



Emakina Group: sales grow by 18% and profitability increases by 36% in 2012

Brussels, 22nd MARCH 2013 (EMBARGO → 17:30 hours) – The Emakina Group (Alternext Brussels: ALEMK) today communicates its annual results for 2012. Consolidated sales increased by 18% in 2012 compared with 2011, while the consolidated EBITDA increased by 36% in absolute terms. The consolidated net result (excluding amortisation of goodwill) increased by 45% from 724,759 euros in 2011 to 1,052,780 euros in 2012. In order to sustain this strong growth, the Board of Directors will suggest to the General Assembly that no dividend be distributed, as was the case last year.

Sustained increase in sales, both inside and outside Belgium

In 2012, the Emakina Group's posted sales of 48,783,064 euros compared with 41,337,106 euros in 2011, an increase of 18%. At constant scope, sales increased by 12%. Sales inside and outside Belgium both increased at a rate of 18%. As a reminder, the 52% acquisition of equity in the Genevan communications agency LABEL.ch, now Emakina.CH, in July 2012 contributed to the development of this international growth dynamic. In Belgium, the takeover in March 2012 of the business of the Wanabe agency in Waterloo made it possible for Emakina to strengthen its position in its historic market.

In 2012, new national and international clients such as AG Insurance, Bavaria, Blueband, Bonduelle, Caisse d'Epargne, Karl Lagerfeld, OZ - Onafhankelijk Ziekenfonds, Orange, Peugeot, Sanofi, Seat, SNCF chose an agency in the Emakina Group as a partner for the development of their presence in new media.

At the same time, the Emakina Group is pursuing its international development by means of commercial agreements. At the end of 2012, the group signed three strategic partnerships (with Metia Group, Digital Jungle and SinnerSchrader) which will strengthen its presence in Asia, the United Kingdom, Germany and the United States.

EBITDA increases by 36%

The EBITDA increased by 36% in absolute terms and as a percentage of total sales the EBITDA grows from 6.7% of sales in 2011 to 7.7% of sales in 2012. At constant scope, the EBITDA went from 6.7% to 8.3% of sales between 2011 and 2012, which is justified by the successful integration efforts of the activities of Emakina.CH and PKA Wanabe, whose positive effects on profitability are expected from 2013.

Consolidated net result before amortisation of goodwill increases by 45%

The consolidated net result before amortisation of goodwill amounted to 1,052,780 euros in 2012 compared with 724,759 euros in 2011. This increase is explained by the improvement in the operating result of 487,823 euros combined with a controlled financial result, a net tax charge which increased by 551,761 euros and the absence of a significant extraordinary result in 2012.

Finally, it is important to remember that the amortisation of goodwill rose by 1,507,875 euros in 2012. This element of Belgian GAAP, which imposes systematic amortisation of goodwill has a significant bearing on the consolidated net result for 2012, which would amount to a profit of 1,052,780 euros instead of a loss of 455,095 euros.

Emakina continues its investment efforts in order to be able to provide a competitive service:

1. The significant investment started in 2011 and pursued in 2012 in the “social”, “mobile”, “performance”, “integrated communication” and “CRM/direct marketing” domains had beneficial effects. These centres of expertise made it possible to expand the services offered and were a lever for significant growth.
2. The acquisition of the advertising agency Troy, in March 2011, further reinforced Emakina’s “full service” strategy for brand management. This acquisition allowed Emakina to strengthen its competencies in brand strategy and to create multichannel campaigns, particularly for the account of the client SEAT.
3. The national and international expansion of the group by means of the acquisition of Emakina.CH and Wanabe combined with three commercial partnerships signed with Metia, Digital Jungle and SinnerSchrader will make a positive contribution to profitability starting from 2013 and will make it possible to improve the service offered and to take advantage of the resultant international impact as a result of synergies of the available talent.

In a non-exhaustive way, several elements explain the growth in operational profitability in 2012: better management of the costs of production, an improvement in production efficiency, optimal planning management, a strengthening of the monitoring of external purchases through the medium of order forms and a stable average sales price.

Within a context of significant growth, the stable financial debt level and the availability of renewed lines of credit adapted to group expansion ensured that the Emakina Group was able to enjoy a good level of financial stability despite an increased need for working capital. In particular, this made it possible, essentially via its own funds, to ensure the financing of the acquisition of the majority interest in the Genevan agency Emakina.CH.

To accompany its expansion and to strengthen its own funds, the Board of Directors of the Emakina Group will suggest to the General Assembly in April 2013 that no dividend be distributed, as was the case last year.

Prospects for 2013

The Emakina Group’s management foresees a continuation in growth over the whole of the year 2013, but at a significantly lower pace than has been seen this year.

Auditor’s Report

The auditors have confirmed that their review of the consolidated accounts has essentially been completed and has not revealed any significant corrections that should be made to the accounting information included in this press release.

Belgian GAAP

All consolidated figures were established according to Belgian GAAP (in particular the figures relating to the compulsory amortisation of goodwill). These figures represent a summary of financial results that will be published in detail in the annual report available on 2 April 2013.

Financial Calendar

- Annual General Assembly: at 16:00 hours on 22 April 2013
- Annual Report: 2 April 2013
- Half-Yearly Report: 16 September 2013

CONSOLIDATED FIGURES 2012 - EMAKINA GROUP SA

CONSOLIDATED RESULTS (EUR) *	31/12/2012	31/12/2011	31/12/2010
TOTAL REVENUES	48,783,064	41,337,106	33,105,221
Net revenues	47,799,533	40,265,704	31,537,104
Variation of work in progress	612,880	452,051	930,285
In-house production	204,530	241,097	0
Other operating income	166,121	378,254	637,832
TOTAL OPERATING COSTS (before depreciation and amortisation)	-45,027,552	-38,587,823	-30,485,186
Purchase of equipment and services related to sales	-24,411,435	-21,129,943	-15,464,514
Payroll costs	-20,416,416	-17,339,864	-14,874,268
Other operating costs	-188,701	-118,016	-146,404
OPERATING PROFIT (before depreciation and amortisation) = EBITDA	3,755,512	2,749,283	2,620,035
DEPRECIATION AND AMORTISATION	-1,361,478	-843,072	-895,667
Depreciation and amortisation of (in)tangible assets	-1,114,995	-861,492	-847,489
Write-off on trade receivables	-258,414	-13,746	-58,775
Litigation accruals	11,931	32,166	-10,597
OPERATING PROFIT (EBIT)	2,394,034	1,906,211	1,724,368
NET FINANCIAL RESULT	-349,762	-324,140	-356,725
Financial income	77,064	74,884	30,983
Financial charges	-426,826	-399,024	-387,708
CURRENT PRE-TAX PROFIT BEFORE AMORTISATION ON GOODWILL	2,044,272	1,582,071	1,367,643
Amortisation on goodwill**	-1,507,875	-1,561,061	-1,218,318
CURRENT PRE-TAX PROFIT	536,397	21,010	149,325
NET EXTRAORDINARY RESULT	-42,971	-368,363	-326,734
PRE-TAX PROFIT	579,368	-347,353	-177,409
Deferred taxes	-217,783	-260,837	-301,144
Current income tax	-822,927	-228,112	-420,096
SHARE IN RESULTS OF EQUITY-METHOD ENTITIES (profit)	6,247	0	-282
NET PROFIT BEFORE AMORTISATION ON GOODWILL	1,052,780	724,759	319,386
NET PROFIT	-455,095	-836,302	-898,932
A. Share of third parties	-31,762	32,041	44,856
B. Group share	-423,333	-868,343	-943,788

SHARE DATA	31/12/2012	31/12/2011	31/12/2010
NUMBER OF SHARES	3,833,739	3,833,739	3,796,869
NUMBER OF SHARES & SHARE OPTIONS	4,041,959	4,097,089	4,021,779
CURRENT PRE-TAX PROFIT (in EUR)	0.1399	0.0055	0.0393
CURRENT PRE-TAX PROFIT / SHARE & SHARE OPTION (in EUR)	0.1327	0.0051	0.0371
GROUP SHARE / SHARE (in EUR)	-0.1104	-0.2265	-0.2486
GROUP SHARE / SHARE & SHARE OPTION (in EUR)	-0.1047	-0.2119	-0.2347
NET PROFIT / SHARE (in EUR)	-0.1187	-0.2181	-0.2368
NET PROFIT / SHARE & SHARE OPTION (in EUR)	-0.1126	-0.2119	-0.2235

* Established according to Belgian GAAP

** According to valuation rules, goodwill is amortised over a period of 8 years independently of any potential considerations of overvalues in accordance with Belgian GAAP

The consolidated income statement for 2012 includes 12 months of all group subsidiaries, except for Emakina.CH, which have been consolidated since July 2012, that is to say 6 months of profit and loss.

FREE TRANSLATION

ASSETS (EUR) *	31/12/2012	31/12/2011	31/12/2010
NON CURRENT ASSETS	9,518,823	8,873,387	9,287,012
Formation expenses	177,960	269,914	385,692
Intangible assets	2,001,937	836,213	437,849
Goodwill	5 820 877	6,438,421	7,390,041
Tangible assets	1,244,679	1,088,537	849,099
Financial assets	213,375	240,302	224,331
CURRENT ASSETS	20,878,538	20,442,876	16,311,068
Stocks and contracts in progress	4,413,093	3,616,979	3,094,317
Deferred taxes	136,983	387,874	563,162
Amounts receivable with one year	14,221,489	13,826,031	11,324,959
Investments	395,890	0	1,348
Cash at bank and in hand	1,151,398	2,203,255	998,071
Deferred charges and accrued income	559,685	408,737	329,211
TOTAL ASSETS	30,397,361	29,316,263	25,598,080
LIABILITIES (EUR) *	31/12/2012	31/12/2011	31/12/2010
EQUITY	9,665,965	10,097,133	11,016,293
MINORITY INTERESTS	8,634	7,460	51,258
PROVISION FOR LIABILITIES AND CHARGES	5,000	16,932	161,097
DEFERRED TAXES AND LATENT TAXATION LIABILITIES	77,394	110,502	136,498
CREDITORS	20,640,368	19,084,236	14,232,934
Amounts payable after one year	1,508,623	443,356	120,720
Amounts payable within one year	18,510,802	18,412,781	13,971,332
Current portion of amounts payable after one year	604,125	1,215,005	1,001,984
Financial debts	4,385,622	2,064,400	1,202,057
Trade debts	3,555,991	4,723,962	3,687,017
Advances received on contracts in progress	3,573,594	4,953,413	3,981,846
Amounts payable on taxes, remuneration and social security	4,825,306	3,638,534	2,911,977
Other amounts payable	1,566,164	1,817,467	1,186,451
Accrued charges and deferred income	620,943	228,099	140,882
TOTAL LIABILITIES	30,397,361	29,316,263	25,598,080

* Established according to Belgian GAAP

In accordance with the new rules of Alternext Brussels, the current annual press release has become optional. This press release will be followed by the publication of the 2012 annual report of the Emakina Group, which will include the full information required. This report will be available on our site, www.emakina.com (section "Investors") from 2 April 2013 in accordance with the legal requirements in this matter.

More information?

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About Emakina Group SA

Emakina is a European group of digital agencies supporting their clients in maximising the opportunities of the new digital era. These agencies are Emakina (Brussels, Paris, Limoges, Rotterdam and Geneva), Emakina.EU and Your Agency (Waterloo), Robert & Marien (Brussels), Design is Dead (Antwerp) and The Reference (Ghent). Emakina Group has a portfolio of services centred on four core activities: Integrated, Web Building, Interactive, and Applications. Its clients include many leading businesses, such as Audi, Baume & Mercier, Belgacom, BNP Paribas Fortis, Brussels Airlines, Caran d'Ache, Deutsche Bank, GDF Suez, Girard-Perregaux, ING, Keytrade, KPN, Longines, Microsoft, Orange, Panasonic, Samsung, Schweppes, Seat, Thomas Cook, Volkswagen, and international institutions, such as the European Commission. In 2012, the Emakina Group employed a staff of over 450 people and a reported a turnover of €48.8 m. Emakina is listed on Alternext of Euronext Brussels (mnemo: ALEMK - ISIN: BE0003843605). For more information visit: www.emakina.com