

Half-year results presentation

1 September 2011

Key events in H1 2011 (1/2)



Success of the Axway
spin-off and listing
project

Key events in H1 2011 (2/2)

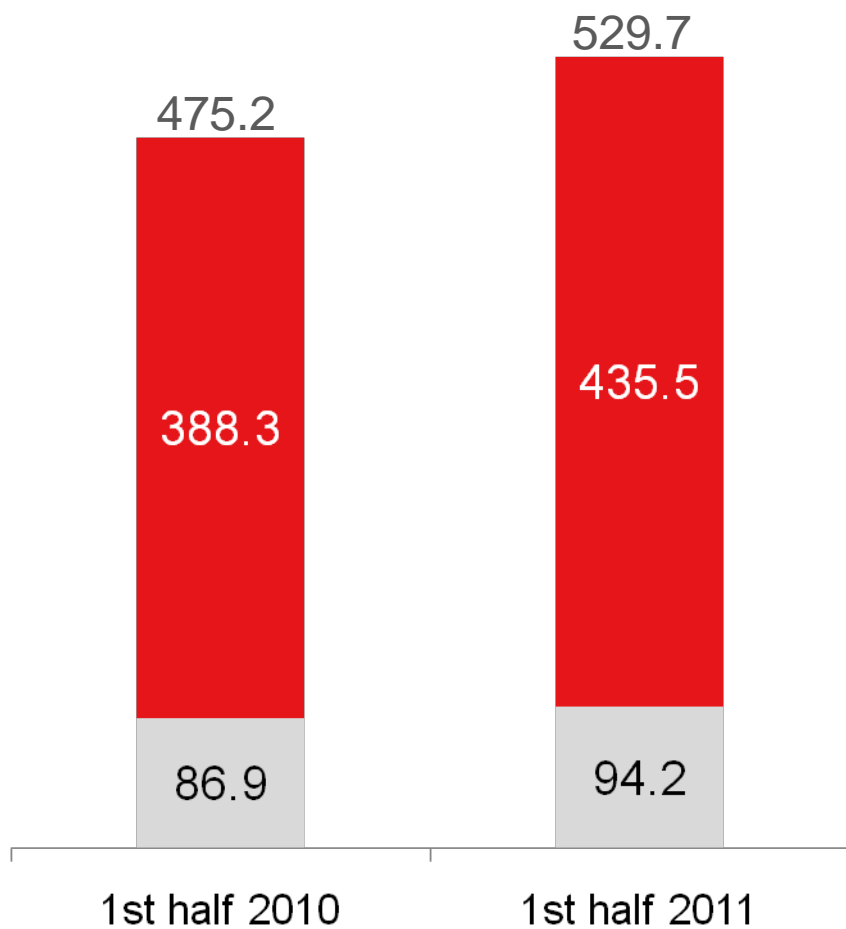
- **Organic growth exceeded 11%**
 - France: +12.2%
 - Europe: +7.7%
- **Marked improvement in operating margin on business activity**
 - France: 9.0%, + 60 basis points
 - Europe: 3.9%, + 210 basis points
 - Group: 8.1%, + 90 basis points
- **Recruitment in line with objectives**
- **Outstanding client references**



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Revenue (€m)



Organic Growth	H1	Q2
Sopra Group	+ 11.4%	+ 11.6%
France	+ 12.2%	+ 13.4%
Europe (excl. France)	+ 7.7%	+ 3.8%

Income statement

	1st Half Year 2011		1st Half Year 2010		Change 2011/2010	
	M€	%	M€	%	%	%
Revenue	529.7		475.2			+ 11.5%
Staff costs - Employees	-357.3		-328.9		+ 8.6%	+ 11.6%
Staff costs - Contractors	-51.5		-37.4		+ 37.7%	
Operating expenses	-71.2		-67.6			
Depreciation, amortisation and provisions	-6.8		-7.0			
Operating profit on business activity	42.9	8.1%	34.3	7.2%		+ 25.1%
Expenses related to stock options	-0.2		-0.2			
Amortisation of allocated intangible assets	-0.2		-0.4			
Profit from recurring operations	42.5	8.0%	33.7	7.1%		+ 26.1%
Other operating income and expenses	11.5		-0.2			
Operating profit	54.0	10.2%	33.5	7.0%		+ 61.2%
Cost of net financial debt	-1.8		-3.2			
Other financial income and expenses	0.7		-0.5			
Income tax expense	-16.3		-12.6			
Share of net profit from equity-accounted companies	1.1		-			
Net profit before profit from discontinued operations	37.7	7.1%	17.2	3.6%		+ 119.2%
Profit net of tax from discontinued operations	-1.4		2.6			
Net profit	36.3	6.9%	19.8	4.2%		+ 83.3%

Operating results

		30/06 2011		30/06 2010	
France					
Revenue	€m	435.5		388.3	
<i>organic growth</i>	%		+12.2%		
Operating profit on business activity	€m / %	39.2	9.0%	32.7	8.4%
Profit from recurring operations	€m / %	38.8	8.9%	32.1	8.3%
Operating profit	€m / %	35.9	8.2%	32.1	8.3%
Europe (excl. France)					
Revenue	€m	94.2		86.9	
<i>organic growth</i>	%		+7.7%		
Operating profit on business activity	€m / %	3.7	3.9%	1.6	1.8%
Profit from recurring operations	€m / %	3.7	3.9%	1.6	1.8%
Operating profit	€m / %	3.7	3.9%	1.6	1.8%

Simplified balance sheet

<i>€m</i>	30/06 2011	31/12 2010
Goodwill	164.1	369.9
Allocated intangible assets	1.7	22.0
Other fixed assets	43.2	44.6
Equity-accounted investments	83.4	-
Axway current account	60.0	-
Fixed assets	352.4	436.5
Trade accounts receivable (net)	336.0	368.4
Other assets and liabilities	-325.3	-383.2
Operating assets and liabilities	10.7	-14.8
ASSETS + WCR	363.1	421.7
Equity	243.3	364.6
Net financial debt	119.8	57.1
CAPITAL INVESTED	363.1	421.7

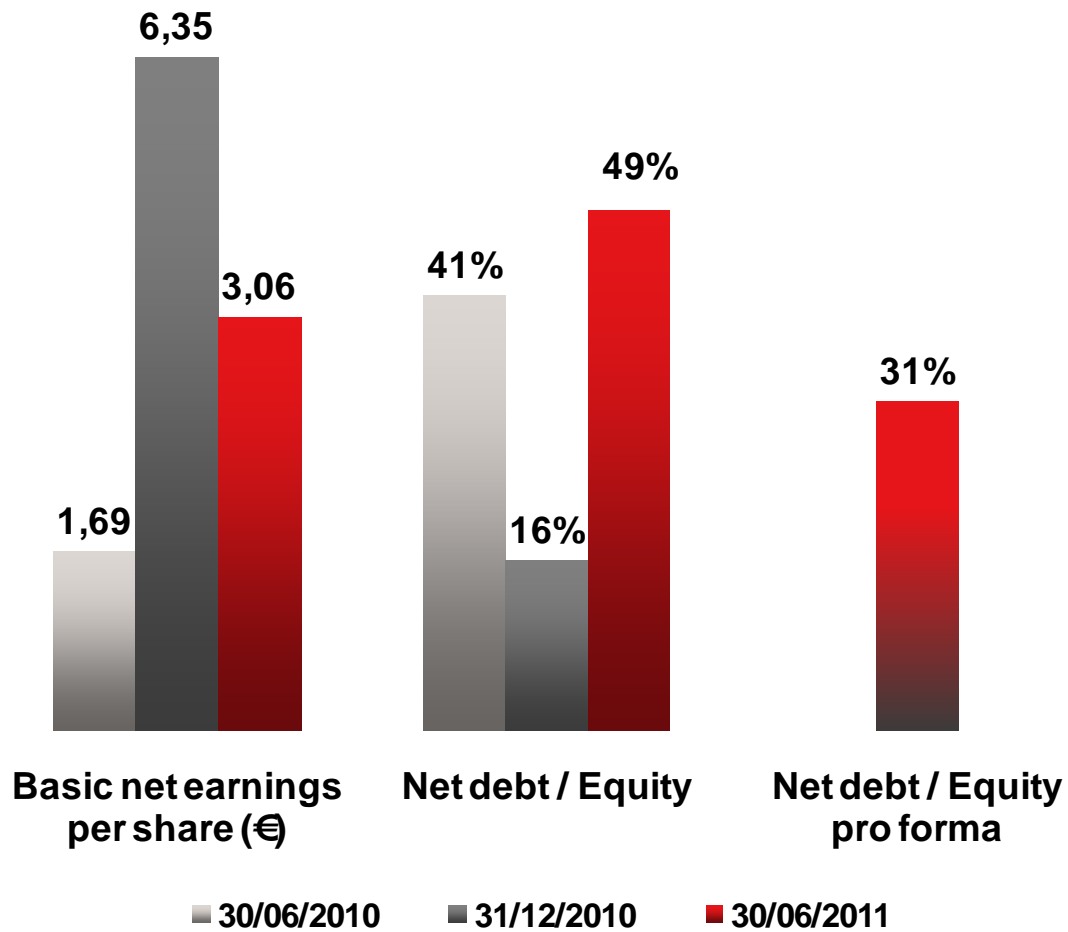
Change in equity

	€m
Position at 31 December 2010	364.6
Distribution in kind (73.73% of Axway at fair value)	- 284.5
Capital gain on the 73.73% of Axway distributed	200.4
Distribution in cash (exceptional)	- 46.6
Tax on distribution	- 3.2
Profit for the period	36.3
Distribution in cash (ordinary)	- 9.5
Capital increase through exercise of share options	1.1
Purchase or sale of own shares	- 0.3
Share-based payments	0.2
Actuarial differences	- 0.7
Variation of financial instruments	0.4
Translation adjustments	- 13.7
Other movements	- 1.2
Position at 30 June 2011	243.3

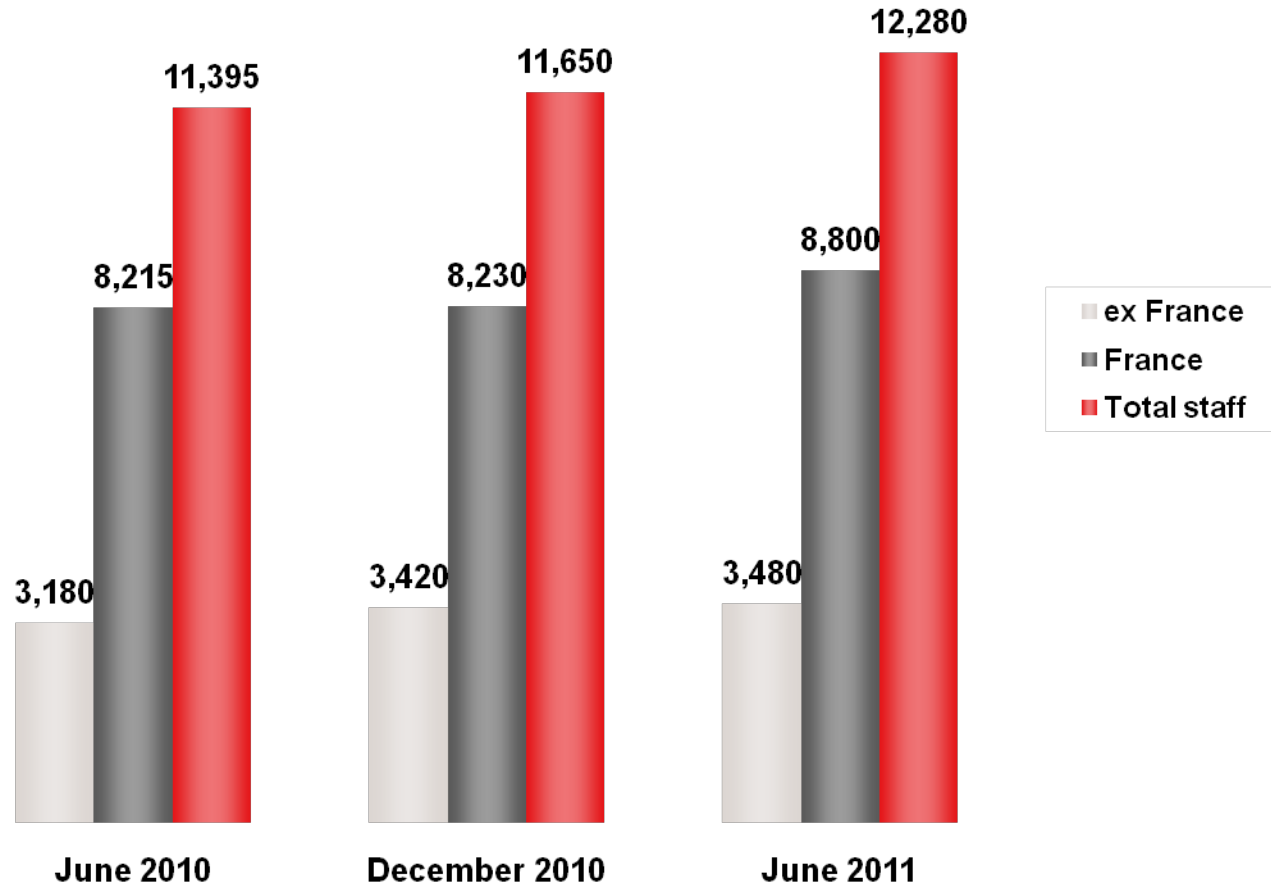
Change in net debt

€m	30/06 2011	31/12 2010
Net debt at beginning of period ^(A)	57.2	137.4
Gross cash flow from operations before net financial debt and tax	46.6	124.7
Tax paid	- 19.0	- 33.8
Changes in working capital requirements	- 25.7	20.9
Net cash flow from operations	1.9	111.8
Change relating to operating investments	- 8.4	- 15.0
Net financial interest paid	- 1.9	- 6.0
Free cash flow	- 8.4	90.8
Changes in scope	-	- 0.2
Dividends paid	- 56.1	- 9.4
Capital increases in cash	1.1	2.6
Other changes	- 0.3	- 3.6
Net cash flow relating to discontinued operations	12.6	-
Net cash flow ^(B)	- 51.1	80.2
Changes in exchange rates ^(C)	- 0.4	-
Net debt relating to discontinued operations ^(D)	- 11.1	-
Net debt at period-end ^(A-B-C-D)	119.8	57.2

Financial ratios



Staff changes (excluding external staff)





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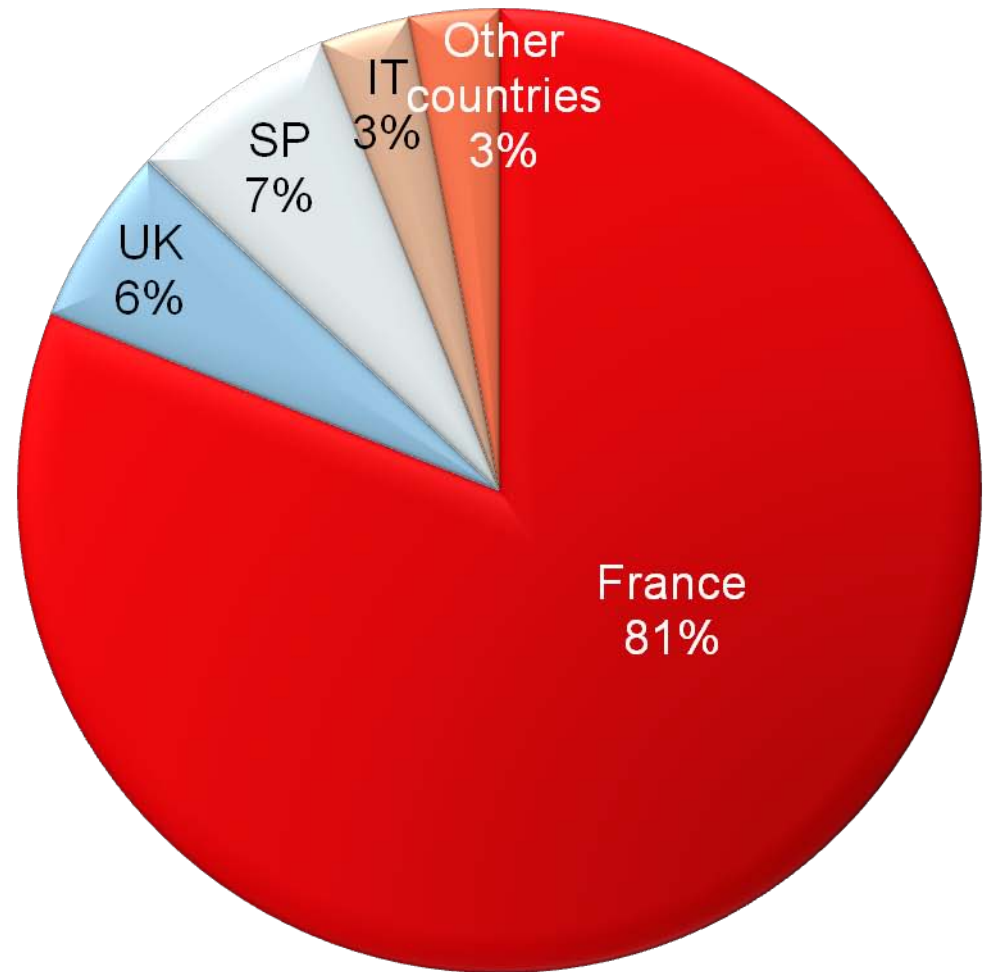
The business model

- Long-term commitments covering over 50% of revenue
 - Fixed-price projects
 - Solutions
 - Outsourcing
- Capacity to deliver a continuum of services



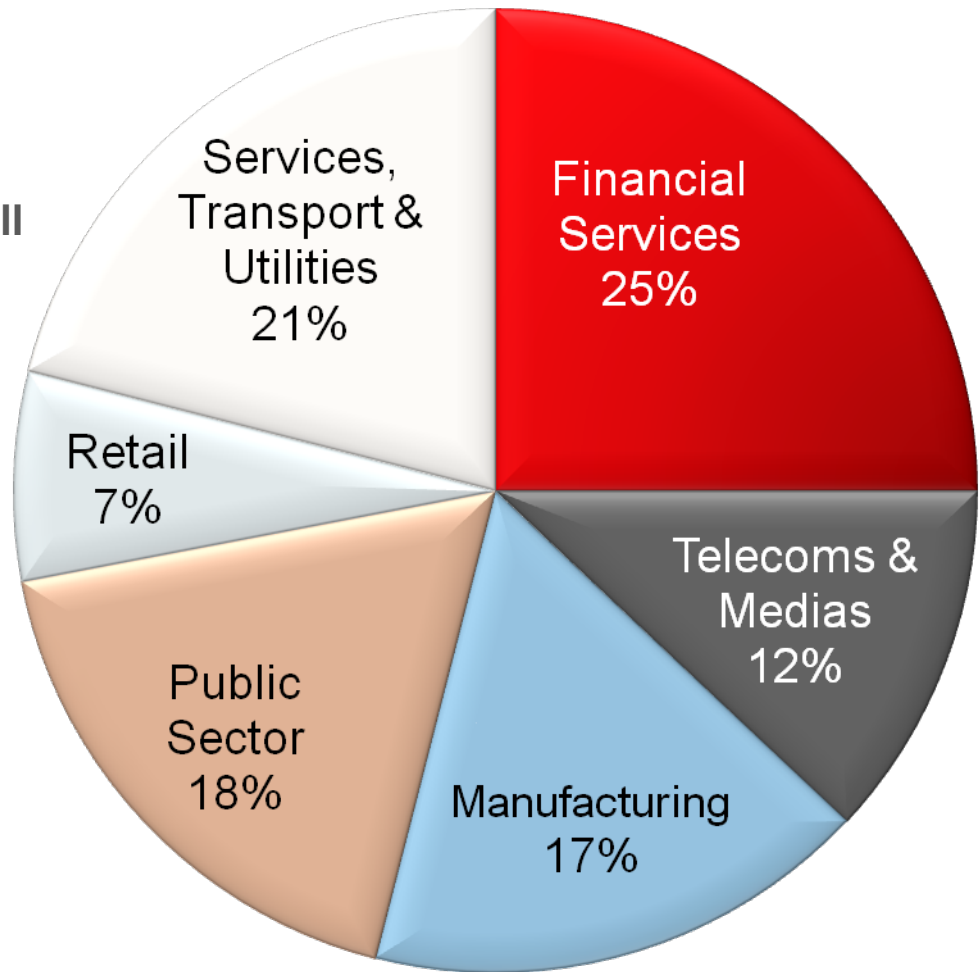
Geographic markets

- **Stability of positioning in France**
- **Growth opportunities in Europe**
 - Partnerships
 - Acquisitions



Vertical markets

- A balanced positioning in all economic sectors
- A strong drive on sectors undergoing transformation
 - Financial services
 - Utilities and services
 - Public sector





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Streamlining of information systems

- **Growing number of software and products in the IS**
- **Major fixed-price and application outsourcing projects merge**
- **Capacity to operate, directly or indirectly**
- **Global outsourcing is rare**
- **Demand for sound, quality partners able to deliver**



Technology cycle taken into account

- **From B2B to B2C**
- **Smartphones and networks**
- **Companies rethinking relationships with partners and customers**



The competition

- **Very few global players**
- **Emergence of niche players**
 - Of broad scope
 - But not global in their offering, nor in geographic scope
- **Difficulty in ensuring organic growth and profitability due to**
 - Either the quality of the business model
 - Or the quality of its operational execution
- **Consolidation landscape**
 - Services companies: rarely targeted, except for companies in emerging countries
 - Product companies: frequently targeted



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Sopra Group: quality positioning

- **A successful recent history**
- **Vital assets**
 - **Position in France among the Top 3-4**
 - **Product offers with high growth potential (Banking, HR, Real Estate)**
 - **High quality delivery model**
 - Widely anticipated
 - Methods – Tools – Platforms
 - Onshore – Nearshore – Customised offshore
 - A capable and dedicated team
 - **Management team, HR approach and sound governance**
- **Weaknesses to be redressed: Europe**
 - **Offering/business line currently being streamlined**
 - **Partnerships or acquisitions to be managed**



An independent project

- **Objectives**
 - Consolidate our position in the French market
 - Develop a sound positioning in Europe
 - Turn the Evolan offering into a fully-fledged software developer
- Roll out an acquisitions programme, especially based on Evolan
- Ensure organic growth continues to outperform the market
- Guarantee a high level of profitability



Prerequisites for project success

- **Backing by the Board of Directors and key shareholders**
- **Management team in place**
- **Financial means**



Outlook

- **The Group is maintaining performance objectives that it set at the beginning of the year for the financial year**
 - Organic growth
 - Slight improvement in operating margin on business activity
- **However, the current economic environment does not permit any firm commitments**



Any questions?

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