



## FY 2008 results

### Substantial increase in profits with a profitability level significantly above the targets

- **Turnover : 54 035 K€, up 38.2%**
- **Operating profit : 18 615 K€(at 34.5 % of turnover), up 32.8%**
- **Net profit : 11 823 K€, up 23.4%**
- **Early competitive wins in 2009**

K€ (French GAAP)	2008	2007	% change
Net Sales	54 035	39 099	+38.2 %
Operating profit	18 615	14 019	+32.8%
Operating margin	34.5%	35.9%	
Net profit	11 823	9 582	+23.4%
Net margin	21.9%	24.5%	

#### Turnover

As of December 31, 2008, net sales amounted to 54 035 K€, up 38.2% compared to 2007. Recurring revenue (restocking, maintenance...) account for some 25.3% of turnover, a level similar to that of 2007 when neutralizing the impact of the Auchan roll-out.

In France, at 38 550 K€ revenues are up 34.9% vs.2007; 418 new stores have been installed against 329 last year (+27.1%). Export sales amount to 15 485 K€, a growth of 47.3%.

In total, 646 new stores have been installed (vs.492 in 2007, i.e. +31.3%) in 73 different store networks across 18 countries; this allows the Company to further strengthen, even more, its worldwide industry leadership.

## **Major increase in profitability above the targets**

At 18 615 K€, the 2008 full year operating profit is up 32.8% compared to the previous year (against +27.2% in H1 2008).

With an operating margin of 34.5% of sales, SES significantly exceeds Company guidelines for fiscal year (at least 30%).

For H2, the operating margin is reaching 35.3 % of sales V.S. 33.5 % for H1. Overall this high level of profitability reflects a volume effect allowing a better amortization of the company fixed costs combined with an optimisation of purchasing conditions.

A tight control of SG&A has continued in spite of proactive organizational enhancement conducted in H1 2008 (headcounts, warehouse...).

Net profit amounts to 11 823 K€; this increase of 23.4% vs. FY 2007, includes an exchange rate loss of 650 K€.

## **Balance sheet**

As of December 31 2008 Store Electronic Systems has no financial debt and its cash position amounted to 13.2 M€ (vs. 11.0 M€ in 2007), 2.0M€ of which are the proceeds of a profitable sale of the Company's headquarters.

## **Shareholding structure**

As of February 13 2009, to the best of the company knowledge, the shareholding structure was the following:

- Amber Master Fund : 19.8 %
- Schroders : 14.1 % (9.9 % of voting rights)
- Catteau concert : 10.8 %
- Other : 55.3 %

## **2009 Outlook**

The Company anticipates a growth in turnover between +25 and +30 %, with an operating margin above 30%.

Early 2009, Store Electronic Systems is reporting key competitive wins, such as:

- Win of a roll-out for the SES solution in a French group operating 120 hypermarkets and supermarkets. The first order is for 7 hypermarkets and 6 supermarkets to be installed before the end of June 2009.
- Win of a competitive bid to equip all the hypermarkets of Coop d'Alsace Group (the Coop d'Alsace Group is operating 62 hypermarkets and supermarkets and has recently signed a franchising agreement with E. Leclerc Group).
- Acceleration of the rate of equipment for a major Italian food network with a systematic installation of the SES solution in all new and in remodelling stores.
- Installation of a pilot store in a network of 400 stores. Roll-out decision expected During 2009.

These new wins add-up to the retainers by independent store networks (Leclerc, Intermarché, Système U...), and combine with a growing success on the secondary target of DIY stores, both in France and abroad. The "leverage" of its installed customer base fuelled by the switch to the 4<sup>th</sup> ESL generation, should further allow the Company to exhibit substantial growth in 2009, with acceleration in subsequent years.

Q1 turnover for 2009 will be published on May 14, 2009.

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**About Store Electronic Systems**

*Store Electronic Systems is one of the world leaders in Electronic Shelf Labelling (ESL) Systems for both food and non-food mass retailers.*

*This reliable, high value-added product can rely on a substantial market potential, presently in its deployment phase worldwide.*

Store Electronic Systems is listed on the Compartment C of *Euronext<sup>TM</sup> Paris*.

*Mnémono: SESL*

ISIN codes: FR0010282822 - Reuters: SESL.PA - Bloomberg: SESL.FP

[www.ses-esl.com](http://www.ses-esl.com)

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