

Annual Results 31 March 2011 Confirmation of improved performance

Significant points:

- ➔ The second sixth-month period confirms a gradual upturn in the advertising market with a healthy order backlog
- ➔ Improved gearing ratio of 0.42
- ➔ Net profit up

Outlook 2010/2011:

- ➔ Improved visibility for 2011. Long term evolution remains uncertain
- ➔ Technical success of new product lines, particularly LED displays
- ➔ Outlook on German and East European markets through the acquisition of the German company Distec
- ➔ Renewed significant contract for Home Décor activity

On June 22, 2011 the Prismaflex International board closed the accounts for the 2010/2011 period as of March 31, 2011.

Main consolidated figures (01/04/10 – 31/03/11)

In M€ (audit underway)	12 Months	12 Months	Var. M€	Period 10-11	
	31.03.11	31.03.10		6 Months	6 Months
				2S	1S
Sales	50.66	39.23	11.44	26.70	23.97
Current operating profit	2.92	0.06	2.86	1.68	1.25
Current operating profit	5.8%	0.2%	25.0%	6.3%	5.2%
Loss of goodwill	-1.09			-1.09	
Operating profit	1.83	0.06	1.77	0.58	1.25
Financial result excl. foreign exchange	-0.54	-0.49	-0.05	-0.29	-0.26
Foreign Exchange losses & gains	-0.12	0.26	-0.38	-0.10	-0.02
Tax	0.34	-0.02	0.36	0.46	-0.13
Sold activities result – EM share	0.00	-0.06	0.06	0.00	0.00
Net result	1.50	-0.25	1.75	0.66	0.84
Net consolidated result	1.43	-0.35	1.78	0.62	0.81
Cash flow	3.88	1.62	2.26	2.31	1.57
Consolidated equity capital	18.56	15.97	2.59	18.56	17.39
Net debt	7.73	10.06	-2.33	7.73	10.04
Gearing	0.42	0.63		0.42	0.58

EM = Equity Method

Current operating profit at 5.8%

The return to profitability seen during the first six-month period continues strong through S2 to clear an S2 current operating margin on the up compared to S1 and the previous full year.

The period benefits from a combination of factors:

- A volume effect on sales with a 29.1% growth, or +€11.44 million compared with the same period for the previous year. Despite a favourable base effect, the Group has benefitted from the printing activity's strong resistance, an upturn in Home Décor activity and a good outlook for hardware activity;
- Operating costs are well under control;
- Controlled financial result at €0.54 million excluding foreign exchange.

While stable the previous year, current operating profit reached €2.92 million giving an operating margin of 5.8% and a growth of €2.86 million.

Despite a goodwill loss of €1.09 million, partly due to persistent uncertainty as to midterm hardware activity, net result is largely positive at €1.50 million or 3% of total sales. Before taking the goodwill loss into account, profitability is over 5% of turnover.

The tax gain is due to the inclusion of non activated fiscal deficits that in turn reflects the return to operating profitability for Prismaflex International.

Strengthened financial structure

Working capital need at €7.6 million represents 15% of activity or 18% excluding exceptional customer advance payments.

The Group's financial structure is healthy with consolidated equity capital representing €18.56 million, up €2.59 million compared to March 30, 2010 with a €1.2 million positive impact for goodwill conversion to Euros and -€1.09 million loss of goodwill.

Net debt falls from €10.06 million to €7.73 million for March 31, 2011. These improved figures are the result of the year's good results and client down payments received at closure.

The net debt to equity capital (gearing) ratio has improved, to stand at 0.42 compared with 0.63 on March 31, 2010. Bank ratios are fully respected.

Performance and outlook

Although still cautious, Prismaflex International benefits from greater visibility and an order backlog primarily composed of orders for "Hardware", of €7.2 million on March 31, 2011.

With a well diversified product range, Prismaflex International should benefit in the coming months from:

- Encouraging signs of an upturn in the Hardware activity;
- Strong Home Décor performance; the company has just resigned a significant contract with one of the major actors of this industry, till September 2014;
- The increasing interest in its new product lines (LED displays, Graphit...).

Forthcoming dates

Prismaflex International results will be presented on June 23, 2011 at the Hôtel Jolly Lotti, 7, rue de Castiglione, Paris 1^{er} at 10.00.

Next press release: 1st quarter sales figures (June 2011), 18 July 2011 after closure

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