

**ITESOFT**

**Société anonyme with a stock capital of 341,123 euros**

**Headquarters : Parc d'Andron, Le Séquoia, 30470 Aimargues  
330 265 323 RCS Nîmes**

**Half Yearly Consolidated accounts as at 30 June 2009**

## 1. Consolidated Accounts

### 1.1. Interim Consolidated Statement of Financial Position

Amounts in thousands of euros		30/06/2009 (6 months)	31/12/2008 (12 months)
<b>Assets</b>			
<b>Non current assets</b>			
Net intangible fixed assets		30	72
Net tangible fixed assets		525	568
Net goodwill		1 340	1 340
Net financial fixed assets		564	556
Deferred taxes assets		102	103
<b>Total non current assets</b>		<b>2 561</b>	<b>2 639</b>
<b>Current assets</b>			
Stocks and liabilities		9	29
Account receivable and related accounts		6 551	7 440
Taxes <1 year		1 075	917
Other receivables		162	148
Marketable securities		1 046	5 189
Cash assets		6 236	2 095
Prepaid expenses		592	369
<b>Total current assets</b>		<b>15 671</b>	<b>16 187</b>
<b>Total assets</b>		<b>18 232</b>	<b>18 826</b>
<b>Liabilities</b>			
<b>Shareholders' equity</b>			
Capital		341	341
Share premiums		8 890	8 890
Consolidated reserves		-990	-1 924
Other shareholders' equity		0	39
Annual result		94	943
<b>Total shareholders' equity</b>		<b>8 335</b>	<b>8 289</b>
<b>Minority interests</b>		<b>0</b>	<b>0</b>
<b>Non current liabilities</b>			
Provision for liabilities > 1 year		315	241
Financial commitments > 1 year		77	85
Other debts > 1 year		0	0
Taxes > 1 year		33	0
<b>Total non current liabilities</b>		<b>425</b>	<b>326</b>
Provision for liabilities < 1 year		190	180
Financial debts < 1 year		119	116
Taxes < 1 year		1 301	1 537
Other debts < 1 year		4 124	4 836
Prepaid income		3 739	3 484
<b>Total current liabilities</b>		<b>9 473</b>	<b>10 213</b>
<b>Total liabilities</b>		<b>18 232</b>	<b>18 826</b>

## 1.2. Interim Consolidated Income Statement

amounts in thousands of euros		30/06/2009 (6 months)	30/06/2008 (6 months)	31/12/2008 (12 months)
<b>Turnover</b>		<b>9 680</b>	<b>8 780</b>	<b>19 431</b>
Purchases of goods and raw material, variation in stocks		-493	-675	-1 611
Staff cost		-6 601	-5 977	-12 167
External expenses		-2 451	-1 905	-4 354
Local and misc. taxes		-258	-144	-560
Depreciation expenses		-166	-167	-369
Provisions		-60	76	-60
Change in stock of work in pr. and finished goods		0	0	0
Loss of value on goodwill		0	0	0
Other revenues and expenses		355	340	643
<b>Ordinary Operating Profit</b>		<b>6</b>	<b>328</b>	<b>953</b>
Other operating revenues and expenses		0	0	0
<b>Operating profit</b>		<b>6</b>	<b>328</b>	<b>953</b>
Cash investments and equivalents revenues		40	133	73
Interest cost		-3	-4	-9
<b>Cost of the net indebtedness</b>		<b>37</b>	<b>129</b>	<b>64</b>
<b>Other revenues and interest expenses</b>		<b>52</b>	<b>-52</b>	<b>-117</b>
<b>Corporate tax</b>		<b>-1</b>	<b>-6</b>	<b>43</b>
<b>Net Profit before profit of stopped activities or ongoing disposals</b>		<b>94</b>	<b>399</b>	<b>943</b>
<b>Net Profit of stopped activities or ongoing disposals</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Net profit</b>		<b>94</b>	<b>399</b>	<b>943</b>
. part of group		94	399	943
. minority interests		0	0	0
<b>Earnings per share (in €)</b>				
. Basic EPS		<b>0,02</b>	<b>0,07</b>	<b>0,17</b>
. Diluted EPS		<b>0,02</b>	<b>0,07</b>	<b>0,17</b>

## Interim Consolidated Statement of Comprehensive Income

In thousand of euros	30/06/2009	30/06/2008	31/12/2008
Profit for the period	<b>94</b>	<b>401</b>	<b>943</b>
Other comprehensive income (loss) for the period, net of tax			
Exchange differences on translation of foreign operations Profit and loss from the foreign currency translation in the financial statement of subsidiaries	0	18	41
<b>Total Comprehensive Income for the period, net of tax</b>	<b>94</b>	<b>419</b>	<b>984</b>

### 1.3. Cash-Flow Statement

<b>CASH-FLOW STATEMENT</b> <b>(in thousands of euros)</b>	<b>30/06/2009</b> <b>(6 months)</b>	<b>30/06/2008</b> <b>(6 months)</b>
<b>Net consolidated profit</b> (including minority part)	93	401
+/- Net depreciation and provisions (excluding those on working capital)	249	37
-/+ Profit and loss latent on changes in fair value	0	0
+/- Costs and revenues on share base payments	83	85
-/+ Other non cash revenues and expenses	0	0
-/+ Profit and loss on disposals	0	0
-/+ Profit and loss on dilution	0	0
+/- Profit share in associated companies	0	0
- Dividends (non consolidated stakes)	0	0
<b>Cash-Flow after net debt cost and corporate tax</b>	<b>425</b>	<b>523</b>
+ Cost of net debt	-37	-129
+/- Corporate tax expense (including deferred taxes)	-1	6
<b>Cash-Flow before net debt cost and corporate tax (A)</b>	<b>387</b>	<b>400</b>
- Corporate Tax paid <b>(B)</b>	0	0
+/- Change in working capital requirements <b>(C)</b>	-236	1 032
<b>= NET CASH-FLOW FROM ACTIVITIES (D) = (A + B + C)</b>	<b>151</b>	<b>1 432</b>
- Acquisitions of tangible and intangible assets	-76	-213
+ Disposal of tangible and intangible assets	0	0
- Acquisitions of financial assets	0	0
+ Disposals of financial assets	0	0
+/- Impacts of changes in perimeter	0	0
+ Dividends earned (from associated or non consolidated companies)	0	0
+/- Variation in loans	0	0
+ Investment subsidies received	0	0
+/- Other flows on investment activities	0	0
+/- Disposals or acquisitions of current financial assets	4 153	515
<b>= NET CASH-FLOW FROM INVESTMENTS ACTIVITIES (E)</b>	<b>4 077</b>	<b>302</b>
+ Capital increases	0	0
+ Stock-options exercises	0	0
-/+ Acquisitions and disposals of treasury shares	-132	-24
- Dividends paid during the year	0	0
+ Subscription of new loans	0	9
- Reimbursement of loans	0	0
- Net interests paid	37	129
+/- Other financing flows	0	0
<b>= NET CASH-FLOW FROM FINANCING ACTIVITIES (F)</b>	<b>-95</b>	<b>114</b>
+/- Impact of the variation of the exchange rates <b>(G)</b>	5	-10
<b>= VARIATION IN CASH-FLOW ( D + E + F + G )</b>	<b>4 138</b>	<b>1 838</b>
Net cash at the opening	1 979	3 173
Net cash at the closing	6 117	5 009

## 2. Half Yearly Report

ITESOFT, a software company developing automatic information flow processing solutions, recorded €9.7 M of turnover on 30 June 2009 for the first half of 2009, up by 10.3% compared to the first half of 2008. It has thus achieved growth for its 6<sup>th</sup> consecutive half-year period. The strong progression in the sales of software licenses, up by 17% compared to the first half of 2008, is at the heart of this good performance.

France (85% of first half turnover) remains the driving force behind this growth, with a 14% increase in turnover, reinforcing the Group's n°1 position in this market.

The continued dynamic sales in the first half offers proof of the increasing interest of major decision makers to find technological solutions for streamlining costs and increasing productivity. In the current context, this need is even more acute, which should enable the Group to continue achieving a high level of business activity over the next few months.

ITESOFT is announcing break-even operating profit on 30 June 2009, in comparison with a profit of €0.3 M in the 1<sup>st</sup> half of the previous fiscal year.

This slight decrease reflects the significant R&D investments made by ITESOFT during this period. This strategic choice expresses the company's desire to maintain its technological advance in an increasingly demanding market, to win new market share in France and abroad, and to fully benefit from the economic recovery in the near future. To a lesser extent, the change in operational profitability includes a negative price effect linked to the downward pressure on prices exerted by major decision makers in the current difficult economic context.

Its net profit stands at €0.1 M on 30 June 2009 compared to €0.4 M in the first half of 2008.

ITESOFT's balance sheet shows that the company has equity capital of €8.3 M (including current financial assets), and free cash of €7.2 M, equating to €1.46 and €1.26 per share.

In France, ITESOFT intends to stay the course in its offensive sales strategy. In this context, the third quarter should enable the Group to sign new contracts corresponding to its growth strategy. Nonetheless, the good results in terms of the turnover expected for the quarter will not be apparent compared to last year due to the exceptionally high level of turnover chalked up in the third quarter of 2008.

In the UK, ITESOFT signed two new contracts at the beginning of the third quarter, indicating the beginning of an increase in business activity there, which should be continued in the upcoming months.

ITESOFT has recently appointed a new Managing Director of its German subsidiary. An experienced professional recognised in his field, Georg Hähn, who is 44, has more than 20 years of experience in the sales of technological solutions. His arrival should allow ITESOFT's German subsidiary to recreate the necessary conditions there for strong development.

In light of these considerations, ITESOFT is completely confident that 2009 will be another year of growth. The upcoming months will also be marked by further investments in R&D needed to prepare for the future and fully benefit from the growth in its markets.