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Half-year Results September 6 2004





Reminder of 2004 objectives ... 2004 first-half results

● **Improve EBIT and positive net income**

- Operating income rose to 1.5% of sales
- Positive bottom line after goodwill

● **Support the growth of our markets**

- Sales down by 5% compared to the first half of 2003, and by 1% compared to the previous half-year
- The increase of already recorded orders will ensure the return to organic growth during the second half-year

● **Consolidate our Gearing**

- Total degearing



DESIGNER INTEGRATOR & OPERATOR OF MISSION CRITICAL SYSTEMS

CS: Manager of major critical projects



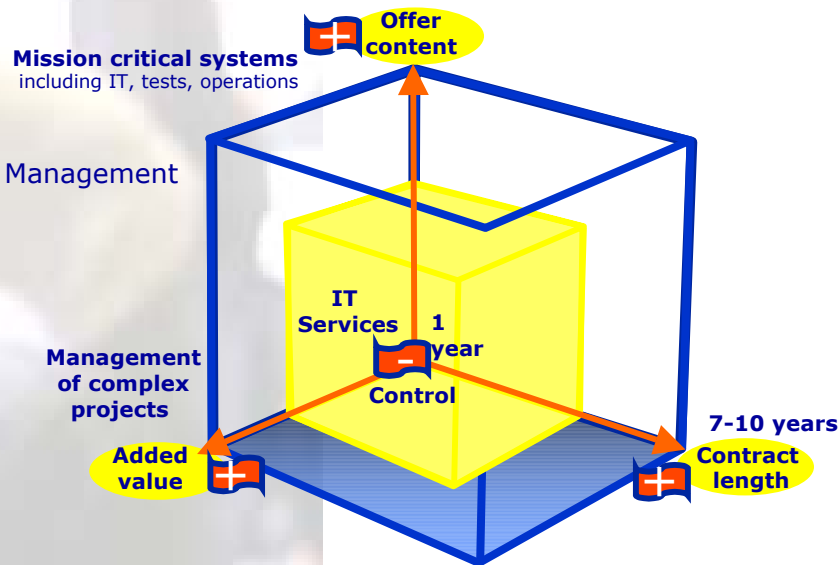
CS,

Designer — **Integrator** — **Operator**
of Mission Critical Systems

- Focused positioning and leader positions**

- Mission Critical applications **CS no.1**
 - Mission Critical infrastructures **CS no.3**
- } Technology and Management

- Long-term partner for our customers in design, integration and operations**





CS: Manager major mission critical projects

Success 2004

- **For mission critical systems and applications** **CS no.1**
 - Software production for the flight and carrying capacity of DEMETER, 1st satellite of the Myriade microsatellite channel of CNES
 - Design and implementation of a Free Flow system in California (electronic payment without a barrier) for a total of \$16m
 - Production of the control command software for suspension steering of the PSA vehicle
 - CLA 2000 project: new extension for the development of control centres for 10 air bases of the French Air Force for a total of €32m
 - SRSA Project: new extension for the deployment of the future radio communication network of the French Air Force in southwest France – Total amount = €14m
 - Development of a geographical information system for the Estonian Ministry of Agriculture



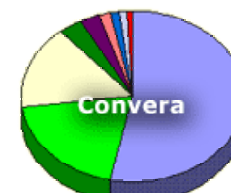
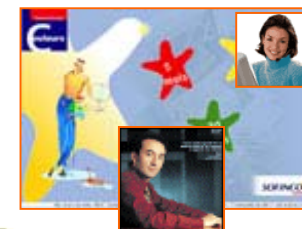


CS – Manager of major mission critical projects

Success 2004

• For mission critical infrastructures **CS No.3**

- Eurocontrol: management of the computer infrastructures of the Centre Expérimental de Brétigny-sur-Orge (more than 1,000 users)
- Sofinco: management of computer production and support for internal users and partners (5,000 users)
- ADAE (Agency for the Development of Electronic Administration): production and set up of an e-administration platform for changes of address
- UGAP: Gigabit Ethernet LAN architecture for local communities
- Convera: development by the Romanian subsidiary of a search engine for the general public for a California company





Leader positions

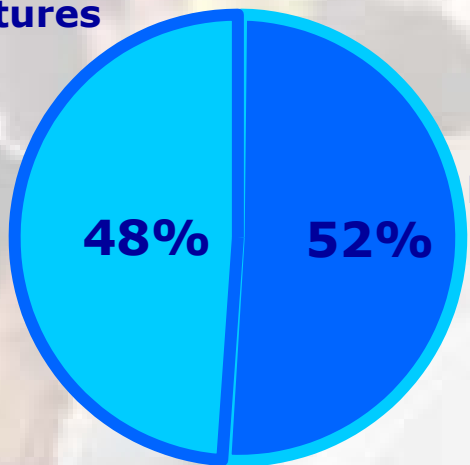


	France	Europe	World
Space	1st	2nd	
Air Traffic communication systems	1st		
Virtual reality		1st	
Electronic payment systems			3rd
Outsourcing distributed systems	3rd		
Network services	1st		
Digital simulation		1st	
Systems conversion and data migration	Top 3		



Breakdown by activity and by market

Mission Critical infrastructures



Mission Critical applications

A balanced portfolio of activities



60% of our sales



**Performance for the
first half of 2004**

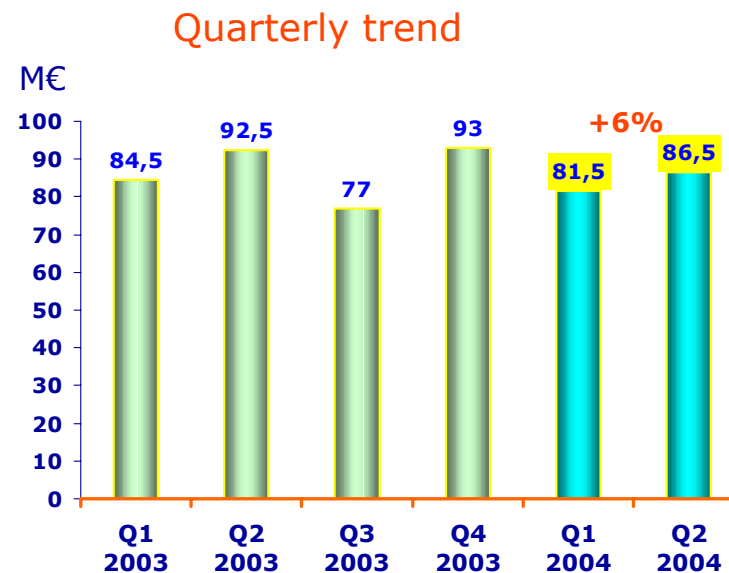
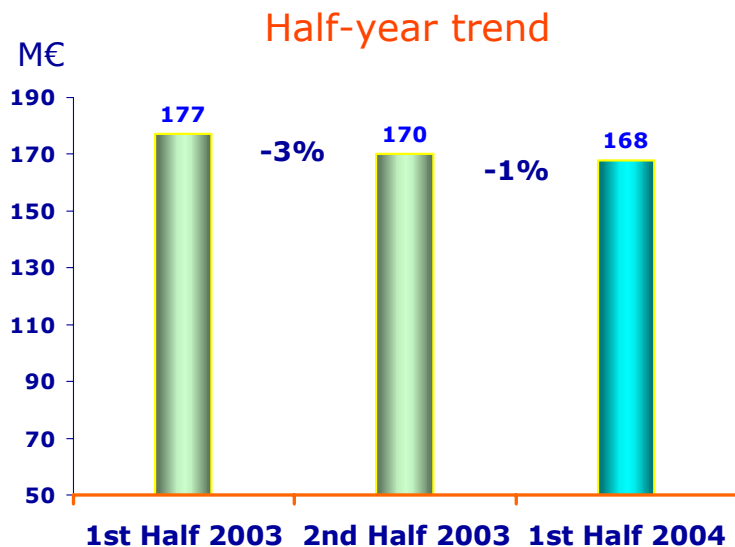
the upturn point





Sales down by 5%*

- **Linked to postponement of certain government contracts to the second half of 2004**



*At comparable scope of consolidation and exchange rate

Return to organic growth during the second half-year for 2004 sales growth on a par with 2003



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EBIT

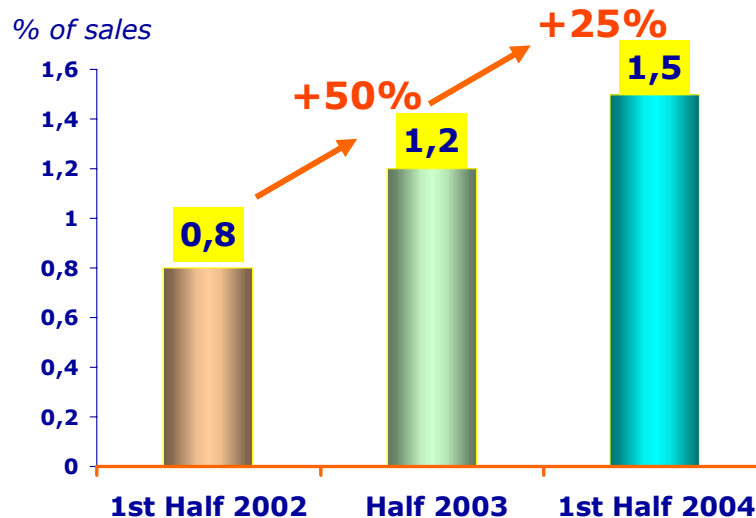




Improved operating income

In millions of €	1st Half 2003	2nd Half 2004
Sales	177	168
EBIT	21	2.5
% of Sales	1.2%	1.5%

YoY EBIT Trend

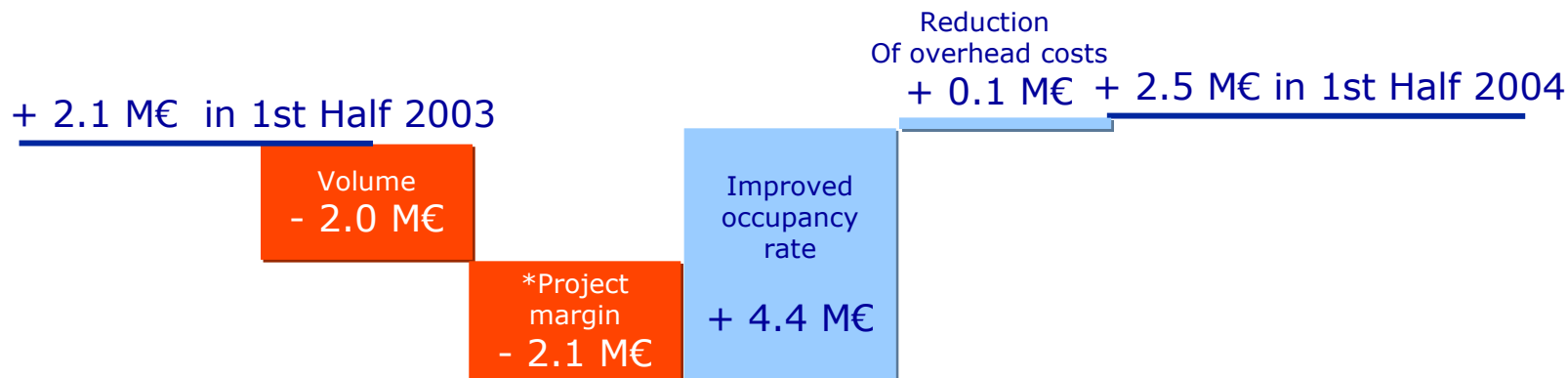


Steadily improving operating income



Improved operating income – underlying reasons

In millions of €	1st Half 2003	1st Half 2004
Sales	177	168
EBIT <i>as a % of sales</i>	2,1 1.2%	2,5 1.5%



* Pressure on prices, changing business mix



Stronger sales presence

- **Offer dynamics**

- Free software
 - Migration to Linux and operation
 - Development of applications and infrastructures under Linux
- Security
 - Information systems and networks
 - Videosurveillance
 - Homeland Security
- Computer asset management
 - TMA and MCO
- Calculation and data grid

- **Segment dynamics**

- Increased monitoring of the 8 strategic business segments
 - Space, Aeronautics, Defense, Civil and Military Aviation, Utilities and Telecom, Automobiles, Local Communities, Banks



Improved margins on projects

- **Controlling project margins in the pre-sale period**
 - Process costing/pricing deployed
- **Contract management and skills management**
 - Training in contract management (program ended in June 2004)
 - 280 people trained – 4-week program
 - CS Certification Program
 - Development of the Expert channel
 - Adaptation of certain profiles to market demands
 - Integration of Croatian and Romanian teams on projects



Consolidated Group results for the first half of 2004

In million of €	2003	1st Half 2003	1st Half 2004
Sales	346	177	168
EBIT In % of Sales	7.6 2.2%	2,1 1.2%	2,5 1.5%
Financial income/expense*	-1.5	-0.5	-0.8
Pretax earnings In % of sales	6,1 1.8%	1,6 0.9%	1,7 1%

*1st Half 03: non-recurring interest income



Exceptional income

- **Disposal of fixed assets**
- **Net reduction of structure adaptation expenses**

In millions of €	2003	1st Half 2003	1st Half 2004
Adaptation and hosting costs	-11.6	-6.2	1.6
Other	0.7	-1.1	-1.4
Total	-10.9	-7.3	0.2



Consolidated Group results for the first half of 2004

In millions of €	2003	1st Half 2003	1st Half 2004
Exceptional income	-10.9	-7.3	0.2
Taxes	-0.3	-0.2	0.3
Net pretax income before goodwill	-5.1	-5.9	2.2
Minority interest	0.1	-	0.2
Goodwill amortization expense	-3.5	-1.6	-1.7
Net income - Group share after goodwill	-8.5	-7.5	0.7

Positive net results after goodwill



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Cash Flow Management





Economic Cash Flow* per half-year

	1st Half 2003	2nd Half 2003	1st Half 2004
EBITDA	5.8	8.5	4.0
Capital flows	-0.8	-1.0	-0.7
Var. working capital needs	14.9	30.2	11.6
Investments (-) /divestment (+)	-1.9	-1.7	+2.2
Free Operating Cash flow	18.0	36.1	17.1
Exceptional Flows	-6.2	-7.5	-5.0
<i>Including adaptation costs including others</i>	<i>-4.0 -2.2</i>	<i>-8.5 +1.0</i>	<i>-3.5 -1.5</i>
Net asset disposal	0.5	-0.3	-0.1
Other (currency translation)	-0.2	0.1	0.8
Net Cash flow	12.1	28.4	12.8

* Including Dailly law financing, but not including factoring = €3.4m as of 6/30/03; €11.5m€ as of 12/31/03; €1.4 as of 6/30/04



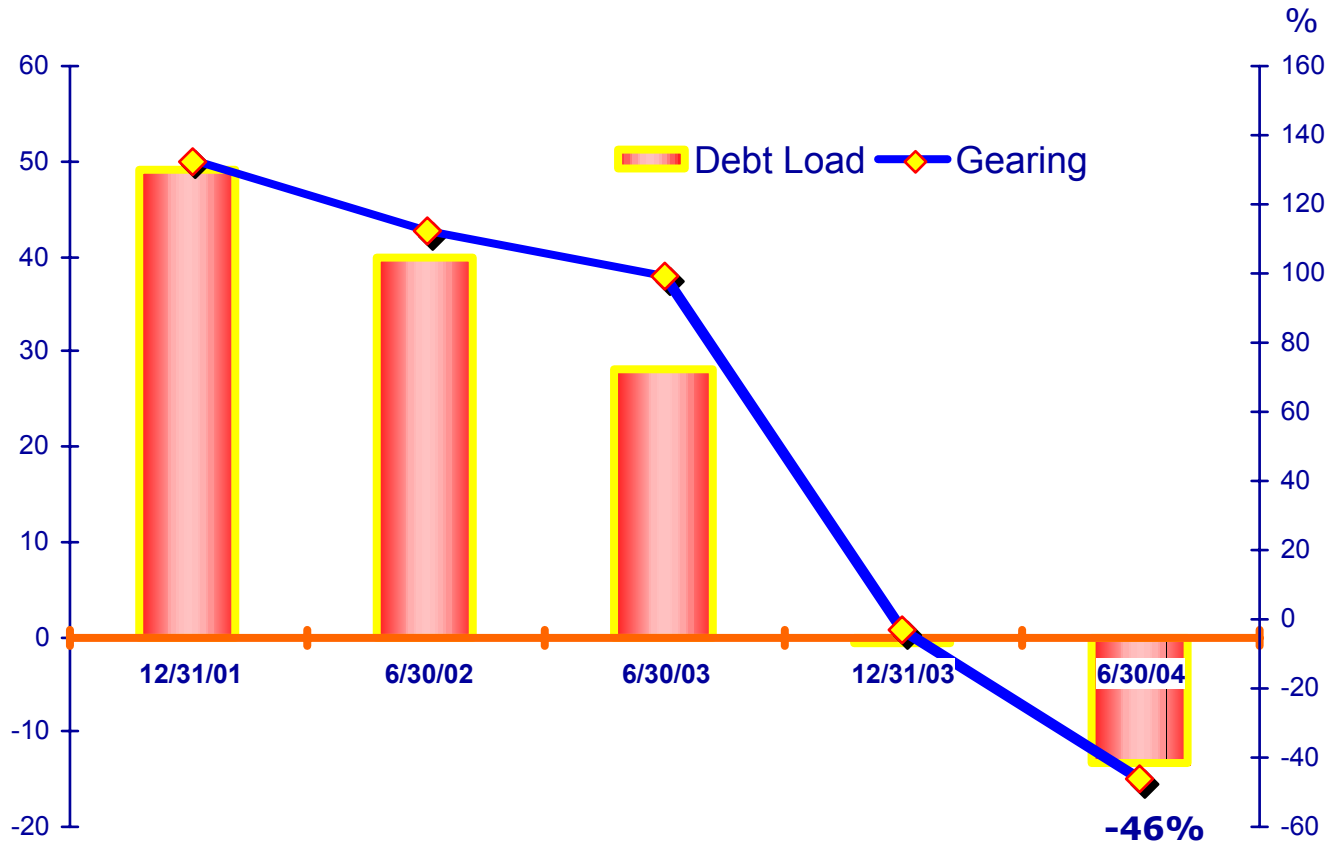
Statement of financial condition

Consolidated figures in Millions of €	12.31.02	6.30.03	12.31.03	6.30.04
Net fixed assets	71	66	65.0	62.0
<i>Including goodwill</i>	47	45	44.7	43.0
Working capital needs	22	8	-21.5	-34.1
Business activity	93	74	43.5	27.9
Equity	36	28	28.4	28.7
Contingent and Estimated Liabilities	17	18	15.7	12.3
Net debt load*	40	28	-0.8	-13.3
Sources	93	74	43.5	27.9
Working capital needs/sales per year	6%	2%	-6.2%	-10%
Gearing	112%	99%	-3%	-46%
Net debt load/sales per year	10%	8%	-0.2%	-3%

* Including Dailly law financing but not including factoring = €3.4m as of 6/30/03; €11.5m as of 12/31/03; €11.4m as of 6/30/04



Net debt load* and gearing trends



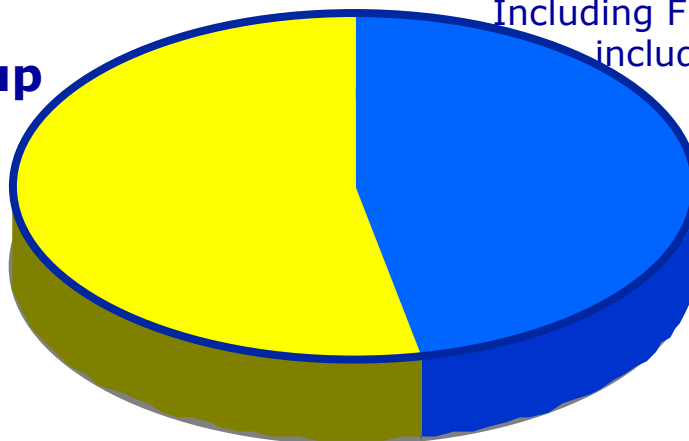
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Breakdown of CS capital

SAVA & Co. Group
53%

Controlled by:
Yazid Sabeg 75%
Eric Blanc-Garin 25%



Others
47%

Including Financière de l'Echiquier > 5%
including Management > 4%



Outlook for the 2nd Half of 2004

- **Organic growth for annual sales growth in 2004 on a par with 2003**
 - Based on the increase in already recorded orders
- **Further improvement of operating income**
- **Positive bottom line**
- **Consolidation of debt load (degearing)**