

## Record 18% operating margin for H1 2007

### Initial expansion into Italy

In EUR thousands	H1 2006	H1 2007	% chg.
Revenues	39,265	<b>44,690</b>	<b>+13.8%</b>
Recurring operating income	5,983	<b>8,062</b>	<b>+34.7%</b>
Recurring operating margin	15.2%	<b>18.0%</b>	
Operating income	5,983	<b>8,062</b>	<b>+34.7%</b>
Group net income	3,551	<b>4,996</b>	<b>+40.6%</b>
Net margin	9.0%	<b>11.2%</b>	

#### About Audika:

With over 340 centers in 80 different regions and 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, compartment B.

Audika Group achieved excellent results in the first half of 2007, with a significant improvement across all of its economic indicators, demonstrating once again the strength of its business model and its growth strategy.

#### 9.2% organic growth in H1

During this first half, revenues rose 13.8% to EUR 44.7 million, perfectly in line with Group targets. Organic growth posted a sustained 9.2%, thus outperforming the market.

#### 18.0% recurring operating margin

This gradual acceleration of growth came with a strong 34.7% improvement in recurring operating income, to EUR 8.1 million. Recurring operating margin reached a record level of 18%. This performance was made possible by a further improvement in the gross margin and by leverage provided by growth based on a mostly fixed cost structure.

Net income rose even more sharply, by 40.6% to EUR 5.0 million, mainly on the back of controlled financial costs. Net margin came to 11.2%.

#### A solid financial structure

These strong results helped reduce net gearing to 56%, versus 63% in the first half of 2006. The Group thus confirmed its ability to accelerate the

expansion of its network in France (30 new centers, including 24 acquired and six created so far this year), while improving its business fundamentals.

#### Expansion begins into Italy

As part of its international expansion, the Audika group announces the acquisition of five centers, all located in Rome. These centers, which will continue to be developed by local businessmen, will add EUR 0.7 million in revenues in 2007 and more than EUR 3.0 million in 2008. Audika will also use these new centers as a springboard to cover this region more extensively by setting up new centers.

The Group is also in negotiations to acquire other centers in Italy in new key regions.

#### Improved outlook

When including the contribution of Italian centers, the Group is now targeting revenues of nearly EUR 92 million in 2007, or overall growth of over 15%.

Such growth should allow the Group to continue improving its margins, with a second-half objective of a recurring operating margin at least equal to that of the first half.

**Audika Group will report its Q3 revenues on October 15, 2007 after the close of the markets.**

If you would like to receive free financial information about Audika by e-mail, go to [www.audika.com](http://www.audika.com)

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