
PSI Group ASA
Q2 2009

Financial report and status 2nd quarter and first half 2009

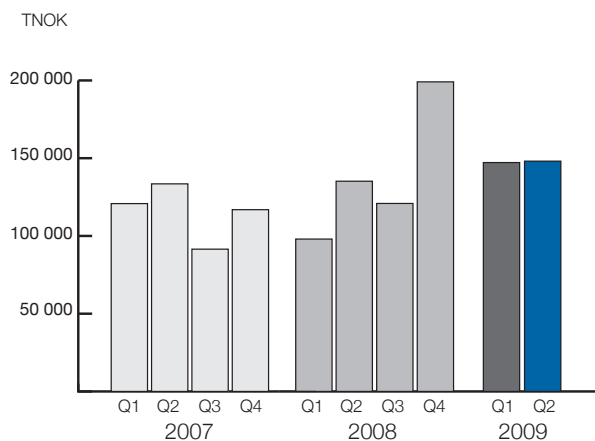
HIGHLIGHTS

- 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 the Group's business areas have been closed, including framework agreements with leading grocery chains in both Norway and Sweden related to CashGuard.

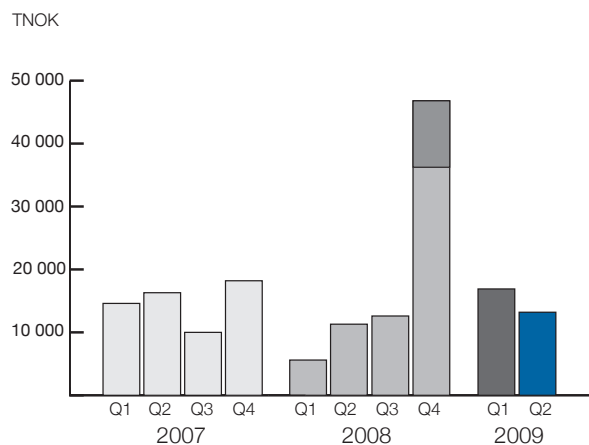
KEY FIGURES

	2nd quarter		Year to date		Full year
	2009	2008	2009	2008	2008
Operating revenue	148 067	135 157	295 256	233 229	553 287
EBITDA	13 219	11 291	30 069	16 847	76 262
Profit/loss before taxes	3 548	-2 546	10 846	-5 261	25 236
Earnings per share	0,15	-0,22	0,41	-0,59	0,75
Cash flow from operations	810	-8 311	-8 290	1 648	52 319
EBITDA-margin	9,0 %	8,4 %	10,2 %	7,3 %	13,8 %

Operating revenues



EBITDA



THE GROUP

The Group generated operating revenues of NOK 148.1 million in 2nd quarter 2009 compared to NOK 135.2 million in the same period of 2008. In first half 2009 operating revenues reached NOK 295.3 million (NOK 233.2 million).

The increase is mainly due to the merger with CashGuard and gradually increasing revenues synergies across the various business areas. The deployment rate for CashGuard systems in Norway and Sweden in the period was good, which resulted in a good performance in the quarter by both Retail Solutions, Cash Management Retail and Cash Management CIT/ATM.

EBITDA totalled NOK 13.2 million (NOK 11.3 million) in 2nd quarter 2009 and NOK 30.1 million (NOK 16.8 million) in first half 2009.

Profit after tax amounted to NOK 3.1 million (NOK -3.2 million) in 2nd quarter 2009 and NOK 8.7 million (NOK - 7.7 million) in first half 2009.

BUSINESS AREAS

The following three business areas are reported on:

Retail Solutions – comprises sales of solutions and after-market sales directly to retail distribution as well as industrial and public enterprises - this means, for example, that the value added related to the sale of CashGuard systems from PSI's Norwegian and Swedish operations to end customers appears here.

Cash Management Retail – comprises the total development, manufacturing and sale of systems to all CashGuard's global retail partners

The Group's turnover and profit are otherwise influenced by high internal revenues between the business areas, which reduce the Group's consolidated turnover and enhance the profit margins.

Several agreements of strategic importance to the Group have been closed during 2nd quarter 2009 and the entire first half of the year. During 2nd quarter 2009 two major framework agreements related to CashGuard have been signed which is expected to have positive effects ahead and provide a good starting point for 2009 and 2010.

The merger with CashGuard AB was implemented in the financial statements with effect from 10 June 2008. As a result of the Group's strategic efforts to achieve an optimised cost based and realise synergies in combination with ongoing efficient operations, positive impacts related to improved cost control, efficiency measures and economies of scale from being a larger and more streamlined Group have been achieved during the first year after the merger.

and distributors – including the Group's own companies handling the end user market.

Cash Management CIT/ATM – comprises the development, manufacturing and sale of the most advanced cash security solutions for ATMs and CIT (Cash in transit) on the market. SQS is also a supplier of this security technology to CashGuard's products and thus to the retail distribution segment requiring the highest level of safety.

RETAIL SOLUTIONS

	2nd quarter		Year to date		Full year
	2009	2008	2009	2008	2008
Operating revenue	108 834	120 846	201 865	218 917	430 124
EBITDA	8 028	12 915	12 644	19 927	37 938
EBITDA-margin	7,4 %	10,7 %	6,3 %	9,1 %	8,8 %

520 CashGuard systems were delivered in Norway and Sweden during the 2nd quarter compared to 406 in the same quarter last year. This represents an increase of 28 percent.

The reduction in turnover is due to a weaker development within other solutions for retail distribution. Within certain product groups the demand has been weaker than in the same period last year. Increased investments in retail distribution solutions based on AutoID technology (Automatic identification systems) in Norway has also affected the profit negatively in terms of increased costs.

During the quarter Per Håghen is appointed as new Business Area Executive for Retail Solutions. He comes from Tomra and will take up his position on 1 February 2010.

On 11 June 2009 a framework agreement for this Business Area was also signed regarding delivery of Repant's RVM (reverse vending machine) systems to Coop both in Norway and Sweden.

Norway

On 23 April 2009 a framework agreement with Rema 1000 regarding delivery and service related to CashGuard was signed - which means PSI now has three out of the four largest grocery chains in Norway on their customer list within cash handling solutions. The deliveries to Rema 1000 commence in August.

In 2nd quarter 2009 the Group reached an important milestone in that more than 5000 CashGuard solutions now have been installed in Norway.

On 1 July 2009 PSI was awarded a contract as supplier of handheld computers to the nursing and caring services of Oslo City. The contract, with an estimated value of NOK 10 – 15 million over a three year period, marks a breakthrough within Retail Solutions based on AutoID technology.

Sweden

At the beginning of 2nd quarter PSI Antonson AB, a wholly owned subsidiary of PSI Group ASA, signed a framework agreement for delivery of approximately 400 CashGuard systems to large Swedish grocery chain. The deliveries are part of a larger replacement and upgrading project, where CashGuard Premium will partly replace older cash handling solutions with expected deployment over a period of nearly one year commencing in the autumn 2009. Based on anticipated framework for deployment and volume this agreement represents one of the larger framework agreements for CashGuard which PSI has entered into within Retail Solutions during the recent years.

The development in Sweden is to some extent affected by a weaker demand within some product groups, but deliveries of CashGuard solutions have been good. Turnover is also affected by a weakening Swedish currency since the beginning of the year. During the first half year major framework agreements regarding CashGuard solutions have been signed within the grocery and specialised trade segments respectively.

CASH MANAGEMENT RETAIL

	2nd quarter		Year to date		Full year
	2009	2008	2009	2008	2008
Operating revenue	37 269	4 399	64 012	4 399	62 783
EBITDA	4 069	-1 405	7 570	-1 405	6 866
EBITDA-margin	10,9 %	-31,9 %	11,8 %	-31,9 %	10,9 %

Last year Cash Management Retail was included in the Group only for the period 10 – 30 June 2008.

Within Cash Management Retail the delivery rate is as expected in Norway and Sweden. A total of 595 CashGuard systems were delivered in 2nd quarter 2009, something which highlights the Group's leading position. 75 systems were delivered outside Scandinavia – mainly to France, Spain and Germany. At the same time major framework agreements with leading grocery chains in both Norway and Sweden related to CashGuard was signed through the Business Area Retail Solutions during 2nd quarter 2009.

On 29 May 2009 a partner agreement for the Finish market which ensures good availability and presence for Finish customers opting for CashGuard cash handling systems was signed. Efforts are being made to enter into similar partner agreements in other European countries where the Business Area is not represented today.

Significant sales and marketing activities in several new individual markets are being carried out in order to obtain successful growth and internationalisation of CashGuard.

At the same time considerable resources are continuously being invested in product development. This is especially the case for new products, with focus on hardware and software products, but also for on-going projects which lead to costs reductions, simplified manufacturing and improved functionality.

At the entrance of the 2nd quarter this year CashGuard was located together with Retail Solutions' department office in new premises in Stockholm.

CASH MANAGEMENT CIT/ATM

	2nd quarter		Year to date		Full year
	2009	2008	2009	2008	2008
Operating revenue	42 023	15 265	92 005	15 265	121 635
EBITDA	4 995	2 813	15 426	2 813	37 820
EBITDA-margin	11,9 %	18,4 %	16,8 %	18,4 %	31,1 %

Last year Cash Management CIT/ATM was included in the Group only for the period 10 – 30 June 2008.

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.

On 14 April 2009 a delivery contract regarding 300 security cases from SQS to an international security company in France was announced. This agreement has contributed to strengthening SQS's already strong presence and leading position in the French market.

On a global basis the market for securing cash in ATMs and cash in transit (CIT) is large with a corresponding potential. As a result of the customers' expertise in this field and the security products' high complexity, the security solutions within this segment are mainly sold directly to end users.

Revenues from ongoing service agreements are of increasing importance due to an increasing installed product base. The company is to a large extent prioritising product development both with regard to new products and ongoing improvements of existing products.

CASH FLOW AND EQUITY OVERVIEW

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.

Inventory shows a positive development with a reduction of NOK 7.9 million compared to previous quarter this year. The development in receivables is nearly unchanged.

Net interest-bearing debt has increased by NOK 8.0 million from the end of previous quarter this year. The Board is comfortable with the financial situation, expecting consecutive positive cash flows from operations.

The balance of treasury shares is 1.197.927, equivalent to 5.4 percent of outstanding shares, which is identical to previous quarter this year.

OUTLOOK

Cash Management Retail is in a build-up phase in several international markets with a large potential and in which considerable resources are being used. As the distinct market leader, the company appears to be well positioned to achieve a sales and commercial breakthrough outside Scandinavia.

Cash Management CIT/ATM is experiencing a good demand from both existing and new customers with a generally good level of activity.

The market outlook within Retail Solutions is good within cash handling solutions and electronic shelf labelling. The positive momentum within Re-

tail Solutions also provides a good foundation for a positive outlook based on the investments in AutoID technology.

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 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.

RISK

PSI Group ASA and all the PSI companies are exposed to various forms of market, operational and financial risks. The Board and management are

continuously working with identifying and preparing appropriate strategies and guidelines for reducing the impact of the identified risks on PSI.

BOARD STATEMENT

The Board and Group CEO have today considered and approved PSI Group's financial statements for 2nd quarter 2009, including condensed consolidated comparable figures for 2nd quarter 2008. The report has been prepared in accordance with IAS 34, Interim Financial Reporting, as defined by the EU and by Norway's supplementary requirements as defined in the Norwegian Securities Trading Act.

To the best knowledge of the Board and the Group CEO, the financial statements for 2nd quarter 2009 are prepared in accordance with prevailing accounting principals, and the information in the financial statements gives a true and fair view of the assets, liabilities and finan-

cial position, and profit of the Group taken as a whole as per 30 June 2009 and 30 June 2008. To the best of the Board's and the Group CEO's knowledge, the report gives a true and fair overview of important events which occurred in the accounting period and the impact of these events on the financial statements.

To the best of the Board's and the Group CEO's knowledge, the description of the principal risks and uncertainties facing the Group over the next accounting period, as well as the description of major transactions with related parties, give a true and fair view.

The quarterly financial report is approved by the Board PSI Group ASA,
Rælingen, 12 August 2009

Leif Flemming Bakke
Board Director

Erik Pinnås
Board member

Svein S. Jacobsen
Board member

Guri Kogstad
Board member

Bente Holm Mejdell
Board member

Jørgen Waaler
CEO

GROUP INCOME STATEMENT

	2nd quarter		Year to date		Full year
	2009	2007	2009	2008	2008
Sales revenues	147 317	134 079	294 014	231 613	550 904
Profit from AC - Service companies	750	1 079	1 242	1 616	2 383
Operating revenues	148 067	135 157	295 256	233 229	553 287
Cost of goods sold	62 543	73 533	122 272	128 816	274 573
Payroll	46 602	32 223	94 633	59 199	152 423
Other operating expenses	25 703	18 111	48 283	28 367	50 029
Total operating expenses	134 848	123 866	265 187	216 382	477 025
EBITDA	13 219	11 291	30 069	16 847	76 262
Depreciations taginble assets	2 592	1 266	4 143	2 335	17 784
Depreciations intaginble assets	3 631	580	8 193	588	6 178
EBIT	6 996	9 444	17 733	13 923	52 300
Net financial income/(cost)	-3 448	-4 221	-6 886	-8 487	-16 366
Profit from AC - CashGuard/SQS	-	-7 769	-	-10 697	-10 697
Profit/loss before tax	3 548	-2 546	10 846	-5 261	25 237
Taxes	406	633	2 155	2 449	12 034
Profit/loss after tax	3 142	-3 178	8 691	-7 710	13 203
Earnings per share					
Number of shares outstanding	22 188 020	12 044 090	22 188 020	12 044 090	22 188 020
Average number of shares outstanding	20 990 093	14 298 297	20 990 093	13 171 193	17 616 000
Earnings per share	0,14	-0,26	0,39	-0,64	0,60
Diluted earnings per share	0,15	-0,22	0,41	-0,59	0,75
EBITDA per share	0,60	0,94	1,36	1,40	3,44
Diluted EBITDA per share	0,63	0,79	1,43	1,28	4,33

GROUP BALANCE

KNOK	30.6.2009	30.6.2008	31.12.2008
ASSETS			
Other intangible assets	158 833	188 812	177 370
Goodwill	321 130	254 507	346 602
Total intangible assets	479 963	443 318	523 973
Tangible assets	42 114	39 485	44 699
Long term investments	9 592	10 309	9 360
Deferred tax	25 817	48 033	38 306
Non-current assets	557 487	541 146	616 338
Financial investments	27	1 550	707
Goods	86 814	100 384	98 402
Accounts receivables	126 196	143 585	115 862
Prepaid costs	15 639	13 361	6 607
Other receivables	10 474	13 806	9 849
Bank deposits	9 879	4 627	21 018
Current assets	249 029	277 313	252 446
TOTAL ASSETS	806 516	818 459	868 784
EQUITY AND LIABILITIES			
Share capital	13 757	13 757	13 757
Holding of own shares	-743	-24	-743
Other equity	370 767	328 697	408 296
Total Equity	383 781	342 429	421 310
Long term interest bearing liabilities	97 353	111 092	110 213
Other long term liabilities	12 632	34 589	15 986
Total long term liabilities	109 985	145 681	126 199
Short term interest bearing liabilities	144 619	127 245	130 153
Accounts payable	68 629	90 338	80 916
Taxes payable	-	248	2 760
Other short term liabilities	99 503	112 518	107 446
Total short term liabilities	312 750	330 349	321 275
Total liabilities	422 735	476 030	447 474
TOTAL EQUITY AND LIABILITIES	806 516	818 459	868 784

CHANGES IN EQUITY

	2nd quarter	YTD 2009	YTD 2008
Equity OB	378 766	421 311	120 488
Shares acquired by the company and stock options for employees	-	-	-406
Comprehensive Income (see note 4)	5 015	-37 530	-8 457
Net effect of merger with CashGuard AB	-	-	230 804
Equity CB	383 781	383 781	342 428

CASH FLOW STATEMENT

	2nd quarter	YTD 2009	YTD 2008
Net cash flow from operational activities	810	(8 290)	1 648
Net cash flow from investment activities	(4 694)	(5 292)	(37 599)
Net cash flow from financing	(890)	3 464	36 564
Net change in cash	(4 773)	(10 117)	614
Exchangevariance	556	(1 022)	0
Cash and cash equivalents at the beginning of the period	14 096	21 018	4 013
Cash and cash equivalents at the end of the period	9 879	9 879	4 627

NOTE 1 CONFIRMATION OF FINANCIAL FRAMEWORK

The condensed and consolidated quarterly financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The quarterly financial statements do not comprise a complete set of the information such as required in the annual financial statements and should be read in connection with the Group financial statements for 2008.

NOTE 2 KEY ACCOUNTING PRINCIPALS

The accounting principals for 2008 are described in the annual financial statements for 2008. The Group financial statements for 2008 were prepared in accordance with the IFRS principals and belonging interpretations as defined by the EU, as well as other disclosure requirements pursuant to the Norwegian Accounting Act and the Oslo Stock Exchange regulations and rules which were to be applied as per 31.12.2008. The quarterly report and the interim financial statements have not been revised by auditor.

NOTE 3 SEGMENT INFORMATION

PRIMARY SEGMENT: BUSINESS AREA

	2nd quarter				Year to date			
	2009		2008		2009		2008	
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
Cash Management Retail	37 269	4 069	4 399	-1 405	64 012	7 570	4 399	-1 405
Cash Management CIT/ATM	42 023	4 995	15 265	2 813	92 005	15 426	15 265	2 813
Retail Solutions	108 834	8 028	120 846	12 915	201 865	12 644	218 917	19 927
Group/Elimineringer	-40 809	-3 873	-6 431	-3 032	-63 867	-5 571	-6 968	-4 488
Total	147 317	13 219	134 079	11 291	294 014	30 069	231 613	16 847

SECONDARY SEGMENT: GEOGRAPHY

	Revenue			
	2nd quarter		Year to date	
	2009	2008	2009	2008
Norway	56 739	60 691	108 112	116 035
Sweden	66 633	74 496	132 306	117 224
Other markets	23 944	1 326	53 597	1 326
Group/Eliminations	-0	-2 434	-0	-2 972
Total	147 317	134 079	294 014	231 613

NOTE 4 COMPREHENSIVE INCOME

	2nd quarter	Year to date	
	2009	2009	2008
Profit/loss after tax	3 142	8 691	-7 710
Translation differences	1 872	-46 221	-36
Changes due to reclassifications of PSI Finance to AC	-	-	-711
Comprehensive Income	5 014	-37 530	-8 457

NOTE 5 RELATED PARTIES

There were no special transactions between the Group and related parties as per 30 June 2009.

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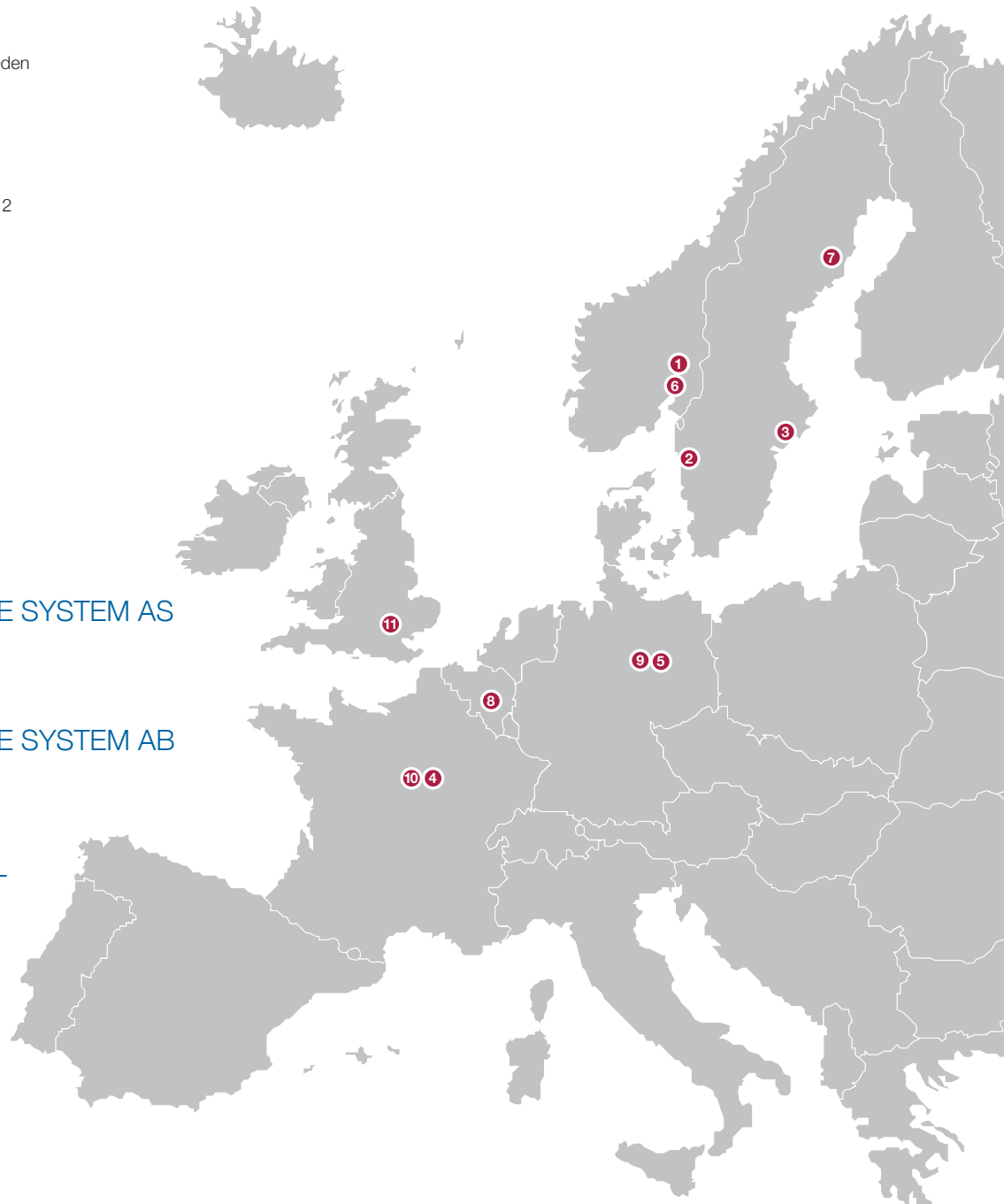
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