



Paris, 26 August 2013

2013 INTERIM RESULTS

Business growth resumed in Q2, expected to strengthen in H2

- Q2 gross profit up 1.0% like-for-like¹ and H1 gross profit of €36.48 M, down 0.9% like-for-like¹

Exceptional impairment of a financial investment reduces net income

- H1 headline PBIT² of €6.09 M down 18.8%
- Adjusted net income³ of €3.54 M, down 23.9%. Net income of €1.57 M, down 66.3%

Change in governance

Continued advancement towards digital and international businesses

(in € M)	H1 2013	H1 2012	Change H1 2013/H1 2012
Gross profit	36.48	36.87	-1.0% (-0.9% LFL ¹)
Headline PBIT ²	6.09	7.50	-18.8%
Net income	1.57	4.65	-66.3%
Adjusted net income ³	3.54	4.65	-23.9%
Net cash ⁴	27.79	27.77 ⁵	+€0.02 M

¹ All like-for-like data in this document have not been audited.

² Headline PBIT: Profit before interest, tax and restructuring costs.

³ Net income attributable to equity holders of the parent: Net income excluding the exceptional impairment loss of €1.97 M on the Group's stake in Mediastay Holding.

⁴ Net cash: Cash and marketable securities less gross current and non-current financial liabilities.

⁵ At 31 December 2012.

Didier CHABASSIEU, Chairman of the Management Board, stated: "Growth resumed in Q2 and is expected to strengthen in the second half of the year. We are refocusing our offer on "discount coupon" and "in-store media" solutions and aim to become the European leader of retail digital marketing. To achieve this, we continue to invest in digital businesses (Promoland acquisition, Claude Nahon recruited) and new countries (operations started in Russia, stake in the UAE), our two strategic focuses".



H1 2013 Financial performance

The **macroeconomic environment remains challenging** in France, with a drop of 2.8% in advertising expenditure for the food sector and 1.7% for retail advertisers (source: Kantar Media, ADEX Report, July 2013). Zenith Optimedia forecasts a 0.7% drop in communication spending in Northern and Central Europe for 2013 (source: ZenithOptimedia, June 2013).

Despite this climate, HighCo saw a **return to growth in Q2**, with gross profit of €18.99 M, up 0.7% on a reported basis and 1.0% on a like-for-like basis. For the first half of 2013, the Group posted gross profit of €36.48 M, down 1.0% on a reported basis and 0.9% like-for-like¹. **The digital businesses grew 5.1% in H1, with their proportion of gross profit rising 140 basis points to represent 25.0% of the Group's total business.**

The **geographical breakdown** in gross profit stands as follows:

- France was down 1.6% to €20.34 M;
- International businesses rose 0.1% to €16.14 M with:
 - A 3.1% decline in Belgium;
 - **11.4% growth in new countries.** The robust performance of new countries (Spain, United Kingdom and Central Europe) drove their proportion up 100 basis points to represent 11.1% of the Group's total business.

The rise in OPEX invested to step up this shift was offset by the drop in the costs of traditional businesses. **Before non-recurring items, headline PBIT** only fell 6.2% to €6.59 M.

Reported headline PBIT came out at €6.09 M, down 18.8% due to the negative change in non-recurring items in France (€0.50 M provision for a dispute in 2013 and €0.47 M in income from a disposal in 2012).

Net income attributable to equity holders of the parent, adjusted for an exceptional impairment loss of €1.97 M on our 10% stake in Mediastay, fell 23.9% to €3.54 M. However, after all the financial transactions involving this investment (2000-2013), HighCo has netted €1.24 M.

Reported net income attributable to equity holders of the parent decreased 66.3% to €1.57 M.

Cash flow amounted to €5.20 M and only fell 12.4% on H1 2012. **Net working capital resources**, essentially from the coupon clearing businesses, rose €0.92 M to €37.08 M compared with 31 December 2012. As a result, **net cash remained stable** at €27.79 M at 30 June 2013.

Highlights

At its meeting on 26 June 2013, the Supervisory Board decided on the **following changes in the Group's governance structure**:

- Didier Chabassieu has been appointed Chairman of the Management Board to succeed Richard Caillat;
- Richard Caillat has been appointed Chairman of the Supervisory Board to succeed Frédéric Chevalier;
- Frédéric Chevalier has acquired the status of Chairman and Founder.

The Group has set a **new ambition to become the European leader in retail digital marketing and is refocusing its offer on**:

- **COUPONS and PROMOTIONS**: Issuing and clearing;
- **IN-STORE MEDIA**: Creation and selling.

The Group is pursuing its development in its two **strategic focuses, "Digital" and "New Countries"**, and aims to:

- **double the proportion of digital** from 25% of gross profit at end-2012 to **50% in the medium term**;
- **double the proportion of new countries** from 10% of gross profit at end-2012 to **20% in the medium term**.



1. To **step up its digital shift**, HighCo is setting its priority on:

- **Dematerialising coupon issuing and promotions** in six digital channels (Web, Facebook, Load to card, Mobile, Drive-throughs, Scanners). The number of coupons issued digitally by HighCo across these six channels grew 45% to 12.5 million in H1 2013.

HighCo announced the **acquisition of PROMOLAND**, a discount coupon smartphone application. This young start-up comprised of three employees is a pioneer in promotional offers on smartphones and boasts innovative technology used to issue targeted promotions by analysing shopping receipts.

- **Dematerialising coupon clearing**. The international coupon clearing platform is being developed to dematerialise the coupon clearing process for either physical "paper" coupons or digital coupons. In H1 2013, 16.2% of all coupons were cleared through a dematerialised process.

- **Dematerialising in-store media** in three channels: drive-throughs, radio & digital signage and e-flyers. In H1 2013, 17.6% of HighCo's in-store media businesses used digital media, for growth of 130 basis points since H1 2012.

The Group announced that former head of Mood Media Europe **Claude Nahon joined HighCo** as General Manager of the in-store media business in France (HighCo SHOPPER) and will be in charge of developing these businesses in Europe.

2. HighCo continues to **develop business in New Countries (excluding France/Belgium)**:

- Set-up of a company in Russia that is 80% owned by our subsidiary POS Media and 20% by the local management, which signed an exclusivity agreement to sell in-store media for Russia's leading retailer Magnit.

- Finalisation of the investment in a 30% stake in Integral Shopper in the United Arab Emirates, pioneer in coupon issuing and clearing in the GCC (Gulf Cooperation Council).

2013 financial outlook

HighCo expects business growth to strengthen in H2 2013 (Q2 2013 up 1%).

The Group continues to invest (OPEX) in digital while rigorously controlling the costs of its other businesses.

The decline in full-year headline PBIT is not expected to be as sharp as in H1 2013.

The Group's financial resources will be allocated to:

- capital expenditure, for less than €2 M (€0.8 M in H1);
- share buybacks, for less than €1 M (€0.2 M in H1);
- potential acquisitions and investments, especially in digital businesses, in H2 2013.

A financial analysts' meeting is scheduled for Tuesday, 27 August at 2.30 pm at the Centre Affaires Victoire in Paris. The presentation will be available online prior to the meeting on the company's website www.highco.com.



About HighCo

HighCo is a retail marketing specialist, offering its brand and retailer clients Coupon & Promotions and In-Store Media solutions.

In response to the new retail dynamics resulting from the explosion in communication channels and data use, HighCo invents new digital solutions to connect with shoppers.

Operating in 15 countries, HighCo has nearly 900 employees and is listed in compartment C of NYSE Euronext Paris and in the GAIA Index, a selection of 70 responsible Small and Mid Caps.

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Upcoming events

Publications take place **after market close**

Q3 and 9-month YTD 2013 Gross Profit: Tuesday, 22 October 2013

FY 2013 Gross Profit: Tuesday, 28 January 2014

SFAF financial analysts meeting

Half-year Earnings: Tuesday, 27 August 2013 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.com.

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