

**Hardware and Home Décor activity down over the summer period
1S results likely to be impacted
Record order backlog on 30 September 2016**

Significant points for the first half-year period:

- ➔ Notable drop in sales over the summer period;
- ➔ Home Décor Activity on the down following the launch of new product lines by a key customer;
- ➔ Hardware Activity figures hit in S1 by the absence of any major sale and an unfavourable base effect. However, a significant number of orders have been recorded (notably for LED signs and also analogue products). Current order backlog is up sharply to stand at €15.12 million vs €5.85 million in N-1;
- ➔ Printing Activity continues to resist well with variations in activity according to geographic areas.

Consolidated figures – first six months (April 1 – September 30, 2016)

Non audited	YTD April 1 – September 30, 2016				2Q: July 1 – September 30, 2016			
	6 Months		6 Months		3 Months		3 Months	
In €M	2016/2017	2015/2016	Var. M€	Var. %	2Q 16/17	2Q 15/16	Var. M€	Var. %
Printing Activity	15.01	14.38	+0.63	+4.3%	7.12	7.11	+0.01	+0.1%
Hardware Activity	7.17	11.00	-3.83	-34.8%	3.13	4.78	-1.65	-34.4%
Total 6 months	22.18	25.38	-3.20	-12.6%	10.25	11.89	-1.64	-13.8%
Total constant currencies	22.87	25.38	-2.51	-9.9%	10.47	11.89	-1.42	-12%

The foreign exchange impact is mainly due to a sharp drop in the South African Rand (17.5%) and the GBP (13.7%) and to a lesser degree, the fall in value of the Canadian Dollar against the Euro.

For the first six-month period 2016/2017, total sales stand at **€22.18 million**, down 9.9% at current exchange rates, due to the fall in Hardware Activity (analogue signs and decoration). Order intake, notably for LED products, concerns relatively high volumes and will impact Q4 and S1 N+1 activity.

Excluding Home Décor, **Printing** is up 4.8% for the period at **€12.05 million** compared with €1.50 million for the same period the previous year with good results in South Africa, France and Spain while activity in England remains sluggish. After a mixed first six months, activity in Canada finally began to take off in September.

Home Décor sales at **€3.42 million** (€4.51 million in N-1) were affected by the launch of new product lines by a key customer.

Hardware sales (excluding Home Décor) at **€6.71 million** are down €2.66 million on N-1, mainly due to an unfavourable base effect for billboard sales (significant orders reported in Germany, USA and Russia in N-1) and a sluggish Street Furniture Activity. LED display sales remained practically stable at €2.1 million (vs €2.3 million in N-1).

Outlook

On September 30, 2016 order backlog, mainly for Hardware, is high at **€15.12 million** against €5.85 million in N-1. This increase is mainly due to:

- LED displays, an order from a major German company (146 signs) with initial delivery programmed for T4 2016/2017 and the remainder in S1 2017/2018;
- Analogue products, orders for street furniture for Madrid and Saint Etienne.

In view of the low level of activity during the first six-month period, the Group estimates that on September 30, 2016 operating profit will come to a loss of about €1 million. S2 activity will be more dynamic. To accompany and transform this upturn, the Group is deploying a cost-reduction plan that will begin to produce positive results as of Q1 2017/2018.

In the medium term, the Group will build on the success of its LED activity, its digital printing expertise and the implementation of the cost-reduction plan.

Nest press release:

Six-month results: December 7, 2016 after closure – Conference call – December 8, 2016 at 10am

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