability maintained over the period

The Group's margin was impacted in the first half by three monitored parameters:

1. Soaring raw materials prices and wage inflation in China
2. A temporary unfavourable margin mix due to the fast movement in PLC activities
3. A persistent consumer crisis in Mediterranean countries

Due to the good conversion of cash results and well-managed WCR, HF Company was able to generate an operating cash flow of €2.9 million. HF Company was therefore able to pursue its investment programme and its policy of paying high dividends whilst at the same time strengthening its cash flow.

Gradual rise in profitability

- In order to meet the rise in the costs of labour and materials required to manufacture its products, the Group increased its prices in its B to C networks.

- HF Company introduced a policy of diversification of its supply sources for its PLC activities by starting up new manufacturing lines through the first-rate subcontractor Flextronics.

- As a result of the economic position in the Mediterranean region, the Group undertook restructuring measures at its Spanish subsidiary.

HF Company is therefore able to announce that its profits will start to rise again from the next half. In parallel, the Group's particularly solid financial structure allowed it to pursue a large number of growth projects, notably the opening of a subsidiary in Hong Kong, which will speed up international operations and address emerging markets.

The growth strategy and all the measures implemented mean that the HF Group can look forward to the forthcoming years with confidence.

Next meeting:
3rd quarter sales for 2011, 17 October after trading hours

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About HF Company: HF Company is a major player in the market for TV Activities notably DTT, PLC technology and office automation ergonomics. Through its broadband activities, the Group is the world's leading supplier of splitters. HF Company, which is quoted on the Eurolist (section C), has been awarded the *Entreprise Innovante* (Innovative Business) label by OSEO ANVAR (number A0912002F) and is also eligible for inclusion in FCPI (*fonds commun de placement dans l'innovation*).