



January - September 2009 turnover

- **Third quarter turnover slightly decreasing (- 5.1%)**
- **Increase in turnover over the first 9 months of 2009 (+8.5%)**
- **Increased investments in R&D**

Third quarter 2009

During the third quarter 2009 Store Electronic Systems delivered 163 new stores, generating sales of 13 517 K€, a 5.1% decrease over Q3 2008

In K€	Q3 2009	Q3 2008	% change
Turnover	13 517	14 242	- 5.1%
- of which France	10 836	11 114	- 2.5%
- of which export	2 681	3 128	- 14.3%

In a troubled economic environment, the Company was able to mitigate the negative effects of the crisis on its French business due to the sustained equipment rate of independent store networks.

Export sales are still declining, even if at a somewhat slower rate than during H1 2009; investments continue to be postponed particularly with integrated chains.

Jan. – Sept. 2009

Over the first 9 months of 2009, SES delivered 482 stores, thus generating revenue of 43 662 K€, up 8.5% over the same period in 2008.

The sharp increase in recurring sales should be noted, with swaps/restocking at + 38.4% and maintenance up 40.2%; the growth of swaps/restocking tends to accelerate over time, with an increase of 52.7% during Q3 alone.

Export sales continue to penalize overall revenues as a consequence of decisions to postpone and/or reduce capital expenditures, by a number of integrated chains.

in K€	Jan-Sept 2009	Jan-Sept 2008	% change
Turnover	43 662	40 225	+ 8.5%
- of which France	37 225	28 236	+ 31.8%
- of which export	6 437	11 989	- 46.3%

After neutralizing the effects of large rollouts (such as Auchan), new orders on a “like for like” basis increased by 21.8% over the first 9 months of 2008.

In number of stores (like for like)	Jan-Sept 2009	Jan-Sept 2008	% change
Orders	453	372	+ 21.8%
- of which France	272	249	+ 9.2%
- of which swaps	28	5	+ 460.0%
- of which export	153	118	+ 29.7%

Sales outlook

FY 2009:

The contribution of the Auchan rollout will become marginal starting Q4 2009; nevertheless, the Company confirms its growth objective of turnover for FY 2009 (in the + 5 to + 10% range).

Medium term:

The Company has decided not to issue annual quantitative forecasts as of January 1st, 2010. Indeed, an increasing share of revenues originates from large pluri-annual rollouts; these may have a significant, yet unpredictable, impact on yearly sales growth figures. This structural evolution is further accentuated by uncertain global economic conditions.

Nonetheless, the medium-term outlook remains most promising: over the last 4 years, since the Company went public, revenue increased twofold and operating result by a factor of 2.7, while the operating margin rose from 24 to over 30 % of sales. At the end of 2009 some 3 000 stores across the world will be equipped with the SES system, against less than 870 at the end of 2005.

Given the worldwide potential of the ESL market, the quality of the SES product offering, the existing potential for rollouts (21 pilot stores to date, with 16 networks, in 12 countries, for a potential of over 1 500 stores) and the continued increase expected in recurring revenues (1364 stores installed over 5 years ago should swap their ESLs before the end of 2013), management is confident regarding future growth opportunities for SES. The Company should exhibit cumulative revenues close to 270 M€ over FY 2010 to 2013 (i.e. an increase of 50 % over the past 4 years), with an operating margin in the range of 27 to 30 % of turnover.

Increased R&D investments

Store Electronic Systems has entered into an agreement to acquire all of the display-related intellectual property of W5 Networks, Inc.

These patents are a paradigm shift in low-power displays as they enable TFT LCDs to achieve power levels compatible with the Electronic Shelf Label (ESL) industry’s requirements. This is a major and decisive step towards the goal the Company has set for itself: setting a technological standard to serve as the reference for the new generation of full-graphic ESLs.

Yves Martin, Chairman and C.E.O of Store Electronic Systems declared: "TFT LCD offers two major benefits to retailers: first, it's the most mature technology, thereby providing a much higher ROI than bi-stable technologies; second, it's the most reliable and future-proof display technology available on the market which is what retailers are looking for when they sign-up for pluri-annual deployments".

Q4 2009 turnover will be published on February 11, 2010

About Store Electronic Systems

Store Electronic Systems is the worldwide leader in Electronic Shelf Labelling systems (ESL) for large-scale food and non-food retailers.

The global market for this reliable, high value-added product offers strong potential, in its deployment phase at the international level.

Store Electronic Systems is listed on the Compartment C of EuronextTM Paris.

Mnémo: SESL

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

www.store-electronic-systems.com

About W5 Networks, Inc.

W5 Networks was founded in 2004 as an end-to-end provider of Electronic Shelf Label solutions for the retail industry, based in the Silicon Valley (California, USA).

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