

## 2011 consolidated results

**Strong growth and substantial profitability  
despite pressure on purchase prices and high R&D spend**

- **Operating income: €13 449 K, +17% vs. 2010**
- **Net profit at 16% of turnover**

The Board of Directors of Store Electronic Systems met on 16 March 2012 to review and approve the 2011 financial statements. Audit procedures have been completed by our statutory auditors and their annual report will be issued once specific audits required by law have been finalized.

| In K€(French GAAP) | 2010   | 2011   | % Change |
|--------------------|--------|--------|----------|
| Net sales          | 44 408 | 58 950 | +33 %    |
| Operating profit   | 11 480 | 13 449 | +17 %    |
| Operating margin   | 26 %   | 23 %   |          |
| Net profit         | 8 310  | 9 265  | +11 %    |
| Net margin         | 19 %   | 16 %   |          |

| In €K (IFRS)    | 2010   | 2011   | % Change |
|-----------------|--------|--------|----------|
| Net sales       | 44 408 | 58 950 | +33 %    |
| EBIT            | 12 106 | 12 618 | +4 %     |
| EBIT margin (%) | 27 %   | 21 %   |          |
| Net profit      | 7 955  | 8 704  | +9 %     |
| Net margin (%)  | 18 %   | 15 %   |          |

## Business review

As of December 31 2011 turnover stands at € 58,950 K, up 33 % on 2010. All business lines are in progress despite an unfavorable economic climate:

- Revenue from new installations is up 37% vs 2010. SES installed 845 new stores (222 more than in 2010). SES strengthened its position in France and achieved some significant success in the international markets where its installed base almost doubled over the last two years, growing from 896 to 1,699 stores between 2009 and 2011.
- Revenue from recurring activities (replenishment, swaps and maintenance) grew by +26 %, both in France (+25 %) and abroad (+48 %).

## Consolidated results

Operating profit stands at €13 449 K (23 % of turnover), and is up 17 % over 2010 despite:

- Substantially increased purchasing costs: labor in China, raw materials and electronic components (PVC, gold, copper),
- Strong competition, especially for corporate customers,
- The stepping up of strategic investments in marketing and R&D.

Net profit stands at € 9 265 K, i.e. 16% of turnover (15% with IFRS).

## Balance sheet

At year end 2011, the group has no debts and a net cash position of €34.4 M (compared with €36.2 M at the end of 2010). This stability in its net cash position can be explained by a substantial upturn in business, which has been offset by increased working capital requirements (customer accounts and inventory) and by the reinforcement of R&D programs.

SES is therefore in a position to finance its substantial growth and the development of its marketing and R&D activities.

## Stock ownership

At present, according to the information available to the Company, the share capital is divided up as follows:

- Concert Chequers & Pechel: 28.4 %
- Tikehau Capital Partners: 11.6 %
- Sycomore Asset Management: 5.3 %
- Phison Capital SAS: 5.0 %
- Other: 49.7 %

## 2012 Outlook

The current outlook for 2012 is somehow more uncertain, especially after the first quarter. The moderate increase in new orders (+14% in 2011 vs. 2010) provides less visibility and the difficult economic climate in SES's main European markets may affect the level of investment in the retail sector. A number of high-potential pilot projects, which began in 2011, are underway but the planning and decision of large-scale roll-outs is still uncertain in this context. Also the pressure on margins should continue, as competition increases especially on large accounts.

That said, the growing interest of retailers for electronic price management and labeling confirms the potential of the global ESL market. In this context, SES will accelerate its innovation efforts in 2012 in order to better meet the expectations of its customers and prospects while speeding-up its international development. These two factors will thereby increase its cost base. Therefore 2012 should be a transition year in building the company's future growth.

*Net sales for Q1 2012 will be published on May 10th, 2012.*

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■ **About Store Electronic Systems**

Store Electronic Systems is leader in Electronic Shelf Labeling systems (ESL) for large-scale food and non-food retailers. The company designs, markets and installs all the system's components (software and communication platform, displays, fastenings), thus providing clients with a turnkey solution.

The range of products and services offered by SES allows retailers to manage pricing dynamically, while significantly improving store productivity.

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

Mnémono: SESL Codes - ISIN: FR0010282822 - Reuters: SESL.PA - Bloomberg: SESL.FP

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