

NOT TO BE DISTRIBUTED IN THE UNITED STATES, CANADA, JAPAN AND AUSTRALIA
CS Communication & Systèmes

Limited liability Corporation with status under French corporate law of "Anonymous Company",
Registered capital 31 482 940 €
Registered office: 54-56, avenue Hoche - 75008 Paris
R.C.S Paris 692 000 946

CS Communication & Systèmes announces the issue of 14.85 million euros of "OBSAR" debentures

CS Communication & Systèmes ("the Company") announces the issue of debentures ("the debentures") attached to redeemable warrants (designated in French by the term "BSARs", with the combination of the debenture plus warrant undetached designated as "OBSAR") to a value of 14.85 million euros.

CS Communication & Systèmes will use the net proceeds generated by this issue both for balancing its sources of funds, which are today almost exclusively short-term, and strengthening its growth capabilities by taking immediate advantage at once of a low-cost debenture resource and in the longer term the possibility of strengthening its equity capital.

This issue of debentures is not motivated by any specific acquisition project. In addition, working jointly with its customary consultant bankers, CS is considering how to develop new concepts and practices for any industrial project capable of stepping up its dynamic growth, particularly abroad. These operations may result in dilution of the shareholder's reference value but this could be accepted provided they create a net increase in value.

The "OBSAR" (i.e. the debenture with the warrant undetached) issue will take place whilst maintaining their preferential application rights to present shareholders.

The subscription period is opened from May 12th, 2006 to May 23rd, 2006. The right to preferential subscription will be quoted during the subscription period on the Eurolist of Euronext Paris S.A.

The following are the principal characteristics of the "OBSARs":

- 165,000 debentures with a face value of 90 euros issue at par
- Interest: The 3-month Eurobor rate + 0.734 % per year payable quarterly in arrears on 9th March, 9th June, 9th September each year, with the first interest payment due on 9th September 2006;
- Normal redemption: full, at par, on 9th June 2009.
- Listing details: The debentures will be accepted for negotiations on the Eurolist of Euronext Paris S.A.
- One redeemable warrant BSAR A and BSAR B shall be attached to each debenture, the leading characteristics of which are:

Leading characteristics of BSARs		
	BSAR A	BSAR B
ISIN code	FR0010325019	FR0010325035
Exercise price	41,69 €	45,48 €
Exercise parity	1 new share giving the holder immediate right of possession for 1 BSAR A	1 new share giving the holder immediate right of possession for 1 BSAR B
Term	3 years	5 years
Exercise period	Final year	The 3 final years
Early redemption at 0.01 €	At the Company's discretion, starting 9 th June 2008, if the product at the then current stock market price multiplied by the exercise parity comes to more than 190% of the exercise price.	
Market quotation of BSARs	Save exception, the BSARs shall be non-transferable and non-negotiable during the first two years.	

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Dilution: The number of shares capable of being created through exercise of the BSARs amounts to approximately 5.24% of the present capital of the Company.

The detailed description of the terms of this operation is set forth in a prospectus endorsed by the French Financial Market Authority under the N° 06-131, dated March 3, 2005.

This prospectus consists of :

- the reference document registered by the French Financial Market Authority on May 3, 2006 under the number R 06-048.

- an operation note including a digest of the prospectus.

CS Communication & Systèmes draws the attention of the public to the sections concerning the factors of risk indicated in the prospectus (Chapter IV of the reference document and section 2 of the abovementioned operation note).

These documents are available without charge at the following locations:

- CS Communication & Systèmes, 22, avenue Galilée, 92350 Le Plessis Robinson
- CALYON, 9 quai du Président Doumer, 92920 Paris La Défense Cedex
- Banque Palatine, 52 avenue Hoche, 75008 Paris

They can also be consulted on Internet website of the French Financial Market Authority (www.amf-france.org) and CS Communication & Systèmes (<http://www.c-s.fr/>).

The legal declaration will be published in the "Bulletin des Annonces Légales Obligatoires" of May 5, 2006.

This document is a communication of promotional nature and not a prospectus as such.

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