

**IGE+XAO**

*Société Anonyme with capital of 6,752,900 euros  
Head office : 25/27, Boulevard Victor Hugo, BP 90 312  
31773 COLOMIERS Cedex  
338 514 987 RCS Toulouse*

**2006 / 2007 CONSOLIDATED ACCOUNTS**

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Head Office : 25/27, Boulevard Victor Hugo, BP 90 312, 31773 COLOMIERS Cedex

338 514 987 R.C.S. Toulouse

**I. – ANNUAL CONSOLIDATED ACCOUNTS AS OF JULY 31, 2007****A. CONSOLIDATED BALANCE SHEET**

Assets (in euros '000s)	31 July 2007	31 July 2006	31 July 2005
Acquisition of goodwill	1,023	519	501
Intangible fixed assets - net	1,144	1,327	921
Property and equipment - net	1,231	1,296	1,370
Deferred tax	229	128	42
Shares in associated companies	656	582	575
Other long term assets - net	490	336	613
Non-current assets	4,773	4,188	4,022
Receivables - net	6,484	6 398	5,973
Other current assets	956	998	1,023
Marketable securities	1,063	1,247	645
Cash and cash equivalents	10,194	8,947	8,326
Current assets	18,697	17,590	15,967
<b>Assets</b>	<b>23,470</b>	<b>21,778</b>	<b>19,989</b>
Liabilities (in euros '000s)	31 July 2007	31 July 2006	31 July 2005
Common stock	6,753	6,753	6,753
Additional paid-in capital	1,911	1,911	1,911
Other consolidated reserves	2,489	755	(365)
Accumulated translation adjustment	33	21	4
Net income	2,415	2,053	1,750
Shareholders' equities	13,601	11,493	10,053
Minority interests	173	156	296
Total Shareholders' equities	13,774	11,649	10,349
Profit sharing	294	283	191
Pension reserves, other benefits	331	232	179
Financial debts – long term	682	478	478
Deferred income – long term	122	122	794
Deferred tax	163	192	105
Other non-current debts	97	120	116
Non-current liabilities	1,689	1,427	1,863
Current debts	660	739	807
Social debts	1,453	1,287	1,144
Deferred income – short term	3,611	4,266	4,031
Other current debts – short term	115	114	151
Taxes	1,984	2,072	1,442
Other current debts	184	224	202
Current debts	8,007	8,702	7,777
<b>Liabilities</b>	<b>23,470</b>	<b>21,778</b>	<b>19,989</b>

## B. CONSOLIDATED STATEMENT OF OPERATIONS

(In euros '000s)	31 July 2007	31 July 2006	31 July 2005
Total revenues	20,517	19,698	18,371
Other operating revenues	198	334	211
Revenues from operating activities	20,715	20,032	18,582
Purchases	(325)	(368)	(244)
Other external expenses	(5,150)	(4,774)	(5,351)
Payroll and benefits	(10,730)	(10,372)	(9,256)
Taxes	(541)	(437)	(537)
Provisions : long term assets	(731)	(833)	(477)
Provision, reserves, net			(105)
Other operating expenses, net	(1)	(141)	(34)
Operating expenses, net	(17,478)	(16,925)	(16,004)
Current operating income (loss)	3,237	3,107	2,578
Interests on loans	--	134	60
Other financial income and expense	295	(205)	--
Income (loss) of the Group before tax	3,532	3,036	2,638
Tax charge and deferred tax	(1,176)	(1,021)	(863)
Part of net income (loss) in associated companies	86	30	61
Net income (loss)	2,442	2,045	1,836
Allocated to :			
The Group	2,415	2,053	1,750
The non-controlling interests	(27)	(8)	86
Number of shares, except own shares booked in deduction of the consolidated shareholders 'equity	1,660,070	1,656,969	1,668,188
Earnings per share in euros	1.45	1.24	1.05

## C. SHAREHOLDERS' EQUITY

Shareholders' equity (in euros '000s)	Common stock and additional paid-in capital	Translation adjustment	Accumul. reserves	Shareholder s' equity – part of the Group	Minority interest	Shareholder s' equity
Shareholders' equity as of 1 August 2004	8 664	(18)	(154)*	8 492	273	8 765
Revenues and expenses booked directly in the Shareholders' equity :						
Translation adjustments		22		22		22
Actuarial interests on pensions			2	2		2
Net income			1,750	1,750	86	1,836
Subtotal – Revenues (and expenses) recorded during the period		22	1,752	1,774	86	1,860
Adjustment on the own shares			67	67		67
Adjustment on the Options plan (IFRS2)			6	6		6
Dividends			(283)	(283)		(283)
Changes in the scope				--	(63)	(63)
Other changes			(3)	(3)		(3)
Shareholders' equity as of 31 July 2005	8,664	4	1,385	10,053	296	10,349
Revenues and expenses booked directly in the Shareholders' equity :						
Translation adjustments		17		17	4	21
Actuarial interests on pensions			6	6		6
Net income			2,053	2,053	(8)	2,045
Subtotal – Revenues (and expenses) recorded during the period		17	2,059	2,076	(4)	2,072
Adjustment on the own shares			(304)	(304)		(304)
Adjustment on the Options plan (IFRS2)			14	14		14
Adjustment on merger expenses			(43)	(43)		(43)
Dividends			(301)	(301)	(8)	(309)
Changes in the scope					(128)	(128)
Other changes			(2)	(2)		
Merger operation - Financelec						
Increase in capital	2,088			2,088		2,088
Additional paid-in capital	12,359			12,359		12,359
Decrease in capital	(2,088)			(2,088)		(2,088)
Cancellation of the additional paid-in capital	(12,359)			(12,359)		(12,359)
Merger operation - Caouec Investments						
Increase in capital	1,750			1,750		1,750
Additional paid-in capital	10,359			10,359		10,359
Decrease in capital	(1,750)			(1,750)		(1,750)
Cancellation of the additional paid-in capital	(10,358)			(10,358)		(10,358)
Shareholders' equity as of 31 July 2006	8,664	21	2,808	11,493	156	11,649

Shareholders' equity (in euros '000s)	Common stock and additional paid-in capital	Translation adjustment	Accumul. reserves	Shareholder s' equity – part of the Group	Minority interest	Shareholder s' equity
Shareholders' equity as of 31 July 2006	8,664	21	2,808	11,493	156	11,649
Dividends			(332)	(332)	(10)	(342)
Revenues and expenses booked directly in the Shareholders' equity :		12		12		12
Translation adjustments						
Actuarial interests on pensions			(25)	(25)		(25)
Net income			2,415	2,415	27	2,442
Subtotal – Revenues (and expenses) recorded during the period		12	2,390	2,402	27	2,429
Adjustment on the own shares			25	25		25
Adjustment on the Options plan (IFRS2)			13	13		13
Shareholders' equity as of 31 July 2007	8,664	33	4,904	13,601	173	13,774

## D. CONSOLIDATED STATEMENT OF CASH FLOWS

(In euros '000s)	31 July 2007	31 July 2006	31 July 2005
Flow of cash generated by the activity			
Net income – Part of the Group	2,415	2,053	1,750
Increase (decrease) in cash from :			
Minority interests	27	(8)	86
Amortizations and provisions, net	582	708	602
Deferred tax	(107)	25	42
Part of the net income in the associated companies	(86)	(30)	(61)
Dividends received from the associated companies	13	23	8
Others	(25)	5	
Increase (decrease) in cash from :			
(Increase) decrease in the customers	(1)	(425)	(160)
(Increase) decrease in the other current assets	(120)	(311)	(149)
Increase (decrease) in the suppliers and payrolls	(78)	788	1,125
Increase (decrease) of the deferred revenues	(665)	(408)	(462)
Increase (decrease) in other liabilities	231	90	
Net cash used in operating activities	<u>2,186</u>	<u>2,510</u>	<u>2,781</u>
Purchases of long-term intangible assets	(61)	(503)	(384)
Purchases of long-term tangible assets	(277)	(312)	(200)
Sales of long-term assets	37	8	44
Variation in other long-term assets	(64)	72	--
Cash from change in the consolidation scope	(477)	(221)	(231)
Decrease in cash from net acquisitions	<u>(842)</u>	<u>(956)</u>	<u>(771)</u>
Dividends paid	(345)	(561)	(303)
Repayment of bank loans	(59)	(136)	(167)
Others	100	365	64
Decrease in cash from financing	<u>(304)</u>	<u>(332)</u>	<u>(406)</u>
Increase (decrease) in cash and cash equivalent	1,040	1,222	1,604
Incidences of changes in exchange rate	25	1	30
Net increase (decrease) in cash and cash equivalent	<u>1,065</u>	<u>1,223</u>	<u>1,634</u>
Cash and cash equivalent, beginning of year	10,194	8,971	7,337
Cash and cash equivalent, end of year	11,258	10,194	8,971
Net increase (decrease) in cash and cash equivalent	1,065	1,223	1,634

## II. – ACTIVITY REPORT

Over the financial year 2006/2007 the Group's performance was significant with an ordinary operating income of €3,237,271, an increase of 4.2% and a group net income of €2,415,019, up by 17.6%. Net return was 11.8% of the turnover compared with 10.4% in 2005/2006.

At the same time, IGE+XAO is consolidating its financial situation with the absence of a long-term bank debt, cash-at-bank of 11.3 million euros and shareholder's equities of 13.8 million euros.

This healthy financial structure gives the Group the ability to pursue its strategy for development. So, over the financial year IGE+XAO was especially dynamic in the following axes of development:

- Expansion of the product portfolio with the creation of the company EHMS in a joint-venture with Labinal (creation and marketing of a software suite for the manufacture of electrical harnesses) and the take over of Compodata (publisher of complex system configurator software).
- Development of new services with creation of the company S2E CONSULTING (diagnostic, consulting and support services dedicated to systems engineering and to electrical design processes) in a joint-venture with the Sogéclair Group.
- Improvement of the Group's international commercial coverage with the opening of a subsidiary in China.

Over the financial year 2006/2007, in view of the Group's thresholds, the contribution of these new companies to the Income from ordinary activities and to the net consolidated income is not significant.

Finally and in accordance with the policy put in place by IGE+XAO the board of directors will propose to the Annual General Meeting the payment of a dividend of €0.22 per share compared with €0.20 in 2005/2006.

### ABOUT THE IGE+XAO GROUP

For over 21 years, the IGE+XAO Group has been a software publisher designing, producing, selling and ensuring the maintenance of a range of Computer-Aided Design (CAD) software. These Electrical CAD software applications have been designed to help manufacturers design and maintain the electrical section of any installation. IGE+XAO has built a complete range of Electrical CAD software applications designed for all industry fields. IGE+XAO products may either run on a standalone computer or be deployed on a network. The IGE+XAO Group has about 340 employees spread out in 20 locations and 13 countries. With more than 48,500 licenses sold throughout the world, IGE+XAO is a reference in its domain. For more information, visit <http://www.ige-xao.com>

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