Business Performance: 1H07

The Company's business performance during the sixth first months continued to demonstrate significant earnings momentum.

Changes in consolidation scope relative to 1H06:

1. **Cendris Document Management.-** Dutch facilities management and document management company with annual revenue of approximately €70mn. This acquisition closed in October 2006, from which time it has been fully consolidated.
2. **CBF Print Management Company.-** British printing management company with annual revenue of approximately €7mn, acquired outright by SPS through its UK subsidiary Service Point UK in June 2007, since which time it has been fully consolidated.
3. **Allkopi A.S.–** Danish digital reprographics and document management company with annual revenue of approximately €32mn. The acquisition closed in July 2007 and was consolidated for the first time in June 2007.

Business combinations

The total cost of business combinations completed in 2007 until the date of registering this document stands at €18.4mn (excluding debt assumed at acquired companies). This amount has already been paid in full. The CBF Print Management and Allkopi A.S. purchase agreements also include earnout clauses tied to these companies' future performance. The business combinations closed in 2007 have generated goodwill of approximately €12.4mn.

2Q07 business performance

The Company's second quarter income statement performance was very healthy:

Total revenue rose 72% to €50.6mn in 2Q07. EBITDA climbed 25% year-on-year in 2Q07. The EBITDA margin in 2Q07 reflects the policies at Cendris DM and Allkopi A.S. of funding assets with operational leased (rents).

	2Q06	2Q07	Chg. %
Total revenue	29.417	50.557	71.9%
Gross profit	21.399	36.556	*70.8%*
EBITDA	5.146	6.450	*25.3%*
EBIT	2.530	3.190	*26.1%*
NI attributable to parent	1.437	2.488	*73.1%*
Net debt	43.980	43.609	-0.8%
Equity	90.247	149.617	165.8%

% in Revenue			
Gross Margin	72.7%	72.3%	
EBITDA	17.5%	12.8%	
EBIT	8.6%	6.3%	
NI attributable to parent	4.9%	4.9%	

EBIT was 26% higher compared to the same period a year earlier, as a result of both organic growth and the contribution by the newly consolidated companies.

Net profit attributable to the parent company in 2Q07 was €2.5mn, 73% higher than in 2Q06, with gross margin of 5%.

2H07 business performance

The figures for the sixth first months of the year show continued strong earnings momentum. Acquisitions made during the last 12 months (Cendris Document Management, B.V., CBF Print Management Company and Allkopi A.S.) contributed €34.5mn to the €45.5mn increase in revenue (82%). SPS posted 1H07 revenue of €101.1mn.

	1H06	1H07	Chg. %
Total Revenue	55.661	101.117	81.7%
Gross Margin	40.633	73.441	80.7%
EBITDA	8.775	14.104	60.7%
EBIT	3.658	7.642	108.9%
Minority Interest	11	654	5845.5%
Profit attrib to parent.	2.684	4.500	67.7%
Net Debt	43.980	43.609	-0.8%
Equity	90.247	149.617	65.8%

% of revenue			
Gross margin	73.0%	72.6%	
EBITDA	15.8%	13.9%	
EBIT	6.6%	7.6%	
Profit attrib. to parent.	4.8%	4.5%	
USD vs EUR	1.23	1.33	
GBP vs EUR	0.69	0.67	

Two factors should be taken into consideration when analysing the results:

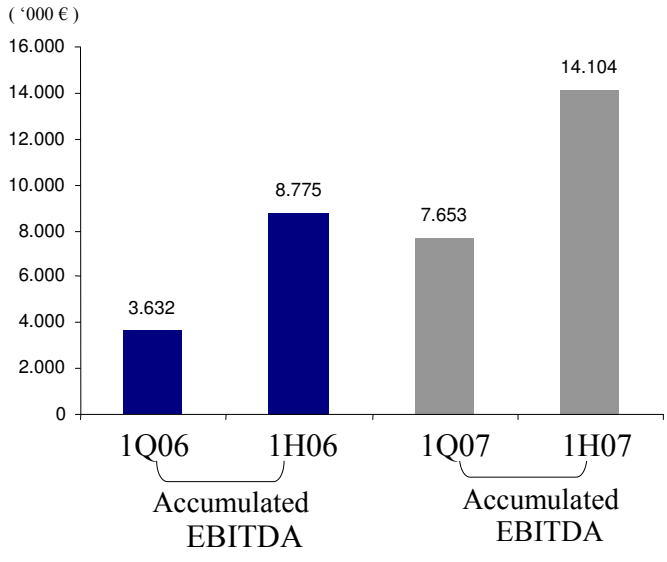
1. The completion of the one-off Frankfurt airport project by German subsidiary Koebcke, contributing €3.5mn to revenue, in 1Q07.

2. The reliance on operating leases at Cendris and Allkopi, compared to the use of finance leases at the other companies. This means the EBITDA margin is not comparable and the direct comparison should accordingly be made at the EBIT level.

3. The cancellation of the interest rate swap in 1Q06, which generated non-recurring income of approximately €1mn.

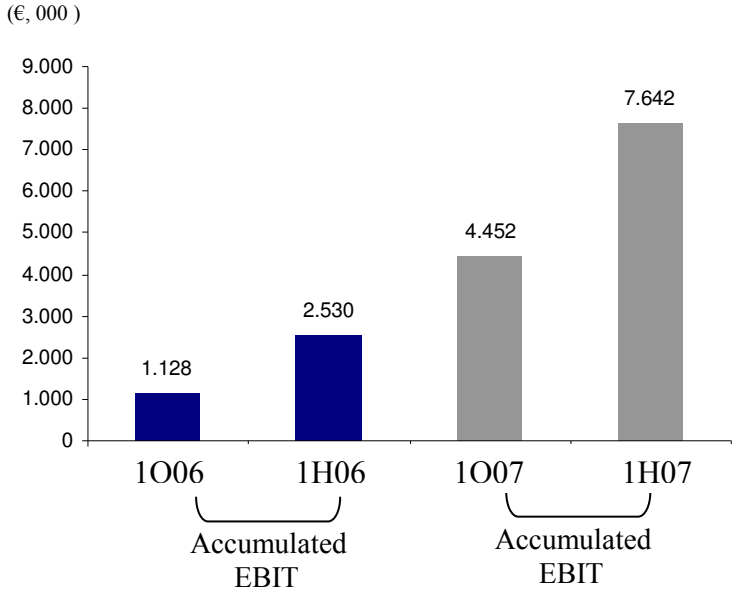
1H07 EBITDA rose 61% year-on-year to €14.1mn. Cendris (consolidated for all 6 months), CBF (1 month) and Allkopi (1 month) accounted for 21% of this balance.

Quarterly trend in EBITDA



1H07 EBIT (operating profit) came in 2.1 times higher than that of 1H06 at €7.6mn, also boosted by acquisitions (€2.3mn from Cendris DM (6 months) and CBF and Allkopi (June 2007). The EBIT margin expanded to 7.7%, reflecting the operating profitability and the successful integration of newly acquired companies:

Quarterly EBIT trend



Net profit was 1.7 times higher than in 1H06 at €4.5mn, almost as much as that generated in all of 2006 (€4.8mn).

In the wake of the debt assumed and payments for Allkopi and CBF, net debt stood at €43.6mn at the end of June 2007, equivalent to 1.6 times pro forma 2006 EBITDA. The bulk of SPS' bank debt is accounted for by a syndicated loan led by Lloyds TSB Bank, which carries interest at EURIBOR + 0.90 bps.

Equity rose 66% to €149.7mn. This reflects the €54.3mn rights issue undertaken in February 2007 to finance the acquisition of Cendris Document Management B.V (€35mn), the significant jump in net profit over the last year and the outcome of the two conversion periods in connection with the SPS 2005 convertible bonds. At 31 May 2007, 96.27% of the bonds had been converted into common shares. The final conversion period for these bonds has been set for the second half of November 2007 in a resolution approved at the Assembly of Bondholders held on 22 June 2007. This proposal was ratified at the General Shareholders' Meeting on 28 June 2007.

In terms of shareholder remuneration, a 1x30 bonus share issue was approved at the Annual General Meeting held on 28 June 2007. The issue will be executed during 1H08. At the same meeting the shareholders also approved the payment today, 27 July 2007, against the share premium account, of a net dividend of €0.02/sh to all holders of Service Point Solutions shares listed in the company's book-entry registry five workings days prior to payment, i.e. on 20 July 2007.

Conclusion

Earnings momentum remained strong throughout the first six months of the year. This momentum is the result of the on-target execution of the Company's strategic plan, centred on both organic and M&A-led growth, a strategy which has led to significant growth in both the topline and bottom line. This growth is complemented by a healthier balance sheet. The Company plans to continue to invest its resources in order to drive its operating results higher. To this end, it has identified initiatives to boost growth organically and via acquisitions going forward.

The improvement in earnings over the past 18 months has led to enhanced shareholder remuneration, including today's dividend payment, the Company's first, which complements the now customary annual bonus share issue.