

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*

2007 / 2008 CONSOLIDATED ACCOUNTS

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I. – ANNUAL CONSOLIDATED ACCOUNTS AS OF JULY 31, 2008**A. CONSOLIDATED BALANCE SHEET**

Assets (in euros '000s)	31 July 2008	31 July 2007
Acquisition of goodwill	807	1,023
Intangible fixed assets - net	670	1,144
Property and equipment - net	1,110	1,231
Deferred tax	316	229
Shares in associated companies	743	656
Other long term assets - net	70	490
Non-current assets	3,716	4,773
Account receivable	7,344	6,484
Tax credit	724	24
Other current assets	986	932
Cash and cash equivalents	13,835	11,257
Current assets	22,889	18,697
Assets	26,605	23,470
Liabilities (in euros '000s)	31 July 2008	31 July 2007
Common stock	6,753	6,753
Additional paid-in capital	1,911	1,911
Other consolidated reserves	4,251	2,489
Accumulated translation adjustment	137	33
Net income	3,298	2,415
Shareholders' equities	16,350	13,601
Minority interests	217	173
Total Shareholders' equities	16,567	13,774
Profit sharing	327	294
Pension reserves	348	331
Financial debts, long term	456	682
Deferred income – long term	--	122
Deferred tax	1	163
Other non-current debts	61	97
Non-current liabilities	1,193	1,689
Account payable	826	660
Social debts	1,434	1,453
Deferred income – short term	3,974	3,611
Other current debts – short term	305	115
Taxes	75	108
VAT and taxes	1,966	1,876
Other current debts	265	184
Current liabilities	8,845	8,007
Liabilities	26,605	23,470

B. CONSOLIDATED STATEMENT OF OPERATIONS

(in euros '000s)	31 July 2008	31 July 2007
Total revenues	21,591	20,517
Other operating revenues	582	198
Revenues from operating activities	22,173	20,715
Purchases	(596)	(325)
Other external expenses	(5,207)	(5,150)
Payroll and benefits	(11,733)	(10,730)
Taxes	(530)	(541)
Depreciation	(668)	(731)
Other operating expenses, net	(40)	(1)
Operating expenses, net	(18,774)	(17,478)
Current operating income (loss)	3,398	3,237
Depreciations on non-current assets	(531)	
Depreciations for non-recurrent risks	(103)	--
Operating income	2,764	3,237
Interests on loan	--	--
Financial revenues	1,603	404
Financial expenses	(206)	(109)
Income (loss) of the Group before tax	4,161	3,532
Tax charge and deferred tax	(945)	(1,176)
Part of net income (loss) in the associated companies	116	86
Net income (loss)	3,332	2,442
Allocated to :		
The Group	3,298	2,415
The non-controlling interests	34	27
Number of shares, except own shares booked in deduction of the consolidated shareholders' equity	1,644,265	1,660,070
Earnings per share in euros	2.03	1.45
Net diluted earnings per share	2.00	1.45

C. REVENUES AND EXPENSES FOR THE PERIOD

(in euros '000s)	31 July 2008	31 July 2007
Exchange gains (losses)	126	12
Actuarial gains (losses) on pensions (retirement)	39	-25
Incomes and losses directly booked in shareholders' equities	165	-13
Net income	3,332	2,442
Revenues and expenses from the period	3,497	2,429
Allocated to :		
- the Group	3,442	2,402
- the non-controlling interests	55	27
Total revenues and expenses from the period	3,497	2,429

D. 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 31 July 2006	8,664	21	2,808	11,493	156	11,649
Dividends			(332)	(332)	(10)	(342)
Revenues and expenses from 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
Dividends			(364)	(364)	(13)	(377)
Revenues and expenses from the period	0	105	3,337	3,442	55	3,497
Adjustment on the own shares			(343)	(343)		(343)
Impact of the cancellation of the gains on own share sales			7	7		7
Adjustment on the Options plan (IFRS2)			7	7		7
Shareholders' equity as of 31 July 2008	8,664	138	7,547	16,350	217	16,567

E. CONSOLIDATED STATEMENT OF CASH FLOWS

(in euros '000s)	31 July 2008	31 July 2007
Flow of cash generated by the activity:		
Net income – part of the Group	3,298	2,415
Increase (decrease) in cash from :		
Non-controlling interests	34	27
Amortizations and provisions, net	837	582
Deferred tax	(267)	(107)
Part of the net income in the associated companies	(116)	(86)
Dividends received from the associated companies	29	13
Gain and loss on asset disposal	(742)	
Others	--	(25)
Increase (decrease) in cash from :		
(Increase) decrease in the customers	(772)	(1)
(Increase) decrease in the other current assets	(57)	(120)
Increase (decrease) in the suppliers and payrolls	211	(78)
Increase (decrease) of the deferred revenues	242	(665)
Increase (decrease) in other liabilities	(484)	231
Net cash used in operating activities	2,212	2,186
Purchases of long-term intangible assets	(45)	(61)
Purchases of long-term tangible assets	(263)	(277)
Sales of long-term tangible assets	108	37
Acquisition of financial assets*	(347)	(64)
Sales of financial assets	1,243	--
Cash from change in the consolidation scope	(20)	(477)
Decrease in cash from net acquisitions	676	(842)
Dividends paid	(377)	(345)
Financial advances (Coface)	167	--
Repayment of loans	(120)	(59)
Other of which advances to be paid back	(96)	100
Decrease in cash from financing	(426)	(304)
Increase (decrease) in cash and cash equivalent	2,462	1,040
Incidences of changes in exchange rate	88	25
Net increase (decrease) in cash and cash equivalent	2,550	1,065
Cash and cash equivalent, beginning of year	11,258	10,194
Cash and cash equivalent, end of year	13,808	11,258
Net increase (decrease) in cash and cash equivalent	2,550	1,065

*Impact of own shares

II. – ACTIVITY REPORT

IGE+XAO has recorded a net profit of 3,298,018 euros compared to 2,415,019 euros during the previous year (+36.6%) and a net margin of 15.3%*. The current operating income has reached 3,398,428 euros, compared to 3,237,271 euros in 2006/2007 (+5%). The consolidated income before tax has reached 4,161,183 euros (17.8%), after taking into account exceptional and non recurrent elements for a net amount of 500,908 euros, which includes, in particular, the impact of the positive value gained from the transfer of Anyware Technologies shares.

The Group has strengthened its financial position thanks to 16.6 million euros of equity, almost no bank debt and available cash of more than 13 million euros. These financial performances are all the more impressive, given that they come within the context of sustained investments. Thus, over the period, IGE+XAO has expanded its presence on the international stage with the launch of operations at its Chinese subsidiary, the extension of its foreign distribution network to India, Vietnam and Australia, as well as the creation of a new subsidiary in Tunisia.

At the same time, over the year, the Group has continued its efforts in research and development and particularly with relation of the life cycle of electrical facilities (PLM). These developments have been accompanied by the creation of additional recruitments, both in France and abroad, and led to the signature of a major contract with the Airbus on the fourth quarter. This contract, which amounts to 5 million euros over two years, had no impact on the accounts closed as of July 31st 2008.

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 €0.26 euro per share compared to €0.22 in 2006/2007.

* Group net result based on turnover

ABOUT THE IGE+XAO GROUP

For over 22 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. The IGE+XAO Group has about 355 employees spread out in 22 locations and 15 countries. With more than 56,600 licences 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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