

FINANCIAL STATEMENTS 2007



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 **ANNUAL ACCOUNTS**

- Profit & Loss account
- Balance sheet

 **CASH FLOW STATEMENT**

 **PROFIT & LOSS ACCOUNT PRO-FORMA 1**

 **PROFIT & LOSS ACCOUNT PRO-FORMA 2**

ANNUAL ACCOUNTS

- Profit & loss account
- Balance sheet

Fiscal year 2007



- ✚ 2006 comparative financial data corresponds to company accounts, excluding MSI financial data

Euros

31/12/2007

PROFIT & LOSS ACCOUNT

*Comparative 2006 company accounts

Sections	2007	%	2006*	%	Var 2006/2007	Var %
TURNOVER						
Goods revenues France	4 996 224	40,3%	4 301 552	51,4%	694 672	16,1%
Goods revenues International	288 965	2,3%	249 217	3,0%	39 748	15,9%
Software & services revenues France	6 860 652	55,4%	3 567 040	42,7%	3 293 612	92,3%
Software & services revenues International	248 938	2,0%	243 602	2,9%	5 336	2,2%
NET TURNOVER TOTAL I	12 394 779	100,0%	8 361 411	100,0%	4 033 368	48,2%
OTHER OPERATIONAL REVENUES						
Activated production	1 411 841	11,4%	1 034 060	12,4%	377 781	36,5%
Subsidies			69 672	0,8%	-69 672	-100,0%
Reversal of provisions, amortizations, transfers	104 242	0,8%	48 944	0,6%	55 298	113,0%
Other revenues	26	0,0%	225	0,0%	-199	-88,4%
TOTAL II	1 516 109	12,2%	1 152 901	13,8%	363 208	31,5%
OPERATIONAL EXPENSES						
Cost of goods	1 867 385	15,1%	1 930 401	23,1%	-63 016	-3,3%
Goods stock changes	-141 881	-1,1%	-134 657	-1,6%	-7 224	5,4%
Other costs of materials	4 793	0,0%	1 058	0,0%	3 735	353,0%
Other costs and external expenses	2 922 302	23,6%	2 217 515	26,5%	704 787	31,8%
Tax	351 476	2,8%	204 759	2,4%	146 717	71,7%
Salaries	4 769 371	38,5%	3 100 576	37,1%	1 668 795	53,8%
Employer's contributions	2 211 337	17,8%	1 258 540	15,1%	952 797	75,7%
EBITDA	1 926 105	15,5%	936 120	11,2%	989 985	105,8%
Depreciations & amortizations	1 305 946	10,5%	718 140	8,6%	587 806	81,9%
Provisions on current assets	26 922	0,2%	7 921	0,1%	19 001	239,9%
Provisions for possible losses	7 408	0,1%	16 928	0,2%	-9 520	-56,2%
Other expenses	41 181	0,3%	242	0,0%	40 939	16916,9%
TOTAL III	13 366 240	107,8%	9 321 423	111,5%	4 044 817	43,4%
EBIT (I + II - III)	544 648	4,4%	192 889	2,3%	351 759	182,4%

Euros

31/12/2007

PROFIT & LOSS ACCOUNT

*Comparative 2006 company accounts

Sections	2007	%	2006*	%	Var 2006/2007	Var %
FINANCIAL REVENUES						
Financial income on equity investments			84 650	1,0%		
Other financial income	54 317	0,4%			54 317	NS
Reversal of provisions, transfers	13	0,0%	401	0,0%	-388	-96,8%
Exchange rate gains	57 664	0,5%	17 028	0,2%	40 636	238,6%
Investments income	27 969	0,2%	32 942	0,4%	-4 973	-15,1%
TOTAL IV	139 963	1,1%	135 021	1,6%	89 592	66,4%
FINANCIAL EXPENSES						
Financial provisions			1 214	0,0%	-1 214	-100,0%
Financial interests	47 219	0,4%	35 367	0,4%	11 852	33,5%
Exchange rate losses	3 098	0,0%	2 285	0,0%	813	35,6%
Investments losses	44 494	0,4%			44 494	NS
TOTAL V	94 811	0,8%	38 866	0,5%	55 945	143,9%
FINANCIAL INCOME (IV - V)	45 152	0,4%	96 155	1,1%	33 647	35,0%
EARNING ON ORDINARY ACTIV. BEFORE TAX	589 800	4,8%	289 044	3,5%	385 406	133,3%
EXCEPTIONAL REVENUES						
Exceptional revenues	95 116	0,8%	13 778	0,2%	81 338	590,3%
Other exceptional revenues on equity operations			1 790 193	21,4%	-1 790 193	
Reversal of provisions, transfers	1 276 864	10,3%	466 748	5,6%	810 116	173,6%
TOTAL VI	1 371 980	11,1%	2 270 719	27,2%	-898 739	-39,6%
EXCEPTIONAL EXPENSES						
Exceptional expenses	441 304	3,6%	137 465	1,6%	303 839	221,0%
Exceptional-derogatory depreciations & provisions	1 509 764	12,2%	975 621	11,7%	534 143	54,7%
TOTAL VII	1 951 068	15,7%	1 113 086	13,3%	837 982	75,3%
EXCEPTIONAL EARNINGS (VI - VII)	-579 088	-4,7%	1 157 633	13,8%	-1 736 721	-150,0%
Tax	-252 000	-2,0%	-390 065	-4,7%	138 065	-35,4%
TOTAL VIII	-252 000	-2,0%	-390 065	-4,7%	138 065	-35,4%
TOTAL REVENUES (I + II + IV + VI)	15 422 831	124,4%	11 920 052	142,6%	3 587 429	30,1%
TOTAL EXPENSES (III + V + VII + VIII)	15 160 119	122,3%	10 083 310	120,6%	5 076 809	50,3%
NET INCOME	262 712	2,1%	1 836 742	22,0%	-1 489 380	-81,1%
Number of shares	4 605 019		3 902 534			
Earning per share	0,06		0,47			

Euros

31/12/2007

BALANCE SHEET -ASSETS-

*Comparative 2006 company accounts

Sections	Gross	Amortizations & depreciations	Net 31/12/07	Net 31/12/06*
Intangible assets				
Research & development	5 362 951	2 395 128	2 967 823	1 753 623
Concessions	392 509	263 302	129 207	176 270
Business base	3 446 248		3 446 248	
Other intangible assets	1 765 575	203 766	1 561 809	1 056 233
Fixed assets				
Installations & equipments	400 113	234 404	165 709	129 845
Other fixed assets	697 361	431 888	265 473	152 715
Assets in progress	73 357		73 357	
Financial assets				
Equity investments & receivables				4 067 385
Loan	1 200	1 200		40
Other financial assets	118 230		118 230	27 754
LONG TERM ASSETS	12 257 544	3 529 688	8 727 856	7 363 865
Stocks				
Inventory- stocks	554 503	74 907	479 596	336 060
Receivables				
Customer receivables	2 116 040	319 046	1 796 994	1 407 092
Debtors suppliers	46 252		46 252	17 184
Staff	3 605		3 605	2 610
Tax	1 473 707		1 473 707	1 221 707
Vat	106 150		106 150	139 580
Other receivables	43 917		43 917	1 070
Diverse				
Investments				808 536
Cash	6 642 751		6 642 751	2 154 464
Prepaid expenses	629 438		629 438	299 269
CURRENT ASSETS	11 616 363	393 953	11 222 410	6 387 572
Exchange adjustments -assets-				14
ADJUSTING ACCOUNTS				14
TOTAL ASSETS	23 873 907	3 923 641	19 950 266	13 751 451

Euros

31/12/2007

BALANCE SHEET -EQUITY & LIABILITIES-

*Comparative 2006 company accounts

Sections	Net 31/12/07	Net 31/12/06*
EQUITY		
Equity capital	4 605 019	3 902 534
Capital & profit reserves	8 033 152	5 943 066
Restricted reserves	111 518	111 518
Retained earnings	-5 325 156	-6 313 853
Annual result	262 713	1 836 742
Regulated reserves	3 270 337	1 832 642
TOTAL EQUITY	10 957 583	7 312 649
Conditional advances	204 335	80 968
OTHER SHAREHOLDERS EQUITY	204 335	80 968
Contingent reserves	172 139	59 383
Losses reserves	83 799	28 090
RESERVES FOR POSSIBLE LOSSES	255 938	87 473
Loan	200 000	4 436
Other loan	721	840
Long term liabilities	200 721	5 276
Short term loan	60 000	
Accounts payable	1 407 620	1 354 851
Staff	529 799	418 908
Staff contributions	716 728	447 086
Vat	638 636	260 051
Other tax liabilities	299 481	159 182
Short term liabilities	2 184 644	1 285 226
Debts on assets	363 639	16 342
Other debts	97 472	112 268
Deferred revenues	4 218 314	3 496 364
TOTAL LIABILITIES	8 532 410	6 270 327
Exchange adjustments -liabilities-		31
TOTAL EQUITY & LIABILITIES	19 950 266	13 751 448

PROFIT & LOSS ACCOUNT PRO-FORMA 1

Fiscal year 2007



- ✚ 2006 comparative data corresponds to cumulated companies data ARKOON + MSI, on a like-for-like basis with French company accounting methods

Euros

31/12/2007

PROFIT & LOSS ACCOUNT PRO-FORMA 1

*Comparative 2006-2007 cumulated companies accounts (Arkoon + Msi)

Sections	2007	2006*	Var 2006/2007	Var %
TURNOVER				
Goods revenues France	4 996 224	4 298 307	697 917	16,2%
Goods revenues International	288 965	249 217	39 748	15,9%
Software & services revenues France	6 860 652	6 148 420	712 232	11,6%
Software & services revenues International	248 938	278 992	-30 054	-10,8%
NET TURNOVER TOTAL I	12 394 779	10 974 936	1 419 843	12,9%
OTHER OPERATIONAL REVENUES				
Activated production	1 411 841	1 468 476	-56 635	-3,9%
Subsidies		69 672	-69 672	-100,0%
Reversal of provisions, amortizations, transfers	104 242	89 185	15 057	16,9%
Other revenues	26	242	-216	-89,3%
TOTAL II	1 516 109	1 627 575	-111 466	-6,8%
OPERATIONAL EXPENSES				
Cost of goods	1 867 385	1 930 400	-63 015	-3,3%
Goods stock changes	-141 881	-134 657	-7 224	5,4%
Other costs of materials	4 793	1 057	3 736	353,5%
Other costs and external expenses	2 922 302	2 657 774	264 528	10,0%
Tax	351 476	285 446	66 030	23,1%
Salaries	4 769 371	4 627 446	141 925	3,1%
Employer's contributions	2 211 337	1 962 431	248 906	12,7%
EBITDA	1 926 105	1 272 614	653 491	51,4%
Depreciations & amortizations	1 305 946	1 105 077	200 869	18,2%
Provisions on current assets	26 922	7 920	19 002	239,9%
Provisions for possible losses	7 408	16 928	-9 520	-56,2%
Other expenses	41 181	6 873	34 308	499,2%
TOTAL III	13 366 240	12 466 695	899 545	7,2%
EBIT (I + II - III)	544 648	135 816	408 832	301,0%

PROFIT & LOSS ACCOUNT PRO-FORMA 1

*Comparative 2006-2007 cumulated companies accounts (Arkoon + Msi)

Sections	2007	2006*	Var 2006/2007	Var %
FINANCIAL REVENUES				
Financial income on equity investments	54 317	1 960	52 357	2671,3%
Other financial income	13	2 686	-2 673	-99,5%
Reversal of provisions, transfers				
Exchange rate gains				
Exchange rate gains	57 664	17 370	40 294	232,0%
Investments income	27 969	57 419	-29 450	-51,3%
TOTAL IV	139 963	79 435	60 528	76,2%
FINANCIAL EXPENSES				
Financial provisions		1 213	-1 213	-100,0%
Financial interests	47 219	41 871	5 348	12,8%
Exchange rate losses	3 098	2 680	418	15,6%
Investments losses	44 494		44 494	NS
TOTAL V	94 811	45 764	49 047	107,2%
FINANCIAL INCOME (IV - V)	45 152	33 671	11 481	34,1%
EARNING ON ORDINARY ACTIV. BEFORE TAX	589 800	169 487	420 313	248,0%
EXCEPTIONAL REVENUES				
Exceptional revenues	95 116	36 780	58 336	158,6%
Reversal of provisions, transfers	1 276 864	943 652	333 212	35,3%
TOTAL VI	1 371 980	980 432	391 548	39,9%
EXCEPTIONAL EXPENSES				
Exceptional expenses	441 304	154 123	287 181	186,3%
Exceptional-derogatory depreciations & provisions	1 509 764	1 857 736	-347 972	-18,7%
TOTAL VII	1 951 068	2 011 859	-60 791	-3,0%
EXCEPTIONAL EARNINGS (VI - VII)	-579 088	-1 031 427	452 339	-43,9%
Tax	-252 000	-386 314	134 314	-34,8%
TOTAL VIII	-252 000	-386 314	134 314	-34,8%
TOTAL REVENUES (I + II + IV + VI)	15 422 831	13 662 378	1 760 453	12,9%
TOTAL EXPENSES (III + V + VII + VIII)	15 160 119	14 138 004	1 022 115	7,2%
NET INCOME	262 712	-475 626	738 338	-155,2%
Number of shares	4 605 019	3 902 534		
Earning per share	0,06	-0,12		

PROFIT & LOSS ACCOUNT PRO-FORMA 2

Fiscal year 2007



- ✚ 2006 comparative data corresponds to consolidated data ARKOON + MSI
- ✚ In this P&L account pro-forma 2, for a better like-for-like basis, 2007 financial data has been adjusted in accordance with French consolidation accounting methods.

Euros

31/12/2007

PROFIT & LOSS ACCOUNT PRO-FORMA 2

*Comparative 2006-2007 consolidated accounts

Sections	2007*	2006*	Var 2006/2007	Var %
TURNOVER				
Goods revenues France	4 996 224	4 298 307	697 917	16,2%
Goods revenues International	288 965	249 217	39 748	15,9%
Software & services revenues France	6 860 652	6 148 420	712 232	11,6%
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NET TURNOVER TOTAL I	12 394 779	10 974 936	1 419 843	12,9%
OTHER OPERATIONAL REVENUES				
Activated production	1 411 841	1 468 476	-56 635	-3,9%
Subsidies		69 672	-69 672	-100,0%
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Other revenues	26	242	-216	-89,3%
TOTAL II	1 516 109	1 627 575	-111 466	-6,8%
OPERATIONAL EXPENSES				
Cost of goods	1 867 385	1 930 400	-63 015	-3,3%
Goods stock changes	-141 881	-134 657	-7 224	5,4%
Other costs of materials	4 793	1 057	3 736	353,5%
Other costs and external expenses	2 922 302	2 657 774	264 528	10,0%
Tax	351 476	285 446	66 030	23,1%
Salaries	4 769 371	4 627 446	141 925	3,1%
Employer's contributions	2 211 337	1 962 431	248 906	12,7%
EBITDA	1 926 105	1 272 614	653 491	51,4%
Depreciations & amortizations	1 305 946	1 105 077	200 869	18,2%
Provisions on current assets	26 922	7 920	19 002	239,9%
Provisions for possible losses	7 408	16 928	-9 520	-56,2%
Other expenses	41 181	6 873	34 308	499,2%
TOTAL III	13 366 240	12 466 695	899 545	7,2%
EBIT (I + II - III)	544 648	135 816	408 832	301,0%

Euros

31/12/2007

PROFIT & LOSS ACCOUNT PRO-FORMA 2

*Comparative 2006-2007 consolidated accounts

Sections	2007*	2006*	Var 2006/2007	Var %
FINANCIAL REVENUES				
Financial income on equity investments				
Other financial income	54 317	1 960	52 357	2671,3%
Reversal of provisions, transfers	13	2 686	-2 673	-99,5%
Exchange rate gains	57 664	17 370	40 294	232,0%
Investments income	27 969	57 419	-29 450	-51,3%
TOTAL IV	139 963	79 435	60 528	76,2%
FINANCIAL EXPENSES				
Financial provisions		1 213	-1 213	-100,0%
Financial interests	47 219	41 871	5 348	12,8%
Exchange rate losses	3 098	2 680	418	15,6%
Investments losses	44 494		44 494	NS
TOTAL V	94 811	45 764	49 047	107,2%
FINANCIAL INCOME (IV - V)	45 152	33 671	11 481	34,1%
EARNING ON ORDINARY ACTIV. BEFORE TAX	589 800	169 487	420 313	248,0%
EXCEPTIONAL REVENUES				
Exceptional revenues	95 116	36 780	58 336	158,6%
Reversal of provisions, transfers	413 749	165 986	247 763	149,3%
TOTAL VI	508 865	202 766	306 099	151,0%
EXCEPTIONAL EXPENSES				
Exceptional expenses	441 304	154 123	287 181	186,3%
Exceptional-derogatory depreciations & provisions	57 000	59 370	-2 370	-4,0%
TOTAL VII	498 304	213 493	284 811	133,4%
EXCEPTIONAL EARNINGS (VI - VII)	10 561	-10 727	21 288	-198,5%
Tax	-252 000	-386 314	134 314	-34,8%
TOTAL VIII	-252 000	-386 314	134 314	-34,8%
TOTAL REVENUES (I + II + IV + VI)	14 559 716	12 884 712	1 675 004	13,0%
TOTAL EXPENSES (III + V + VII + VIII)	13 707 355	12 339 638	1 367 717	11,1%
Net income before goodwill amortization	852 361	545 074	307 287	56,4%
Goodwill amortization		254 691	-254 691	NS
NET INCOME	852 361	290 383	561 978	193,5%
Number of shares	4 605 019	3 902 534	702 485	
Earning per share	0,19	0,14		

* 2007 goodwill amortization related to MSI should be 254 691 €

CASH FLOW STATEMENT

Fiscal year 2007



Euros

31/12/2007

CASH FLOW STATEMENT

*Comparative 2006 consolidated accounts

	2007	2006*
Net Income	262 713	-475 625
Amortizations, depreciations, provisions	1 546 240	2 015 935
Cash flow I	1 808 953	1 540 310
Change in working capital :		
Inventory-stocks	-143 536	-126 736
Accounts receivables	-183 561	141 233
Accounts payables	-154 705	405 965
Other change	21 523	190 077
Cash flow II	1 348 674	2 150 849
Invests :		
Assets	-2 287 134	-2 295 552
Debt on assets	325 962	8 204
Perimeter variance		-167 520
Financial invest	-76 078	14 025
Cash flow III	-2 037 250	-2 440 843
Financing :		
Capital	2 792 571	535 446
Loan	255 564	-17 155
Conditional advances change	123 367	-119 033
Other		-20 348
Cash flow IV	3 171 502	378 910
Net cash flow	2 482 926	88 916
Cash beginning of period	4 159 104	4 070 188
Cash end of period	6 642 030	4 159 104