

## PRESS RELEASE

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## **SALES FOR THE FIRST HALF OF 2006: €39.4 million, Organic growth: 15.5%**

**Puteaux – 9 August 2006:** NET2S (ISIN FR0000075921), a consulting group specialized in the implementation of innovating solutions focused on information and communication technologies and the leader on the security market, today announced its consolidated revenue for its first half to 30<sup>th</sup> June 2006.

#### • Quarterly and half-yearly sales

€m	2006	2005	Δ %
<b>Q1</b>	<b>19.1</b>	<b>15.6</b>	<b>+22.4%</b>
<b>Q2</b>	<b>20.3</b>	<b>18.5</b>	<b>+9.7%</b>
<b>Total H1</b>	<b>39.4</b>	<b>34.1</b>	<b>+15.5%</b>

With revenue of 20.3 million euros for the second quarter 2006, and the 4<sup>th</sup> quarter of sequential growth, NET2S confirms the strength of the revenue growth.

With a solid first quarter, the second has remained dynamic with a quarter-to-quarter growth of 6.3% and this being achieved despite the lower number of billable days within the period. The H1 2006 represents an organic growth of 15.5% compared to the first half of 2005.

• **Key data as of 30 June 2006**

- Group headcount: 685 employees, including :
  - 14 at Quod Financial,
  - 539 consultants and engineers, up 3.8% on the quarter
- Non-billable staff rate: 19.7% (versus 19.4% H1 2005)
- Percentage of international revenue excluding Quod Financial: 32.9% (versus 27.3% H1 2005)
- Net cash position: 6.9 million euros as of 30 June 2006

• **Reduction in the Group's stake in Quod Financial**

As announced in the press release dated 09/05/2006, and following the company strategy of focusing on its core business, NET2S confirms that its stakes in Quod Financial will be reduced as a result of a round of financing.

A number of investors, and notably Ali Pichvai, managing director of Quod Financial's from inception of Quod Financial, have announced their interest in this round of financing. The round results in a €2.5 million capital increase reserved for Mrs Bernard Razaghi (1 million euros), Ali Pichvai (1 million euros) and Pascal Petit (0.5 million euros). In consequence, NET2S' holding would decrease to less than 20% of Quod Financial common shares.

Quod Financial's shareholders will be asked to approve the capital increase at a shareholders meeting to be held no later than 25 September 2006. This shareholders meeting will be preceded by a NET2S Board meeting. The NET2S board meeting decision will be based on an independently nominated assessor and auditors valuation, which will provide the valuation and the procedures for capital increase are based on fair principles.

For NET2S, this reduction should result in the deconsolidation of Quod Financial from Q4 2006. Quod Financial generated an operating loss of approximately 1 million euros over the first half of this year.

NET2S Chairman Bernard RAZAGHI commented: *"The 15.5% organic growth in our H1 2006 revenue confirms the strength of our offerings and the relevance of our positioning. We have made strong in-road in our international operations, which now represents over 32% of total revenue. Despite temporary shortcomings in our UK operations and investments carried out in Belgium, and excluding Quod Financial, the pure Consulting and Integration activities profitability is approximately 4% for H1 2006. After completion of Quod Financial round of financing and reduction of the stake, the Group regains greater room to manoeuvre in favourable market conditions. In particular this should reinvigorate our acquisition strategy."*

**NET2S: [www.net2s.com](http://www.net2s.com):**

NET2S is a consulting group specialized in the implementation of innovating solutions focused on information and communication technologies and the leader on the security market. Established in Paris, London, New York, Zurich, Brussels, Madrid and Casablanca, NET2S had 685 employees (including 539 consultants and engineers) on 30 June 2006. The combination of technological solutions and cross-functional offers, with dedicated business lines, particularly in the finance and telecoms sectors, allows NET2S to offer its customers high value added.

Listed on Eurolist of Euronext Paris – Compartment C  
ISIN: **FR0000075921**, Reuters: **NET2.LN**, Bloomberg: **NETS FP**  
**Classification FTSE: 97/972**



**Full H1-2006 results will be released on 25<sup>th</sup> September 2006,  
after market**

The 2005 reference document is available on request from the company and on [www.net2s.com](http://www.net2s.com)