Press Release

Le Plessis, September 17, 2007

First-half 2007 results

Order intake up 23%
Revenues up 5.8%
Operating margin up 39%, to 4.3% of revenues

The CS Board, meeting on September 14, 2007 and chaired by Mr. Yazid Sabeg, approved the consolidated financial statements for the first half of 2007.

First-half 2007 results

In euro millions	1st half 2006*	2nd half 2006*	2006*	1st half 2007
Revenues	164.2	159.6	323.8	**173.0**
Operating margin *in % of revenues*	5.4 *3.3%*	6.0 *3.8%*	11.4 *3.5%*	**7.5** ***4.3%***
Operating income	4.0	2.7	6.7	**6.7**
Before-tax income from ongoing operations	2,6	0,9	3,5	**4,7**
Net loss from discontinued operations	(1.0)	(0.8)	(1.8)	**(3.5)**
Net income, CS Group share	1.7	3.8	5.5	**1.9**

**2006 figures restated to take into account the divestment of the subsidiary, CAM (Munich), eliminated from the consolidation scope on January 1, 2007, in compliance with IFRS 5*

The CS Group posted 2007 first-half revenues of € 173.0 million, up 5.3% at constant perimeter (+5.8% at constant perimeter and exchange rates), compared with the first half of 2006. The CS Group recorded growth in order intake for the half year of 23%, with a book-to-bill ratio of 1.24.

Out of France, revenues surged 60%, to € 33 million, including € 12 million from the Middle East region. They represent 19% of CS Group revenues and 30% of revenues for the Mission Critical Systems division, for which business outside of France is a very promising growth lever.

The 2007 first-half operating margin was € 7.5 million, which is 4.3% of revenues, rising 39% to gain 1 point compared with the first half of 2006.

In line with its strategy of profitability improvement, CS sold CAM, its loss-making German subsidiary. As a result, and in conformity with IFRS 5 (non-current assets held for sale and discontinued operations), the profit and loss statements for preceding periods were restated. Before-tax income from ongoing business showed a significant advance of 83%, to reach € 4.7 million for the first half of 2007, compared with € 2.6 million for the same period of the previous year.

After taking into account a financial loss (€ -2.0 million) and a net loss from discontinued operations (€ -3.5 million), CS Group net income share was € 1.9 million (€ 1.7 million for the first half of 2006).

Net cash flow also improved to € 6.2 million compared with € 2.7 million for the first half of 2006. Net cash balance reached € 27.2 million on June 30, 2007, excluding financial debt due in more than one year and other financial liabilities (€ 19.9 million).
At June 30, 2007, consolidated shareholders equity was € 48.1 million compared to € 46.3 million at December 31, 2006, and € 43.7 million at June 30, 2006.

Information by Business

Mission Critical Systems division: sustained growth (+10%) and operating profitability (8.2%)

In euro millions	H1 2006*	H2 2006*	2006*	H1 2007	Variation H1 07/H1 06
Order intake	95.5	135.8	231.3	**153.0**	+60.1%
Revenues	100.5	98.0	198.5	**110.5**	+10.0%
Operating margin *% of revenues*	7.4 *7.3%*	5.5 *5.7%*	12.9 *6.5%*	**9.1** ***8.2%***	+23% *+0.9 pt*

**2006 figures restated to take into account the divestment of the subsidiary, CAM (Munich), eliminated from the consolidation scope on January 1, 2007, in compliance with IFRS 5*

IT Infrastructures division: business recovery

In euro millions	H1 2006	H2 2006	2006	H1 2007	Variation H1 07/H1 06
Order intake	81.3	75.6	156.9	**65.7**	-19.2%
Revenues	70.0	67.7	137.7	**68.7**	-1.7%
Operating margin *% of revenues*	-1.7 *-2.5%*	0.5 *0.7%*	-1.3 *-0.9%*	**-0.4** ***-0.6%***	+ € 1.3M *+1.9 pts*

Outlook

The CS Group recalls that it has received, in early August, from British Telecommunications plc, one of the world's leading providers of communications and IT solutions and services, a binding offer to acquire CS IT Infrastructures division for up to € 60 million.
Both CS and BT France have started consultation with the representatives from their respective workers councils.
The completion of the transaction, for which exclusivity has been granted by CS to BT until 30 November 2007, is also subject, amongst other matters, to merger and other regulatory clearances.

This project could be an opportunity for the development of the IT Infrastructures division, and for CS Group growth acceleration thanks to focus on its Mission Critical Systems business.

This operation should enable the concentration of all of its managerial, commercial, technical and financial resources on the Mission Critical Systems business in order to speed up its development, including through external growth.

Beyond the effects of this project, CS Group has set itself the objectives, for the full financial year, of continuing to increase both its organic growth and its profitability.

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