Solucom

Half-year results report at 30.09.2010

solucom
management & IT consulting

Content

Half-year report certificate

I confirm, to the best of my knowledge,

That the short-form accounts for the past half-year have been prepared in accordance with applicable accounting principles, in particular with standard IAS 34, and provide a reliable picture of the assets, financial situation and operating results of the company and all the companies included within the consolidation, and

That the attached half-year report presents an accurate picture of the main events that took place during the first six months of the financial year and their impact on the half-year financial statements, the main transactions between related parties, and a description of the main risks and uncertainties for the remaining six months of the period.

Drawn up in Paris-La Défense on 15 November 2010

Pascal Imbert, Chairman of the Board

Half-year report

1. Analysis of Solucom results

The half-year financial statements to 30 September 2010 consolidate Solucom, Idesys, Arcome SAS, Solucom DV, New'Arch, KLC and Cosmosbay~Vectis.

The financial statements to 30 September 2009 and to 31 March 2010, which are referred to herein, consolidate Solucom, Idesys, Arcome SAS, Solucom DV, New'Arch, KLC and Cosmosbay~Vectis for 6 and 12 months, respectively.

The financial statements to 30 September 2010 (and those to 30 September 2009 and 31 March 2010, with which they are compared) have been drawn up in accordance with IFRS, the international financial reporting standards. The financial statements follow CNC recommendation Nr. 2009-R.03 dated 2 July 2009. The interim management balances that appear in the accounts and which are commented on later in this document are those defined by the CNC.

Consolidated turnover to 30 September 2010 was € 52,376K as compared with € 48,272K for the first half of the previous financial year, representing overall growth of 9%.

Current operating profit was € 7,183K (after employee profit-sharing). It is up 126% as compared with the first half of the previous financial year, when it was € 3,183K. The operating profit margin, obtained by dividing the current operating profit by the turnover, was 13.7%, as compared with 6.6% in the first half of the previous financial year.

Operating profit was also € 7,183K, up 125% on the operating profit for the first half of the previous financial year, which was € 3,198K.

The net cost of borrowings was € 81K for the period. This balance includes € 3K in financial income and € 84K in financial expenses for the period. This figure should be compared with a net cost of borrowing of € 94K for the first half of the previous financial year.

Pretax profit was € 7,089K, up 127% on the operating profit for the first half of the previous financial year, which was € 3,124K.

Net profit for the period was € 4,202K, representing a margin of 8.0%. This profit was up 112% as compared with the first half of the previous financial year, for which the profit for the period was € 1,981K, representing a margin of 4.1%.

There were no minority interests. Thus the Group's net profit was also € 4,202K, as compared with € 1,981K for the first half of the previous financial year, up 112%.

Equity stood at € 37,271K at 30 September 2010, as compared with € 34,296K at 31 March 2010.

Net borrowings of the Solucom Group[1] stood at € 2,499K as against a net cash position of € 2,015K at 31 March 2010, and net borrowings of € 5,284K at 30 September 2009. Changes to net borrowings since 31 March 2010 include the increase of € 7,886K in working capital requirements for the period.

At 30 September 2010 working capital requirements represented 10.7% of turnover on an annualised basis, as compared with 3.7% at 31 March 2010 and 4.5% at 30 September 2009.

[1] Note, the Solucom firm is made up of Solucom and its subsidiaries.

Finally, the separate financial statements of Solucom itself showed turnover of € 30,437K, up 20%, as against € 25,400K for the first half of the previous financial year. Solucom's own operating profit came to € 4,331K, representing an operating margin of 14.2%, up 19% on the year. It should be recalled that the operating profit for the first half of 2009/2010 was € 3,640K, representing profitability of 14.3%.

2. Solucom's business activity during the half-year

In Q1 of its 2010/11 financial year (ending 31 March 2011), Solucom achieved a turnover of € 52.4M, up purely by organic growth of 9%.

The company has reaped the benefits of sales investments approved in 2009, while also benefiting from a significantly more favourable market than in the previous year. The Company has won many top-class projects at such clients as Air France-KLM, Amadeus, Informatique-Banque Populaire and Orange.

Client demand has been up in all business areas excepting the public sector. This demand is typically less for defensive projects and more growth-oriented, with an increased contribution to business challenges.

The activity rate was sharply up at 86% for the half year, as against 78% for the first half of 2009/10 and 80% for the entire previous financial year. This is above the Company's usual level of between 82% and 84%. This activity rate is up in all parts of the company.

The daily average sales price, as expected, was down 1% as compared with the previous period at € 707, as against € 717 for the entire 2009/10 financial year. The orders book remains fragile at 3.2 months.

In terms of human resources, the market has been characterised by a rapid return of strain during recent months. The Company has thus seen a marked increase in staff turnover, which is now 19% annualised, as against the budgeted 12 – 15%. At the same time Solucom has also been faced by relative inertia in the continuation of its recruitment rate, with the efforts agreed since the start of the period not yet having fully achieved their results.

On account of this the payroll as at 30 September 2010 stood at 945 employees, which is stable as compared with 30 June. Across the half year there has been a drop of 3% compared with the 978 employees in the Company at 31 March 2010.

The company's profitability was sharply improved during the half-year. Current operating profit at 30 September was € 7.2M, up 126% on the corresponding period in the previous year, representing EBIT of 13.7%, as against EBIT of 6.6% a year earlier.

This increased profitability has been the result of a combination of favourable factors: maximum impact of the recovery in the production rate, an acceleration in human resources, recruitment and publicity expenses that for the time being are hardly felt on costs, and a restatement of the corporate added value contribution tax that had full effect this half-year. It should be noted that the Professional Tax, which weighed heavily last year on the operating profit, has this year been replaced by a new tax, the Contribution on Companies' Added Value, which is classified with taxes on profits and therefore does not impact the operating profit. Without this reclassification, EBIT would have been 12.5% for the half-year.

After the net cost of borrowing, down 14% on the year, and corporation tax, the Group's net share of income came to € 4.2M, which represented a net margin of 8%.

At 30 September 2010, Solucom's net borrowings, without any banking covenants for early repayment, stood at € 2.5M, within a situation of a sharp increase in working capital requirements, as against net borrowings of € 5.3M a year earlier.

The explanation for the increase in working capital requirements on the one hand is that the payment of the Contribution on Companies' Added Value occurs earlier than payment of the former Professional Tax, and on the other hand the heavy pressure on client receivables. These issues do not put into question Solucom's target to increase net cash flow for the entire financial year, in order to be over € 5M at 31 March 2011.

Equity continues to increase to € 37.3M at 30 September 2010, as against € 34.3M at 31 March 2010.

3. Forecast development of Solucom's business activity until year end

Solucom was able to consolidate its fundamentals during the first half year and to prepare for the second half under good conditions.

The Strategy & Management and IT Transformation businesses, which had been the most affected by the economic slowdown, are experiencing a rapid recovery and the road map for the period is now secure. The company's ability to win and succeed in major transformation projects has been demonstrated, while its sales repositioning to reduce client dependence and to get a better share of the financial sector is now in place. Last but not least, the company's margins have returned, providing it with the wherewithal to invest for the future.

The start of the second half of Solucom's 2010/11 financial year has seen well-focused activity. Even if the sales outlook is short-term, the market is active and Solucom's sales capabilities have been given full rein. At the same time, pressure on prices is reduced and should facilitate the stabilisation of prices during the second-half.

Pressure on human resources, on the other hand, is doubtless long-term, the result of a more dynamic market situation.

This is accordingly Solucom's key challenge in the second half of 2010/11. The company plans to commit additional resources in order to bring staff turnover under control and to continue its greater efforts in recruitment.

The second half of the 2010/11 financial year will doubtless be used to develop a new Solucom strategic plan through to 2015. This plan, which will be unveiled in May 2011, will set Solucom's ambitions for the future and allow a new page in its history of growth to be opened.

Notwithstanding the pressures encountered in human resources, which might put a brake on growth in the second half, Solucom has confirmed and spelled out its targets. These include the return to organic growth of more than 4% for the entire financial year

4. Information on risks and uncertainties for the second half of the year

The risks stated in this section are those that in the company's opinion offer the most potentially significant impacts or have the highest probability of happening.

Risk associated with current economic environment

The current economic and financial situation is delicate, with a persistent lack of visibility.

Even if market conditions have improved since the start of the 2010/11 financial year, given the uncertainties that continue to weigh on the economy, Solucom cannot guarantee that this improvement will be sustained.

Risk related to human resources

The success of Solucom's growth depends absolutely on recruiting and maintaining the loyalty of those employees with strong potential. Solucom's recruitment model is based upon taking on young graduates from the best universities and colleges.

In the medium-term recruitment is a major challenge for Solucom, taking account of the strong competition there exists in the recruitment of the profiles sought by the company.

In order to stay on top of this key success factor, Solucom each year approves a major investment in recruiting. It was unfortunately necessary to sharply reduce this investment during the crisis, and in 2010/11 Solucom is faced with a certain amount of inertia in getting its recruitment level going again.

Beyond recruitment, controlling staff turnover remains a second challenge, since personnel with experience in consulting companies are in heavy demand, especially in the field of new technologies.

Controlling staff turnover is the joint responsibility of management and the Group's Human Resources managers. Staff turnover went down sharply over the last two financial years, being at 8% in 2009/10, on account of the economic situation.

Solucom has noted since the end of the 2009/10 financial year a strong upturn in turnover, part of which can perhaps be explained by a catch-up effect after two years in a row of low churn. Thus staff turnover at 30 September 2010 was 19% annualised, which is particularly high.

The success of the recruitment plan and controlling staff churn represent more than ever a major challenge for the company.

Risks linked to the H1N1 virus

Solucom is insured by a professional and operational liability insurance policy, which provides the following cover:

- Third party operational cover
  - Consecutive bodily, physical and intangible damage (mixed): € 10.0.0M per claim
- Professional third party
  - Physical / intangible damage, whether consecutive or not (mixed): € 5.0M per claim and per annum

There is an excess (deductible) of € 75K under this contract for third party professional cover.

Risk of professional indemnity claims against Solucom

Since Solucom's client base is made up largely of major accounts, the risk of non-payment or of a client bankruptcy is limited.

There could, however, be risks of non-payment or client bankruptcy when the company provides services to SMEs or to foreign companies outside the EU (less than 10% of the company's turnover). In such cases it is for the management of the Group company in question to take all the steps to obtain a reasonable guarantee of payment for services provided, in coordination if applicable with the finance department.

Client credit risks

Since Solucom's client base is made up largely of major accounts, the risk of non-payment or of a client bankruptcy is limited.

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Risks on fixed-price projects

Fixed-price services each year represent about 30 - 40% of the company's consolidated turnover.

Solucom has set up a rigorous system for project monitoring, with the management tools used in the company being used to support this follow-up. In recent years the average overrun has never exceeded 2% of the total number of attendance days of productive teams (excluding holidays).

Risks associated with IT systems

With growth the IT system represents an increasingly important asset for Solucom. It facilitates managing sales and operations, producing the financial statements, internal and external communications, and consolidating and organising the knowledge bases that are spread about among all the Group's employees.

An IT contingency plan has been implemented to restart in short order each of the essential services of the system, irrespective of the incident that occurs, except in the event of an overall disaster. In addition, to protect against the effects of an overall disaster, back-up is carried out daily, with a copy of the back-up being sent outside of the premises once a week.

Lastly, the system is protected against intrusions and external attacks using state of the art IT security techniques.

Risks associated with acquisitions

Solucom's external growth strategy leads regularly to the incorporation of new companies. For each acquisition, Solucom systematically seeks to ensure that the management of the acquired company signs on to the shared industrial plan. Such early stage thinking facilitates the integration process and limits the risk that key personnel will leave.

When a new company is being integrated into Solucom ensures:

- To rapidly deploy the firm's management systems within the new entity, in order to obtain as quickly as possible the most detailed picture of its operations.

- To activate revenue-generating synergies, especially by deploying the know-how of the acquired company to thefirm's existing clients.

- To standardise operational procedures, for enhanced efficiency and to seek where efforts can be shared in order to reduce costs.

The integration model as refined by Solucom has generally demonstrated its effectiveness and has facilitated achieving a noticeable series of improvements in the operational performance of the acquired companies.

Notwithstanding, there are inherent risks attached to each external growth transaction, and Solucom cannot guarantee systematic effectiveness of its integration model.

Monitoring goodwill

There have been no grounds for questioning the value of goodwill of Cosmosbay~Vectis, KLC, New'Arch, Solucom DV and Idesys in the Solucom company's consolidated financial statements, whether from the point of view of the strategic interest of these companies within the firm's business (client base and skills), or in terms of their outlook for the future.

In addition, at the end of each financial year, or where there appears to be a loss of value, impairment tests are carried out on the goodwill, in accordance with IFRS.

Risks in carrying out projects

To ensure the quality of projects carried out, the firm has a range of methods and project managers get special training to let them develop more advanced skills in their areas of activity. These project managers ensure the most scrupulous compliance with the project specification as confirmed by the client and management of the project, working directly with the operational staff on the client side.

It can of course be shown that the difficulty of carrying out the project had been underestimated and/or that certain items had not been clearly defined in the project specification. Such problems, if not identified in good time, can cause major budget overruns on certain projects, damages for which Solucom might be held responsible but for which it carries professional liability insurance, and which could harm the firm's reputation.

Monitoring goodwill

There have been no grounds for questioning the value of goodwill of KLC, New'Arch, Solucom DV and Idesys, whether from the point of view of the strategic interest of these companies within the company's business (client base and skills), or in terms of their outlook for the future.

In respect of Cosmosbay~Vectis, notwithstanding the difficulties encountered, Solucom is of the opinion that the company's value and know-how are still there. Thus Solucom is continuing its recovery effort, while being aware that it is running 3-6 months behind what had been initially expected.

There is a risk that the recovery measures will be insufficient or that the new recovery timetable will not be met. If such will be the case at the end of the current financial year, Solucom will in all likelihood be obliged to take more radical measures and to recognise impairment of Cosmosbay~Vectis goodwill in the consolidated balance sheet.

Risks in carrying out projects

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5. Main transactions with related parties

During the first half of the 2010/2011 financial years, Solucom hasn't made any material transaction with related parties. Prior transactions have been continued under the same conditions and have been mentioned in Note 19 in the appendix to the consolidated half-year financial statements.

Consolidated financial statement

Consolidated income statement

(000€)

	Note	30/09/2010	30/09/2009	31/03/2010
REVENUES	16	**52 376**	**48 272**	**103 443**
Other operating income				
Purchases consumed	17	1 269	982	1 912
Personnel costs (including profit share)	18 & 19	37 482	36 739	76 775
External costs		5 231	5 285	10 819
Taxes other than corporation tax		838	1 396	2 597
Net depreciation and provision charges		385	722	1 416
Other income and expenses on ordinary activities		(12)	(36)	(133)
OPERATING PROFIT ON ORDINARY ACTIVITIES		**7 183**	**3 183**	**10 057**
Other income and expenses from operations		-	14	(3 044)
OPERATING PROFIT		**7 183**	**3 198**	**7 013**
Financial income and expenses	20	3	4	29
Gross borrowing costs	20	84	98	193
NET BORROWING COSTS	20	**81**	**94**	**164**
Other financial income and expenses	20	(13)	20	59
PROFIT BEFORE TAX		**7 089**	**3 124**	**6 908**
Corporation tax	21	2 886	1 142	3 656
NET PROFIT FOR THE YEAR		**4 202**	**1 981**	**3 252**
Minority interests				
NET PROFIT (GROUP SHARE)		**4 202**	**1 981**	**3 252**
Basic earnings (Group share) per action (€) (1) (3)	22	0.85	0.40	0.66
Diluted earnings (Group share) per action (€) (2) (3)	22	0.85	0.40	0.65

(1) Weighted average number of shares during the year excluding treasury shares

(2) Number of shares used for calculation of diluted earnings in addition to BSPCE (French share warrants on company start-ups) and unexercised stock options.

(3) In accordance with IAS 33, earnings per share ended 30 September 2009 and 31 March 2010 were recalculated based on the number of shares as at 30 September 2010.

Consolidated balance sheet

(000€)

	Note	30/09/2010	31/03/2010
NON-CURRENT ASSETS		**31 156**	**30 952**
Goodwill	1	24 364	24 364
Intangible fixed assets	2	172	209
Tangible fixed assets	3 & 4	2 231	2 331
Long-term investments	5	664	554
Other non-current assets	7	3 722	3 493
CURRENT ASSETS		**52 002**	**47 794**
Trade receivables	8	40 403	34 770
Other receivables	8	8 543	4 333
Cash and cash equivalents	5		
	8 & 9 & 14	3 056	8 691
TOTAL ASSETS		**83 158**	**78 746**

SHAREHOLDERS' EQUITY (GROUP SHARE)		**37 271**	**34 296**
Share capital	10	497	497
Issue, merger and contribution premiums	10	11 218	11 218
Consolidated reserves and retained earnings		25 556	22 581
Minority interests			
TOTAL SHAREHOLDERS' EQUITY		**37 271**	**34 296**
NON-CURRENT LIABILITIES		**5 467**	**5 941**
Long-term provisions	11 & 12	2 068	1 576
Borrowing (due in more than 1 year)	12 &13 & 14	3 214	4 290
Other non-current liabilities	12	185	75
CURRENT LIABILITIES		**40 420**	**38 508**
Short-term provisions	11 & 15	1 008	989
Borrowings (due in less than 1 year)	13	2 342	2 386
Trade payables	15	4 110	3071
Tax ans social security liabilities	15	27 934	28 223
Other current liabilities	15	5 026	3 839
TOTAL LIABILITIES		**83 158**	**78 746**

Consolidated Cash Flow statement

(000€)

	Note	30/09/2010	31/03/2010
Total net consolidated profit		**4 202**	**3 252**
Elimination of non-cash items :			
Depreciation and provision charges		691	4 698
Expense / (income) from stock options and similar items			
Post-tax capital losses / (gains) on sales of assets		2	95
Other non-cash income and expenditure		(147)	(1 335)
Free cash flow after borrowing costs and tax		**4 748**	**6 711**
Exchange differences on free cash flow			
Change in working capital		(7 886)	2 069
Cash flow from operating activities		**(3 138)**	**8 780**
Purchase of intangible and tangible fixed assets		(278)	(560)
Sale of fixed assets		0	9
Change in long term investments		(163)	491
Change in consolidation scope			(617)
Other cash flow from investing activities			
Net cash flow from investing activities		**(441)**	**(676)**
Capital increase – proceeds from exercise of stock			
Purchase and sale of treasury shares			
Dividends paid to shareholders of the parents company		(936)	(937)
Dividends paid to minority interests of subsidiaries			
Other cash flows from finance activities		(1 131)	(2 101)
Net cash flows from financing activities		**(2 067)**	**(3 039)**
Net change in cash and cash equivalents	14	**(5 646)**	**5 065**

The amount of non used line credits lines is the following :

- Financing of the acquisition of Dreamsoft : € 900 K
- Financing of the acquisition of Cosmosbay~Vectis : € 1,000 K
- Financing development works of the 17th and 21st floors' offices of Tour Franklin : € 550K

The amount of paid taxes was: €1,994 K for the first half of 2009 and € 2,265 K during first semester 2008.

The amount of paid interests was: € 83K during the first half of 2009 and € 326K during the first semester 2008.

Changes in Shareholders’ equity

(000€)

	Share Capital	Share Premium	Conso-lidated reserves	Net profit for the year	Currency differences	Total shareholders’equity
Consolidated shareholders’ equity at 30/09/2008	**497**	**11 219**	**13 327**	**7 015**	**0**	**32 058**
Earnings appropriation						**0**
Change in parent company share capital				1 981		**1 981**
Parent company dividends			78			**78**
Consolidated net profit for the year			(83)			**(83)**
Treasury shares			**(5)**	**1 981**		**1 976**
Change in currency differences			7 015	(7 015)		**0**
Reclassification of the provision for the allocation of free shares						**0**
Actuarial differences per IAS 19			(932)			**(932)**
Consolidated shareholders’ equity at 31/03/2008			339			**339**
			(235)			**(235)**
Consolidated net profit for the year	**497**	**11 219**	**19 509**	**1 981**	**0**	**33 206**
Reclassification of the provision for the allocation of free shares						
Actuarial differences per IAS 19				1 271		**1 271**
Global Net profit			8			**8**
Change in parent company share capital			(108)			**(108)**
Parent company dividends						**1 171**
Stocks options						
Reclassification of the provision for the allocation of free shares			(5)			**(5)**
Change in currency differences			(138)			**(138)**
Consolidated shareholders’ equity at 31/03/2009			63			**63**
Consolidated net profit for the year	**497**	**11 219**	**19 329**	**3 252**	**0**	**34 296**
Reclassification of the provision for the allocation of free shares						
Actuarial differences per IAS 19				4 202		**4 202**
Global Net profit						
			(241)			**(241)**
Earnings appropriation			**(241)**	**4 202**		**3 961**
Change in parent company share capital			3 252	(3 252)		**0**
Parent company dividends						
Stocks options			(936)			**(936)**
Rights to allocation of free share on the period			(16)			**(16)**
Consolidated shareholders’ equity at 31/09/2009			(34)			**(34)**
	497	**11 218**	**21 354**	**4 202**		**37 271**

The dividend distributed during the half-year came to € 0.19 per share, being a total of € 936 thousand.
Shareholders’ equity contains no item that would be taxable. Accumulated, deferred tax credits in respect of items accounted for in shareholders’ equity since the very being, come to € 183K and are generated by the actuarial variances in IAS 19.

Gains and losses directly entered as sharehoders'equity

(000€)

	Note	30/09/2010	30/09/2009	31/03/2010
Consolidated net profit for the year		**4 202**	**1 981**	**3 252**
Reclassification of the provision for the allocation of free shares			78	86
Actuarial differences per IAS 19		(241)	(83)	(191)
Total Income and expenses entered as **shareholders' equity**		**(241)**	**(5)**	**(105)**
Net global profit (group share)		**3 961**	**1 976**	**3 147**

Notes to the consolidated financial statement

Solucom is a limited liability company under French law subject to regulations governing trading companies in France, and in particular the provisions of the French Business Law. The company's registered office is at Tour Franklin – 100/101 terrasse Boieldieu – 92042 Paris La Défense Cedex. The company is listed on NYSE Euronext Paris, compartment C, in the Next Economy segment.

Financial statements have been validated by the management Board on 15 November 2010.

1. Accounting policies and methods

All amounts given in the notes are stated in thousand euros.

Consolidation policies

As from 1 April 2005, the consolidated financial statements of Solucom have been established according to the IFRS international accounting standards as adopted in the European Union and European regulation 1606/2002 of 19 July 2002. These standards consist of IFRS, IAS and their interpretations, which were adopted by the European Union as of 30 September 2010.

The short-form interim financial statements of Solucom for the 6-month period ending 30 September 2010 have been prepared in accordance with IAS 34, "Interim Financial Reporting".

Being short-form accounts, they do not include all the information required by the IFRS for preparing annual financial statements and should accordingly be read together with group's consolidated financial statements prepared in accordance with the IFRS standard as adopted in the European Union for the period ending 31 March 2010.The accounting policies applied for these financial statements are identical to those applied by the group for its consolidated financial statements for the year ended 31 March 2010.

In particular, IFRS standards and IFRIC interpretations, as adopted by the European Union for annual periods commencing from 1st April 2010, (that can be found on the European commission website http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission) have been applied by the group and have not involved significant changes in the assessment methods and presentation of the financial statements.

The standards and interpretations adopted by the IASB or IFRIC and adopted by the European Union applicable as of 1 April 2010 and that have not been applied by Solucom are:

- Revision of IAS 27, "Consolidated and separate financial statements"

This standard became effective for financial years running from 1 July 2009. The standard was adopted by the European Union on 23 January 2009. Nevertheless, its application has no impact on the consolidated financial statements.

- Revision of IFRS 3, “Business combinations”

This revised standard became effective for financial years running from 1 July 2009. It revises the recognition methods for business combinations and changes in holdings of subsidiaries after having gained control. This text was adopted by the European Union on 3 June 2009. Nevertheless its application has no effect on the consolidated financial statements.

- Amendments to IFRIC 9, “Reassessment of Embedded Derivatives” and to IAS 39, “Financial Instruments: Recognition and Measurement”.

This standard became effective for financial years ending from 30 June 2009. The standard was adopted by the European Union on 30 November 2009. Nevertheless, its application has no impact on the consolidated financial statements.

- Amendments to IFRS 2, “Intra-group transactions with share-based payments that are settled in cash”.

This standard became effective for financial years running from 1 January 2010. The standard was adopted by the European Union on 23 March 2009. Nevertheless, its application has no impact on the consolidated financial statements.

- Amendments to IAS, “Financial instruments: Presentation”, entitled: “Classification of rights issues”

This standard became effective for financial years starting after 31 January 2010. The standard was adopted by the European Union on 23 December 2009. Nevertheless, its application has no impact on the consolidated financial statements.

- Amendments to IAS 39, “Exposure eligible for hedge accounting”

This standard was published on 31 July 2008. Its application became obligatory for financial years running from 1 July 2009. The standard was adopted by the European Union on 15 September 2009. Nevertheless, its application has no impact on the consolidated financial statements.

- IFRIC 16, “Hedges of a Net Investment in a Foreign Operation”.

This standard became effective for financial years running from 1 October 2008. The standard was adopted by the European Union on 4 June 2009. Nevertheless, its application has no impact on the consolidated financial statements.

- IFRIC 17, “Distributions of Non-Cash Assets to Owners”

This standard became effective for financial years running from 1 July 2009. The standard was adopted by the European Union on 26 November 2009. Nevertheless, its application has no impact on the consolidated financial statements.

- IFRIC 18, “Transfers of Assets from Customers”

This standard became effective for financial years running from 1 July 2009. The standard was adopted by the European Union on 27 November 2009. Nevertheless, its application has no impact on the consolidated financial statements.

Standards and interpretations adopted by IASB or IFRIC and adopted by the European Union have not been applied early. Thus, in accordance with the option offered to Solucom, the documents that have been applied ahead of time are:

- Amendments to IFRIC 14, “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”

This standard will become effective for financial years running from 1 January 2011. The standard was adopted by the European Union on 19 July 2010. Nevertheless, its application has no impact on the consolidated financial statements.

- IFRIC 19, “Extinguishing Financial Liabilities with Equity Instruments”

This standard only came into force for financial years that commenced on or after 1 July 2010, with early application being authorised. This standard was adopted by the European Union on 23 July 2010. Nevertheless its application will have no effect on the consolidated financial statements.

Standards and interpretations adopted by IASB or IFRIC but not yet adopted by the European Union have not been applied early. Thus, in accordance with the option offered to Solucom, the documents that have been applied ahead of time are:

- IFRS 9, “Financial Instruments” (phase 1: classification and measurement of financial assets)

This standard will become effective on 1 January 2013. It has not yet been adopted by the European Union. Nevertheless its application will have no effect on the consolidated financial statements.

- Amendment to IAS 24, “Related Party Disclosures”

This standard will become effective for financial years running from 1 January 2011. It has not yet been adopted by the European Union. Nevertheless its application will have no effect on the consolidated financial statements.

Consolidation principles

Solucom is the consolidating company.

The financial statements of companies under the exclusive control of Solucom are consolidated under the full consolidation method.

Solucom does not exercise any major influence or joint control over any company. Solucom does not control any *ad hoc* entity either directly or indirectly.

The financial statements of consolidated companies are adjusted where necessary in order to ensure standard accounting and valuation policies.

The financial statements of consolidated companies are all established as at 30 September 2010.

The consolidated financial statements to 30 September 2010 include all group companies for six months.

Use of estimate

The financial statements in accordance with IFRS standards require to proceed to estimates and to make hypothesis that deal with the evaluation of certain amounts that the accounts, especially for the following items:

- Depreciation for fixed assets
- Evaluation of provision and commitment for retirement
- Chosen evaluations for loss of value tests
- Valuation of the financial instruments to the right value
- Estimate of products to receive and charges to pay

Solucom adjusts its evaluations according to, amongst others, historical datas or economic context in which it evolves. As a consequence, the amounts that will appear in the next consolidated financial statements of the company could be impacted.

Segment reporting

Since Solucom only markets one type of service (IT infrastructure consulting services), and all such services are subject to the same risks and generate similar operational margins, no distinct business segments have been defined. Furthermore, virtually all revenues are generated in France.

Seasonal nature of interim accounts

The only seasonal impact is from the concentration of holidays taken in certain months of the year. These are July and August, as well as May. The impact of these months when a lot of holidays are taken affects the first half of the Solucom financial year (April – September). This phenomenon has no material impact on Solucom's business, because its effect is relatively known in advance (with a comparable effect from one year to another).

Other information

- Each consolidated company represents a cash generating unit since it is the smallest unit having independent and identifiable cash inflows.
- The depreciation periods generally used are as follows:
  - Software: 3 years
  - Installations and fittings: 6 or 9 years
  - Vehicles: 4 years
  - IT hardware: 3 years
  - Office furniture: 9 years
- The discount rate used is 2.70%.
- Solucom holds its own treasury shares as part of its shares repurchase programme as authorised by the Shareholders' General Meeting.
- In accordance with IAS 19, "Employee benefits", commitments arising from defined benefits plans, together with their costs, are assessed by independent actuaries according to projected credit units. The only commitments the Group has are for retirement payments. Solucom has no other long-term commitments or compensation for end of contracts. The discount rate for valuing rights is 3.90% (source: AA iboxx)

- Tax on items posted directly to shareholders' equity is accounted for in shareholders' equity.
- No development expenses were capitalised during the half-year.
- The definition of operating profit is in accordance with the CNC 2009-R-03 recommendation dated 2 July 2009.
- In accordance with the provisions of IAS 12, the qualification of the Contribution on Companies' Added Value (CVAE) as a tax on profits has led to its recognition since 31/03/10:
  - The total amount of the current expense in respect of the provision for CVAE;
  - Deferred taxes in respect of timing differences at that date, in consideration of a net charge to the income statement for the period. This deferred taxation charge is shown under the "Taxation" line item.

2. Scope of consolidation

Breakdown of the firm

The consolidated financial statements include the accounts of the following companies:

Company	% interest	Nationality	Number of months consolidated
Solucom	Parent company	France	6
Idesys	100%	France	6
Arcome SAS	100%	France	6
Solucom DV	100%	France	6
New'Arch	100%	France	6
KLC	100%	France	6
Cosmosbay~Vectis	100%	France	6

All the above companies were consolidated using the full consolidation method.

3. Notes on certain Balance sheet and income statement accounts

Note 1 – Capitalised goodwill

(000€)	Book value at 31/03/2010	Change in consol.	Impairment for the year	Gross at 30/09/2010
Idesys	5 111			5 111
Solucom DV	6 470			6 470
New'Arch	3 245			3 245
KLC	1 786			1 786
Cosmosbay~Vectis	7 752			7 752
Total	**24 364**			**24 364**

No indication of a loss of value has been noted for goodwill on the balance sheet.

Note 2 – Intangible fixed assets

Gross	31/03/2009	Change in consol.	Additions	Reductions	30/09/2009
Software	1 322		29	6	1 345
Total	**1 322**		**29**	**6**	**1 345**
Depreciation	**31/03/2010**	**Change in consol.**	**Additions**	**Reductions**	**30/09/2010**
Software	1113		66	6	1 173
Total	**1113**		**66**	**6**	**1 173**

Total net book value	**209**		**(37)**		**172**

No intangible fixed assets are subject to restrictions on ownership.

Note 3 – Tangible fixed assets

No tangible fixed assets are subject to restrictions on ownership with the exception of assets held under leases.

Gross	31/03/2010	Change in consol.	Additions	Reductions	30/09/2010
Other tangible fixed assets	3 997		44	48	3 993
Other leased fixed assets	2 226		67	2	2 291
Fixed assets in progress			187		187
Total	**6 223**		**298**	**50**	**6 471**

Depreciation	31/03/2010	Change in consol.	Augmentation	Diminution	30/09/2010
Other tangible fixed assets	2 299		196	47	2 448
Other leased fixed assets	1 593		199	-	1 792
Total	**3 892**		**395**	**47**	**4 240**
Total net book value	**2 331**		**(97)**	**3**	**2 231**

Note 4 – Leases

Book value by asset category:

Asset category	30/09/2010	31/03/2010
IT and office equipment	499	633
Total	**499**	**633**

Impact on the income statement

Income statement	**30/09/2010**	**31/03/2010**
Depreciation charge per income statement	199	391
Impairment charges recorded		
Financial expenses	11	29
Gains in value posted to income		
Lease instalments for the year adjusted	207	416
Total	**(3)**	**(4)**

Lease instalments :

Lease instalments	**30/09/2010**	**31/03/2010**
Initial value of assets	**2 291**	**2 226**
Instalments paid :		
- in prior years	1 735	1 205
- during the year	207	416
Total	**1 942**	**1 621**
Outstanding instalments payable		
- due in less than 1 year	301	356
- due in more than 1 year and less than 5 years	200	272
- due in more than 5 years		
Total instalments	**501**	**628**
Of which future interest charges	*16*	*25*
Residual value at the end of contract	22	22

Note 5 – Long-term investments

Evolution on the first semester 2010/2011:

(000€)	31/03/2010	Changes in consol.	Additions	Reductions	30/09/2010
Deposit and sureties	612	0	128	61	679
Hedging instruments					
Free shares					
Total	**612**	**0**	**128**	**61**	**679**

No depreciation of deposits and sureties has been carried out over the past three financial years.

Maturity:

Deposit and sureties	30/09/2010	31/03/2010
Due in less than 1 year (1)	15	58
Due in more than 1 year and less than 5 years	200	194
Due in more than 5 years	464	360
Total	**679**	**612**

(1) Reclassified under "Other receivables"

Impact on the income statement

Impact of discounting deposits	30/09/2010	31/03/2010
Initial values	775	723
Accumulated discounting brought forward	111	135
Discounting expense	15	4
Discounting income	30	28
Net book value (1)	**679**	**612**

(1) The amount due in less than 1 year has been reclassified under "other receivables"

A rise in the discount rate of security deposits of 1% would represent a €32K reduction in income for a whole year against, in the event of a decrease in the discount rate of 1%, a rise in income of €34K.

Note 6 – Operating leases

Future lease payments as at 30/09/2010:

(000€)	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Lease payments for the year	10 573	2 960	7 445	168
Total	**10 573**	**2 960**	**7 445**	**168**

Future lease payments as at 30/09/2009:

(000€)	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Lease payments for the year	8 638	2 713	5 855	70
Total	**8 638**	**2 713**	**5 855**	**70**

For real estates leases, the maturity period stated above corresponds to the earliest possibility to cancel the various leases.

Note 7 – Non-current assets

Evolution during first half 2010/2011:

Gross	31/03/2010	Change in consol.	Variation	30/09/2010
Deferred tax assets	3 493		229	3 722
Total	**3 493**		**229**	**3 722**

Note 8 – current asset

Evolution during first semester 2009/2010:

Gross	31/03/2010	Change in consol.	Variation	30/09/2010
Trade receivables	34 866		5 550	40 416
Sub-total « Trade receivables »	***34 866***		***5 550***	***40 416***
Advances and payment on account	59		46	105
Employees receivables	195		(28)	167
Tax receivables	3 020		3 146	6 166
Deposit and sureties	58		(44)	14
Trade receivables	97		49	146
Prepaid expenses	907		1 041	1 948
Sub-total « other receivables »	***4 336***		***4 210***	***8 546***
Money market Sicav (uni trust) – cash equivalent				
Cash				
Sub-total « financial assets »				
Cash equivalent	7 523		(6 226)	1 297
Other cash assets	1 168		591	1 759
Sub-total «Cash and cash equivalent »	***8 691***		***(5 635)***	***3 056***
Total	**47 893**		**4 125**	**52 018**

Impairment	31/03/2010	Change in consol.	Variation	30/09/2010
Trade receivables	96		(83)	13
Sub-total « Trade receivables »	***96***		***(83)***	***13***
Miscellaneous receivables	3			3
Sub-total « other receivables »	***3***			***3***
Total	**99**		**(83)**	**16**

Net	31/03/2010	Change in consol.	Variation	30/09/2010
Sub-total « Trade receivables »	*34 770*		*5 633*	*40 403*
Sub-total « other receivables »	*4 333*		*4 210*	*8 543*
Sub-total « Financial assets »				
Sub-total « Cash and cash equivalent »	*8 691*		*(5 635)*	*3 056*
Total net	**47 794**		**4 208**	**52 002**

The firm analyses client debt on a case-by-case basis and impairment is recognised individually, taking into account the client's circumstances and delays in payment. No impairment is recognised on an overall basis.

Note 9 – Marketable securities

Type of marketable securities	30/09/2010		
	Value at cost	Gain/loss	Consolidated book value
Money market Sicav – cash equivalent	1 295	2	1 297
Total	**1 295**	**2**	**1 297**

Type of marketable securities	31/03/2010		
	Value at cost	Gain/loss	Consolidated book value
Money market Sicav – cash equivalent	7 521	2	7 523
Total	**7 521**	**2**	**7 523**

Note 10 – Share capital

At 30 September 2010, the capital of the Solucom parent company was made up of 4,966,882 fully paid-up shares of € 0.10 each. The number of Treasury shares held at 30 September 2010 came to 45,887.

Further, with the authorisation of the combined General Meeting on 30 September 2009, Solucom's Board of Directors decided at its meetings on 16 November 2009, to allocate existing free shares or issue such for the firm's senior management. These plan involve the actual allocation of free shares at the end of an acquisition period subject to the presence and personal investment of the director in Solucom shares; the number of shares allocated will also be based on a performance criterion of achieving a predefined level of consolidated group operating profit. Further, with the authorisation of the combined General Meeting on 28 September 2007, Solucom's Board of Directors decided at its meetings on 15 September 2009, to allocate existing free shares or issue such for members of Solucom or firm staff or for certain categories among them, as part of an employee provident programme set up at Solucom.

Further, with the authorisation of the combined General Meeting of 25 September 2009, Solucom's Board of Directors decided at its meeting on 15 July 2010, to allocate existing free shares or issue such for members of Solucom or group staff or for certain categories among them, as part of an employee provident programme set up at Solucom.

The respective advantages of each of the plans awarded to beneficiaries were the subject of a special allocation with an impact on shareholders' equity in the accounts to 30 September 2010.

Note 11 – Provisions

Provisions mainly relate to one-time compensation paid on retirement and calculated by an actuary, and industrial tribunal litigation, which is valued based on the amount claimed and the status of the legal proceedings.

(000€)	31/03/10	Change in consol.	Change in deferred tax	Increases	Reductions		30/09/10
					Paid	Written-back	
Short-term provisions							
Provisions for risks	942			429	293	117	961
Provisions for penalties	47						47
Provisions for charges							
Total	**989**			**429**	**293**	**117**	**1 008**
Non-current liabilities							
Provisions for IFC	1 576			492			2 068
Provisions for risks							
Total	**1 576**			**492**			**2 068**
Total	**2 565**			**921**	**293**	**117**	**3 076**

Impact of provisions on earnings at 30/09/2010:

(000€)	Change in deferred tax	Increases	Reductions	
			Paid	Written-back
Operating profit on ordinary activity Operating profit		558	293	117
Total		**558**	**293**	**117**

Note 12 – Non-current liabilities

Evolution during first semester 2010/2011 :

Gross	31/03/2010	Change in consol.	Variation	30/09/2010
Long-term provision	1 576		492	2 068
Financial debt (Leases due in + 1year)	272		(72)	200
Financial debt (Loans due in + 1year)	4 018		(1 004)	3 014
Other liabililities				
Tax payables	75		110	185
Deferred tax liabilities				
Total	**5 941**		**(474)**	**5 467**

Note 13 – Borrowings

Evolution during first semester 2010/2011 :

(000€)	31/03/2010	Change in consol.	Variation	30/09/2010
Due in more than 1 year	**4 290**		**(1 076)**	**3 214**
Financial debt	272		(72)	200
Loans from financial institutions (due in more than 1 year)	4 018		(1 004)	3 014
Due in less than 1 year	**2 386**		**(44)**	**2 342**
Loans from financial institutions	2 009			2 009
Miscellaneaous loans and borrowings	2			2
Financial debt	356		(55)	301
Current account bank overdraft	18		11	29
Accrued interest	1		0	1
Total	**6 676**		**(1 120)**	**5 556**

By interest rate category :

	Au 30/09/2010		Au 31/03/2010	
(000€)	Fixed rate	Variable rate	Fixed rate	Variable rate
Non-current liabilities	200	3 014	272	4 018
Current liabilities	333	2 009	377	2 009
Total	**533**	**5 023**	**649**	**6 027**

With the group's borrowing level and its contracted rates, an increase of 1% in Euribor 6 months would represent a € 46K reduction in income for a full year. On the other hand, if this rate were to drop 1%, that would mean an increase in income of € 46K.

Maturity at 30/09/2010 :

(000€)	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Non-current liabilities	3 214		3 214	
Current liabilities	2 342	2 342		
Total	**5 556**	**2 342**	**3 214**	

Maturity at 31/03/2010 :

(000€)	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Non-current liabilities	4 290		4 290	
Current liabilities	2 386	2 386		
Total	**6 676**	**2 386**	**4 290**	

Securities granted to guarantee these loans are described in note 24.

The loans have not been subject to any repayment defaults during the financial year and no covenants are associated with this debt.

Note 14 – Net debt

At 30/09/10	Total	Due in less than 1 year	Due in more than 1 year and less than 5 years	Due in more than 5 years
Loans from financial institutions	**5 023**	2 009	3 014	
Financial liabilities arising from accounting adjustements to finance leases	**501**	301	200	
Loans and borrowing	**2**	2		
Loans and borrowing	**5 526**	**2 312**	**3 214**	
Current account bank overdrafts	**(29)**	(29)		
Cash equivalents stated at cost	**1 295**	1 295		
Cash	**1 759**	1 759		
Cash net of bank overdrafts (1)	**3 025**	**3 025**		
Fair value adjustement on cash equivalents	**2**	**2**		
Net consolidated cash and equivalent	**3 027**	**3 027**		
Net financial debt	**2 499**	**(715)**	**3 214**	

(1) cf Cash flow statement.

Note 15 – Current liabilities

All liabilities are denominated in €.

(000€)	31/03/2010	Change in consol.	Variation	30/09/2010
Short-term provisions	989		19	1 008
Borrowings (due in less than 1 year)	2 386		(44)	2 342
Trade payables	3 071		1 039	4 110
Advances and payments on account	379		326	705
Social security liabilities	16 902		(3 189)	13 713
Tax payables	10 655		3 265	13 920
Fixed asset payables	199		49	248
Tax payables (corporation tax)	665		(363)	302
Sundry liabilities	998		977	1 975
Deferred income	2 263		(165)	2 098
Total	**38 508**		**1 912**	**40 420**

Note 16 – Revenues

Virtually all consolidated revenues of the firm are earned in France.

Note 17 – Purchases consumed

(000€)	30/09/2010	30/09/2009
Sub-contracting costs	1 268	981
Other purchases consumed	1	1
Total	**1 269**	**982**

Note 18 – Personnel costs

(000€)	30/09/2010	30/09/2009
Wages and salaries	25 650	25 038
Social security charges	11 832	11 701
Total	**37 482**	**36 739**

Average number of FTE	30/09/2010	30/09/2009
Engineers and managers	886	899
Employees	38	39
Total	**924**	**938**

Note 19 – Directors remuneration

(000€)	30/09/2010	30/09/2009
Board of Directors remuneration	194	229
Supervosory Board remuneration	21	22
Other employee remuneration		
Post retirement benefits		
Other long-term benefits		
One-time retirement compensation		
Share-based remuneration		94
Number of stock options held by directors		

Note 20 – Financial items

(000€)	30/09/2010	30/09/2009
Net gains on sale of cash equivalents	3	4
Loan interest	(84)	(98)
Fair value adjustements on cash equivalents		
Net borrowing costs	(81)	(94)
Fair value adjustements on other long-term investments	13	20
Net Financial items	(68)	(74)

Note 21 – Corporation tax

Net corporation tax charge

(000€)	30/09/2010	30/09/2009
Current tax charge	2 998	1 862
Deferred tax	(112)	(720)
Total	**2 886**	**1 142**

All potential deferred tax has been recognised. None of the companies in the firm showed a deficit on 30 September 2010, except for Cosmosbay~Vectis, for which the deficit on opening was activated at 2,007K, of which € 1,889K at the opening.

Note 22 – Diluted earnings per share

Earnings per share	30/09/2010	30/09/2009
Net profit for the year (Group share)	4 202	1 981
Return on revenues	8.0%	4.1%
Weighted average number of share in issue (1)	4 920 995	4 920 995
Basic earnings per share, group share	0.85	0.40
Number of shares in issue at 31 march (1)	4 966 882	4 966 882
Number of potential shares - Stocks options	0	0
Total number of potential and issued shares	4 966 882	4 966 882
Diluted earnings per share, group share	0.85	0.40

(1) excluding treasury shares

In compliance with IAS 33, a retrospective restatement was carried out for the calculation of the net earnings per share on 30 September 2009, on the basis of the number of shares on 30 September 2010.

Note 23 – Financial instruments

Solucom holds the following financial instruments:

- investments in money market funds, exclusively indexed on the EONIA not involving any identified risks
- its own shares,
- a rates hedging instrument (CAP) which right value is € 0 since 2 years.

Note 24 – Off-balance sheet commitments

By category

Off-balance sheet commitments	30/09/2010	31/03/2010
Pledges, mortgages and actual sureties	25 180	25 180
- of which pledges shares in subsidiaries	*25 180*	*25 180*
Endorsements and guarantees given	0	0
- of which guarantees given as security for loans	*0*	*0*
Other commitments given	10 573	7 458
- of which operating leases	*10 573*	*7 458*
Endorsements and guarantees received	11 849	12 333
- of which endorsements and bank guarantees received for liabilities	*1 249*	*1 249*

Maturity :

The pledge of shares in subsidiaries relates to Solucom DV, New'Arch and Cosmosbay~Vectis shares.

For the periods of commitments given for operating leases refer to Note 6 – Operating leases.

Bank securities and guarantees received (€10,849k) were in guarantee of:

- guarantee of liability clauses (€1,249k) included in the share purchase deeds for KLC, Dreamsoft (become Solucom DV) and Cosmosbay~Vectis,
- hedging instruments for €2,000k concerning the hedging of a loan at a rate capped at 5%,
- opening of loans of EUR 8,300 thousand for the acquisition of Solucom DV and Cosmosbay~Vectis, and of EUR 300 thousand for financing the refurbishment of premises.

Note 25 – Related parties

Solucom did not conduct any material transaction with companies that could be considered "*related parties*" as defined by IAS 24.9.

Note 26 – Post balance sheet events

None.

Note 27 – List of consolidated companies

Company	Registered office	SIRET no	Legal form	Country
Solucom	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	377550249 00041	SA	France
Idesys	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	381150879 00058	SAS	France
Arcome SAS	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	349429514 00038	SAS	France
Solucom DV	86, boulevard Voltaire 93100 Montreuil sous bois	423049162 00062	SAS	France
New'Arch	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	48015758500021	SAS	France
KLC	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	37866964200035	SA	France
Cosmosbay~Vectis	Le parc de Villeurbanne 107 bd Stalingrad 69 628 Villeurbanne Cedex	34906243000062	SA	France

Auditors' report

Dear Shareholders,

In carrying out the task given us by your General Meeting and in accordance with Article L.451-1-2 III of the Monetary and Financial Code, we have carried out:

- A limited review of the consolidated, short-form, half-year financial statements of Solucom for the period 1st April 2010 to 30 September 2010, as attached hereto;

- A verification of the information provided in the half-year report.

These consolidated, short-form, half-year financial statements have been drawn up at the responsibility of the Board of Directors. Based upon our limited examination, we must state our conclusions concerning these financial statements.

1. Closing of financial statements

We have carried out our limited review in accordance with French GAAP. A limited review of interim accounts consists in obtaining the necessary information, mainly from accounting and financial management, and carrying out analyses as well as any other applicable procedure. A review of this type does not include all the checks of an audit carried out according to French GAAP. It does not facilitate ensuring having identified all the material points that would have been identified in an audit, and accordingly we cannot express an audit opinion.

Based upon our limited review, we have not identified any major anomalies that would question compliance, in all material senses, of the consolidated, half-year, short-form financial statements with IAS 34, one of the IFRS standards adopted by the European Union in respect of interim financial reporting.

2. Specific check

We have checked the information provided in respect of the half-year report, with explanations of the consolidated, half-year, short-form financial statements on which our limited review took place.

We have no observations to make in respect of their truthfulness and their agreement with the consolidated, half-year, short-form accounts.

Paris and Neuilly-sur-Seine Perret, 23 November 2010

The auditors

SLG EXPERTISE	Constantin Associés
Arnaud BERNARD	Laurent LEVESQUE