

Sales for the 3rd quarter of 2013

- Q3 sales up +62% to €23.9 million
- Particularly strong international growth: +201%
- Commercial success of the graphic-dynamic-interactive G-tag+ NFC range
- First worldwide deployment at an accelerated pace of 100 stores a month

Store Electronic Systems (NYSE Euronext: SESL, FR0010282822), leader in Electronic Shelf Labeling (ESL) systems for large-scale food and non-food retailers, today announces its sales for the third quarter to September 30, 2013.

Sales (€m)	France	International	Total
Q1 2012	11.2	4.7	15.9
Q1 2013	10.0	5.9	15.9
Δ	-10%	+26%	0%
Q2 2012	9.7	5.2	14.9
Q2 2013	10.2	8.7	18.9
Δ	+5%	+71%	+27%
Q3 2012	9.6	5.1	14.7
Q3 2013	8.5	15.4	23.9
Δ	-12%	+201%	+62%
2012 9-month sales	30.5	15.0	45.5
2013 9-month sales	28.6	30.0	58.7
Δ	-7%	+100%	+29%

Store Electronic Systems recorded third-quarter sales of €23.9 million, an increase of +62% over the same quarter of 2012. International sales reached a record of over €15 million, driven by growth in Northern Europe. Over the first 9 months of 2013, international sales doubled compared with 2012 and exceeded sales in France. The Group is continuing to implement its transformation and development plan, and is reaffirming its 2013 annual guidance for growth in both sales and operating profit compared with 2012.

Record international growth

SES has reaffirmed its very strong international momentum and recorded sales of €15.4 million (+201%) over the 3rd quarter of 2013, driven by the largest global deployment of graphic labels currently being carried out by SES in Scandinavia. In Europe, this dynamism also concerns other countries such as Italy, notably with Carrefour Market resuming store deployments. Development outside Europe is continuing due to strong sales and marketing activities. Successes have notably been recorded in Latin America, with the first significant deployments already underway or having been agreed. SES is also pursuing its development efforts in North America and the Asia-Pacific region.

Weak French market over the summer period

In France, over the 3rd quarter SES recorded sales of €8.5 million, down -11,5% compared with the same period last year. This decrease is due to the lower number of installations resulting from the lack of any major new deployments. SES is continuing the rapid deployment in Simply Market stores and has carried out a number of promising pilot schemes that bode well for further deployments in 2014. The level of customer loyalty and the renewal rate of the installed base are very satisfactory. The latest generations of labels are continuing to stimulate the modernization of stores, as illustrated by the recent opening of the first Auchan hypermarket at Roissy Aéroville, Charles-De-Gaulle airport (the largest shopping centre opened in the Paris region in the last 20 years), equipped with the graphic-dynamic G-tag+ range.

Despite the high number of stores already outfitted, the French market remains a growth and innovation market for electronic labels for the coming years.

Sales growth of +29% over the first 9 months, due to innovation and international activity

SES is continuing to drive growth in the worldwide ESL market, with sales for the first 9 months of 2013 totaling close to €60 million, thanks to innovation. Indeed, this year successes are marked by the rapid adoption of SES' latest innovations. The NFC interactive labels launched barely a year ago will this year see the number of units ordered exceed 5 million, in 2013, thus representing a third of the Group's production. The adoption curve of NFC technology by major retailers is continually improving as the latter become more aware of the future services and benefits offered to connected consumers.

Over the first 9 months of the year, close to 850 new stores were outfitted, giving a substantial increase in the total number of stores equipped to over 6,000 in the 3rd quarter. SES recorded its 51st client country with a first installation in Sweden.

Orders taken totaled almost €20 million over the 3rd quarter and €70 million over the last 9 months.

Highlights and outlook

Regarding last quarter and the Group's outlook, Thierry Gadou, CEO of SES, says: *"The accelerated globalization of SES is gradually eliminating the seasonal effect. This third quarter was a busy one with little in the way of a 'summer break' for our teams, who I would like to thank and congratulate for their commitment, competence and motivation. Each quarter provides further measurable achievements concerning the implementation of our transformative plan. In Scandinavia, SES is currently carrying out the fastest-ever ESL deployment, with more than 25 new stores being outfitted every week. This productivity boosted third quarter sales and enabled our quarterly sales to exceed €20 million. The other driving force behind this growth is innovation: our new software and wireless platform fully meets the expectations of our most demanding clients; the success of our new range of dynamic and interactive HD graphic labels (G-tag+ NFC) is hitting the mark because it allows retailers' marketing and promotional policy to be efficiently articulated in store all the while paving the way for the "connected" stores. As NFC becomes more widespread in mobile phones, the ability to digitally trace customers' in-store movements thanks to interactive electronic labels will make it possible to offer our clients detailed, customized, geolocated and pertinent information. Lastly, our international offensive is bearing fruit, with activity outside France doubling in 2013 and already accounting for more than half of total sales. As expected, our profitability improved over the 3rd quarter. For the year as a whole, we are reaffirming our guidance for both sales and EBIT growth compared with 2012."*

Next press release

2013 annual sales: January 30, 2014 (after market)

About Store Electronic Systems

Store Electronic Systems is the leader in Electronic Shelf Labeling systems (ESL) for large-scale food and non-food retailers. The Group 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 and developing new contactless uses for consumers.

Store Electronic Systems is listed on Compartment C of Euronext™ Paris.
Ticker: SESL – ISIN Code: FR0010282822 – Reuters: SESL.PA – Bloomberg: SESL.FP
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