



Store Electronic Systems launches its initial public offering

**Indicative price range of the offer:
between €14.28 and €16.60 per share**

The *Autorité des marchés financiers* (“*AMF*”) granted visa number 06-021 on 24 January 2006 on the prospectus prepared in relation to the initial public offering of Store Electronic Systems.

The placing of the shares offered to the public includes:

- 1,489,638 new shares issued pursuant to a cash share capital increase by way of a public offer; and
- 4,588,322 existing shares (including the shares which might be transferred on the exercise of the over-allotment option).

The distribution of the shares offered to the public will be made under:

- a public offer in France in the form of a retail offering, principally addressed to individuals; and
- an international offering, principally addressed to institutional investors, consisting of a placement open to the public in France, and an international private offering in certain countries, excluding the United States.

The offer will be open from 25 January 2006 and will close at 5 pm (Paris time) on 1st February 2006 as regards the retail offering and at 12 am (Paris time) on 2 February 2006 as regards the international offering. The price is expected to be fixed on 2 February 2006. Trading on the *Eurolist* by *Euronext*TM stock exchange is expected to begin on 3 February 2006.

The placing will be managed by Société Générale Corporate & Investment Banking, Lead Manager and Bookrunner.

In this press release, unless indicated otherwise, the term “*Company*” means Store Electronic Systems. The term “*Group*” means the group of companies consisting of the Company and its subsidiary, Store Electronic Systems Electronic Shelf Label (“*SES-ESL*”). The term “*SES COM*” means Store Electronic Systems Communication, a holding company holding the entire share capital of SES-ESL, which merged with SES COM by way of absorption on 12 December 2005.

PRINCIPAL CHARACTERISTICS OF THE OFFER

1. DESCRIPTION OF THE OFFER

Store Electronic Systems has applied for the admission to trading on *Eurolist by Euronext*TM of 9,042,550 existing shares and 1,489,638 new shares to be issued under the Offer.

Projected timetable of the Offer:

24 January 2006	Visa of the AMF
25 January	Euronext Paris notice of opening of the FRO Opening of the FRO and of the International Offering
1 February	Closing of the FRO
2 February	Closing of the International Offering Determination of the Offer Price Signing of the Underwriting Agreement Press release indicating the Offer Price and the result of the FRO, including the percentage of allotments to individuals and Euronext Paris notice of the result of the FRO First listing
3 February	Beginning of trading
7 February	Settlement and delivery

Offer structure

It is expected that the distribution of the offered shares will be made under a global offer (the "**Offer**"), consisting of:

- A public offer in France in the form of a retail offering, principally addressed to individuals (the "**FRO**");
- An international offering, principally addressed to institutional investors (the "**International Offering**"), consisting of a placement open to the public in France, and an international private offering in certain countries, excluding the United States.

If the demand in the context of the FRO allows it, the number of shares allotted further to orders placed within the FRO will be equal to at least 10% of the number of shares offered under the Offer, before exercise of the Over-allotment Option.

Number and origin of the shares offered

<i>Initial number of shares</i>	– 1,489,638 new shares, representing around 14.14% of the capital after the share capital increase;
	– 3,795,546 existing shares representing around 36.04% of the capital after the share capital increase.
<i>Final number of shares</i>	6,077,960 shares if the Over-allotment Option is exercised, i.e. around 57.71% of the capital after the share capital increase.

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Selling shareholders

Shareholder	Before transfer		After transfer		After transfer and full exercise of Over allotment Option	
	Number of shares	Percentage of capital	Number of shares	Percentage of capital	Number of shares	Percentage of capital
FCPR SES INVEST	1,999,995	22.12	1,199,997	11.39	1,001,679	9.51
FCPR SMALL CAPS	1,567,263	17.33	940,358	8.93	784,950	7.45
FCPR HEXAGONE	1,432,738	15.84	859,643	8.16	717,574	6.81
FCPR FRANÇOIS IV	1,380,001	15.26	828,001	7.86	691,161	6.56
FCPR LTI	104,611	1.16	62,767	0.60	52,394	0.50
FCPR LBO TEAM	10,388	0.11	6,233	0.06	5,203	0.05
LBO France Funds Total	6,494,996	71.82	3,896,999	37.00	3,252,961	30.89
FCPR OFICAP	750,000	8.29	450,000			
BIREACT	650,000	7.19	350,000			
Bernard Joliey	54,999	0.61	-	-	-	-
CM CIC MEZZANINE	325,530	3.60	-	-	-	-
PARIS ORLÉANS	217,020	2.40	-	-	-	-

Over-allotment Option Maximum of 792,776 additional existing shares (the “**Over-allotment Option**”).

Indicative price range Between €14.28 and €16.60 per share. This indication is not conclusive and the final price may not be comprised in this range.

Transfer of existing shares

Date as of which the shares carry rights – 1 January 2005.

Number of shares to be transferred – 3,795,546 shares, if the Over-allotment Option is not exercised and 4,588,322 shares if the Over-allotment Option is exercised in full.

Gross proceeds of the sale – €58.6 million* if the Over-allotment Option is not exercised and €70.8 million* if the Over-allotment Option is exercised in full.

Share capital increase

Date as of which the shares carry rights – 1 January 2005.

Number of shares to be issued – 1,489,638 shares.

Gross proceeds of the issue – €23 million*.

Net proceeds of the issue – €20.6 million*.

Fees and expenses related to the Offer

Around €4.2 million* (€4.7 million* if the Over-allotment Option is exercised in full).

Purpose for the Offer

The listing is intended to enable the Company to carry on its development, particularly on an international scale by providing new financing opportunities and more generally by enhancing its

	reputation.
	The net proceeds of the issue will be mainly used to repay financial debt contracted for the acquisition of SES COM up to approximately €17 million, i.e. 83% of the net proceeds.
Underwriting	The placing of the shares will be underwritten by Société Générale (the “ Underwriter ”). The underwriting agreement contains a termination provision.
Lock-up undertaking	To Euronext and the AMF: <ul style="list-style-type: none">– 180 days from 7 February 2006 for LBO France Funds, FCPR OFICAP, PPL Finances and Birect. To the Underwriter: <ul style="list-style-type: none">– 18 months from 7 February 2006 on a sliding scale released by thirds after 9, 12 and 18 months for PPL Finances et Birect.– 180 days from 7 February 2006 for LBO France Funds and FCPR OFICAP.– 180 days from 7 February 2006 for the Company.
First listing date	2 February 2006.
Beginning of trading	3 February 2006. From 3 to 7 February 2006, trading on a single listing line entitled STORE – PROMESSES, subject to the condition precedent of the delivery of the depository certificate in respect of the issue of new shares.
ISIN code:	FR0010282822
Common code:	SESL
Financial intermediary	Société Générale

* Based on an offer price equal to the median value of the indicative price range (i.e. €15.44).

2. BASIC INFORMATION ON THE ISSUER

The Group designs and sells wireless communication products intended for retail outlets with floorspace of more than 200sqm.

The Group has developed electronic shelf labels which allow retail outlets to display information and to change prices displayed on shelves throughout the store remotely, with no manual intervention required.

3. SELECTED FINANCIAL INFORMATION

The historical financial information is taken from:

- (i) SES COM consolidated financial statements for the financial years ended 31 December 2002, 2003 and 2004 (adjusted) and consolidated financial statements for the six months ended 30 June 2005 (French GAAP).
- (ii) The Company's proforma consolidated financial statements for the financial year ended 31 December 2004 and consolidated financial statements for the six months ended 30 June 2005 (IFRS).

Excerpts from SES COM's consolidated financial statements:

<i>(€ '000)</i>	Years ended 31 December		
	2004	2003	2002
	adjusted⁽¹⁾		
Net sales	19,360	15,034	10,369
EBIT	4,401	2,523	888
EBIT margin	22.7%	16.8%	8.6%
Net profit before goodwill amortisation	4,881	2,529	955
Net profit	3,909	1,556	(19)
Fixed assets	5,950	6,751	7,854
Net cash	3,740	1,491	633
Total assets	22,119	16,815	14,707

⁽¹⁾ The consolidated accounts were approved at the Shareholders' General Meeting held on 24 June 2005. A correction in relation to deferred taxes was made and the appendix completed.

<i>(€ '000)</i>	Six months ended	
	30 June	
	2005	2004
Net sales	15,123	8,262
EBIT	4,202	1,947
EBIT margin	27.8%	23.6%
Net profit before goodwill amortisation	2,441	2,235
Net profit	1,955	1,750
Fixed assets	5,510	6,204
Net cash	1,870	2,343
Total assets	28,244	17,609

Excerpts from the Company's consolidated financial statements:

<i>(€ '000)</i>	Six months ended		
	30 June		Full-year
	2005	2004	2004
		proforma	proforma
Net sales	15,123	8,262	19,360
Profit from operations before exceptional items and depreciation	4,200	1,990	4,570
Profit from operations	3,611	1,916	4,028
Profit after tax	1,792	1,438	3,113
Net profit	1,792	(360)	375
Non-current assets	31,058	33,972	33,090
Net financial indebtedness	20,041	17,829	18,558
Total assets	52,953	47,246	49,015

4 NET WORKING CAPITAL STATEMENT

The Company attests that, from its perspective, the net consolidated working capital of the Group is sufficient (i.e. the Company has sufficient liquidity and cash resources available, without taking into account the funds raised through this transaction) in the light of its obligations over the course of the next 12 months as from the date of the *visa* of the prospectus.

5. SHAREHOLDERS' EQUITY AND INDEBTEDNESS

Consolidated shareholder's equity and indebtedness situation as at 30 November 2005 (IFRS):

<i>(€ '000)</i>	30 November 2005
1. SHAREHOLDERS' EQUITY AND INDEBTEDNESS	
Total current debt	14,463
- guaranteed	-
- collateral secured *	2,494
- un-guaranteed unsecured debt **	11,969
Total current debt (excluding current part of long term debts)	21,857
- guaranteed	-
- collateral secured *	15,779
- un-guaranteed unsecured debt	6,078
Shareholders' equity group share	14,291
- Share capital	7,000
- Mandatory reserve	-
- Other reserves ***	7,291
2. NET FINANCIAL INDEBTEDNESS ANALYSIS	
A. Cash	5,861
B. Cash equivalents	-
C. Investment Securities	-
D. Liquidity (A) + (B) + (C)	5,861
E. Current financial receivables	
F. Current bank debt	-
G. Middle and long term debts – parts due in less than one year	2,494
H. Other current financial debt **	-
I. Current financial debt (F) + (G) + (H)	2,494
J. Net current financial indebtedness (I) - (E) - (D)	(3,367)
K. Non current bank debt	11,628
L. Bond issues	7,993
M. Other non current debt	15
N. Net non current financial debt (K) + (L) + (M)	19,636
O. Net financial indebtedness (J) + (N)	16,269

* Pledge of the shares of SES COM held by the Company (replaced with a pledge of the shares of SES-ESL following the merger of SES COM with SES-ESL completed on the 12 December 2005).

** As at 30 November 2005, the following items were included in the current debt but not in the other current financial debt:

- the additional price estimated as at 30 November 2005, completing the acquisition of the SES COM group payable in June 2006. For the avoidance of doubt, such additional price is capped at €8,000,000. On the basis of the simulations of the calculation elements, the amount obtained and included in the cost of the controlling interests is €3,150,000.
- the debt on the acquisition of the SES COM group owed to a managing partner for an amount of €1,000,000. This amount is payable in June 2006.

*** The reserves do not include the result for the period 1 January 2005 to 30 November 2005.

There has been no significant change in the shareholders' equity amount excluding the results and the various indebtedness figures presented above since 30 November 2005 other than the changes to the share capital described in the offer document.

6. RECENT EVENTS

At the general meeting of 20 January 2006, Mr Xavier Jaspar and Mr Benoît O'Mahony have been appointed as directors of the Company.

7. FINANCIAL SITUATION, RESULTS AND PROSPECTS

In 2004, the Group pro forma sales amount to €19,360,000 and the profits from operations to €4,570,000. The profit after tax amounts to €3,113,000 and the net profit amounts to €375,000. As at 30 June 2005, the sales amount to €15,123,000, the profits to €4,200,000 and the net profit to €1,792,000.

The estimated 2005 sales amount to €26.7 million.

On the basis of the acceleration expected by the Group in the development of electronic shelf labelling, the Group's target is to increase sixfold by 2009 the consolidated sales achieved by the SES COM Group as at 31 December 2004, whilst maintaining its operating profitability. For the financial years 2005 and 2006, the Group expects an increase in sales in line with this medium term objective. Moreover, the Group intends to continue its profitable growth strategy.

8. SUMMARY OF THE PRINCIPAL RISK FACTORS

Investors are advised to consider the risks set out below described in Section 4 of the base document filed with the AMF on 14 December 2005 under number I.05-143 (the "**Base Document**") and in Section 2 of the offer document before making a decision to invest:

- Risks related to the Group and its structure, in particular:
 - the dependence of the Group on one supplier and one subcontractor as regards one of the components necessary for the operation of electronic shelf labelling systems and the fabrication of electronic shelf labels;
 - the identification and conclusion of partnerships with distributors operating on overseas markets and the renewal of existing agreements;
 - the dependence on certain managers and essential engineers;
- Risks relating to the Group's sector of activity, in particular:
 - the concentration of the business sector of the customers of the Group which are mainly food supermarkets;
 - the difficulties that the Group might face to cope with the strong growth of its market;
- Legal risks, related in particular to securing and protecting intellectual property rights; and

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- Risks related to the offer, in particular:
 - the absence of previous listing and the share price fluctuation;
 - the possible termination of the underwriting agreement.

The Group does not intend to pay dividends in the next two financial years.

9. DIRECTORS AND AUDITORS

9.1 Board of directors

- Philippe CATTEAU (Chairman of the board of directors and Chief Executive Officer)
- Jean-Marie LEROY
- Robert DAUSSUN
- Pascal ODDO
- Xavier JASPAR*
- Benoît O'MAHONY*

*Independent directors

9.2 Auditors

Statutory auditors

Conseil Audit & Synthèse - Commissariat aux comptes, represented by Jean-François Nadaud

Mazars & Guérard, represented by Anne Veaute and Guillaume Potel

Substitute auditors

Jean-Noël Servans

Denis Grison

10. ADDITIONAL INFORMATION

10.1 Share capital as at 24 January 2006

€18,085,100 divided into 9,042,550 shares of two euros each.

10.2 Principal shareholders as at 24 January 2006

	Number of shares	Percentage of the share capital **
FCPR SES INVEST	1,999,995	22.12
FCPR SMALL CAPS	1,567,263	17.33
FCPR HEXAGONE	1,432,738	15.84
FCPR FRANÇOIS IV	1,380,001	15.26
FCPR LTI	104,611	1.16
FCPR LBO TEAM	10,388	0.11
LBO France Funds Total	6,494,996	71.82
FCPR OFICAP	750,000	8.29
PPL FINANCES (Ph. Catteau)	549,999	6.08
BIREACT	650,000	7.19
Bernard Joliey	54,999	0.61
CM CIC MEZZANINE	325,530	3.60
PARIS ORLEANS	217,020	2.40
TOTAL	9,042,544*	100*

* 6 shares are held by the Company's directors.

** Each share gives one voting right.

10.3 Determination of the indicative price range

To obtain the proposed indicative price range the following elements have been taken into account: the method known as “stock exchange comparables” which consists in comparing the Company to other companies having similar business models; the method known as “Discounted cash flows” (DCF) which is better suited for the valuation of Store Electronic Systems, which is a company operating in a growing sector and generating positive available cash flows after financing of the operational investments and the working capital needs.

10.4 Former transactions

It is reminded that the Company is a holding company created on 5 November 2004 by the LBO France Funds for the purpose of acquiring SES COM which occurred on 25 November 2004. This acquisition was made for a purchase price agreed between the parties in July 2004, such price corresponded to an enterprise value of €33.2 million (excluding the amount of the additional purchase price, i.e €36.3 million including the amount registered in the other debts and current liabilities in the balance sheet of the Company) and including the acquisition costs. This value shows a discount of 76% (respectively 74% including the additional purchase price) as compared to the value calculated on the basis of the median value of the indicative price range of the Offer Price (i.e €139.6 million).

The increase of the enterprise value as compared to the purchase price agreed upon between the parties in July 2004 is due in particular to the strong growth of the business sector in which the Group is acting, to the Group’s positioning and performance in this business sector that strongly grows.

10.5 Price disparity

Since the date of its incorporation, the only modifications to the Company’s share capital result from the conversion of convertible bonds (“CBs”) and the exercise of the bonds with warrants A and the bonds with warrants B (the “BWA”) issued in the context of the financing of the acquisition of SES COM.

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The price of the Company's shares upon conversion of the CBs or exercise of the BWAs on the 19 January 2006, is €2 , i.e. a discount of 87% as compared to an Offer Price determined on the basis of the median value of the indicative price range i.e. €15.44.

10.6 Constitutional documents and by-laws

French *société anonyme* governed by its by-laws and *Livre II* of the French Commercial Code.

10.7 Documents made available to the public

The legal and financial documents required to be made available to the shareholders, may be consulted at the registered office, 1-7 rue Henri de France, 95870 Bezons.

The prospectus approved by the AMF on 24 January 2006 under no. 06-021 and comprising the Store Electronic Systems' base document (*document de base*) registered by the AMF on 14 December 2006 under no. I.05-143 and an offer document (*note d'opération*), is available without charge from the Company and from Société Générale. The prospectus may also be viewed on the web site of the Company (<http://www.store-electronic-systems.com>) and on the web site of the AMF (www.amf-france.org).

The Company draws the attention of the public to the "Risk factors" section in the prospectus approved by the AMF.

Store Electronic Systems

Thomas Chassepot, Finance and Logistics Director
Tel. 01 34 34 61 45
thomas.chassepot@ses-esl.com

Actus

Investors relations – Edouard Miffre
Tel. 01 53 67 07 57
emiffre@actus.fr

Press relations – Chantal Farant
Tel. 01 53 67 35 86
cfarant@actus.fr

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This press release does not constitute an offer of securities in the United States. The shares of Store Electronic Systems have not been and will not be registered under the Securities Act of 1933 and may be offered or sold in the United States only pursuant to an exemption from registration provided for in the said Securities Act.

This press release is intended only for persons who (i) are not in the United Kingdom, (ii) have professional investment experience, (iii) meet the criteria laid down in the provisions of Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.