

# 2011 Full Year Results Presentation

16 February 2012

# Forward-Looking Statements

- This document contains forecasts in respect of which there are risks and uncertainties concerning Sopra Group's future growth and profitability. The Group highlights the fact that the signature of licence contracts, which often represent investments for clients, are more significant in the second half of the year and may therefore have a more or less favourable impact on full-year performance.
- The outcome of events or actual results may differ from those described in this document as a result of various risks and uncertainties set out in the 2010 Reference Document submitted to the *Autorité des Marchés Financiers* on 8 April 2011 (in particular pages 54 and following).
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# Agenda

- **Key figures**
- **Supplementary information and trends observed**
- **Strategy**

# Performance among best in class in 2011

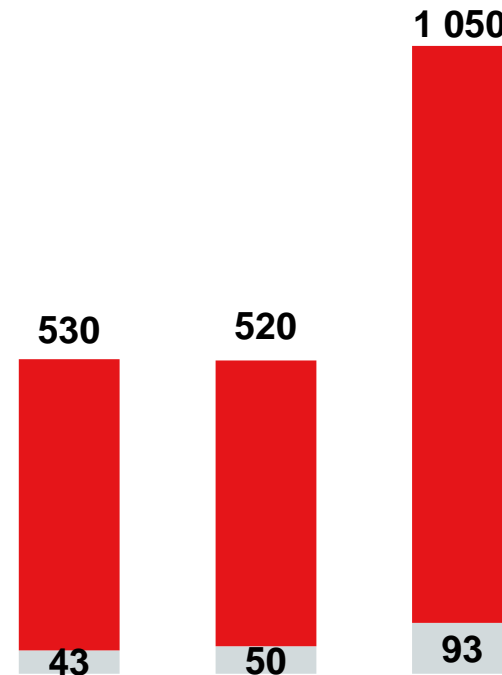
## Reminder: 2011 Guidance

*Organic growth of around 7% for financial year*

*Operating profit margin on business activity between 8.6%-9.0%*

■ Revenue

■ Operating profit on business activity



	H1	H2	2011
Total growth	+12%	+7%	+9%
Organic growth	+11%	+5%	+8%
Operating profit margin on business activity	8.1%	9.5%	8.8%

# Income statement

	31/12 2011		31/12 2010 Restated		31/12 2010 Reported	
	€m	%	€m	%	€m	%
<b>Revenue</b>	<b>1,050.3</b>		<b>964.4</b>		<b>1,169.9</b>	
Staff costs - Employees	-701.4		-652.1		-783.5	
Staff costs - Contractors	-95.8		-80.5		-84.9	
Operating expenses	-147.0		-133.0		-169.9	
Depreciation, amortisation and provisions	-13.6		-13.1		-14.8	
<b>Operating profit on business activity</b>	<b>92.5</b>	<b>8.8%</b>	<b>85.7</b>	<b>8.9%</b>	<b>116.8</b>	<b>10.0%</b>
Expenses related to stock options	-0.5		-0.2		-0.2	
Amortisation of allocated intangible assets	-0.3		-0.7		-2.6	
<b>Profit from recurring operations</b>	<b>91.7</b>	<b>8.7%</b>	<b>84.8</b>	<b>8.8%</b>	<b>114.0</b>	<b>9.7%</b>
Other operating income and expenses	6.2		-1.1		-4.7	
<b>Operating profit</b>	<b>97.9</b>	<b>9.3%</b>	<b>83.7</b>	<b>8.7%</b>	<b>109.3</b>	<b>9.3%</b>
Cost of net financial debt	-4.1		-5.6		-5.8	
Other financial income and expenses	0.6		0.4		-1.4	
Income tax expense	-36.1		-30.3		-27.3	
Share of net profit from equity-accounted companies	6.0		-		-	
<b>Net profit before profit from discontinued operations</b>	<b>64.3</b>	<b>6.1%</b>	<b>48.2</b>	<b>5.0%</b>	<b>74.8</b>	<b>6.4%</b>
Profit net of tax from discontinued operations	-1.4		26.6		-	
<b>Net profit</b>	<b>62.9</b>	<b>6.0%</b>	<b>74.8</b>	<b>7.8%</b>	<b>74.8</b>	<b>6.4%</b>

8.8%

# Operating results in France and Europe

		2011		2010 Restated	
<b>France</b>					
Revenue	€m	865.8		788.9	
<i>organic growth</i>	%		+ 8.6%		
Operating profit on business activity	€m / %	83.5	9.6%	78.1	9.9%
Profit from recurring operations	€m / %	82.7	9.6%	77.2	9.8%
Operating profit	€m / %	74.4	8.6%	76.6	9.7%
<b>Europe (ex. France)</b>					
Revenue	€m	184.5		175.5	
<i>organic growth</i>	%		+ 4.9%		
Operating profit on business activity	€m / %	9.0	4.9%	7.6	4.3%
Profit from recurring operations	€m / %	9.0	4.9%	7.6	4.3%
Operating profit	€m / %	9.0	4.9%	7.6	4.3%

# Balance sheet

€m	31/12 2011	31/12 2010 Reported
Goodwill	190.9	369.9
Allocated intangible assets	1.3	22.0
Other fixed assets	44.1	44.6
Equity-accounted investments	109.4	-
<b>Fixed assets</b>	<b>345.7</b>	<b>436.5</b>
Trade accounts receivable (net)	345.0	368.4
Other assets and liabilities	-370.4	-383.1
<b>Operating assets and liabilities</b>	<b>-25.4</b>	<b>-14.7</b>
<b>ASSETS + WCR</b>	<b>320.3</b>	<b>421.8</b>
Equity	273.9	364.6
Net financial debt	46.4	57.2
<b>CAPITAL INVESTED</b>	<b>320.3</b>	<b>421.8</b>

# Change in equity

	M€
<b>Position at 31 December 2010</b>	<b>364.6</b>
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	- 6.0
Net profit - Group share	62.9
Distribution in cash (ordinary)	- 9.5
Capital increase through exercise of share subscription options	1.2
Acquisition or disposal of treasury shares	- 0.9
Share-based payments	0.4
Actuarial differences	- 0.7
Change in financial instruments	- 0.6
Translation adjustments	- 6.6
Other movements	- 0.2
<b>Position at 31 December 2011</b>	<b>273.9</b>



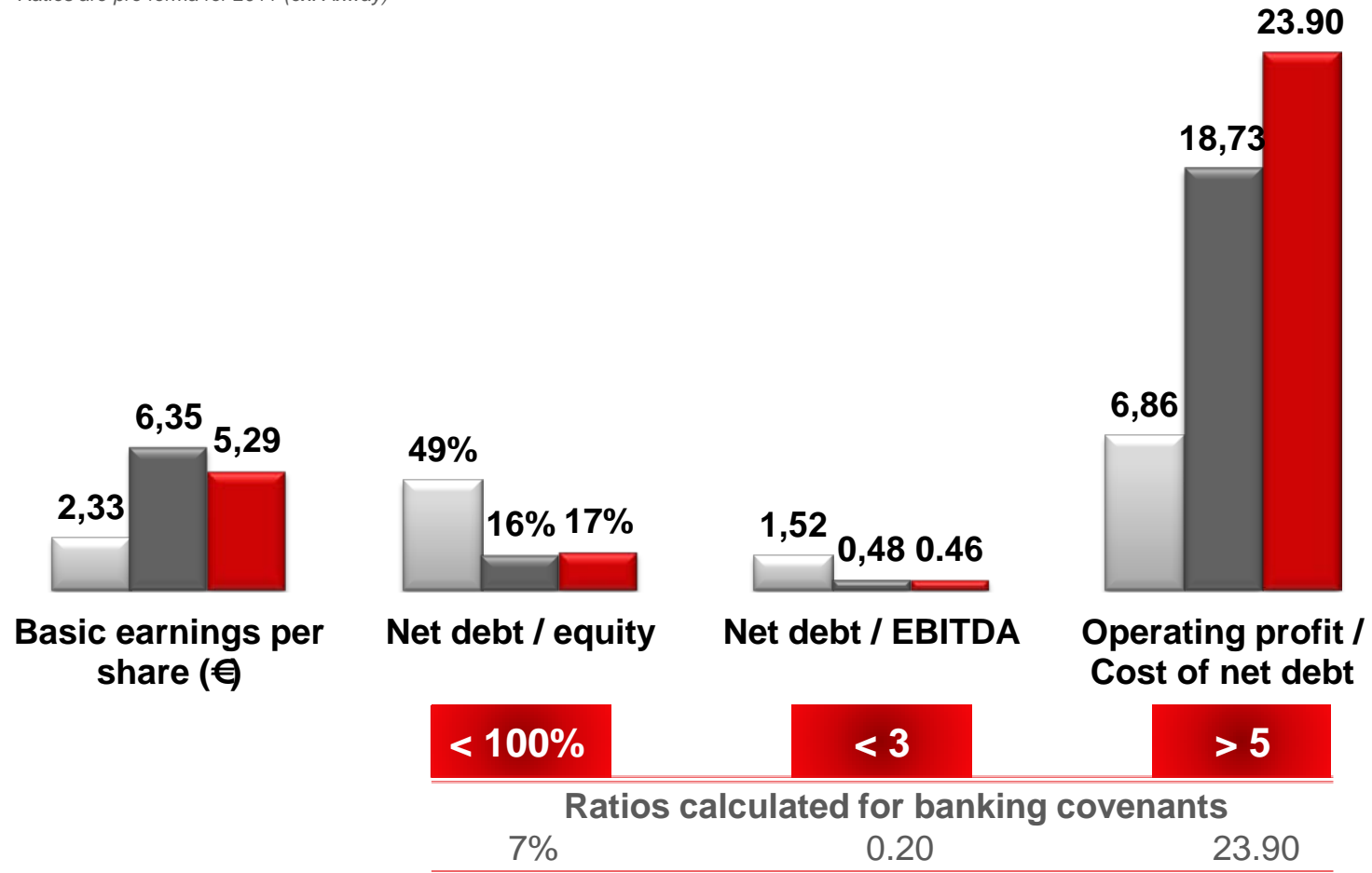
# Change in net debt

<i>In millions of euros</i>	2011	2010 Reported
<b>Net debt at beginning of period (A)</b>	<b>57.2</b>	<b>137.4</b>
Gross cash flow from operations before net financial debt and tax	100.5	124.7
Tax paid	-38.7	-33.8
Changes in working capital requirements	-1.3	20.9
<b>Net cash flow from operations</b>	<b>60.5</b>	<b>111.8</b>
Change relating to operating investments	-13.8	-15.0
Net financial interest paid	-3.5	-6.0
<b>Free cash flow</b>	<b>43.2</b>	<b>90.8</b>
Changes in scope	-29.8	-0.2
Financial investments (Axway capital increase)	-16.2	-
Dividends paid	-56.1	-9.4
Capital increases in cash	1.2	2.6
Change in loans and advances granted (reimbursement of Axway current account)	68.4	-
Other changes	-1.0	-3.6
Net cash flow relating to discontinued operations	12.6	-
<b>Net cash flow (B)</b>	<b>22.3</b>	<b>80.2</b>
Changes in exchange rates (C)	-0.4	-
Net debt relating to discontinued operations (D)	-11.1	-
<b>Net debt at period-end (A-B-C-D)</b>	<b>46.4</b>	<b>57.2</b>

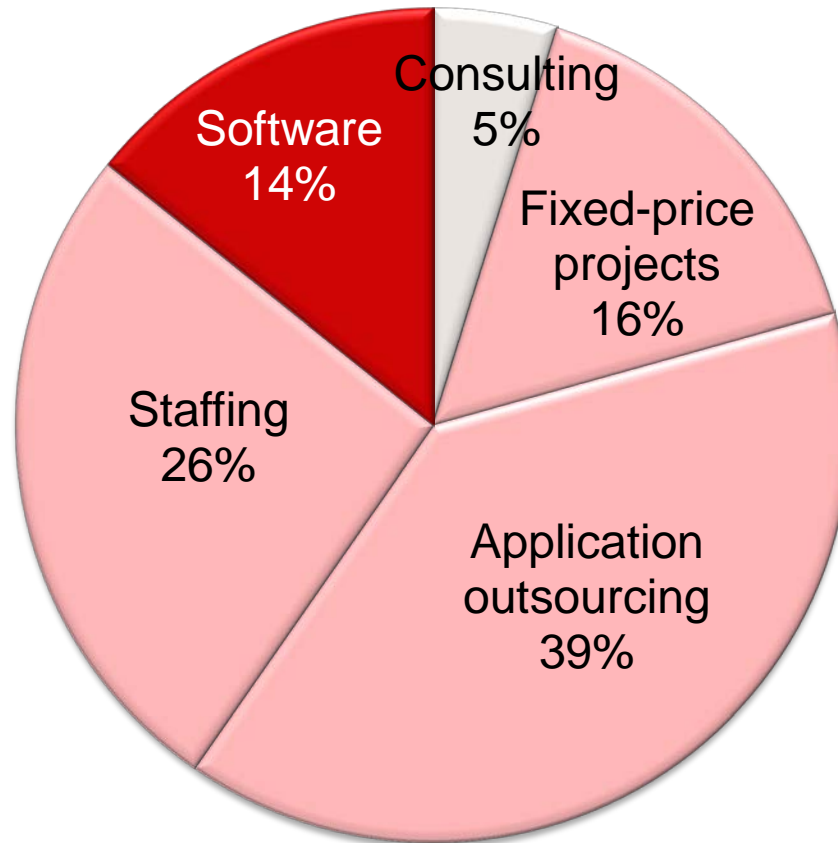
# Healthy financial ratios

■ 2009 ■ 2010 ■ 2011

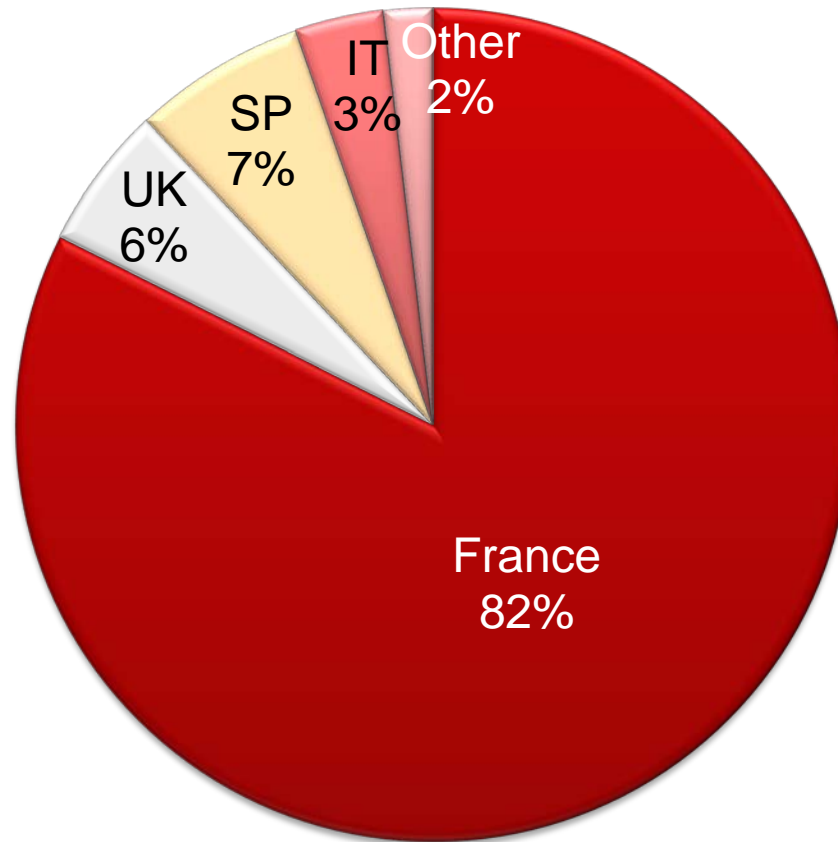
Ratios are pro forma for 2011 (ex. Axway)



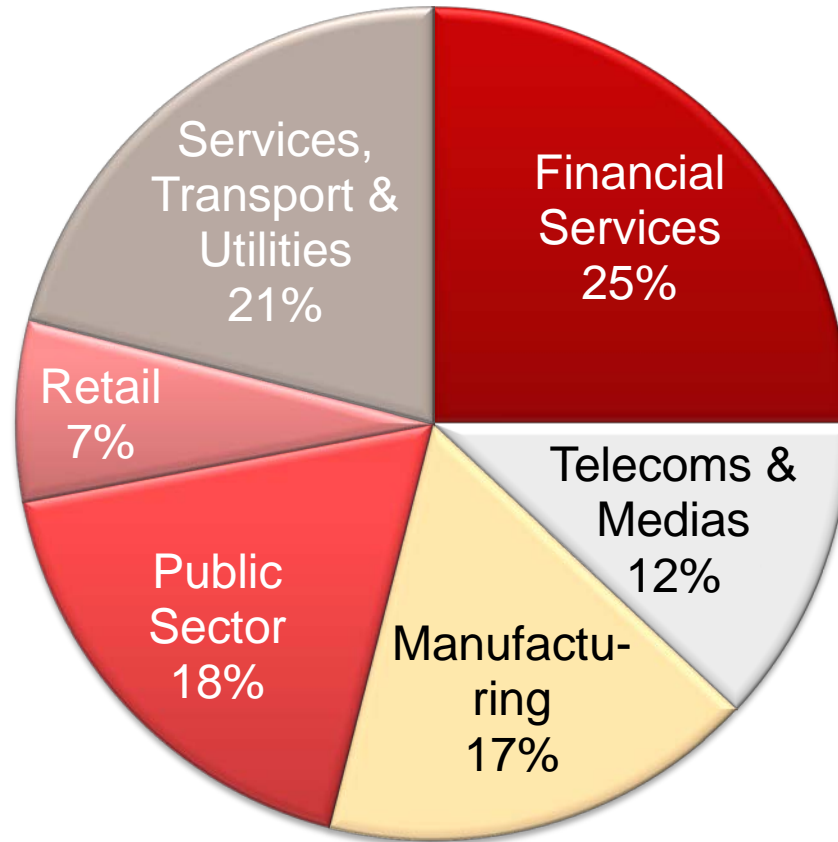
# High added-value business model



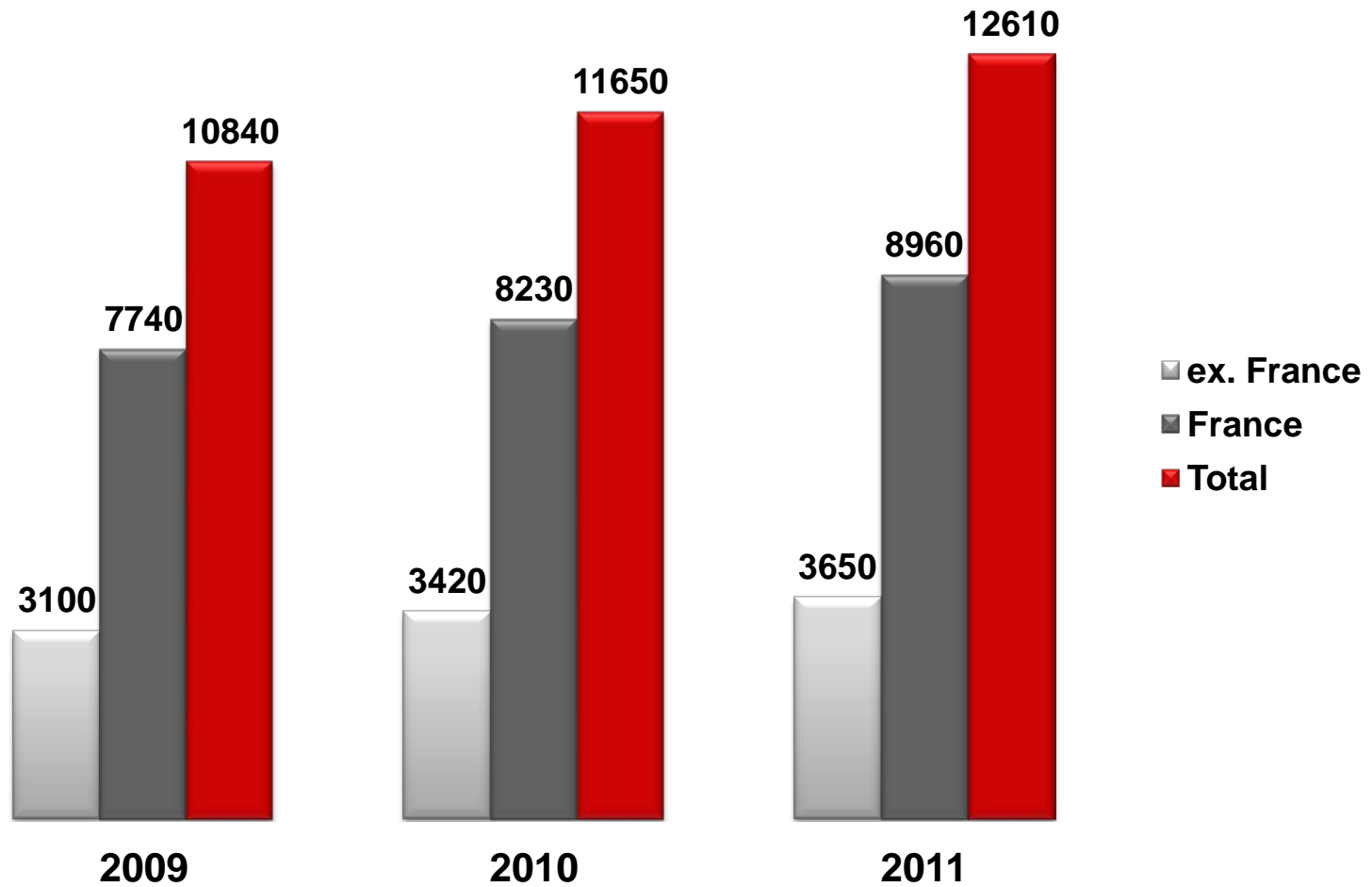
# European presence



# Vertical market positioning



# Careful attention to HR Management





And another key achievement for 2011:  
Successful spin-off/stock market listing



# Agenda

- **Key figures**
- **Supplementary information and trends observed**
- **Strategy**



# 2011 overview: Supplementary information (1/2)

- **Strong organic growth of 8% for the Group**
  - Excellent level of business in the first half (+11%)
  - A certain slowdown in the final quarter
- **Strong margin despite a resurgent economic crisis at the end of the year**
  - Clients are postponing licence acquisition decisions
  - Expenses under tight control

# 2011 overview: Supplementary information (2/2)

## ■ Divisions

- Consulting
- Major fixed-price transformation programmes and outsourcing
- Staffing
- Solutions

## ■ Countries

- France
- United Kingdom
- Spain
- Italy

## ■ Vertical markets

- Financial services
- Public sector
- Utilities
- Manufacturing
- Telecoms

# Major projects for the period



# Top-priority initiatives in progress

- **Reposition consulting**
- **Align offerings of European subsidiaries**
- **Reinforce banking solutions**
- **Constantly industrialise and transform business**
- **Innovate and take into consideration the technology cycle**
- **Human resource management**

**Operating objectives are currently being executed, allowing the necessary strategic decisions to be taken for an independent project**



# IT market: a changing landscape

- **Globalisation playing a major role in clients' strategic decisions**
- **Global outsourcing is rare and risky**
- **Major fixed-price and application outsourcing projects are merging**
- **Capacity to operate, directly or indirectly, is key**
- **Demand continues for sound, quality partners**
  - Ability to deliver over the long term
  - Innovative visionaries sought after
  - Deep knowledge of client needs and sector



# The market environment creates opportunities

- **Digital society: IT is omnipresent**
- **Core systems based on software bricks**
- **A new technology cycle**



# Agenda

- Key figures
- Supplementary information and observed trends
- **Strategy**



# An ambitious enterprise project for 2015

## Three high added-value business lines

- Consulting
- Technology services
- Software development



# Initiatives guiding our enterprise project

- Consolidate market share in France
- Develop a solid positioning in Europe
- Actively participate in market consolidation in application solutions and software space

## 30+ years experience in software development

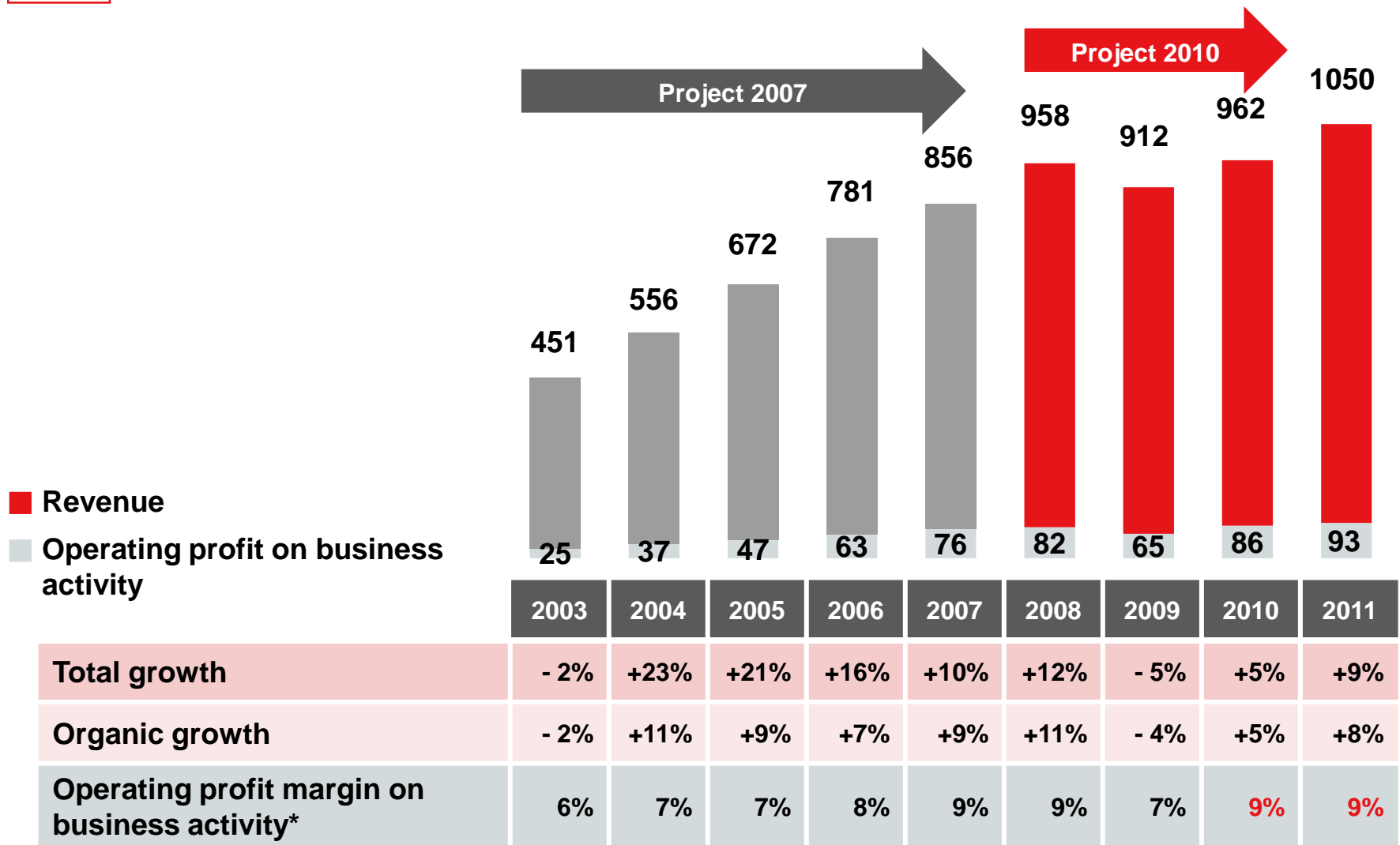
*Evolan – Group banking software solutions*

*Pléiades – Group HR software solutions*

*Ikos – Group Real Estate software solutions*

*Axway (spin-off in 2011) – B2B middleware solutions*

# A reminder of previous projects (figures ex. Axway)



\* For financial years up to and including 2009, the operating profit margin on business activity takes into account the Taxe Professionnelle business tax. Since 2010, the Cotisation à la Valeur Ajoutée des Entreprises (CVAE) tax is classified under tax expense. The application of these new rules to the past would improve performance by approximately 100 basis points prior to 2010.

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