



Annual Outcome 2006/2007

A non profitable fiscal year despite a well-balanced second half of the year

**Turnover for the first quarter 2007/2008
A strong increase : + 22 %**

Toulouse, January 25th 2008 – Toulouse, – Alpha M.O.S., (Euronext Paris, Nouveau Marché, *ISIN : FR0000062804-ALM*), the worldwide leader in the manufacture of electronic tongues and noses for industry, has registered a net loss of 0,472 million euros at the end of the fiscal year 2006/2007 (on September 30th, 2007).

Turnover Comparison after Consolidation

Million Euros	Year 2006/2007	Year 2005/2006
Annual Turnover	4,24	5,04
Current Operating Profit	- 0,39	+ 0,24
Operating Profit	- 0,41	+ 0,12
Net Profit	- 0,47	+ 0,18

In the meantime, during the first quarter of the year 2007-2008 Alpha M.O.S has reached a turnover of 1,210 million Euros compared to 0,992 million Euros for the same period of the previous fiscal year, which is an increase of 22 %.

Results of current activities after consolidation (ex VAT)

Millions Euros	2007/2008	2006/2007	Variation
First Quarter	1,210	0,992	+ 22 %



To this turnover which corresponds to delivered instruments and services, we can add a backlog of 1,037 million Euros versus 0,531 million Euros for the same period last year.

Operating profit decreased during the year 2006/2007 due to 3 main factors : a small decrease of our profit margin, a strong decrease of the Dollar and the Yen and exceptional provisions.

Indeed, our profit margin decreased by 2.7 points to 66,2 %, due to an overly high pricing policy compared to the existing budgets in the USA and in Japan, secondly the unfavorable exchange rate had a negative impact in our accounts and finally we proceeded to a subsidy for provisions of 136 K€ due to the business failure of one of our distributors.

During this year we maintained our fixed costs policy while increasing our investment in the sales force and marketing of our instruments.

The cash flow, at the end of the fiscal year represents 3,62 million Euros. The valuation of share certificates held by Alpha Mos (103 535) is not included. The company has no debts.

Jean-Christophe MIFSUD comments : "the turnover and the profitability of our company during the year 2006-2007 is quite disappointing. However, our fundamentals remain strong and our investments are now successful".

Alpha M.O.S. manages to be strong despite an unfavorable exchange rate

The exchange rate had a negative impact on sales and particularly on profit margin in the USA and in Japan. For example our sales in the USA, in US Dollars, have increased by 24 % but the impact in Euros represents only +14 %.

In the meantime, the company had to overcome a very aggressive pricing policy in Japan and had to implement a specific marketing policy based on the technical quality of its products.

The fiscal year 2007/2008 should take advantage of Sales and Marketing efforts made last year.

The fiscal year 2006/2007, at the end of September 2007, showed the relevance of the investments in China not only with the level of sales (particularly for environment and law and order) but also thanks to the partnership signed with the Chinese National Institute of Standardisation (CNIS).

In the short term, Alpha Mos will continue to focus on Pharma and Food Packaging, two industries which now represent a very significant part of the global turnover.

In the medium term, Environment should represent a key market and should reinforce our growth thanks to new products. We have already obtained important successes, particularly in France.



The activity at the beginning of the year 2007/2008 shows a good trend.

The turnover of the first quarter of 2007/2008 has increased by 22 % compared to the same period last year and we have a good backlog. In the short term, we will continue to focus on the development of our growth which started to be effective during the last quarter of the previous fiscal year and the first quarter of this year.

Outlook :

Jean-Christophe MIFSUD, President & CEO, comments : “The fiscal year 2006/2007 showed a significant drop of our sales due to the disparity of the exchange rate (a strong Euro compared to the Yen and the Dollar)”. Our growth target is equal to the results obtained during the first quarter of 2007-2008 together with the profitability level seen in 2005-2006. We will also continue to develop our sales force in Pharma, Packaging and in the medium term, Environmental markets”

About ALPHA M.O.S.

Created by Jean-Christophe MIFSUD in 1993, Alpha M.O.S., specializes in the electronic digitization of human senses, and is the worldwide leader in electronic noses and tongues for industry with more than 600 instruments sold in the world. In 2006/2007, the Group turnover has reached 4.2 M€.

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