

GENESYS CONFERENCING
Consolidated Balance Sheets
(IFRS, in thousands of euros, except share data)

	<u>December 31, 2005</u>	<u>September 30, 2006</u> Unaudited
ASSETS		
Non current assets		
Goodwill, customer lists and technology	€ 33,330	€ 35,698
Other intangible assets, net	5,663	6,953
Tangible assets, net	16,011	16,453
Financial assets, net	1,074	1,565
Deferred tax assets	2,488	1,159
Investments in affiliated companies	278	-
Total non current assets	58,844	61,828
Current assets		
Accounts receivable, less allowances (€ 1,547 and € 1,107 at December 31, 2005 and September 30, 2006, respectively)	27,692	26,223
Prepaid expenses and other current assets	9,072	11,491
Marketable securities	45	795
Cash at bank	5,870	5,647
Total current assets	42,679	44,156
TOTAL ASSETS	€ 101,523	€ 105,984
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Shareholders' equity (deficit)		
Ordinary shares, nominal value of €1 per share 18,307,756 shares issued and outstanding at December 31, 2005 and 69,798,286 shares issued and outstanding at September 30, 2006	€ 18,308	€ 69,798
Common shares to be issued	139	136
Additional paid-in capital	185,080	179,706
Additional paid-in capital to be issued	3,831	3,735
Reserve for stock-based compensation	2,605	3,024
Accumulated deficit	(223,429)	(218,442)
Net income (loss) for the period	4,544	346
Currency translation adjustments	668	3,419
Total shareholders' equity (deficit)	(8,254)	41,722
Provisions for risks and charges	720	563
Deferred tax liability	59	595
Long-term debt		
Long-term portion of long-term debt	62,474	29,344
Long-term portion of capitalized lease obligations	39	277
Total long-term debt and other liabilities	63,292	30,779
Current liabilities		
Bank overdrafts	1,851	2,892
Accounts payable and accrued liabilities	13,254	12,235
Other taxes payable and deferred compensation	9,493	11,072
Income taxes payable	3,148	2,836
Current portion of provision for risks and charges	907	719
Current portion of long-term debt	13,483	769
Current portion of capitalized lease obligations	4	62
Other current liabilities	4,345	2,898
Total current liabilities	46,485	33,483
LIABILITIES AND SHAREHOLDERS' EQUITY	€ 101,523	€ 105,984

GENESYS CONFERENCING
Consolidated Statements of Operations
Unaudited

(IFRS, in thousands of euros, except share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2005	2006	2005	2006
Revenue				
Services	€ 36,109	€ 34,135	€ 106,478	€ 106,414
Cost of revenue				
Services	12,238	12,997	37,015	38,140
Gross profit	23,871	21,138	69,463	68,274
Operating expenses				
Research and development	632	553	1,962	2,897
Selling and marketing	10,351	9,928	30,006	31,816
General and administrative	9,261	7,620	25,683	22,859
Restructuring charge	-	-	292	-
Amortization of intangibles	718	586	2,102	1,959
	20,962	18,687	60,045	59,531
Operating income	2,909	2,451	9,418	8,743
Interest income	83	22	124	80
Interest expense	(1,696)	(884)	(5,123)	(2,527)
Foreign exchange gain (loss)	291	(562)	(263)	(2,212)
Other income (expense)	30	(403)	30	(1,283)
Equity in income of affiliated companies	21	-	57	-
Income tax credit (expense)	(224)	(583)	(466)	(2,455)
Net income (loss)	€ 1,414	€ 41	€ 3,777	€ 346
Basic net income per share	<u>€ 0.08</u>	<u>€ 0.00</u>	<u>€ 0.20</u>	<u>€ 0.01</u>
Diluted net income per share	<u>€ 0.08</u>	<u>€ 0.00</u>	<u>€ 0.20</u>	<u>€ 0.01</u>
Number of outstanding shares used in computing basic net income (loss) per share	18,446,451	69,912,650	18,446,451	60,105,225
Number of outstanding shares used in computing basic net income (loss) per share	18,567,897	69,912,650	18,567,897	60,105,225

GENESYS CONFERENCING
Note to the Consolidated Financial Statements
Unaudited
(In thousands of euros)

	Three months ended September 30,		Nine months ended September 30,	
	2005	2006	2005	2006
NOTE A- EBITDA calculation				
Operating income	€ 2,909	€ 2,451	€ 9,418	€ 8,743
Amortization of identifiable intangible assets	718	586	2,102	1,959
Depreciation	2,088	1,984	6,466	6,294
EBITDA	€ 5,715	€ 5,021	€ 17,986	€ 16,996
Stock-based compensation	306	96	920	460
EBITDA before stock-based compensation	€ 6,021	€ 5,117	€ 18,906	€ 17,456