

Sylis Group - results for 1st half year 2002:

EBITA (excluding restructuring): **6.2 M €**
or: 7.2%



In M €	1H 2002	1H 2001
Turnover	86.3	89.6
EBITA (excluding restructuring)	6.2	9.3
<i>Margin</i>	<i>7.2%</i>	<i>10.3%</i>
EBITA (including restructuring)	5.2	-
<i>Margin</i>	<i>6%</i>	-

A period of economic downturn

With the overall decline in corporate investments, the IT services market in Europe is now characterised by an overabundant offering resulting in erratic volumes of business and an on-going slump in the Consulting sector.

The sudden downturn in the market has therefore impacted Sylis Group's activity with its EBITA margin standing at **7.2%** during the first half of 2002 (excluding restructuring) with **6.2 M €**

This decline must be seen in perspective, since the first half of 2001 saw an exceptionally sustained level of activity, generating higher margins than usually achieved during this period.

- The proportion of the Group's activities devoted to **Consulting** (under the **CR Europe** brand) fell by 26% compared with 2001, *at a time when a redefinition of CR Europe's business direction was underway and its managerial team was being renewed.*
- In France, **engineering** activities overall have declined by 5% with a significant cutback in major banking and insurance accounts due to investment in IT being reduced or postponed. *On the other hand, the Group's activity in the mutual fund and staff provident sector grew by 6%.*
- On the Belgian and Luxemburg markets, the Group's activities were down by 6%: *the on-going recession and a crisis in the sector in Belgium slowed the return on investment – initialised in 2001 – for the Flanders region.*
- The Group's Dutch subsidiary's activity recorded further significant growth (*up 10% compared with the first half of 2001*), although a number of price concessions had been granted to strengthen its commercial edge.

The Group's adaptation to its environment

Against this economic background, Sylis Group implemented reorganisation and restructuring plans from the beginning of 2002 which were carried through into the second half of the year – these involved reducing reliance on sub-contractors, adjustments to in-house teams and a reorganisation of the Consulting activity (CR Europe).

Furthermore, setting up new orientations associated with changes and new appointments to the Sylis Belgium and CR Europe managerial teams should put new drive into their markets, particularly due to the resulting improvement in commercial efficiency

Restructuring costs for the first half of the year totalled 1 M €.

FRANCE
 BELGIUM
 LUXEMBOURG
 NETHERLANDS

CR Europe
 Consulting and
 Solutions

Sylis
 Engineering and
 technologies

Second Market
 NextEconomy
 Information
 technology
 Euroclear 3851
 Bloomberg LYS PA
 Reuter SYLS.PA

SM index
 MID CAC
 SBF 250
 IT CAC 50

financial
 Information:

www.sylis.com



Second half year objectives: winning back margins

Despite a market with unpromising prospects, the measures introduced by Sylis during the first half year should enable it to gradually regain its former profit margins during the fourth quarter. The Group therefore forecasts an EBITA of 8.2% for 2002, excluding restructuring costs (which account for some 1% of the year's turnover).

Regarding the priority given to its margins, the Sylis Group's turnover for 2002 is expected to be between 170 and 172 M€.

Cautious financial management and contained liability

On June 30, the Group's debt stood at 31 M €, a gearing of 59% which is well clear of the critical threshold. Forecast gearing for the end of the 2002 financial year stands at 50% with a figure of 30% expected at the end of the following financial year.

The Group will have no need for financing with regard to its previous external growth (earn out balance on the acquisitions was not significant), nor for any in the immediate future, since the Group has made no acquisitions since December 2000 and has decided not to undertake any during 2002, in line with the policy of caution in this area it is currently following.

Group Sylis will announce its turnover for the third quarter of 2002 on November 13 next.

Sylis contacts

yannick-florence.waelly@syllis.com

(33) 3 20 17 11 47

emilie.roussel@syllis.com

(33) 3 20 17 11 41

About Syllis...

The Syllis Group, an IT Services Consultancy founded in 1984 and listed on Paris's Second Marché (Euronext) since 1997, aims to offer its European clients a comprehensive range of highly effective, innovative and value-added IT services.

*The Group, with subsidiaries in France, Belgium, the Netherlands, Luxembourg, 16 regional divisions and 2,300 employees in Europe, fields top IT Consulting and Solutions experts (under the **CR Europe** brand name) as well as Engineering and Technology specialists (**Syllis**).*