

Half-year results – September 30, 2014

Performance at a satisfactory level

Six-month period analysis:

- ➔ Sales mix for the period impacted by a fall in Home Décor activity
- ➔ Operating profit proving resilient despite a less favourable product mix
- ➔ The capital structure is healthy giving the group the means to achieve its ambitions

Outlook 2014/2015:

- ➔ Order backlog on October 31, 2014 stands at €4.5 million
- ➔ In November, Prismaflex International finalised orders for €3.3 million (mainly in Russia)
- ➔ Efforts in development continue with a particular focus on LED displays
- ➔ An agreement with a partner for the creation of a production joint venture in China represents a key factor for future growth
- ➔ The transfer to Alternext should occur on December 12, 2014 after agreement from Euronext Paris.

Consolidated statement of income (April 01 – September 30, 2014)

On November 25, 2014 the Prismaflex International board closed the accounts for the 2014/2015 S1 period. The financial statements were subject to a limited audit review.

In € million	6 months 30.09.14	6 months 30.09.13
Total Sales	25.49	25.77
Current operating profit	0.75	1.39
Operating profit	1.00	1.39
Financial result excl. Foreign exchange	-0.18	-0.20
Foreign exchange losses and gains	0.19	-0.13
Tax	-0.16	-0.21
Result of discontinued operations	-0.07	
Net result	0.79	0.85
Net consolidated result	0.79	0.85
Self-financing capacity	1.59	1.55

In € million	30.09.14	31.03.14
Consolidated equity capital	14.69	13.93
Net debt	7.76	5.86
Gearing	0.53	0.42

Significant points for the S1 2014/2015 period:

- The product mix is different from n-1 with home Décor down 15%. Hardware activity (excluding Home décor) continues to resist strongly (+9.5%) and Printing (excluding Home Décor) is down slightly -1.6%.
- The German subsidiary Distec confirms its good level of performance to significantly contribute to the group's results. On the other hand, activity for the Swedish subsidiary records a sharp fall.
- Operating costs remain under control, in spite of significant efforts made to develop new lines of LED products (hiring of extra personnel).
- Operating profit stands at 3.9%, down 1.5% compared to previous year.
- Operating profit includes a €0.25 million profit in relation with the export warranty subscribed for our Australian subsidiary.
- For the period, Prismaflex International benefits from a foreign exchange gain of €0.2 million compared to a loss over the same period of the previous year.
- Income tax rate stands at 15.5% versus 19.6% last September. This low rate comes from permanent differences in relation with the closure of our Australian subsidiary.

- Overall, net result, at 3.1% compared to 3.3% last September 2013.

Capital structure remains healthy

Working capital needs at €11.6 million represents almost 22% of total sales against 15% last March due. This results from a drop in down payments (fall in the order backlog) and the volume of supplier debts.

Consolidated equity capital is up at €14.69 million. Net debt stands at €7.76 million, the group is not benefiting, as the previous year, from the high level of customer down payments.

Consequently, analysis presents a gearing ratio at 0.53 compared with 0.42 on March 31, 2014.

Outlook for the year

On October 31, 2014 order backlog, mainly for hardware stands at €4.5 million (excluding the order from Russia detailed above) against €11.7 million for the same period the previous year. A number of price quotations are still standing for decision – namely for LED products – giving Prismaflex reason to believe it can improve its order backlog.

The legal establishment in China of a JV has now been finalised and the project should be up and running in the second quarter of 2015. This new structure will enable Prismaflex to optimise LED production costs and improve its lead time and differentiation strategy.

On the innovation front, the Blue Tech project (autonomous solar-powered displays) recently recorded its first sales.

Forthcoming dates

- **Conference call:** Pierre Henri Bassouls CEO and Emmanuel Guzman, CFO will be available to answer your questions at 10.00 am on Friday November 28, 2014. Please contact Actus Lyon on +33 (0)4 72 18 04 90.
- **Press release:** Q3 2014/2015 sales figures January 15, 2015 after closure

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