



Press Release
Paris, August 28, 2008

First-half 2008 results

Priorities for second half of the year

	1 st HALF	
Eur million	2007	2008
Revenue	102.0	78.1
Gross margin	16.5%	12.8%
Recurrent operating income	3.9	-3.7
Operating income	3.9	-3.8
Interest	-0.2	-0.4
Tax	-0.7	-0.5
Net income	3.3	-4.8

In the first half of 2008, Dane-Elec Memory posted revenues of Eur 78.1 million, compared with Eur 102.0 million a year earlier. In a relatively sluggish business environment, the fall in revenues from sales of Dram and Flash memory chips has yet to be offset by the ramp-up of sales of new products, which are trending in line with forecasts. In addition, the dollar's depreciation against the euro has had an impact valued at Eur 4.9 million. The withdrawal of the ViaMichelin GPS product cut sales from retail of handled products by Eur 3.2 million.

The significant improvement in gross margin compared with the level of 8.4% recorded in the fourth quarter of 2007 is the outcome of the group's strategy focusing on the sale of higher value-added products. Strict control of overheads against a backdrop of higher R&D expenses and transport costs helped to limit the current operating loss to Eur 3.7 million. After interest and tax, the group recorded a first-half loss of Eur 4.8 million.

As at 30 June 2008, group shareholders' equity stood at Eur 36.5 million and its net debt at Eur 7.3 million.

At the end of the first half, Dane-Elec Memory has a stronger product range. In addition to its mainstream Dram and Flash memories offering, sold either under its own brand name or, from now on, under licence to brands such as Duracell or Roadsign, the group markets a range of consumer electronics products featuring So by Dane-Elec external hard drives, the Zpen digital pen, and the NoLimit Memory online data storage service. The expanded offer of innovative products developed by Dane-Elec Memory's R&D teams is helping the group to progressively move up the value-added chain.

Dane-Elec Memory also continues to expand its sales network, with its products being sold by Orange, the leading mobile telephony operator in France, and by eleven new retailers in North America. The group is also planning to extend its international coverage this year to Turkey and Dubai.

In the second half, this aggressive sales and marketing policy should help the group to stabilise its sales relative to first-half levels and to continue rebuilding its gross margin. Dane-Elec Memory can thus reiterate its annual revenue target of at least Eur 20 million generated by new products. As announced at the start of the year, Dane-Elec Memory is aiming for an incremental improvement in recurrent operating income driven by the ongoing across-the-board optimisation of group processes.

Next publication: Third quarter revenues, on October 14, after the market closes.

Dane-Elec Memory is listed on Euronext Paris, Segment C. ISIN: FR000036774; MNEMO: DAN; REUTERS: DEMY. Dane-Elec Memory's share capital comprises 25,559,283 shares.

All our financial information free of charge at www.dane-elec.fr or www.kaparcapital.com.

Dane-Elec Memory contact

Maryline Zurita
Tel.: + 33 (0)1 49 72 81 81

Actus Finance contacts

Investor relations: Jérôme Fabreguettes-Leib
Tel.: + 33 (0)1 77 35 04 36
Media relations: Nicolas Bouchez
Tel.: + 33 (0)1 77 35 04 37