



Press release

**H1 2009 results greatly affected by the difficulties of biometrics activity in France**

**Excellent overseas performances**

**2009/2010 action plan, “La Clé est en nous” (The key is in us), to ensure a renewed profitable growth momentum**

**Aix-en-Provence, 6 October 2009:**

Easydentic (FR001000016 - ALEGR), a leading European provider of innovative corporate security technologies, today announces its consolidated results for its first half to 30 June 2009.

**2009 first-half results**

Easydentic's activity for the first half of 2009 was particularly contrasting, with:

- a significant fall in sales and substantial losses in biometrics in France;
- an excellent performance, in terms of both sales and profitability, by overseas subsidiaries.

Subsequently, the half's results were substantially and negatively affected by the one-off difficulties encountered by the Group's biometrics activity in France due to delays in the granting of the CNIL's approval for Biovein and the resulting disruption of the sales network.

<i>In millions of euros</i>	<b>H1 2009</b>	<b>H1 2008</b>
<b>Sales</b>	<b>43.7</b>	<b>58.3</b>
<b>Gross margin</b>	<b>39.0</b>	<b>53.0</b>
<b>EBITDA</b>	<b>(2.2)</b>	<b>13.9</b>
<b>EBIT</b>	<b>(3.7)</b>	<b>11.2</b>
<b>Current income</b>	<b>(10.9)</b>	<b>8.0</b>
<b>Consolidated net income</b>	<b>(8.2)</b>	<b>4.4</b>
<b>Attributable net income</b>	<b>(8.3)</b>	<b>4.4</b>

Consolidated **sales** for the first half of 2009 totalled €43.7m, down 25%, consisting in a +47% increase overseas, which now represents 55% of total activity, and a 67% fall in France. This negative evolution was due to the substantial slowdown in the commercialisation of biometric offers in France as well as by the decrease in the leaser's contract acceptance rate.

Overseas subsidiaries pursued their deployment and their upramping, including in countries very affected by the current crisis such as Spain and Ireland.

(€m)	Spain	Portugal	Ireland	UK	Switzerland	Benelux	Germany	TOTAL
H1 '08 sales	4.0	1.5	1.4	1.5	0.3	7.8	5.0	21.5
H1 '09 sales	8.3	3.5	3.2	2.8	1.8	7.5	4.6	31.7
Change (€m)	+4.3	+2.1	+1.7	+1.3	+1.5	(0.3)	(0.4)	+10.2
Change (%)	+107%	+141%	+120%	+84%	+612%	-3%	-8%	+47%

The consolidated **gross margin** for the first half of 2009 came to €39.0, slipping 2 points as a percentage of sales, essentially because of a reduction in the average revenue per client.

**EBIT** was -€3.7m, compared to +€11.2m over the first haf of 2008. This fall was the result of a number of factors:

- the fall in sales, which reduced the absorption of fixed costs;
- the increase of 10% in external costs associated with the structuring of overseas subsidiaries currently under development;
- the slight decrease in personnel costs due to the initial effects of payroll reductions in France.

Overseas, profitability grew sharply: EBIT jumped +150% to €5.5m, giving a margin of 17.4%, an increase of more than 7 points compared to the first half of 2008. Apart from Germany, all countries provided a positive contribution to the group's operating profitability, thus validating the pertinence of Easydentic's overseas deployment strategy.

(€m)	Spain	Portugal	Ireland	UK	Switzerland	Benelux	Germany	TOTAL
H1 '08 EBIT	0.0	0.5	0.0	0.1	0.0	1.6	0.2	2.2
H1 '09 EBIT	1.6	1.4	0.9	0.2	0.6	1.6	(0.6)	5.5
Change (€m)	+1.6	+0.9	+0.9	+0.1	+0.6	=	(0.8)	+3.2
Change (%)	+2131%	+183%	-	+54%	-	0%	-	+150%

There was a financial loss of €7.3m, essentially due to leaser financing costs associated with sales discounting for €4.1m (versus €2.3m in H1 2008), guarantee funds lost from the leaser for €3.4m (versus €0m in H1 2008) and interest charges for €0.4m (versus €0.2m in H1 2008).

Subsequently, the **current loss** over the half was €10.9m, around a million euros above the figure given in the document that received AMF visa n° 09-216 on 7 July 2009<sup>1</sup>. This discrepancy can essentially be explained by a significant fall in leaser acceptations in May and June.

Attributable net income for the first six months of the year was thus a negative -€8.3m.

### Financial structure

At 30 June 2009, prior to the capital increase of July 2009, attributable shareholders' equity totalled €3.7m and financial debt totalled €21.1m, up €8.3m on the figure at 31 December 2008. Financial debt consisted of €4.4m medium-term debt and €16.6m short-term debt.

Thanks to optimised financial management, working capital requirements only increased by €1.4m over the half.

This financial structure was improved following the successful €14m capital increase: shareholders' equity has been reinforced and financial debt is currently being optimised.

<sup>1</sup> Based on sales recorded over the 1<sup>st</sup> quarter of 2009 (€22.498m), the Group had anticipated a higher current loss in the 2<sup>nd</sup> quarter of 2009 than in the 1<sup>st</sup> quarter (€3.729 m), with a bracket of around €4 to 6m. See paragraph 13.2.2 of the document that received AMF visa n°09-216 on 7 July 2009.

## **2009/2010 action plan: La clé est en nous (The key is in us)**

Following a difficult first half and much thought about the strategy to deploy in order to ensure a return to profitable growth, this autumn Easydentic has been implementing an action plan called “*La clé est en nous*” (The key is in us), in reference to Biovein’s sales slogan.

The measures contained within this plan aim first and foremost to show that Easydentic has the solutions to every problem recorded over the first half of the year. This plan will essentially be based on the following lines:

- improvement in contract acceptations by the leaser;
- optimisation of the installed product base in order to increase the renewal rate;
- improvement in the productivity of sales staff;
- gradual improvement in managers’ variable pay towards a sales/profitability mix.

## **Solid assets**

In addition to this vigorous proactive action plan, Easydentic has triple powerful leverage to record renewed growth momentum and to see a return to its profitability levels:

- a strong overseas presence, with 56 sales platforms;
- a unique biometrics offer in France that gives the Group a new dimension on this market;
- a captive base of 63,000 products at 30 June 2009 and substantial potential for contract renewals.

**Abroad**, the Group opened 9 new platforms over the first half of 2009 in video mobility and in Biometrics in rapidly-developing countries (Spain, Portugal, United Kingdom, etc). This deployment will continue, and the Group aims to have around a hundred platforms across Europe by end-2009.

Easydentic is also working to obtain a presence in the United States, through a well thought-out and gradual approach with limited and secured investments. The Group is considering launching its activity in the New York area during the first half of 2010, and is in the process of choosing its leaser partner.

Thanks to **Biovein**, the first and only simple, rapid and regulation-respecting biometrics solution, Easydentic is changing its status in France and is becoming the key player on the biometrics market. Thanks to this new dimension, the Group has developed two major value-creating initiatives:

- an exclusive indirect distribution agreement in France with ADI Global Distribution, a European leader in the distribution of security equipment, with a binding minimum number of orders;
- an initial national promotion campaign on the biometrics sector with a strong slogan, “*La clé est en vous*” (The key is in you).

Lastly, contract **renewals** are continuing to increase, with the first extensions in Germany, in Belgium and with Innovatys over the 2<sup>nd</sup> half of 2009. Over the first half of 2009, the Group recorded an average erosion rate of 13% (% of the initial product base that has disappeared after 4 years). The net renewal rate was 60%, in line with expectations.

Patrick Fornas, Chairman and CEO, concludes: “*This first half was particularly atypical for Easydentic, which had recorded buoyant unbroken growth since its creation 5 years ago. Indeed, the arrival of Biovein, which is revolutionising the entire biometrics sector in France, has had a disruptive effect on our domestic activity. However, overseas activity has pursued its growth momentum by doubling its profitability. Today, we have clear assets and vigorous action plan to enable the Group to again enter a lasting phase of profitable growth. Lastly, despite a deterioration in the leaser acceptance rate, the strategic partnership signed 3 years ago with Parip Lease remains nevertheless strategic. The solidity of our commercial relations results in exemplary financing lines within the current context.*”

Next press release: Q3 2009 sales on 17 November 2009

\*\*\*

**About Easydentic ([www.easydentic.com](http://www.easydentic.com)):**

Easydentic is a major European player in innovative corporate security technologies. The Group operates in 12 European countries (France, Belgium, Germany, Spain, Netherlands, UK, Czech Republic, Portugal, Ireland, Italy, Switzerland and Luxembourg), and has 6 brands (EASYVEIN, EASYDENTIC and OYTECH for biometric access control, INNOVATYS and UNIWAYS for IP-based video surveillance and EDEN for R&D of software used in access management and access control system applications).



Alternext Paris, member of the Group NYSE Euronext  
ISIN: FR001000016 - Ticker: ALEGR

**Contacts:**

**NewCap.**

Investor Relations  
Steve Grobet / Dusan Oresansky  
Tel.: +33 (0)1 44 71 94 94  
[easydentic@newcap.fr](mailto:easydentic@newcap.fr)

**Easydentic**

Marc Lignesche  
General Secretary  
Tel.: +33 (0)4 42 90 85 60  
[financial@easydentic.fr](mailto:financial@easydentic.fr)