

## Emakina Group: operating profit increases by 13% in 2010

**BRUSSELS, MARCH 18, 2011 (EMBARGO → 17H30) – Emakina Group (Alternext Brussels: ALEMK) announces its consolidated results for 2010 today. The operating profit has increased by 13% compared with 2009; sales have gone up by more than 4%.**

In 2010, the sales of Emakina Group totaled 33 105 221 EUR compared with 31 782 957 EUR the year before. This is an increase by 4.2%, mostly due to a growth in international and institutional clients. Moreover, the EBITDA (earnings before interest, taxes, depreciation and amortization) amounted to 2 620 035 EUR in 2010 (7.9% of sales) compared with 2 328 409 EUR (or 7.3% of sales) in 2009, an increase of 12.5%. As a reminder, on June 30, 2010 the EBITDA stood at 690 296 EUR; this means that in the second semester of 2010, the Company achieved an EBITDA of 1 929 739 EUR compared with 1 798 272 EUR in the second semester of 2009. This strengthening of margins is mostly due to a better follow-up of projects and a progressive occupation rate, as already mentioned in the half-yearly report for 2010.

The profit for the year 2010 amounted to 149 324 EUR compared with 225 717 EUR in 2009, due to the fact that operating earnings rose by 198 214 EUR, partially set off by amortization of goodwill for an amount of 280 791 EUR.

The net profit before taxes went from 31 632 EUR in 2009 to -177 409 EUR in 2010 due to the evolution of our profit for the year combined with an unexpected net extraordinary charge of 326 734 EUR linked mostly to the cost of restructuring one of our subsidiaries.

The consolidated net profit (before depreciation of goodwill) amounted to 319 386 EUR in 2010 compared with 608 117 EUR in 2009 mainly due to the use of deferred tax assets worth 301 144 EUR.

The Board of Directors of Emakina Group will propose to the General Assembly, which will take place on April 22 2011, the payment of a dividend for the third time in its history, for a total gross amount of 400 000 EUR, or a gross (net) value of 0.10535 EUR (0.08955 EUR) per share.

Several factors contributed to the annual results for 2010:

1. The development of the Company's activities was explained by the following:
  - a. In a period of high competition, several new clients chose Emakina for their Digital communication such as FEDICT, Degroof Bank, Schreder, Makro, DG

Sanco, Ansell, Thomas & Piron, Eurocontrol, and USG. This has contributed to an increase in activity.

- b. The strategy to attract international clients such as Knauf, Unilever, and Schweppes proved its relevance by offering an integrated solution that can be applied in several countries.
  - c. The centers of excellence, especially Emakina/Mobile, Emakina/Social and Emakina/Direct, accelerated Emakina's expansion in these fast growing markets.
2. The strong increase in operational return was explained by an increased efficiency of operational management. The set-up of an ERP system for all our subsidiaries, an integrated management of resource planning, and a shared CRM tool strengthened the group's integration.

### **Prospects for 2011**

Emakina's management foresees a more favorable economic climate in 2011 based on its current order book. In this context, Emakina expects a further increase in sales numbers due to the strong marketing campaign followed in 2010 with existing or new clients; the commercial partnership with Pixelpark that is currently developing; potential new as well as existing partnerships, e.g., with Troy Agency n.v., which was announced on February 14 2011. The margins should also improve as a result of measures undertaken in 2010, the full impact of which will be felt in 2011.

### **External evaluation**

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

## CONSOLIDATED FIGURES 2010 EMAKINA GROUP SA

CONSOLIDATED RESULTS (EUR) *	31/12/2010	31/12/2009	31/12/2008
<b>TOTAL REVENUES</b>	<b>33.105.221</b>	<b>31.782.957</b>	<b>31.484.834</b>
Net revenues	31.537.104	31.053.797	30.919.864
Variation of work in progress	930.285	475.485	283.653
Other operating income	637.832	253.676	281.317
<b>TOTAL OPERATING COSTS (before depreciation and amortization)</b>	<b>-30.485.186</b>	<b>-29.454.548</b>	<b>-28.797.972</b>
Purchase of equipment and services related to sales	-15.464.514	-15.053.129	-15.680.221
Payroll costs	-14.874.268	-14.331.711	-13.065.395
Other operating costs	-146.404	-69.708	-52.356
<b>OPERATING PROFIT (before depreciation and amortization) = EBITDA</b>	<b>2.620.035</b>	<b>2.328.409</b>	<b>2.686.862</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>-895.667</b>	<b>-802.255</b>	<b>-636.033</b>
Depreciation and amortization of (in)tangible assets	-847.489	-741.054	-629.935
Write-off on trade receivables	-58.775	-32.641	-6.098
Litigation accruals	10.597	-28.560	0
<b>OPERATING PROFIT (EBIT)</b>	<b>1.724.368</b>	<b>1.526.154</b>	<b>2.050.829</b>
<b>NET FINANCIAL RESULT</b>	<b>-356.725</b>	<b>-362.910</b>	<b>-305.193</b>
Financial income	30.983	3.878	22.449
Financial charges	-387.708	-366.788	-327.642
<b>CURRENT PRE-TAX PROFIT BEFORE AMORTIZATION ON GOODWILL</b>	<b>1.367.643</b>	<b>1.163.244</b>	<b>1.745.636</b>
Amortization on goodwill	-1.218.318	-937.527	-891.000
<b>CURRENT PRE-TAX PROFIT</b>	<b>149.325</b>	<b>225.717</b>	<b>854.636</b>
<b>NET EXTRAORDINARY RESULT</b>	<b>-326.734</b>	<b>-194.085</b>	<b>45.918</b>
<b>PRE-TAX PROFIT</b>	<b>-177.409</b>	<b>31.632</b>	<b>900.554</b>
Deferred taxes	-301.144	-457	281.917
Current income tax	-420.096	-412.075	-792.196
	-282	51.490	0
<b>SHARE IN RESULTS OF EQUITY-METHOD ENTITIES (profit)</b>			
<b>NET PROFIT BEFORE AMORTIZATION ON GOODWILL</b>	<b>319.386</b>	<b>608.117</b>	<b>1.281.275</b>
<b>NET PROFIT</b>	<b>-898.932</b>	<b>-329.410</b>	<b>390.275</b>
A. Share of third parties	44.856	296.460	364.401
B. Group share	-943.788	-625.870	25.874

<b>SHARE DATA</b>	31/12/2010	31/12/2009	31/12/2008
NUMBER OF SHARES	3.796.869	3.496.708	3.459.533
NUMBER OF SHARES & SHARE OPTIONS	4.021.779	3.662.338	3.571.733
CURRENT PRE-TAX PROFIT (in EUR)	0,0393	0,0646	0,2470
CURRENT PRE-TAX PROFIT / SHARE & SHARE OPTION (in EUR)	0,0371	0,0616	0,2393
GROUP SHARE / SHARE (in EUR)	-0,2486	-0,1790	0,0075
GROUP SHARE / SHARE & SHARE OPTION (in EUR)	-0,2347	-0,1709	0,0072
NET PROFIT / SHARE (in EUR)	-0,2368	-0,0942	0,1128
NET PROFIT / SHARE & SHARE OPTION (in EUR)	-0,2235	-0,090	0,1093

\* Established according to Belgian GAAP

The consolidated income statement for 2010 includes 12 months of all group subsidiaries except for Emakina Media which is consolidated by the equity method since July 1, 2009, following the decrease of Emakina Group's investment in this entity.

FREE TRANSLATION

<b>ASSETS (EUR) *</b>	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>NON CURRENT ASSETS</b>	<b>9.287.012</b>	<b>6.942.275</b>	<b>7.423.437</b>
Formation expenses	385.692	504.836	602.771
Intangible assets	437.849	512.061	448.365
Goodwill	7.390.041	4.823.921	5.415.980
Tangible assets	849.099	899.268	886.031
Financial assets	224.331	202.189	70.290
<b>CURRENT ASSETS</b>	<b>16.311.068</b>	<b>15.809.083</b>	<b>15.042.223</b>
Stocks and contracts in progress	3.094.317	2.164.032	1.688.548
Deferred taxes	563.162	897.846	931.842
Amounts receivable with one year	11.324.959	10.859.372	10.774.837
Investments	1.348	299.467	428.811
Cash at bank and in hand	998.071	1.353.283	934.829
Deferred charges and accrued income	329.211	235.083	283.356
<b>TOTAL ASSETS</b>	<b>25.598.080</b>	<b>22.751.358</b>	<b>22.465.660</b>
<b>LIABILITIES (EUR) *</b>	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>EQUITY</b>	<b>11.016.293</b>	<b>9.238.205</b>	<b>9.729.505</b>
<b>MINORITY INTERESTS</b>	<b>51.258</b>	<b>406.833</b>	<b>493.893</b>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	<b>161.097</b>	<b>146.694</b>	<b>30.134</b>
<b>DEFERRED TAXES AND LATENT TAXATION LIABILITIES</b>	<b>136.498</b>	<b>170.037</b>	<b>203.576</b>
<b>CREDITORS</b>	<b>14.232.935</b>	<b>12.789.590</b>	<b>12.008.552</b>
Amounts payable after one year	120.720	515.272	877.291
Amounts payable within one year	13.971.332	12.128.185	10.819.072
<i>Current portion of amounts payable after one year</i>	<i>1.001.984</i>	<i>1.227.194</i>	<i>1.252.670</i>
<i>Financial debts</i>	<i>1.202.057</i>	<i>1.016.521</i>	<i>297.724</i>
<i>Trade debts</i>	<i>3.687.017</i>	<i>2.893.421</i>	<i>3.890.918</i>
<i>Advances received on contracts in progress</i>	<i>3.981.846</i>	<i>2.650.485</i>	<i>2.138.677</i>
<i>Amounts payable on taxes, remuneration and social security</i>	<i>2.911.977</i>	<i>2.832.624</i>	<i>3.147.276</i>
<i>Other amounts payable</i>	<i>1.186.451</i>	<i>1.507.940</i>	<i>91.807</i>
Accrued charges and deferred income	140.882	146.133	312.189
<b>TOTAL LIABILITIES</b>	<b>25.598.080</b>	<b>22.751.358</b>	<b>22.465.660</b>

\* 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 2010 annual report of Emakina Group which will include the full information required. This report will be available on our site, [www.emakina.com](http://www.emakina.com) (section "investors") from April 1, 2011 in accordance with the legal requirements in this matter.

## **More information?**

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### **About Emakina Group SA**

Emakina Group is a European network of interactive agencies that helps its clients to integrate the Internet into their activities. The agencies within Emakina Group are Emakina Belgium (Brussels), Emakina.EU (Brussels), Emakina/Media (Brussels), Design is Dead (Antwerp), The Reference (Gent), Emakina.NL (Rotterdam), Emakina.FR (Paris & Limoges). Emakina Group has developed a service portfolio around the following four poles: strategic consultancy; brand activation, web building; and web applications. Client portfolio includes major Belgian, Dutch and French Companies: Audi, Belgacom, BNP Paribas Fortis, Brussels Airlines, Crédit Agricole, Delhaize, Deutsche Bank, Dexia, Electrabel, ING, Keytrade, KPN, Legrand, Microsoft, Nestlé, Orange, Panasonic, Samsung, Schweppes, Seat, Toyota, Unilever et les institutions européennes . Emakina is listed on the Alternext market of Euronext Brussels stock exchange (mnemo: ALEMK) since July 7, 2006.