



CONNECT SHOPPER & PROCESS DATA

Paris, 26 March 2012

**2011 financial performance down, financial position still healthy**

- Gross profit of €73.39 M, up 0.4% on a reported basis and down 5.1% like-for-like<sup>1</sup>
- Headline PBIT<sup>2</sup> of €11.36 M, down 9.8%. Operating margin of 15.5% (down 170 bp on 2010)
- Net income down 28.9% and proposed dividend of €0.15 per share
- Three acquisitions for a total of €15.15 M. Net cash surplus<sup>3</sup> of €28.26 M
- 2012 forecasts: improvement in business starting in H2 and growth in EPS

(in € M)	2011	2010	Change N/N-1
Gross profit	73.39	73.09	+0.4% (-5.1% LFL <sup>1</sup> )
Headline PBIT <sup>2</sup>	11.36	12.60	-9.8%
Operating margin <sup>4</sup>	15.5%	17.2%	-170 bp
Pre-tax income	9.07	11.88	-23.6%
Attributable net income	5.76	8.10	-28.9%
Net cash <sup>3</sup>	28.26	31.31	(€3.05 M)

<sup>1</sup> Like-for-like data:

- Including HighCo Scan ID and HighCo Publi-Info Benelux as of 1 January 2010, POS Media and MRM as of 1 July 2010, RC Médias as of 1 October 2010.

- Constant exchange rates (GBP, CZK, HUF, PLN, UAH, TRY) by applying average 2011 exchange rates to 2010 data.

<sup>2</sup> Headline PBIT: profit before interest, tax and restructuring costs.

<sup>3</sup> Net cash: Cash and marketable securities less gross current and non-current financial liabilities.

<sup>4</sup> Operating margin = headline PBIT/gross profit.

Richard Caillat, Chairman of the Management Board, stated, *"The slowdown in the communication market, particularly notable in the food sector, weighed on HighCo's financial performance in 2011. However, our fundamentals stand strong and our ambition to advance in the digital businesses and our international development remains intact. We are tackling 2012 with a unique and innovative offer to enable brands to connect with the shopper and process data on promotional campaigns across 13 countries in Europe."*

## 2011 Financial performance

**2011 gross profit** amounted to €73.39 M, up 0.4% based on reported figures and down 5.1% on a like-for-like basis. Geographically speaking, gross profit fell 4.4% to €41.16 M in France and suffered internationally from the poor performance in Belgium (down 5.9% to €32.23 M). That said, the new countries (Central Europe, United Kingdom and Spain) turned in robust performances overall, bolstering the international segment.

The like-for-like<sup>1</sup> reduction of 3.6% in expenses helped to limit the drop in **headline PBIT**, which came out at €11.36 M. Operating margin (15.5%) was down by 130 bp on a like-for-like basis<sup>1</sup> and by 170 bp on a reported basis. The geographical breakdown of headline PBIT showed 3.7% growth to €6.85 M in France as opposed to the poor performance in Belgium, which impacted the Group's international headline PBIT (down 24.7% to €4.51 M).

Restructuring costs (€1.91 M) and acquisition costs (€0.94 M) held back **net income attributable to equity holders of the parent**, which fell 28.9% to €5.76 M. This resulted in a drop of about 27% in earnings per share.

HighCo's financial structure remains healthy with cash flow of €9 M and **net cash** of €28.26 M in 2011. As such, net cash slid by only €3.05 M on 2010, despite the €15.15 M invested in three acquisitions over the year.

## Highlights and strategic outlook

HighCo's market environment deteriorated in 2011, notably with:

- a **sharp slowdown in the communication market in Western Europe** following a rebound in 2010 (up 1.4% for 2011 versus 5.1% growth in 2010 according to ZenithOptimedia, March 2012);
- **particularly challenging retail and consumer goods sectors**, with advertising expenditure down 4.1% in the "Food" sector in France in 2011 and retailers in hypermarkets continuing to suffer in France and Belgium.

As a result, HighCo recorded a **drop in the Store businesses** (in-store media and field marketing) and a **moderate rise in the Data businesses**, with the downturn in the number of coupons cleared offset by the development of new offers (money-back offers, promotional logistics, SMS platform).

The Group therefore focused on **consolidating its core business** by initiating a strategy of operational restructuring and cost optimisation in France and Belgium and by selling its French in-store field marketing businesses to Globe Groupe (finalised in March 2012).

HighCo also continued to **advance in digital businesses and international development**, in particular:

- **Digital businesses**: with the purchase of an 80% stake in RC Médias (October 2011), the set-up of a European R&D Lab/Innovation team and the development of an international coupon processing platform;
- **International development**: with the purchase of a 48.25% stake in POS Media and a full stake in MRM (July 2011), the launch of HighCo Data España, whose first coupon processing campaigns are in progress, and the set-up of an international development business team.

## Targets

HighCo aims for an improvement in business starting in H2 and growth in EPS. The Group's financial resources will be allocated, as a priority, to:

- pursuing mergers and investments;
- capital expenditure in the amount of around €1.5 M;
- the share buyback programme in the amount of €1.5 M to €2.5 M;
- the dividend pay-out for 2011 in the amount of €1.6 M (€0.15 per share).

The Supervisory Board approved the financial statements for the year ended on 31 December 2011 at its meeting on 21 March 2012. At the time of writing, the audit of the consolidated financial statements has been carried out. The certification report will be issued once the required procedures have been finalised in order to file the registration document.

A financial analysts' meeting is scheduled for Tuesday, 27 March at 2.30 pm at the Palais Brongniart. The presentation will be available online prior to the meeting on the company's website [www.highco.fr](http://www.highco.fr).

### **About HighCo**

*HighCo, operating in 13 countries across Europe, is the leading non-media communications group specialised in mass-market retail and consumer goods. Through its two complementary divisions, Shopper and Data, HighCo connects with the consumer all along the customer path, implements promotional campaigns and analyses and processes data.*

*Connect Shopper: coupon issuing, promotion, in-store media, services*

*Process Data: clearing, promo management, monitoring, logistics*

*HighCo employs nearly 1,000 staff members in France, Benelux, Spain, United Kingdom and Central Europe and is listed in compartment C of NYSE Euronext Paris.*

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### **Upcoming events**

Publications shall be released **after market close**

Q1 2012 Gross Profit: 19 April 2012  
Q2 and H1 2012 Gross Profit: 16 July 2012  
2012 Half-year Earnings: 27 August 2012  
Q3 and 9-month 2012 Gross Profit: 23 October 2012  
2012 Gross Profit: 24 January 2013

### **SFAF financial analysts meetings:**

Annual earnings: Tuesday, 27 March 2012 at 2.30 pm (Palais Brongniart, Paris).

Half-year earnings: Tuesday, 28 August 2012 at 2.30 pm (Centre Affaires Victoire, Paris).



*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.fr](http://www.highco.fr).*

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