

PRESS RELEASE



ASSYSTEM

Assystem reports strong improvement in 2008 performance and confidence in the future owing to its know-how in nuclear power

- **Operating profit: €42.3 million (up 17.8%)**
- **Diluted earnings per share up 51.2% at €1.27**
- **Favourable outlook in the Energy / Nuclear Power vertical**

Paris, March 11, 2009 - Assystem S.A. (ISIN: FR0000074148 - ASY), a leading company in Innovation Engineering and Consultancy, today reported results for the year ended December 31, 2008.

In millions of euros	2008	2007	Change (%)
Key items of income statement			
Revenue	672.1	652.6	+3.0%
Current operating profit	45.0	35.9	+25.3%
Operating profit	42.3	35.9	+17.8%
<i>Operating margin</i>	6.3%	5.5%	
Profit for the period from continuing operations	25.8	18.2	+41.8%
Profit for the period attributable to shareholders of Assystem SA	25.8	18.0	+43.3%
Key items of cash flow statement			
Operating free cash flow ¹	35.4	55.5	-36.2%
Main ratios of the financial structure			
Net debt ² /EBITDA ³	0.35	0.52	
Gearing	14%	19%	
Working capital requirement (in number of days of sales)	26	32	
Per share data (in euros)			
Basic earnings per share	1.29	0.87	+48.3%
Diluted earnings per share	1.27	0.84	+51.2%
Proposed dividend per share	0.50	0.38	+31.6%

Commenting on the performance for the full year 2008, Dominique Louis, Chairman of the Management Board, said: "As all its financial indicators have improved, Assystem looks to 2009 with confidence. We are particularly pleased with our teams' performance on the Energy and Nuclear Power markets. These activities, where Assystem enjoys differentiating expertise, now account for close to 30% of our revenues, thus offering us true medium term visibility."

¹ Net cash flow from operating activities minus capital expenditure, net of disposals.

² Long-term and short-term financial debt minus cash and cash equivalents and fair value of interest rate hedging derivative instruments in relation with convertible bonds.

³ EBITDA is defined as operating profit plus depreciation plus net provisions.

■ Detailed review of the Group's 2008 income statement⁴

Revenue by region

In millions of euros	2008	2007	Organic growth ⁴ (%)
France	480.9	451.9	+7.1%
International	191.2	200.7	-1.9%
Total	672.1	652.6	+4.3%

The main highlights of the full year 2008 revenue (already reported on February 12, 2009) are the following:

- France: strong growth in Energy/Nuclear and in Facility Management.
- International: lower revenue in Aerospace.
- Good level of activity of other operations with a slow down at the end of the year due to the economic crisis.

Contribution to operating profit by geography

In millions of euros	2008	2007	Change (%)
France	41.1	31.8	+29.2%
International	11.1	15.7	-29.3%
One-off items	2.3	(0.5)	
Corporate overheads & others ⁵	(12.2)	(11.1)	+9.9%
Total	42.3	35.9	+17.8%

The operating margin increased from 5.5% in 2007 to 6.3% in 2008:

- **France:** the contribution margin⁶ rose from 7.0% in 2007 to 8.5% in 2008;
- **International:** the contribution margin fell from 7.8% in 2007 to 5.8% in 2008, impacted by lower revenue in Germany and, to a lower extent, in the United Kingdom.

The operating income comprises the following one-off items:

- A €5.0 million profit related to the office rationalisation completed in France⁷ ;
- A €2.3 million dilution gain⁸ following the constitution of Silver Atena⁹ of which Assystem owns 59.6% of the share capital ;
- A €5.0 million goodwill impairment⁸ related to Assystem UK.

Net borrowing costs decreased by 39.4% to €2.0 million, owing to the debt refinancing completed in the second half of the year. Other financial revenue and expense represented a charge of €3.7 million (€1.8 million in 2007) due to non-cash items: unrealized foreign exchange losses (€1.1 million) and amortization of issuing fees related to the early redemption of bonds (€1.1 million).

Given an effective tax rate of 30.6%, profit for the period attributable to shareholders of Assystem SA grew 43.3% to €25.8 million.

⁴ All comments related to revenue variations are stated on a comparable structure and constant exchange rates basis.

⁵ Including a non-cash IFRS charge of €1.4 million related to share-based compensation.

⁶ Defined as operating profit before one-off items and corporate overheads & others as a percentage of revenue.

⁷ These items are included in the current operating profit in line with AMF recommendations.

⁸ Included in the non-current items of operating profit.

⁹ A euro-indian joint venture specialised in the design of safety-critical electronic and IT systems.

■ Review of Strategic Business Units performance⁴

Four SBUs¹⁰ (accounting for 56% of total revenue) posted strong growth in revenue and contribution to operating profit:

- *Facility Management* (organic growth : +16.3%) and *IPE* (Energy/Nuclear Power: +14.2%) which represent now one third of total activities, continued to take advantage of strong demand in the Energy industry, in particular in Nuclear Power ;
- *Industry/Naval/Defence* rose 8.4% despite lower revenue in the Naval sector and a marked slow down in the fourth quarter ;
- *Automobile* benefited from substantial productivity improvement despite the year-end slow down ;

Aeronautics and Space (25% of Group revenue): revenue and contribution to operating profit showed good resilience in France but were lower in international operations.

Technologies (19% of Group revenue): productivity improved but remains below industry benchmark.

Group headcount amounted to 9,470 workers at December 31, 2008: it increased by 539 workers compared with December 31, 2007 (up 3.1% on a comparable basis) but decreased by 105 workers quarter-on-quarter.

■ Balance sheet and cash flow

Operating free cash flow amounted to €35.4 million owing to a 10% increase in gross operating cash flow and further improvement in working capital requirement which represented 26 days¹¹ of revenue at year-end compared with 32 days a year ago, as well as a 10% decrease in capital expenditure.

Net debt was reduced by €8.0 million year-on-year despite financial investments of €4.6 million and €15.8 million return to shareholders of which €7.6 million in dividends and €8.2 million in continued share buy-back.

At year-end, the financial structure is therefore extremely robust:

- Liquidity of €122 million including current available net cash¹² of €67 million and €55 million of undrawn syndicated revolving credit facility.
- Financial debt redeemable as follows: €42 million in 2011 and €24.5 million at the end of 2012 and of 2013.
- Net debt¹³ to equity at 14% at year-end, down from 19% a year ago.
- Net debt to EBITDA¹⁴ at 0.35 at year-end, down from 0.52 a year ago.

■ Dividend

The distribution of a dividend of €0.50 per share (up 31.6%) to be paid by the end of May 2009 will be submitted to shareholders approval.

¹⁰ Strategic Business Unit

¹¹ Excluding Silver Atena which was established during the year

¹² Cash and cash equivalents, net of current financial debt.

¹³ Long-term and short-term financial debt minus cash and cash equivalents and fair value of interest rate hedging derivative instruments in relation with convertible bonds.

¹⁴ EBITDA is defined as operating profit plus depreciation plus net provisions.

■ Outlook

The outlook is contrasted among the Group operations:

- Strong visibility, in 2009 and over the medium-term, in Energy and Facility Management. In particular, in the Nuclear Power industry, the Group will benefit from a differentiating expertise which will allow it to support the development of the EPR technology, including internationally.
- In Aeronautics and Space, the Group expects the level activity to be broadly flat in 2009: its know-how in work packages should allow it to expand its business with risk sharing partners.
- Operations strongly impacted by the economic crisis (Automobile, Naval, Technologies, Industries) are adapting their organization to reduce sales, general and administrative expenses. In order to mitigate the impact of expected lower activity, the Company is taking actions such as temporary lay-off while maintaining training programs, with a view to redeploy staff to activities benefiting from strong demand.

■ Financial calendar

May 14, 2009, after market close: financial report for the quarter ended March 31, 2009.

APPENDICES

Information on Capital at December 31, 2008

Number of shares

Ordinary shares outstanding	20,601,527	After cancelation of 1.5 million shares
Treasury shares	769,460	
Number of redeemable subscription warrants 2012 ¹⁵	559,937	strike price: €10.15
Number of redeemable subscription warrants 2013 ¹⁶	4,892,734	strike price: €35.00
Number of redeemable subscription warrants 2015 ¹⁷	3,250,000	strike price: €1.10
Stock options related to stock options subscription plans	271,608	strike price: €13.19
Stock options related to stock options purchase plans ¹⁸	210,659	All are out of the money
Stock awards and performance stock awards	246,800	
Number of share used for EPS calculation ¹⁹ :		
Basic weighted average number of shares	20,006,646	
Diluted weighted average number of shares	20,280,095	

Share ownership structure at December 31, 2008²⁰

In percentage	Economic rights	Voting rights ²¹
Dominique Louis / HDL / H2DA ²² / CEFID ²³ / EEC	26.7	33.3
Caisse des Dépôts et Consignations	17.1	15.7
Members of the Supervisory board and of the Management board	3.0	3.0
Employees Saving Scheme	1.1	2.0
Free Float (including employees)	48.4	46.0
Treasury Stock	3.7	0.0

Assystem is a European-scale company and leader in the sphere of Innovation Engineering and Consultancy. The group focuses its activities on the application of technologies in innovative products, production processes and infrastructures. Assystem has a workforce of close to 9,500 workers and conducts almost 30% of its business outside France (in 13 countries).

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¹⁵ Parity: 1.13, Maturity date: March 31, 2012, Enforcement call starting date: January 31, 2009, Enforcement call price: €7.5.

¹⁶ Parity: 1.0, Maturity date: July 31, 2013, Enforcement call starting date: July 31, 2010, Enforcement call price: €2.5.

¹⁷ Parity: 1.0, Maturity date: July 9, 2015, Enforcement call starting date: July 9, 2013, Enforcement call price: €15.54.

¹⁸ 114,286 options which expired in January 2009 and 96,373 options with strike price of €11.77.

¹⁹ Under the treasury stock method (IAS 33) given average share price of €8.93.

²⁰ Based on information brought to the knowledge of the Company.

²¹ These voting rights differ from the theoretical voting rights used in the calculation of threshold crossing.

²² Held by HDL (60.6%) and certain members of the Management Board.

²³ Held by HDL, Dominique Louis and Michel Combes.

Consolidated balance sheet

In millions of euros

Assets	31/12/08	31/12/07	31/12/06
Goodwill	83.1	84.7	85.9
Intangible assets	12.8	13.7	12.0
Property, plant and equipment	16.7	14.7	15.9
Investment properties	1.9	0.7	0.7
Investments in associates	1.0	3.9	6.1
Available-for-sale assets	2.8	0.2	0.3
Other non-current financial assets	5.5	5.3	5.6
Deferred tax assets	4.1	1.2	3.8
Total non-current-assets	127.9	124.4	130.3
Trade receivables	252.0	250.8	267.6
Other receivables	20.6	67.3	25.8
Corporate income tax receivables	0.6	7.3	5.6
Other current financial and derivative assets		3.5	3.7
Cash and cash equivalent	73.6	92.0	48.9
Total current assets	346.8	420.9	351.6
TOTAL ASSETS	474.7	545.3	481.9
Equity and Liabilities	31/12/08	31/12/07	31/12/06
Share capital	20.6	21.9	21.7
Share premiums	67.4	79.9	79.0
Consolidated reserves	24.4	22.0	24.7
Profit for the period	25.8	18.0	5.7
Equity, Group share	138.2	141.8	131.1
Minority interests	1.0		
Consolidated equity	139.2	141.8	131.1
Bond loans	85.6	76.3	75.8
Other non-current financial and derivative liabilities	0.6	26.0	30.9
Provisions	1.6	1.8	1.2
Employee benefits	10.7	10.4	10.8
Other non currents liabilities	6.9		
Deferred tax liabilities	0.3	1.6	0.2
Non-current liabilities	105.7	116.1	118.9
Other current financial and derivative liabilities	6.6	20.4	17.0
Provisions	8.6	11.5	7.9
Trade payables and related accounts	38.7	41.3	45.1
Corporate income tax liability	4.2	9.4	2.9
Other current liabilities	171.7	204.8	159.0
Current liabilities	229.8	287.4	231.9
TOTAL EQUITY AND LIABILITIES	474.7	545.3	481.9

Consolidated income statement

In millions of euros

	2008	2007	2006
Revenue	672.1	652.6	642.1
Employee costs	(481.8)	(457.3)	(440.3)
Taxes and duties other than income tax	(6.9)	(8.4)	(8.1)
Amortization, depreciation and provision expense	(10.6)	(16.7)	(8.4)
Other operating revenue and expense	(127.8)	(134.3)	(154.1)
Current operating profit	45.0	35.9	31.2
Non-current operating revenue	2.3		
Non-current operating expense	(5.0)		
Operating profit	42.3	35.9	31.2
Share in profit of associates	0.4	(1.8)	0.2
Net borrowing costs	(2.0)	(3.3)	(3.6)
Other financial revenue and expense	(3.7)	(1.8)	(2.1)
Profit for the period from continuing operations before tax	37.0	29.0	25.7
Income tax expense	(11.2)	(10.8)	(8.9)
Profit for the period from continuing operations	25.8	18.2	16.8
Profit for the period from discontinued operations		(0.2)	(11.1)
Consolidated profit for the period	25.8	18.0	5.7
Attributable :			
To Assystem SA	25.8	18.0	5.7
To minority interests			
In euros			
Basic earnings per share	1.29	0.87	0.30
Diluted earnings per share	1.27	0.84	0.28
Basic earnings per share from continuing operations	1.29	0.87	0.88
Diluted earnings per share from continuing operations	1.27	0.85	0.84
Basic earnings per share from discontinued operations	-	(0.01)	(0.58)
Diluted earnings per share from discontinued operations	-	(0.02)	(0.55)

Statement of income and expense recognized for the period

In millions of euros

	2008	2007	2006
Consolidated profit for the period	25.8	18.0	5.7
Actuarial gains and losses on retirement commitments		1.0	(3.2)
Tax effect		(0.3)	1.1
Gains and losses on financial hedging instruments	(5.6)	0.4	2.3
Tax effect	1.9	(0.1)	(0.8)
Unrealized exchange gains and losses	(9.1)	(1.9)	(0.4)
Equity instruments issuance expenses	(0.1)		(0.4)
Tax effect			0.1
Total period income and expenses recognized directly in equity	(12.9)	(0.9)	(1.3)
Total income and expenses recognized for the period	12.9	17.1	4.4
Group share	13.0		
Group share – profit for the period	25.8		
Group share – income and expenses recognized directly in equity	(12.8)		
Share of minority interests	(0.1)		
Share of minority interests – profit for the period			
Share of minority interests – income and expenses recognized directly in equity	(0.1)		

Consolidated statement of cash flows

In millions of euros

	2008	2007	2006
OPERATIONS			
Profit for the period from continuing operations	25.8	18.2	16.8
Elimination of non-cash and non-operating transactions	28.0	33.4	17.7
Change in working capital requirement	6.1	18.4	(4.5)
Income tax expense	(11.8)	(0.4)	(13.5)
Net cash flow from operating activities	48.1	69.6	16.5
INVESTING ACTIVITIES			
Non-current assets acquisitions	(12.9)	(15.0)	(14.8)
Non-current assets disposals	0.2	0.9	1.4
	(12.7)	(14.1)	(13.4)
Securities purchases	(6.7)	0.1	(6.7)
Securities disposals	1.0	0.5	1.8
	(5.7)	0.6	(4.9)
Loans to companies classified as available-for-sale assets		(0.3)	(0.6)
Loans repaid by companies classified as available-for-sale assets	0.3	0.1	0.1
Dividends received	0.8	0.1	0.2
Net cash flow from investing activities	(17.3)	(13.6)	(18.6)
FINANCING ACTIVITIES			
Proceeds from bonds issues and other borrowings	64.0	4.1	0.7
Bond repayments	(85.2)	(5.2)	(1.7)
Interest paid	(4.6)	(4.5)	(3.7)
Dividends paid to shareholders of parent company	(7.6)	(2.0)	(6.5)
Capital increases	1.2	1.0	1.7
Purchase of treasury shares, net of disposals	(9.4)	(6.5)	(3.0)
Net cash flow from financing activities	(41.6)	(13.1)	(12.5)
Variation in cash from continuing operations	(10.8)	42.9	(14.6)
Cash at beginning of period	80.4	37.2	43.7
Discontinued operations:			
Net cash flow from operating activities		(0.5)	0.4
Net cash flow from investing activities			8.1
Net cash flow from financing activities			
Variation in cash from discontinued operations		(0.5)	8.5
Effect of non-cash items and exchange rate fluctuations	0.5	0.8	(0.4)
Variation in cash from continuing operations	(10.8)	42.9	(14.6)
Cash at end of period	70.1	80.4	37.2

Statement of changes in consolidated equity

In millions of euros

	Capital	Share premiums	Gains and losses recognized directly in equity	Undistributed retained earnings	Equity Group share	Minority interests	Consolidated equity
Equity on January 1, 2006	19.0	79.8	0.7	34.5	134.0		134.0
Changes in accounting policies and correction of errors							
Dividends distributed				(6.5)	(6.5)		(6.5)
Capital increases for cash	0.3	1.6			1.9		1.9
Capital increases for business combinations							
Capital reduction							
Share-based payment and free share allotments				0.2	0.2		0.2
Transactions on treasury shares (net of tax)				(3.0)	(3.0)		(3.0)
Total gains and losses recognised for the period			(1.3)	5.7	4.4		4.4
Other	2.4	(2.4)		0.1	0.1		0.1
Equity on December 31, 2006	21.7	79.0	(0.6)	31.0	131.1		131.1
Changes in accounting policies and correction of errors							
Dividends distributed				(2.0)	(2.0)		(2.0)
Capital increases for cash	0.2	0.9			1.1		1.1
Capital increases for business combinations							
Capital reduction							
Share-based payment and free share allotments				0.6	0.6		0.6
Transactions on treasury shares (net of tax)				(5.8)	(5.8)		(5.8)
Total gains and losses recognised for the period			(0.9)	18.0	17.1		17.1
Other				(0.3)	(0.3)		(0.3)
Equity on December 31, 2007	21.9	79.9	(1.5)	41.5	141.8		141.8
Changes in accounting policies and correction of errors							
Dividends distributed				(7.6)	(7.6)		(7.6)
Capital increases for cash	0.2	1.0			1.2		1.2
Capital increases for business combinations							
Capital reduction	(1.5)	(13.5)			(15.0)		(15.0)
Share-based payment and free share allotments				1.4	1.4		1.4
Transactions on treasury shares (net of tax)				7.5	7.5		7.5
Equity share of bond with redeemable share acquisition or subscription warrants, net of tax				2.9	2.9		2.9
Minority shareholders' put option deducted from equity				(6.9)	(6.9)		(6.9)
Total gains and losses recognised for the period			(12.8)	25.8	13.0	(0.1)	12.9
Other				(0.1)	(0.1)	1.1	1.0
Equity on December 31, 2008	20.6	67.4	(14.3)	64.5	138.2	1.0	139.2