



Le Plessis, September 18 2006

First-half 2006 results

Operating margin up 63%, to 2.9% of Revenues

Net profit is €1.7m (1% of Revenues)

The CS Board Meeting, held on September 15,2006 and chaired by Mr Yazid Sabeg, has approved the consolidated financial statements for first half 2006.

First-half 2006 results

In millions of euros	2005	1st half 2005	2nd half 2005	1st half 2006
Revenues	345.5	173.6	171.9	168.1
operating margin <i>In % of rev.</i>	7.5 2.2%	3.0 1.7%	4.5 2.6%	4.9 2.9%
Other operating expenses and income	(10.7)	(9.0)	(1.7)	(1.8)
Financial Income (loss)	(0.5)	0.2	(0.7)	(1.5)
Net Income (loss)	(2.6)	(5.4)	2.8	1.8
Net income (loss) group share	(3.4)	(6.0)	2.6	1.7

In the first half of 2006, the CS group posted consolidated revenues of €168.1 million, down 3,2% compared to the first half of 2005, at constant perimeter.

The group's Book-to-Bill ratio in the first half was 1.05.

Operating margin for H1 2006 was €4.9 million, which is 63% more than H1 2005, and 2.9% of revenue vs. 1.7% a year ago.

"Other operating expenses and income" have been reduced from -€9 million in H1 2005 to -€1.8 million in H1 2006, reflecting the end of restructuring.

Net financial expenses, excluding expenses from foreign exchange, accounted for 0.6% of revenues compared to 0.5% a year-ago. Expenses from foreign exchange (USA, Chile) reached €0.5 million versus a +€0.5 income in H1-2005.

The group's share of net income in first half 2006 was €1.7 million (1% of revenues), compared to a net loss of €6 million in H1 2005.

Following an OBSAR Debenture issue, net short-term cash* at June 30 2006 was €14.5m.

At June 30 2006, consolidated shareholder's equity increased significantly to €45.4 million, compared to €36.8m at end 2005 and €31.7 million at June 30 2005

*Excluding Debt >1 year (€ 17.4 million); including impact of Dailly Law and excluding Factoring (€22.9 million at June 30 2006)



Revenues and income by business activity

BUILD business results in line with business plan

In €m	H1 2005	H2 2005	2005	H1 2006	Change H1 2006/ H1 2005
Revenues	126.5	130.0	256.5	126.8	+0.2%
Operating margin % of revenues	6.1 4.8%	8.0 6.2%	14.1 5.4%	7.2 5.7%	+18% +0.9 pt

**organic growth*

First-half "Build" business revenues reached €126.8 million, up 0.2% over the previous year. During first-half 2006 CS increased its sales to the aerospace sector (in embedded systems, technical information and computer simulation systems), notably with Thales and Airbus. During this period, CS reduced its deployment business with telecoms operators. Business abroad increased by 27.5%, most notably in North and South America.

Build business has increased its operating margin by 0.9%. Operating margins have improved across all of this business unit's entities.

RUN business improves

In €m	H1 2005	H2 2005	2005	H1 2006	Change H1 2006/ H2 2005
Revenues	50.8	45.7	96.5	47.1	+3.1%
Operating margin % of revenues	(1.2) (2.4%)	(3.5) (7.7%)	(4.7) (4.9%)	(1.9) (4.0%)	NA +3.7 pts

**organic growth*

First-half "Run" business revenues totalled €47.1m, a 3.1% increase over 2nd Half 2005. That confirmed the trend observed since first quarter 2006.

"Run" operating losses have been reduced by 3.7 points compared to 2nd half 2005, even if revenues were still too low to secure break even.

In addition, order intakes of the "Run" business increased in 1st half 2006 by more than 30% compared to year-ago levels, thanks to its positioning on IT infrastructures and networks management.

Outlook

In order to simplify its services for its customers and meet their needs more effectively, on July 1st the group set up a new organizational structure consisting of two divisions: Mission Critical systems (60% of revenue and 1800 employees) and Critical Infrastructures (40% and 1400 employees).

Throughout 2006 the CS group confirm its goal to improve operating margin and net income.

CS, headed by its Chief Executive Officer Eric Blanc-Garin, is a major player in the design, integration and operation of critical systems. CS is listed on the Eurolist and Euronext Paris stock exchanges, and is a component of the CAC Small 90, CAC Mid&Small 190 and SBF 250 indices (Shares: Euroclear 7896 / ISIN FR 007317813; Share warrants -- FR 0010221481-SXBS7).

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