

First 6-months results – September 2010

Improved operating profit and return to profitability

Six-month period analysis:

- ➔ Improvement in advertising market & resistance of “printing” activity
- ➔ Strong Home Decor performance
- ➔ Positive impact of costs reduction strategy on results
- ➔ Improved gearing at 0.58

Outlook 2010/2011:

- ➔ First signs of a return of investment operations among advertisers despite economic uncertainty
- ➔ Return to profitability
- ➔ Encouraging results for new products (Graph’it, Prismatronic) - volume confirmation to come

Consolidated statement of income (April 1 – September 30, 2010)

In € million	6 months 30.09.10	6 months 30.09.09	Difference in € Million	12 months 31.03.10
Sales	23.97	18.02	5.95	39.23
Current operating profit	1.25	-0.58	1.83	0.06
Current operating margin	5.2%	-3.2%		0.2%
Financial result excl. Foreign exchange	-0.26	-0.23	-0.02	-0.49
Foreign exchange losses and gains	-0.02	0.12	-0.14	0.26
Tax	-0.13	-0.07	-0.06	-0.02
Sold activities result – EM activity share	0.00	-0.07	0.07	-0.06
Net result	0.84	-0.84	1.68	-0.25
Net consolidated result	0.81	-0.85	1.66	-0.35
Self-financing capacity	1.57	0.03	1.54	1.62
Consolidated equity capital (group)	17.39	14.78	2.61	15.97
Net debt	10.04	10.87	-0.83	10.06
Gearing	0.58	0.74		0.63

EM = Equity Method

Confirmation of return to profitability

As announced in the press release of the 2009/2010 annual sales figures, Prismaflex International confirms a return to operating profit due to the combination of three key factors:

- A €5.95 million increase in activity compared to S1 of the previous year taking into account a favourable base effect, due to a buoyant **printing** activity, an upturn in **home decor** activity and a better trend in **hardware** activity;
- The continuing positive effects of the cost-cutting strategy (saving €4 million over the full year) ;
- A control in debt cost, at €0.26 million against €0.23 million the previous year.

For the period, operating results stands at €1.25 million for an operating margin of 5.2% and a net result of €0.84 million representing a net profit of 3.5%
Working capital need at €8.6 million is in line with activity and represents 18% of total sales as in the previous year

Healthy capital structure

Consolidated equity capital stands at €17.39 million, up €1.42 million compared to March 30, 2010, including a €0.8 million positive impact of currency evolution (Euro) on the Goodwill. Net debt is stable at €10.04 million. Increased working capital needs, in line with the increased activity, have been absorbed.

Analysis presents a gearing ratio at 0.58 compared with 0.63 on March 31, 2010

Performance and outlook

Despite some positive signs of an improving market, Prismaflex International remains cautious in its decision-making and pricing strategy due to the persistent uncertainty of the economic context.

On October 31, 2010, order backlog, primarily composed of orders for **hardware**, at €7.9 million, continues to progress.

This trend can be explained by:

- Market dynamics in certain geographical areas (Middle East, Africa), an upturn in activity in some European countries
- Good performance of **printing** and **home decor** activities
- And the success of some products (scrolling signs, LED displays, home decor products).

Forthcoming dates

- *Pierre Henri BASSOULS, Chief Executive Officer and Emmanuel GUZMAN, Chief Financial Officer will be available to answer your questions between 10.00-12.00 am on Wednesday December 1, 2010. Please contact Actus Lyon (contact information below) to fix a time and receive the PowerPoint presentation.*
- **Next press release:** 3rd quarter 2010/2011 sales figures, January 20, 2011 after closure.

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