Financial release **Tours, 17 March 2014**

2013 financial statements:
Current operating margin rising
Net cash flow multiplied by 3

Sales for 2013 stood at M€95.4, down by 15.4% compared to the previous financial year. This change was due mainly to the base effect triggered by the interruption of the CPL contract in the 3rd quarter of 2012, and the end of switch-overs in Europe.

Improved earnings and healthy cash flow generation

The items in the 2013 income statement demonstrate the Group's ability to adapt, as it very successfully managed stocks and work in process against a background of strong negative growth.

In 2013, the Group curbed its overheads by 9% and 14% over 2 years. As a result of this reduction in overhead, profitability was enhanced thanks to the sale of high value-added mass consumer products. Current operating income stood at M€2.2, up by 10% compared to FY 2012, which corresponds to an improvement in the current operating margin of 0.5 pt over twelve months.

Net income (not including impairment loss on goodwill) balanced out at M€1.7, more than 4 times the previous financial year's income. During the financial year, HF Company generated operational cash flow of M€6.4 and free cash flow of M€5, which allowed the Group to continue its debt paydown and multiply its net cash flow by 3, bring it up to M€4.7.

M€	12	% sales	13*	% sales	Variation in %
Sales	112.8	-	**95.4**		-15.4%
Current operating income	2.0	*1.8%*	**2.2**	*2.3%*	+10.0%
Non-recurring expenses	1.5	*1.3%*	0.5	*0.5%*	- 66.7%
Impairment of goodwill	11.4	*10.5%*	0.5	*0.5%*	-
Operating income	-10.9	-	1.2	*1.3%*	-
Borrowing costs	0.3	*2.7%*	0.1	*0.1%*	-66.7%
GNP (consolidated net income excluding impairment of goodwill)	0.4	*0.4%*	**1.7**	*1.8%*	+ 325.0%
GNP	-11.0	-	1.2	1.3%	-

* Audit procedures completed, certification report in progress, accounts closed by the Board of Directors on 14 march 2014

Return to growth expected in the second half of 2014

Given the economic environment, the disappearance of certain negative base effects and the full impact of the new listings acquired in 2013, HF Company has a positive outlook for the 2014 financial year, with a return to growth discernable as of the second half.

The Group is going to capitalise on the booming connected object segment to support growth in Home Automation. The HF Company range comprises more than one hundred connected objects that operate alone or centralised through a Box. The Group also intends to accelerate its internationalisation, mainly in B to B, based on the flexibility of its new generic CPL platform and by rationally investing in managerial and sales functions in North and South America.

In the mid-term, the Group will profit from the arrival of ground-breaking technologies, which are expected to boost its mass market penetration and profitability.

0.5 euro dividend per share

Armed with these growth prospects, almost complete debt paydown and recurrent cash flow generation, the board of directors will propose a dividend of 0.5 euro per share to shareholders at the next Group General Meeting to be held on 20 June 2014, corresponding to a yield of 7.7% at closing on 14 March.

Upcoming events:
1st quarter 2014 sales figures published on 15 April 2014 after stock exchange closing

Contacts

HF Company
☎: +33 (0)2 47 34 38 38
comfi@hfcompany.com

Press: Stephanie Stahr
☎: + 33 50°1 45 96 77 83
stephanie.stahr@cmcics.com

ISIN: FR0000038531– Reuters: HFCO.LN Bloomberg: HFCO NM

About HF Company: HF Company is a major player in the Digital TV and Home Automation markets. and a leading supplier to PLC (Power Line Communication) operators. In its Broadband business, the Group is also the world's leading supplier of splitters. HF Company is quoted on Eurolist (Compartment C) and has been awarded the Entreprise Innovante (Innovative Business) label by BPI ANVAR (number A 1303001F).