

Press Release

Paris, 29 August 2008

**Sopra Group: very strong revenue growth
and improved profitability in the first half of 2008**

- **Total growth of +13.7% and organic growth of +12.3% in the first half**
- **Operating profit: +19.5%**
- **Net profit: +17.1%**

		30/06 2008	30/06 2007	Change (%)
Key income statement items				
Revenue ¹	€m	549.6	483.3	+13.7%
Profit from recurring operations	€m	40.4	34.5	+17.1%
<i>as % of revenue</i>	%	7.4%	7.1%	
Operating profit	€m	40.4	33.8	+19.5%
<i>as % of revenue</i>	%	7.4%	7.0%	
Consolidated net profit	€m	24.7	21.1	+17.1%
<i>as % of revenue</i>	%	4.5%	4.4%	
Per share data				
Net earnings per share ²	€	2.12	1.84	+15.2%
Key balance sheet items				
Net debt	€m	156.6	148.9	
Equity (Group share)	€m	246.0	221.6	
Net debt / Equity	%	64%	67%	

Revenue and results

Sopra Group achieved consolidated revenue for the first half of 2008 of 549.6 million euros, representing total growth of +13.7% and organic growth of +12.3%. Operating profit amounted to 40.4 million euros, with a 7.4% operating margin, up +19.5% from the first half of 2007. The Group's net profit was 24.7 million euros, with a net margin of 4.5%, up +17.1% compared to the first half of 2007.

This performance is in line with the high revenue growth and profit improvement objectives for the financial year as a whole.

¹ See press release dated 28 July 2008.

² Calculated based on the weighted average number of ordinary shares in circulation.

Information by division

(€m / %)	1st Half Year 2008					1st Half Year 2007			Full Year 2007		
	Revenue	Growth		PRO ³	% Margin	Revenue	PRO	% Margin	Revenue	PRO	% Margin
		total	organic								
Management Consulting	24.7	+ 8.8%	+ 8.8%	2.5	10.1%	22.7	2.2	9.7%	43.9	4.5	10.3%
SSI ⁴ France	338.8	+ 17.5%	+ 15.6%	27.6	8.1%	288.4	23.0	8.0%	597.5	52.3	8.8%
SSI Europe	113.8	+ 9.0%	+ 6.6%	8.0	7.0%	104.4	7.0	6.7%	214.9	19.5	9.1%
Axway	72.3	+ 6.6%	+ 8.2%	2.3	3.2%	67.8	2.3	3.4%	145.1	14.5	10.0%
Total Group	549.6	+ 13.7%	+ 12.3%	40.4	7.4%	483.3	34.5	7.1%	1,001.4	90.8	9.1%

Management Consulting (Orga Consultants): revenue rose +8.8% to 24.7 million euros. Profit from recurring operations was 2.5 million euros, up +13.6% year-on-year. Given the level of orders recorded, it is reasonable to expect a similar, or higher, growth rate in the second half-year period.

SSI⁴ France: this division recorded revenue of 338.8 million euros with total growth of +17.5% and organic growth of +15.6% for the half-year period. Profit from recurring operations rose +20.0% to 27.6 million euros, representing a current operating margin of 8.1%. The pace of order intake is dynamic and reflects the confidence that major clients place in the Group's onshore, nearshore and offshore production resources. Organic growth and an improvement in margins are targeted for the second half of the year.

SSI Europe: with revenue of 113.8 million euros in the first half, total growth of +9.0% and organic growth of +6.6%, the Group's European business performed in line with forecasts. Profit from recurring operations rose +14.3% to 8.0 million euros. The Group forecasts that organic growth will be maintained in the second half.

Axway: revenue was 72.3 million euros, representing organic growth of +8.2% for the half-year period. Given that this business is subject to seasonal fluctuations, profit from recurring operations was 2.3 million euros, in line with the prior year. The targets for organic growth and operating margin improvements, which were set at the beginning of the year, have been maintained.

Overview of the financial position and results

At 30 June 2008, the financial position remained robust with net debt limited to €156.6 million and a net debt to equity ratio of 64%, compared to 67% at 30 June 2007.

Despite Sopra Group's excellent performance for the six-month period and the strong order book, precise annual performance guidance will not be issued as long as the global economic environment remains uncertain. However, on the basis of data currently available, Sopra Group is confident in its capacity to sustain organic growth higher than that of the market for the entire financial year 2008. Moreover, the Group remains committed to its unwavering objective of enhancing its operating margin. No events that occurred during the period are expected to have a significant impact on the Group's financial position.

Workforce

At 30 June 2008, Sopra Group's total workforce comprised 12,110 employees, including 3,890 outside France. The net increase in the workforce for the first half of the year was 680 people, excluding acquisitions.

³ PRO: Profit from recurring operations.

⁴ SSI: Systems and Solutions Integration.

Significant transactions and events

As indicated above, the scope of consolidation changed as follows:

- Methosystem (Italy) has been consolidated since 1 July 2007,
- Interface (France) has been consolidated since 1 August 2007,
- Business Architects International (Belgium) has been consolidated since 1 October 2007,
- CIBF (France) has been consolidated since 1 January 2008,
- G2i (France) has been consolidated since 1 January 2008.

Moreover, Axway's acquisition of Tumbleweed Communications (USA) is expected to be finalized during the third quarter as announced.

Upcoming events

An information meeting presenting the results published in this press release will be held on Tuesday, 2 September 2008 at 2.30pm at Hôtel Meurice, 228 rue de Rivoli, Paris.

Sopra Group will publish its third-quarter 2008 revenue on Wednesday, 12 November 2008, after the market close.

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About Sopra Group

A leader in the European consulting and IT services market, Sopra Group generated revenue of 1 billion euros in 2007 and has a human and intellectual resource potential of over 12,000 people. Thanks to a longstanding culture of excellence and strong sector-specific, functional and technological know-how, the Group offers its clients an end to end approach based on a well-honed business model. Sopra Group's ambition is to allow its clients to focus on transformation projects that will give them a competitive edge and help them drive growth. Sopra Group's savoir-faire encompasses prior strategic reflection through to the supervision and implementation of major systems integration and application outsourcing projects. The Group also pursues the worldwide deployment of its activities in both application integration and business process management through its subsidiary Axway, one of the world's leading providers of Collaborative Business Solutions, with a complete range of solutions and services. For more information, please go to our website www.sopragroup.com.

Appendices

Income statement

	First Half 2008		First Half 2007		Variation (%)
	€m	%	€m	%	
Revenue	549.6		483.3		+ 13.7%
Staff costs - Employees	-360.8		-324.7		+ 11.1%
Staff costs - Contractors	-47.5		-37.5		+ 26.7%
Operating expenses	-92.9		-79.8		+ 16.4%
Depreciation and provisions	-8.0		-6.8		+ 17.6%
Profit from recurring operations	40.4	7.4%	34.5	7.1%	+ 17.1%
Other operating income and expenses	-		-0.7		
Operating profit	40.4	7.4%	33.8	7.0%	+ 19.5%
Cost of net financial debt	-4.1		-3.5		
Other financial income and expenses	0.2		3.0		
Income tax expense	-11.8		-12.2		
Net profit	24.7	4.5%	21.1	4.4%	+ 17.1%
Group share	24.7		21.1		
Minority interests	-		-		

Balance sheet

€m	30/06 2008	30/06 2007	31/12 2007
Goodwill	299.7	297.2	300.6
Other assets	43.8	37.0	38.2
Other assets and liabilities	59.1	36.3	40.3
ASSETS	402.6	370.5	379.1
Equity	246.0	221.6	248.8
Net debt	156.6	148.9	130.3
CAPITAL INVESTED	402.6	370.5	379.1

Change in equity

	€m
Position at 31 December 2006	248.8
Dividends	- 19.3
Net profit - Group share	24.7
Capital increase through exercise of share options	0.4
Share-based payments	0.2
Actuarial differences	0.4
Translation adjustments	- 9.2
Position at 30 June 2007	246.0

Change in net debt

<i>€m</i>	30/06 2008	30/06 2007	31/12 2007
Net debt at opening	130.3	97.7	97.7
Gross cash flow from operations before net financial debt and tax	42.0	40.3	104.6
Tax paid	-10.1	-22.8	-38.2
Changes in working capital requirements	-12.8	-7.9	-14.7
Net cash flow from operations	19.1	9.6	51.7
Net financial interest paid	-6.2	-4.6	-13.8
Capital expenditures	-4.2	-3.5	-7.9
Free cash flow	8.7	1.5	30.0
Changes in scope	-15.4	-34.7	-49.2
Dividends paid	-19.3	-15.5	-15.5
Capital increases in cash	0.4	0.3	4.8
Other changes	-0.2	-2.7	-2.5
Net cash flow	-25.8	-51.1	-32.4
Changes in interest rates	-0.5	-0.1	-0.2
Net debt at closing	156.6	148.9	130.3