

## 2007 INTERIM RESULTS

**Ordinary operating profit up: €6.9 million (+33%)**

Paris, September 25, 2007 – Groupe OPEN (ISIN: FR 0004050300; NextEconomy segment – 972, IT services), a specialist in the design, development and implementation of corporate IT systems, publishes its 2007 interim financial statements.

### Groupe OPEN over the first half

#### Consolidated results compared

€M	H1 2007*	H1 2006	Growth
Revenue	315.0	247.3	+27%
Ordinary operating profit	6.9	5.1	+33%
Operating profit	5.4	2.9	+68%
Earnings of fully consolidated companies	0.9	0.9	+3%
Earnings of the consolidated group	0.84	0.76	+10%
Earnings (Group share)	-0.6	0.0	

\*OPEN IT has been consolidated for 5 months, since February 1, 2007

Groupe OPEN generated revenue of €315 million over the first half of 2007, up 27%, 22% of which was organic growth. This strong growth not only stems from organic growth in the IT Services business (+10%), ahead of market growth, but also the very significant growth in the Value Added Distribution business (+28%).

The key events during the half were the acquisition of OPEN IT in February and the disposal of INNETIS to TEAMLOG. As a result of this deal, the Groupe OPEN current account at TEAMLOG rose to €29 million.

The growth of the business resulted in a major improvement in the ordinary operating profit, amounting to €6.9 million in the first half of 2007 compared to €5.1 million in the first half of 2006.

Other operating income and expenses amounted to -€1.4 million compared to -€1.9 million as of June 30, 2006. They are primarily comprised of €0.9 million in restructuring expenses as well as the non-occurrence of a supplier rebate of €0.5 in the distribution business in respect of a prior period.

Net finance income amounted to -€3.9 million as of June 30, 2007 compared to -€1.6 million as of June 30, 2006. The net borrowing cost rose from -€2.3 million to -€3.5 million, representing deterioration to 1.1% of revenue compared to 0.9% in 2006 as a result of the very significant rise in interest rates.

At €0.8 million, earnings are up on the first half of 2006. Consolidated earnings, Group share, for the first half, temporarily negatively impacted by the disposal of INNETIS to TEAMLOG, amounted to -€0.6 million compared to €0.0 million as of June 30, 2006.

## **Breakdown by business**

### **IT Services**

#### **Income statement**

<i>€M</i>	H1 2007*	H1 2006
<b>Revenue</b>	<b>92.2</b>	72.4
<b>Ordinary operating profit</b>	<b>6.1</b>	4.9
<b>Operating profit</b>	<b>5.5</b>	4.4
<b>Net finance income</b>	<b>-1.2</b>	-0.6
<b>Earnings of the consolidated group</b>	<b>2.7</b>	2.3
<b>Earnings (Group share)</b>	<b>1.5</b>	1.6

**\*Open IT has been consolidated since February 1, 2007**

Over the first half of 2007, TEAMLOG generated revenue of €80 million, up 10% (on a like-for-like basis).

This renewed strong growth in its business is matched by ordinary operating profit of €5.7 million, up 45%.

Business dynamics and rationalisation measures allowed TEAMLOG to improve its operational margin that reached 7.1% over the first half (against 6.4% over the first half of 2006), up 45%.

TEAMLOG benefited from:

- An utilisation rate excluding leave of 89.7%, up 0.9% on the first half of 2006. The inter-contract rate for the first half of 2007 was only 4.0%.
- Increase in average billable workforce of 9.3% between December 2006 and June 2007. Over the first half a net total of 171 people were hired.

OPEN IT (formerly HAYS IT) has been integrated since February 1. The savoir-faire of Groupe OPEN in the integration of acquired companies bear fruits from the first half of the year with a revenue of €12 million and an ordinary operating

profit rose 4.5%. In line with the standards of the Group, reorganized and optimized, OPEN IT is already ahead of schedule on its plan thanks in particular to the strong performance of its business, to a rising average daily billing rate (up to €434) and the commercial synergies generated with TEAMLOG.

Overall, first half 2007 revenue from the Groupe OPEN IT Services business rose 27% (10% of which was organic), amounting to €92 million, compared to €72 million in the first half of 2006.

The activity began to implement its 2007-2010 strategic plan, which anticipates 2007 organic growth in excess of or equal to 10% and ordinary operating profit of 8% (excluding OPEN IT for 2007).

### **Value Added Distribution**

	<u>Income statement</u>	
€M	H1 2007	H1 2006
<b>Revenue</b>	<b>222.8</b>	174.9
<b>Ordinary operating profit</b>	<b>0.8</b>	0.5
<b>Operating profit</b>	<b>0.2</b>	0.5
<b>Net finance income</b>	<b>-2.3</b>	- 1.3
<b>Earnings of the consolidated group</b>	<b>-1.4</b>	- 0.6
<b>Earnings (Group share)</b>	<b>-1.7</b>	- 0.6

In the first half of 2007, LOGIX posted revenue of €223 million, up 27% (purely organic). International revenue amounted to €130 million (namely 58% of total revenue).

The business's ordinary operating profit amounted to €0.8 million, the seasonal nature of which must be taken into account given that the second half's contribution to ordinary operating profit has historically been significantly higher than that of the first.

Moreover, the business development strategy is focused on:

- the rebalancing of the product-mix: the strong growth of the Software and IT Security segments continues and is focused on winning market share
- the geographic presence: the success of the Nordic subsidiary reinforce the LOGIX ability to extend its European position

With an imperative: to control the finance expenses and the working capital requirement, essential for the performance of the activity.

The second half should see LOGIX post selective growth. The margin should stabilise and be sustained by a streamlining of the organisation and structure and an optimisation of the financial structure.

In light of the seasonality, this performance reaffirms LOGIX's goal of posting organic growth of in excess of 10% over the year and a sharp improvement in its ordinary operating profit.

**Balance sheet and cash flow**

<b>Balance sheet</b>			<b>Balance sheet</b>		
<i>€M</i>	June 2007	June 2006	<i>€M</i>	June 2007	June 2006
Intangible assets	61	56	Shareholders' equity	46	29
Total non-current assets	78	71	Debt	41	48
Cash & cash equivalents	36	19	Total non-current liabilities	42	52
Total current assets	255	215	Total current liabilities	244	204
<b>Total</b>	<b>333</b>	<b>285</b>	<b>Total</b>	<b>333</b>	<b>285</b>

Goodwill rose by €4.2 million, in particular on the back of the Hays IT acquisition. Cash and cash equivalents rose sharply, confirming the recovery begun in the second half of 2006. Nevertheless, the seasonal nature of the business results in a weaker position than that at December 31, 2006.

<b>Cash flow</b>		
<i>€M</i>	June 2007	June 2006
Net cash flows from operating activities	3.6	- 29.0
Net cash flows from investing activities	-7.9	- 6.4
Net cash flows from financing activities	- 0.6	13.7
Change in cash position	- 4.8	- 21.8
Opening cash position	38.7	40.3
Closing cash position	33.8	18.5

The cash generated from operating activities amounted to €3.6 million at the end of the first half of 2007 compared to €29 million in cash used in the first half of 2006, thereby confirming the exceptional nature of the June 30, 2006 position and a return to a more normal position. The cash generated from operating activities over the year from July 2006 to June 2007 amounted to €17 million.

Investing activities used up €7.9 million over the first half of 2007 compared to a use of €6.4 million in the first half of 2006.

The main factors affecting cash flows from investing activities during the half were as follows:

- Negative net cash flow of €5.7 million resulting from the acquisition and disposal of subsidiaries, in particular relating to the acquisition of Hays IT as well as a €1 million payment relating to the purchase of TEAMLOG shares;
- The acquisition of property, plant and equipment and intangible assets resulted in €2.3 million in cash being used.

## **Summary and outlook**

In what is still a positive market climate, Groupe OPEN continues to generate significant organic growth while quickly and successfully integrating its acquisitions.

As forecast, organic growth in 2007 should exceed 10% across all businesses. The ordinary operating profit should rise sharply during 2007, as should Earnings, despite the negative impact of the tightening of financing terms.

Following several successive years of success and growth, Groupe OPEN is now considered one of the true consolidators of the French IT Services market. The announcement of its plan to increase its stake in TEAMLOG reaffirms this new status.

Its intention to launch a public offer for the outstanding shares in TEAMLOG is part of the strategy of Groupe OPEN, which goal is to become one of the leading French players in its market.

### *About Groupe OPEN*

In 2006, Groupe OPEN (ISIN: FR 0004050300; NextEconomy segment – 972, “Software and Services” sector), active in the conception, realisation and implementation of information systems, had a revenue of €585 million, up 27% compared to 2005. The Company maintains a network consisting of the Paris agency and 17 domestic agencies as well as subsidiaries located in 14 countries. As of December 31, 2006, the Company employed more than 2,400 people. Groupe OPEN belongs to the IT-CAC index and the SBF 250 index.

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