



Paris, 18 October 2011

**Decline in business in the third quarter but continued strength in acquisitions**

- Q3 gross profit of €16.84 M, down by 1.6% on a reported basis and by 7.5% on a like-for-like basis\*\*
- 9-month gross profit of €54.63 M, down by 0.5% on a reported basis and by 3.3% on a like-for-like basis\*\*
- Acquisition of 80% of RC Médias in France, specialised in in-store radio and video marketing solutions

Gross profit (in € M)	2011*	2010	Change N/N-1	Change N/N-1 LFL**
Q1	18.24	17.80	+2.5%	+0.5%
Q2	19.55	19.99	-2.2%	-2.8%
Q3	16.84	17.10	-1.6%	-7.5%
9-month total	54.63	54.89	-0.5%	-3.3%

\* Non-audited data.

\*\* On a like-for-like basis including POS Media and MRM as of 1 July 2010 and at constant exchange rates (GBP, CZK, HUF, PLN, UAH, TRY).

Richard Caillat, Chairman of the Management Board, stated, "We had a challenging third quarter, amidst the current market uncertainty that is weighing on our clients' budgets. The fourth quarter is expected to continue on this same trend, but we continue to focus on our strategy of 'digitisation' and 'international development'. Further advances were achieved in Q3 with the acquisition of RC Médias in France, which will bolster our offer, notably in digital solutions for our retail and brand clients."

**Analysis of gross profit**

Q3 2011 gross profit amounted to €16.84 M, down by 1.6% on a reported basis and by 7.5% on a like-for-like basis.

At 30 September 2011, YTD gross profit stood at €54.63 M, down by 0.5% on a reported basis and 3.3% on a like-for-like basis.

**Geographically speaking**, Q3 was marked by a decline in business in France. International operations turned in a more contrasting performance: gross profit continued to fall in Belgium and Spain but showed growth in the United Kingdom and Central Europe.

**The drop in business is due to the challenging market environment** as communication expenditure in general is down, as is the sector of promotional marketing solutions.

- ZenithOptimedia has recently lowered its forecasts on communication expenditure in Western Europe for 2011 from 3.3% to 2.3% (*ZenithOptimedia, October 2011*).

- In 2011, brands continue to under-invest in promotional marketing solutions such as in-store media and couponing

## RC Médias acquisition deal

In early October, HighCo advanced in its digitisation strategy with the acquisition of an 80% stake in RC Médias from its founding shareholders. Founded in 2002, RC Médias has established itself as a leader in in-store digital radio and video solutions in France. Its service offer is a perfect complement to that of HighCo:

- The creation of radio and video advertising jingles with top-rate retailers such as Franprix, Leader Price and Monoprix.
- The sale of in-store radio and video advertising space for consumer goods manufacturers.

The group has 12 employees and forecasts revenues of about €4 M in 2011. RC Médias will be fully consolidated in HighCo's financial statements as of 1 October 2011.

Philippe Urbain and Pierre-Henri Caillavet, the founders of RC Médias, stated, "We are very pleased to become part of HighCo Group, whose leading position offers us newfound strength and a promising outlook for our digital radio and video solutions that will be available across a broader network."

The agreement signed with the shareholders of RC Médias stipulates that HighCo shall purchase the remaining 20% stake in 2013.

## About HighCo

HighCo is a 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

Q4 and FY 2011 Gross profit

25 January 2012 (after market close)

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

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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