

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

	<u>December 31, 2006</u>	<u>March 31, 2007</u>
ASSETS		
Non current assets		
Goodwill, customer lists and technology	34,887	34,100
Other intangible assets, net	6,939	6,678
Tangible assets, net	15,402	14,522
Financial assets, net	1,579	1,558
Deferred tax assets	10,829	10,550
Total non current assets	69,636	67,408
Current assets		
Accounts receivable, less allowances (€1,316 and €1,225 at December 31, 2006 and March 31, 2007, respectively)	24,464	26,013
Prepaid expenses and other current assets	9,352	10,275
Cash and cash equivalents	8,083	9,846
Total current assets	41,899	46,134
TOTAL ASSETS	111,535	113,542
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity (deficit)		
Ordinary shares, nominal value of €1 per share 69,798,286 shares issued and outstanding at December 31, 2006 and 69,882,837 shares issued and outstanding at March 31, 2007	69,798	69,883
Common shares to be issued	135	134
Additional paid-in capital	179,706	179,757
Additional paid-in capital to be issued	3,735	3,701
Reserve for stock-based compensation	3,410	3,637
Accumulated deficit	(218,411)	(212,115)
Net income	6,421	1,241
Currency translation adjustments	5,095	4,659
Total shareholders' equity (deficit)	49,889	50,897
Provisions for risks and charges	434	457
Deferred tax liability	1,297	1,289
Long-term debt		
Long-term portion of long-term debt	20,127	19,974
Long-term portion of capitalized lease obligations	183	176
Total long-term debt and other liabilities	22,041	21,896
Current liabilities		
Bank overdrafts	1,673	1,702
Accounts payable and accrued liabilities	12,436	12,292
Taxes payable and deferred compensation	11,144	12,152
Current portion of provision for risks and charges	1,601	1,443
Current portion of long-term debt	9,085	9,620
Current portion of capitalized lease obligations	125	90
Other current liabilities	3,540	3,450
Total current liabilities	39,605	40,749
LIABILITIES AND SHAREHOLDERS' EQUITY	111,535	113,542

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Consolidated Statements of Operations
(Unaudited IFRS, in thousands of euros, except share data)

	Three months ended March 31, 2006	Three months ended March 31, 2007
Revenue	36,377	36,174
Cost of revenue	(13,357)	(13,638)
Gross profit	23,020	22,536
Operating expenses		
Research and development	1,203	1,580
Selling and marketing	11,495	9,279
General and administrative	7,847	7,373
Restructuring charge	-	520
Amortization of intangibles	747	573
	21,292	19,325
Operating income	1,728	3,211
Interest income	51	53
Interest expense	(1,214)	(803)
Foreign exchange gain (loss)	563	73
Other income (expense)	(494)	(361)
Income tax credit (expense)	(1,368)	(932)
Net income	(734)	1,241
Basic net income per share	(0.02)	0.02
Diluted net income per share	(0.02)	0.02
Number of outstanding shares used in computing basic net income per share	40,163,460	69,923,712
Number of outstanding shares used in computing diluted net income per share	40,163,460	69,950,197

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Note to the Consolidated Financial Statements
(Unaudited IFRS, in thousands of euros, except share data)

	Three months ended March 31, 2006	Three months ended March 31, 2007
NOTE A- EBITDA calculation		
Operating income	1,728	3,211
Amortization of identifiable intangible assets	747	573
Depreciation	2,048	2,046
EBITDA	4,523	5,830
Stock-based compensation	293	228
EBITDA before stock-based compensation	4,816	6,058

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Consolidated Statements of Cash Flows
(Unaudited IFRS, in thousands of euros, except share data)

	Three months ended March 31,	Three months ended March 31,
	2006	2007
Cash flows from operating activities:		
Net (loss) income	(734)	1,241
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	2,048	2,046
Amortization of other intangibles	747	573
Allowance (recovery) for bad debt	(125)	(90)
Stock-based compensation	293	228
Loss on disposal of property and equipment	9	48
Deferred taxes	539	253
Changes in operating assets and liabilities	(576)	(725)
Net cash provided by operating activities	2,201	3,574
Cash flows from investing activities:		
Acquisition of a business, net of cash acquired	(3,338)	-
Purchases of property and equipment	(2,699)	(1,333)
Net cash used in investing activities	(6,037)	(1,333)
Cash flows from financing activities:		
Increase (decrease) in bank overdrafts	(203)	47
Increase (decrease) in factored receivables borrowing	260	(95)
Proceeds from the issuance of common stock	47,436	-
Borrowings from credit facility revolver	4,880	-
Principal payments on long-term debt	(46,783)	-
Interest paid	(1,119)	-
Net cash provided by (used in) financing activities	4,471	(48)
Effect of foreign exchange rate changes on cash and cash equivalents	(960)	(430)
Increase (decrease) in cash and cash equivalents	(325)	1,763
Cash and cash equivalents, beginning of period	5,915	8,083
Cash and cash equivalents, end of period	5,590	9,846