



Paris, 22 October 2013

GROWTH IN Q3 2013 GROSS PROFIT OF 1.5% LIKE-FOR-LIKE¹

- Q3 2013 gross profit of €17.16 M up 1.5% like-for-like¹ (up 0.9% on a reported basis)
- 9-month gross profit of €53.64 M down slightly by 0.1% like-for-like¹ (down 0.4% on a reported basis)

Gross Profit (in €M) ²	2013	2012	Change 2013/2012	Change 2013/2012 LFL ¹
Q1	17.49	18.01	-2.9%	-2.8%
Q2	18.99	18.85	+0.7%	+1.0%
Q3	17.16	17.02	+0.9%	+1.5%
9-month total	53.64	53.88	-0.4%	-0.1%

¹ Like-for-like and at constant exchange rates.

² Unaudited data.

Didier Chabassieu, Chairman of the Management Board, stated: *"HighCo delivered a second consecutive quarter of growth, driven by our digital businesses in France and our strength in Central Europe. These results confirm our strategic choices to step up the digitisation of our businesses and develop in new countries. However, we remain prudent given the disappointing performance in Belgium in H2."*

Analysis of Q3 2013 gross profit

As announced on the release of our half-year earnings, growth picked up slightly in the third quarter with gross profit of €17.16 M, up 1.5% like-for-like (down 0.9% in H1 2013).

The third quarter saw business growth in France, which boasted gross profit of €9.91 M, up 3.3% like-for-like (down 1.6% in H1 2013).

Our international businesses generated gross profit of €7.25 M in the third quarter, down slightly by 0.9% like-for-like (up 0.1% in H1 2013). They were primarily impacted by a 5.5% like-for-like drop in Belgium (down 3.1% in H1 2013). That said, new countries (Spain, United Kingdom, Central Europe) delivered strong growth of 17.3% like-for-like (up 11.4% in H1 2013).



Analysis of 9-month gross profit

Nine-month gross profit remained virtually stable (down 0.1% like-for-like) at €53.64 M.

In France, 9-month gross profit was down 0.1% like-for-like at €30.25 M.

For the international businesses, 9-month gross profit fell slightly by 0.2% like-for-like to €23.39 M. This reflects the sharp contrast between the performance of Belgium (down 3.9% like-for-like) and the strength of new countries (up 13.1% like-for-like in Spain, United Kingdom and Central Europe).

Highlights

Growth in the Group's digital businesses picked up in the third quarter (up 9.2% in Q3 following 5.1% in H1, coming out at 6.5% for the 9-month period). The traditional non-digital businesses continued to decline, with a drop of 1.3% in Q3 and 2.3% over the first nine months.

In France, digital technology fuelled the growth in the coupon/promotion businesses (issuance and clearing). However, the in-store media businesses are less digitised and continue to suffer from brands' under-investment in the segment and from the retail price war among food retailers. As a result, retailers are trying to reduce their overheads.

Digital businesses are not developing as rapidly in Belgium, delaying HighCo's digital migration in the country.

Central Europe drove growth in the new countries in Q3, with:

- A sharp business recovery in Hungary;
- Strong performance in Ukraine and Turkey;
- The launch of activities in Russia with the country's leading food retailer, Magnit.

The Group's outlook

HighCo remains highly dependent on the climate in the retail food sector.

In France, advertising expenditure in the food and retail sectors was down 1.3% and 0.5% respectively for the first eight months of the year (AdEx Report, August 2013).

ZenithOptimedia also expects a challenging market environment. After its June 2013 estimate of a 0.7% drop in advertising expenditure in Northern and Central Europe for 2013, ZenithOptimedia now forecasts a slightly steeper decline of 0.8% for the year.

Despite the sluggish environment, HighCo projects like-for-like business growth in Q4 and for 2013. The increase will be slightly lower than initially forecast given the poor performance in Belgium in H2.



About HighCo

HighCo offers *MARKETING SOLUTIONS* to *BRANDS* and *RETAILERS* to connect with the Shopper through all the new communication channels.

Seizing the opportunities offered by digital technology, HighCo utilises data and innovation in designing issuing and clearing solutions for *COUPONS & PROMOTIONS* and creation and adsell solutions for *IN-STORE MEDIA*.

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.

Your contacts

Olivier Michel
Managing Director
+33 1 77 75 65 06
comfi@highco.com

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

Upcoming events

Publication of 2013 Gross Profit: Tuesday, 28 January 2014 after market close.

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

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Reuters: HIGH.PA

Bloomberg: HCO FP

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

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