


tessi

2007 annual results

Operating margin of 12.6% (excluding activities held for sale)

Foreword

By way of reminder, the tessi Group announced on 27th December 2007 that it had already started a process of talks with a view to selling off its funds transport, securities management and automated banking activities which had become non-strategic for the Group. The disposal solution or solutions selected will be those offering the most industrial guarantees for the continuity of the business and those that will defend the best interests of the tessi Group.

The tessi Group confirms that at this time, negotiations with possible acquirers are ongoing. In this context, and in accordance with international standards in force, these activities are included in the Group's 2007 consolidated accounts on a distinct line as "held for sale."

In accordance with standard IFRS 5, 2006 financial data has been adjusted to account for these discontinued operations held for sale. This standard also requires that operations due to be sold be excluded from 2007 consolidated sales, which explains the variance from the consolidated annual figures published on 11 February 2008.

Consolidated income statement (1 January to 31 December)

In €M	2007	2006*
Sales (turnover)	171.72	156.54
Current operating income	21.54	20.64
Operating income	21.54	20.87
Pre-tax profit from continuing operations	20.94	20.04
Net profit from continuing operations	13.44	13.08
Net profit from discontinued activities held for sale	- 5.65	- 2.63
Net attributable result	7.03	9.03
Cash flow	19.39	19.30

Growth in activity

For the financial year as a whole, turnover amounted to €171.64M, an increase of +9.7% on 2006. This increase is in part due to the acquisition in July 2007 of the marketing services branch, GEIDE and e-filing Internet portals of the Cegedim Group. These activities account for additional consolidated turnover of €13.3M over 6 months. Additionally, strong performance in the document processing activity produced growth of 5.1%.

As at 31 December 2007, the payment methods activity represented 54.5% of total turnover, document processing 37.8%, and activities acquired from Cegedim accounted for 7.7%.

On a pro forma basis, 2007 turnover amounted to €184.74M.

Operating margin of 12.6%

Current operating income amounted to €21.54M or 12.6% of sales, which is high for the sector.

Net profit from continuing operations of €13.44M

After taxes of €7.5M, net profit from continuing operations amounted to €13.44M, producing a net profit margin of 7.8%.

Net cash position of €25.8M

Simplified balance sheet in €M	2007	2006
Net non-current assets	67.7	56.5
Net direct investment	4.8	3.5
Net other current assets/liabilities	4.4	0.5
Net cash position	25.8	28.3
Assets held for sale	5.4	-
Assets	108.1	88.8
Equity	57.4	55.4
Provisions	5.3	3.9
Financial debt	45.4	29.5
Liabilities	108.1	88.8

At 31 December 2007, Group net debt amounted to €19.6M.

For the financial year as a whole, tessi generated net cash flow of €19.4M with operating cash flow of €16.2M (compared to €13.8M in 2006).

External growth transactions amounted to €20M and were financed by bank loan. For the period, in addition to the acquisition in July of the marketing services branch, GEIDE and e-filing Internet portals of the Cegedim Group, tessi acquired the remaining 50% of the capital of the companies Tessi Chèque Interbancaire and C2I.

Net cash position amounted to €25.8M.

The Group therefore has a solid financial base to pursue its development.

2007 dividend

At the annual General Assembly to be held on 13 June 2008, a dividend of 1 euro per share will be proposed in consideration of the 2007 financial year. By way of reminder, the dividend paid in consideration of 2006 activities was also 1 euro per share.

2008 targets

For the 2008 financial year, tessi will put greater focus on its core activity and has made it a priority to pursue a policy of generalising profitability in each of its areas of expertise. This approach should once again enable the Group to produce a high operating margin in 2008.

In addition, the tessi Group will continue take action to disengage from its non-strategic activities.

About tessi

Services Company specialising in document processing and payment methods.

tessi is listed on NYSE Euronext Paris – Compartment C

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