

Sales for the 4th quarter of 2014

- Q4 sales of €22.6m showed a clear upturn compared with the previous quarter
- Strong growth in France (+16%) and international upturn (representing 53% of total Q4 sales)
- 2014 annual sales virtually stable at €81m
- Several innovations associated with the "connected store" presented at the NRF Show in NYC
- Positive outlook for 2015

Store Electronic Systems (Euronext: SESL, FR0010282822, PEA-PME eligible), the leading supplier of Electronic Shelf Labels (ESL) for large-scale food and non-food retailers, today announced its sales for the fourth quarter and full year 2014.

Sales (€m) - <i>Unaudited figures</i>	France	International	Total
Q1 2013	10.0	5.9	15.9
Q1 2014	9.6	9.8	19.4
% change	-4%	+66%	+22%
Q2 2013	10.2	8.7	18.9
Q2 2014	11.5	9.5	21.0
% change	+14%	+9%	+11%
Q3 2013	8.5	15.4	23.9
Q3 2014	9.7	8.3	18.0
% change	+14%	-46%	-25%
Q4 2013	9.1	14.5	23.6
Q4 2014	10.5	12.0	22.6
% change	+16%	-17%	-4%
2013 sales	37.8	44.5	82.3
2014 sales	41.3	39.7	81.0
% change	+10%	-11%	-1.6%

4th quarter sales

SES recorded its best performance of the year in the 4th quarter of 2014, with sales of €22.6m, an increase of +16% compared with the average of the first 9 months of the year, and close to (-4%) its record high of the 4th quarter of 2013, which benefited from major rollouts in Scandinavia. France, Southern Europe and Germany in particular stand out in terms of growth, offsetting the decrease in installations in Scandinavia.

Sales in France totaled €10.6m, a substantial increase of +16% compared with the 4th quarter of 2013. The growth momentum that began at the start of the year is continuing, driven by innovation and the modernization of the installed base, as well as through the development of new market segments such as non-food trade.

International Q4 sales totaled €12m (53% of total sales) including €2.8m for Imagotag. The 4th quarter grew by 30% compared with the first 3 quarterly sales average, but remained down (-17%) compared with Q4 2013. Excluding Scandinavia where rollouts slowed sharply after a record year in 2013, activity grew in the rest of Europe and the world. New pilot schemes have begun in North America, where SES is pursuing the execution of its partnership strategy. The NRF Show in NYC,

which took place in January 2015, confirmed the increasing interest from North-American retailers in new interactive Electronic Shelf Labels (ESL) solutions.

Orders in the 4th quarter reached €20m, up by +33% compared with the same period in 2013.

2014 annual sales virtually stable at €81m

Consolidated annual sales were virtually stable over the year at €81m, i.e. a slight decrease of -1.6% compared with 2013 which was a year that benefited from the massive rollout of new installations in Scandinavia.

Sales in France increased by 10% to €41.4m, stimulated by the modernization of the installed base and the development of new market segments (local stores, non-food, etc.)

In 2014, international sales totaled €39.6m, compared with €44.5m in 2013. Business was temporarily slowed down by the completion of a significant rollout in Norway. This local drop was, however, partly offset by growth in the other regions.

Sales are growing strongly in Germany thanks to the momentum of Imagotag, and Southern Europe, Benelux and Eastern Europe are also experiencing growth. Sales outside Europe are stable and represent nearly 20% of international sales.

Overall, SES achieved a similar performance to 2013, but without any new large-scale rollouts initiated during the year, thanks solely to the continued development of its customer base. More specifically, the revenue generated by the installed base has grown by 19% compared to 2013 and reached €34.9m. Furthermore, more than 20 stores carried out pilot schemes in 2014.

A year of R&D and innovations presented in New York in January

At the NRF Show in NYC from 11-13 January 2015, SES Group presented its vision of precision retailing and its recent innovations associated with the "connected store":

- New applications developed based on smart labels in the areas of geolocation, dynamic planograms (in cooperation with Atos and Dassault Systèmes), optimization of Drive productivity and mobile self-scanning,
- The new version of the Jeegy+ platform, the first software, multi-frequency radio and multi-display platform supporting all screen technologies: segment LCD, dynamic TFT and E-paper
- The new color range, as well as new E-paper formats dedicated to the Hard Discount, Pharmacy and Beauty segments,
- The new Cloud and "Easy" services (ESL as a Service) developed by Imagotag.

Outlook for growth in 2015 and beyond

Thierry Gadou, CEO of Store Electronic Systems, summarized the year's results and the outlook for 2015, *"In 2014 SES reinforced its n°1 position within the sector, and achieved good growth on most of its markets despite difficult economic conditions for large retailers in Europe. Such a momentum in this situation is symptomatic of an underlying trend: with the widespread acceleration of pricing competition between large retailers and the development of multi-channel services, the change to digital is gradually becoming a necessity for them. That is why analysts are forecasting strong structural development in the market in future years. In 2014, we continued our policy geared towards quality and innovation, in order to enrich the value-added of electronic labels and to contribute to solving the major challenges facing our customers. Given our highly competitive offering and the high level of our portfolio of business opportunities, 2015 is set to be a positive year in terms of growth."*

Next press release

2014 annual results will be published on March 30, 2015, 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.

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