RESULTS

1H09

21 August 2009

CONTENTS

1. Conclusions

The company managed to post €0.9 million in profit during the first six months of the year despite the adverse economic backdrop.

Revenue was broadly flat year-on-year (-1.9% vs. 1H08) while significant progress was made on rationalising the cost base, specifically by €12million compared to 1H08 on a like-for-like basis in terms of consolidation scope. These cost savings are being delivered ahead of the initially set targets.

The prevailing adverse economic conditions have prompted the company to accelerate and extend its planned cost savings program and to revise the initial targets upwards.

- Accordingly, the targeted reduction in OpEx for 2009 was increased by €13 million to €22 million.
- Total planned workforce rationalisation for 2009 has been raised from 13% to 17%.

Second-quarter revenue fell short of expectations due mainly to the adverse operating environment in our operating markets and currency effects.

More specifically, four of the company's operating markets (Germany, Netherlands, Belgium and Norway) are posting stronger revenue year-on-year, while the US, UK, Spanish and French markets are underperforming.

Despite the lingering economic upheaval, we have enhanced our positioning thanks to cost cutting efforts. During the first six months of 2009, costs have been slashed by over 17% year-on-year, equivalent to a reduction of around €12 million. The total cost of implementing these cost cutting measures since the program was launched during the last quarter of last year is running at around €5 million.

By the end of June, the company's workforce had been downsized by around 12%, more than initially targeted. The new target group headcount for year-end is 2,432, 17% employees fewer than at year-end 2008.

The company held its annual shareholders' meeting on 30 June: shareholders approved three 1x5 bonus share issues to be effected in as many years. The first will take place in September of this year. Also under the framework of its shareholder remuneration policy the company will reduce capital by the equivalent of €2.7 million.

2. Group performance 1H09

2.1 Key indicators

Table 1.1 below depicts the key financial highlights for Service Point for 1H08 and 1H09. It is important to note that these figures are not directly comparable. The company's reported results are distorted by a series of factors which impede a like-for-like reading. These factors include a series of non-recurring expenses incurred during 1H09, changes to the consolidation scope due to acquisitions made last year and, lastly, currency effects.

Table 1.1

€, million	1H08	1H09	Chg.
Revenue	115.067	112.819	-1.95%
Gross profit	82.217	77.007	-6.34%
EBITDA	12.429	9.903	-20.32%
EBIT	4.875	2.876	-41.01%
Net profit	2.492	0.867	-65.21%
Gross margin	71.45%	68.26%	
EBITDA	10.80%	8.78%	
EBIT	4.24%	2.55%	

Exchange rates	2008	2009	Chg.
USD	1.53	1.33	13.07%
GBP	0.78	0.89	-14.10%
NOK	7.95	8.89	-11.82%

The restructuring expenses incurred during the first half of the year, the result of expanding our cost cutting plan, were higher than initially forecast. These costs came to approximately €2 million, with the corresponding ramifications for the company's key financial indicators. The revised estimate for the full-year is €2.6 million.

Highlights:

• Operating revenue, at constant exchange rates, rose 2.28%.

• EBITDA net of non-recurring expenses and at constant currency was flat year-on-year (+0.12% on 1H08).

• Net profit excluding restructuring expenses increased 29.4%.

The table below depicts the company's financial performance during the first-half, adjusted for restructuring expenses and exchange rates.

Table 1.2

€, million	1H08	1H09	Chg.
Revenue	115.067	117.696	2.28%
Gross profit	82.217	80.546	-2.03%
EBITDA	12.429	12.444	0.12%
EBIT	4.875	5.284	8.39%
Net profit	2.492	3.226	29.45%
Gross margin	71.45%	68.44%	
EBITDA	10.80%	10.57%	
EBIT	4.24%	4.49%	

Exchange rates	2008	2009	Chg.
USD	1.53	1.53	
GBP	0.78	0.78	
NOK	7.95	7.95	

The three point contraction in the gross margin reflects primarily a shift in the product and business segment mixes across the group's various companies and is not attributable to a decline by service line: business margins remain constant by segment thanks to efficient management of the purchasing function and control over direct costs. As depicted in table 1.2 above, Service Point's key indicators held steady year-on-year despite the lingering challenging economic environment.

2.2 Restructuring

The enhancement of our business processes and the corresponding streamlining of the cost base are the priority targets for 2009. The savings program launched in late 2008 was initially conceived to bring about total savings in 2009 of €13 million. During the first six months of 2009, savings are already running at €12 million, equivalent to a like-for-like reduction of 17.4% on 1H08.

In response to the economic situation and having reviewed the initial 2008 program, we have identified new sources of potential cost savings which will bring costs down by a further €9 million to put the full-year figure for 2009 at €22 million. On an annualised basis this figure is equivalent to a 16.4% contention in operating expenses relative to FY08.

The original cost savings program contemplated substantial workforce reductions. The headcount had been scaled back by 6% by the end of 2008. The global target for year-end

2009 was revised upwards during 1H09 from 13% to 17%. The new target calls for a total of 420 jobs to be eliminated; 100% of total planned redundancies were carried out during the first-half.

3. Outlook

3.1 Performance 2009

Armed with an overall cost base that will be €22 million slimmer than in 2008 on an annualised basis, we expect net cash to grow, setting the stage for higher margins and profits this year and in the future.

Despite the backdrop, during 1H09 Service Point has managed to improve its positioning vis-à-vis the future.

Looking to the second-half of 2009, the operating environment - and by extension the company's results - are expected to largely mirror that witnessed during the first-half. The management teams on the ground in the various operating markets will continue to focus on generating cash flow and maximising profits before proceeding with their M&A strategies (which are expected to be relaunched as soon as the markets stabilise), which means focusing more intensely on existing customers and lifting operating margins. Coupled with the positive boost from cost-cutting efforts, these efforts are expected to significantly enhance EBITDA in 2010, once demand in Service Point's eight operating markets begins to recover.

3. Shareholder remuneration policy

4.1 Annual General Meeting resolutions

Service Point held its Annual General Meeting on 30 June. In relation to shareholder remuneration policy, the company's shareholders authorised the following resolutions which had been previously ratified at Service Point Solutions' board meeting on 21 May 2009:

1. The cancellation of 2,997,661 shares, representing 2.7% of share capital, which had been acquired in connection with the stock options plan approved at the AGM held on 6 May 2005. The shares will be cancelled during the first fortnight of September 2009.

2. The execution of three bonus share issues over the next three years, one each year, comprising the issuance of one new share for every five then outstanding, to be charged against the share premium account. This initiative affords the company's shareholders the chance to increase the total number of shares held in Service Point Solutions S.A. without altering their shareholdings or, alternatively, to sell the corresponding attached rights in the marketplace, thereby generating a tax efficient return (no withholdings).

3. Creation of a share buyback program equivalent to 5% of capital; this initiative falls under the umbrella of the authorisation sought at the AGM permitting the company to acquire treasury shares and will substitute payment of a cash dividend. At the time of publishing this results note, and without factoring in the shares to be cancelled, as outlined above, Service Point Solutions holds 437,271 treasury shares (0.4% of equity).

The first of the bonus share issues mentioned above, comprising the issuance of one new share for every five outstanding, carrying the same rights as those already in circulation, is expected to be executed during September of this year.