Press release

Le Plessis, June 10, 2013

Results for 2012 fiscal year

Operating margin improvement

Positive net income including the impact of ITS Activity disposal
Group refinancing agreement in the perspective of a € 15 million capital increase

The CS Board meeting, held on June 7, 2013 and chaired by Mr. Yazid Sabeg, approved the company consolidated financial statements for the 2012 fiscal year.

Results for 2012 fiscal year [1& 2]

€ million	**2011**	H1 2012	H2 2012	**2012**
Order intake	169.9	62.0	103.3	**165.3**
Revenue	169.2	85.9	86.9	**172.8**
Operating margin *% of revenue*	1.3 0.8%	3.5 4.0%	3.7 4.3%	**7.2** **4.2%**
Operating income	-7.8	2.3	-0.4	**1.9**
Pre-tax income from continuing operations	-11.9	0,8	-6.4	**-5.6**
Net income from discontinued operations	**-2.1**	1.3	9.2	**10.5**
Total Net Income	-16.4	0.8	1.8	**2.6**

[1] *Audited accounts pending issuance of the final report.*

[2] *In accordance with IFRS 5, the results for 2011 and 2012 have been restated to reflect divesting of ITS Activity to Sanef Group (October, 3 2012 Press Release)*

Over fiscal year 2012, the group recorded a turnover of € 172.8 million, up 2.1% compared to year-ago level at constant perimeter.

At end-December 2012, the order intake reached € 165.3 million. The backlog at end-December 2012 remained at a high level at 15.8 months of revenue (16.4 months of revenue at end-December 2011 at constant perimeter)

The continuation of Transformation plan implemented since early 2011 has allowed the group to achieve a further improvement of its operating margin, which stood on the full year at 4.2% of revenues (compared to 0.8% in 2011).

"Other operating expenses and income" totaled a negative € 5.2 million, compared to a negative € 9.1million in 2011. Operating income was positive at € 1.9 million in 2011 against a negative € 7.8 million in 2011.

During this year, the Group carried out a strategic refocusing through the disposal of its Intelligent Transportation Systems (ITS) Activity. Following this operation, the Group repaid a bridge loan (€ 5.4 million) and continued repayment of the remainder of the tax and social debt granted in 2011 for an amount of € 5.2 million.

At end-December 2012, and given these repayments, net cash amounted to € 3.7 million (€ 9.3 million at end-June 2012) and the financial debt decreased from € 25.5 million at end-June 2012 to € 19.8 million. The total debt (after taking into account and deconsolidating factoring) totaled € 29.0 million (€ 25.7 million at end-June 2012).

The disposal of ITS Activity also contributed to the strengthening of the Group's equity which amounted as of December 31, 2012 to € 17.5 million against € 13.8 million as of June 30, 2012.

Results by operating segments

Defense, Space & Security

€ million	2010	H1 2011	H2 2011	2011
Order intake	**92.0**	26.9	51.4	**78.3**
Revenue	**90.0**	44.8	47.2	**92.0**
Operating margin	**-1.1**	1.8	2.0	**3.8**
% of revenue	***-1.2%***	*-4.1%*	*4.2%*	***4.1%***

During fiscal year 2012, in a context of budget restriction in public administration, this activity was able to maintain a good level of growth (+2.3% versus 2011). CS consolidated its position in Defense sector winning, in partnership with Sopra, two contracts within the framework of the streamlining Joint Armed Forces Program (SIA program). Otherwise in the field of space ground segment, CS gathered momentum at the European Space Agency (ESA) in Germany and Italy.

At end-December 2012, the order book for this Activity amounted to 22.4 months of sales.

Thanks to the closer monitoring of projects, this Activity registered an improvement of its operating margin, at 4.1% of revenue (compared to -1.2% in 2011).

Aeronautics, Energy & Industry

€ million	2010	H1 2011	H2 2011	2011
Order intake	**66.7**	32.6	42.7	**75.3**
Revenue	**66.4**	33.7	30.8	**64.5**
Operating margin	**1.5**	1.2	0.3	**1.4**
% of revenue	***2.3%***	*3.3%*	*1.0%*	***2.2%***

In aeronautics, CS has established a transnational organization of its embedded software development centers in France, Canada, Romania and India to support its customers and especially Airbus. In addition, CS has strengthened its presence at Eurocopter and MBDA.

In the Energy and Industry sectors, beyond the consolidation of its positions with its historical customers, CS has developed its activities with new accounts in the private sector by capitalizing on its High Performance Computing and Big Data offers, as demonstrated with Total group.

The operating margin was impacted in H2 2012 by slight decrease of the revenue; it has been maintained on full year at 2.2%

Products (Diginext)

€ million	2010	H1 2011	H2 2011	2011
Order intake	**14.5**	2.9	8.3	**11.2**
Revenue	**14.9**	7.8	8.5	**16.2**
Operating margin	**1.6**	0.5	1.1	**1.6**
% of revenue	***10.5%***	*6.4%*	*12.9%*	***10.0%***

Over the year, Diginext recorded a sustained growth in revenue (+6.5% compared to 2011) and confirms its technological leadership in the field of tactical data links for training and operations.

While continuing its R&D efforts, Diginext maintained a high level of operating profitability.

Perspectives

The CS Board Meeting has decided to submit to the Shareholders General Annual Meeting which will be held on July 15, 2013 for FY 2012 Financial results approval, a resolution enabling a € 15 million capital increase maintaining the preferential subscription rights of shareholders.

This operation, which will be subject to a prospectus approved by the "Autorités des Marchés Financiers", is not guaranteed at this stage. Nevertheless, M.Yazid Sabeg indicated to CS Board Meeting that he was considering the possibility to subscribe wholly or partly to this capital increase.

CS concluded on June 6, 2013 an agreement with its banking and financial partners that provides, subject to the completion of the equity strengthening before August 15, 2013:

- The early repayment of the € 10.4 million medium-term loan for an amount of € 7 million (the balance of medium-term loan, i.e € 3.4 million, being subject to a debt waiver by the Banks);
- the opening of new lines of bonds and currency hedging, for € 5 million and € 3 million respectively, usable until December 31, 2015 ;
- the granting by Oseo of a new € 3 million loan and the financing of 2013 CICE (Competitiveness & Employment Tax Credit)
- the confirmation of factoring lines by OSEO and Eurofactor, until June 30, 2014 and December 31, 2014 respectively, OSEO's line being increased from € 17.5 million to € 20 million ;
- the creation of a new tax and social debt of € 5 million, considering the early repayment by the Group of the existing € 1.8 million debt.

Thus, the group will have the necessary financial resources to continue as a going concern and to develop its strategy.

The resumption of the trading of CS equity will be effective on June 11, 2013 at 9.00. The Group reminds that in a press release published on April 23, 2013, "*Cira Holding, creditor company of Sava & Cie*" announced "*having required the allocation of 1,017,721 CS shares pledged in its favour*", representing 16.13% of CS capital.

The detailed presentation of FY 2012 Financial Results will be posted to the company website: www.c-s.fr.

CS is a major actor in the design, integration and operation of mission-critical systems. CS is listed on the Euronext Paris stock exchange – Compartment C (Shares: Euroclear 7896 / ISIN FR 0007317813). For more information, please go to: **www.c-s.fr.**

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