

PRESENTATION OF FIRST-HALF 2015 RESULTS

Paris, 6 August 2015

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- *Actual outcomes and results may differ from those described in this document due to the operational risks and uncertainties explained in our 2014 Registration Document filed with the Autorité des Marchés Financiers (AMF) on 29 April 2015. See pages 36 and following in particular.*
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AGENDA

- 1 | Key events of the first half of 2015
- 2 | Financial results of the first half of 2015
- 3 | Market, strategy & medium-term targets
- 4 | Question & answer session
- 5 | Annexes





KEY EVENTS OF THE FIRST HALF OF 2015



Vincent Paris – Chief Executive Officer



FIRST-HALF 2015: KEY FIGURES

Revenue

€1,768.1m

Growth 6.4%*
*Organic growth** 2.0%*

Operating profit on business activity

€107.4m

i.e. 6.1% of revenue

Net profit attributable to the Group

€26.9m

i.e. 1.5% of revenue

Cost synergies in H1 2015

€20.0m

Ahead of initial planning
Confirmation of a total cumulative amount of €62m

** Base of comparison adjusted pro forma for the merger*

*** At constant scope and exchange rates*

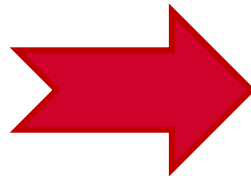


UPDATE ON THE SOPRA - STERIA INTEGRATION

THE MAIN PORTION OF THE INTEGRATION IS COMPLETE

1st phase of integration *Until June 2015*

- Major decisions:
 - Organisation
 - Governance
 - Systems
 - Tools
- Identifying operational synergies
- Implementing decisions quickly



2nd phase of integration *Starting June 2015*

- Monitoring alerts and improving security
- Assessing and continuously improving operational and functional systems



OPERATIONAL SYNERGIES RELATED TO THE MERGER

UPDATE AT 30/06/2015

- Confirmation of the target of €62m in synergies for €65m in implementation costs
- €20m in savings generated in H1
Initial annual target for the 2015 financial year: €35m
- €25.5m in implementation costs recorded in H1
Initial annual target for the 2015 financial year: €45m



UPDATED 2015 ANNUAL TARGETS

Organic revenue growth
of around 2%

vs. Announced on 19 March 2015: “organic revenue growth for the financial year”

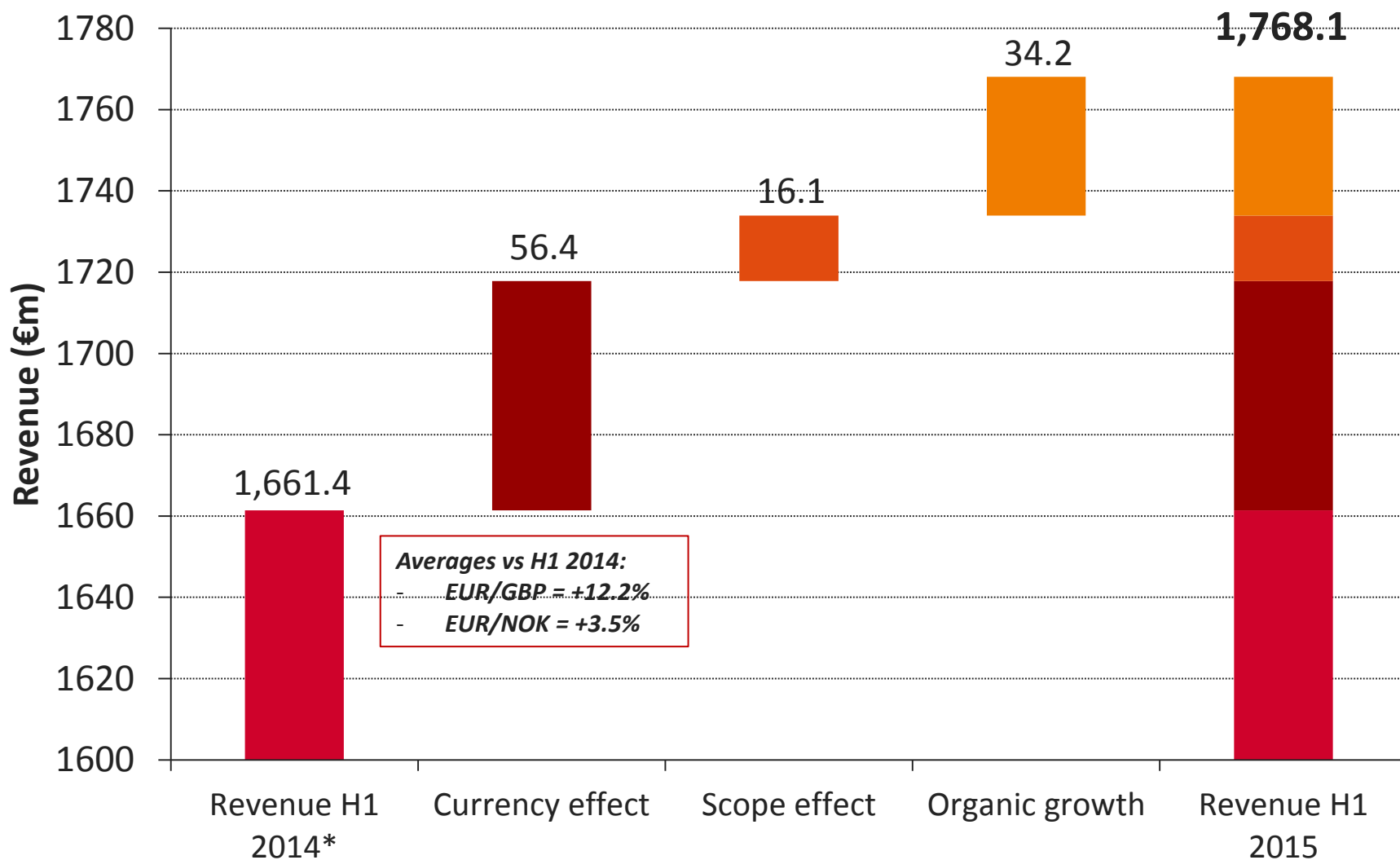
Operating margin on business activity
of around 6.5%

vs. Announced on 19 March 2015: “operating margin on business activity of around 6%”



CHANGE IN GROUP REVENUE

ORGANIC GROWTH OF 2.0% IN H1 2015



* Base of comparison adjusted pro forma for the Sopra Steria merger



OPERATING PERFORMANCE BY DIVISION

KEY FIGURES IN FIRST-HALF 2015

	Revenue			Operating profit on business activity	
	H1 2015 (€m)	H1 2014 Restated* (€m)	Organic growth (%)	H1 2015 (% of Rev.)	H1 2014 Pro Forma (% of Rev.)
France	666.2	654.1	+ 1.8%	8.0%	5.0%
United Kingdom	518.3	523.4	- 1.0%	6.4%	9.4%
Other Europe	346.3	331.9	+ 4.3%	0.6%	2.9%
Sopra Banking Software	138.3	128.7	+ 7.5%	7.2%	6.7%
Other Solutions	99.0	95.9	+ 3.2%	8.8%	12.0%
Total	1,768.1	1,734.0	+ 2.0%	6.1%	6.3%

* Revenue at 2015 scope and exchange rates



FRANCE: CONSULTING & SYSTEMS INTEGRATION

INTEGRATION PROGRESSING SMOOTHLY, STRONG BUSINESS ACTIVITY

France: Consulting & Systems Integration (C&SI)	H1 2015		H1 2014 Pro forma	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	562.8		545.2	
<i>Organic growth (%)</i>	+ 3.1%			
Operating profit on business activity	53.8	9.6%	34.0	6.2%
Profit from recurring operations	53.5	9.5%	32.8	6.0%
Operating profit	38.4	6.8%	22.2	4.1%

- Strong organic growth, accelerated in Q2 (+4.3%)
- Substantial increase in operating profit on business activity



FRANCE: I2S

A CHALLENGING SITUATION, SLIGHT IMPROVEMENT IN THE FIRST HALF

France :	H1 2015		H1 2014 Pro forma	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Infrastructure and Security Services (I2S)				
Revenue	103.4		108.4	
<i>Organic growth (%)</i>	- 4.6%			
Operating profit on business activity	- 0.5	-0.5%	- 1.4	-1.3%
Profit from recurring operations	- 0.5	-0.5%	- 1.4	-1.3%
Operating profit	- 6.1	-5.9%	- 4.4	-4.1%

- Importance of Infrastructure Management to positioning the Group's comprehensive offering
 - Recovery plan launched
 - Increased selectivity in contracts
 - Slight improvement in operating profit on business activity, driven by optimisation and restructuring initiatives
- Buoyant cybersecurity business with a cutting-edge technological offering



UNITED KINGDOM

SOLID POSITIONING AND SIGNIFICANT OPPORTUNITIES

United Kingdom	H1 2015		H1 2014 Pro forma	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	518.3		468.2	
<i>Organic growth (%)</i>	<i>- 1.0%</i>			
Operating profit on business activity	33.3	6.4%	44.2	9.4%
Profit from recurring operations	26.9	5.2%	38.5	8.2%
Operating profit	25.2	4.9%	38.5	8.2%

- High base of comparison from H1 2014 in terms of revenue and operating profit on business activity + electoral context in H1 2015
- Solid position in the shared services market
- Private-sector business development initiatives



OTHER EUROPE

STABILISATION IN GERMANY, GROWTH IN SPAIN AND SCANDINAVIA

Other Europe	H1 2015		H1 2014 Pro forma	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	346.3		334.0	
<i>Organic growth (%)</i>	+ 4.3%			
Operating profit on business activity	2.2	0.6%	9.6	2.9%
Profit from recurring operations	1.7	0.5%	8.8	2.6%
Operating profit	- 4.9	-1.4%	3.1	0.9%

- Operating loss in Germany in H1 2015 but business stabilised, with improved results expected in H2 2015
- Strong growth in Spain and Scandinavia
- Prospects for improvement over full-year 2015 compared to pro forma 2014 (2014 operating profit on business activity of 1.0%)



SOPRA BANKING SOFTWARE

HIGH LEVEL OF INVESTMENT, MAJOR BUSINESS OPPORTUNITIES

Sopra Banking Software	H1 2015		H1 2014 Pro forma	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	138.3		127.2	
<i>Organic growth (%)</i>	+ 7.5%			
Operating profit on business activity	9.9	7.2%	8.5	6.7%
Profit from recurring operations	7.2	5.2%	6.0	4.7%
Operating profit	7.2	5.2%	5.9	4.6%

- Success of the “Platform” product in Europe, particularly in France
- Success of the “Amplitude” product in the Middle East & Africa
- Operating margin on business activity similar to H1 2014, confirming an annual target of around 10%, taking into account the level of investment in R&D



OTHER SOLUTIONS

CONTINUED POSITIVE TRENDS IN REVENUE AND MARGINS

Other Solutions	H1 2015		H1 2014 Pro forma	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	99.0		78.4	
<i>Organic growth (%)</i>	+ 3.2%			
Operating profit on business activity	8.7	8.8%	9.4	12.0%
Profit from recurring operations	8.7	8.8%	9.4	12.0%
Operating profit	6.4	6.5%	9.0	11.5%

- Very high base of comparison with Q2 2014 in HR Software (impact related to the recognition of ONP licences)
- Very good momentum in HR Software and Property Management Solutions





FINANCIAL RESULTS



Laurent LEMAIRE – Chief Financial Officer



INCOME STATEMENT

FIRST-HALF 2015

	H1 2015 (€m)	H1 2015 (% of Rev.)	H1 2014 Pro forma (€m)	H1 2014 Pro forma (% of Rev.)
Revenue	1,768.1		1,661.5	
Operating profit on business activity	107.4	6.1%	104.3	6.3%
Expenses related to stock options and related items	- 0.4		- 1.6	
Amortisation of allocated intangible assets	- 9.5		- 8.6	
Profit from recurring operations	97.5	5.5%	94.1	5.7%
Other operating income and expenses	- 31.4		- 24.4	
Operating profit	66.1	3.7%	69.7	4.2%
Cost of net financial debt	- 4.1		- 6.3	
Other financial income and expenses	- 7.7		- 10.2	
Tax expense	- 25.2		- 14.3	
Share of net profit from equity-accounted companies	0.2		0.6	
Net profit	29.3		39.5	
<i>of which attributable to Group</i>	26.9	1.5%	33.0	2.0%
<i>of which minority interests</i>	2.4		6.5	



OTHER OPERATING INCOME AND EXPENSES

FIRST-HALF 2015

	H1 2015 (€m)	H1 2014 Pro forma (€m)
Costs related to business combination	- 0.9	- 4.7
Restructuring and reorganization costs	- 30.4	- 16.9
Others	- 0.1	- 2.8
Other operating income and expenses	- 31.4	- 24.4



TAX EXPENSE

FIRST-HALF 2015

	H1 2015 (€m)	H1 2014 Pro forma (€m)
Profit before tax	54.3	53.2
Effective tax charge	25.2	14.3
Effective tax rate (%)	46.4%	26.9%
Deffered tax net asset	146.5	
Uncapitalised tax asset	53.1	



CHANGE IN FINANCIAL NET DEBT

FIRST-HALF 2015

	H1 2015 (€m)	H1 2014 Pro forma (€m)
Net debt at beginning of period (A)	442.4	348.7
Cash flow from operations before cost of net financial debt and tax*	102.2	100.1
Tax paid	- 6.1	- 21.8
Change in operating working capital requirement	- 226.0	- 117.0
Net cash flow from operations	- 129.9	- 38.7
Change relating to investing activities	- 17.7	- 24.9
Net financial interest	- 5.3	- 5.1
Free cash flow	- 152.9	- 68.7
Changes in scope	-	- 23.6
Financial investments	3.4	-
Dividends received from equity-accounted companies	-	2.1
Additional contributions related to defined-benefit pension plans	- 10.4	- 8.5
Purchase and sale of treasury shares	- 22.6	-
Other changes	0.3	- 0.9
Total net change for the period (B)	- 182.2	- 99.6
Changes in exchange rates (C)	6.5	- 0.8
Net debt at period-end (A-B-C)	618.1	449.1

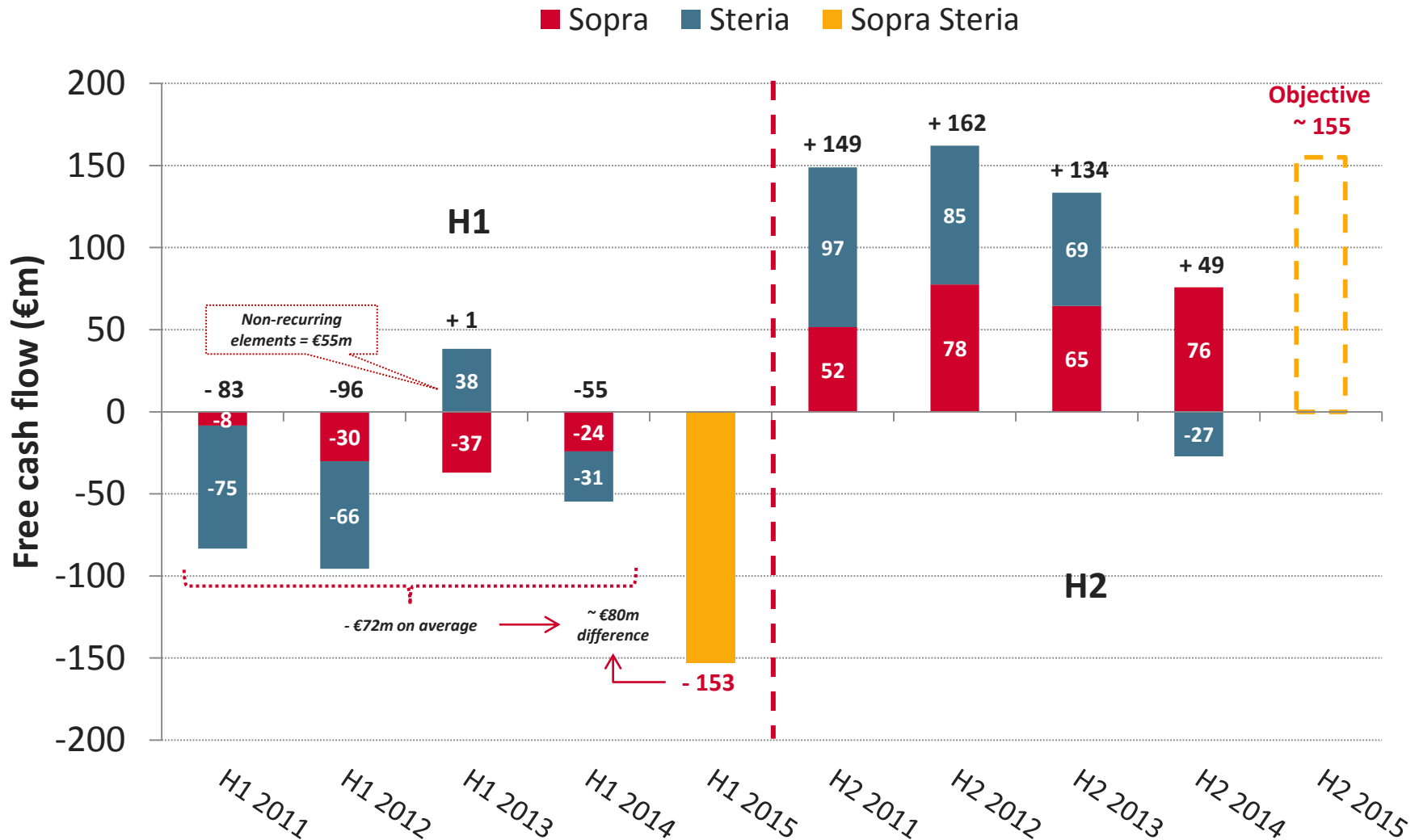
* Of which reorganisation and restructuring costs

€ 25 m



MARKED SEASONALITY IN FREE CASH FLOW

FIRST-HALF TYPICALLY CASH CONSUMING



SOUND FINANCIAL POSITION (1/2)

FIRST-HALF 2015

Net financial debt at 30/06/2015

30/06/2015	Sopra Steria
Gross financial debt	847.0
Cash and cash equivalents	228.9
Net financial debt	618.1

EBITDA leverage: 2.1x (max. 3.0x)

Available undrawn amount: €1bn
i.e. 54 % of authorised amount*

Long terms to maturity

- Bond: 2019
- Bank borrowing facilities: 2020
(extension possible to 2021)

* For a constant amount of commercial paper (€243m at 30/06/2015)



SOUND FINANCIAL POSITION (2/2)

FIRST-HALF 2015

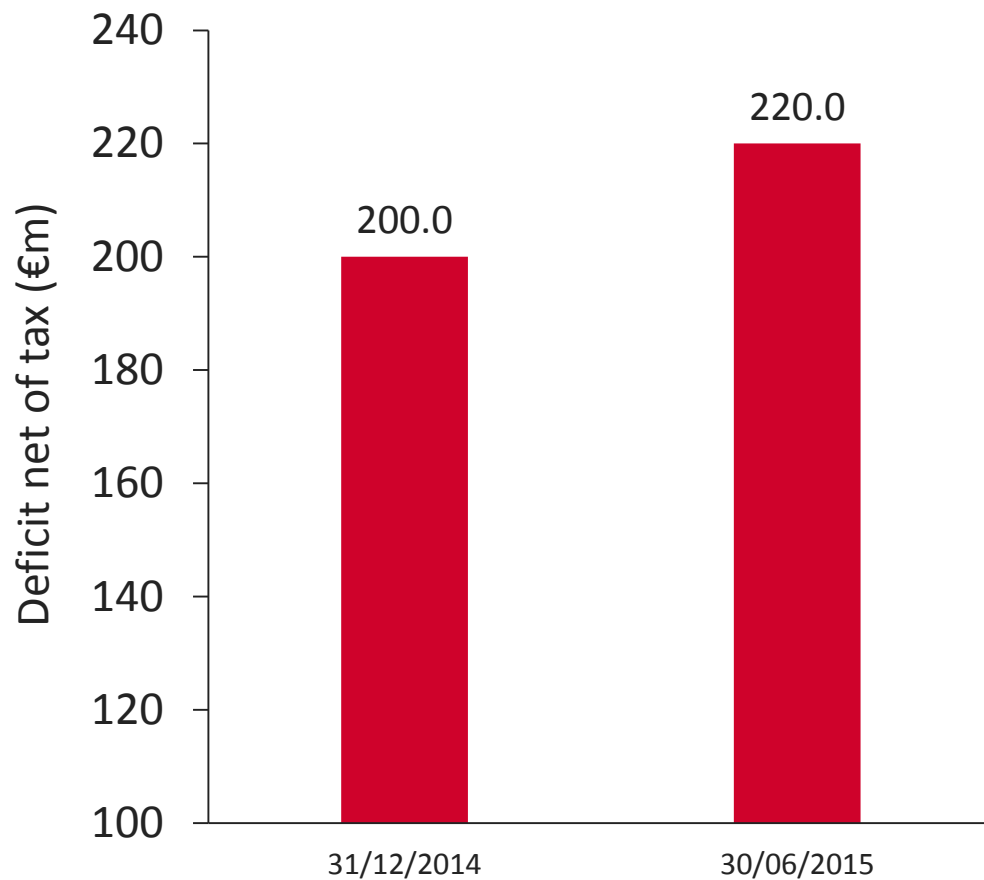
	30/06/2015 Amount used (€m)	30/06/2015 Amount authorised (€m)
Bond*	180.0	180.0
Syndicated loan - Tranche A €	200.0	200.0
Syndicated loan - Tranche B £	112.5	112.5
Multi-currency revolving credit facility	-	900.0
Finance leases	9.5	9.5
Overdrafts and Other	93.4	193.9
Total	595.3	1,595.9
Commercial paper	243.0	
IFRS 3 impact - Bond	8.6	
Gross debt	847.0	
Cash and cash equivalents	228.9	
Net financial debt	618.1	

* Before the impact of fair value remeasurement under IFRS 3



PENSION FUND DEFICIT NET OF TAX (UK)

FIRST-HALF 2015



- No change in engagements in local currency
- Change in deficit due to currency effect (up €19m in first-half 2015)
- Annual additional cash contribution of £17m unchanged through June 2017



SIMPLIFIED BALANCE SHEET

FIRST-HALF 2015

	30/06/2015 (€m)	31/12/2014 Adjusted* (€m)
Goodwill	1,546.8	1,475.2
Allocated intangible assets	176.7	174.6
Other fixed assets	235.6	230.0
Equity-accounted investments	148.6	146.8
Fixed assets	2,107.7	2,026.6
Net deferred tax	146.5	146.6
Trade accounts receivable (net)	1,088.2	931.6
Other assets and liabilities	- 1,058.7	- 1,047.7
Working capital requirement (WCR)	29.5	- 116.1
Assets + WCR	2,283.7	2,057.1
Equity	1,117.3	1,086.8
Provisions for post-employment benefits	441.4	428.6
Provisions for contingencies and losses	106.9	99.3
Net financial debt	618.1	442.4
Capital invested	2,283.7	2,057.1

* According to IFRS 3 - Business combination





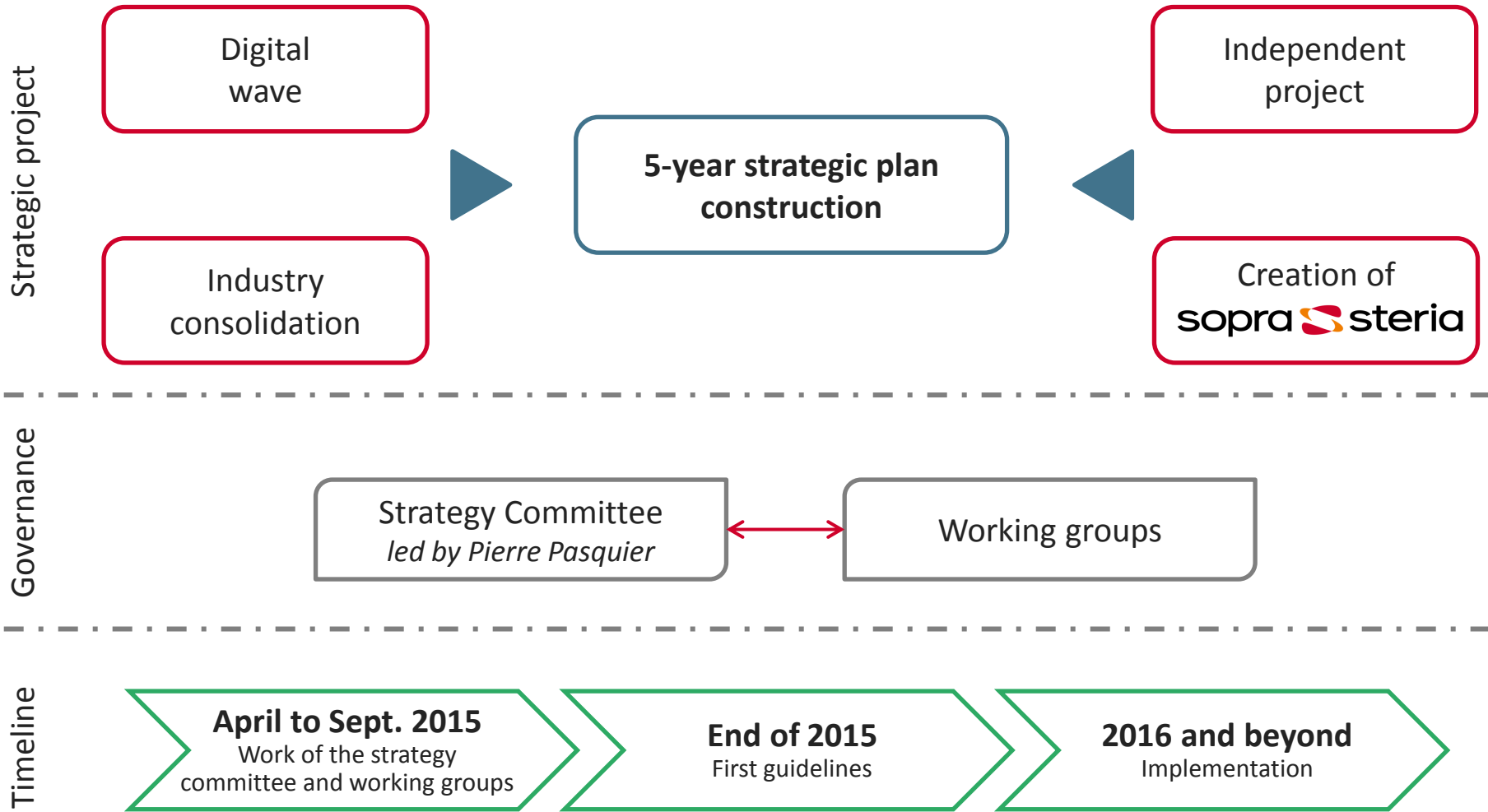
MARKET, STRATEGY & MEDIUM-TERM TARGETS



Vincent Paris – Chief Executive Officer

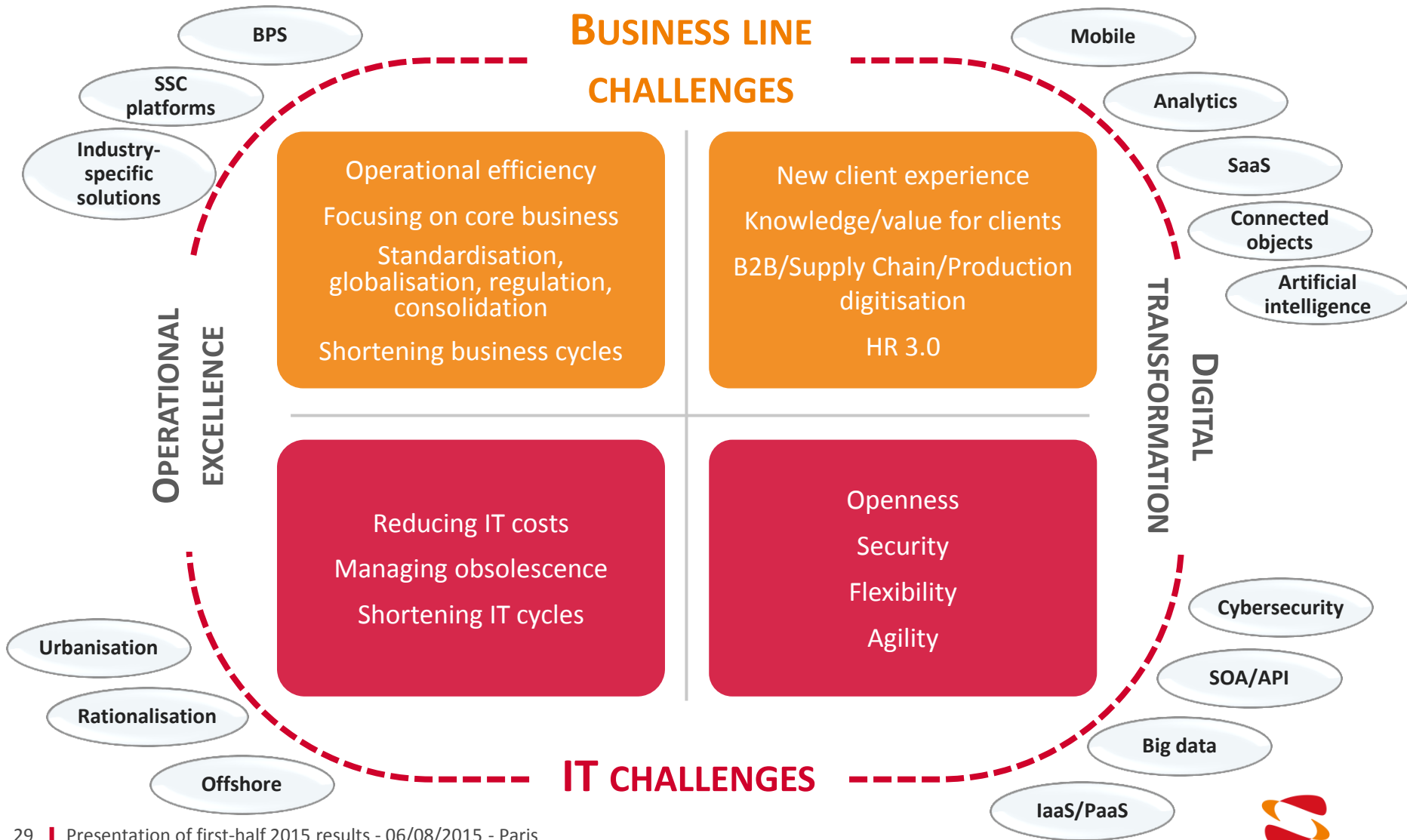


STRATEGIC PLAN LAUNCHED



CHALLENGES OF DIGITAL TRANSFORMATION (1/2)

FOR OUR LARGE CLIENTS



CHALLENGES OF DIGITAL TRANSFORMATION (2/2)

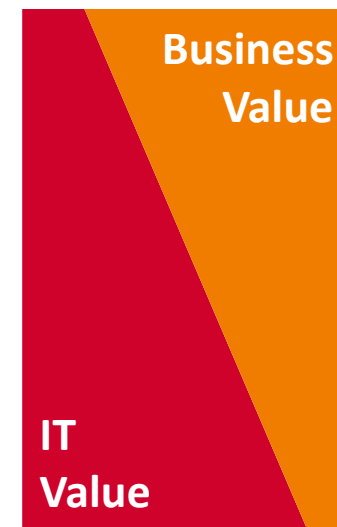
FOR OUR LARGE CLIENTS

Need of a partner for transformation

Solutions Supplier and
Business-Line Service Manager

Architect/Integrator
for the digital world

Driver of the
Information System asset enhancement



FIRST GUIDELINES OF THE PROJECT

Differentiated positioning...

- European operator
- Integrated End-to-End provider
- Focus on
 - Our key verticals
 - Our large clients
- Innovative

...and specific strengths

- Solutions
- Client proximity

sopra  steria

Integrated End-to-End european partner for digital transformation



FIRST PRIORITIES RETAINED

Strategic priorities

- Reinforce **solutions**
- Launch **disruptive** initiatives to make the **digital** wave a driver of transformation for our clients, especially in the **financial sector**
 - Enhanced market intelligence
 - Innovative partnerships
 - Co-innovation
 - B2B2C approach, etc.
- Reinforce the **cohesion** of the group's business model
 - Cross-pollination in vertical markets
 - Pivotal role of solutions

Resources

- A player in consolidation, **M&A** strategy
- “**Best in class**” financial performance
 - Increased growth and profitability
 - Focus on cash generation



REMINDER OF TARGETS FOR 2017

Revenue of between
€3.8bn and €4.0bn

Operating profit on business
activity of between 8% and 9%





QUESTIONS & ANSWERS





ANNEXES



SOPRA STERIA 2014

A EUROPEAN LEADER IN DIGITAL TRANSFORMATION



€3.4bn
in revenue

More than 37,000
employees

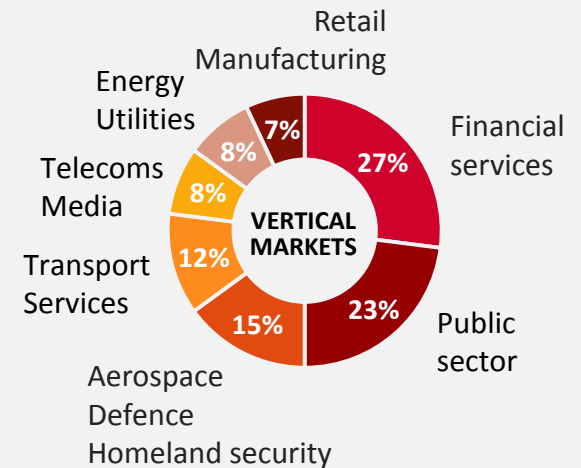
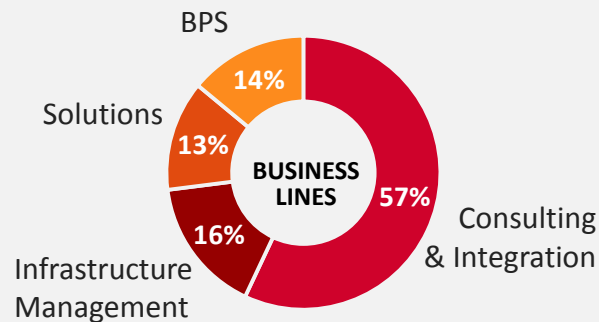
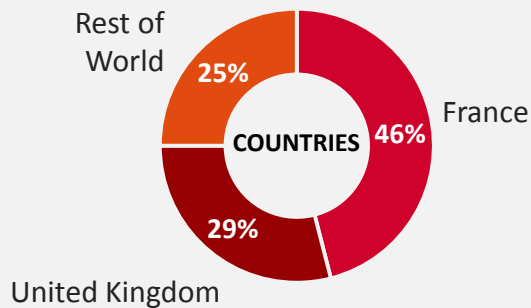
Present in
over 20 countries

A good
business match

Top 5 European digital services companies

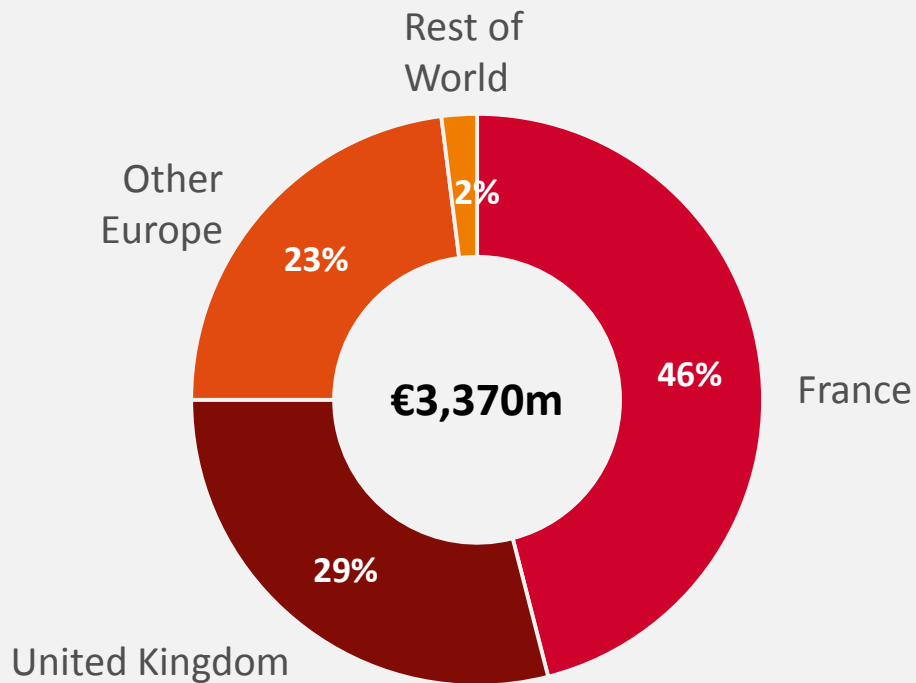
Top 10 operating in Europe

Pro forma revenue at 31/12/2014

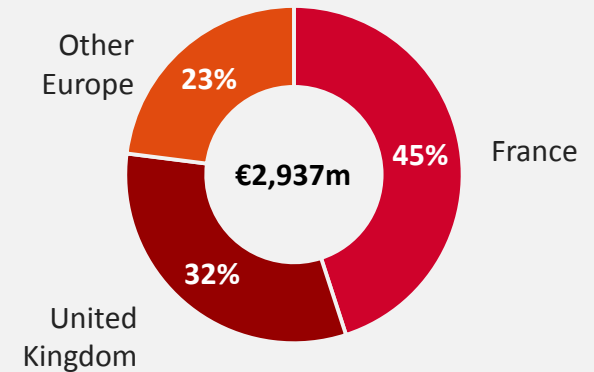


BREAKDOWN OF SOPRA STERIA'S 2014 PRO FORMA REVENUE BY COUNTRY

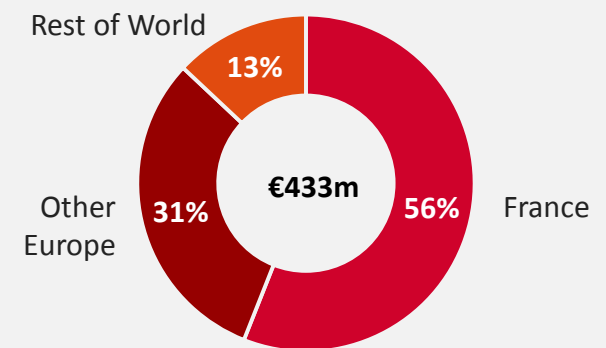
GROUP PRO FORMA REVENUE AT 31/12/2014



SERVICES REVENUE AT 31/12/2014 (87% OF REVENUE)



SOLUTIONS REVENUE AT 31/12/2014 (13% OF REVENUE)

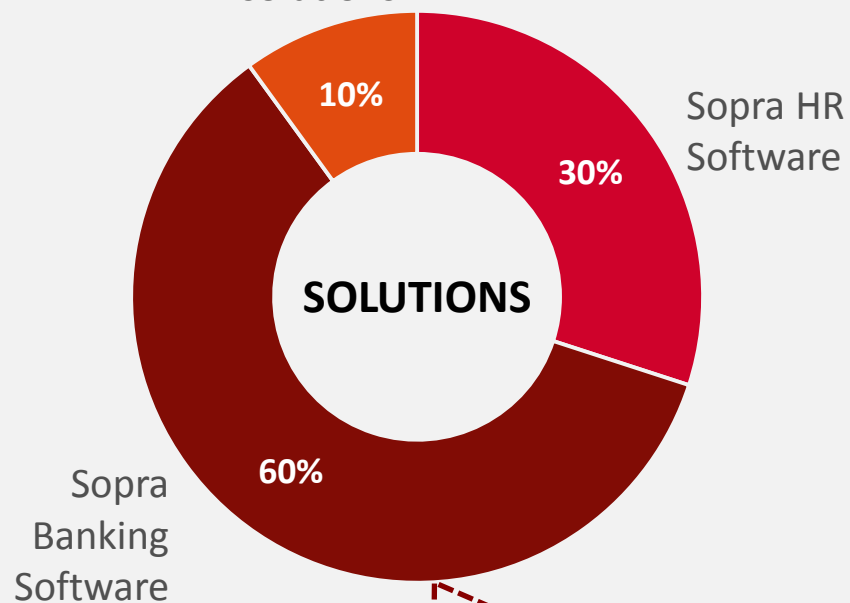


BREAKDOWN OF SOLUTIONS REVENUE IN 2014

SOPRA STERIA

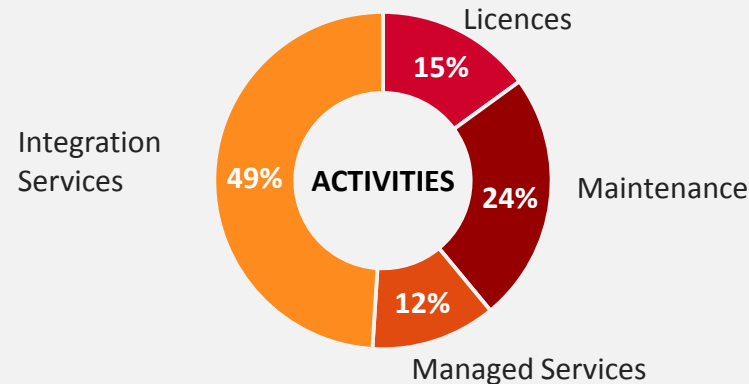
SOLUTIONS REVENUE AT 31/12/2014
€433m: 13% OF GROUP REVENUE

Property management solutions

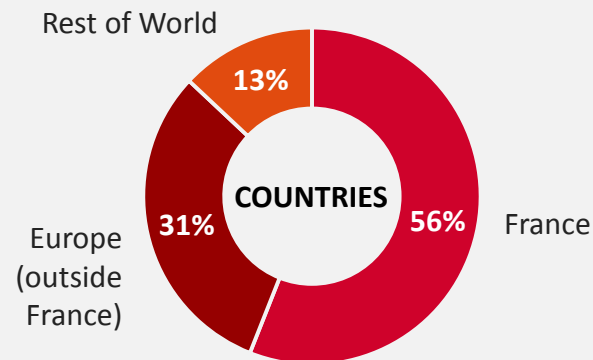


Sopra Banking Software 2014 revenue = **€258m**
 o/w France = **€94m**
 o/w outside France = **€164m**

BREAKDOWN OF SOLUTIONS REVENUE BY ACTIVITY

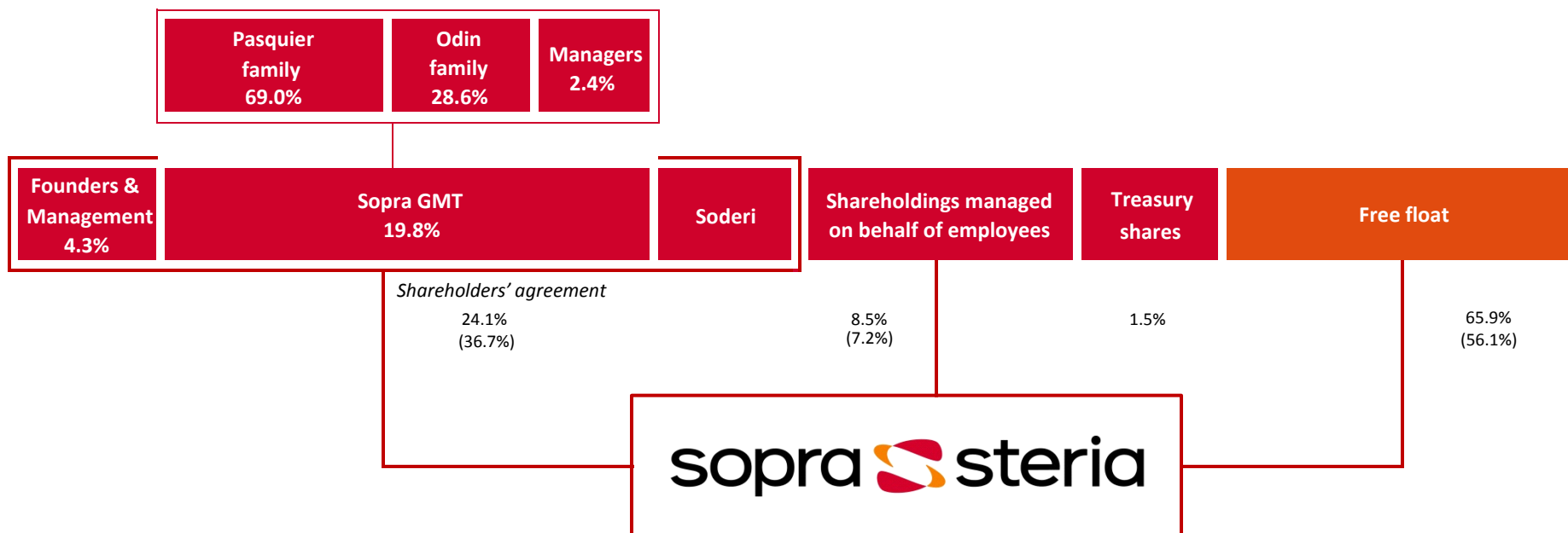


BREAKDOWN OF SOLUTIONS REVENUE BY COUNTRY



SHARE OWNERSHIP STRUCTURE AT 30/06/2015

A STABLE SHAREHOLDER BASE FOR A SUCCESSFUL PROJECT



20,393,091 listed shares – 24,646,694 exercisable voting rights

XX.X% = Percentage of share capital held
 (XX.X%) = Percentage of voting rights



CHANGE IN SHAREHOLDING ON 25/06/2015

SOPRA GMT INCREASES ITS STAKE IN THE GROUP'S SHARE CAPITAL

