

Press release
August 8th, 2012

SECOND QUARTER 2012 REVENUE HALF-YEAR RESULTS AS OF JUNE 30th 2012

- Revenue up by 15% in the second quarter
- Continued growth in the first half year despite a generally unfavourable economic environment
- Cyclical decline of the gross margin by -0.8%
- Strengthening of the financial structure through a reserved capital increase of 4,500 thousand euros subscribed by Verlinvest S.A.

PARIS, August 8th, 2012 - Meeting in Paris on 08/06/2012, chaired by Sebastian Lombardo, the Board of Valtech SA has reviewed and approved the half-year financial statements of June 30th, 2012. The statements have been subject to a limited review by the Auditors.

The key figures are:

Thousands of Euros	H1 2012	H1 2011	%
Total revenue	65,536	55,738	18%
Gross margin	19,368 29.6%	17,161 30.8%	13%
Current operational result	(1,429)	(162)	-782%
Restructuring costs	(280)	(363)	
Other income and expenses	(18)	(132)	
Operational result	(1,727)	(657)	-163%
	-2.6%	-1.2%	-1.5
Financial result	(329)	(535)	
Profits before tax	(2,056)	(1,192)	-72%
Tax on the companies	(232)	(281)	
Result of joint ventures	(479)	49	
Profit after tax	(2,767)	(1,424)	94%

The steady growth of revenue in the first half of 2012 confirms the relevance of the Group's new positioning on digital marketing as well as the excellent business performance recorded in 2011. It increased to 65.5 million euros, against 55.7 million euros in the first half of 2011, an increase of 17.6% (14% at constant scope and 11.3% at constant scope and exchange rates) thus confirming the seventh quarter of growth above 10%. Some of the Group's companies have experienced outstanding growth in sales, despite the unfavourable economic environment. Thus, compared to the first half of 2011, Denmark grew by 46.9%, Germany grew by 133.6% (at constant scope), the United States grew by 15.1% and England grew by 12.7%. It should be noted that some of the more mature entities were able to generate growth despite the market difficulties encountered. Hence, Sweden increased its turnover by +4.6% and France by 2.6%.

Sebastian Lombardo, CEO of the Valtech Group said *"The repositioning of the Group on digital marketing has been the main engine of growth in sales in the first half year, allowing the Group to benefit from the fresh dynamism of this market segment. However, the current and lingering uncertainty in global economic activity has slightly deteriorated the group's gross margin which changed from 30.8% to 29.6% primarily due to the extension of decision cycles among our major clients."*

Changes in exchange rates have been generally favourable with an impact of 2.8% on revenue in the first half of 2012, compared to the first half of 2011, mainly due to the strengthening of the U.S. dollar, the Swedish Krone and the British pound.

However, two events negatively impacted the half-year statements. First, the Group has been affected, since the beginning of 2012, by the loss of an important historical customer for H2O, a company recently acquired in Germany, which has led to a direct negative impact on the entity's gross margin. Specific action plans have been put in place to overcome this economic situation. Second, the Korean joint venture recorded an operating loss of EUR -785 thousand in the first half due to a significant loss of its revenue realized with the Korean group SK&C, also a partner in the Joint Venture. The negative impact on Valtech's accounts corresponding to the share held in the Joint Venture is -479 thousand Euros.

The current operating loss for the period thus amounts to -1.4 million euros against -0.2 million on June 30, 2011. This deterioration in operating income was primarily due to lower gross margin and the maintenance of an important commercial effort which has enabled the Group to ensure continued growth of its turnover.

In a context of difficult access to financing for SMEs, the Group carried out a capital increase of EUR 4.5 million mandated during the General Meeting of shareholders on May 14, 2012 and underwritten by offsetting a debt owed by Verinvest SA. to continue to support growth and improve its overall performance. This operation has reduced the Group's debt by 4.5 million Euros.

The research and development activities undertaken by the Group, notably those related to the development of components for digital platforms have granted Valtech a research tax credit, which amounted in 2011 to 0.15 million euros which was recognized in the 2012 half year statements.

Valtech thus concluded the first half of 2012 with a net loss of -2.8 million euros against a loss of -1.4 million euros on June 30, 2011.

BUSINESS BY GEOGRAPHIC AREA

Second Quarter Revenue (Q2)				Half-Year Revenue (S2)				
Q2 2012	Q2 2011	Var Q2 12/11	Var at PCC*		S1 2012	SA 2011	Var S1 12/11	Var at PCC*
8 386	8 827	-5,0%	-5,0%	France	17 159	16 718	3,0%	3,0%
13 466	10 277	31,0%	18,0%	Reste of Europe	27 909	20 583	36,0%	23,0%
10 709	9 223	16,0%	7,0%	United States and Asia	20 468	18 437	11,0%	5,0%
32 562	28 327	15,0%	8,0%	Total	65 537	55 738	17,6%	11,0%

PCC : constant exchange rate and perimeter

All geographical areas are growing organically. The Valtech Group has demonstrated, on all its business lines, good resilience in a market heavily affected by the crisis.

France

The French business was up by just under 3%, despite a generally unfavourable economic environment and a first half year marked by economic uncertainties related to the European debt crisis and the presidential election.

Rest of Europe

Valtech's business in the rest of Europe remained buoyant, with a growth of 67.2%. Denmark and Germany have achieved the best performance of the Group, with 46.9% and 133.6% growth respectively compared to the same period in 2011.

United States and Asia

The strong growth of business in this region (11%) is notably facilitated by the repositioning on activities of digital marketing and the very encouraging development of our agency activities in New York.

EVOLUTION OF WORKFORCE

The average global workforce on June 30th, 2012 is 1,403 employees including 1,183 consultants. This slight contraction of 10% compared to December 31st, 2011 results from the optimization of some structures, performed without impacting the strategic investments and growth in turnover.

PERSPECTIVES FOR 2012

This seventh consecutive quarter of strong growth in turnover completes the first phase of the Group's transformation. Thus, the strong business performance and growth in turnover in the first half of 2012 are very reassuring and confirm the strategic vision of repositioning on the digital marketing market and the relevance of investment in some value added offers (digital platforms, data, mobile marketing) that are beginning to bear fruit with a strong rebalancing of the turnover to this segment. Today the Valtech Group gets 50% of its turnover in digital marketing, as against 35% a year ago.

A second phase will start now, focused on accelerating the return to profitability. A set of comprehensive measures has been taken to quickly restore the gross margin and profitability of the Group. The action plans will be deployed in the third and fourth quarters as part of work on the new three-year strategic plan.

FINANCIAL COMMUNICATION

Valtech will publish its turnover for the third quarter of 2012 on November 6th, 2012.

ABOUT VALTECH

Valtech [EURONEXT Paris: FR0004155885 - LTE] is a digital marketing and technology agency with a presence in 8 countries (France, UK, Germany, Sweden, Denmark, US, India, Korea) and approximately 1,400 employees. As a full service digital powerhouse Valtech delivers value to its customers at all stages of a digital project from strategic consulting to design, conception, development and optimization of business critical digital platforms. Through its demonstrated commitment to innovation and agility, Valtech helps global brands build business value and increase revenues through digital technologies while optimizing time to market and ROI.

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