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## Sylis Group: 2006 annual results

**Net income +182%**

In million euros	2006	2005	Change
Revenues	134.3	123.7	+8.6%
REBIT (*)	4.6	3.8	+21.4%
EBITA	3.2	1.7	+95%
EBIT	3.2	0.5	+540%
Net income	1.1	<1.4>	+182%
Cash flow from operations	3.0	<0.1>	-

(\*) Before IFRS2 entry relative to the stock option scheme in 2006

### Objectives achieved

The 2006 financial performance levels, confirms that the Sylis Group has met its objectives for the year:

- Organic revenue growth
- Significant increase on all lines of the income statement
- Significant increase of the operating cash flow
- External growth in the Netherlands, increasing its visibility on the local market

### 2006 results

Revenues are up 8.6%, including 3.1% organic growth, despite a lower number of working days compared to 2005, thanks notably to stronger sales teams, improved sales prices and ongoing improvements in the activity ratio excluding holidays (86.6% in Q4 2006, compared with 85.0% in Q1 2006).

Strong growth has been achieved on REBIT(\*), up from €3.8 million to €4.6 million. This improvement, limited on the face of it by the cost of the commercial and technical investments carried out, partly reflects the effective control over costs and the Group's ability to increase its sales prices.

EBIT totalled €3.2 million, compared with €0.5 million in 2005, factoring in €0.6 million in costs for deconsolidating SBS, as well as €0.4 million in non-current costs, compared with €2 million in 2005.

Cash flow from operations represented over €3 million in 2006, compared with €-0.1 million in 2005.

### Improved financial structure

The improvement in operating cash flow has enabled Sylis to continue reducing its medium-term debt. In this way, excluding the impact of Profinity's acquisition (€4.2 million), net debt has been cut by 14%. All in all, after factoring in this external growth operation, the gearing ratio, at 46%, is virtually equivalent to the level seen in 2005, with €20 million in net financial debt.

### **A strengthening of the Group's structure**

This performance reflects the efforts made by the company for more than a year now, including:

- The strengthening of sales forces, the rollout of a new sales organisation in France, and the improvement of technical-sales support.
- The optimisation and realignment of the Group's offerings, with Syllis selling off SBS in France and Belgium in 2006, and acquiring Profinity in the Netherlands.
- The strategic management of human resources, including the creation of a strategic HR division and the launch of the Phénix project, aimed at increasing loyalty among staff.
- The quality-based management system, notably with the deployment of the EFQM model and the ISO 9001 2000 certification.

### **Outlook for 2007**

In line with its strategic priorities, Syllis will continue working to:

- Improve profitability and organic growth
- Ramp up the Phénix project
- Optimize and realign the Group's offerings
- Forge strategic alliances, enabling the Group to strengthen its positioning

**Next announcement: revenues for Q1 after close of trading on May 3<sup>rd</sup>, 2007.**