

Yet another good quarter from PSI Group

PSI Group ASA delivers another good quarterly result. Compared to 2nd quarter 2008 operating revenues increase by 10 percent to NOK 148.1 million. At the same time EBITDA in the quarter increases by 17 percent to NOK 13.2 million. Operating revenues in first half of the year increase by 27 percent to NOK 295.2 million whereas EBITDA increases by as much as 79 percent to NOK 30.1 million in the same period. PSI is experiencing a good demand within the Group's core areas despite the financial turmoil and in 2nd quarter alone several major framework agreements have been signed and this is expected to have positive effects ahead. At the same time considerable resources are invested in internationalisation of CashGuard.

- Operating revenues in 2nd quarter 2009 increase by 10 percent to NOK 148.1 million (NOK 135.2 million). In first half 2009 operating revenues increase by 27 percent to NOK 295.3 million (NOK 233.2 million).
- EBITDA in 2nd quarter 2009 increases by 17 percent to NOK 13.2 million (NOK 11.3 million). In first half 2009 EBITDA increases by 79 percent to NOK 30.1 million (NOK 16.8 million).
- The EBITDA margin in 2nd quarter is 9.0 percent (8.4 percent) and in first half 2009 the EBITDA-margin is 10.2 percent (7.3 percent).
- Cash flow from operations in the quarter is NOK 0.8 million (NOK - 8.3 million).
- Considerable resources are being invested into the internationalisation of CashGuard and deliveries outside Norway and Sweden are increasing.
- During the period several major agreements within all of the Group's business areas have been closed, including framework agreements with leading grocery chains in both Norway and Sweden related to CashGuard.

- We are experiencing a good momentum and PSI is delivering another solid quarter. Backed by solid growth in turnover and profit in first half of the year PSI continues its dedicated efforts in established and new markets – with special focus on internationalisation of CashGuard and continued success with SQS. During 2nd quarter we have experienced a good return in both areas including the deployment of 595 CashGuard systems, of which 75 systems were delivered outside Scandinavia, and with a very good level of activity related to deliveries of leading security solutions from SQS. At the same time several major agreements have been signed recently, providing a good foundation for positive prospects for the Group, says Jørgen Waaler, Group CEO of PSI.

In 2nd quarter 2009 the Group generated operating revenues of NOK 148.1 million, compared to NOK 135.2 million in 2nd quarter last year. Operating revenues increased to NOK 295.3 million in first half of the year from NOK 233.2 million in the same period of 2008. This represents an increase of 10 percent in the quarter and 27 percent in the first half of the year based on consolidated figures from PSI Group and CashGuard for first half 2008. The increase is related to the merger with CashGuard. The delivery rate for CashGuard systems was good in the period, which resulted in a good quarterly performance for both Retail Solutions and Cash Management Retail. In addition Cash Management CIT/ATM delivers a good quarterly performance with good margins and profits.

- One year after the merger with CashGuard we are experiencing good results in several areas. Not the least we experience solid development in profits. Generating profitable growth has been a crucial point for us. So far this year, the answer book shows that profit is increasing substantially more than the turnover, even though considerable resources are allocated in order to internationalize the Group, says Jørgen Waaler.

Whilst operating revenues in 2nd quarter 2009 increases by 10 percent, EBITDA increases by 17 percent to NOK 13.2 million compared to NOK 11.3 million in the same period last year. EBITDA in first half of the year show an even stronger growth of as much as 79 percent to NOK 30.1 million from NOK 16.8 million in first half of 2008. Profit after tax in 2nd quarter 2009 was NOK 3.1 million, up from NOK -3.2 million in 2nd quarter last year. Profit after tax in first half of 2009 was NOK 8.7 million compared to NOK -7.7 million in the same period in 2008. Cash flow from operations in the quarter amounted to NOK 0.8 million compared to NOK -8.3 million in the same period last year.

- We are experiencing consistently high demand for CashGuard with good prospects ahead. Not the least, we have recently signed several important agreements among others with two of the largest retail and grocery chains in Norway and Sweden. The deliveries to Rema 1000 commence this month.

Three of the four largest grocery chains in Norway have now chosen CashGuard and PSI, which confirms that our customers value reliability, capacity and transaction speed at the cash register as important. This provides a solid basis for our dedicated efforts going ahead, says Jørgen Waaler, Group CEO of PSI.

The deployment rate for CashGuard systems in Norway and Sweden in the quarter was good, with delivery of 520 CashGuard systems compared to 406 in the same quarter last year, representing an increase of 28 percent. At the same time, 75 systems are delivered outside Scandinavia – mainly to France, Spain and Germany. In addition, a high activity level within Cash Management CIT/ATM secured a good quarter throughout the Group's business areas.

Within Retail Solutions the market for cash handling solutions is good, while weaker demand is experienced within certain product groups compared with the corresponding period last year.

Within Cash Management Retail the delivery rate is as expected in Norway and Sweden in combination with an increased delivery ratio outside Scandinavia. The leading position within this business area is expected to increase going forward based upon the new framework agreements related to CashGuard. Based on the leading market position, the company seems well positioned to achieve a break-through in sales on markets outside Scandinavia.

Within Cash Management CIT/ATM the level of activity and delivery rate is very good. Cash Management CIT/ATM delivers good results and margins in 2nd quarter. Several major agreements with large global security companies announced at the end of last year and during 1st and 2nd quarter this year contribute strongly to the good results. During the quarter deliveries to customers in Scandinavia and the rest of Europe have been made – in addition efforts are being made with regard to new potential agreements with international security companies for future deliveries.

POSITIVE OUTLOOK

- The recession has affected PSI's business to a limited extent. In the past, the company's markets have been resistant to economic recessions, as investments in both grocery trade and the security markets only to a small extent have been affected by financial and economic cycles. Several major agreements have been signed recently at the same time as there is a good level of activity in the Group's main markets. This provides a good foundation for a positive outlook for the Group, concludes Jørgen Waaler, Group CEO of PSI.

For additional information please contact:

Jørgen Waaler
CEO of PSI Group ASA
Phone +47 905 90 010

Facts about PSI Group

PSI Group is a leading global provider of closed cash handling solutions in the society and provider of retail technology for improving the efficiency of price, goods and consumer information in selected geographical areas.

PSI Group is head quartered in Rælingen (Norway) and employs around 360 staff in Scandinavia and Europe. The company is listed on the Oslo Stock Exchange and Nasdaq OMX in Stockholm. For more information, visit www.psi.no.