Financial press release **Tours, 26 September 2012**

Financial statements for the first half of 2012:
Higher net earnings and cash flow despite lower sales

Sales hurt by two exogenous factors

HF Company posted sales of €61.5m in H1-2012, down 15.8% from H1-2011, though the two periods are hard to compare. The downturn was almost entirely due to completion of the switch-over to TNT in France and discontinuance of the supply of PCL to the group's foremost operator client. The combined impact of these two phenomena shaved €11m off sales.
After stripping out these two factors, consolidated sales were almost level with H1-2011, significantly outperforming the French consumer electronics market, down 22% according to GFK, the market research institute.

Improving results and cash flow confirm the flexibility of our model

Profit & loss account, €m[(1)]	**H1-11**	*% sales*	**H1-12**	*% sales*	**Change**
Sales	73.1	-	61.5	-	-15.8%
Operating profit	1.2	*1.6%*	1.1	*1.8%*	-8.3%
Cost of debt	0.3	*0.4%*	0.2	*0.3%*	-33.3%
Net attributable profit	0.6	*0.8%*	0.8	*1.3%*	+33.3%
Net attributable profit per share	0.16		0.22		+37.5%

(1) Limited audit

Owing to the flexibility of its fabless model, HF Company managed to adjust its cost structure effectively and rapidly to the new environment. The group benefited from the restructuring measures completed in Southern Europe in the second half of 2011, breaking even in this region despite the worsening consumption crisis.

Together with tighter control of operating costs, these measures reduced structural overhead expenses by €1m, allowing HF Company to offset declining sales and rising non-current restructuring charges, and to record an operating margin of 1.8%, up 0.2 point. Net attributable profit came to €0.8m, up €0.2m, helped by lower cost of debt.

In the first half, cash flow from operations more than doubled, driven by a 30% increase in cash flow and improving working capital requirements. This result strengthened boosted cash flow by €4m to 30 June despite a dividend payment of €1.9m in the first half (instead of the second half, as is usual).

Objective for 2012: making the group immune to the crisis and continuing growth-inducing investments

HF Company continued to adjust its business with a restructuring plan for LEA and the merger of the logistics units of Omenex and Metronic, its Domestic Digital subsidiaries*. These new measures will tweak profitability in the second half. They will be accompanied by initiatives to redeploy the sales team to stronger markets.

HF Company intends to keep up profitability in order to maintain its internal investment capacity and to continue building the technological content of its products, in line with the strategy adopted for the design of the firm's first box. This upward spiral of innovation and profitability has allowed and will allow HF Company to strengthen its capital while providing shareholders with fair returns.

Next meeting:
Publication of Q3-2012 sales, 16 October 2012 after trading

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About HF Company: HF Company is a major player in the Digital TV and Home Automation markets, and a leading supplier to PLC (Power Line Communication) operators. In its Broadband business, the Group is also the world's leading supplier of splitters. HF Company is quoted on Eurolist (Compartment C) and has been awarded the Entreprise Innovante (Innovative Business) label by OSEO ANVAR (number A0912002F).

* Previously named TV Universe or TV/Multimedia division, which had strictly the same consolidation structure