PRESS RELEASE

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2003 results
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Sharp reduction in debt
Operating margin improvement
Increase in income on ordinary activities

Meeting on 5 March 2004, the Board of Directors of CS, chaired by Yazid Sabeg, approved the consolidated financial statements for 2003.

Faced with a persistently shrinking services market, CS implemented during the year structural improvements aimed at consolidating its operating margin and reducing its debt.

2003 results

In €m	2002	2003 1st half	2003 2nd half	2003
Sales	387	177	169	346
Operating income	7.8	2.1	5.5	7.6
as a % of sales	*2.0%*	*1.2%*	*3.3%*	*2.2%*
Net financial expense	(3.5)	(0.5)	(1)	(1.5)
Pre-tax income on ordinary activities	4.3	1.6	4.5	6.1
Net exceptional expense	(8.4)	(7.3)	(3.6)	(10.9)
Net income (loss) before goodwill amortisation	(4.4)	(5.9)	0.8	(5.1)
Net attributable loss after goodwill amortisation	(7.5)	(7.5)	(1.0)	(8.5)

CS reported 2003 consolidated sales of €346 million, a decrease of 10% compared with 2002 at constant exchange rates and consolidation scope.

Operating income amounted to €7.6 million, for an operating margin of 2.2%. Despite the decline in sales, CS succeeded in consolidating its operating margin thanks to higher margins on projects and lower overheads.

Income on ordinary activities was up by 42% to €6.1 million, thanks to a sharp decline in interest expense further to the reduction in debt.

The net exceptional expense of €10.9 million (€7.3 million in the first half and €3.6 million in the second half) resulted from the measures taken to adapt the company's operational and functional structures to its level of activity.

Net income before goodwill amortisation came to €0.8 million in the second half, resulting in a net loss before goodwill amortisation of €5.1 million for the full year.

Ordinary activities generated positive cash flow of €54.1 million thanks to a very steep €45.2 million reduction in working capital requirements, EBITDA of €14.3 million, and investments that were lower by €3.6 million. The positive net cash flow of €40.5 million is stated after the cost of financing the restructuring measures.

At the end of 2003, CS had net cash of €0.8 million, compared with net debt of € 40 million at 31 December 2002. Gearing was thus a negative 3%, a considerable improvement compared with 112% at 31 December 2002 and with management's stated target of 80%.

In the second quarter of 2003, CS introduced a factoring programme that had a positive impact of €11.5 million on cash flow and debt, which is included in the above figures.

At 31 December 2003, consolidated shareholders’ equity amounted to €28.4 million.

2004: new momentum

In 2004, CS is stepping up its sales and marketing efforts as a designer, integrator and operator of mission-critical applications and systems. In addition, CS is continuing to give priority to increasing its operating income with the goal of achieving performances in line with those of its competitors in the medium term.

CS, under Chief Executive Officer Gérard Jousset, is a major player in the integration and operation of mission-critical applications and systems. CS is listed on the Premier Marché of the Paris Bourse, and is included in the NextEconomy and MID CAC indices (Euroclear code: 7896).

PRESS RELATIONS

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