assystem

PRESS RELEASE

Assystem delivers very good performance in 2011 and consolidates its future growth fundamentals

- ***€58.7 million in operating profit, up 32%, for a 7.7% operating margin***
- ***€41.0 million in attributable net profit, up 90%***
- ***Strong, sustained free cash flow, at €34.6 million***
- ***Dividend of €0.45 per share submitted to shareholder approval***

(Paris – 14 March 2012 – 5:35 pm CET) – The Supervisory Board of Assystem S.A. (ISIN: FR0000074148 - ASY), a leading innovation and engineering consultancy, met on yesterday and reviewed the financial statements for the year ended 31 December 2011.

€M	**2011***	2010
Income statement highlights		
Revenue	**760.6**	636.5
Operating profit	**58.7**	44.3
% of revenue	*7.7%*	*7.0%*
Attributable net profit[1]	41.0	21.5
Cash flow highlight		
Operating free cash flow[(2)]	**34.6**	47.4
Balance sheet highlight		
Net cash[(3)]	12.3	34.0
Per share data (€)		
Basic earnings per share	**2.13**	1.10
Diluted earnings per share[(4)]	**2.01**	1.08
Dividend submitted to shareholder approval	**0.45**	0.45

**Including Berner & Mattner consolidated over 12 months and MPH's French operations over five months*

The consolidated financial statements have been audited by the Statutory Auditors, who will issue their opinion after completing the filing procedures for the Registration Document.

"*Assystem had a very good year in 2011, when it strengthened the fundamentals of its future growth*," commented Dominique Louis, Chairman of the Management Board. "*The acquisition of Berner & Mattner and MPH Group enabled us to expand in geographic zones like Germany and Africa/Middle East, as well as in such promising segments as embedded systems and energy. Backed by our 10,200 employees, Assystem has entered 2012 with pro forma 2011 revenue of around €850 million and a commitment to playing a leading role in consolidating the engineering industry.*"

(1) Net profit excluding fair value adjustment of the ORNANE derivative, net of tax, amounted to €36.7 million in 2011. Basic earnings per share adjusted for the change in fair value of the ORNANE derivative, net of tax, was €1.90.
(2) Net cash flow from operations, less capital expenditure, net of disposals.
(3) Long-term and short-term debt less cash and cash equivalents and fair value of interest-rate, currency hedging instruments and ORNANE.
(4) Given the year-end closing share price and the Group's intention settle the nominal value of the ORNANE convertible bond in cash, no dilution from the bond has been recognised in 2011.

ANALYSIS OF THE 2011 INCOME STATEMENT

- *Revenue*

Revenue rose by a very strong 19.5% as reported and 13.2% on an organic basis in 2011, led by firm demand and Assystem's positioning in strategic sectors. The sharp increase reflected robust revenue growth in every business unit, both in France and other countries.

- *Operating profit*

Operating profit rose by 32% year-on-year to €58.7 million. All three business units and every region contributed to growth during the year, attesting to a buoyant economic environment and the quality of the Company's business management.
Operating margin stood at 7.7%, at the upper end of the Company's normal range. Excluding costs related to acquisitions completed or under consideration in 2011, operating margin came to 8%.

€m	**2011**	**% of revenue**	2010	% of revenue
France	39.0	7.8%	26.5	6.1%
International	19.7	7.6%	17.8	9.0%
Total	**58.7**	**7.7%**	44.3	7.0%

In 2011, operations in France and international markets contributed homogeneously to consolidated operating margin. The operating margin in France stood at 7.8%, up 1.8 points over the year. Outside France, performance was led by the United Kingdom and embedded systems in Germany. In addition, while still modest, margins in Spain and Romania rose sharply on both locally generated business and in the expanding near-shore operations.

Operating margins continued to improve in each of the three business units:

- Margin in the ***Plant Engineering & Operations*** business unit rose to 7.8% from 7.2% in 2010, lifted by the performance of the nuclear business and the development of owner assistance and EPCM services.
- In the ***Aerospace Engineering*** business unit, operating margin increased substantially to 7.8% from 6.8%, reflecting sustained demand in every segment and effective project management.
- Margin in the ***Technology & Product Engineering*** business unit continued to improve, rising to 7.5% from 7.0% in 2010, led by strong growth in demand from the automotive and transport industries, as Assystem repositioned itself in electronics and embedded systems. The acquisition of Berner & Mattner, positioned in these systems in the German auto industry, participated in this positive movement.

In this context of strong growth, Assystem continued to optimise its overheads, which were held to less than 18% of revenue, improving since 2010.

The operational invoicing rate further improved, to end the year at an average 92.1%, up 2.1 points on 2010.

- *Remarkable growth in attributable net profit*

Attributable net profit surged by 90% to €41.0 million as reported.

Net financial income is positive, at €1 million in 2011, but was stable year-on-year when adjusted for the €6.7 million non-cash impact of the increase in the fair value of the ORNANE derivative. It includes net borrowing costs in an amount of €2.5 million.

The effective tax rate stood at 31.1%, down 7.3 points from the prior-year period, primarily as a result of the deployment of operations outside France.

Adjusted for the positive net of tax increase in the fair value of the ORNANE derivative[5], attributable net profit stood at €36.7 million for the year.

STRONG CASH FLOW GENERATION

Assystem's robust operating performance across every Business Unit and geographic zone once again drove strong operating free cash flow in 2011, at €34.6 million for the year.

At a time of fast growth, the Company preserved its intrinsic fundamentals, including working capital requirement of less than 4% of revenue and one of the industry's lowest DSOs, which further improved by two days during the year (to an average 82 days and 78 days in the fourth quarter alone). In addition, capital expenditure remained under control, at around 1.5% of revenue.

At the same time, as part of its external growth programme, outlays for acquisitions totalled a net €38.7 million over the year.

In all, Assystem ended the year with net cash of €12.3 million.

RECOMMENDED DIVIDEND OF €0.45 PER SHARE

At the Annual General Meeting next 23 May, shareholders will be asked to approve the payment of a dividend of €0.45 per share, unchanged from 2010.

2012 OUTLOOK

Since the beginning of 2012, demand has followed the late 2011 trend line. Assystem enjoys opportunities and long-term visibility in the energy sector, and good trends in aerospace. Visibility is improving in the French auto industry, despite business being slightly down compared to 2011.

Assystem has solid financial resources, thanks to the arrangement, under particularly satisfying terms and conditions, of more than €300 million in available financing in 2011. As a result, the Company will be able to easily pursue its selective acquisition strategy, with a focus on strategic industries and embedded systems in France, the United Kingdom and Germany.

2012 Investor Calendar (all information released after close of trading)

14 May: Revenue for the three months ended 31 March 2012
23 May: Annual General Meeting
30 July: Revenue for the six months ended 30 June 2012
11 September: Results for the six months ended 30 June 2012 (*presentation on 12 September*)

(5) The impacts of the ORNANE issue are presented in more detail on the last page of this press release.

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 10,200 people worldwide and reported nearly €850 million in pro forma revenue in 2011. The Company is listed on NYSE Euronext Paris – Compartment B - Code ISIN: FR0000074148 – ASY. For more information: www.assystem.com

CONTACTS

Gilbert Vidal
Chief Financial Officer
Phone: +33 (0)1 55 65 03 10

Pauline Bucaille
Vice President, Corporate Communications and Investor Relations
Phone: +33 (0)1 55 65 03 08 – pbucaille@assystem.com

Nicolas Castex/Lucie Larguier
Citigate Dewe Rogerson, Media Relations
Phone: +33 (0)1 53 32 84 75 – lucie.larguier@citigate.fr

Agnès Villeret
Citigate Dewe Rogerson, Analyst and Investor Relations
Phone: +33 (0)1 53 32 78 95 – agnes.villeret@citigate.fr

APPENDICES

- **REVENUE BY REGION**

In € millions	2011	2010	Change
France	**501.5**	**438.3**	+ 14.4%
International	**259.1**	**198.2**	+ 30.7%
Total	**760.6**	**636.5**	+ 19.5%

- **REVENUE BY BUSINESS UNIT**

In € millions	2011	2010	Change
Plant Engineering & Operations	**288.4**	**257.3**	+ 12.0%
Aerospace Mechanical Engineering	**212.6**	**184.6**	+ 15.1%
Technology & Product Engineering	**253.9**	**188.7**	+ 34.5%
Other businesses	**5.7**	**5.9**	
Total	**760.6**	**636.5**	+ 19.5%

- **CURRENT OPERATING PROFIT BY BUSINESS UNIT**

In € millions	2011	2010
Plant Engineering & Operations	**22.4**	**18.5**
Aerospace Mechanical Engineering	**16.6**	**12.6**
Technology & Product Engineering	**19.0**	**13.3**
Other businesses	**0.7**	**-0.1**
Total	**58.7**	**44.3**

- **SHARE CAPITAL AT DECEMBER 31 2011**

Shares outstanding		
Ordinary shares outstanding	20 387 724	
Treasury stock	1 442 446	
BSAR 2012 [1] redeemable share warrants outstanding	290 405	Strike price: €10.15
BSAR 2013 [2] redeemable share warrants outstanding	4 892 734	Strike price: €35.00
BSAR 2015 [3] redeemable share warrants outstanding	3 189 513	Strike price: €11.10
Stock awards and performance stock awards outstanding	171 374	
Weighted average shares outstanding	19 277 991	
Diluted weighted average shares outstanding[4]	20 385 091	

[1] Parity: 1.13; Expire: 31 March 2012; Enforcement call starting date: 31 January 2009; Enforcement call share price: €17.50.
[2] Parity: 1.0; Expire: 31 July 2013; Enforcement call starting date: 31 July 2010; Enforcement call share price: €52.50.
[3] Parity: 1.0; Expire: 9 July 2015; Enforcement call starting date: 9 July 2013; Enforcement call share price: €15.54.
[4] Excluding the potential dilution from the ORNANE convertible bond, given the year-end closing share price and the Group's intention settle the nominal value of the bond in cash.

- **OWNERSHIP STRUCTURE AT 31/12/2011**

%	Shares	Effective voting rights[4]
Dominique Louis / HDL / H2DA[6] / CEFID[7] / EEC	27.12	35.1
CDC Group[7]	16.53	15.00
Members of the Supervisory board and of the Management board	3.45	5.8
Employees Saving Scheme	1.22	2.1
Free Float (including employees)	46.33	42.0
Treasury Stock	5.35	0.0

[4] These voting rights differ from the theoretical voting rights used in the calculation of threshold crossing.
[5] Held by HDL (60.5%) and certain members of the Management Board.
[6] Held by HDL. Dominique Louis and Michel Combes.
[7] Of which 14% held by FSI and 2.5% by CDC EVM.

- **CONSOLIDATED BALANCE SHEET**

In millions of euros

ASSET	2011	2010	2009
Goodwill	114.0	75.6	75.0
Intangible assets	5.4	6.2	9.2
Property, plant and equipment	16.5	13.6	14.9
Investment properties	1.4	1.4	1.4
Investments in associates	0.6	0.5	0.5
Available-for-sale assets	3.4	3.3	3.6
Other non-current financial assets	7.1	4.0	3.8
Deferred tax assets	6.1	7.8	5.2
Total non-current assets	**154.5**	**112.4**	**113.6**
Available-for-sale-assets		1.0	
Trade receivables	250.3	205.6	203.7
Other receivables	26.7	14.5	13.7
Corporate income tax receivables	1.1	1.6	4.1
Cash and cash equivalents	151.8	127.9	92.9
Total current assets	**429.9**	**350.6**	**314.4**
TOTAL ASSETS	**584.4**	**463.0**	**428.0**

Equity and Liabilities	2011	2010	2009
Share capital	20.4	20.2	20.0
Share premiums	66.2	64.2	63.3
Consolidated reserves	42.5	36.2	44.7
Profit for the period	41.0	21.5	(0.8)
Equity, attributable to Assystem SA	170.1	142.1	127.2
Consolidated equity	**173.0**	**144.7**	**128.6**
Bond loans	103.9	47.1	87.7
Other non-current financial and derivative liabilities	6.5	0.2	1.0
Provisions	0.8	0.5	0.6
Employee benefits	14.3	14.7	12.5
Other non-current liabilities	0.4	8.2	6.0
Deferred tax liabilities	0.4	0.1	
Non-current liabilities	**126.3**	**70.8**	**107.8**
Bond loans	24.4	42.2	
Other current financial and derivative liabilities	4.7	4.4	5.0
Provisions	10.8	5.9	12.3
Trade payables and related accounts	40.5	30.8	26.9
Corporate income tax liability	2.6	5.8	0.7
Other current liabilities	202.1	158.4	146.7
Current liabilities	**285.1**	**247.5**	**191.6**
TOTAL EQUITY AND LIABILITIES	**584.4**	**463.0**	**428.0**

• CONSOLIDATED INCOME STATEMENT

In millions of euros	2011	2010	2009
Revenue	**760.6**	**636.5**	**607.3**
Employee benefit expense	(529.9)	(458.8)	(449.6)
Taxes and duties other than income tax	(1.7)	(1.5)	(7.0)
Amortization, depreciation and provision expense	(11.0)	(10.9)	(11.5)
Other ordinary operating revenue and expense	(159.3)	(121.0)	(113.5)
Current operating profit	**58.7**	**44.3**	**25.7**
Non-current operating revenue			0.3
Non-current operation expense			(10.4)
Operating profit	**58.7**	**44.3**	**15.6**
Share in profit of associates	0.2	0.1	0.2
Net borrowing costs	(2.5)	(1.9)	(1.9)
Fair value adjustment of the ORNANE derivative	6.7		
Other financial revenue and expense	(3.2)	(4.2)	(2.9)
Profit for the period from continuing operations before tax	**59.9**	**38.3**	**11.0**
Income tax expense	(18.6)	(14.7)	(3.5)
Profit for the period from continuing operations	**41.3**	**23.6**	**7.5**
Profit for the period from discontinued operations	(0.1)	(1.1)	(8.4)
Consolidated profit for the period	**41.2**	**22.5**	**(0.9)**
Attributable :			
To Assystem SA	41.0	21.5	(0.8)
To minority interests	0.2	1.0	(0.1)

- ## Consolidated statement of cash flows

In millions of euros	2011	2010	2009
OPERATING ACTIVITIES			
Profit for the period from continuing operations	41.3	23.6	7.5
Elimination of non-cash and non-operating transactions	22.6	30.5	28.7
Change in working capital requirement	(1.1)	14.2	16.3
Income tax expense	(20.6)	(10.3)	(11.3)
Net cash flow from discontinued operations	0.9	(4.0)	0.8
Net cash flow from operating activities	**43.1**	**54.0**	**42.0**
INVESTING ACTIVITIES			
Non-current assets – acquisitions	(13.8)	(7.1)	(6.1)
Non-current assets – disposals	5.3	0.5	0.3
	(8.5)	(6.6)	(5.8)
Securities purchased	(36)	(0.5)	
Securities sold			
	(36.0)	(0.5)	
Loans repaid by companies classified as available-for-sale assets			0.3
Net cash flow from discontinued operations	0.1	0.2	0.1
Non-current assets – acquisitions			
Non-current assets – disposals		0.8	
Net cash flow used in investing activities	**(44.4)**	**(6.1)**	**(5.4)**
FINANCING ACTIVITIES			
New borrowings and other debt	87.0		
Bond and other borrowing repayments	(42.6)	(1.2)	(0.6)
Interest paid	(2.7)	(3.1)	(2.6)
Dividends paid to shareholders of parent company	(8.6)	(4.9)	(9.7)
Capital increases	2.2	1.1	0.7
Purchase and disposal of treasury shares	(9.8)	(4.9)	(2.1)
Net cash flow used in financing activities	**25.5**	**(13.0)**	**(14.3)**
Change in net cash	**24.2**	**34.9**	**22.3**
Net cash at beginning of period	**127.2**	**92.3**	**70.1**
Effect of non-cash items and exchange rate fluctuations			(0.1)
Change in net cash	24.2	34.9	22.3
Cash at end of period	**151.4**	**127.2**	**92.3**

Issuance of net share settled bonds convertible into new and/or exchangeable for existing shares (ORNANE)

In 2011, Assystem optimized its balance sheet by implementing a diversified financing programme comprising:

- A medium-term line of credit of up to €100 million to finance acquisitions (not yet used).
- A €120 million revolving credit facility for general corporate purposes (not yet used).
- Net share settled bonds convertible into new and/or exchangeable for existing shares (ORNANEs), issued in July 2011 in a nominal amount of €92 million with the following characteristics:

Total amount of the issue	€92 million
Date of issue	6 July 2011
Maturity	1 January 2017
Number of bonds issued	4.181.818
Unit issue price. with a 27.43% premium	€22.00
Interest rate	4%
Redemption	In fine
Fair value of the issue at 31 December 2011 (IFRS)	**€84.4 million**
Of which mark-to-market value of the ORNANE derivative	***€4.1 million***

ORNANE redemption process

An ORNANE is a hybrid financial instrument that is similar to a bond but which under certain conditions can be converted into or exchanged for a share of Company stock. At maturity, the Company may opt to apply one of the following redemption procedures:

- If the share price is lower than or equal to the nominal value of the bonds, the ORNANEs may be settled in cash (first option), converted into new shares or exchanged for existing shares.
- If the share price is higher than the nominal value of the bonds. the ORNANEs may be settled as follows:
    - in new and/or existing shares for the entire value.
    - or in cash for the par value and, in new and/or existing shares for the excess of the share price over the nominal value.

Accounting principles

According to IFRS, an ORNANE is a convertible debt security with two components:

- A bond component recognised in debt and measured at amortised cost.
- An equity component (derivative instrument) recognised in debt “at mark-to-market value”. Mark-to-market adjustments are recognized in other financial revenue and expense on a separate line called: “Fair value adjustment of the ORNANE derivative.” This is different from an OCEANE convertible bond, for which the embedded derivative is recognised in equity at cost. This accounting principle does not have any cash impact on profit and is inversely related to the share price.

Limited dilution

ORNANEs offer Assystem the option of limiting the number of shares to be issued upon conversion or exchange. The Company's current intention is to settle the nominal value in cash.