

## Sales for the 1<sup>st</sup> half of 2012

1<sup>st</sup> half growth of +9% to €30.7 million

Buoyant increase in orders: +50%

A macroeconomic situation that remains difficult

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Following the strong growth recorded over the 1<sup>st</sup> quarter (+29%), Store Electronic Systems posted sales of €14.9 million over the 2<sup>nd</sup> quarter of 2012, down 6% compared to the 2<sup>nd</sup> quarter of 2011.

Sales (€ millions)			
	France	International	SES
Q1 2011	8.5	3.8	12.3
Q1 2012	11.2	4.7	15.9
Change	+31%	+23%	+29%
Q2 2011	9.6	6.3	15.9
Q2 2012	9.7	5.2	14.9
Change	+1%	-18%	-6%
H1 2011	18.1	10.2	28.2
H1 2012	20.9	9.9	30.7
Change	+15%	-3%	+9%

Sales in French Overseas Regions are recorded as international sales

In mainland France, sales were up slightly, gaining +1% to €9.7 million. In this country, the slowdown in some deployments was offset by an upturn in sales at the end of the quarter. Indeed, the aggressive price-repositioning strategy expected by clients and aimed at reinforcing Store Electronic Systems' leadership on its domestic market is beginning to pay off.

International sales confirmed the concerns expressed in the 1<sup>st</sup> quarter and saw a fall of -18% to €5.2 million over the 2<sup>nd</sup> quarter, compared to €6.3 million over the 2<sup>nd</sup> quarter of 2011. This lower figure mirrors the weak order book at the start of the year, as well as the difficult economic situation which is not favourable for investments. Moreover, the efforts undertaken to create broader international coverage were not yet reflected in sales figures.

### **1<sup>st</sup> half sales up 9% to €30.7 million**

Over the 1<sup>st</sup> half of 2012, SES recorded sales of €30.7 million, an increase of 9% on the same period of 2011.

In France, activity was up +15% over the 1<sup>st</sup> half despite the difficult economic situation. The launch of new products, the efforts undertaken with regards to quality of service and the new more aggressive sales strategy have all begun to bear fruit regarding both new installations and re-equipment activity.

International sales were down -3% over the half, at €9.9 million, with the fine performances recorded in some zones being offset by the effects of the European economic situation.

446 stores had new installations over the 1<sup>st</sup> half (194 in France and 252 abroad), a record rate for the Company of almost 4 stores a day worldwide and an increase of +11% compared to the same period last year.

### **Buoyant increase in orders (+50%)**

Over the 1<sup>st</sup> half, orders were taken for over 600 stores, an increase of 50% on the year. This was notably the result of the contract signed with Simply Market, but the upturn also concerned other major chains in France and abroad, where some high-potential pilot schemes and deployments were signed at the end of the half.

This high level of orders is notably the result of the very strong start recorded by the new S-tag+ (high bandwidth/management data), G-tag (High Definition screen) and G-tag+ (HD screen and dynamic display) ranges.

*"The reception given to our new products is all the more encouraging given that we took advantage of Store Electronic Systems' technological and industrial assets to systematically position ourselves with the market's best value for money",* says Philippe Bottine, CTO of Store Electronic Systems.

### **A 1<sup>st</sup> half affected by exceptional items**

Profitability will be mainly affected by the one-off cost of the management changes that took place at the start of the year, the negative forex impact, the aggressive strategy to increase market share and the strengthening of overseas sales structures.

Thierry Gadou, CEO and Chairman of Store Electronic Systems, concludes: *"Our transformation plan and our aggressive strategy represent an essential investment to strengthen our leadership on our clients' key criteria that are quality of service, competitive prices and innovative products. We are currently restructuring our organisation and processes in order to better deploy ourselves abroad and to reach another milestone in our growth. These essential but non-recurrent factors are likely to impact our first-half profitability. Even though the economic situation is prompting us to remain cautious, the initial signs of the favourable welcome given to this strategy are visible in the dynamic level of orders"*.



Press release

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**H1 2012 results will be published on 31 August, 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, mounts), 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 EuronextTM Paris.

Mnemo: SESL – ISIN Code: FR0010282822 – Reuters: SESL.PA – Bloomberg: SESL.FP

[www.store-electronic-systems.com](http://www.store-electronic-systems.com)

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