Press release

Paris, March 6, 2012

2011 annual results[1]

Organic revenue growth: +3.3%

Operating margin rate[2]: 7.4%

Attributable net income up by 26.4% to €55m

- **Like-for-like revenue increased by 3.3% in the 2011 financial year relative to 2010**
- **The operating margin[2] rose by 7.8% to €129.9m, or an operating margin rate of 7.4% (+30 basis points relative to 2010)**
- **Despite an increase in non-recurring restructuring charges, attributable net income reached an all-time record, rising by 26.4% to €55m**
- **Underlying diluted earnings per share improved by 23.4% to €2.73**

On March 2, 2012, the Supervisory Board of Groupe Steria SCA examined the consolidated financial statements submitted by the General Management.

Annual consolidated results 2011

		2010 Corrected[3]	2011	Organic growth At constant perimeter and currency
Revenue	**€m**	1,692.7	**1,747.7**	**3.3%**
Operating margin[2] ***% of revenue***	**€m** ***%***	120.4 *7.1%*	**129.9** ***7.4%***	
Operating income[4]	**€m**	81.6	**81.9**	
Attributable net income	**€m**	43.5	**55.0**	
% of revenue	*%*	*2.6%*	***3.1%***	
Underlying attributable net income[5]	**€m**	71.7	**90.5**	
Underlying diluted earnings per share[5]	**€**	2.21	**2.73**	
Shareholders' equity	**€m**	721.2	**766.4**	
Net financial debt	**€m**	101.2	**125.9**	

[1] Items shown have been fully audited. Specific audit verifications underway.
[2] Before amortisation of intangible assets arising from business combinations. The operating margin is the Group's key indicator. It is defined as the difference between revenue and operating expenses, 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] Corrected for an error linked to the change in discount rate used to calcuate long-term provisions linked to vacant premises and refurbishment costs.
[4] Operating income includes restructuring costs, capital gains on disposals, expenses linked to share-based schemes granted to employees and other operating income and expenses.
[5] Attributable net income restated, after tax, for other operating income and expenses, amortisation of intangible assets and unrecognised deferred tax assets.

Revenue

2011 consolidated revenue

In € million	2010	2011	Growth
Revenue	1,692.7	1,747.7	3.2%
Change in consolidation scope	-		
Change due to currency effect	-0.6		
Pro-forma revenue	1,692.1	1,747.7	3.3%

2011 revenue by geographic region

In € million	2010*	2011	Organic growth
United Kingdom	651.0	656.5	0.8%
France	528.5	551.7	4.4%
Germany	237.5	239.8	1.0%
Other Europe	275.1	299.8	9.0%
Total	1,692.1	1,747.7	3.3%

* Like-for-like revenue (2011 base)

2011 revenue by business line

In € million	2010**	2011	Organic growth
Infrastructure Management and Business Process Outsourcing	645.0	675.4	4.7%
Consulting and Systems Integration	1,047.0	1072.3	2.4%

** Like-for-like revenue (base 2011 base)

Fourth quarter 2011 revenue by geographic region

In € million	Q4 2010*	Q4 2011	Organic growth
United Kingdom	173.5	169.7	-2.2%
France	145.1	150.6	3.8%
Germany	63.1	61.2	-3.0%
Other Europe	77.9	88.9	14.0%
Total	459.6	470.4	2.3%

* Like-for-like revenue (2011 base)

Operational performance 2011

In 2011, the Group saw a growth resurgence in organic growth at 3.3% (+1.5% in 2010) with a positive dynamic across all geographic regions, including the United Kingdom. Growth was notably driven by the public sector (+2.7%), and the Utilities/Energy/Transport (+7.3%) sector while Finance (stable) and Telecommunications (-4,7%) were less favourable.

This performance was achieved despite instability in the European markets from the beginning of the second half of 2011. In this regard, the fourth quarter of 2011 proved very resilient with organic growth of 2.3% and new orders entry similar to the fourth quarter of 2010.

Over the 2011 financial year as a whole, new orders entry were stable (+0.5% relative to 2010). At December 31, 2011, the book to bill ratio stood at 1.04 (versus 1.07 at end 2010).

Over the financial year, the Group's operating margin[2] improved by 7.8% to €129.9m, leading to an operating margin rate of 7.4% (+30 basis points relative to 2010).

This performance takes into account, in 2011, the ongoing investment in reinforcing the product portfolio and deploying high-performance common tools. This investment, of which first effects are starting to emerge, is aimed at strengthening the Group's profitable growth model.

In the United Kingdom, in line with expectations, like-for-like revenues saw a modest 0.8% progression, underpinned by a good performance from the public sector where revenues grew by 3.6% and from BPO which posted organic growth of 15.7%. Note also that NHS SBS[6], the joint-venture between Steria and the National Health Service, recorded organic revenue growth of 17.2% over the year.

Orders entry increased by 8.2% in the fourth quarter 2011, enabling the book to bill ratio to reach 1.0 at December 31, 2011.

In a very competitive market, the robustness of the Group's model was illustrated by the continued high level of the operating margin rate which stood at 10.6%, a 20 basis points increase compared to 2010.

In France, revenue growth was strong including during the fourth quarter. Organic growth amounted to 4.4% over the year benefiting from a good performance in Banking and Insurance (+11.5%) and the Public sector (+4.5%). Orders entry increased by 11.2% over the year and the book to bill ratio stood at 1.1 at December 31, 2011.

In 2011, the operating margin[2] rose by 5.5% to €37.3m, leading to an operating margin rate of 6.8%, up by 10 basis points relative to the previous year.

In Germany, the trend was positive in the Public Sector, Telecommunications and Transportation but negative in the Finance sector which limited growth to 1.0% over the year. The Group's position with major German banking institutions was, however, significantly strengthened in 2011 thanks to a successful breakthrough in recurring business through the winning of large applications maintenance contracts, an area from which the Group had hitherto been absent. The outlook is positive with orders entry up by 25.7% relative to the previous year. At December 31, 2011, the book to bill ratio stood at 1.2.

[6] NHS SBS is a joint venture 50% owned by Steria which generated revenue of €72 million in 2011. It is reported using the equity method and its performance is therefore not fully consolidated in either Group revenue or operating margin but only 50% in net income.

The operating margin rate saw a marked improvement, rising by 110 basis points to 7.7%.

In Other Europe, like-for-like revenues progressed by 9.0% with strong growth in Scandinavia (+10%), Switzerland (+9.8%) and Belgium/Luxembourg (+19.3%) whilst the decrease in Spain was reduced to -5.4%.

At December 31, 2011, the book to bill ratio was 1.0.

The materialisation, in particular, of a number of project risks in the first half, particularly in Denmark – risks which are now under control – led to a 30 basis point deterioration in the operating margin rate[2] to 5.6%.

Financial year 2011

Other income and operating expenses amounted to €43.3m, up by €9.2m relative to 2010 principally due to an increase in restructuring and integration costs (€22.9m over the year) and a €3.6m charge, with no cash impact, linked to a goodwill write-down in Sweden.

Net financial expense saw a significant improvement over the financial year to €7.2m versus €20.9m in 2010 mainly due to the fall in the average cost of financing and an increased return on the Group's cash deposit.

Despite an increase in non-recurring expenses over the year, 2011 attributable net income reached an all-time high of €55m, a 26.4% increase on 2010.

Financial situation at the end of the 2011 financial year

At December 31, 2011, the Group's net financial debt, whose slight increase over the year can be explained notably by negative currency effects (€15m) and one-off costs linked to buildings optimisation (€11m), amounted to €125.9m.

At the closing date, net financial debt represented 0.8 times the Group's EBITDA.

The renewal of all the Group's bank credit facilities amounting to €600m in June 2011 has secured the Group's financing until June 2016.

Dividends

The solidity of the Group's financial situation and the operational outlook leads the General Management, the Groupe Steria SCA Supervisory Board and the Soderi Board of Directors to propose a dividend[7] of €0.35 per share (€0.24 in respect of 2010), in respect of the 2011 financial year.

[7] Subject to shareholder approval at the General Shareholders' Meeting on Tuesday May 15, 2012. The dividend will be detached on Monday June 4, 2012 and paid on Thursday July 5, 2012. Between June 4 and June 22, 2012, shareholders will be able to opt for payment in either cash or shares.

Outlook

For the 2012 financial year, in the current uncertain economic environment, the Group is targeting a slight organic revenue growth with an operating margin rate[2] comparable to the three last years. Free cash flow generation should return to its normative level.

An information meeting on the 2011 annual results will take place on Tuesday March 6, 2012 at 10h00 CET and will be retransmitted by webcast at www.steria.com (investors section)

Next publication: first quarter 2012 revenue on Friday May 4, 2012 before the market opening

Appendices: Consolidated income statement, consolidated balance sheet and summary cash flow statement at December 31, 2011.

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

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Consolidated income statement at December 31, 2011

In thousands of euros	31/12/2011	31/12/2010 corrected
Revenue	**1,747, 677**	**1,692,668**
Cost of sales and sub-contracting costs	(324,203)	(303,040)
Personnel costs	(1,031,087)	(1,001,318)
Bought-in costs	(230,429)	(246,712)
Taxes (excluding income taxes)	(19,043)	(18,109)
Change in inventories	1	412
Other current operating income and expenses	10,727	20,130
Net charges for depreciation and amortisation	(28,914)	(31,818)
Net charges for provisions	2,832	4,894
Net charges for current asset impairment	(2,359)	(1,407)
Operating margin (*)	**125,202**	**115,700**
% of revenue	**7.2%**	**6.8%**
Other operating income and expenses	(43,301)	(34,068)
Operating income	**81,900**	**81,632**
Net cost of borrowings	(1,633)	(10,633)
Other financial income and expenses	(5,611)	(10,293)
Net financial expense	**(7,244)**	**(20,926)**
Income tax expense	(21,032)	(18,312)
Share of income/(loss) of associates	1,512	1,617
Net profit from continuing operations	**55,136**	**44,011**
Net income/(loss) from operations held for sale	-	-
Net profit for the year	**55,136**	**44,011**
Attributable net profit	**55,009**	**43,524**
Non-controlling interests	128	487
Underlying[4] diluted earnings per share (in euros)	**2.73**	**2.21**

(*) After amortisation of the customer relationships recognised on the acquisition of Xansa and amounting to €(4 672) thousand for the 2011 financial year and €(4 724) thousand for the 2010 financial year.

Consolidated balance sheet at December 31, 2011

	31/12/2011	31/12/2010 corrected
Goodwill	744,456	727,977
Other intangible assets	71,072	67,041
Property, plant and equipment	58,642	70,365
Investments in associates	10,938	7,941
Available-for-sale financial assets	2,273	1,808
Other financial assets	3,484	3,234
Retirement benefit assets	58,212	44,592
Deferred tax assets	27,332	14,149
Other non-current assets	3,418	3,525
Non-current assets	**979,826**	**940,632**
Inventories	9,218	8,165
Net trade receivables and similar accounts	299,468	271,031
Amounts due from customers	176,345	167,164
Other current assets	31,225	31,731
Current portion of non-current assets	3,565	3,743
Current tax assets	35,213	28,160
Prepaid expenses	23,001	24,043
Cash and cash equivalents	170,369	177,246
Current assets	**748,403**	**711,283**
Non-current assets classified as held for sale	9,095	0
Total assets	**1,737,324**	**1,651,915**

Shareholders' equity[8]	**764,493**	**719,334**
Non-controlling interests	1,897	1,897
Total equity	**766,390**	**721,231**
Long-term borrowings	263,626	204,110
Retirement benefit obligations	40,247	35,052
Provision for non-current liabilities and charges	14,122	20,688
Deferred tax liabilities	20,939	17,780
Other non-current liabilities	6,817	5,313
Non-current liabilities	**345,750**	**282,943**
Short-term borrowings	32,648	74,332
Provisions for current liabilities and charges	34,638	34,763
Net trade payables and similar accounts	152,179	145,719
Gross amounts due to customers and advances and payments on account received	70,900	80,587
Current tax liabilities	54,971	42,467
Other current liabilities	278,694	269,874
Current liabilities	**624,030**	**647,741**
Liabilities directly associated with non-current assets classified as held for sale	1,155	0
Total equity and liabilities	**1,737,324**	**1,651,915**

[8] of which €150 million relating to the subordinated hybrid convertible bonds issued in November 2007

Summary cash flow statement at December 31, 2011

	31/12/11	31/12/2010 corrected
EBITDA	**151,4**	**139,7**
Non cash adjustments	3.8	0.5
Financial Charges	-3.2	-10.4
Cash flow before tax	**152.0**	**129.8**
Income tax	-18.7	-15.3
Change in WCR (cash elements)	-43.6	21.9
Operating cash flow	**89.7**	**136.4**
Net industrial investment	-33.1	-25.1
Restructuring	-34.2	-13.7
Operating free cash flow	**22.3**	**97.6**
Dividends[9]	-14.9	-11.0
Net financial investment	-4.1	-1.6
Capital increase	6.8	8.8
Change in perimeter	-1.0	0.0
Additional contribution to pension funds	-18.6	-16.8
Other	-15.2	8.8
Free cash flow	**-24.7**	**85.9**

9 Including the coupon on the subordinated hybrid convertible bonds: €8.7m in 2011 and 2010.