



**FOR IMMEDIATE RELEASE**

**May 14, 2002**

## **Genesys Conferencing Reports Record First Quarter Results**

**-High margin automated services reach 65% of call volumes-**

**-EBITDA margin reaches 15.4% for Q1-**

**-Genesys reiterates comfort with 2002 guidance-**

**MONTPELLIER, France, May 14, 2002 - Genesys Conferencing (Euronext: 3955) (Nasdaq: GNSY),** the world's leading conferencing specialist, today reported results for the first quarter ended March 31, 2002.

Highlights for the first quarter relative to the prior period results included:

- Total call volumes reached 266 million minutes, up 25% (up 38% excluding British Telecom)
- Automated services volumes increased 82%, representing 65% of volume
- Genesys Meeting Center reaches 80,000 seats
- Call center consolidation on plan

The results, reported under French Generally Accepted Accounting Principles (GAAP), reflect the combined performance of Genesys Conferencing, Vialog Corporation, which was acquired by Genesys on April 25, 2001, and Astound Incorporated, which was acquired by Genesys on March 27, 2001, as if these acquisitions were completed on January 1, 2001.

### Automated Services Lead Performance In the First Quarter

Total call volumes were 266 million minutes for the first quarter, up 25% from the prior year period. Excluding British Telecom, Vialog's largest former customer and a Genesys competitor, total call volumes were up 38% from the prior year period. Automated services call volumes were up 82% from the first quarter of 2001. Automated services represented approximately 47% of revenue and 65% of call volumes in the first quarter compared to 41% of revenue and 59% of call volumes in the fourth quarter of 2001.

Revenues increased 5.4% to €55.5 (US\$48.4) million for the first quarter of 2002, from €52.6 (US\$45.9) million in the first quarter of 2001. Revenue growth reflects the continuing shift to automated services, which carry higher margins but generate lower per-minute revenues.

Increased call volumes, the continued shift toward automated services and improved cost controls led to a gross margin expansion of 110 basis points from the same period last year, to 57.8% compared to 56.7%. Gross margin for our automated services continues to be above 70%, with overall average price being down 8.5% in the first quarter compared to the prior year period, primarily as a result of the larger contracts won by Genesys.

Earnings before interest, taxes, depreciation and amortization (EBITDA), before non-recurring charges, increased to €8.6 (US\$7.5) million, or 15.4% of revenue, in the first quarter, compared to €8.0 (US\$7.0) million, or 15.2% of revenue, in the prior year period. The 2002 first quarter excludes €1.0 (US\$0.8) million in costs associated with employee separations. The Company recorded a first quarter 2002 pretax restructuring charge of €3.7 million under U.S. GAAP related to its North America call center consolidation. Under French GAAP, such restructuring costs were recorded as a goodwill adjustment.

Michael E. Savage, Executive Vice President and Chief Financial Officer, stated, "Our call center consolidation is on track and will further reduce costs and improve operating efficiency in the second half of the year. The rapid growth in automated audio services drove a healthy gross margin of 57.8% but slowed our revenue growth due to lower prices associated with these services." Savage added, "The EBITDA performance in the first quarter, combined with the continuing shift to automated services and the expected benefits of the call center consolidation, reinforces our confidence in achieving our 2002 guidance."

Genesys Meeting Center achieved several key milestones since the beginning of the year, including reaching 80,000 seats sold as well as key large account awards such as RR Donnelley. Francois Legros, Chairman and Chief Executive Officer stated, "Genesys Meeting Center, our fully integrated audio and web conferencing platform, continues to drive our innovative conferencing expansion efforts." Since its introduction, Genesys Meeting Center has become the fastest growing web conferencing service in the world, based on the number of seats sold. Legros continued, "We continue to see numerous opportunities to deploy Genesys Meeting Center for large, enterprise wide applications. The tremendous success Genesys Meeting Center is having in the marketplace validates our strategy of integrating audio, web and video conferencing into a single service for our customers." Genesys' multipoint reservationless video over IP service will be integrated in the Genesys Meeting Center in June 2002.

Legros concluded, "We believe our ongoing strategy of launching innovative conferencing services, reducing our cost structure and driving growth from our higher margin automated services positions Genesys for continued profit improvement and improved shareholder value."

### **First-Quarter Conference Call and Webcast**

The Company will hold a conference call today at 5:30 p.m. Central European Time (GMT+1) or 11:30 a.m. Eastern Standard Time. Chairman and Chief Executive Officer Francois Legros and Executive Vice President, Chief Financial Officer Michael E. Savage will host the call.

The conference call will be webcast live. The call may be accessed at [www.genesys.com](http://www.genesys.com).

### **On Forward-Looking Statements**

This release contains statements that constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than historical information or statements of current condition. These statements appear in a number of places in this release and include statements concerning the parties' intent, belief or current expectations regarding future events and trends affecting the parties' financial condition or results of operations. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Some of these factors are described in the form F4 registration statement which was filed by Genesys with the Securities and Exchange Commission on February 12, 2001. Although management of the parties believe that their expectations reflected in the forward looking statements are reasonable based on information currently available to them, they cannot assure you that the expectations will prove to have been correct. Accordingly, you should not place undue reliance on these forward-looking statements. In any event, these statements speak only as of the date of this release. Except to the extent required by law, the parties undertake no obligation to revise or update any of them to reflect events or circumstances after the date of this release, or to reflect new information or the occurrence of unanticipated events.

Genesys Conferencing's ordinary shares are listed on the Euronext Paris Stock Exchange and its ADSs are listed on the Nasdaq National Stock Market Euronext: 3955 - Nasdaq: GNSY - Reuters: GNSY LP - Bloomberg: GENE LP [www.genesys.com](http://www.genesys.com)

### **At Genesys Conferencing**

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