

PRESS RELEASE



ASSYSTEM

Assystem delivers better-than-expected performance in first-half 2010 and enjoys good visibility for the rest of the year

- **Return to organic growth**
- **First-half results ahead of objectives**
 - **Target of 90% operational invoicing rate met in Q2**
 - **First-half operating margin of 5%**
- **Robust financial position and ability to generate strong cash flow**
- **Target for full-year current operating profit: €38million to €42 million**

(Paris – 1 September 2010, 5:35 pm CEST) - Assystem S.A. (ISIN: FR0000074148 - ASY), a leading Innovation and Engineering Consultancy, today announced its results for the six months ended 30 June 2010.

(€m)	H1 2010	H1 2009
Income statement highlights		
Revenue	314.8	308.9
Current operating profit	15.8	3.4
Operating profit	15.8	3.4
<i>Operating margin</i>	5%	1.1%
Group share of net income	7.3	1.1
Cash flow highlights		
Operating free cash flow ¹	7.4	3.4
Main financial ratios		
Net debt ² /EBITDA	0.02	0.86
<i>Gearing</i>	0.7%	24%
Earnings per share (€)		
Basic earnings per share	0.38	0.06
Diluted earnings per share	0.38	0.06

The Statutory Auditors have conducted a limited review of the interim financial statements.

“Assystem benefited from the upturn in industrial output in first-half 2010, both in France and abroad, thanks to its effective positioning in such expanding industries as nuclear energy and aerospace,” said Dominique Louis, Chairman of the Assystem Management Board. “Our organization into three business units, which is now ready and able to capitalize on this more favourable environment, allowed us to demonstrate our ability to position ourselves as lead EPCM contractor on major projects like ITER. The firm growth in our international operations shows that we have a truly transnational organization capable of effectively meeting customer needs. The *Technology & Product Engineering* business unit experienced a remarkable recovery and we are confident that this positive trend will continue throughout the year in all three of our business units.”

¹ Net cash flow from operating activities minus capital expenditure, net of disposals. Excluding the impact of restructuring in Italy, operating free cash flow amounted to €10.4 million for the period.

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

■ Analysis of the first-half 2010 income statement

Assystem returned to organic growth in first-half 2010, reporting a 1.9% increase in revenue for the period.

The upturn in industrial output both in France and abroad, the improvements in the Group's operating performance and the careful management of indirect costs together enabled Assystem to significantly increase operating profit in the first half.

The second quarter saw a steep upward break in the trend line, with a return to growth in France and stronger gains in international operations. The operational invoicing rate also improved sharply over the quarter, rising to 90.3%.

The operating margin stood at 5%, versus 1.1% in first-half 2009. Profitability improved significantly in the *Technology & Product Engineering* business unit, despite the slight decline in revenue for the period.

Contribution to operating profit by region

€m	H1 2010	H1 2009
France	9.7	5.2
International	6.1	(1.8)
Total	15.8	3.4

In France:

- The improvement that emerged in second-half 2009 continued apace during the first half of 2010, with operating margin standing at 4.4% (or €9.7 million) versus 2.4% in the prior-year period.
- *Plant Engineering & Operations* was once again the main contributor with a sustained operating performance.
- *Aerospace Mechanical Engineering* was impacted by the under-utilisation of some units in the first quarter.

Outside France:

- The operating margin rebounded sharply, to 6.3% (or €6.1 million) from a negative 2.1% in first-half 2009.
- The improvement primarily reflected growth in the nuclear and aviation segments in the United Kingdom.
- Operations in Italy, following restructuring, and Silver Atena are no longer a drag on consolidated margins.

Group share of net income recovered strongly to €73 million from €1.1 million in first-half 2009.

■ Balance sheet and cash flows

Operating free cash flow amounted to €10.4 million. After payment of €3 million in restructuring costs for the Italian subsidiary, free cash flow amounted to €7.4 million, compared with €3.4 million in first-half 2009.

Net debt was unchanged from 31 December 2009, at €1 million, and €31.3 million lower than at 30 June 2009.

A total of €4.9 million in dividends were paid during the period.

With current net cash³ of €88.1 million and a €55 million undrawn revolving credit facility, Assystem has significant resources available to finance future acquisitions.

■ 2010 outlook

Thanks to the improving environment, Assystem delivered better-than-expected results in the first half. This positive trend remains operative, with a growing number of tenders currently being issued in every business segment.

The Group therefore enjoys good visibility for the second half of the year and is confident that it will meet the following objectives:

- A return to significant organic growth, with the three business units ready to capitalise on growth opportunities.
- An invoicing rate of 92% in the second half.
- A full-year current operating profit of between €38 million and €42 million.

³ Cash and cash equivalents, net of current financial debt and fair value of interest rate hedging derivative instruments.

■ 2010 INVESTOR CALENDAR

Assystem's first-half financial results will be webcast on 2 September; at 10 AM CEST, on www.assystem.com, where the financial documents may be found.

4 November 2010: Quarterly financial information for the nine months ended 30 September 2010 released after close of trading on the NYSE Euronext Paris market.

Assystem is an international Engineering and Innovation Consultancy. As a key participant in the industry for more than 40 years, Assystem supports its customers in developing their products and managing their capital expenditure throughout the product life cycle. Assystem employs more than 8,400 people worldwide and reported €613 million in revenue in 2009.

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ASSYSTEM CONTACTS

Gilbert Vidal, Chief Financial Officer.
Phone: +33 (0)1 55 65 03 10
Pauline Bucaille, Vice President, Corporate Communications.
Phone: +33 (0)1 55 65 03 08

CITIGATE DEWE ROGERSON CONTACTS

Nicolas Castex, Media Relations,
nicolas.castex@citigate.fr. Phone: +33 (0)1 53 32 78 88
Agnès Villeret, Analyst and Investor Relations,
agnes.villeret@citigate.fr. Phone: +33 (0)1 53 32 78 95

APPENDICES

REVENUE BY BUSINESS UNIT

In millions of euros			
	H1 2010	H1 2009	Organic growth
Plant Engineering & Operations	139.5	133.3	+3.4%
Aerospace Mechanical Engineering	82.8	76.8	+6.1%
Technology & Product Engineering	88.1	95.1	-4.4%
Other activities	4.4	3.7	+21.1%
Total	314.8	308.9	+1.9%

CURRENT OPERATING PROFIT BY BUSINESS UNIT

In millions of euros		
	H1 2010	H1 2009
Plant Engineering & Operations	9.8	9.7
Aerospace Mechanical Engineering	2.9	2.0
Technology & Product Engineering	3.6	(8.4)
Other activities	(0.5)	0.1
Total	15.8	3.4

INFORMATION ON CAPITAL AT AUGUST, 25 2010

Nombre de titres

Ordinary shares outstanding	20 041 903	
Self-owned shares	608 665	
Number of redeemable subscription warrants 2012 ¹	542 382	strike price: €10.15
Number of redeemable subscription warrants 2013 ²	4 892 734	strike price: €35.00
Number of redeemable subscription warrants 2015 ³	3 249 675	strike price: €11.10
Stock awards and performance stock awards	64 700	
<i>Number of share used for EPS calculation:</i>		
Basic weighted average number of shares	19 333 154	
Diluted weighted average number of shares	19 459 462	

¹ Parity: 1.13, Maturity date: March 31, 2012, Enforcement call starting date: January 31, 2009, Enforcement call price: €17.5.

² Parity: 1.0, Maturity date: July 31, 2013, Enforcement call starting date: July 31, 2010, Enforcement call price: €52.5.

³ Parity: 1.0, Maturity date: July 9, 2015, Enforcement call starting date: July 9, 2013, Enforcement call price: €15.54.

SHARE OWNERSHIP STRUCTURE AT AUGUST, 25 2010

In percentage	Economic rights	Voting rights ⁴
Dominique Louis / HDL / H2DA ⁵ / CEFID ⁶ / EEC	27.4	32.6
Groupe CDC ⁷	17.6	16.3
Members of the Supervisory board and of the Management board	3.5	3.2
Employees Saving Scheme	1.3	2.2
Free Float (including employees)	47.2	45.7
Treasury Stock	3.0	0.0

⁴ These voting rights differ from the theoretical voting rights used in the calculation of threshold crossing.

⁵ Held by HDL (60.6%) and certain members of the Management Board.

⁶ Held by HDL, Dominique Louis and Michel Combes.

⁷ Caisse des Dépôts et Consignations contributed 15% of Assystem share capital to FSI (Fonds Stratégique d'Investissement) and CDC EVM, 2.6%.

■ CONSOLIDATED BALANCE SHEET

In millions of euros

Assets	Notes	30/06/10	31/12/09	30/06/09
Goodwill		75,6	75,0	85,8
Intangible assets	8	7,0	9,2	11,0
Property, plant and equipment	8	13,6	14,9	14,9
Investment properties		1,4	1,4	1,9
Investments in associates		0,4	0,5	1,0
Available-for-sale assets		3,7	3,6	2,8
Other non-current financial assets		3,3	3,8	5,2
Deferred tax assets	21	4,3	5,2	4,0
Total non-current assets		109,3	113,6	126,6
Available-for-sale-assets	9	1,0		
Trade receivables		214,8	203,7	220,5
Other receivables		18,2	13,7	16,8
Corporate income tax receivables		3,9	4,1	6,2
Other current financial and derivative assets				
Cash and cash equivalents		93,6	92,9	61,9
Total current assets		331,5	314,4	305,4
TOTAL ASSETS		440,8	428,0	432,0
Equity and Liabilities		30/06/10	31/12/09	30/06/09
Share capital	12	20,0	20,0	20,0
Share premiums		63,3	63,3	63,3
Consolidated reserves		41,2	44,7	46,8
Profit for the period		7,3	(0,8)	1,1
Equity, group share		131,8	127,2	131,2
Minority interests		2,1	1,4	1,0
Consolidated equity		133,9	128,6	132,2
Bond loans	15	88,7	87,7	86,7
Other non-current financial and derivative liabilities	15	0,4	1,0	0,4
Provisions	18	0,4	0,6	0,9
Employee benefits	17	14,1	12,5	11,0
Other non-current liabilities		6,3	6,0	7,3
Deferred tax liabilities				
Non-current liabilities		109,9	107,8	106,3
Other current financial and derivative liabilities	16	5,5	5,0	7,1
Provisions	18	8,1	12,3	8,1
Trade payables and related accounts		26,3	26,9	27,5
Corporate income tax liability		1,9	0,7	0,6
Other current liabilities	19	155,2	146,7	150,2
Current liabilities		197,0	191,6	193,5
TOTAL EQUITY AND LIABILITIES		440,8	428,0	432,0

■ CONSOLIDATED INCOME STATEMENT

In millions of euros

	Notes	30/06/10	30/06/09	30/06/08
Revenue	20	314,8	308,9	336,5
Employee benefits expense		(234,8)	(239,8)	(245,0)
Taxes and duties other than income tax		(0,8)	(3,6)	(3,4)
Amortization, depreciation and provision expense		(5,8)	(5,2)	(5,8)
Other ordinary operating revenue and expense		(57,6)	(56,9)	(61,4)
Current operating profit		15,8	3,4	20,9
Non-current operating revenue				
Non-current operating expense				
Operating profit		15,8	3,4	20,9
Share in profit of associates				0,3
Net borrowing costs		(1,0)	(0,7)	(1,3)
Other financial revenue and expense		(1,8)	(1,0)	(0,6)
Profit for the period from continuing operations before tax		13,0	1,7	19,3
Income tax expense	21	(5,0)	(1,0)	(5,4)
Profit for the period from continuing operations		8,0	0,7	13,9
Profit for the period from discontinued operations				(0,1)
Consolidated profit for the period		8,0	0,7	13,8
Attributable :				
	To Assystem SA	7,3	1,1	13,8
	To minority interests	0,7	(0,4)	
	In euro			
Basic earnings per share	22	0,38	0,06	0,69
Diluted earnings per share	22	0,38	0,06	0,68
Basic earnings per share from continuing operations	22	0,38	0,06	0,69
Diluted earnings per share from continuing operations	22	0,38	0,06	0,68
Basic earnings per share from discontinued operations				-0,005
Diluted earnings per share from discontinued operations				-0,005

■ CONSOLIDATED STATEMENT OF CASH FLOWS

In millions of Euros

	Notes	30/06/10	30/06/09	30/06/08
OPERATIONS				
Profit for the period from continuing operations		8,0	0,7	13,8
Elimination of non-cash and non-operating transactions	11	10,6	9,5	10,8
Change in working capital requirement		(6,4)	5,3	(14,7)
Income tax expense		(2,8)	(9,5)	(2,8)
Net cash flow from operating activities	11	9,4	6,0	7,1
INVESTING ACTIVITIES				
Non-current assets acquisitions	8	(2,3)	(2,5)	(7,1)
Non-current assets disposals		0,3		
		(2,0)	(2,5)	(7,1)
Securities purchases		(0,2)		
Securities disposals				
		(0,2)		
Loans to companies classified as available-for-sale assets				0,2
Loans repaid by companies classified as available-for-sale assets		0,1		
Dividends received				0,7
Net cash flow from investing activities		(2,1)	(2,5)	(6,2)
FINANCING ACTIVITIES				
Proceeds from bonds issues and other borrowings				
Bond and other borrowings repayments	15	(0,6)	(0,7)	(3,8)
Interest paid		(1,6)	(1,0)	(2,2)
Dividends paid to shareholders of parent company	13	(4,9)	(9,7)	(7,6)
Capital increases			0,2	0,8
Purchase and disposal of treasury shares		0,7	(2,4)	(5,9)
Net cash flow from financing activities		(6,4)	(13,6)	(18,7)
Variation in cash from continuing operations		0,9	(10,1)	(17,8)
Cash at beginning of period	10	92,3	70,1	80,4
Variation in cash from discontinued operations				
Effect of non-cash items and exchange rate fluctuations			(0,4)	0,5
Variation in cash from continuing operations		0,9	(10,1)	(17,8)
Cash at end of period	10	93,2	59,6	63,1