

PRESS RELEASE



ASSYSTEM

Assystem's 2009 results show a strong rebound in current operating profit in the second half

- **Current operating margin restored: 6.2% in the second half after 1.1% in the first half**
- **Indirect costs cut by 8.6%**
- **Capacity to generate strong cash flow confirmed; net debt reduced to €0.8 million**
- **Net income close to breakeven despite substantial non-recurring expenses**
- **Dividend submitted to shareholders approval: €0.25 per share**

Paris, 15 March 2010 – The supervisory board of Assystem S.A. (ISIN: FR0000074148 - ASY), a leading company in Innovation Engineering and Consultancy, met on 12 March 2009, to review the financial statements for the year ended 31 December 2009.

In millions of euros	2009	2008
Key items of income statement		
Revenue	613.1	672.1
Current operating profit ¹	22.2	45.0
<i>Current operating margin</i>	3.6%	6.7%
Operating profit	7.8	42.3
<i>Operating margin</i>	1.3%	6.3%
Profit for the period attributable to shareholders of Assystem SA	(0.8)	25.8
Key items of cash flow statement		
Operating free cash flow ²	36.3	35.4
Key items of the balance sheet		
Net debt ³	0.8	19.2
Per share data (in euros)		
Basic earnings per share	(0.04)	1.29
Diluted earnings per share	(0.04)	1.27
Dividend submitted to shareholders approval	0.25	0.50

Note: the audit process of consolidated accounts is achieved. The certification report will be issued after completion of the process needed to register the reference document.

Commenting on the performance for the full year 2009, Dominique Louis, Chairman of the Management Board, said: "Assystem took advantage of the economic crisis to put in place a more efficient organisation. The second half of the past fiscal year recorded a strong rebound in current operating margin, which notably shows the speed at which we managed to cut indirect costs. We are looking at 2010 with confidence. Our main challenge is to increase the staff utilisation rate: this will be helped by our simplified organisation and our unique positioning on the Nuclear Power engineering market."

¹ Current operating profit was previously reported as ordinary operating profit.

² Net cash flow from operating activities minus capital expenditure, net of disposals.

³ Long-term and short-term financial debt minus cash and cash equivalents and fair value of interest rate hedging derivative instruments.

■ Detailed review of the Group's 2009 income statement⁴

In the context of a sharp economic downturn, Assystem demonstrated its resiliency and ability to adapt. Over the full year, revenue drop (already reported on 11 February 2010) was contained at 8.6% owing to Assystem's strong differentiation in nuclear power and to its leadership in aerospace, particularly abroad.

Revenue by region

In millions of euros	2009	2008	Organic growth ⁴ (%)
France	433.5	480.9	-9.9%
International	179.6	191.2	-6.0%
Total	613.1	672.1	-8.6%

In 2009, the R&D outsourcing market was strongly impacted by the economic crisis, particularly in the automobile industry. At the same time, the nuclear power engineering market which bears strong potential for Assystem, confirmed its long-term favourable outlook. In this context, Assystem managed to adjust its workforce to the business trend in a socially responsible way: headcount was reduced by more than 700 in 2009 (down 7.9% at comparable consolidation scope) without any social plan or voluntary leave scheme. At the same time, the Group strengthened its core competencies, notably skills needed in nuclear power engineering, through training programmes and career changes involving 320 staff.

In Italy, the strong exposure of Assystem Italia to the automobile industry led to a sharp fall in revenue. The Group launched a redundancy plan concerning 85 staff out of a total of 150, which was approved on 15 February 2010.

Rebound in current operating margin in the second half

Stabilisation of the business trend and headcount reduction, combined with further execution of the action plan aiming at improving the Group's economic performance, drove a rise in current operating margin from 1.1% in the first half to 6.2% in the second half. This performance stems notably from an 8.6% reduction in indirect costs (ie. by €10.7 million).

Excluding the contribution loss from operations in Italy⁵, current operating margin would have been 6.9% in the second half.

The staff utilisation rate remains however to be improved: 87.2% in the second half 2009 compared with 92.4% in the second half 2008.

Consequently, current operating profit⁶ amounted to €22.2 million compared with €45.0 million in 2008⁷:

- France: current operating margin was 4.9% in 2009 compared with 6.7% in 2009. After a first half which was particularly hit by the automobile industry crisis, the second half saw the current operating margin restored to the level of the second half 2008;
- International: in the United-Kingdom, contribution of Assystem UK rose by 15% at comparable exchange rate in aerospace as well as in nuclear power. In Germany, the performance remains unsatisfactory despite some improvement in the second half. Besides, the difficult situation of the Anglo-Indian activities of the Silver Atena subsidiary led to a contribution loss of €1.6 million in 2009.

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

⁵ Contribution loss of €3.3 million in 2009 of which €2.0 million in the second half.

⁶ Includes share-based compensation of €1.1 million in 2009 and €1.4 million in 2008.

⁷ In 2008, Assystem booked non-recurring profits of €5.0 million in relation with real estate operations aiming at merging offices in Paris and in Toulouse.

Current operating profit by region⁸

In millions of euros	2009	<i>As a % of sales</i>	2008	<i>As a % of sales</i>
France	21.2	4.9%	32.4	6.7%
International	1.2	0.6%	7.6	4.0%
Non-recurring items ⁷	(0.2)		5.0	
Total	613.1	3.6%	672.1	6.7%

Operating profit amounts to €7.8 million given the following non-current expenses:

- A €4.3 million provision related to the restructuring in Italy mentioned above;
- A €10.3 million goodwill depreciation related to the Anglo-Indian activities contributed by the minority shareholder when Silver Atena was established in 2008.

Net borrowing costs remained stable at €2.0 million: the effect of lower interest rates on the return on cash available was offset by the decrease in debt since mid-2008. Other financial revenue and expenses which comprise mainly non-cash items represented a net charge of €2.9 million.

The effective tax rate was 29.9% vs. 26.7% in 2008, before accounting for expenses without effect on income tax⁹.

Consequently, profit for the period attributable to shareholders of Assystem SA was close to breakeven (loss of €0.8 million).

■ Capacity to generate strong cash flow confirmed and financial flexibility strengthened

Operating free cash flow amounted to €36.3 million. This is higher than the operating free cash flow generated in 2008, which included a €3.2 million non-recurring inflow¹⁰. This performance was achieved owing to:

- A €19.4 million inflow from the decrease in trade working capital requirement reflecting the 9 days year-on-year improvement in the days-of-sales-outstanding ratio;
- A 50% cut in capital expenditure to €5.8 million.

After settlement of €1.8 million allocated to shareholder remuneration (€9.7 million in dividends and €2.1 million in continued share buy-back), net debt decreased by €18.4 million compared to 31 December 2008.

As of 31 December 2009, the financial structure is extremely robust as evidenced by the net debt, which is almost nil (€0.8 million). With current available net cash¹¹ of €88 million and €5 million of undrawn syndicated revolving credit facility, the Group benefits from substantial financial flexibility in order to finance external growth.

⁸ Change of presentation: current operating profit by geography is now disclosed after allocation of corporate overheads and other costs contrary to the contribution to operating profit which has been reported before allocation of these costs.

⁹ Goodwill depreciation

¹⁰ Related to real estate operations aiming at merging offices in Paris and in Toulouse.

¹¹ Cash and cash equivalents, net of current financial debt and fair value of interest rate hedging derivative instruments.

■ 2010 outlook

Despite a first quarter anticipated lower, Assystem targets a return to slight organic growth over fiscal year 2010.

Current operating margin will increase compared to 2009 thanks to the elimination of losses in Italy and the full effect of the reduction in indirect costs achieved in 2009.

Furthermore, the Group's priority objectives are to increase, as a first step, the staff utilisation rate to 90% and to turnaround the Anglo-Indian activities of Silver Atena.

Supported by its more efficient organisation implemented in 2009 and a very strong financial capacity, Assystem has resumed its quest for acquisitions consistent with corporate strategy.

■ Dividend

The distribution of a dividend of €0.25 per share (€0.50 in 2008) to be paid by the end of June 2009 will be submitted to shareholders' approval.

■ Financial calendar

5 May 2010: shareholders general assembly.

11 May 2010, after market close: financial report for the three months ended 31 March 2010.

29 July 2010, after market close: financial report for the three months ended 31 March 2010.

1st September 2010, after market close: first half results.

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 c. 8,500 workers and conducts almost 30% of its business outside France (in 13 countries).

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APPENDICES

Revenue by business area

In millions of euros	2009	2008	Organic growth ⁴ (%)
Plant Engineering & Operations ¹²	267.2	254.9	+5.3%
Aerospace Mechanical Engineering	156.0	168.9	-4.4%
Technology & Product Engineering ¹³	183.1	238.9	-25.8%
Other activities	6.8	9.4	-26.1%
Total	613.1	672.1	-8.6%

Current operating profit by business area

In millions of euros	2009	2008
Plant Engineering & Operations	22.9	20.3
Aerospace Mechanical Engineering	6.9	9.1
Technology & Product Engineering	(6.9)	11.3
Other activities	(0.5)	(0.7)
Non-recurring items	(0.2)	5.0
Total	22.2	45.0

Information on Capital as of 31 December 2009

Number of shares

Ordinary shares outstanding	20,041,375	After cancelation of 560,152 shares
Self-owned shares	557,315	
Number of redeemable subscription warrants 2012 ¹⁴	559,937	strike price: €10.15
Number of redeemable subscription warrants 2013 ¹⁵	4,892,734	strike price: €35.00
Number of redeemable subscription warrants 2015 ¹⁶	3,250,000	strike price: €11.10
Stock options related to stock options subscription plans	271,608	strike price: €13.19 ¹⁷
Stock awards and performance stock awards	217,400	
Number of share used for EPS calculation:		
Basic weighted average number of shares	19,316,872	
Diluted weighted average number of shares	19,534,272	

Share ownership structure as of 31 December 2009¹⁸

In percentage	Economic rights	Voting rights ¹⁹
Dominique Louis / HDL / H2DA ²⁰ / CEFID ²¹ / EEC	27.4	33.9
Groupe CDC ²²	17.6	16.0
Members of the Supervisory board and of the Management board	3.0	2.9
Employees Saving Scheme	1.2	2.0
Free Float (including employees)	48.0	45.2
Treasury Stock	2.8	0.0

¹² Merger of IPE (Energy, Nuclear Power) and Facilities

¹³ Merger of Technology, Automobile & Industry, also includes Silver Atena

¹⁴ Parity: 1.13, Maturity date: March 31, 2012, Enforcement call starting date: January 31, 2009, Enforcement call price: €17.5.

¹⁵ Parity: 1.0, Maturity date: July 31, 2013, Enforcement call starting date: July 31, 2010, Enforcement call price: €2.5.

¹⁶ Parity: 1.0, Maturity date: July 9, 2015, Enforcement call starting date: July 9, 2013, Enforcement call price: €5.54.

¹⁷ Expiration date: April 14, 2010

¹⁸ Based on information brought to the knowledge of the Company.

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

²⁰ Held by HDL (60.6%) and certain members of the Management Board.

²¹ Held by HDL, Dominique Louis and Michel Combes.

²² Of which 15.0% held by FSI and 2.6% by CDC EVM

Consolidated balance sheet

Assets	2009	2008	2007
In millions of euros			
Goodwill	75.0	83.1	84.7
Intangible assets	9.2	12.8	13.7
Property, plant and equipment	14.9	16.7	14.7
Investment properties	1.4	1.9	0.7
Investments in associates	0.5	1.0	3.9
Available-for-sale assets	3.6	2.8	0.2
Other non-current financial assets	3.8	5.5	5.3
Deferred tax assets	5.2	4.1	1.2
Total non-current assets	113.6	127.9	124.4
Trade receivables	203.7	252.0	250.8
Other receivables	13.7	20.6	67.3
Corporate income tax receivables	4.1	0.6	7.3
Other current financial and derivative assets			3.5
Cash and cash equivalents	92.9	73.6	92.0
Total current assets	314.4	346.8	420.9
TOTAL ASSETS	428.0	474.7	545.3
Equity and Liabilities	2009	2008	2007
In millions of euros			
Share capital	20.0	20.6	21.9
Share premiums	63.3	67.4	79.9
Consolidated reserves	44.7	24.4	22.0
Profit for the period	(0.8)	25.8	18.0
Equity, group share	127.2	138.2	141.8
Minority interests	1.4	1.0	
Consolidated equity	128.6	139.2	141.8
Bond loans	87.7	85.6	76.3
Other non-current financial and derivative liabilities	1.0	0.6	26.0
Provisions	0.6	1.6	1.8
Employee benefits	12.5	10.7	10.4
Other non-current liabilities	6.0	6.9	
Deferred tax liabilities		0.3	1.6
Non-current liabilities	107.8	105.7	116.1
Other current financial and derivative liabilities	5.0	6.6	20.4
Provisions	12.3	8.6	11.5
Trade payables and related accounts	26.9	38.7	41.3
Corporate income tax liability	0.7	4.2	9.4
Other current liabilities	146.7	171.7	204.8
Current liabilities	191.6	229.8	287.4
TOTAL EQUITY AND LIABILITIES	428.0	474.7	545.3

Consolidated income statement

In millions of euros	2009	2008	2007
Revenue	613.1	672.1	652.6
Employee benefits expense	(455.9)	(481.8)	(457.3)
Taxes and duties other than income tax	(7.0)	(6.9)	(8.4)
Amortization, depreciation and provision expense	(13.0)	(10.6)	(16.7)
Other ordinary operating revenue and expense	(115.0)	(127.8)	(134.3)
Current operating profit	22.2	45.0	35.9
Non-current operating revenue	0.3	2.3	
Non-current operating expense	(14.7)	(5.0)	
Operating profit	7.8	42.3	35.9
Share in profit of associates	0.2	0.4	(1.8)
Net borrowing costs	(2.0)	(2.0)	(3.3)
Other financial revenue and expense	(2.9)	(3.7)	(1.8)
Profit for the period from continuing operations before tax	3.1	37.0	29.0
Income tax expense	(4.0)	(11.2)	(10.8)
Profit for the period from continuing operations	(0.9)	25.8	18.2
Profit for the period from discontinued operations			(0.2)
Consolidated profit for the period	(0.9)	25.8	18.0
Attributable :			
To Assystem SA	(0.8)	25.8	18.0
To minority interests	(0.1)		
<i>In euros</i>			
Basic earnings per share	(0.04)	1.29	0.87
Diluted earnings per share	(0.04)	1.27	0.84
Basic earnings per share from continuing operations	(0.04)	1.29	0.87
Diluted earnings per share from continuing operations	(0.04)	1.27	0.85
Basic earnings per share from discontinued operations	-	-	(0.01)
Diluted earnings per share from discontinued operations	-	-	(0.02)

Statement of income and expenditure recognized for the period

In millions of euros	2009	2008	2007
Consolidated profit for the period	(0.9)	25.8	18.0
Actuarial gains and losses on employee benefits (Gross)	(0.7)		1.0
Tax effect	0.3		(0.3)
Actuarial gains and losses on employee benefits (Net)	(0.4)		0.7
Gains and losses on financial hedging instruments (Gross)	(1.3)	(5.6)	0.4
Tax effect	0.4	1.9	(0.1)
Gains and losses on financial hedging instruments (Net)	(0.9)	(3.7)	0.3
Translation adjustments	1.6	(9.1)	(1.9)
Total gains and losses booked directly to equity	0.3	(12.8)	(0.9)
Total income and expenses recognized for the period	(0.6)	13.0	17.1
Group share	(0.6)	13.1	17.1
Group share - profit for the period	(0.8)	25.8	18.0
Group share - gains and losses booked directly to equity	0.2	(12.7)	(0.9)
Share of minority interests		(0.1)	
Share of minority interests - profit for the period	(0.1)		
Share of minority interests - gains and losses booked directly to equity	0.1	(0.1)	

Consolidated statement of cash flow

In millions of euros	2009	2008	2007
OPERATIONS			
Profit for the period from continuing operations	(0.9)	25.8	18.2
Elimination of non-cash and non-operating transactions	34.9	28.0	33.4
Net cash flow from discontinued operations			(0.5)
Change in working capital requirement	19.4	6.1	18.4
Income tax expense	(11.4)	(11.8)	(0.4)
Net cash flow from operating activities	42.0	48.1	69.1
INVESTING ACTIVITIES			
Non-current assets acquisitions	(6.1)	(12.9)	(15.0)
Non-current assets disposals	0.3	0.2	0.9
	(5.8)	(12.7)	(14.1)
Securities purchases		(6.7)	0.1
Securities disposals		1.0	0.5
		(5.7)	0.6
Loans to companies classified as available-for-sale assets			(0.3)
Loans repaid by companies classified as available-for-sale assets	0.3	0.3	0.1
Dividends received	0.1	0.8	0.1
Net cash flow from investing activities	(5.4)	(17.3)	(13.6)
FINANCING ACTIVITIES			
Proceeds from bonds issues and other borrowings		64.0	4.1
Bond and other borrowings repayments	(0.6)	(85.2)	(5.2)
Interest paid	(2.6)	(4.6)	(4.5)
Dividends paid to shareholders of parent company	(9.7)	(7.6)	(2.0)
Capital increases	0.7	1.2	1.0
Treasury shares transactions	(2.1)	(9.4)	(6.5)
Net cash flow from financing activities	(14.3)	(41.6)	(13.1)
Variation in cash	22.3	(10.8)	42.4
Cash at beginning of period	70.1	80.4	37.2
Effect of non-cash items and exchange rate fluctuations	(0.1)	0.5	0.8
Variation in cash from continuing operations	22.3	(10.8)	42.4
Cash at end of period	92.3	70.1	80.4

Statement of changes in consolidated equity

In millions of euros	Share capital	Share premiums	Actuarial gains and losses on employee benefits	Fair-value of hedging instruments	Translation adjustments	Total gains and losses booked directly to equity	Net income of the period	Other reserves	Equity, Group share	Minority interests	Consolidated equity
Equity on January 1, 2007	21.7	79.0	(3.0)	1.8	0.9	(0.3)	5.7	25.0	131.1		131.1
Dividends distributed								(2.0)	(2.0)		(2.0)
Capital increases for cash	0.2	0.9							1.1		1.1
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 income and expenses recognised for the period			0.7	0.3	(1.9)	(0.9)	18.0		17.1		17.1
Allocation of previous period net income							(5.7)	5.7			
Others								(0.3)	(0.3)		(0.3)
Equity on December 31, 2007	21.9	79.9	(2.3)	2.1	(1.0)	(1.2)	18.0	23.2	141.8		141.8
Dividends distributed								(7.6)	(7.6)		(7.6)
Capital increases for cash	0.2	1.0							1.2		1.2
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 income and expenses recognised for the period				(3.7)	(9.0)	(12.7)	25.8		13.1	(0.1)	13.0
Allocation of previous period net income							(18.0)	18.0			
Other								(0.2)	(0.2)	1.1	0.9
Equity on December 31, 2008	20.6	67.4	(2.3)	(1.6)	(10.0)	(13.9)	25.8	38.3	138.2	1.0	139.2
Dividends distributed								(9.7)	(9.7)		(9.7)
Capital increases for cash										0.7	0.7
Capital reduction	(0.6)	(4.1)						4.7			
Share-based payment and free share allotments								1.1	1.1		1.1
Transactions on treasury shares (net of tax)								(1.9)	(1.9)		(1.9)
Total income and expenses recognised for the period			(0.5)	(0.9)	1.6	0.2	(0.8)		(0.6)		(0.6)
Allocation of previous period net income							(25.8)	25.8			
Other								0.1	0.1	(0.3)	(0.2)
Equity on December 31, 2009	20.0	63.3	(2.8)	(2.5)	(8.4)	(13.7)	(0.8)	58.4	127.2	1.4	128.6