www.steria.com

2009 Half-Year Financial Report

Groupe Steria SCA

This document is a free translation into English of the French Half Year Financial Report and is provided solely for the convenience of English speaking readers.

créativité_ simplicité_ indépendance_ respect_ ouverture_

GROUPE STERIA SCA
Partnership limited by shares (*Société en Commandite par Actions*) with a share capital of €28,641,364
Head office: 12, rue Paul Dautier – 78140 Vélizy Villacoublay
344 110 655 RCS Versailles

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2009

I. Management Report for the half-year ended 30 June 2009

A – Major events during the first six months of the year and their impact on the half-year financial statements

Key items:

- **Like-for-like revenue in H1 2009 was down 2.3% on the same period of 2008.**
- **The operating margin[1] in H1 2009 was 6.9%, close to the previous year's level of 7.1%.**
- **Very good cash management brought a €100m reduction in the Group's financial debt compared with 30 June 2008.**
- **New orders were up 5.8% in Q2 2009 and the ratio of new orders to revenue stood at 1.12 at 30 June 2009.**

On 27 August 2009, the supervisory board of Group Steria SCA examined the consolidated accounts submitted by General Management.

H1 2009 consolidated results:

H1		2008	**2009**
Revenue	€m	878.7	**805.4**
Operating margin[1] *as % of revenue*	€m %	62.2 *7.1%*	**55.8** ***6.9%***
Operating income[2]	€m	53.3	**43.4**
Attributable net income	€m	27.0	**15.9**
Underlying attributable net income[3]	€m	33.0	**28.8**

Organic growth **At constant exchange rates**
-2.3%

[1] Before amortisation of intangible assets linked to business combinations. The operating margin is the Group's key indicator. It is defined as the difference between revenue and operating expenses, the latter amounting to the total cost of services provided (expenses needed to carry out projects), marketing costs and general and administrative costs.
[2] Operating income includes restructuring costs, capital gains on disposal and costs incurred on share-based payments made to employees.
[3] Attributable net profit restated - after tax - for other operating income and expenses, amortisation of intangible assets and unrecognised deferred tax assets.

Revenue

First-half consolidated revenue 2009

(€ million)	H1 2008	**H1 2009**	**Growth**
Revenue	878.7	**805.4**	**-8.3%**
Change in consolidation scope	-		
Change due to currency effect	-54.5		
Pro forma revenue	824.2	**805.4**	**-2.3%**

First-half 2009 revenue by geographic zone

(€ million)	H1 2008*	**H1 2009**	**Organic growth**
UK	327.3	**320.3**	**-2.1%**
France	261.3	**250.4**	**-4.2%**
Germany	120.4	**111.8**	**-7.1%**
Other Europe	115.2	**122.9**	**6.6%**
Total	824.2	**805.4**	**-2.3%**

First-half 2009 revenue by business line

(€ million)	H1 2008*	**H1 2009**	**Organic growth**
Managed Services and Business Process Outsourcing	318.7	**291.2**	**-8.6%**
Consulting and Systems Integration	505.5	**514.3**	**1.7%**

Second-quarter 2009 revenue by geographic zone

(€ million)	Q2 2008*	**Q2 2009**	**Organic growth**
UK	165.6	**164.7**	**-0.5%**
France	131.4	**122.4**	**-6.8%**
Germany	61.9	**56.8**	**-8.2%**
Other Europe	61.1	**64.9**	**6.2%**
Total	420.0	**408.9**	**-2.6%**

* Like-for-like sales (base 2009)

Major events:

Q2 2009 activity

Despite an uncertain environment, Group activity proved resilient in Q2 2009. Consolidated revenue was **€408.9m**, down by just 2.6% on a like-for-like basis compared with Q2 2008 despite a negative calendar effect, with two fewer days of production in France and three fewer in Germany and Scandinavia.

After a slight decline in Q1, new orders rose **5.8%** at constant exchange rates over Q2 2009, resulting in a total increase of **1.0%** year-on-year in H1 2009.

At 30 June 2009, the ratio of new orders to consolidated revenue reached **1.12**, up from 1.08 a year earlier. The ratio was also above 1 for Consulting and Systems Integration and stood at **1.10**.

The pipeline remains well-stocked, representing **2.1x** projected annual revenue.

- **In the United Kingdom**, excluding the currency effect Q2 revenue was more or less stable on 2008 (-0.5%). The sales drive continued, resulting in a steady inflow of new orders, up 14% over H1 2009. At 30 June 2009, the ratio of new orders to revenue was 1.20. At constant exchange rates, the Group is expecting revenue to start growing again in H2 2009.
- **In France**, organic growth was negative at -6.8% in Q2 2009. The new organisation introduced at the beginning of 2009 and numerous subsequent measures have produced highly encouraging initial results. These include a reduction in the intercontract rate – which is now back towards the level of a year ago – and, shortly after the end of H1, SFR's decision to award the company a global IT outsourcing contract worth around €100 million. This is the biggest deal ever signed by Steria France. At 30 June 2009, the ratio of new orders to consolidated revenue stood at 1.04.
- **Business in Germany**, which is focused on the more cyclical activities of Consulting and Systems Integration, proved much more robust than the profession as a whole with a quarterly decline limited to -8.2% at constant exchange rates. At 30 June 2009, the ratio of new orders to consolidated revenue stood at 1.20.
- **In the Other Europe zone**, organic growth of 6.2% in Q2 was driven by the strong performance in Scandinavia (+20.6%). In contrast, the situation remains difficult in Spain due to a particularly severe economic context.

First-half 2009 results

The operating margin[1] held up particularly well over H1 2009. At **6.9%,** it was very close to the figure of 7.1% recorded in H1 2008.

Underpinning this resilience were additional cost synergies from the integration of Xansa (+**€9.1m**[4] in H1 2009), extensive cost-cutting programmes in the geographic zones and the acceleration of various cross-company projects launched at Group level (industrialisation, centralised procurement, shared information systems, support services, etc.).

[4] At the exchange rate of 26 July 2007 (€/£ 0.67) when the acquisition of Xansa was announced. Non audited figure.

Operating margin[5] in H1 2009
by geographic zone

€ million	H1 2008*	H1 2009
UK	9.7%	**11.2%**
France	7.3%	**6.6%**
Germany	8.5%	**5.7%**
Other Europe	4.5%	**4.6%**
Group costs	-1.0%	**-1.1%**
Group	7.1%	**6.9%**

Net restructuring costs remained modest in H1 2009 at **€4.2m**, and should be limited to around 1% of annual revenue in 2009.

Financial result of **-€12.9m** reflects a substantial reduction in net borrowing costs (-€7.3m versus -€11.9m).

The net income at 30 June 2009 factors in a decision, in light of the severity of the Spanish economic downturn, to write down an impairment charge of €4.9m, most of the Spanish subsidiary's goodwill, and to record a non-recurrent tax charge of €2.5m, corresponding to the derecognition of our deferred tax assets in Spain.

Financial position at the end of H1 2009

Cash flow generation in H1 2009 was particularly strong compared to H1 2008. Operating free cash flow[6] improved strongly to reach **€27.1m** (compared to -€28.7m in H1 2008), thanks to effective management of the working capital requirement and a strict control of capex.

At **€239.9m**, net financial debt was more or less stable on the level of 31 December 2008 and was down **€100m** from 30 June 2008.

The financing structure of the Group is healthy and sound:

- Cash and cash equivalents of **€146m**
- Additional financing facilities available until July 2012 of **€240m**
- Net financial debt limited to **39%** of shareholders' equity
- Bank covenants very comfortably respected.

[5] Before amortisation of intangible assets linked to business combinations
[6] Cash flow minus change in working capital requirement, net capex, disposals and restructuring costs.

B – Outlook for the second half of 2009- Main risks and uncertainties

The Group expects the economic environment to remain fragile during the second half of the year and foresees trends in net revenue at constant exchange rates and an operating margin rate similar to those encountered in the first half of 2009.

Other than the uncertainties surrounding economic trends in the market and the comments presented below on pension plan related risks ("pension funds"), the main risks and uncertainties facing the Group during the second half of 2009 are presented in Section 1- 7 of the 2008 Reference Document.

Note that the amounts recorded in the first half of 2009 in respect of pension funds are based on asset values as at 31 December 2008.

Pension fund assets belong to the following asset categories:

	31/12/2008	**30/06/2009**
Shares	49%	47%
Bonds	37%	36%
Property	5%	8%
Other	9%	9%
Total	100%	100%

Sensitivity analysis shows that :

- a 10% reduction in the value of shares would generate a reduction in the total asset value of €33 million (based on the 30 June 2009 exchange rate of €1 = GBP 0.8521),
- a 0.1% reduction in the discount rate would generate an increase of €15 million in retirement benefit obligations (based on the same exchange rate),
- A 0.1% increase in the long-term inflation rate would generate an increase of €13 million in retirement benefit obligations (based on the same exchange rate).

C – Main transactions with related parties

Material transactions with related parties consist of remuneration paid to key management personnel (General Manager and members of the Supervisory Board) and relations with NHS SBS, equity accounted in the Groupe Steria consolidated financial statements. There was no major change in the nature of transactions with related parties during the first half of 2009 compared with 31 December 2008 (as presented in Note 6 to the consolidated financial statements for the year ended 31 December 2008).

Groupe Steria SCA Financial Statements

II. *Condensed consolidated financial statements for the half-year ended 30 June 2009*

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)	Notes	Half year ended 30 June 2009	Half year ended 30 June 2008
Revenue	4.17	805,417	878,692
Cost of sales and sub-contracting costs		(108,990)	(141,281)
Personnel costs		(475,821)	(498,178)
Bought-in costs		(149,839)	(145,334)
Taxes (excluding income taxes)		(12,176)	(19,108)
Change in inventories		37	(86)
Other current operating income and expenses	4.18	12,382	5,671
Net charges for depreciation and amortisation		(18,861)	(21,618)
Net charges for provisions	4.19	1,779	797
Net charges for current asset impairment	4.19	(424)	(6)
Operating margin *(*)*		**53,504**	**59,549**
% of revenue		*6.6%*	*6.8%*
Other operating income and expenses	4.20	(10,051)	(6,296)
Operating profit		**43,453**	**53,253**
Income from cash and cash equivalents		1,670	130
Gross borrowings Cost		(8,925)	(11,989)
Net Cost of borrowing	4.21	**(7,255)**	**(11,859)**
Other financial income and expenses	4.21	(5,597)	(1,244)
Net financial expense		**(12,852)**	**(13,103)**
Income tax expense	4.7	(14,445)	(12,673)
Share of profit/(loss) of associates	4.4	(196)	(1,228)
Net profit from continuing operations		**15,960**	**26,249**
Net profit from operations held for sale	4.22		721
Net profit for the period		**15,960**	**26,970**
Attributable to owners of the parent		**15,883**	**27,030**
Attributable to minority interests		**77**	**(60)**
Earnings per share (in euro):			
- From continuing operations	4.23	0.48	0.87
- From operations held for sale		-	0.02
Diluted earnings per share (in euro):			
- From continuing operations	4.23	0.50	0.84
- From operations held for sale		-	0.02

(*) After amortisation of customer relationship assets recognised on the acquisition of Xansa in the amount of €(2,268) thousand as at 30 June 2009 and €(2,615) thousand as at 30 June 2008.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousand of euro)	Notes	Half-year ended 30 June 2009	Half-year ended 30 June 2008
Net profit for the period		**15,960**	**26,970**
Income and expense items not recorded in profit or loss:			
• Exchange differences arising on translation of foreign entities		60,105	(61,212)
• Gains/(losses) on cash flow hedges	4.24	(12,013)	(948)
• Income tax on cash flow hedges		4,096	(863)
Total income and expense items not recorded in profit or loss, net of tax		**52,188**	**(63,023)**
Total comprehensive income for the period		**68,148**	**(36,053)**
Attributable to owners of the parent		**68,133**	**(35,848)**
Attributable to minority interests		**15**	**(205)**

CONSOLIDATED BALANCE SHEET

ASSETS

(in thousands of euro)	Notes	As at 30 June 2009	As at 30 June 2008
Goodwill	4.1	730,528	672,015
Intangible assets	4.2	67,193	62,050
Property, plant and equipment	4.3	79,832	85,453
Investments in associates	4.4	5,387	5,222
Available-for-sale assets	4.5	1,825	2,203
Other financial assets	4.6	4,343	12,466
Retirement benefit assets	4.12	19,073	3,440
Deferred tax assets	4.7	9,821	15,310
Other non-current assets		2,625	2,189
Non-current assets		**920,627**	**860,348**
Inventories	4.8	8,159	6,201
Net trade receivables and similar accounts	4.9	264,997	281,284
Amounts due from customers	4.9	213,423	190,434
Other current assets	4.9	23,408	26,186
Current portion of non-current assets	4.9	2,829	2,838
Current tax assets	4.9	19,884	15,837
Prepaid expenses	4.9	40,715	27,885
Cash and cash equivalents	4.11	145,945	141,138
Current assets		**719,360**	**691,803**
Non-current assets classified as held for sale			
Total assets		**1,639,987**	**1,552,151**

CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES

(in thousands of euro)	Notes	30/06/09	31/12/08
Issued share capital		28,535	28,535
Share premium		389,242	389,242
Treasury shares		(35,190)	(35,788)
Subordinated hybrid convertible bonds	4.10	150,300	150,300
Exchange differences		(136,553)	(196,661)
Other reserves		195,323	157,731
Net profit for the period		15,883	51,601
Equity attributable to owners of the parent		**607,540**	**544,960**
Minority interests		570	555
Total equity		**608,110**	**545,515**
Long-term borrowings	4.11	330,280	325,837
Retirement benefit obligations	4.12	32,858	39,898
Provisions for non-current liabilities and charges	4.13	15,045	13,688
Deferred tax liabilities	4.7	5,697	14,293
Other non-current liabilities	4.14	20,088	18,146
Non-current liabilities		**403,968**	**411,862**
Short-term borrowings	4.11	55,569	50,583
Provisions for current liabilities and charges	4.13	18,075	19,216
Net trade payables and similar accounts	4.15	151,927	134,493
Gross amounts due to customers	4.15	79,881	76,928
Advances and payments on account received	4.15	32,839	36,774
Current tax liabilities	4.15	36,935	31,366
Other current liabilities	4.15	252,683	245,414
Current liabilities		**627,809**	**594,774**
Liabilities directly associated with non-current assets classified as held for sale			
Total equity and liabilities		**1,639,987**	**1,552,151**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euro)	Notes	Half-year ended 30 June 2009	Half-year ended 30 June 2008
Consolidated net profit (including minority interests)		**15,960**	**26,970**
Adjustments for:			
Share of profit/(loss) of associates		196	1,228
Net charges to depreciation, amortisation and provisions (excluding current assets)		22,711	20,507
Calculated expenses and income relating to share options and equivalent		922	1,403
Fair value adjustment gains and losses		1,389	
Capital gains/losses on disposal		193	(1,454)
Cash flow from operating activities after the cost of net borrowings and taxes		**41,371**	**48,654**
Cost of net borrowings		7,255	11,859
Income tax expense (including deferred tax)		14,550	12,673
Cash flow from operating activities before the cost of net borrowings and taxes		**63,176**	**73,186**
Income tax paid		(9,999)	(4,393)
Change in working capital requirements		(9,002)	(69,619)
NET CASH FROM OPERATING ACTIVITIES		**44,175**	**(826)**
Purchases of intangible assets		(6,465)	(5,228)
Purchases of property, plant and equipment		(3,544)	(9,957)
Purchases of non-consolidated investments		(18)	
Proceeds from disposals of intangible assets and property, plant and equipment		90	150
Proceeds from disposal of non-consolidated investments		115	390
Loans and advances granted		(37)	35
Repayments received on loans and advances granted (including factoring)		3,882	1,457
Impact of changes in Group structure			
-Acquisition of consolidated companies, net of cash acquired		-	(391)
-Disposal of consolidated operations and companies, net of cash transferred		-	1,722
Net interest received		53	1,888
Dividends received (associates, non-consolidated investments)		74	30
NET CASH USED IN INVESTING ACTIVITIES		**(5,851)**	**(9,904)**
Amounts received from shareholders as part of a share capital increase		-	(18)
Dividends paid during the year:			
-Dividends paid to shareholders of the parent company and equivalent(*)		(8,690)	(1,000)
-Dividends paid to minority interests of consolidated companies		(152)	
Disposals/(acquisitions) of treasury shares under the liquidity contract		293	15
Proceeds from new borrowings		290	
Repayment of borrowings (including finance leases)		(1,082)	(5,102)
Additional contributions relating to retirement benefit obligations		(22,772)	(8,830)
Interest paid (including finance leases)		(6,827)	(13,548)
NET CASH USED IN FINANCING ACTIVITIES		**(38,940)**	**(28,483)**
Impact of changes in exchange rates		6,756	(2,883)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**6,140**	**(42,096)**
Cash and cash equivalents at the beginning of the period		135,937	139,613
Cash and cash equivalents at the end of the period	Note 4.11	142,078	97,517

(*) Including the coupon paid on 30 June 2009 on perpetual subordinated bonds convertible and/or exchangeable for new shares of €(8,690) thousand

STATEMENT OF CHANGES IN EQUITY

Equity attributable to owners of the parent (in thousands of euro)	Number of shares outstanding	Share capital	Share premium	Subordinated hybrid convertible bonds	Consolidated reserves	Exchange differences	Net profit for the period	Equity attributable to owners of the parent
As at 1 January 2008 (attributable to owners of the parent)	**28,155,419**	**28,156**	**382,623**	**150,300**	**95,659**	**(31,277)**	**50,018**	**675,479**
Appropriation of 2007 net profit					50,018		(50,018)	0
Dividends paid					(12,326)			(12,326)
Share capital increase	146,680	147	3,801					3,948
Coupons paid on perpetual subordinated bonds convertible and/or exchangeable for new shares (Note 4.10), net of tax					(2,842)			(2,842)
Change in exchange rates						(61,080)		(61,080)
Net profit attributable to owners of the parent							27,030	27,030
Valuation of share-based payments and cash instruments					1,402			1,402
Share subscription warrants exercised in 2008					(3,858)			(3,858)
Own shares repurchased by Groupe Steria SCA					(94)			(94)
Gains/losses on hedging instruments (Note 4.16)					(1,797)			(1,797)
Miscellaneous					27			27
As at 30 June 2008	**28,302,099**	**28,303**	**386,424**	**150,300**	**126,191**	**(92,357)**	**27,030**	**625,890**
Share capital increase	233,233	233	2,818					3,051
Coupons paid on perpetual subordinated bonds convertible and/or exchangeable for new shares (Note 4.10), net of tax					(2,856)			(2,856)
Change in exchange rates						(104,304)		(104,304)
Net profit attributable to owners of the parent							24,571	24,571
Valuation of share-based payments and cash instruments					2,091			2,091
Own shares repurchased by Groupe Steria SCA					(580)			(580)
Own shares repurchased by consolidated entities					(969)			(969)
Gains/losses on hedging instruments (Note 4.16)					(2,022)			(2,022)
Miscellaneous					90			90
As at 31 December 2008 (attributable to owners of the parent)	**28,535,232**	**28,536**	**389,242**	**150,300**	**121,943**	**(196,661)**	**51,601**	**544,960**
Appropriation of prior year net profit					51,601		(51,601)	
Dividends paid					(3,940)			(3,940)
Coupons paid on perpetual subordinated bonds convertible and/or exchangeable for new shares (Note 4.10), net of tax					(2,864)			(2,864)
Change in exchange rates						60,105		60,105
Net profit attributable to owners of the parent							15,883	15,883
Valuation of share-based payments and cash instruments					930			930
Own shares repurchased by Groupe Steria SCA					398			398
Gains/losses on hedging instruments (Note 4.16)					(7,876)			(7,876)
Miscellaneous					(56)			(56)
As at 30 June 2009 (attributable to owners of the parent)	**28,535,232**	**28,536**	**389,242**	**150,300**	**160,136**	**(136,556)**	**15,883**	**607,540**

Minority interests (in thousands of euro)	Number of shares outstanding	Share capital	Share premium	Subordinated hybrid convertible bonds	Consolidated reserves	Exchange differences	Net profit for the period	Total minority interests
As at 1 January 2008 (minority interests)					**1,024**	**687**	**311**	**2,021**
Appropriation of 2007 net profit								
Change in exchange rates						(132)		(132)
Net profit attributable to minority interests							(57)	(57)
Buy-out of Imelios minority interests					(923)			(923)
Gains/losses on hedging instruments (Note 4.16)					(32)			(32)
As at 30 June 2008 (minority interests)					**69**	**555**	**254**	**(877)**
Dividends paid					311		(311)	
Share capital increase								
Change in exchange rates						22		22
Net profit attributable to minority interests							(421)	(421)
Gains/losses on hedging instruments (Note 4.16)					81			81
Miscellaneous					(4)			(4)
As at 31 December 2008 (minority interests)					**457**	**577**	**(478)**	**555**
Appropriation of prior year net profit					(478)		478	0
Change in exchange rates						(21)		(21)
Net profit attributable to minority interests							77	77
Buy-out of Imelios minority interests								
Gains/losses on hedging instruments (Note 4.16)					(40)			(40)
Miscellaneous					(1)			(1)
As at 30 June 2009 (minority interests)					**(62)**	**556**	**77**	**570**
Total equity as at 30 June 2009	**28,535,232**	**28,536**	**389,242**	**150,300**	**160,074**	**(136,000)**	**15,960**	**608,110**

Groupe Steria SCA's share capital comprises 28,535,232 shares with a nominal value of €1 each.

A net dividend of €0.14 per share was paid in 2009.

Treasury shares include shares held under the liquidity contract implemented in 2006 by Groupe Steria SCA and 1,437,262 own shares held by UK trusts included in the scope of consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

.

NOTE 1: ACCOUNTING POLICIES

N1.1 Standards applied

The Groupe Steria SCA consolidated financial statements for the half-year ended 30 June 2009 include Groupe Steria SCA and its subsidiaries (hereinafter referred to as "The Group") and the Group's share in associates and jointly controlled companies.

The Groupe Steria SCA condensed consolidated financial statements for the half-year ended 30 June 2009 have been prepared in accordance with the IFRS standard, IAS 34, on interim financial reporting, as adopted by the European Union. The accounting policies and calculation methods applied to prepare the condensed consolidated financial statements for the half-year ended 30 June 2009 are identical to those applied for the consolidated financial statements for the year ended 31 December 2008 that were published in March 2009 (a description of these accounting policies and methods is presented in the notes to the consolidated financial statements for the year ended 31 December 2008), except for:

a) the change in the Income Statement presentation of gains and losses on foreign currency hedges and foreign currency gains and losses on the related hedged items for operating activity transactions. These gains and losses are now recorded in Other operating income and expenses. They were previously recorded in Other financial income and expenses and did not have a material impact on Group results (see Note 4.18).

b) the following amendments to IFRS standards and interpretations, which are of mandatory application since 1 January 2009:

- Amendment to IFRS 2, *Vesting conditions and cancellations*, clarifying the definition of vesting conditions and the accounting treatment of cancellation of rights,
- Amendment to IFRS 7, *Financial instruments: Disclosures*, enhancing disclosures on fair value measurement and liquidity risk,
- IAS 1 revised, *Presentation of Financial Statements*, requiring the presentation of transactions with equity holders separately from other transactions in the Statement of changes in equity and introducing the Statement of comprehensive income,
- IAS 23 revised, *Borrowings costs*, rendering mandatory the capitalisation of borrowing costs directly attributable to the internal production of assets,
- Amendment to IAS 32, *Financial Instruments: Presentation* and IAS 1, *Puttable financial instruments and obligations arising on liquidation*, introducing a limited number of exemptions authorising the equity classification of this type of financial instrument where certain conditions are met,
- IFRIC 13, *Customer Loyalty Programmes*,
- IFRIC 9, *Reassessment of Embedded Derivatives*, and IAS 39, *Financial Instruments: Recognition and Measurement*, clarifying, on the reclassification of an embedded derivative out of the fair value through profit or loss category, that the instrument must be measured separately from the host contract
- IFRIC 16, *Hedges of a Net Investment in a Foreign Operation*, clarifying the accounting treatment of instruments hedging the foreign currency risk of consolidated foreign entities,
- IFRS improvements. The first wave of standard amendments resulting from this procedure was published in May 2008. This procedure encompasses non-urgent minor amendments and has particularly enabled amendments to IAS 38, *Intangible Assets*, and IFRS 7, *Financial Instruments: Disclosures*.

IFRS 8, *Operating Segments*, of mandatory application from 1 January 2009, was adopted by the Group with effect from 1 January 2008.

Except for the amendment to IAS 1, these amendments and interpretations did not impact the consolidated financial statements.

The primary amendment to IAS 1 concerns the creation of the Statement of Comprehensive Income. As authorised by IAS 1 (revised), paragraph 81, a two statement format has been adopted: a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying gains and losses recognised directly in equity (statement of comprehensive income).

The consolidated financial statements for the half-year ended 30 June 2009 and the notes thereto were approved by the General Manager on 27 August 2009 after consulting the Supervisory Board.

N1.2 Material judgements and estimates

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that have an impact on the amounts of the assets, liabilities, income and expenses recorded therein as well as on the information provided in respect of contingent liabilities. The factors underlying the main estimates are of the same nature as those detailed in the notes to the consolidated financial statements for the year ended 31 December 2008.

N1.3 Consolidation methods

Companies over which Groupe Steria SCA exercises control, directly or indirectly, are fully consolidated.

Companies over which the Group exercises joint control with a limited number of shareholders are equity accounted.

Companies over which the Group exercises significant influence are equity accounted.

All inter-company transactions are eliminated on consolidation.

NOTE 2: SCOPE OF CONSOLIDATION

N2.1 Changes in the scope of consolidation and legal restructurings

At the beginning of 2009, the Group launched the legal restructuring of its consolidated entities in the United Kingdom, primarily involving partial asset transfers from the main Steria group operating entity prior to the acquisition of Xansa, to the main entity following the takeover of the Xansa Group and the liquidation of dormant companies of the former Xansa Group.

No other changes in the scope of consolidation took place during the first half of 2009.

During the first half of 2008 in France, the Group sold Sysinter and purchased the remaining 35% of Imelios shares held by minority shareholders.

N2.2 Scope of consolidation as at 30 June 2009

	Location	**Consolidation method as at 30/06/09**	**% interest as at 30/06/09**	**% control as at 30/06/09**	**Consolidation method as at 31/12/08**	**% interest as at 31/12/08**	**% control as at 31/12/08**
PARENT COMPANY							
Groupe Steria SCA	*France*						
Operating segment France							
Steria	*France*	FC	100	100	FC	100	100
Diamis	*France*	EA	40	40	EA	40	40
Imelios	*France*	FC	100	100	FC	100	100
Intest	*France*	EA	43,99	43,99	EA	43,99	43,99
Sternet	*France*	FC	100	100	FC	100	100
Stepar	*France*	FC	100	100	FC	100	100
U-Services	*France*	FC	100	100	FC	100	100
Steria Asia	*Singapore*	FC	100	100	FC	100	100
Steria Medshore SAS	*Morocco*	EA	50	50	EA	50	50
Xansa SAS	*France*	FC	100	100	FC	100	100

	Location	Consolidation method as at 30/06/09	% interest as at 30/06/09	% control as at 30/06/09	Consolidation method as at 31/12/08	% interest as at 31/12/08	% control as at 31/12/08
Operating segment United Kingdom							
Steria Holding Limited	*United Kingdom*	FC	100	100	FC	100	100
Steria Limited	*United Kingdom*	FC	100	100	FC	100	100
Steria Services Limited	*United Kingdom*	FC	100	100	FC	100	100
Caboodle	*United Kingdom*	FC	51	51	FC	51	51
ASL Information Services Limited	*United Kingdom*	FC	100	100	FC	100	100
Druid Group Limited	*United Kingdom*	FC	100	100	FC	100	100
OSI group Holdings Limited	*United Kingdom*	FC	100	100	FC	100	100
Xansa Employee Trustee company Limited	*United Kingdom*	FC	100	100	FC	100	100
Xansa Trustee Company limited	*United Kingdom*	FC	100	100	FC	100	100
FI Group Limited	*United Kingdom*	FC	100	100	FC	100	100
Druid Quest Limited	*United Kingdom*	FC	100	100	FC	100	100
OSI Group Limited	*United Kingdom*	FC	100	100	FC	100	100
Barclays Xansa Partnership Limited	*United Kingdom*	FC	100	100	FC	100	100
NHS Shared Employee Services Limited	*United Kingdom*	FC	51	51	FC	51	51
NHS Shared benefit Services Limited	*United Kingdom*	EA	50	50	EA	50	50
Steria Holding Corporate UK	*United Kingdom*	FC	100	100	FC	100	100
Mummert Partner UK Limited	*United Kingdom*	FC	100	100	FC	100	100
Zansa Limited	*United Kingdom*	FC	100	100	FC	100	100
Xansa Cyprus (n 1).Limited	*Cyprus*	FC	100	100	FC	100	100
Xansa Cyprus (n 2).Limited	*Cyprus*	FC	100	100	FC	100	100
Steria India Limited	*India*	FC	100	100	FC	100	100
Xansa Pte Ltd	*Singapore*	FC	100	100	FC	100	100
Xansa Holdings Inc.	*United States*	FC	100	100	FC	100	100
Xansa NA Inc.	*United States*	FC	100	100	FC	100	100
Xansa Inc.	*United States*	FC	100	100	FC	100	100
Xansa NA Government Services Inc.	*United States*	FC	100	100	FC	100	100
Xansa Systems Inc.	*United States*	FC	99.3	99.3	FC	99.3	99.3
Xansa U.S Inc.	*United States*	FC	100	100	FC	100	100
Operating segment Germany							
Steria Mummert Consulting GmbH Vienna	*Austria*	FC	100	100	FC	100	100
Steria Mummert ISS GmbH	*Germany*	FC	100	100	FC	100	100
Steria Mummert Consulting.AG	*Germany*	FC	100	100	FC	100	100
Operating segment Rest of Europe							
Steria Benelux	*Belgium*	FC	100	100	FC	100	100
Steria Luxembourg	*Luxembourg*	FC	100	100	FC	100	100
Steria A/S	*Denmark*	FC	100	100	FC	100	100
Steria Iberica	*Spain*	FC	100	100	FC	100	100
Steria A/S	*Norway*	FC	100	100	FC	100	100
Steria Poland	*Poland*	FC	100	100	FC	100	100
Steria A.B	*Sweden*	FC	100	100	FC	100	100
Iocore	*Sweden*	FC	100	100	FC	100	100
Steria Schweiz Ag	*Switzerland*	FC	100	100	FC	100	100

FC: Full consolidation
EA : Equity associate

NOTE 3: SEGMENT REPORTING

As required by IFRS 8, *Operating Segments*, the information presented reflects the internal performance reporting system used by management to assess the various segments. Segment reporting is based on operating margin.

Groupe Steria SCA is managed on the basis of eight geographical operating segments. Three are major individual countries: France, the UK and Germany. The other segments comprising Spain, Scandinavia (Norway, Sweden and Denmark), Benelux (Belgium and Luxemburg), Switzerland and Poland have been grouped together in a joint geographical area denominated “Rest of Europe”. Group companies primarily operate in the countries in which they are located, except for Africa and Asia, where operations are undertaken by Steria SA and Austria where operations are undertaken by Steria Mummert Consulting AG. However, as these operations are not yet material, they have been retained in the countries from which they are managed.

India is grouped with the UK given that its activity consists primarily in the provision of industrialised offshore services for customers under the operational management of the UK operating segment.

Each segment conducts its activity in two businesses:

- Managed Services which involves managing all or part of the information technology infrastructure of companies or their business processes (Business Process Outsourcing)
- Systems Integration (SI) which involves designing, developing and implementing projects for integration of systems and development of applications. SI includes Third-party Applications Maintenance, Consulting and any related equipment sales

The columns of the table below present quantified information for each operating segment. The operating segments identified are distinct Group components that earn revenues and incur expenses, whose operating results are regularly reviewed by management and for which separate financial information is available.

The “Reconciling items” column includes intercompany eliminations, shared Group expenses and unallocated segment assets. It enables segment information to be reconciled with the Group’s consolidated financial statements.

Half-year ended 30 June 2009

(in thousands of euro)	France	UK	Germany	Rest of Europe	Reconciling items			Group total
					Eliminations	*Group expenses*	*Other items*	
Third party revenue	**250,379**	**320,308**	**111,833**	**122,898**				**805,417**
% total revenue	*31.1%*	*39.8%*	*13.9%*	*15.3%*				*100.0%*
Inter-segment sales	855	1,952	1,718	4,031	(8,556)			
Total revenue	251,234	322,260	113,551	126,929	(8,556)			**805,417**
Operating margin (1)	13,156	29,298	4,838	4,166		2,045		**53,504**
% of revenue	*5.25%*	*9.15%*	*4.33%*	*3.39%*				*6.64%*
Group expenses	3,273	4,435	1,488	1,499		(10,695)		
Operating margin (1) (2)	**16,429**	**33,733**	**6,326**	**5,665**		**(8,649)**		**53,504**
% of revenue	*6.56%*	*10.53%*	*5.66%*	*4.61%*		*(1.07)%*		*6.64%*
Operating profit	**11,824**	**27,507**	**4,838**	**(1,203)**		**487**		**43,453**
Cost of net borrowings								(7,255)
Other financial income and expenses								(5,597)
Income tax expense								(14,445)
Share of profit/(loss) of associates								(196)
Net profit/(loss) from operations held for sale								
Net profit								**15,960**
Attributable to owners of the parent								**15,883**
Employees:								
Average employees	5,884	9,264	1,676	2,147		70		19,041
Of which: in India		*5,638*						*5,638*
Employees at the end of the year	5,831	9,115	1,672	2,157		66		18,841
Of which: in India		*5,510*						*5,510*

(1) After amortisation of customer relationship assets recognised on the acquisition of Xansa in the amount of €(2,268) thousand as at 30 June 2009

(2) Before Group expenses

Half-year ended 30 June 2008

(in thousands of euro)	France	UK	Germany	Rest of Europe	Reconciling items			Group total
					Elimina-tions	*Group expenses*	*Other items*	
Third party revenue	**261,155**	**376,933**	**120,430**	**120,174**				**878,692**
% total revenue	*29.7%*	*42.9%*	*13.7%*	*13.7%*				*100,.0%*
Inter-segment sales	803	1,590	1,563	2,578	(6,534)			
Total revenue	261,958	378,523	121,993	122,752	(6,534)			**878,692**
Operating margin (1)	15,770	29,024	8,885	4,091		1,779		**59,549**
% of revenue	*6.04%*	*7.70%*	*7.38%*	*3.40%*				*6.78%*
Group expenses	3,183	4,752	1,347	1,261		(10,543)		
Operating margin (1) (2)	**18,953**	**33,776**	**10,232**	**5,352**		**(8,765)**		**59,549**
% of revenue	*7.26%*	*8.96%*	*8.50%*	*4.45%*		*(1.00)%*		*6.78%*
Operating profit	**16,656**	**24,348**	**9,138**	**4,094**		**(982)**		**53,253**
Cost of net borrowings								(11,859)
Other financial income and expenses								(1,244)
Income tax expense								(12,673)
Share of profit/(loss) of associates								(1,228)
Net profit/(loss) from operations held for sale								721
Net profit								**26,970**
Attributable to owners of the parent								**27,030**
Employees:								
Average employees	5,890	9,008	1,669	2,024		59		18,650
Of which: in India		*5,083*						*5,083*
Employees at the end of the year	5,980	8,885	1,681	2,014		57		18,617
Of which: in India		*5,112*						*5,112*

(1) After amortisation of customer relationship assets recognised on the acquisition of Xansa in the amount of €(2,615) thousand as at 30 June 2008

(2) Before Group expenses

For each business, third party revenue may be broken down as follows:

(in thousands of euro)	Half-year ended 30/06/09	Half-year ended 30/06/08
SI revenue	514,251	532,993
Managed Services revenue	291,166	345,699
Consolidated revenue	**805,417**	**878,692**

No single customer represents more than 10% of the Group's revenue.

NOTE 4: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Preliminary comment: all amounts are expressed in thousands of euro, unless stated otherwise.

N4.1 Goodwill

(in thousands of euro)	Goodwill 31/12/08	Impairment	Exchange differences	Other items	Goodwill 30/06/09
United Kingdom	526,752		62,065		588,816
France	10,336				10,336
Germany	88,274				88,274
Norway	17,868		1,450		19,318
Sweden	7,032		37		7,069
Denmark	2,202		1		2,204
Spain	7,598	(4,867)			2,731
Benelux	5,581				5,581
Switzerland	6,372		(173)		6,199
Total goodwill	**672,015**	**(4,867)**	**63,380**		**730,528**

The Group performs impairment tests once annually and more frequently when key indicators suggest a loss in value.

Given the general downturn in the economic environment in Europe, the Group decided to perform impairment tests on all Cash-Generating Units (CGU) at the 30 June 2009 period-end. These tests did not lead to the recognition of any impairment losses except on the Spanish subsidiary.

The Group decided to record a further impairment of €4,867 thousand against the goodwill of its Spanish subsidiary, in addition to the €1,000 thousand impairment recorded as at 31 December 2008.

The discount rate used for these tests is the same as at 31 December 2008.

The Group analysed the sensitivity of the key valuation assumptions for the Spanish CGU: the discount rate and the perpetual growth rate. An increase of one point in the discount rate would generate an additional charge of €2 million, while a decrease of one point in the perpetual growth rate would generate an additional charge of €0.5 million.

N4.2 Other intangible assets

(in thousands of euro)	Total	Development costs	Concessions, patents, licences, software	Other intangible assets
Gross value as at 31/12/08	**111,250**	**8,130**	**52,642**	**50,478**
Purchases	6,890	2,370	2,935	1,585
Disposals – scrapping	(29)		(29)	
Other movements	8,371		2,946	5,425
Gross value as at 30/06/09	**126,482**	**10,500**	**58,494**	**57,488**
Amortisation as at 31/12/08	**49,200**	**1,293**	**42,093**	**5,814**
Charges	6,592	1,173	3,051	2,368
Reversal – removal				
Other movements	3,497		2,779	718
Amortisation as at 30/06/09	**59,289**	**2,466**	**47,923**	**8,900**
Carrying amount as at 31/12/08	**62,050**	**6,837**	**10,549**	**44,664**
Carrying amount as at 30/06/09	**67,193**	**8,034**	**10,571**	**48,588**

Intangible assets have finite useful lives.

The net impact of exchange differences on intangible assets is included in other movements in the amount of €4,967 thousand.

The increase in development costs essentially reflects customer solutions development in Germany.

N4.3 Property, plant and equipment

(in thousands of euro)	Total	Technical facilities including finance leases	Land and buildings held under finance leases	Fittings, fixtures and facilities including finance leases	Other items of PPE (1)
Gross value as at 31/12/08	**231,587**	**15,572**	**39,734**	**58,530**	**117,751**
Purchases	4,927	9		672	4,246
Disposals – scrapping	(1,363)			(194)	(1,169)
Other movements	8,590	(2,764)	210	2,196	8,948
Gross value as at 30/06/09	**243,741**	**12,817**	**39,944**	**61,204**	**129,776**
Depreciation as at 31/12/08	**146,134**	**11,344**	**7,549**	**38,875**	**88,366**
Charges	12,263	513	367	2,800	8,583
Reversals	(1,168)			(170)	(998)
Other movements	6,680	(1,844)	201	1,720	6,603
Depreciation as at 31/12/08	**163,909**	**10,013**	**8,117**	**43,225**	**102,554**
Carrying amount as at 31/12/08	**85,453**	**4,228**	**32,185**	**19,655**	**29,385**
Carrying amount as at 30/06/09	**79,832**	**2,804**	**31,827**	**17,979**	**27,222**

(1) Other items of PP&E include office and computer equipment, furniture, vehicles and other items.

The net impact of exchange differences on property, plant and equipment is included in other movements in the amount of €1,850 thousand and accounts for the majority of the net amount of this balance.

N4.4 Equity associates and joint ventures

(in thousands of euro)	Restated amounts 31/12/08	Change in Group structure	Net profit/(loss) for the period	Exchange differences	Distribution	Value of shares as at 30/06/09
Diamis	1,496		(127)		(74)	1,295
Intest	196					196
Steria Medshore	(70)		(251)	2		(319)
NHS Shared Business Services Ltd	3,600		182	433		4,215
Total equity associates	**5,222**		**(196)**	**435**	**(74)**	**5,387**

N4.5 Available-for-sale assets

Non-consolidated equity investments are classified under the IFRS balance sheet category of available-for-sale assets, irrespective of whether the Group wishes to sell these investments.

(in thousands of euro)	Total	Travelsoft	Other shares
Gross value as at 31/12/08	**2,266**	**1,781**	**485**
Additions	10		10
Decrease			
Gross value as at 30/06/09	**2,276**	**1,781**	**495**
Impairment of shares as at 31/12/08	**63**		**63**
Charge	397		**397**
Reversal	(9)		**(9)**
Impairment of shares as at 30/06/09	**451**		**451**
Carrying amount as at 31/12/08	**2,203**	**1,781**	**422**
Carrying amount as at 30/06/09	**1,825**	**1,781**	**44**

Groupe Steria does not exercise significant influence over these investments.

N4.6 Other financial assets

(in thousands of euro)	Total	Other loans to equity investments	Loans	Deposits, guarantees and other financial assets	Derivative financial instruments – foreign currency (1)	Derivative financial instruments – interest rates (1)
Gross value as at 31/12/08	**12,466**	**3**	**1,356**	**4,625**	**5,031**	**1,451**
Change in Group structure						
Additions	1,163			197		966
Decrease	(8,884)		(38)	(3,753)	(5,037)	(56)
Other movements	(402)		119	(533)	12	
Gross value as at 30/06/09	**4,343**	**3**	**1,437**	**536**	**6**	**2,361**
Impairment as at 31/12/08						
Reversal						
Impairment as at 30/06/09						
Carrying amount as at 31/12/08	**12,466**	**3**	**1,356**	**4,625**	**5,031**	**1,451**
Carrying amount as at 30/06/09	**4,343**	**3**	**1,437**	**536**	**6**	**2,361**

(1) See Note 4.16

The net impact of exchange differences on other financial assets is included in other movements in the amount of €407 thousand.

The decrease in other financial assets is due to the decrease in deposits and fair value gains and losses on derivative financial instruments.

Deposits essentially comprise cash balances held by UK trusts included in the scope of consolidation of the Group. The assets held by these trusts are primarily earmarked for payment to Group employees. Due to the legal form of these entities, the Group cannot recognise these liquid assets as cash and cash equivalents as defined by IFRS. These assets total €31 thousand as at 30 June 2009.

Amounts recognised in respect of deposits represent a reasonable approximation of their fair value.

N4.7 Income tax

- *Reconciliation of the total income tax charge recognised and the theoretical charge*

(in thousands of euro)	Half-year ended 30/06/09	Half-year ended 30/06/08
Consolidated net profit	15,960	26,970
Income tax expense	14,445	12,673
Net profit before tax	**30,405**	**39,643**
Tax rate applicable in France	**34.43%**	**34.43%**
Theoretical tax charge	**10,468**	**13,649**
Effect of impairment of goodwill	1,676	
Effect of tax losses carried forward net of losses not recognised	2,375	35
Effect of permanent differences	1,086	2
Effect of profit/(loss) of associates	68	423
Effect of different tax rates	(1,204)	(1,466)
Other items including tax consolidation	(24)	30
Effective tax charge	**14,445**	**12,673**
Effective tax rate	**47.51%**	**31.97%**

As at 30 June 2009, the tax rate differential compared to the tax rate applicable in France primarily reflects the derecognition of deferred tax assets relating to the non-recognition of a portion of tax losses carried forward in Spain. Given the economic environment in Spain, it was considered, as a matter of prudence, no longer probable that sufficient taxable profits will be realised to enable the offset of a portion of these losses which may only be carried forward a limited period of time. The impact on the tax charge is €2,502 thousand. Excluding the derecognition of these deferred tax assets and the impairment of Spanish goodwill, the effective tax rate is 33.8%.

As at 31 December 2008, the impact on the tax charge of the derecognition of tax assets in Spain was €5,792 thousand.

- *Breakdown between current and deferred taxes in the income statement*

(in thousands of euro)	France 30/06/09	International 30/06/09	Total 30/06/09	Total 30/06/08
Current tax	(3,498)	(10,398)	(13,896)	(8,595)
Deferred tax	1,423	(1,972)	(549)	(4,078)
Tax	**(2,075)**	**(12,370)**	**(14,445)**	**(12,673)**

Deferred taxes recognised as at 30 June 2009

(in thousands of euro)	31/12/08	Profit or loss impact	Equity impact (reserves & changes in scope)	Exchange differences and other mvts.	30/06/09
Intangible assets	(15,181)	(362)		(1,545)	(17,088)
Property, plant and equipment	2,550	1,397		511	4,458
Property, plant and equipment finance leases	(5,381)	(186)			(5,567)
Non-current financial assets	1,731	144	(2,138)	131	(132)
Inventories and work in progress	(3,539)	816		3	(2,720)
Other current assets	2,656	(1,925)	2,867	4	3,602
Retirement benefit obligations	5,323	(5,937)	1	(183)	(796)
Provisions	1,268	(186)	2,138	233	3,454
Other current liabilities	(3,165)	1,753	1,228	(139)	(323)
Tax loss carry-forwards	14,754	3,940		542	19,236
Total net deferred tax assets	**1,017**	**(547)**	**4,096**	**(444)**	**4,124**
Deferred tax assets recognised	**15,310**				**9,821**
Deferred tax liabilities recognised	**14,293**				**5,697**

Exchange differences had a total impact of €(444) thousand.

- *Deferred tax assets not recognised as at 30 June 2009*

Deferred tax assets not capitalised as at 30 June 2009 total €22,191 thousand:

- On tax losses carried forward: €20,451 thousand
- On other temporary differences: €1,740 thousand

Breakdown of deferred tax assets not recognised by country (in thousands of euro)	Total as at 31/12/08	Total as at 30/06/09	Expiry date < 2 years	Expiry date > 2 years
Germany	856	856		856
Austria	950	921		921
Denmark	2,018	1,723		1,723
Spain	5,792	8,294		8,294
France	3,113	3,114		3,114
UK	799	707		707
Sweden	3,660	3,643		3,643
Singapore	803	788		788
Other countries (1)	2,166	2,145		2,145
Total deferred tax assets not recognised	**20,157**	**22,191**		**22,191**

(1) Canada, Cyprus, United States, Luxembourg

N4.8 Inventories

(in thousands of euro)

Gross value as at 31/12/08	**6,822**
Net change during the period	1,967
Gross value as at 30/06/09	**8,789**
Impairment of inventories as at 31/12/08	**621**
Net change during the period	9
Impairment of inventories as at 30/06/09	**630**
Carrying amount as at 31/12/08	**6,201**
Carrying amount as at 30/06/09	**8,159**

The increase in inventories is primarily due to costs incurred during the start-up phase of contracts in the United Kingdom and France.

N4.9 Trade receivables and other debtors

(in thousands of euro)	30/06/09	31/12/08
Trade receivables - gross value	267,516	283,204
Impairment	(2,519)	(1,920)
Trade receivables and related accounts	**264,997**	**281,284**
Amounts due from customers	**213,423**	**190,434**
Customer deposits and advances	540	672
Receivables from employees and social security and tax authorities	14,726	12,844
Current accounts	105	
Debtors – gross value	3,410	2,439
Derivative financial instruments – interest rates (1)	132	245
Derivative financial instruments – foreign currency (1)	4,508	9,999
Impairment	(13)	(13)
Other current assets	**23,408**	**26,186**
Current loans and guarantees	2,829	2,838
Current portion of non-current assets (< 1 year)	**2,829**	**2,838**
Current tax assets	**19,884**	**15,837**
Prepaid expenses	**40,715**	**27,885**
Trade receivables and other debtors	**565,256**	**544,464**

(1) See Note 4.16

Trade receivables transferred without recourse against the transferor in the event of non-payment by the debtor are considered to have resulted in the transfer of substantially all the risks and rewards associated with the assets, thus enabling them to be removed from the balance sheet. The risk of late payment is considered marginal. During the first-half of 2009, the Group transferred €17,044 thousand of French trade receivables and €790 thousand of Spanish trade receivables. During 2008, the Group transferred €10,000 thousand of French trade receivables and €2,578 thousand of Spanish trade receivables.

N4.10 Equity instruments

On 12 November 2007, and in order to finance the acquisition of Xansa, the Group issued perpetual subordinated bonds, convertible and/or exchangeable for new shares. As at 14 November 2007, 4,080,549 bonds had been issued for a total of €152,449 thousand, or €150,300 thousand after deduction of issue costs.

The Group has classified these bonds as equity instruments in accordance with IFRS. Indeed, in accordance with the contractual terms of these bonds presented in the AMF prospectus n° 07-394 dated 12 November 2007, the Group has no contractual obligation to make payments to bondholders since all payment decisions are at its discretion:

1. The payment of coupons may be suspended by the Group whenever a dividend payment has not been made since the last interest payment date. Deferred interest is

cumulated and bears interest, but payment remains at the discretion of the Group for so long as no dividend distribution has been decided.

2. Other than early redemption decided by the Group, the only instances of mandatory redemption of the bonds are liquidation or the expiry of the company's corporate term as provided in the Articles of association. These two situations do not disqualify the bonds from classification as equity instruments under IFRS.
3. Finally, the bondholders' option to convert their bonds into ordinary shares does not disqualify the bonds from classification as equity instruments as the conversion parity is fixed.

Subject to any decision by the Group to suspend payment, the bonds bear interest at the annual rate of 5.70% until 1 January 2013 and at three month Euribor plus 800 basis points thereafter. These rates would be increased by 500 basis points in the event of a change in control of the company. In accordance with their classification as equity instruments, the interest paid on the bonds is treated as a dividend payment and does not impact the income statement. A provision of €2,864 thousand was made on 30 June 2009 (€2,842 thousand on 30 June 2008).

N4.11 Net indebtedness

Net cash and cash equivalents per the cash flow statement:

(in thousands of euro)	30/06/09	31/12/08
Other marketable securities	113,471	86,241
Cash at bank and in hand	32,475	54,897
Cash and cash equivalents	**145,945**	**141,138**
Current bank facilities	(3,698)	(5,053)
Accrued interest payable on bank overdrafts	(169)	(149)
Net cash and cash equivalents per the balance sheet	**142,079**	**135,937**
Deposits and cash balances of discontinued operations		
Net cash and cash equivalents per the cash flow statement	**142,079**	**135,937**

Other marketable securities comprise short-term money market investments, other short-term deposits and funds advanced under the liquidity contract. They are subject to a negligible risk of changes in value.

Breakdown of borrowings recorded in the balance sheet and determination of net indebtedness:

	31/12/08	Change in Group structure	Net change during the period	30/06/09
Bank borrowings	324,486		5,372	329,858
Borrowings – property-related finance leases	1,273		(929)	344
Borrowings – other finance leases				
Other borrowings	78			78
Total long-term borrowings (a)	**325,837**		**4,443**	**330,280**
Current bank facilities	5,053		(1,355)	3,698
Bank borrowings	42,765		6,308	49,073
Other related liabilities	164		76	240
Borrowings in respect of property and other finance leases	2,452		(63)	2,389
Accrued interest payable on bank overdrafts	149		20	169
Total short-term borrowings (b)	**50,583**		**4,986**	**55,569**
Total borrowings (c) = (a) + (b)	376,420		9,429	385,849
Total cash and cash equivalents (d)	141,138		4,807	145,945
Net indebtedness (e) = (c) – (d)	**235,282**		**4,622**	**239,904**

The total borrowing capacity of the Group as at 30 June 2009 amounted to a euro-equivalent of €626 million, as follows:

- GBP 90 million of bank facilities (all drawn as at 30 June 2009),
- €277 million of bank facilities (all drawn as at 30 June 2009),
- €43 million of current bank lines (drawn €3.7 million as at 30 June 2009),
- €200 million of revolving credit facilities (unused as at 30 June 2009).

There remained €4,503 thousand of unamortised loan issue costs as at 30 June 2009.

The bank terms and conditions to which the syndicated loan is subject notably include a commitment to comply with certain bank covenants.

The Company must comply with two financial ratios calculated every six months based on the published consolidated financial statements, on a 12-month rolling basis: the first, the leverage ratio, is equal to net debt/EBITDA and the second, the interest coverage ratio, is equal to operating margin before amortisation of customer relationships/cost of net borrowings.

The Group complied with all bank covenants as at 30 June 2009.

N4.12 Retirement benefit obligations

Provisions for retirement benefit obligations mainly cover the obligations of Groupe Steria towards its employees with respect to lump-sum retirement benefits in France and defined benefit plans in the UK, Germany, Benelux and Norway.

Assets and obligations are valued annually at the year-end and the actuarial assumptions used as at 31 December 2008 have been maintained to value obligations as at 30 June 2009.

Pursuant to IAS 19, *Employee Benefits*, the Groupe applies the corridor method. Only actuarial gains and losses in excess of 10% of the defined benefit obligation or the fair value of plan assets are recognised and amortised over the expected average remaining working lives of plan participants.

In accordance with this method and the rules set out in IAS 34, *Interim Financial Reporting*, the amounts recognised in the interim income statement and balance sheet are based on an extrapolation of the most recent annual actuarial valuation: service cost, interest cost on the liability and expected return on plan assets.

No actuarial gains or losses were amortised as at 30 June 2009.

Movements in net liabilities arising from the main retirement benefit obligations during the first half of 2009 are presented in the following table:

(in thousands of euro)	Defined benefit pension funds - UK 30/06/2009	Defined benefit pension funds - Germany 30/06/2009	Retirement termination benefits - France 30/06/2009
Net liability at the beginning of the period (with corridor)	4,122	16,931	9,342
Net expense recognised in the income statement	9,931	719	931
Contributions and benefits	(32,504)	(441)	(196)
Exchange rate fluctuations	(622)		
Net (asset)/liability at the end of the period	**(19,073)**	**17,210**	**10,077**

As at 30 June 2009, long-term retirement obligations in Belgium and Norway total €2,384 thousand and €1,843 thousand, respectively.

Movements in retirement benefit obligations during financial year 2008 are presented below:

(in thousands of euro)	Defined benefit pension funds - UK 31/12/2008	Defined benefit pension funds - Germany 31/12/2008	Retirement termination benefits - France 31/12/2008
Net liability at the beginning of the period (with corridor)	37,704	16,343	8,225
Net expense recognised in the income statement	19,281	1,310	1,888
Contributions and benefits	(49,065)	(722)	(771)
Exchange rate fluctuations	(3,798)		
Net liability at the end of the period	**4,122**	**16,931**	**9,342**

As at 31 December 2008, long-term retirement obligations in Belgium and Norway total €2,600 thousand and €2,345 thousand, respectively.

N4.13 Provisions for liabilities and charges

Non-current provisions as at 30 June 2009:

(in thousands of euro)	Opening balance	Charge	Reversal	Other movements	Exchange differences	Closing balance
Provisions for litigation	1,221	363	(111)	(13)	115	1,575
Provisions for guarantees	102				9	111
Provisions for losses to completion on contracts						
Other provisions for liabilities	8,188	660	(1,024)		936	8,760
Provisions for restructuring	4,177	2,433	(1,945)	(510)	444	4,599
Provisions for taxes						
Total non-current provisions for liabilities and charges	**13,688**	**3,456**	**(3,080)**	**(523)**	**1,504**	**15,045**

Current provisions as at 30 June2009:

(in thousands of euro)	Opening balance	Charge	Reversal	Other movements	Exchange differences	Closing balance
Provisions for litigation	1,985	279	(772)	(1)		1,491
Provisions for losses to completion on contracts	2,987	868	(1,904)		200	2,151
Other provisions for liabilities	8,398	1,165	(1,921)		534	8,176
Provisions for restructuring	2,281	15,	(436)	579	248	2,687
Provisions for taxes	3,565	5				3,570
Total current provisions for liabilities and charges	**19,216**	**2,332**	**(5,033)**	**578**	**982**	**18,075**

Total provisions as at 30 June 2009 :

(in thousands of euro)	Opening balance	Charge	Reversal	Other movements	Exchange differences	Closing balance
Provisions for litigation	3,206	642	(883)	(14)	115	3,066
Provisions for guarantees	102				9	111
Provisions for losses to completion on contracts	2,987	868	(1,904)		200	2,151
Other provisions for liabilities	16,586	1,825	(2,945)		1,470	16,936
Provisions for restructuring	6,458	2,448	(2,381)	69	692	7,286
Provisions for taxes	3,565	5				3,570
Total provisions for liabilities and charges	**32,904**	**5,788**	**(8,813)**	**55**	**2,486**	**33,120**

Provisions for litigation primarily concern employee disputes in France and the United Kingdom.

The majority of provisions for losses to completion concern UK contracts and were primarily recorded by the former Xansa Group.

Other provisions for liabilities mainly concern trade receivable risks in France and the United Kingdom and the cost of refurbishing UK premises.

Provisions for restructuring mainly concern the cost of premises left vacant in the United Kingdom following the acquisition of the Xansa Group.

In addition, the accounting books and records of Steria SA for financial years 2005, 2006 and 2007 were audited by the tax authorities. The main revised assessments notified have been formally contested and discussions are still ongoing with the tax authorities. A liability provision of €3,565 thousand was recorded at the end of 2008 covering the entire risk relating to the tax audit of financial years 2005, 2006 and 2007.

N4.14 Other non-current liabilities

(in thousands of euro)	31/12/08	Net change during the period	30/06/09
Government grants	19		19
Other long-term liabilities	6,843	(1,615)	5,228
Derivative financial instruments – interest rate (1)	11,014	3,503	14,517
Derivative financial instruments – foreign currency (1)		23	23
Long-term portion of deferred income	270	31	301
Total	**18,146**	**1,942**	**20,088**

(1) See Note 4.16

Other long-term liabilities comprise in particular French profit-sharing liabilities in the amount of €5,129 thousand.

N4.15 Trade payables and other creditors

(in thousands of euro)	30/06/09	31/12/08
Suppliers of goods and services and related accounts	**151,927**	**134,493**
Gross amounts due to customers	**79,881**	**76,928**
Prepayments and advances received	**32,839**	**36,774**
Current tax liabilities, income tax	**36,935**	**31,366**
Employee-related liabilities	149,578	142,352
Tax-related liabilities	87,730	85,784
Current account	1,834	1,943
Interest payable	3	18
Dividends payable	9,603	9,921
Derivative financial instruments – interest rate (1)	3	
Derivative financial instruments – foreign currency (1)	2	
Other sundry liabilities	3,930	5,396
Total other current liabilities	**252,683**	**245,414**
Total trade payables and other creditors	**554,265**	**524,975**

(1) See Note 4.16

N4.16 Financial instruments

As part of its overall risk management policy, the Group enters into transactions designed to hedge its exposure to foreign currency risk. These hedges take the form of forward foreign currency purchases and sales.

The Group also hedges against interest rate fluctuations by swapping part of its floating rate debt for fixed rate debt.

In accordance with IAS 39, derivative financial instruments are measured at fair value in the consolidated balance sheet.

If a derivative is designated as a fair value hedge of assets or liabilities recognised in the consolidated balance sheet, changes in the value of both the derivative and the hedged item are recognised in profit or loss of the same period.

If a derivative is designated as a cash flow hedge, the change in value of the effective portion of the derivative is recognised in equity and transferred to profit or loss when the hedged item is itself recorded in profit or loss. The change in value of the ineffective portion of the derivative is credited or charged directly to profit or loss.

Changes in fair value of derivatives not qualifying for hedge accounting are credited or charged directly to profit or loss.

- Interest-rate hedging

The Group enters into swap contracts with leading financial institutions to hedge its debt. These contracts are management by the Group Treasury Department.

As at 30 June 2009, the Group had entered into several interest rate swaps, with a notional value of GBP 160 million and €473 million and a fair value of €(12,027) thousand compared to €(9,317) as at 31 December 2008.

As at 30 June 2009, total gross borrowings subject to interest rate risk amount to €386 million.

Assuming the same debt and foreign exchange rates as at 30 June 2009 and based on the interest rate derivatives held at that date, an increase in floating interest rates of 100 basis points would increase the annual interest expense by €0.2 million.

- Foreign currency hedging:

Foreign currency hedging primarily comprises GBP/INR cover for Steria India. The hedges taken out apply both to invoiced items and to future cash flows.

The fair value of these contracts is €4,489 thousand as at 30 June 2009, compared to €15,030 as at 31 December 2008.

N4.17 Sales and provision of services

(in thousands of euro)	Half-year ended 30/06/09	Half-year ended 30/06/08
Sales of goods	18,829	9,569
Provision of services	786,588	867,123
Sales and provision of services	**805,417**	**876,692**

N4.18 Other current operating income and expenses

Other current operating income and expenses mainly consist of foreign exchange gains and losses on trade receivables and Steria India foreign currency hedges in the amount of €6,201 thousand. These foreign exchange gains and losses did not have a material impact on the Income Statement for the half-year ended 30 June 2009.

N4.19 Net charges to provisions

(in thousands of euro)	Half-year ended 30/06/09	Half-year ended 30/06/08
Charges to provisions	(3,376)	(3,434)
Reversals of provisions	5,155	4,231
Net charges to operating provisions	**1,779**	**797**
Charges in respect of current assets	(442)	(173)
Reversals in respect of current assets	18	167
Net charges in respect of current assets	**(424)**	**(6)**
Net charges to provisions	**1,355**	**791**

N4.20 Other operating income and expenses

(in thousands of euro)	Half-year ended 30/06/09	Half-year ended 30/06/08
Share options and other share-based payments	(922)	(1,403)
Disposal of activities		1,000
Impairment of assets	(4,867)	
Net restructuring and integration costs	(4,198)	(6,401)
Other items	(64)	508
Other operating income and expenses	**(10,051)**	**(6,296)**

- *Share options and free shares*

Share option and free share plans existing as at 31 December 2008 have been taken into consideration as at 30 June 2009.

- *Restructuring and integration costs*

The Group's restructuring and integration costs reflect the continuing reorganisation of its operations following the acquisition of Xansa.

- *Impairment of assets*

Impairment losses of €4,867 thousand were recorded against Spanish subsidiary goodwill as at 30 June 2009 (see Note 4.1).

N4.21 Net financial expense

(in thousands of euro)	Half-year ended 30/06/09	Half-year ended 30/06/08
Interest income from cash and cash equivalents	1,670	130
Income from cash and cash equivalents	**1,670**	**130**
Interest expense on financing operations	(5,586)	(12,790)
Gains/(losses) on interest rate and foreign currency derivatives hedging cash equivalents	(3,339)	801
Cost of gross borrowings	**(8,925)**	**(11,989)**
Cost of net borrowings	**(7,255)**	**(11,859)**
Net foreign currency gains and losses on cash management operations	(517)	(679)
Discounts granted	(442)	(356)
Change in fair value of interest rate derivatives (1)	915	
Change in fair value of foreign currency derivatives (1)	(35)	
Net interest expense on retirement benefit obligations	(4,009)	(481)
Discounting of provisions for liabilities and charges	(668)	
Impairment of non-consolidated investments	(309)	
Other income and expenses	(532)	272
Total other financial income and expenses	**(5,597)**	**(1,244)**
Net financial expense	**(12,852)**	**(13,103)**

(1) see Note 4.16

N4.22 Discontinued operations

As at 31 December 2007, the Group was in the process of selling its subsidiary Sysinter. Pursuant to IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities of Sysinter as at 31 December 2007, and its results for 2007, were presented separately in the balance sheet and income statement.

The Group's investment in Sysinter was sold on 4 January 2008 for €900 thousand and generated a capital gain of €721 thousand which was equally separately disclosed in the 2008 Income Statement.

N4.23 Earnings per share

Potential dilutive ordinary shares primarily include free shares, share options and the 4,080,549 perpetual subordinated bonds, convertible and/or exchangeable for new shares, issued on 14 November 2007 and classified as equity instruments.

Coupons paid on these bonds are deducted from Group profit when determining profit attributable to shareholders.

	Half-year ended 30/06/09	Half-year ended 30/06/08
Numerator (in thousands of euro)		
Net profit attributable to owners of the parent (a)	15,883	27,030
Net profit attributable to shareholders (b)	13,019	24,189
Of which: net profit/(loss) from operations held for sale	-	*721*
Denominator		
Weighted average number of shares outstanding (c)	28,535,232	28,433,341
Weighted average number of treasury shares (d)	(1,422,563)	(1,394,767)
Weighted average number of shares outstanding excluding treasury shares (e) = (c) + (d)	27,112,669	27,038,574
Weighted average number of subordinated hybrid convertible bonds	4,202,965	4,080,549
Dilutive effect of share options	-	37,104
Dilutive effect of free shares reserved for employees	162,369	155,325
Theoretical weighted average number of equity instruments (f)	31,478,003	31,311,552
Earnings per share (in euro) (b/e)	0.48	0.89
- ***Of which: from continuing operations***	0.48	*0.87*
- ***Of which: from operations held for sale***	-	*0.02*
Diluted earnings per share (in euro) (a/f)	0.50	0.86
- ***Of which: from continuing operations***	0.50	*0.84*
- ***Of which: from operations held for sale***	-	*0.02*

N4.24 Information on income and expense items not recorded in profit or loss

(in thousands of euro)	Half-year ended 30/06/09	Half-year ended 30/06/08
Gains and losses on cash flow hedges:		
• Gains / (Losses) arising during the period	(6,603)	(948)
• Less: reclassification of (gains) / losses in the income statement	(5,409)	
Total	**(12,012)**	**(948)**

Income and expense items not recorded in profit or loss and included in equity as at 31 December 2008 totalled €(350) thousand, net of tax. This balance stood at €(8,267) thousand as at 30 June 2009, representing an increase over the period, net of tax, of €7,917 thousand.

NOTE 5: OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments given and received by the Group break down as follows:

(in thousands of euro)	As at 30/06/09	As at 31/12/08	(in thousands of euro)	As at 30/06/09	As at 31/12/08
Commitments given			Commitments received		
Endorsements, pledges and guarantees	**8,076**	**30,057**	Endorsements		
Commitments given on customer contracts	**175,343**	**123,022**	Bank guarantees on contracts (joint venture)		
Vendor warranties	**310**	**0**	Overdraft facilities (current bank loans)		
Individual legal right to training	**3,354**	**3,049**	- authorised	43,308	41,053
Other commitments given	**4,644**	**816**	- utilised (balance sheet)	*3,698*	*3,527*
			- not utilised (off-balance sheet)	**39,610**	**37,526**
			Medium-term loan		
			- authorised	200,000	200,000
			- utilised (balance sheet)		*0*
			- not utilised (off-balance sheet)	**200,000**	**200,000**
Total commitments given	**191,727**	**156,944**	**Total commitments received**	**239,610**	**237,526**

In guarantee of its obligations under the loan agreement, the Company pledged the Xansa shares purchased to the lending banks.

Commitments given to customers in respect of services provided

In the context of information technology service contracts entered into with its customers, the Groupe has occasion, following formal requests by its customers, to provide parent company guarantees to its subsidiaries in respect of their performance of their obligations under contracts signed directly with customers.

Such guarantees are mainly requested by UK and Scandinavian public sector customers.

To date, these guarantees have never been called.

Other off-balance sheet commitments

The nominal value of future rental payments under operating leases is €106,740 thousand for property-related contracts and €14,627 thousand for other operating leases. In addition, the nominal value of future rental payments receivable under sub-lease contracts is €16,250 thousand.

Risks regarding the repayment of borrowings are described in Note 4.10.

Readers are reminded that since the date of acquisition of Xansa (17 October 2007), all Group companies are covered by a Master General and Professional third-party liability policy, with a contractual general indemnity limit of €85,000,000 per claim and for 2009.

Similarly, since this date all Group companies are covered by a Master property damages and business interruption (PDBI) policy, with a contractual general indemnity limit (all damages and business interruption losses combined) of €150,000,000 per year and for 2009.

COMPLEX COMMITMENTS

➢ ***Commitments related to the sale of companies: warranties***

- Warranties received by Groupe Steria SCA and Steria SA on the acquisition of Mummert Consulting

A warranty to cover liabilities was given to Groupe Steria SCA under normal business conditions.

The warranties expired on 11 January 2007, except for those warranties concerning matters governed by French company law and tax matters which will expire in January 2015.

Groupe Steria SCA designated Steria SA as nominee. As such, the Mummert securities are now held by Steria SA, which is subject to all the rights and obligations underwritten by Groupe Steria SCA in the acquisition agreement. Groupe Steria SCA remains jointly and severally liable in respect of the obligations now incumbent upon Steria SA.

- Warranties received by Steria AB (Swedish company) on the acquisition of Iocore Business Consulting AB

Steria AB benefits from a bank guarantee in the amount of SEK 5,000,000 covering tax and employee-related liabilities notified until 9 July 2009.

- Warranties provided on the sale of Sysinter

Stepar sold all its shares in Sysinter on 4 January 2008 and provided the acquirer, Kobaltt Group, with vendor warranties subject to a maximum ceiling of €500 thousand and a cumulative deductible of €15 thousand. Those warranties will expire on 31 December 2010 with the exception of any tax (or similar), customs or employee related liabilities which will remain in force until such time as any applicable claims become time-barred.

➢ ***Commitments under shareholders' agreements***

- Commitments given and received by Stepar in connection with Travelsoft

Various commitments have been given to guarantee the valuation of the interest held by Stepar in Travelsoft (currently 23.3% of share capital) notably in the event of a share capital increase and to enable Stepar to withdraw from the company.

Other commitments given or received are immaterial.

NOTE 6: POST-BALANCE SHEET EVENTS

No material events have taken place since 30 June 2009.

III. Statutory Auditors' Report on the financial information for the half-year ended 30 June 2009

PIMPANEAU ET ASSOCIES
NEXIA INTERNATIONAL
23, rue Paul Valéry
75116 Paris
S.A.S. au capital de € 120.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

ERNST & YOUNG et Autres
41, rue Ybry
92576 Neuilly-sur-Seine Cedex
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

GROUPE STERIA S.C.A.

Period from January 1 to June 30, 2009

Statutory auditors' review report on the first half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' general meetings and in accordance with article L. 451-1-2 III of the French monetary and financial code (Code Monétaire et Financier), we hereby report to you on:

- our review of the accompanying condensed half-yearly consolidated financial statements of Groupe Steria S.C.A., for the period from January 1 to June 30, 2009, and

- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the management. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information provided in the interim management report in respect of the condensed half-yearly consolidated financial statements that were the object of our review.

We have no matters to report on the fairness and consistency of this information with the condensed half-yearly consolidated financial statements.

Paris and Neuilly-sur-Seine, August 28, 2009

The Statutory Auditors
French original signed by

PIMPANEAU ET ASSOCIES NEXIA INTERNATIONAL	ERNST & YOUNG et Autres
Olivier Lelong	Jean-Pierre Letartre

IV. Attestation of the person responsible for the Half-year Financial Report

I hereby declare that to the best of my knowledge, the condensed consolidated financial statements for the half year ended 30 June 2009 have been prepared in accordance with applicable accounting standards and present a fair view of the assets, financial position and results of the company and all companies included in the scope of consolidation and that the management report fairly presents all major events during the first six months of the year, their impact on the accounts and the main transactions between related parties and provides a description of the main risks and uncertainties facing the Group in the remaining six months of the year.

28 August 2009,

Mr. François Enaud
General Manager