

## High operating profitability of 16.6% Sound financial structure Favourable business trends for 2011

The Tessi Board of Directors met on 2 September 2011 to close off the accounts for the first six months of 2011. These consolidated accounts were examined by the Statutory Auditors.

### Consolidated profit and loss account (1 January – 30 June)

In €M	30.06.2011	30.06.2010
Turnover	<b>124.8</b>	117.9
Current operating profit	<b>20.8</b>	22.2
<i>Current operating margin</i>	<b>16.6%</b>	18.8%
Consolidated net profit Group share	<b>12.6</b>	13.2
<i>Net margin</i>	<b>10.1%</b>	11.2%

### **Dynamic organic growth**

Turnover rose by 5.8% over the six months, 4.7% of which is attributed to organic growth. All business units participated in this increase in business, with a high contribution from Tessi Document Services (+8.1%).

The variance in scope during the period stems from the acquisition of Sakarah and Logidoc-Solutions, companies acquired at the end of 2010 and in early 2011 respectively, and from integration of the foreign exchange activity of Goffin Bank in Belgium in June 2010.

### **High operating margin of 16.6%**

The change in the operating margin, which remains at a very satisfactory level, can chiefly be explained by:

- the unfavourable base effect, considering that the 2010 margin achieved a record level,
- the dilutive impact due to the integration of the latest two acquisitions,
- outside factors (changes relating to the impact of the "Fillon" reduction in employer contributions and the corporate added-value contribution, etc.),
- operational factors such as reinforcement of the managerial structure and startup of a production centre.

Overall operating profit amounted to €20.8M, reflecting an operating margin of 16.6%.

After integration of a financial result of €0.07M and corporate income tax of €6.98M, net profit amounted to €14.0M.

Net profit (Group share) amounted to €12.6M, representing 10.1% of the turnover.

## **Extremely robust financial structure**

As of 30 June, Tessi's cash position stood at €53.9M (compared with €68.2M as of 31.12.2010), cash and cash equivalents amounted to €33.5M compared with €52.8M as of 31.12.2010.

This variance can notably be explained by the unfavourable but temporary impact of changes in the WCR (isolated disbursement of franking expenses not yet recovered, impact of external growth, increase in organic activity and seasonal effects, slight increase in payment times which will be brought back into line in the second half of the year).

Shareholders' equity (Group share) amounted to €106.2M compared with €99.2M as of 31.12.2010.

Over the period, cash flow amounted to €17.2M, compared with €18.8M in the previous year. Operating cash flow\* stood at €4.7M, compared with €22.9M on 30.06.2010.

After payment of a €9.1M dividend, investments amounting to €6.6M and loan reimbursements of €3.4M, free cash flow\*\* stood at -€14.2M.

## **Favourable trends for 2011**

In view of the current environment, Tessi has decided not to make any further acquisitions between now and year-end.

For 2011 as a whole, the Group's organic growth will be strong with an operating margin which will remain high, in particular due to the high level of business recorded in July and August 2011.

**Next press release:** turnover for the 3rd quarter, on November 08, 2011 after close of trading

**Next information meeting:** on 10 November at 10am at SFAF, 24 Rue de Penthièvre, Paris 8.

\*Net cash flow generated by business

\*\* Variance in cash position

### **About Tessi:**

- Tessi is the document processing specialist in France
- 3,621 staff at 30 June 2011
- 2010 sales: 235.2 M€
- Listed on Euronext Paris Eurolist B – ISIN Code: FR0004529147 – Symbol: TES
- Registered head office in Grenoble (38)
- Established in 1971 and acquired in 1979 by Marc Rebouah, current CEO
- N°1 in France in data acquisition and processing
- N°1 in France in deferred promotional management
- N°2 in France in check processing

For more information about the Group: [www.tessi.fr](http://www.tessi.fr)

## **Contacts**

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