



Clamart, 6 September 2004

2004 first-half earnings

Net earnings after positive goodwill and total degearing

Outlook

**Return to growth and a further rise in operating profits
expected in the second half of 2004**

CS's Board of Directors, meeting on 3 September 2004 under chairman Yazid Sabeg, approved the company's 2004 first half consolidated accounts.

2004 first half earnings

M€	2003	1st half 2003	1st half 2004
Sales turnover	346	177	168
Operating earnings <i>as % of sales</i>	7.6 2%	2.1 1.2%	2.5 1.5%
Financial income	-1.5	-0.5	-0.8
Current pre-tax earnings	6.1	1.6	1.7
Exceptional earnings	-10.9	-7.3	0.2
Net income before goodwill	-5.1	-5.9	2.2
Net attributable profit (group share) after goodwill	-8.5	-7.5	0.7

The CS group posted consolidated sales turnover of 168 M€ in the first half of 2004, down 5% on a like-for-like basis compared with the first half of the previous year. Sales turnover was attributed by carrying over certain government contracts in the second half of the year.



CS's 2004 first-half operating earnings totalled 2.5 M€ versus 2.1 M€ in the first half of 2003. Operating profits climbed to 1.5% of sales turnover.

Current earnings totalled 1.7 M€.

Exceptional profits of 0.2 M€ were positively impacted by the disposal of property assets and by a sharp decrease in restructuring costs.

Net profits after goodwill totalled 0.7 M€.

CS posted a positive cash flow on current operations of 17.1 M€ owing to a further net reduction in working capital requirement of 11.6 M€ and to the disposal of property assets totalling 3.4 M€.

On 30 June 2004, the CS group recorded a positive net cash flow* of 13.3 M€ compared with 0.8 M€ on 31 December 2003 and debts of 28 M€ on 30 June 2003. The group's gearing ratio further improved, progressing from -3% on 31 December 2003 to -46% on 30 June 2004.

On 30 June 2004, consolidated equity capital (group share) totalled 2.7 M€.

Outlook

On the basis of booked orders, CS will post annual sales on a par with last year, enabling it to return to organic growth in the second half of the year. CS also aims to consolidate its gearing level and continues to improve its profitability.

*CS's net cash flow excludes outstanding factoring contracts totalling 11.4 M €, 11.5M€ and 3.4 M€ on 30/06/04, 31/12/03 and 30/06/03 respectively.

CS, headed by its Executive General Manager Gérard Jousset, is a major market player in the design, integration and operation of mission-critical systems, applications and infrastructures. CS is quoted on the first market of the Paris stock exchange and is listed on the Next Economy, MID CAC et IT CAC 50 (Euroclear code 7896 -ISIN code FR007317813).

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