Press release

Paris, February 28, 2011

2010 annual results[1]
Revenue growth: +3.8%
Operating margin rate[2] : 7.1%
Strong net cash generation: €86 million

- **Like-for-like revenue increased by 1.5% in 2010 as compared to 2009.**
- **Operating margin[2] stood at €120.4 million leading to an operating margin rate of 7.1%.**
- **Attributable net profit was €42.9 million including, notably, a €6.5 million provision for non-recurring costs linked to rationalisation and optimisation projects planned for the Group's premises in 2011.**
- **Strong cash generation allowed for a €85.8 million reduction in net financial debt which stood, at December 31, 2010, at €101.2 million.**
- **A dividend at €0.24 per share is proposed (€0.12 in 2009).**

On February 25, 2011, the Supervisory Board of Group Steria SCA examined the consolidated financial statements submitted by the General Management.

Annual consolidated results 2010

		2009	2010	Organic growth At constant perimeter and currency
Revenue	**€m**	**1,630.0**	**1,692.7**	**1.5%**
Operating margin[2] *as % of revenue*	**€m** *%*	**118.9** *7.3%*	**120.4** *7.1%*	
Operating profit[3]	**€m**	**92.0**	**81.9**	
Attributable net profit	**€m**	**48.2**	**42.9**	
as % of revenue	***%***	***3.0%***	***2.5%***	
Underlying attributable net profit[4]	**€m**	**70.4**	**70.9**	
Underlying diluted earnings per share[4]	**€**	**2.23**	**2.19**	
Shareholders' equity	**€m**	**634.5**	**723.3**	
Net financial debt	**€m**	**187.0**	**101.2**	

[1] Items shown have been fully audited. Specific audit verifications are currently underway.
[2] Before amortisation of intangible assets arising from business combinations. This takes into account, in 2010, the cancellation of the Professional Tax in France for which the corresponding charge accounted in 2009 was €6.8 million. The operating margin is the Group's key indicator. It is defined as the difference between revenue and operating costs, the latter being equal to the total cost of services rendered (costs necessary for the implementation of projects), sales costs and general and administrative expenses.
[3] The operating profit includes restructuring costs, capital gains on disposals, expenses linked to share-based schemes granted to employees and other operating income and expenses.
[4] Attributable net profit restated, after tax, for other operating income and expenses, amortisation of intangible assets and unrecognised deferred tax assets.

2010 operating performance

In early 2010, the Group's activities returned to organic growth, positioning the company amongst the sector's reference players in Europe.

Revenue increased by 1.5% on a like-for-like basis over the financial year, with the organic growth in the second half of the year slightly higher than that of the first half (1.6% versus 1.4%).

This return to growth was notable in major commercial successes in most of the Group's operating areas, both in terms of size and the models implemented.

The operating margin[2] stood at €120.4 million leading to an operating margin rate of 7.1%.

This performance needs to be seen within the context of continued major investment in 2010 to accelerate the industrialisation of the business lines, to reinforce the innovative offer portfolio and to deploy efficient common tools aimed at reinforcing the Group's profitable growth model.

In the United Kingdom, revenue stood at €655.2 million, a growth of 2.6%. On a like-for-like basis, revenue declined by 1.3% within a context of a challenging negotiation with the UK Cabinet Office leading up to the signature of a Memorandum of Understanding on October 19, 2010. Against this backdrop, with a reduction in the discretionary spending, the Group demonstrated the robustness of its model with an operating margin rate[2] of 10.6% (11.3% in 2009). The 2010 financial year was also marked by the signature, in June 2010, of one of the largest contracts ever signed by the Group for an initial €211 million over ten years with the Cleveland Police Authority. This contract to deliver a wide range of services (IT transformation, Infrastructure Management, BPO back office and business line) illustrates the potential process outsourcing opportunities within the UK public sector, with particularly demanding cost-savings targets.

In France, activity was buoyant. Organic growth accelerated over the course of the year, moving from 3.7% during the first half to 5.7% in the second half. Some major commercial successes, symbolising the change in the Group's profile, were recorded over the year: a help desk for BNPP, applications maintenance for Chorus, the French government's new ERP, major industrial transformation of the applications supervision for a large European bank, etc. The operating margin[2] increased to €34.3 million (€32.6 million in 2009) leading to a stable operating margin rate of 6.4% (after taking into account the cancellation of the "Taxe professionelle").

In Germany, where the IT services market was not particularly dynamic in 2010, revenue increased by 0.6% and the operating margin rate was 6.6% compared to 7.1% in 2009. 2010 was marked by successes in terms of extending in this geography the Group's activities into applications maintenance services.

In the Other Europe region, revenue rose by 3.0% like-for-like. The situation significantly improved in Spain with a return to growth during the second half resulting in a stabilisation in revenue over the 2010 financial year. In Scandinavia, activity was strong with organic growth of 6.6%. The operating margin rate[2] improved by 0.4 of a percentage point.

2010 net profit

Other current operating income and expenses for the 2010 financial year included €11.4 million of integration and net restructuring charges (€20.2 million in 2009), a (non cash) charge of €10.5 million corresponding to the fraction of the actuarial losses recognised within the framework of the corridor method applied to the pension obligations and a €6.5 million non-recurring provision for costs linked to the planned rationalisation and optimisation projects in the Group's premises in 2011.

Attributable net profit for the 2010 financial year amounted to €42.9 million versus €48.2 million in 2009, the difference principally being due to the non-recurring provision for the optimisation of premises mentioned above. Excluding non-recurring items, the underlying attributable net profit was virtually stable at €70.9 million versus €70.4 million in 2009.

Financial situation at the end of the 2010 financial year

In 2010, the Group recorded particularly strong cash generation, reaching €85.8 million during the financial year. This performance confirms the robustness of the Group's cash generation model which has enabled it to reduce net financial debt from €307 million to €101 million over the last three financial years. As at December 31, 2010, net financial debt stood at just 14% of shareholders' equity.

Dividends

The positive trend in the Group's financial situation and the operating outlook lead the General Management, the Supervisory Board and the Soderi Board of Directors to propose, in respect of the 2010 financial year, a dividend[5] of €0.24 per share, (€0.12 in respect of the 2009 financial year), representing a return to the 2007 pay out ratio of 18%.

Outlook

In an improving IT services market, the Group expects its organic growth to accelerate in 2011. The positive activity trends seen from the beginning of 2010 were confirmed by a high level of order intake during the financial year, particularly towards the year end. During the 2010 fourth quarter, order intake rose sharply in all Group regions, posting an average increase of 32.5%, excluding currency, and resulting in order intake growth of +6.2% for the year versus 2009. At December 31, 2010, the book to bill ratio stood at 1.07 (1.03 at December 31, 2009). On the same date, the ratio in the Consulting and Systems Integration businesses was 1.01.

For the 2011 financial year as a whole, the Group is targeting like-for-like revenue growth of between 3% and 4% and an operating margin rate[2] at least equal to one of 2010.

An information meeting on the 2010 annual results will take place on March 1, 2011 at 11:30 am CET and will be retransmitted by webcast at www.steria.com (investors section)

Next publication: first quarter 2011 revenue
Thursday May 2, 2011 after the market close

Appendices: Consolidated income statement, consolidated balance sheet and summary cash flow statement at December 31, 2010.

A video interview with François Enaud, General Manager of Steria SCA may be viewed at www.steria.com and www.steria.fr

[5] Subject to shareholder approval at the General Shareholders' Meeting on Friday May 13, 2011. The dividend will be detached on Monday June 6, 2011. The dividend will be paid as of Tuesday July 6, 2011. Between June 6 and June 23, 2011, shareholders will be able to opt for payment in cash or shares.

Steria is listed on Euronext Paris, Eurolist (Section B)

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Indices: CAC MID&SMALL 190, CAC MID 100, CAC Soft&CS, CAC Technology

SBF 120 General Index, SBF 250, SBF 80, IT CAC, NEXT 150

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Consolidated income statement at December 31, 2010

In thousands of euros	31/12/2010	31/12/2009
Revenue	**1,692,668**	**1,629,977**
Cost of sales and sub-contracting costs	(303,040)	(283,740)
Personnel costs	(1,001,318)	(945,949)
Bought-in costs	(246,712)	(235,327)
Taxes (excluding income taxes)	(18,109)	(23,938)
Change in inventories	412	(19)
Other current operating income and expenses	20,130	20,750
Net charges for depreciation and amortisation	(31,818)	(35,608)
Net charges for provisions	4,894	(10,938)
Net charges for current asset impairment	(1,407)	(817)
Operating margin (*)	**115,700**	**114,391**
% of revenue	**6.8%**	**7.0%**
Other operating income and expenses	(33,835)	(22,362)
Operating profit	**81,865**	**92,029**
Net cost of borrowings	(10,633)	(14,016)
Other financial income and expenses	(11,341)	(6,516)
Net financial expense	**(21,975)**	**(20,532)**
Income tax expense	(18,084)	(23,565)
Share of profit/(loss) of associates	1,617	775
Net profit from continuing operations	**43,423**	**48,707**
Net profit/(loss) from operations held for sale	-	-
Net profit for the year	**43,423**	**48,707**
Attributable net profit	**42,936**	**48,189**
Non-controlling interests	487	518
Underlying[4] diluted earnings per share (in euros)	**2.19**	**2.23**

(*) After amortisation of the customer relationships recognised on the acquisition of Xansa and amounting to €(4,724) thousand for the 2010 financial year and €(4,550) thousand for the 2009 financial year.

Consolidated balance sheet at December 31, 2010

	31/12/2010	31/12/2009 Adjusted
Goodwill	727,977	706,417
Other intangible assets	67,041	66,301
Property, plant and equipment	70,365	74,004
Investments in associates	7,941	6,181
Available-for-sale financial assets	1,808	1,809
Other financial assets	3,234	3,977
Retirement benefit assets	44,592	42,230
Deferred tax assets	14,149	10,560
Other non-current assets	3,525	2,900
Non-current assets	**940,632**	**914,379**
Inventories	8,165	9,194
Net trade receivables and similar accounts	271,031	281,445
Amounts due from customers	167,164	170,292
Other current assets	31,731	36,017
Current portion of non-current assets	3,743	2,963
Current tax assets	28,160	27,340
Prepaid expenses	24,043	24,491
Cash and cash equivalents	177,246	149,859
Current assets	**711,283**	**701,601**
Non-current assets classified as held for sale		
Total assets	**1,651,915**	**1,615,980**

Shareholders' equity[6]	**721,357**	**633,179**
Non-controlling interests	1,897	1,283
Total equity	**723,254**	**634,462**
Long-term borrowings	204,110	270,001
Retirement benefit obligations	35,052	33,698
Provision for non-current liabilities and charges	17,936	17,529
Deferred tax liabilities	17,780	16,750
Other non-current liabilities	5,313	5,466
Non-current liabilities	**280,190**	**343,444**
Short-term borrowings	74,332	66,866
Provisions for current liabilities and charges	34,763	35,590
Net trade payables and similar accounts	145,719	148,386
Gross amounts due to customers and advances and payments on account received	80,587	82,557
Current tax liabilities	43,197	34,900
Other current liabilities	269,873	269,776
Current liabilities	**648,471**	**638,075**
Liabilities directly associated with non-current assets classified as held for sale	0	0
Total equity and liabilities	**1,651,915**	**1,615,980**

[6] of which €152 million relating to the subordinated hybrid convertible bonds issued in November 2007

Summary cash flow statement at December 31, 2010

	31/12/10	31/12/09
Cash flow before tax	**129.8**	**149.1**
Income tax	-15.3	-18.5
Change in WCR (cash elements)	21.9	-2.3
Operating cash flow	**136.3**	**128.3**
Net industrial investment	-25.1	-22.4
Restructuring	-13.7	-17.9
Operating free cash flow	**97.6**	**87.9**
Dividends[7]	-11.0	-12.3
Net financial investment	-1.6	5.0
Capital increase	8.8	10.2
Change in perimeter	0.0	0.0
Additional contribution to pension funds	-16.8	-37.8
Other	8.8	- 4.8
Free cash flow	**85.8**	**48.3**

7 Including the coupon on the subordinated hybrid convertible bonds: €8,7 million in 2010 and 2009.