Audika

FRENCH LEADER IN
HEARING CORRECTION

Start of international expansion in Italy

Perfectly structured in terms of its operations in France and with increased financial resources having halved its gearing in 2006, Audika Group is announcing the start of its international expansion in Italy. Today, the Italian market presents three advantages for the Group:

An experienced local management:
The development will center around an experienced manager: Philippe Chapalain, a French national who is 36 years old and has been living in Italy for six years. With an in-depth knowledge of the local economic environment, Chapalain has successfully developed the Italian subsidiary of the Altran Group, a subsidiary which is now considered to be one of the best-performing in the Group.

A market with excellent growth potential:
Italy has similar demographics to France which means that, in light of the “oldies boom” phenomenon, it boasts significant growth potential for the coming years. Moreover, at just 12%, the number of people with hearing difficulties that use hearing aids is one of the lowest in Europe. The market should catch up with other countries over the coming years with the arrival of increasingly technological and aesthetic products.

A market which still lacks structure:
Over half of the Italian hearing aid market is made up of independent centers and is still concentrated in major cities. Moreover, unlike France, network coverage has yet to be developed as Italy only has around 1000 centers to serve a population of 58 million (compared to 2,700 centers in France for a population of 61 million).

A well-defined acquisition strategy

Audika is already in the advanced stages of negotiations for the acquisition of around ten independent centers located in key geographic regions. These transactions should be finalized over the second half of 2007.

In order to ensure the successful development of its Italian network, Audika will naturally draw on the experience and expertise of the founders of the centers acquired. Genuine entrepreneurs who are all recognized for their professionalism and the quality of their services, they will play an important part in the Group’s growth over the coming years. Moreover, it is this involvement of local managers that makes Audika’s development strategy so innovative.

This progressive expansion of network coverage will go hand in hand with an upmarket positioning, underpinned by the Audika brand and marketing drives which, initially, will be limited to a local level.

As a result, Audika will have all the attributes to rapidly obtain a strong position in Italy, while maintaining and even improving its economic fundamentals.

About Audika:
With over 340 centers in 80 different regions and a market share of 13%, 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, segment B.

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IISIN FR0000063752-ADI
Reuters DIKA.PA,
Bloomberg ADI
Number of shares:
9,450,000

Audika Group will publish its revenue for the first half of 2007 on July 23, 2007 after the close of the markets

If you would like to receive financial information on Audika by e-mail, register at www.audika.com

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Audika contact: Alain Tonnard / Etienne Sirand-Pugnet on +33 1 55 37 30 30
Kaparca Finance contact: Guillaume Le Floch on +33 1 72 74 82 25