



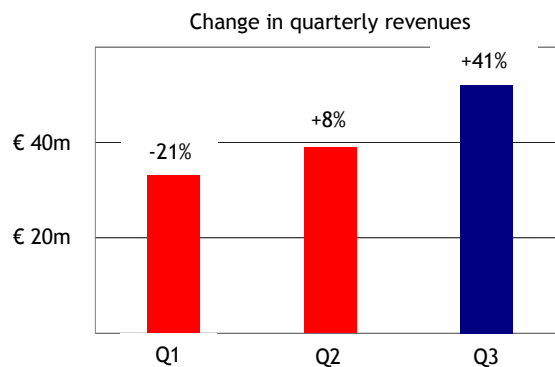
PRESS RELEASE
Paris - November 9, 2009

2009 third quarter results: Ongoing recovery and preparation for the launch of new products

DANE-ELEC Memory, manufacturer and distributor of digital products (Dram memory chips and storage and hand-held products), has released its figures for the third quarter of 2009.

Dane-Elec Memory group enjoyed very strong growth in sales in the third quarter of 2009, driven by the success of its new product ranges and an offensive sales strategy which, despite its impact on margins in the short term, is enabling the group to prepare for the launch of its new innovative products under the best possible conditions.

Breakdown of revenues



Dane-Elec Memory posted consolidated revenues of € 52.0 million for the third quarter of 2009, up 41% on the previous three months. Over the period, the volume of business generated by the group's activities was the highest it has been for over two years. At constant exchange rates, sales increased 34%.

The development of B2B sales, which are billed directly by Taiwan, boosted invoicing for Asia and the Middle East where Dane-Elec Memory's sourcing capacities mean it is able to counter the current shortage of components, and where its innovative product offering (notably *NoLimit Memory*) affords it a competitive edge. This new strategic focus since the beginning of the year also allows the group to reduce its exposure to the Retail market where competition is particularly fierce, and to rein in pressure on its margins.

In Europe, the company's multimedia product offering (external hard disks and digital portable media players) has met with resounding success, enabling it to partly offset the downturn in other segments (Flash and Dram memories and hand-held products). Launched less than two years ago,

the group's *So by Dane-Elec* range has climbed into the Top 5 best-selling multimedia hard disks in France in the past few months.

In the United States, the group is benefiting from the increase in demand for Flash memories and from the success of its products licensed under Duracell.

In € million (pre-audit data)	Q1 2008	Q2 2008	Q3 2008	Q1 2009	Q2 2009	Q3 2009
Storage products	32.2	29.8	31.1	29.1	35.2	47.9
Dram	4.8	3.6	2.6	2.0	1.8	2.2
Distribution of hand-held products	4.6	3.1	3.2	1.9	2.0	1.9
Revenue	41.6	36.5	36.9	33.0	39.0	52.0
Europe	26.2	21.3	23.0	19.1	17.9	18.7
United States	12.6	12.7	12.8	12.6	16.5	27.7
Asia / Middle East	2.8	2.5	1.1	1.3	4.6	5.6

Breakdown of results

In € million (pre-audit data)	Q3 2008*	Q3 2009	Change	9 months 2008*	9 months 2009	Change
Revenue	36.9	52.0	+41%	115.0	124.0	+8%
Gross margin	4.1	4.7	+16%	14.1	14.5	+3%
as a % of revenue	11.1%	9.1%		12.2%	11.7%	
Recurrent operating income	(3.5)	(1.6)	+1.9	(7.2)	(4.6)	+2.6
Operating income	(3.7)	(1.7)	+2.0	(7.5)	(4.7)	+2.8
Cost of net financial debt	(0.2)	(0.1)	+0.1	(0.6)	(0.2)	+0.4
Other financial expenses	0.0	(0.3)	(0.3)	(0.1)	(0.3)	(0.2)
Tax expense	3.1	0.5	(2.6)	2.6	0.5	(2.1)
Net income (Group share)	(0.8)	(1.6)	(0.8)	(5.5)	(4.7)	+0.8

The sharp increase in Dane-Elec Memory's revenues in the third quarter of 2009 is due in part to the group's strategic decision to leave its sales prices unchanged, in particular in the United States, despite the current increase in component purchase prices. Thanks to this initiative, the company has been able to maintain the strong ties with major distribution networks it needs to ensure the future commercial success of its new products. The group's gross margin for the third quarter of 2009 stood at 9.1% of revenues.

Dane-Elec Memory's cost-cutting measures over several months now have enabled it to reduce its operating expenses by more than 15% in the space of one year despite the substantial increase in the development costs for its new product ranges (R&D, marketing, etc.). Accordingly, the group's recurrent operating loss for the third quarter was reduced to € 1.7 million from € 3.7 million one year earlier.

After financial expenses that were offset by an income tax benefit, group net income amounted to €-1.6 million. In the third quarter of 2008, Dane-Elec Memory booked a tax carry back of € 2.2 million which enabled the group to reduce its net losses.

Financial position at September 30, 2009

At September 30, 2009, Dane-Elec Memory's shareholders' equity stood at € 30.0 million.

Given the difficulties linked to the procurement of components, and in order to best prepare for the final quarter of 2009, the group has increased its inventory levels (€ 32.8 million at the end of

September 2009 compared to € 24.4 million one year earlier). Net financial debt amounted to € 13 .7 million at the end of September.

On September 30, 2009, Dane-Elec Memory disposed of € 1.5 million in unused and available credit lines.

In order to finance its policy of innovation, the group enlisted the support of Oséo which granted it a repayable advance of € 0.3 million, a little over a third of which was paid in October.

Information concerning the Class Action linked to DRAM modules

Dane-Elec Memory has released the following information concerning the DRAM ANTITRUST LITIGATION class action in which the group was a defendant.

The legal proceedings are now over and the period of legal recourse expired at the end of October 2009.

According to the official DRAM ANTITRUST LITIGATION** website, the defendants will all receive a sum equal to approximately 11% of all dollar purchases made in the United States over the period in question (April 1, 1999 to June 30, 2002). Dane-Elec Memory (accession number: 002697) is expected to receive a sum equal to around 5.651% of the total amount of the fine (US\$ 325,997 million) before legal fees (estimated at 25%). Based on these figures, the sums owed to Dane-Elec Memory can now be estimated at around US\$ 13.8 million (€ 9.2 million) before all other legal costs (audit, etc.) and taxes.

Payment is scheduled for the end of November/beginning of December 2009.

As previously announced, Dane-Elec Memory will disclose the exact amount of the damages as soon as the payment has been made.

Strategy & Outlook

As well as maintaining its strict management policy (notably the ongoing reduction in fixed overheads linked to its overseas sales network), Dane-Elec Memory is actively preparing for the future with a new offensive sales and industrial policy.

Within its storage products business, the group is putting the finishing touches to its new solution, *NLHD*. The presentation and launch of this enterprising new offer is scheduled for the *International CES* trade fair to be held in Las Vegas in January 2010. After the launch of the group's digital *Z-Pen* and digital storage service, *NoLimit Memory*, this solution, which is currently one of a kind, will cement Dane-Elec Memory's position as an innovative player in electronics.

At the same time, Dane-Elec Memory has also begun a strategic review of its positioning on the now mature market of Flash memories. Its aim is to take advantage of the repositioning of a certain number of sector players to safeguard its supply of microprocessors upstream and develop its B2B sales downstream (OEM model - Original Equipment Manufacturer).

Lastly, the group will pursue its brand licensed sales policy in order to enhance the value of its products and margins. After *Duracell*, *Roadsign* and *HelloKitty*, the group has signed a number of new agreements, notably with *Burton*, *Quicksilver* and *Rip Curl* in boardsports.

This strategy should have a major positive impact on activity and margins in the fourth quarter of 2009 and even more so in 2010.

(*) The accounts for Q3 2008 and figures at 9 months were not published. They are given here as a basis for comparison and have not been audited.

(**) www.dramantitrustsettlement.com

Next publication: 2009 revenues on Tuesday 26 January after the close of trading.

About DANE-ELEC Memory

Founded in France in 1985 by David Haccoun and Nessim Bodokh, Dane-Elec Memory is an international company headquartered near Paris. The company specializes in the manufacture and distribution of digital products: Dram memories and storage and hand-held products.

Since it was founded, the group has seen steady growth and is a European leader in its sector. As a global player, Dane-Elec Memory operates in Europe, the United States, Asia, and the Middle East. The group has a manufacturing and assembly plant in Ireland, three assembly units in the United States, Ireland and France, and two packaging logistics platforms in the United States and France, making it extremely responsive to demand.

Dane-Elec Memory also has a hand-held product distribution subsidiary, Intervalle, in France.

In 2008, Dane-Elec Memory generated revenues of € 162 million.

Dane-Elec Memory is listed on Euronext Paris, Segment C.
ISIN: FR000036774, Mnémo: DAN, REUTERS: DEMY.

All our financial information at www.dane-elec.fr or www.actus-finance.com

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