

Investor relations: Kathleen Clark Bracco
+33 (0)1 40 67 29 61 – kbraccoclark@sopragroup.com

Press relations: Virginie Legoupil
+33 (0)1 40 67 29 41 – vlegoupil@sopragroup.com

Image Sept: Claire Doligez
+33 (0)1 53 70 74 48 – cdoligez@image7.fr

Sopra Group announces an excellent performance in 2011

Paris, 15 February 2012 – At its meeting of 14 February 2012 chaired by Pierre Pasquier, the Board of Directors of Sopra Group approved the audited annual accounts for the financial year 2011.

- Revenue: €1,050.3m, organic growth of 8.0%
- Operating profit on business activity: €92.5m, margin 8.8%
 - France: €83.5m, margin 9.6%
 - Europe: €9.0m, margin 4.9%
- Operating profit: €97.9m, margin 9.3%
- Net profit: €62.9m, margin 6.0%

		2011		2010 Restated ⁽¹⁾		2010 Reported ⁽²⁾	
Key income statement items							
Revenue	€m	1,050.3		964.4		1,169.9	
<i>organic growth</i> ⁽³⁾	%		+ 8.0%				
Operating profit on business activity ⁽⁴⁾	€m / %	92.5	8.8%	85.7	8.9%	116.8	10.0%
Profit from recurring operations	€m / %	91.7	8.7%	84.8	8.8%	114.0	9.7%
Operating profit	€m / %	97.9	9.3%	83.7	8.7%	109.3	9.3%
Net profit - Group share	€m / %	62.9	6.0%	-	-	74.8	6.4%
Per share data							
Net earnings per share ⁽⁵⁾	€	5.29		-		6.35	
Key balance sheet items							
Free cash flow ⁽⁶⁾	€m	43.2		-		90.8	
Net debt	€m	46.4		-		57.2	
Equity (Group share)	€m	273.9		-		364.6	
Net debt / Equity	%	17%		-		16%	

¹ In order to ensure the comparability of the accounts, all of the items contributing to the operating profit of Axway have been grouped together in a single line item "Profit net of tax from discontinued operations" which is presented before the line "Net profit" in the income statement. Therefore, the data for 2010 restated relating to revenue and the various levels of operating profit only relate to the business carried out by Sopra Group and its European subsidiaries.

² Axway fully consolidated.

³ Change calculated at constant exchange rates and group structure.

⁴ Profit from recurring operations before expenses related to stock options and amortisation expenses in respect of intangible assets allocated.

⁵ Calculated on the basis of the weighted average number of ordinary shares in issue.

⁶ Gross cash flow from operations less tax paid, changes in working capital requirements, capital expenditures and net financial interest.

Comments on business activity

Consolidated revenue amounted to €1,050.3 million in 2011, representing total growth of 9.2% and organic growth of 8.0%. Operating profit on business activity came to €92.5 million, representing a margin of 8.8%. Profit from recurring operations was €91.7 million, corresponding to a margin of 8.7%. After taking into account other operating income and expenses totalling €6.2 million (please refer to the appendix for complete details), operating profit totalled €97.9 million, corresponding to a margin of 9.3%. This is 60 basis points higher than the previous year. Net profit amounted to €62.9 million, representing a net margin of 6.0%.

In France, revenue amounted to €865.8 million (including a contribution from Delta-Informatique amounting to €9.3 million for the 4th quarter), representing total growth of 10.1% and organic growth of 8.6%. Operating profit on business activity came to €83.5 million, representing a margin of 9.6% (compared to 9.9% in 2010). In Europe, revenue amounted to €184.5 million, representing total growth of 5.2% and organic growth of 4.9%. Operating profit on business activity was €9.0 million, representing a margin of 4.9% (compared to 4.3% in 2010).

The effects of the economic crisis which made a resurgence in August were contained. However, growth and margins in the 4th quarter were slightly affected. Considering the full year, the Group's performance was supported by the high added-value offerings such as "build" and application outsourcing projects. Growth was maintained in all geographical areas, with high contributions from France and Italy. The verticals with the highest performance levels included transport, utilities, retail, manufacturing, telecoms and media.

At 31 December 2011, the Group's total workforce was 12,610 persons, a rise of 960 persons compared to 31 December 2010, including the 280 employees of Delta-Informatique.

Financial position

At 31 December 2011, the Group's financial position was sound with respect to both debt maturity and compliance with banking covenants.

After taking into account all transactions associated with the Axway spin-off, shareholders' equity amounted to €273.9 million.

After two cash distributions totalling €56.1 million and payment for the acquisition of Delta-Informatique, net debt at year-end 2011 was €46.4 million. Axway repaid the full balance on its current account to Sopra Group, amounting to €60 million, at 19 July 2011, the date of Axway's capital increase, to which Sopra Group contributed €16.2 million. The gearing ratio (net debt to equity) amounted to 17% or, for the purposes of calculating banking covenants which exclude employee profit sharing, 7%.

Net financial expense amounted to €3.5 million. Free cash flow amounted to €43.2 million for the year.

Proposed dividend

During its next General Meeting, the Board of Directors of Sopra Group will propose the distribution of a €1.90 dividend per share for the financial year 2011, totalling €22.6 million.



Strategy

Following the successful spin-off and stock market listing of Axway, Sopra Group is now focused on its strategy in France and Europe. The Group reaffirms its ambition to reinforce its positioning in the following three high added-value activities: consulting, services and software development. In light of this ambition, it has adopted a business strategy which aims to:

- Extend the Group's leading position in the French market,
- Develop a robust positioning in Europe,
- Expand its solutions portfolio, primarily for the banking sector.

The recently announced acquisitions (please refer to the press release of 13 February 2012) or those currently under negotiation are perfectly in line with this strategy.

Outlook

Current market conditions do not permit the Group to provide precise forecast figures concerning its 2012 annual performance. However, the Group remains confident about its strategic choices and its business positioning and offerings which should allow it to outperform the market.

Financial calendar

Thursday, 16 February 2012 at 3.30pm: Analysts' meeting at Hôtel Meurice, Paris.

Thursday, 3 May 2012 after the stock market close: Publication of first quarter revenue.

Appendix

Consolidated income statement

	31/12 2011		31/12 2010 Restated ⁽¹⁾		31/12 2010 Reported ⁽²⁾	
	€m	%	€m	%	€m	%
Revenue	1,050.3		964.4		1,169.9	
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	
Operating profit on business activity	92.5	8.8%	85.7	8.9%	116.8	10.0%
Expenses related to stock options	-0.5		-0.2		-0.2	
Amortisation of allocated intangible assets	-0.3		-0.7		-2.6	
Profit from recurring operations	91.7	8.7%	84.8	8.8%	114.0	9.7%
Other operating income and expenses	6.2		-1.1		-4.7	
Operating profit	97.9	9.3%	83.7	8.7%	109.3	9.3%
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		-		-	
Net profit before profit from discontinued operations	64.3	6.1%	48.2	5.0%	74.8	6.4%
Profit net of tax from discontinued operations	-1.4		26.6		-	
Net profit	62.9	6.0%	74.8	7.8%	74.8	6.4%
Group share	62.9		74.8		74.8	
Minority interests	-		-		-	



The main non-recurring items are as follows:

- Valuation of the investment retained by Sopra Group in Axway (26.27%):
 - At 14 June 2011: the investment retained in Axway was measured to fair value, which according to IAS 39, should be determined with reference to the stock market price on the first day of the stock market listing. Strict application of this standard led to the recognition of a gain of €71.4 million, on the basis of the average price per share observed of €23.94;
 - At 30 June 2011: the investment was once again subject to an evaluation on the basis of an average stock market reference of €19.70 (net of disposal costs) leading to the recognition of an impairment loss of €18.0 million;
 - At 31 December 2011: the investment was subject to an evaluation in accordance with IAS 36, comparing the recoverable value (the higher of value in use and fair value) with its carrying amount. In this case, the recoverable value is in line with the carrying amount of the investment, i.e. €109.4 million.
- Non-recurring costs relating to the spin-off and stock market listing of Axway:
 - Portion of professional fees and external expenses borne by Sopra Group of €1.0 million;
 - Expense of €6.3 million corresponding to the non-recurring portion of employee profit sharing due to the impact on the company's equity as a result of distribution operations.
- Impairment of goodwill on European subsidiaries for a total amount of €38.0 million, broken down as follows: United Kingdom (€20 million), Spain (€15 million) and Belgium (€3 million).

Pursuant to IFRS 5, Axway's net result is consolidated under Profit net of tax from discontinued operations between 1 January and the date of the spin-off and stock market listing, 14 June 2011. The net loss thus represents €1.4 million for this period, after taking into consideration €3.4 million in non-recurring costs relating to the separation-listing project. For the period from the initial date of stock market listing until 31 December 2011, Axway's net profit was accounted for under the equity method in the proportion of 26.24%, representing the percentage of the stake owned at 31 December 2011, i.e. €6.0 million.



Simplified balance sheet

€m	31/12 2011	31/12 2010 Reported ⁽²⁾
Goodwill	190.9	369.9
Allocated intangible assets	1.3	22.0
Other fixed assets	44.1	44.6
Equity-accounted investments	109.4	-
Fixed assets	345.7	436.5
Trade accounts receivable (net)	345.0	368.4
Other assets and liabilities	-370.4	-383.1
Operating assets and liabilities	-25.4	-14.7
ASSETS + WCR	320.3	421.8
Equity	273.9	364.6
Net financial debt	46.4	57.2
CAPITAL INVESTED	320.3	421.8

Statement of net debt

<i>In millions of euros</i>	2011	2010 Reported ⁽²⁾
Net debt at beginning of period (A)	57.2	137.4
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
Net cash flow from operations	60.5	111.8
Change relating to operating investments	-13.8	-15.0
Net financial interest paid	-3.5	-6.0
Free cash flow	43.2	90.8
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	-
Net cash flow (B)	22.3	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)	46.4	57.2



Quarterly performance by division

	Q1	Q2	Q3	Q4	2011
Group					
Revenue 2011 (€m)	262.8	266.9	240.1	280.5	1,050.3
Reported Revenue 2010 (€m)	235.1	238.7	223.8	263.9	961.5
Total growth (%)	11.8%	11.8%	7.3%	6.3%	9.2%
Organic growth (%)	11.1%	11.6%	7.1%	2.7%	8.0%

CSSI France

Revenue 2011 (€m)	214.6	220.9	196.9	233.4	865.8
Reported Revenue 2010 (€m)	192.8	194.1	181.7	217.5	786.1
Total growth (%)	11.3%	13.8%	8.4%	7.3%	10.1%
Organic growth (%)	11.0%	13.4%	7.9%	3.1%	8.6%

CSSI Europe

Revenue 2011 (€m)	48.2	46.0	43.2	47.1	184.5
Reported Revenue 2010 (€m)	42.3	44.6	42.1	46.4	175.4
Total growth (%)	13.9%	3.1%	2.6%	1.5%	5.2%
Organic growth (%)	11.6%	3.8%	3.8%	0.9%	4.9%

Revenue breakdown by business segment (%)

	2011	2010 (ex. Axway)
Financial Services	25%	27%
Services/Transport/Utilities	21%	19%
Public Sector	18%	18%
Manufacturing	17%	17%
Telecoms & Media	12%	12%
Retail	7%	7%
	100%	100%

Staff Changes

	2011	2010 (ex. Axway)
Staff - France	8,920	8,230
Staff - International	3,690	3,420
Total	12,610	11,650
Staff at the beginning of the period	11,650	10,850
Integration of acquired companies	280	-
Net recruits	680	800
Total	12,610	11,650



Performance by geographic zone

		2011		2010 Restated ⁽¹⁾	
France					
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%
Europe (ex. France)					
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%
o/w United Kingdom					
Revenue	€m	58.5		57.8	
<i>organic growth</i>	%		+ 2.5%		
Operating profit on business activity	€m / %	1.4	2.4%	2.7	4.7%
Profit from recurring operations	€m / %	1.4	2.4%	2.7	4.7%
Operating profit	€m / %	1.4	2.4%	2.7	4.7%
o/w Spain					
Revenue	€m	70.3		68.1	
<i>organic growth</i>	%		+ 3.4%		
Operating profit on business activity	€m / %	4.3	6.1%	2.5	3.7%
Profit from recurring operations	€m / %	4.3	6.1%	2.5	3.7%
Operating profit	€m / %	4.3	6.1%	2.5	3.7%
o/w Italy					
Revenue	€m	35.9		31.0	
<i>organic growth</i>	%		+ 15.8%		
Operating profit on business activity	€m / %	2.0	5.6%	0.7	2.3%
Profit from recurring operations	€m / %	2.0	5.6%	0.7	2.3%
Operating profit	€m / %	2.0	5.6%	0.7	2.3%
o/w Rest of Europe					
Revenue	€m	19.8		18.6	
<i>organic growth</i>	%		+ 0.5%		
Operating profit on business activity	€m / %	1.3	6.6%	1.7	9.1%
Profit from recurring operations	€m / %	1.3	6.6%	1.7	9.1%
Operating profit	€m / %	1.3	6.6%	1.7	9.1%
Other					
Revenue	€m	-		-	
<i>organic growth</i>	%				
Operating profit on business activity	€m / %	-	0.0%	-	0.0%
Profit from recurring operations	€m / %	-	0.0%	-	0.0%
Operating profit	€m / %	14.5	0.0%	0.5	0.0%



Changes 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	- 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
Position at 31 December 2011	273.9

Disclaimer

This document is a free translation into English of the original French press release. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

The forecasts in this document are contingent upon risks and uncertainties as to the Group's future growth and profitability. Readers are reminded that licence agreements, which often represent investments for our 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).

The distribution of this press release may be subject to laws and regulations in force. Natural persons present in such countries and those in which this press release is disseminated, published or distributed should obtain information about such restrictions and comply with them.

About Sopra Group

A leader in the European consulting, IT services and software development markets, Sopra Group generated revenue of 1.05 billion euros in 2011 and today employs over 13,000 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 successfully execute 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 programmes. For more information, please visit our website www.sopragroup.com.

