Audika

FRENCH LEADER IN HEARING CORRECTION

Solid profitability growth in 2006: Recurring operating margin of 16.3% Net margin of 10%

About Audika:
With over 330 centers in 78 different regions and a 13% market share, Audika is the number one network offering hearing correction consulting and solutions in France. Positioned on the market for hearing correction solutions for senior citizens, which is not affected by changes in the economic environment, Audika aims to consolidate its leadership in a sector that remains very highly fragmented. Audika is listed on the Eurolist SMALL 90, segment B.

Audika Group will publish its revenue for Q1 2007 on April 23, 2007 after the close of the markets.

In EUR thousands	2005	2006	Change
Revenue	**70,583**	**79,042(*)**	**+12.0%**
Recurring operating income	**10,799**	**12,854**	**+19.0%**
Recurring operating margin	15.3%	16.3%	
Operating income	10,610	12,854	+21.1%
Group net income	**6,286**	**7,876**	**+25.3%**
Net margin	8.9%	10.0%	

(*) This figure takes into account the following restatement from guarantee extension cards: under IFRS, revenue only includes the margin earned on this type of product and not on all sales.

In 2006, Audika Group posted revenue of EUR 79.0 million, an increase of 12%.

Full-year internal growth came out at 7.3%, a significant improvement on 2005.

Recurring operating margin of 16.3% in 2006

This growth dynamic was bolstered by an improvement in margins in 2006 as forecast, with a 19% increase in recurring operating income to EUR 12.9 million. The Group's recurring operating margin thus came out at 16.3%, up one point on 2005 and above the target initially announced.

This performance is due both to further improvement in gross margin and the leverage effect of growth on structural expenses, in line with the Group's business model. It is all the more rewarding as employees were paid twice as much, EUR 1.2 million, as part of the Group's profit-sharing program, which is included in recurring operating income.

Net income increased even more sharply by 25.3% and benefited in particular from tight control of financial expenses. The Group's net margin reached a record 10% of revenue.

Significant reduction in gearing to 37.6%

These results, which are due to the excellent management of WCR, enabled the Group to step up its debt reduction against a backdrop of increased growth with 32 new centers acquired (of which 10 are franchised centers) or set up in 2006. The Group halved its gearing, which now represents just 37.6% of shareholders' equity. Audika has thus strengthened its financial resources in order to actively continue its development.

Sharp increase in dividends

A dividend of EUR 0.21 per share will be proposed at the next Shareholders' Meeting, representing an increase of 24% on 2005.

Outlook: Increased growth in France

A leader in terms of network coverage and brand awareness, Audika intends to be the first to benefit from the forecast growth in its market in the years ahead as its target customer category, the "baby boom" generation, reaches the age of 65.

Audika is aiming to increase its market share rapidly in France by continuing to outperform the market in terms of internal growth and also by increasing the rate of development of its network either through acquisitions or new centers.

Following the opening of 10 new centers announced in January 2007, negotiations are already well underway with several significant targets.

Targets confirmed

Audika is confirming its initial revenue target for 2007 of at least EUR 89 million, excluding the contribution of forthcoming acquisitions. The Group also set itself a recurring operating margin target of over 16.3%.

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IISIN FR0000063752-ADI
Reuters DIKA.PA,
Bloomberg ADI
Number of shares:
9,450,000

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