

## PRESS RELEASE



# ASSYSTEM

## Activity penalised by economic conditions in the first half 2009

- **Continuous strong growth in Nuclear Power**
- **Strong impact of the automotive industry crisis**
- **Net operating profit: €3.4 million**
- **Constantly solid financial structure**
- **Increased visibility over the second half**

Paris, August 6, 2009 - Assystem S.A. (ISIN: FR0000074148 - ASY), a leading company in Innovation Engineering and Consultancy, today reported results for the first half year ended June 30, 2009.

In millions of euros	H1 2009	H1 2008
Key items of income statement		
Revenue	<b>308.9</b>	336.5
Ordinary operating profit	<b>3.4</b>	20.9
Net operating profit	<b>3.4</b>	20.9
<i>Net operating margin</i>	<i>1.1%</i>	<i>6.2%</i>
Profit for the period attributable to shareholders of Assystem SA	<b>1.1</b>	13.8
Key items of cash flow statement		
Operating free cash flow <sup>1</sup>	<b>3.4</b>	0.1
Main ratios of the financial structure		
Net debt <sup>2</sup> /EBITDA <sup>3</sup>	<b>0.86</b>	0.72
Gearing	<b>24%</b>	29%
Per share data (in euros)		
Basic earnings per share	<b>0.06</b>	0.69
Diluted earnings per share	<b>0.06</b>	0.68

Commenting on the performance for the first half 2009, Dominique Louis, Chairman of the Management Board, said: "The global economic downturn has unquestionably weighed on Assystem results. Yet, it is also a powerful opportunity to accelerate our transformation into a more resilient Group that is better positioned on rapidly growing markets. Furthermore, it seems our activities have bottomed out in the second quarter: Assystem was selected as preferred supplier to several leading manufacturers over the recent weeks and we won significant contracts in the Automotive sector in June and July which leads us to anticipate a recovery in this sector as early as the second half. We are taking robust action to restore the ordinary operating profit in the second half in order to show a strong improvement compared with the first half. In parallel, we are determined to continue and deliver long-lasting improvement in all our entities."

<sup>1</sup> Net cash flow from operating activities minus capital expenditure, net of disposals.

<sup>2</sup> Long-term and short-term financial debt minus cash and cash equivalents and fair value of interest rate hedging derivative instruments.

<sup>3</sup> EBITDA is defined as operating profit plus depreciation plus net provisions.

## ■ Detailed review of the Group's first half 2009 income statement<sup>4</sup>

The 8.4% drop in revenue (-12.4% in the second quarter) reflects the effects of the economic downturn with contrasted performance between our divisions:

- *IPE (Energy/Nuclear Power) and Facilities* (43% of Group revenue): growth of 7.0% driven by the Nuclear Power sector (+25%);
- *Aeronautics & Space* (25% of Group revenue) : revenue decline of 6.0%;
- *Technologies/Automotive/Industry* (26% of revenue) : marked fall (-28.0%) mainly due to a very sharp drop in *Automotive*;

### Revenue by geography

In millions of euros	H1 2009	H1 2008	Organic growth <sup>4</sup> (%)
France	219.6	241.1	-8.9%
International	89.3	95.4	-7.0%
<b>Total</b>	<b>308.9</b>	336.5	<b>-8.4%</b>

In view of this exceptional situation, the Group launched an action plan in order to improve its economic performance in France through:

- Merger of the *Technologies, Automotive and Industry* divisions completed in the first quarter and project to merge the *IPE (Energy/Nuclear Power) and Facilities* divisions both aiming at rationalising the cost structure and increasing the utilisation rate;
- Cutting Assystem France indirect costs (-10% achieved in the first half) by reducing support and management staff (-8% achieved in the first half), rationalising premises and information technology, and slashing drastically capital expenditure;
- Strengthening human resources development by thrust in training (1 000 staff trained in the first half for a total of 7,000 day-men) and in human resources and careers advanced planning, focused in particular on expertises required by transformation of market demand.

As of June 30, 2009, Group headcount amounted to 8,853 workers, 4.6% lower than six months ago and 4.3% lower than a year ago, on a comparable basis.

The initial effects of this action plan allowed the Group to post a positive net operating profit in the first half. This profit was particularly penalised by the contribution loss of the recently merged entity *Technologies, Automotive, Industry* which is due to the crisis in the automotive industry and substantial decrease of the utilisation rate. *IPE (Energy/Nuclear Power) and Facilities* improved slightly their profitability while there was some erosion in *Aeronautics & Space*. Net operating margin was 1.1% compared to 6.2% in the first half 2008:

- In France: the contribution margin<sup>5</sup> was 4.4% in the first half 2009 compared to 7.8% in the first half 2008;
- International: the contribution decreased by €6.0 million due to the drop in Southern Europe and in Germany, as well as difficulties of activities contributed by Silver Software (contribution loss of €1.5 million) to the Silver Atena joint-venture.

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

<sup>5</sup> Defined as operating profit before one-off items and corporate overheads & others as a percentage of revenue.

## Contribution to operating profit by geography

In millions of euros	H1 2009	H1 2008
France	9.7	18.8
International	(0.1)	5.9
One-off items	(0.3)	2.2
Corporate overheads & others	(5.9)	(6.0)
<b>Total</b>	<b>3.4</b>	<b>20.9</b>

Net borrowing costs decreased by 46% to €0.7 million owing to the debt refinancing completed in the previous fiscal year: the average cost of debt was 3.3% in the first half 2009. Other financial revenue and expense which comprise mainly non-cash items represented a net charge of €1.0 million.

Profit for the period attributable to shareholders of Assystem SA was €1.1 million compared to €3.8 million in the first half 2008.

## ■ Balance sheet and cash flow

Operating free cash flow amounted to €3.4 million despite income tax payment of €9.5 million which is related to the high level of net profit booked in 2008. This performance was achieved thanks to:

- A €3.3 million inflow from the decrease in trade working capital requirement reflecting the 6 days year-on-year improvement in the days-of-sales-outstanding ratio;
- Drastic cuts in capital expenditure at €2.5 million, down from €7.1 million in the first half 2008;

At €2.3 million, net debt at June 30, 2009, improved by €8.5 million year-on-year. Given shareholder remuneration of €1.9 million (€9.7 million in dividends and €2.2 million in continued share buy-back), net debt increased by €13.1 million compared with December 31, 2008.

At June 30, 2009 the financial structure remained therefore extremely robust:

- Liquidity of €10 million including current available net cash<sup>6</sup> of €5 million and €5 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 debt<sup>7</sup> to equity at 24%, compared to 29% a year ago.
- Net debt to EBITDA<sup>8</sup> at 0.86, compared to 0.72 a year ago.

<sup>6</sup> Cash and cash equivalents, net of current financial debt and fair value of interest rate hedging derivative instruments.

<sup>7</sup> Long-term and short-term financial debt minus cash and cash equivalents and fair value of interest rate hedging derivative instruments.

<sup>8</sup> EBITDA is defined as operating profit plus depreciation plus net provisions. Ratio computed on a 12-months rolling basis.

## ■ Outlook

*IPE* (Energy/Nuclear Power) and *Facility* should continue to grow: Assystem has strong visibility in 2009 and over the medium-term owing to its *savoir-faire* in Energy, particularly in Nuclear Power, as evidenced by the significant contracts concluded in the first half on the ITER project, the EPR technology and the fuel cycle.

Despite the weak economic outlook, visibility over the second half improved in other divisions thanks to:

- Recently concluded contracts, in particular with Renault;
- Contracts currently being negotiated following the selection of Assystem as preferred supplier by several leading manufacturers.

The Group's priority is to progressively return to a normal utilisation rate no later than beginning of 2010. The ordinary operating profit should then be in the range of €13 to 18 million. The action plan aims at recovering the 2008 profitability of operations (excluding one-offs) in the course of the first half 2010.

## ■ Financial calendar

November 5, 2009, after market close: financial report for the nine months ended September 30, 2009.

## APPENDICES

### Information on Capital at June 30, 2009

#### Number of shares

Ordinary shares outstanding	20,041,375	After cancelation of 560,152 shares
Treasury shares	585,853	
Number of redeemable subscription warrants 2012 <sup>9</sup>	559,937	strike price: €10.15
Number of redeemable subscription warrants 2013 <sup>10</sup>	4,892,734	strike price: €35.00
Number of redeemable subscription warrants 2015 <sup>11</sup>	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	96,373	strike price: €1.77
Stock awards and performance stock awards	168,400	
Number of share used for EPS calculation:		
Basic weighted average number of shares	19,627,473	
Diluted weighted average number of shares	19,795,873	

#### Share ownership structure at June 30, 2009<sup>12</sup>

In percentage	Economic rights	Voting rights <sup>13</sup>
Dominique Louis / HDL / H2DA <sup>14</sup> / CEFID <sup>15</sup> / EEC	27.4	33.9
Caisse des Dépôts et Consignations <sup>16</sup>	17.6	16.0
Members of the Supervisory board and of the Management board	3.0	3.0
Employees Saving Scheme	1.2	2.0
Free Float (including employees)	47.9	45.1
Treasury Stock	2.9	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 9,000 workers and conducts almost 30% of its business outside France (in 13 countries).*

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<sup>9</sup> Parity: 1.13, Maturity date: March 31, 2012, Enforcement call starting date: January 31, 2009, Enforcement call price: €17.5.

<sup>10</sup> Parity: 1.0, Maturity date: July 31, 2013, Enforcement call starting date: July 31, 2010, Enforcement call price: €2.5.

<sup>11</sup> Parity: 1.0, Maturity date: July 9, 2015, Enforcement call starting date: July 9, 2013, Enforcement call price: €15.54.

<sup>12</sup> Based on information brought to the knowledge of the Company.

<sup>13</sup> These voting rights differ from the theoretical voting rights used in the calculation of threshold crossing.

<sup>14</sup> Held by HDL (60.6%) and certain members of the Management Board.

<sup>15</sup> Held by HDL, Dominique Louis and Michel Combes.

<sup>16</sup> In July 2009, Caisse des Dépôts et Consignations contributed 15% of Assystem share capital to FSI (Fonds Stratégique d'Investissement).

## Consolidated balance sheet

*In millions of euros*

<b>Assets</b>	<b>30/06/09</b>	<b>31/12/08</b>	<b>30/06/08</b>
Goodwill	85,8	83,1	83,6
Intangible assets	11,0	12,8	12,9
Property, plant and equipment	14,9	16,7	16,4
Investment properties	1,9	1,9	0,7
Investments in associates	1,0	1,0	3,4
Available-for-sale assets	2,8	2,8	0,2
Other non-current financial assets	5,2	5,5	4,7
Deferred tax assets	4,0	4,1	1,1
<b>Total non-current assets</b>	<b>126,6</b>	<b>127,9</b>	<b>123,0</b>
Trade receivables	220,5	252,0	263,4
Other receivables	16,8	20,6	96,3
Corporate income tax receivables	6,2	0,6	1,6
Other current financial and derivative assets			4,3
Cash and cash equivalents	61,9	73,6	69,2
<b>Total current assets</b>	<b>305,4</b>	<b>346,8</b>	<b>434,8</b>
<b>TOTAL ASSETS</b>	<b>432,0</b>	<b>474,7</b>	<b>557,8</b>
<b>Equity and Liabilities</b>	<b>30/06/09</b>	<b>31/12/08</b>	<b>30/06/08</b>
Share capital	20,0	20,6	22,0
Share premiums	63,3	67,4	80,5
Consolidated reserves	46,8	24,4	26,6
Profit for the period	1,1	25,8	13,9
<b>Equity, group share</b>	<b>131,2</b>	<b>138,2</b>	<b>143,0</b>
Minority interests	1,0	1,0	
<b>Consolidated equity</b>	<b>132,2</b>	<b>139,2</b>	<b>143,0</b>
Bond loans	86,7	85,6	76,4
Other non-current financial and derivative liabilities	0,4	0,6	27,7
Provisions	0,9	1,6	1,2
Employee benefits	11,0	10,7	10,1
Other non-current liabilities	7,3	6,9	
Deferred tax liabilities		0,3	5,9
<b>Non-current liabilities</b>	<b>106,3</b>	<b>105,7</b>	<b>121,3</b>
Other current financial and derivative liabilities	7,1	6,6	10,2
Provisions	8,1	8,6	9,9
Trade payables and related accounts	27,5	38,7	35,7
Corporate income tax liability	0,6	4,2	1,0
Other current liabilities	150,2	171,7	236,7
<b>Current liabilities</b>	<b>193,5</b>	<b>229,8</b>	<b>293,5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>432,0</b>	<b>474,7</b>	<b>557,8</b>

## Consolidated income statement

*In millions of euros*

	30/06/09	30/06/08	30/06/07
<b>Revenue</b>	<b>308,9</b>	<b>336,5</b>	<b>324,1</b>
Employee benefits expense	(239,8)	(245,0)	(231,5)
Taxes and duties other than income tax	(3,6)	(3,4)	(4,0)
Amortization, depreciation and provision expense	(5,2)	(5,8)	(10,9)
Other ordinary operating revenue and expense	(56,9)	(61,4)	(65,9)
<b>Ordinary operating profit</b>	<b>3,4</b>	<b>20,9</b>	<b>11,8</b>
Other operating revenue			
Other operating expense			
<b>Net operating profit</b>	<b>3,4</b>	<b>20,9</b>	<b>11,8</b>
Share in profit of associates		0,3	0,1
Net borrowing costs	(0,7)	(1,3)	(1,8)
Other financial revenue and expense	(1,0)	(0,6)	(1,1)
<b>Profit for the period from continuing operations before</b>	<b>1,7</b>	<b>19,3</b>	<b>9,0</b>
Income tax expense	(1,0)	(5,4)	(3,3)
<b>Profit for the period from continuing operations</b>	<b>0,7</b>	<b>13,9</b>	<b>5,7</b>
Profit for the period from discontinued operations		(0,1)	(0,2)
<b>Consolidated profit for the period</b>	<b>0,7</b>	<b>13,8</b>	<b>5,5</b>
<b>Attributable :</b>			
To Assystem SA	1,1	13,8	5,5
To minority interests	(0,4)		
In euros			
Basic earnings per share	0,06	0,69	0,26
Diluted earnings per share	0,06	0,68	0,25
Basic earnings per share from continuing operations	0,06	0,69	0,27
Diluted earnings per share from continuing operations	0,06	0,68	0,26
Basic earnings per share from discontinued operations		-0,005	-0,01
Diluted earnings per share from discontinued operations		-0,005	-0,01

## Statement of income and expenditure recognized for the period

*In millions of euros*

	30/06/09	30/06/08	30/06/07
<b>Consolidated profit for the period</b>	<b>0,7</b>	<b>13,8</b>	<b>5,5</b>
Actuarial gains and losses on employee benefits (Gross)		0,2	1,2
Tax effect			(0,4)
Actuarial gains and losses on employee benefits (Net)		0,2	0,8
Gains and losses on financial hedging instruments (Gross)	(1,5)	0,8	1,5
Tax effect	0,5	(0,3)	(0,5)
Gains and losses on financial hedging instruments (Net)	(1,0)	0,5	1,0
Unrealized exchange gains and losses	4,1	(2,2)	0,3
Equity instruments issuance expenses (Gross)		(0,1)	
Tax effect			
Equity instruments issuance expenses (Net)		(0,1)	
<b>Total income and expenditure booked directly to equity</b>	<b>3,1</b>	<b>(1,6)</b>	<b>2,1</b>
<b>Total gains and losses recognised for the period</b>	<b>3,8</b>	<b>12,2</b>	<b>7,6</b>

### Attributable :

To Assystem SA	4,2	12,2	7,6
To minority interests	(0,4)		



## Consolidated statement of cash flows

*In millions of euros*

	30/06/09	30/06/08	30/06/07
<b>OPERATIONS</b>			
Profit for the period from continuing operations	0,7	13,9	5,7
Elimination of non-cash and non-operating transactions	9,5	10,8	15,0
Change in working capital requirement	5,3	(14,7)	(9,8)
Income tax expense	(9,5)	(2,8)	(1,4)
<b>Net cash flow from operating activities</b>	<b>6,0</b>	<b>7,2</b>	<b>9,5</b>
<b>INVESTING ACTIVITIES</b>			
Non-current assets acquisitions	(2,5)	(7,1)	(6,7)
Non-current assets disposals			0,3
	(2,5)	(7,1)	(6,4)
Securities purchases			(0,1)
Securities disposals			(0,1)
Loans to companies classified as available-for-sale assets		0,2	(0,2)
Loans repaid by companies classified as available-for-sale assets			0,1
Dividends received		0,7	
<b>Net cash flow from investing activities</b>	<b>(2,5)</b>	<b>(6,2)</b>	<b>(6,6)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from bonds issues and other borrowings			4,4
Bond and other borrowings repayments	(0,7)	(3,8)	(1,1)
Interest paid	(1,0)	(2,2)	(2,2)
Dividends paid to shareholders of parent company	(9,7)	(7,6)	
Capital increases	0,2	0,8	
Purchase and disposal of treasury shares	(2,4)	(5,9)	0,1
<b>Net cash flow from financing activities</b>	<b>(13,6)</b>	<b>(18,7)</b>	<b>1,2</b>
<b>Variation in cash from continuing operations</b>	<b>(10,1)</b>	<b>(17,7)</b>	<b>4,1</b>
<b>Cash at beginning of period</b>	<b>70,1</b>	<b>80,4</b>	<b>37,2</b>
<b>Discontinued operations:</b>			
Net cash flow from operating activities		(0,1)	(0,6)
<b>Variation in cash from discontinued operations</b>		<b>(0,1)</b>	<b>(0,6)</b>
Effect of non-cash items and exchange rate fluctuations	(0,4)	0,5	0,3
<b>Variation in cash from continuing operations</b>	<b>(10,1)</b>	<b>(17,7)</b>	<b>4,1</b>
<b>Cash at end of period</b>	<b>59,6</b>	<b>63,1</b>	<b>41,0</b>

## Statement of changes in consolidated equity

*In millions of euros*

	Share capital	Share premiums	Translation adjustments	Fair value of hedging instruments	Actuarial gains and losses	Other reserves	Income and expenditure booked directly to equity	Other reserves	Equity, Group share	Minority interests	Consolidated equity
<b>Equity on January 1, 2007</b>	<b>21,7</b>	<b>79,0</b>	<b>0,9</b>	<b>2,7</b>	<b>(4,6)</b>	<b>0,4</b>	<b>(0,6)</b>	<b>31,0</b>	<b>131,1</b>	<b>-</b>	<b>131,1</b>
Dividends distributed								(2,1)	(2,1)		(2,1)
Share-based payment and free share allotments								0,2	0,2		0,2
Transactions on treasury shares (net of tax)								0,2	0,2		0,2
Total gains and losses recognised for the period			0,3	1,5	1,2	(0,9)	2,1	5,5	7,6		7,6
<b>Equity on June 30, 2007</b>	<b>21,7</b>	<b>79,0</b>	<b>1,2</b>	<b>4,2</b>	<b>(3,4)</b>	<b>(0,5)</b>	<b>1,5</b>	<b>34,8</b>	<b>137,0</b>	<b>-</b>	<b>137,0</b>
<b>Equity on January 1, 2008</b>	<b>21,9</b>	<b>79,9</b>	<b>(1,0)</b>	<b>3,1</b>	<b>(3,6)</b>		<b>(1,5)</b>	<b>41,5</b>	<b>141,8</b>	<b>-</b>	<b>141,8</b>
Dividends distributed								(7,6)	(7,6)		(7,6)
Capital increases for cash	0,2	0,6							0,8		0,8
Share-based payment and free share allotments								0,5	0,5		0,5
Transactions on treasury shares (net of tax)								(4,7)	(4,7)		(4,7)
Total gains and losses recognised for the period			(2,2)	0,8	0,2	(0,4)	(1,6)	13,8	12,2		12,2
<b>Equity on June 30, 2008</b>	<b>22,1</b>	<b>80,5</b>	<b>(3,2)</b>	<b>3,9</b>	<b>(3,4)</b>	<b>(0,4)</b>	<b>(3,1)</b>	<b>43,5</b>	<b>143,0</b>		<b>143,0</b>
<b>Equity on January 1, 2009</b>	<b>20,6</b>	<b>67,4</b>	<b>(10,1)</b>	<b>(2,5)</b>	<b>(3,6)</b>	<b>1,9</b>	<b>(14,3)</b>	<b>64,5</b>	<b>138,2</b>	<b>1,0</b>	<b>139,2</b>
Dividends distributed								(9,7)	(9,7)		(9,7)
Capital increases for cash										0,2	0,2
Capital reduction	(0,6)	(4,0)						4,6			
Share-based payment and free share allotments								0,5	0,5		0,5
Transactions on treasury shares (net of tax)								(2,0)	(2,0)		(2,0)
Total gains and losses recognised for the period			4,1	(1,5)		0,5	3,1	1,1	4,2	(0,4)	3,8
Others										0,2	0,2
<b>Equity on June 30, 2009</b>	<b>20,0</b>	<b>63,4</b>	<b>(6,0)</b>	<b>(4,0)</b>	<b>(3,6)</b>	<b>2,4</b>	<b>(11,2)</b>	<b>59,0</b>	<b>131,2</b>	<b>1,0</b>	<b>132,2</b>