



Paris, 31 August 2009

Interim results 2009: Revenue and operating margin rate¹ hold up well

- Like-for-like revenue in H1 2009 was down 2.3% on the same period of 2008.
- The operating margin¹ in H1 2009 was 6.9%, close to the previous year's level of 7.1%.
- Very good cash management brought a €100m reduction in the Group's financial debt compared with 30 June 2008.
- New orders were up 5.8% in Q2 2009 and the ratio of new orders to revenue stood at 1.12 at 30 June 2009.

On 27 August 2009, the supervisory board of Group Steria SCA examined the consolidated accounts submitted by General Management.

H1 2009 consolidated results:

| H1 | | 2008 | 2009 | Organic growth At constant exchange rates |
|---|----|-------|--------------|--|
| Revenue | €m | 878.7 | 805.4 | |
| Operating margin ¹ | €m | 62.2 | 55.8 | |
| <i>as % of revenue</i> | % | 7.1% | 6.9% | |
| Operating income ² | €m | 53.3 | 43.4 | |
| Attributable net income | €m | 27.0 | 15.9 | |
| Underlying attributable net income ³ | €m | 33.0 | 28.8 | |

¹ Before amortisation of intangible assets linked to business combinations. The operating margin is the Group's key indicator. It is defined as the difference between revenue and operating expenses, the latter amounting to the total cost of services provided (expenses needed to carry out projects), marketing costs and general and administrative costs.

² Operating income includes restructuring costs, capital gains on disposal and costs incurred on share-based payments made to employees.

³ Attributable net profit restated - after tax - for other operating income and expenses, amortisation of intangible assets and unrecognised deferred tax assets.



Revenue

First-half consolidated revenue 2009

| (€ million) | H1 2008 | H1 2009 | Growth |
|-------------------------------|---------|--------------|--------------|
| Revenue | 878.7 | 805.4 | -8.3% |
| Change in consolidation scope | - | | |
| Change due to currency effect | -54.5 | | |
| Pro forma revenue | 824.2 | 805.4 | -2.3% |

First-half 2009 revenue by geographic zone

| (€ million) | H1 2008* | H1 2009 | Organic growth |
|--------------|----------|--------------|----------------|
| UK | 327.3 | 320.3 | -2.1% |
| France | 261.3 | 250.4 | -4.2% |
| Germany | 120.4 | 111.8 | -7.1% |
| Other Europe | 115.2 | 122.9 | 6.6% |
| Total | 824.2 | 805.4 | -2.3% |

First-half 2009 revenue by business line

| (€ million) | H1 2008* | H1 2009 | Organic growth |
|---|----------|--------------|----------------|
| Managed Services and Business Process Outsourcing | 318.7 | 291.2 | -8.6% |
| Consulting and Systems Integration | 505.5 | 514.3 | 1.7% |

Second-quarter 2009 revenue by geographic zone

| (€ million) | Q2 2008* | Q2 2009 | Organic growth |
|--------------|----------|--------------|----------------|
| UK | 165.6 | 164.7 | -0.5% |
| France | 131.4 | 122.4 | -6.8% |
| Germany | 61.9 | 56.8 | -8.2% |
| Other Europe | 61.1 | 64.9 | 6.2% |
| Total | 420.0 | 408.9 | -2.6% |

* Like-for-like sales (base 2009)



Q2 2009 activity

Despite an uncertain environment, Group activity proved resilient in Q2 2009. Consolidated revenue was **€408.9m**, down by just 2.6% on a like-for-like basis compared with Q2 2008 despite a negative calendar effect, with two fewer days of production in France and three fewer in Germany and Scandinavia.

After a slight decline in Q1, new orders rose **5.8%** at constant exchange rates over Q2 2009, resulting in a total increase of **1.0%** year-on-year in H1 2009.

At 30 June 2009, the ratio of new orders to consolidated revenue reached **1.12**, up from 1.08 a year earlier. The ratio was also above 1 for Consulting and Systems Integration and stood at **1.10**.

The pipeline remains well-stocked, representing **2.1x** projected annual revenue.

- **In the United Kingdom**, excluding the currency effect Q2 revenue was more or less stable on 2008 (-0.5%). The sales drive continued, resulting in a steady inflow of new orders, up 14% over H1 2009. At 30 June 2009, the ratio of new orders to revenue was 1.20. At constant exchange rates, the Group is expecting revenue to start growing again in H2 2009.
- **In France**, organic growth was negative at -6.8% in Q2 2009. The new organisation introduced at the beginning of 2009 and numerous subsequent measures have produced highly encouraging initial results. These include a reduction in the intercontract rate – which is now back towards the level of a year ago – and, shortly after the end of H1, SFR's decision to award the company a global IT outsourcing contract worth around €100 million. This is the biggest deal ever signed by Steria France. At 30 June 2009, the ratio of new orders to consolidated revenue stood at 1.04.
- **Business in Germany**, which is focused on the more cyclical activities of Consulting and Systems Integration, proved much more robust than the profession as a whole with a quarterly decline limited to -8.2% at constant exchange rates. At 30 June 2009, the ratio of new orders to consolidated revenue stood at 1.20.
- **In the Other Europe zone**, organic growth of 6.2% in Q2 was driven by the strong performance in Scandinavia (+20.6%). In contrast, the situation remains difficult in Spain due to a particularly severe economic context.

First-half 2009 results

The operating margin¹ held up particularly well over H1 2009. At **6.9%**, it was very close to the figure of 7.1% recorded in H1 2008.

Underpinning this resilience were additional cost synergies from the integration of Xansa (+**€9.1m**⁴ in H1 2009), extensive cost-cutting programmes in the geographic zones and the acceleration of various cross-company projects launched at Group level (industrialisation, centralised procurement, shared information systems, support services, etc.).

Net restructuring costs remained modest in H1 2009 at **€4.2m**, and should be limited to around 1% of annual revenue in 2009.

Financial result of **-€12.9m** reflects a substantial reduction in net borrowing costs (-€7.3m versus -€11.9m).

The net income at 30 June 2009 factors in a decision, in light of the severity of the Spanish economic downturn, to write down an impairment charge of €4.9m, most of the Spanish subsidiary's goodwill, and to record a non-recurrent tax charge of €2.5m, corresponding to the derecognition of our deferred tax assets in Spain.

⁴ At the exchange rate of 26 July 2007 (€£ 0.67) when the acquisition of Xansa was announced. Non audited figure.



Financial position at the end of H1 2009

Cash flow generation in H1 2009 was particularly strong compared to H1 2008. Operating free cash flow⁵ improved strongly to reach **€27.1m** (compared to -€28.7m in H1 2008), thanks to effective management of the working capital requirement and a strict control of capex.

At **€39.9m**, net financial debt was more or less stable on the level of 31 December 2008 and was down **€100m** from 30 June 2008.

The financing structure of the Group is healthy and sound:

- Cash and cash equivalents of **€146m**
- Additional financing facilities available until July 2012 of **€240m**
- Net financial debt limited to **39%** of shareholders' equity
- Bank covenants very comfortably respected

Outlook

In what is likely to remain a fragile environment in H2 2009, the Group is expecting a performance by its like-for-like revenue and operating margin rate similar to that of H1 2009.

***Next publication: Q3 2009 revenue
Thursday 12 November 2009 after close of market.***

Appendices: consolidated income statement, consolidated balance sheet, simplified cash flow statement and operating margin¹ by geographic zone at 30 June 2009

Video interview with François Enaud, Chairman and CEO of Groupe Steria SCA, on www.steria.com and www.steria.fr

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⁵ Cash flow minus change in working capital requirement, net capex, disposals and restructuring costs.



Consolidated Income Statement at 30 June 2009

| € thousand | 30/06/2009 | 30/06/2008 |
|--|-----------------|-----------------|
| Revenue | 805,417 | 878,692 |
| Cost of goods sold and outsourcing | (108,990) | (141,281) |
| Payroll | (475,821) | (498,178) |
| External costs | (149,839) | (145,334) |
| Tax and duties | (12,176) | (19,108) |
| Inventory change | 37 | (86) |
| Other operating income/expenditure | 12,382 | 5,671 |
| Net depreciation and amortisation | (18,861) | (21,618) |
| Net provisions | 1,779 | 797 |
| Depreciation of current assets | (424) | (6) |
| Operating margin (*) | 53,504 | 59,549 |
| <i>Operating profitability</i> | 6.6% | 6.8% |
| Other operating income and expenses | (10,051) | (6,296) |
| Operating income | 43,453 | 53,253 |
| Net cost of financial debt | (7,255) | (11,859) |
| Other financial income and expenses | (5,597) | (1,244) |
| Financial income | (12,852) | (13,103) |
| Tax | (14,445) | (12,673) |
| Group share of profits from companies accounted for by the equity method | (196) | (1,228) |
| Net profit from continuing activities | 15,960 | 26,249 |
| Results from discontinued activities or those being divested | | 721 |
| Total net profit | 15,960 | 26,970 |
| Attributable net profit | 15,883 | 27,030 |
| Minority interests | 77 | (60) |
| Fully diluted underlying⁴ earnings per share (euros) | 0.91 | 1.05 |

(*) After amortisation of client relationships recognised in the acquisition of Xansa representing **€2,268** thousand euros at 30 June 2009 and **€2,615K** euros at 30 June 2008



Consolidated Balance Sheet at 30 June 2009

| €thousand | 30/06/2009 | 31/12/2008 | 30/06/2008 |
|---|------------------|------------------|------------------|
| Goodwill | 730,528 | 672,015 | 783,558 |
| Intangible fixed assets | 67,193 | 62,050 | 72,472 |
| Tangible fixed assets | 79,832 | 85,453 | 95,101 |
| Shares in affiliated companies | 5,387 | 5,222 | 8,386 |
| Available-for-sale assets | 1,825 | 2,203 | 1,971 |
| Other financial assets | 4,343 | 12,466 | 11,868 |
| Pension commitments - Assets | 19,073 | 3,440 | 0 |
| Deferred tax assets | 9,821 | 15,310 | 22,783 |
| Other non-current assets | 2,625 | 2,189 | 2,326 |
| Non-current assets | 920,627 | 860,348 | 998,465 |
| Inventory | 8,159 | 6,201 | 3,384 |
| Net trade receivables | 264,997 | 281,284 | 307,830 |
| Client receivables | 213,423 | 190,434 | 221,142 |
| Other current assets | 23,408 | 26,186 | 32,162 |
| Non-current assets under one year | 2,829 | 2,838 | 2,010 |
| Current tax assets | 19,884 | 15,837 | 20,540 |
| Advance payments | 40,715 | 27,885 | 37,123 |
| Cash and cash equivalents | 145,945 | 141,138 | 97,798 |
| Current assets | 719,360 | 691,803 | 721,990 |
| Non-current assets held for sale | | | |
| Total assets | 1,639,987 | 1,552,151 | 1,720,455 |
| Group shareholders' equity | 607,540 | 544,960 | 625,890 |
| Minority interests | 570 | 555 | 877 |
| Total shareholders' equity | 608,110 | 545,515 | 626,767 |
| Loans and financial debt (> 1 year) | 330,280 | 325,837 | 382,300 |
| Pension commitments - Liability | 32,858 | 39,898 | 57,982 |
| Provisions for liabilities and charges (> 1 year) | 15,045 | 13,688 | 17,646 |
| Deferred tax liabilities | 5,697 | 14,293 | 10,138 |
| Other non-current liabilities | 21,088 | 18,146 | 5,326 |
| Non-current liabilities | 403,968 | 411,862 | 473,392 |
| Loans and financial debt (< 1 year) | 55,569 | 50,583 | 55,427 |
| Provisions for liabilities and charges (< 1 year) | 18,075 | 19,216 | 17,704 |
| Trade receivables and related accounts payable | 151,927 | 134,493 | 144,972 |
| Amounts owed to clients and advances received | 112,720 | 113,702 | 110,116 |
| Current tax liabilities | 36,935 | 31,366 | 37,542 |
| Other current liabilities | 252,683 | 245,414 | 254,535 |
| Current liabilities | 627,809 | 594,774 | 620,296 |
| Non-current liabilities held for sale | | | |
| Total liabilities | 1,639,987 | 1,552,151 | 1,720,455 |



Simplified Cash Flow Statement at 30 June 2009

| €million | 30/06/09 | 30/06/08 |
|---|-------------|--------------|
| Cash flow | 60.5 | 67.1 |
| Tax | -9.9 | -4.4 |
| Change in WCR (cash element) | -9.0 | -69.6 |
| Operating cash flow | 41.6 | -6.9 |
| Net capex | -9.9 | -15.0 |
| Restructuring | -4.6 | -6.8 |
| Operating free cash flow | 27.1 | -28.7 |
| Dividends ⁶ | -8.8 | -1.0 |
| Net financial investment | 3.9 | 3.2 |
| Capital increase | 0.0 | 0.0 |
| Change in consolidation scope | 0.0 | -0.4 |
| Additional contribution to pension fund | -22.8 | -8.8 |
| Other | -4.0 | 2.7 |
| Free cash flow | -4.6 | -33.0 |

Operating margin⁷ in H1 2009 by geographic zone

| €million | H1 2008* | H1 2009 |
|--------------|-------------|--------------|
| UK | 9.7% | 11.2% |
| France | 7.3% | 6.6% |
| Germany | 8.5% | 5.7% |
| Other Europe | 4.5% | 4.6% |
| Group costs | -1.0% | -1.1% |
| Group | 7.1% | 6.9% |

⁶ Of which coupon on the hybrid convertible bond: €8.8m at 30 June 2009 and €1m at 30 June 2008

⁷ Before amortisation of intangible assets linked to business combinations