



Sylis Group – Financial results – 1st half 2003:

FRANCE
BELGIUM
LUXEMBOURG
NETHERLANDS

Consulting & solutions

Engineering & technology

Second Marché
NextEconomy IT
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SM Index
MID CAC
SBF 250
IT CAC 50

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In M€	S1 2003	S1 2002
Sales	77.3	86.3
Operating profit	3.7	6.2
Profit margin	4.8%	7.2%
Earning before tax	3.1	4.7
Non-recurring income (reorganisation)	(2.4)	(1.0)
Net profit (before goodwill)	0.1	2.1

At a time when many companies are reducing their investments in IT, prices are keener and seasonal variation is more marked than in 2002, the Sylis Group has recorded an overall operating profit of 4.8% for the first half of 2003, a result which takes into account slight variations in different countries.

France has fared well, with sales down by 5.3% on 2002 and operational profitability only slightly affected. If adjustments are made for the lower tariffs, profitability would be on a par with that for the first half of 2002. This resilience can be explained by the increased activity ratio resulting from staff rightsizing measures taken in 2002 and continued throughout the first half of this year.

Profitability restored in the Netherlands in the first quarter of 2003. With this primary goal achieved, a new strategic plan can now be implemented enabling our offer to be expanded, which should, in turn, generate higher sales.

An encouraging outlook in Belgium, the measures taken (reduction in committed fixed costs and adjustments to production staff numbers) to offset difficulties encountered on a particularly depressed market, enables us to anticipate a return to profitability during the fourth quarter of 2003.

Activity on the right track in Luxembourg, where our long-standing key account customers in the "private banking" sector have enabled us to obtain satisfactory results. The order book is full until 2004.

The market situation in Belgium during the first half year has somewhat distorted the Group's results in other countries. If Belgium is taken out of the equation, the operating margin stands at 7.3% as opposed to 8.5% in 2002.

Net profit before goodwill includes 2.4 M€ of non-recurring items associated with continued reorganisation as well as the implementation of the organisational cost reduction plan due to become operational end November 2003.

Net profit after goodwill includes accelerated amortisation of the consolidated goodwill relating to consulting in Belgium in view of the difficulties this activity has been experiencing, amounting to a non-recurrent depreciation allowance of 4.9 M€. Net profit after goodwill therefore records a loss of 6.7 M€ as opposed to a 0.1 M€ profit in 2002.

The financial situation remains secure. The Group is continuing to reduce its debt, and in view of the forecast generation of cash-flow in the second half of the year, the Group's level of debt will continue to diminish throughout the remainder of the fiscal year.

Outlook

In the context of a sluggish market, even if some signs of stabilisation can be detected, the Sylis Group's priority is still to maintain its margins and re-establish sustainable growth of sales. To achieve this goal, the Group is adapting its sales strategies in France and Benelux, and optimising its organisation in order to spread the costs and consolidate its competitive edge.

Information meeting on October 8, 2003 at 2 pm