



Le Plessis, August 31, 2009

H1 Results 2009

International growth up 11.8%

**Strengthened financial position: Net cash of €45.4 million
Refinancing medium-term loan done**

Objective: Operating margin back to breakeven on H2 2009

The CS Board Meeting, held on August 28, 2009 and chaired by Mr. Yazid Sabeg, approved the Company financial statements for first half 2009.

First half results 2009

| € million | H1 2008 | H2 2008 | 2008 | H1 2009 |
|---|----------------|----------------|----------------|------------------------|
| Revenues | 114.7 | 107.0 | 221.7 | 108.4 |
| Operating margin % of revenues | (1.2) -1.1% | (3.3) -3.1% | (4.5) -2.0% | (2.5) -2.3% |
| Operating income % of revenues | (1.3) -1.1% | (4.6) -4.3% | (5.9) -2.7% | (3.9) -3.6% |
| Before-tax income from ongoing operations % of revenues | (3.0) -2.6% | (4.8) -4.5% | (7.8) -3.5% | (5.1) -4.7% |
| Net income, CS Group share | (2.2) | (5.4) | (7.6) | (5.6) |

The Group posted first-half 2009 revenues of €108.4 million, up 1.3% compared to second-half 2008 level and down 5.5% compared to year-ago level at constant perimeter.

Over the same period, the Group achieved a 11.8% growth of its international activities thanks to its subsidiaries in Canada, the United States, Germany, Romania and Croatia.

In France, revenues totaled €79.1 million, essentially unchanged from second-half 2008 level.

The Group registered €75.6 million of new orders during first-half 2009, with a 15-month backlog.

In first-half 2009, the Group's operating margin totaled €-2.5 million, or -2,3% of revenues, further to temporary slowdown of Defense, Space & Security activities.

In accordance with its objectives, the Group reduced its G&A expenses. At June 30, 2009, they represent 10.9% of revenues (12.7% on H1 2008).

Sales and marketing costs (9.0% of revenues) are progressively heading towards the goal of 7.5% to 8%.

On June 30, 2009, the Group's financial position is strengthened by improved WCR at €-14.4 million, -13% of revenues and a net cash of €45.4 million, vs €36.8 million a year ago and €46.8 million at December 31, 2008, excluding borrowings over and under one year (€12.9 million).

The gearing ratio amounted to -42% against -36% on December 31, 2008 and -22% on June 30, 2008.

On June 30, 2009, consolidated shareholders equity amounted to €77.6 million.



Performances by operating segments:

Defense, Space & Security: a temporary slowdown

| € million | H1 2008 | H2 2008 | 2008 | H1 2009 |
|-----------------------------------|-------------|-------------|-------------|-----------------------|
| Revenues | 60.3 | 53.7 | 114.0 | 52.8 |
| Operating margin % of revenues | 5.9 9.8% | 0.9 1.7% | 6.8 6.0% | -0.6 -1.1% |

Given the longer than expected of large-scale defense programs deployment and the launch of many projects signed in late 2008 under specification phases, this activity recorded a temporary slowdown of its revenues and operating margin. Thanks to a backlog of more than 23 months, a return to profitability and growth is expected as soon as H2 2009.

Aeronautics, Energy & Industry: a profitable growth

| € million | H1 2008 | H2 2008 | 2008 | H1 2009 |
|-----------------------------------|-------------|-------------|-------------|---------------------|
| Revenues | 34.0 | 33.3 | 67.3 | 36.2 |
| Operating margin % of revenues | 1.0 3.1% | 1.1 3.3% | 2.1 3.1% | 1.1 3.0% |

This activity recorded sustained growth and maintained operating profitability in an increasing competitive environment. The positioning on high added value offers such as embedded systems, simulation, digital mockup and PLM, both in aeronautics and energy sectors, allowed to consolidate the Group's market share with its major customers and to open new accounts.

Transportation: confirmed recovery

| € million | H1 2008 | H2 2008 | 2008 | H1 2009 |
|-----------------------------------|----------------|----------------|----------------|------------------------|
| Revenues | 19.4 | 18.9 | 38.3 | 18.3 |
| Operating margin % of revenues | -4.7 -24.2% | -4.5 -24.5% | -9.2 -24.0% | -2.3 -12.8% |

Since second-half 2009, the Group has been deploying a recovery plan to turn around the profitability of this activity. Business focus as well as rationalization of the range of solutions and products have already helped reducing operating losses. Further improvement is expected in the second semester. Furthermore, the successful deployment of free-flow systems confirmed CS technological leadership in this area.

Outlook:

During first-half 2009, the group has completed its plan to reduce G&A expenses and strengthened its financial position. Thanks to the rebound in Defense, Space & Security activities in second-half, continuing implementation of the Transportation business recovery plan and maintained profitability in Aeronautics, Energy & Industry, the Group aims to be back to breakeven in terms of operating margin on H2 2009.

Next release: Q3 revenues, November 12, 2009, after stock market closing.

CS is a major player in the design, integration and operation of mission critical systems. CS is listed on the Euronext Paris stock market - Compartment C - and is part of the CAC Small 90, CAC Mid&Small 190 and SBF 250 indices (Shares: Euroclear 7896 / ISIN FR 0007317813).

For more information on CS go to: www.c-s.fr

Press Relations

CS Communication & Systèmes
Barbara Goarant
Tel.: +33 (0)1 41 28 46 94

Investor relations

CS Communication & Systèmes
Hugues Rougier
Tel.: +33 (0)1 41 28 44 44