



Le Plessis, November 13, 2007

## Revenues at September 30, 2007

### Organic growth reaches 9.8% during 2007 third quarter Up 12.2% for the Mission Critical Systems division Up 5.4% for the IT Infrastructures division

Revenues during the 2007 third quarter reached €76.7 million, up 9.8 percent at constant perimeter, compared with the 2006 third quarter, in line with the acceleration in growth observed since the start of the financial year. Indeed, further to the 5.3% organic growth registered in first half 2007, CS Group consolidated revenues for the first nine months of 2007 were €249.6 million, up 6.7 percent at constant perimeter, compared with the same 2006 period during the previous year.

Over the first nine months of the financial year, the CS Group recorded a rise in order intake of 13.4 percent and reached €288.9 million, with an order book equivalent of 15 months of sales and a book-to-bill ratio of 1.16.

Revenues in €M	3 <sup>rd</sup> quarter 2006*	3 <sup>rd</sup> quarter 2007	Variation
Mission Critical Systems division	41.7	46.8	+12.2%
IT Infrastructures division	30.8	32.5	+5.4%
Eliminations	-2.7	-2.6	NA
<b>Revenues</b>	69.8	76.7	+9.8%
France	59.5	66.3	+11.4%
Abroad	10.3	10.4	+1.0%

Revenues in €M	9 months 2006*	9 months 2007	Variation
Mission Critical Systems division	142.1	157.2	+10.6%
IT Infrastructures division	100.8	101.2	+0.4%
Eliminations	-8.8	-8.8	NA
<b>Revenues</b>	234.1	249.6	+6.7%
France	203.4	206.4	+1.4%
Abroad	30.5	43.2	+41.6%

\*2006 figures restated to take into account the disposal of CAM subsidiary, which was de-consolidated as of January 1, 2007.

### Strong growth for Mission Critical Systems: +12.2% for the 3<sup>rd</sup> quarter

Revenues for the Mission Critical Systems division reached €46.8 million for the 2007 third quarter, up 12.2 percent at constant scope (+10.6% over the first 9 months). At September 30, 2007, the sales dynamic implemented at the start of the year resulted in a jump in order intake of 20.8 percent, with an order book equivalent of 18 months of sales and a book-to-bill ratio of 1.24.

Outside of France, revenues for the first nine months of the financial year progressed 41.6 percent and represented 27.5 percent of revenues for the division.



Affirming its growth ambitions in the Defense and Security sector at the recent Milipol trade exhibition, CS showcased its expertise as a prime contractor for Information and Command Centers together with the French Ministry of the Interior, capturing the attention of foreign delegations, notably from Europe. In order to strengthen its export presence, particularly in the Maghreb and the Middle East, CS is showing its C4ISR solutions, from November 11 to 15 at the Dubai AirShow.

CS maintained strong positions in the aeronautics sector and contributed to the certification of mission critical systems for its customers. In this respect, as part of its partnership with Airbus Industries, CS delivered software for the flight warning system on the A380, in conformity with critical requirements stated in the norm, DO178-B. This contributed to the certification of the A380. In the same way, CS finalized development of the fuel metering system for the new generation of helicopter turbine engines from Turbomeca, which should also lead to certification sometime before the end of the year.

Confirming its commitment to the development of innovative solutions that benefit its customers, CS shined in the field of intelligent transportation systems following its implementation of the first multi-lane free-flow demonstrator under real traffic conditions in France. This demonstrator gives a glimpse of the system that will be installed as part of the Dublin ring road project.

In space, CS is already prime contractor for numerous subsystems for Project Pleiades and has now been chosen to provide operations support for the on-board segment of Pleiades. This new project in Technical Process Outsourcing includes satellite control and surveillance, testimony to the confidence of the French Space Agency (CNES) in CS for its skills in the field of satellite operations.

In the fast-growing nuclear energy sector, CS continues to deploy expertise in Industrial Information Processing and in safety analysis for nuclear risk management. It has thus extended its partnership with DEN (*Direction de l'Energie Nucléaire*, or nuclear energy directorate) of the French Atomic Energy Commission (CEA), signing a multiyear application management contract for physical analysis encoding with regard to reactors at the Department of Systems and Structural Modeling at the Saclay center.

At September 30, 2007, the staffing level of the Mission Critical Systems division was 1,713 employees compared to 1,633 at January 1, 2007, up 5 percent. There were 232 new hires over the first nine months of the year. At September 30, 2007, occupation rate of billable employees stood at 84.3 percent.

### **Organic growth for IT Infrastructures: +5.4% for the 3<sup>rd</sup> quarter**

Third-quarter revenues in 2007 for the IT Infrastructures division grew 5.4 percent to reach €32.5 million, confirming the recovery observed since the second half of 2006. As a result for the first nine months of the year, the division has gone back to organic growth at 0.4 percent to reach €101.2 million. The book-to-bill ratio stood at 1.04 for the quarter, proof of a strong sales dynamic.

CS won a four-year contract with the French Ministry of Labor, Social Affairs and Housing, covering outsourcing for nationwide IT production, applications and secured infrastructure for the Ministry. This important contract bears witness to the division's excellent position in the business of managing and securing infrastructure, plus convergence of data processing and networking.

The division's Consulting & Services agencies advanced both in terms of revenues and billable employees, thanks to the success of its services centers.

At September 30, 2007, the staffing level of the IT Infrastructures division was 1,423 employees compared to 1,331 at January 1, 2007. There were 273 new hires at the end of September 2007. At September 30, 2007, occupation rate of billable employees stood at 85.0%.

At September 30, 2007, The CS Group staffing level was 3,318 employees, compared to 3,134 at January 1, 2007. Employee turnover for the first nine months of the financial year stood at 8.5% on an annualized basis.

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*This is a reminder that on August 3, 2007, CS Communication & Systèmes received a binding offer from British Telecom plc to acquire CS IT Infrastructures division. CS has granted BT exclusivity until November 30, 2007.*

*Revenues at September 30, 2007, are stated using the same segmentation as before, which is to say by distinguishing between the Mission Critical Systems and IT Infrastructures divisions.*



## Press Release

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*The residual revenues for the CS Group due to the divestment should be slightly greater than those stated for the Mission Critical Systems division, due to different internal billings in progress, retroactive to July 1, 2007, to the IT Infrastructures division, slated to become a subsidiary of BT.*

*The amount of billings would mainly concern hosting, administrative support, subcontracted services and delivery of network supervision software platforms. The amount of residual revenue has not yet been finalized at the date of the present publication.*

*The settlement of this operation will be the topic of a subsequent CS Group press release.*

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CS is a major player in the design, integration and operation of mission critical systems. CS is listed on the Eurolist and Euronext Paris markets - Compartment C - and is part of the indices CAC Small 90, CAC Mid&Small 190 and SBF 250 (share codes: Euroclear 7896 / ISIN FR 0007317813); BSA (share warrants): FR 0010221481-SXBS7).

For more information: [www.c-s.fr](http://www.c-s.fr)

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