

Sopra announces revenue growth, confirms annual targets

Sopra - 3rd quarter

€m	Q3 2014	Q3 2013 pro forma	Q3 2013 reported	Total growth	Organic growth
France	182.6	179.9	179.0	2.0%	1.5%
Europe (excluding France)	63.1	60.6	58.9	7.1%	4.1%
Sopra Banking Software	53.6	57.5	49.8	7.6%	-6.8%
Other Solutions	42.2	41.9	32.1	31.5%	0.7%
Sopra	341.5	339.9	319.8	6.8%	0.5%

Sopra - 9 months year-to-date

€m	9M 2014	9M 2013 pro forma	9M 2013 reported	Total growth	Organic growth
France	575.8	563.5	560.0	2.8%	2.2%
Europe (excluding France)	193.0	185.0	181.8	6.2%	4.3%
Sopra Banking Software	174.3	176.3	157.6	10.6%	-1.1%
Other Solutions	120.7	106.0	81.4	48.3%	13.9%
Sopra	1,063.8	1,030.8	980.8	8.5%	3.2%

Paris, 30 October 2014 – Sopra's¹ revenue for the first 9 months of the year was €1,063.8 million, representing total growth of 8.5% and organic growth² of 3.2%. During this period of intense transformation, the Group has leveraged the robust fundamentals of its business model to generate growth and confirm the annual targets announced within the framework of its independent enterprise project.

Comments on Sopra's business activity in Consulting & Services

In France, Q3 revenue amounted to €182.6 million, representing total growth of 2.0% and organic growth of 1.5%. Despite an unfavourable calendar effect (-1 day vs. Q3 2013), business activity is on a positive trend and Sopra continues to take market share from its competitors. Efficient management of contracting and human resources led respectively to sales prices being maintained and a low level of consultant downtime, allowing annual targets to be confirmed. Moreover, the pipeline shows several promising opportunities for the end of the financial year, particularly in the public sector, where the beginning of the year had been challenging.

¹ For ease of reading, Sopra's and Steria's performances are reported on a stand-alone basis.

² At constant consolidation scope and exchange rates.

In Europe, Sopra's revenue for the 3rd quarter was €63.1 million, representing total growth of 7.1% and organic growth of 4.1%. The situation varied considerably country by country. Whereas Spain, Belgium, Switzerland and Italy achieved good performances during the quarter, the UK and German subsidiaries experienced difficulties.

Comments on Sopra's business activity in Solutions

With revenue of €53.6 million for the third quarter, Sopra Banking Software recorded total growth of 7.6% but negative organic growth of 6.8%. Q4 licence sales, which are forecast to grow, will play a key role in determining the full-year performance of the subsidiary and will partially offset the substantial investments in R&D. The subsidiary has just signed a major industrial partnership with La Banque Postale, which has selected the Sopra Banking Platform suite to rationalise and modernise its information system. The signing of this agreement with one of the largest banks in France validates the strategy pursued by Sopra Banking Software, which has actively transformed the structure of its offering since 2013, and which now has an innovative solution that is flexible, comprehensive and pre-integrated, designed to address the digital transformation needs of banks.

Other Solutions generated revenue of €42.2 million for the quarter, representing total growth of 31.5% and organic growth of 0.7%. The weak growth rate for Q3, due to a high base effect in the 2013 pro forma results of the business activities acquired (HR Access Services), does not call into question the excellent performance of HR solutions which achieved organic growth of 17.1% in this 9 month period. Sales of property management solutions grew by almost 6% this quarter, while several high-profile projects may still come to fruition by the end of the financial year.

For the entire Solutions business line, whether for Sopra Banking Software or Other Solutions, the full-year target of more than 10% operating margin on business activity is maintained.

Outlook

Today, Sopra is able to confirm the annual targets that were announced within the framework of its independent enterprise project, namely:

- organic growth of between 3% and 5%,
- improvement in the operating margin on business activity,
- net debt at year-end of between €130 million and €160 million.

Comments on Steria's business activity

As of 1 August 2014, Sopra holds 90.5% of Steria's share capital. That date marks the consolidation of Steria within the new combined entity, Sopra Steria Group.

Steria's contribution to the consolidated revenue of Sopra Steria Group for the first 9 months of the year was €302.8 million. This figure corresponds to Steria's business activity over the two months from 1 August to 30 September 2014.

Consequently, Sopra Steria Group's consolidated revenue for the first 9 months of the year, including Steria's contribution from August to September, was €1,366.6 million.

Sopra + Steria (2M)		
€m	Q3 2014	9M 2014
Sopra	341.5	1,063.8
Steria (August - September)	302.8	302.8
Sopra Steria Group	644.3	1,366.6

Steria's Q3 revenue has been detailed in a separate press release which is available at www.steria.com.

Sopra - Steria tie-up

The tie-up process between Sopra and Steria is proceeding in accordance with the initial timetable. Following the success of the Public Exchange Offer in August 2014, the operational collaboration between the two entities, now joined into a single group, has accelerated.

This collaboration, which is embodied in the establishment of an integration committee led jointly by Pierre Pasquier and François Enaud, has notably made it possible to prepare the organisation and future operating procedures of Sopra Steria Group.

In parallel with this, several key milestones have been achieved:

- On 16 October 2014, Groupe Steria changed its legal form from a Société en Commandite par Actions (SCA) to a Société Anonyme (SA);
- At the end of October 2014, the Employee Representative Bodies gave their opinions on the proposed merger between Sopra and Steria.

On this basis, the legal merger between Sopra Steria Group SA and Groupe Steria SA should be able to take place before the end of financial year 2014, in accordance with the initial calendar. This merger will be put to a vote of the shareholders of both Sopra Steria Group and Groupe Steria at their respective Extraordinary Shareholders' Meetings planned for 19 December 2014.

Thus, on 1 January 2015, the new combined entity Sopra Steria Group should be in full working order to integrate both companies and set about delivering operational synergies.

Lastly, taking into consideration the operating performance of both companies and in particular the difficulties encountered by Steria in Germany, the Group confirms once again its confidence in its strategic plan which will create value for all stakeholders: clients, employees and shareholders.

Contacts

Investor relations:	Kathleen Clark Bracco	+33 (0)1 40 67 29 61	investors@sopra.com
	Olivier Psaume	+33 (0)1 40 67 68 16	investors@sopra.com
Press relations:	Image 7 – Caroline Simon	+33 (0)1 53 70 74 65	caroline.simon@image7.fr
	Image 7 – Simon Zaks	+33 (0)1 53 70 74 63	szaks@image7.fr

Annexes

Sopra - 3rd quarter

€m	Q3 2014	Q3 2013 pro forma	Q3 2013 reported	Total growth	Organic growth
United Kingdom	21.2	22.9	21.3	-0.5%	-7.4%
Spain	20.7	17.3	17.3	19.7%	19.7%
Italy	10.4	9.5	9.5	9.5%	9.5%
Other Countries	10.8	10.9	10.8	0.0%	-0.9%
Europe (excl. France)	63.1	60.6	58.9	7.1%	4.1%
France	182.6	179.9	179.0	2.0%	1.5%
Sopra Banking Software	53.6	57.5	49.8	7.6%	-6.8%
Other Solutions	42.2	41.9	32.1	31.5%	0.7%
Sopra	341.5	339.9	319.8	6.8%	0.5%

Sopra - 9 months year-to-date

€m	9M 2014	9M 2013 pro forma	9M 2013 reported	Total growth	Organic growth
United Kingdom	64.8	66.7	63.6	1.9%	-2.8%
Spain	65.0	55.1	55.1	18.0%	18.0%
Italy	31.3	32.3	32.3	-3.1%	-3.1%
Other Countries	31.9	30.9	30.8	3.6%	3.2%
Europe (excl. France)	193.0	185.0	181.8	6.2%	4.3%
France	575.8	563.5	560.0	2.8%	2.2%
Sopra Banking Software	174.3	176.3	157.6	10.6%	-1.1%
Other Solutions	120.7	106.0	81.4	48.3%	13.9%
Sopra	1,063.8	1,030.8	980.8	8.5%	3.2%

Sopra - 2014 revenue per quarter

€m	Q1	Q2	Q3	9M	Organic growth
United Kingdom	22.3	21.3	21.2	64.8	-2.8%
Spain	20.8	23.5	20.7	65.0	18.0%
Italy	10.3	10.6	10.4	31.3	-3.1%
Other Countries	10.4	10.7	10.8	31.9	3.2%
Europe (excl. France)	63.8	66.1	63.1	193.0	4.3%
France	197.8	195.4	182.6	575.8	2.2%
Sopra Banking Software	60.7	60.0	53.6	174.3	-1.1%
Other Solutions	36.1	42.4	42.2	120.7	13.9%
Sopra	358.4	363.9	341.5	1,063.8	3.2%