

LaCie

Year-end release: LaCie kept its balance

IFRS, in millions of euros	30/06/2009	30/06/2008
Revenue	301.2	389.8
Gross margin	46.3	68.6
<i>GM%</i>	15.4%	17.6%
Operating profit	4.1	25.6
<i>Operating profit %</i>	1.4%	6.6%
Financial income	0.5	-1.8
Tax	0.1	-6.5
Net profit	4.6	17.3
<i>Profitability %</i>	1.5%	4.4%
PPS in €	0.13	0.49

Financial Statements voted for and agreed to by the Board Meeting on 10/07/2009 and reviewed by the auditors

KEY TOPICS

- ✓ LaCie reduced its presence in the entry-level market due to insufficient margins.
- ✓ The acquisition of Wuala enables LaCie to offer cloud storage as a logical add-on suite to hardware solutions.
- ✓ Ambitious levels of investment in design and R&D will benefit LaCie's efforts to feed a rich product pipeline.
- ✓ LaCie was impaired by numerous cancellations of coverage from its credit insurer and had to adjust its credit policy in order to compensate.

"It was not a good year but LaCie kept its balance nonetheless", said Philippe Spruch, Chairman and CEO. "Our staff stepped up to the plate when times were tough. The operating profit was sustained, the cash remained strong, and we kept on investing in R&D as promised. The acquisition of Wuala and the new distribution agreement with Elecom in Japan are major strategic decisions for LaCie. Our program of product launches is intense for the year to come: we will continue to surprise and excite everyone like we just did with the LaCie Sound² speakers developed with Cabasse and the new HD range designed by Philippe Starck."

PROFITABILITY DURING CRISIS TIME

LaCie reported revenue of €301.2 million for the year ended June 30, 2009 (IFRS). This compares to year-ending revenue of €389.8 million in 2008, representing a 23% decrease (with and without forex). The Solutions family accounts for 22% of the revenue. Europe makes up 61% of the revenue, versus 32% for the Americas and 7% for AsiaPac. After neutralization of forex, sales by geographical areas dropped 24%, 19% and 38%, respectively. From the decrease in sales, 67% relates directly to Basic products.

Despite the decline in sales, LaCie managed to deliver an operating profit:

- ✓ Gross margin reached 15.4%, compared to 17.6% in FY08. Basic products account for 32% of the product mix, vs. 40% a year ago.
- ✓ Distribution costs reached 3.2%, compared to 2.4% in FY08.

- ✓ In connection with lower sales, SG&A reached 10.3%, compared to 8% in FY08.
- ✓ As announced, the engineering headcount went up 65% in FY09 to beef up LaCie's R&D.
- ✓ The fair value of the first share-based payment plan expensed in FY08 was reversed in FY09 for €0.9 million, since performance criteria were not met.
- ✓ The operating income amounts to €4.1 million (1.4% of the revenue).
- ✓ The net income amounts to €4.6 million (1.5% of the revenue). PPS amounts to €0.13.
- ✓ LaCie has 490 employees in FY09, in comparison to 457 a year ago.

STRONG CASH POSITION

IFRS, in millions of euro	30/06/2009	30/06/2008
Earnings, net of non-cash adjustments	1.7	20.1
Change in working capital	-1.5	-12.4
Cash flow from operations	0.2	7.7
Cash flow from investing	-5.9	-1.6
Cash flow from financing	-7.7	-2.3
Cash at closing	55.2	67.9
Debt	-2.0	-2.4

- ✓ Net cash is €53.2 million.
- ✓ Working capital is 8.5% of the revenue, vs 7.3% in the same period last year.
- ✓ Investments amount to €5.9m, out of which €3.8m relate to Wuala. Additionally, LaCie bought back 5% of its shares on the market for €4.9 million in July 2009: this successful self-tender offer was initiated as part of the Wuala acquisition. The €9 million bank loan used to finance the Wuala acquisition in full will be cashed in FY10.
- ✓ The dividend paid in December 2008 represents a €7.2 million disbursement.
- ✓ There will be no dividend payment this year. Cash is King in this erratic environment and the company believes it will be a key asset for future acquisition opportunities.

2010 OUTLOOK

Business was slightly better than anticipated in Q1 FY10. LaCie wants to keep improving its margin through its repositioning on Prosumers and Solutions in spite of a limited visibility on the market. With a complete range of hard drives designed by Philippe Starck, LaCie is in good shape to appeal to the most demanding storage users.

Next release

Financial information about the Q1FY10 on 10/29/2009 after Euronext is closed.

About LaCie

Located in North America, Europe, Asia and Middle East, LaCie is the leading manufacturer of computer peripherals for PC, Apple and Linux users. LaCie has differentiated its products through original designs and leading-edge technology. Find all information at www.lacie.com.

This press release includes statements that may constitute forward-looking statements. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Although the Company believes the expectations contained in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove correct. These statements may involve risks and uncertainties that could cause actual results to differ materially from expected results. Such risks include, but are not limited to, risk factors described in the prospectus and in the Company's periodic and other filings. The Company assumes no obligation to update the forward-looking statements contained in this press release.

