



CONNECT SHOPPER & PROCESS DATA

Paris, 16 July 2012

2012 first-half gross profit declines in an unfavourable market environment

- Q2 gross profit: €18.85 M, down by 3.6% on a reported basis (-12.5% like-for-like)⁽²⁾
- H1 gross profit: €36.87 M, down by 2.4% on a reported basis (-10.7% like-for-like)⁽²⁾
- Improved business trends expected starting in third quarter

Gross profit ⁽¹⁾ (in € M)	2012	2011	Change N/N-1	Change N/N-1 LFL ⁽²⁾
Q1	18.01	18.24	-1.2%	-8.8%
Q2	18.85	19.55	-3.6%	-12.5%
Total H1	36.87	37.79	-2.4%	-10.7%

⁽¹⁾ The statutory auditors are currently performing the limited review of the interim financial statements

⁽²⁾ Like-for-like data:

- Including the acquisitions of POS Media, MRM and RC Médias as of 1 January 2011 and the sale of the French "In-store Field Marketing" businesses as of 1 January 2011.
- Constant exchange rates (GBP, CZK, HUF, PLN, UAH, TRY) by applying average H1 2012 exchange rates to H1 2011 data.

Richard Caillat, Chairman of the Management Board, stated, *"Market conditions were particularly difficult in the second quarter notably for HighCo SHOPPER in Belgium and France as consumer goods manufacturers have clearly cut back on their point-of-sale communications budgets. In this environment, we remain focused on digital innovation and international diversification that offers the most promising prospects for the medium term"*.

Analysis of gross profit

Q2 2012 gross profit amounted to €18.85 M, down by 3.6% on a reported basis and by 12.5% like-for-like.

H1 2012 gross profit came out at €36.87 M, down by 2.4% on a reported basis and by 10.7% like-for-like.

Market conditions were particularly unfavourable in the second quarter of 2012 :

- Forecasts for communication expenditures in Western Europe were revised further downward in 2012 from 1.5% to 0.4% growth (Zenithoptimedia estimates of March 2012 and June 2012);
- Multi-media communications budgets of advertisers in the food sector declined significantly in France: down 6.5% in April 2012 and 9.5% in May 2012 respectively year-on-year (source: Kantar Media, May and June 2012 Adex Report).

In terms of geographical mix, France accounted for 56.1% of H1 2012 gross profit and international markets 43.9%, with performances breaking down as follows:

- down by **8.8%** in **France** like-for-like;
- down by **13.0%** in **International Markets** like-for-like, with this trend more pronounced in **Belgium** (-15.7%) than in the **New Countries** (-2.3% in Spain, Central Europe and the United Kingdom).

The **SHOPPER** business continues to experience significant declines in France and Belgium from the consumer brands' under-investment in in-store media. In contrast, the **DATA** business had modest growth driven by the good performances of France and the United Kingdom.

Strategic advances

HighCo pursued its strategic development in the first half:

- **In the Digital business** with:
 - o The launch of **Merçi-Qui**, the mobile telephone application featuring new promotional techniques for brands: money-back offers, games and contests, requests for samples (70,000 downloads to date);
 - o New couponing campaigns on social networks such as Facebook and collective buying websites such as Groupon;
 - o Continuing work by the R&D unit with players in the digital market.
- **In international markets**: with the first coupon campaigns by POS Media in central Europe (Tesco Hungary, Makro Czech republic) and the partnership with Integral Shopper in the United Arab Emirates (Géant Casino, Lulu Group).

First-half results and outlook

Based on the current consolidation of the financial statements:

- **Headline PBIT** (profit before interest and tax and before restructuring costs) is **expected to show a 15%-20% decline** from the level of the 2011 first half to €8.76 M.
- **The Group's financial position remains solid** with a net cash surplus of €23 M at 30 June 2012.
- In an environment that remains challenging, the Group expects **trends to improve starting in the third quarter**. HighCo will indeed benefit from a better comparison basis (-8.8% in H2 2011 versus -1.3% in H1 2011) along with more positive seasonal trends in H2 for the SHOPPER business in France.

Half-yearly results will be presented on 28 August at 2.30 pm at the Centre Affaires Victoire, Paris.

About HighCo

HighCo, operating in 13 countries across Europe, is the leading non-media communications group specialised in mass-market retail and consumer goods. Through its two complementary divisions, SHOPPER and DATA, HighCo connects with the consumer all along the customer path, implements promotional campaigns and analyses and processes data.

- *Connect Shopper: couponing, promotion, in-store media, services*
- *Process Data: clearing, fulfilment, monitoring, logistics*

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.

Contacts

Olivier Michel
Managing Director and CFO
+33 1 77 75 65 06
comfi@highco.fr

Cynthia Lerat
Press Relations
+33 1 77 75 65 16
c.lerat@highco.fr

Upcoming events

Publications shall be released after the market close

2012 Half-year Earnings:	27 August 2012
Q3 and 9-month 2012 Gross Profit:	23 October 2012
2012 Gross Profit:	24 January 2013

SFAF financial analysts meetings

Half-year earnings: Tuesday, 28 August 2012 at 2.30 pm (Centre Affaires Victoire, Paris).

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HighCo is a component stock of the following indices: CAC® Small (CACs), CAC® Mid&Small (CACMS) and CAC® All-Tradable (CACT).

ISIN: FR0000054231

Reuters: HIGH.PA

Bloomberg: HCO FP

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

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