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Press Release

Paris, France, July 29, 2013

First half 2013 results[1]

Operating margin rate[2] of 5.2%
Significant reduction in pro-forma[3] net financial debt

- **In a challenging first half 2013 economic environment, like-for-like sales were down by 2.3% (-1.1% excluding non-recurring effects)**
- **The operating margin rate[2] stood at 5.2% versus 5.1% reported at June 30, 2012**
- **The strong free cash flow generation over the first half enabled a €84.4 million reduction in net financial debt relative to its level at June 30, 2012 pro-forma[3]**
- **The increase in long-term bond yields over the first six months of the year enabled a 26% reduction (i.e. -€78 million) in the pension funds deficit, net of tax, relative to the estimate at December 31, 2012.**

On July 26, 2013 the Supervisory Board of Groupe Steria SCA examined the consolidated financial statements submitted by the General Management.

First half 2013 consolidated results

		2012 Published	2012[4]	2013	Organic growth At constant perimeter and currency
Revenue	**€m**	926.6	926.6	**873.8**	**-2.3%**
Operating margin[2] ***% of revenue***	**€m** ***%***	47.0 *5.1%*	47.1 *5.1%*	**45.7** ***5.2%***	
Operating income[5]	**€m**	37.6	45.5	**26.6**	
Attributable net income	**€m**	23.8	26.5	**7.4**	
% of revenue	***%***	*2.6%*	*2.9%*	***0.8%***	
Underlying attributable net income[6]	**€m**	27.5	24.3	**20.6**	
Underlying diluted earnings per share[6]	**€**	0.81	0.72	**0.68**	
Shareholders' equity	**€m**	802.7	604.2	**377.0**	
Net financial debt	**€m**	212.7	212.7	**280.7**	

[1]The limited examination of the condensed consolidated mid-year financial statements was carried out. The Limited Statutory Auditors' report is pending issue.
[2]Before amortisation of intangible assets arising from business combinations. The operating margin is the Group's key indicator. It is defined as the difference between revenue and operating expenses, the latter being equal to the total cost of services rendered (costs necessary for the implementation of projects), sales costs and general and administrative expenses.
[3]Given the reimbursement on January 2, 2013 of the subordinated hybrid convertible bonds issued in 2007 for €152 million (classified under shareholders' equity), the pro-forma net financial debt at 30/06/2012 would have been €365.1 million (€212.7 million+ €152.4 million) and €295.4 million at 31/12/2012 (€143.0 million + €152.4 million).
[4]2012 financial statements presented with the application of IAS19R as of January 1, 2012.
[5]Operating income includes restructuring and reorganisation costs, capital gains or losses on disposals, the estimated fair value of share-based compensation, the impact of goodwill impairment tests and, for the financial statements published in 2012, actuarial gains and losses recognized within the framework of accounting for post-employment benefits (so-called corridor method).
[6]Attributable net income restated, after tax, for other operating income and expenses and amortisation of intangible assets.

Revenue

First quarter 2013 consolidated revenue

In € million	30/06/2012	30/06/2013	Growth
Revenue	926.6	**873.8**	**-5.7%**
Change in consolidation scope	**-20.7**		
Change due to currency effect	**-11.9**		
Pro-forma revenue	**894.0**	**873.8**	**-2.3%**

First quarter 2013 revenue by geographic area

In € million	30/06/2012*	30/06/2013	Organic growth
United Kingdom	**356.9**	**344.0**	**-3.6%**
France	**295.3**	**278.7**	**-5.6%**
Germany	**114.8**	**118.9**	**3.5%**
Other Europe	**126.9**	**132.2**	**4.2%**
Total	**894.0**	**873.8**	**-2.3%**

*Like-for-like revenue (base 2013)

First quarter 2013 revenue by geographic area

In € million	Q2 2012*	Q2 2013	Organic growth
United Kingdom	**181.4**	**171.9**	**-5.2%**
France	**138.9**	**134.7**	**-3.0%**
Germany	**56.4**	**60.3**	**6.9%**
Other Europe	**65.1**	**70.1**	**7.7%**
Total	**441.8**	**437.1**	**-1.1%**

*Like-for-like revenue (base 2013)

Operating performance during the first half 2013

Within a challenging European economic environment during the first half, the Group posted a revenue decline limited to 2.3% like-for-like. This reduction needs to be seen within the context of a particularly high first half 2012 comparison base in France notably due to the non-recurring revenue arising from the launch of the Ecotaxe project (the first half of 2012 had increased by 9.3% in this region). Adjusted for this effect, the like-for-like change in the Group's sales was -1.1% in the first half with 1.5 fewer days of production than in the first half of 2012.

In terms of business lines, the Infrastructure Management and Business Process Outsourcing activities grew by 4.5% while Applications Services (Consulting, Systems Integration, Applications Maintenance and Testing) declined by 7.4% (-5.5% excluding the Ecotaxe impact).

At the end of June 2013, the pipeline amounted to twice the level of the annual projected revenue (+6.7% versus end June 2012) due, in particular, to an improvement of around €500 million during the second quarter relative to 31/12/2012.

Within a context characterised by longer decision-making cycles, the book to bill ratio stood at 0.85 at June 30, 2013 compared with 1.11 at June 30, 2012 (which included the "run" portion for Ecotaxe for a significant amount). In the cyclical part of the business (consulting/systems integration/testing), the book to bill ratio was, however, identical to its level of the previous year (1.08).

In the United Kingdom, revenue decreased by 3.6% on a constant currency basis in the first half of 2013. The banking and public sectors were negatively oriented whereas the positive first quarter momentum in the Energy-Utilities/Telco-Media/Transport sector was confirmed. At end June 2013, the book to bill ratio stood at 0.75 (1.0 at June 30, 2012). For its part, the pipeline has seen a marked increase since December 2012 benefiting, in particular, from new opportunities in the Public Sector.

In France, the revenue evolution improved during the second quarter relative to the first quarter but the trend remained negative with a decline of 3.0%. After restatement for Ecotaxe hardware sales in the 2012 financial year (€3 million in the second quarter), the decline was 1.2% in the second quarter of 2013. The book to bill ratio stood at 0.89 at June 30, 2013 compared to 1.32 at June 30 2012 (which had included the Ecotaxe run portion).

In Germany, organic growth was 6.9% in the second quarter of 2013 due to a positive momentum in all sectors with the exception of Telecommunications. At June 30, 2013, the book to bill ratio stood at 1.07 (1.21 at June 30, 2012).

In the Other Europe region, the organic revenue progression was +7.7% during the second quarter, benefiting from strong growth in Scandinavia and despite the activity slowdown in Belgium after the successful deployment of the second-generation Schengen Information System. At June 30, 2013 the book to bill ratio stood at the same level as at the same date of the previous year.

First half net income 2013

Despite a 2.3% decline in revenue, the first half 2013 operating margin proved resilient due to the “3P” plan which was rolled out in the different countries as of the second half of 2012. It stood at €45.7 million versus €47.0 million reported in 2012, representing a margin rate of 5.2% (5.1% reported at June 30, 2012).

Other operating income and expenses (mostly comprising restructuring charges) stood at -€16 million during the first half. The -€6.2 million reported for the previous year had included an exceptional capital gain of €12.2 million linked to the application of the accounting treatment on the NHS SBS acquisition.

The financial result stood at -€12.1 million (-€4.2 million reported in 2012) mainly due to the application of the Revised IAS19 which led to a €5.7 million increase in financial expense (no cash impact) linked to the pension fund deficit taking it to €7.0 million. The tax charge stood at €5.3 million (€8.4 million reported in 2012).

Despite the virtually stable operating margin, attributable net profit stood at €7.4 million (€23.8 million reported in 2012) mainly due to the impact of the non-operational items.

Financial situation at the end of the first half 2013

Within the framework of the objectives set by the Group for 2013 and in the current economic environment, priority has been given to cash management and debt reduction. The measures implemented enabled a positive performance in terms of cash generation during the first half of 2013:

- despite the revenue decline, EBITDA saw a slight increase to €61.6 million (€60.6 million in 2012),
- control over capex offset the increase in restructuring costs,
- strict working capital requirement management enabled positive cash flow of €29.5 million.

In total, the Group reduced its pro-forma net debt[3] by €14.7 million relative to December 31, 2012 whereas the first half is traditionally negative in terms of cash flow.

Net financial debt thus stood at €280.7 million at June 30, 2013, representing a comfortable financial situation for the Group in terms of both its financial ratios (gearing of 74%, EBITDA leverage ratio at 1.9x relative to a maximum of 2.5x and an interest cost cover ratio of 37.4 compared with a minimum of 5.0x) and liquidity (around €300 million of available undrawn credit facilities with a three-year maturity).

Finally, the increase in long-term bond yields during the first half of 2013, particularly in the United Kingdom enabled a reduction in the pension fund deficit which is now accounted under liabilities in the balance sheet in application of the Revised IAS19: the deficit, net of taxes, fell from an estimated €303.0 million at end December 2012 to an estimated €225.5 million at June 30, 2013, i.e. a reduction of 26% or some €78 million.

Outlook

Based on the good cash flow performance during the first half, the Group confirms its priority objective of generating a positive net free cash flow[7] in 2013 to reduce net financial debt with respect to December 31, 2012 pro-forma[3].

Based on the commercial data for the first half (order intake and revenue), the Group expects stable revenue for the second half of 2013 in comparison to the second half of the previous year, but maintains an objective of an improvement in its operating margin rate in the 2013 financial year.

-ENDS-

An information meeting on the first half 2013 results will take place on Monday July 29, 2013 at 9h00 CET and will be retransmitted by webcast at www.steria.com (investors section).

Next news: Q3 2013 revenue
Wednesday October 30 before the market opening

Steria is listed on Euronext Paris. Eurolist (Section B)

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About Steria: www.steria.com
Steria delivers IT enabled business services and is the Trusted Transformation Partner for private and public sector organisations across the globe. By combining in depth understanding of our clients' businesses with expertise in IT and business process outsourcing, we take on our clients' challenges and develop innovative solutions to address them efficiently and profitably. Through our highly collaborative consulting style, we work with our clients to transform their business, enabling them to focus on what they do best. Our 20,000 people, working across 16 countries, support the systems, services and processes that make today's world turn, touching the lives of millions around the globe each day. Founded in 1969, Steria has offices in Europe, India, North Africa and SE Asia and a 2012 revenue of €1.83 billion. Over 20%(*) of Steria's capital is owned by its employees. Headquartered in Paris, Steria is listed on the Euronext Paris market.
(*): including "SET Trust" and "XEBT Trust" (4.15% of capital)

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[7]After dividends and before reimbursement of the subordinated hybrid convertible bonds

Consolidated income statement at June 30, 2013

In € million	30/06/2013	30/06/2012[3]	30/06/2012 Reported
Revenue	**873,794**	**926,601**	**926,601**
Cost of sales and sub-contracting costs	(166,006)	(186,005)	(186,005)
Personnel costs	(510,558)	(538,737)	(538,753)
Bought-in costs	(132,066)	(133,888)	(133,888)
Taxes (excluding income taxes)	(11,420)	(10,967)	(10,967)
Change in inventories	(15)	(18)	(18)
Other current operating income and expenses	8,280	4,618	4,618
Net charges for depreciation and amortisation	(17,987)	(20,338)	(20,338)
Net charges for provisions	(1,614)	2,638	2,638
Net charges for current asset impairment	211	(87)	(87)
Operating margin (*)	**42,619**	**43,817**	**43,801**
Other operating income and expenses	(16,014)	1,633	(6,188)
Operating income	**26,605**	**45,450**	**37,613**
Net cost of borrowings	(2,213)	(1,631)	(1,631)
Other financial income and expenses	(9,910)	(6,898)	(2,585)
Net financial expense	**(12,123)**	**(8,530)**	**(4,217)**
Income tax expense	(5,316)	(9,314)	(8,445)
Share of income/(loss) of associates	113	85	85
Net income from continuing operations	**9,280**	**27,692**	**25,036**
Net income for the year	**9,280**	**27,692**	**25,036**
Attributable net income	**7,363**	**26,527**	**23,837**
Non-controlling interests	1,917	1,165	1,199
Underlying[4] diluted earnings per share (in euros)	**0.68**	**0.72**	**0.81**

(*) After amortisation of the customer relationships recognised on the acquisition of Xansa and NHS SBS and amounting to €(3,129) thousand at 30/06/2013 and €(3,237) thousand at 30/06/2012

Consolidated balance sheet at June 30, 2013

In € million	30/06/2013	31/12/2012[3]	30/06/2012 Reported
Goodwill	746,853	779,171	785,965
Other intangible assets	98,476	102,758	102,427
Property, plant and equipment	56,068	60,212	59,214
Investments in associates	1,654	1,541	1,578
Available-for-sale financial assets	2,594	2,531	2,552
Other financial assets	4,414	9,495	3,905
Retirement benefit assets	-	-	61,052
Deferred tax assets	107,437	117,439	32,543
Other non-current assets	4,458	1,830	2,185
Non-current assets	**1,021,954**	**1,074,978**	**1,051,421**
Inventories	8,584	9,013	7,506
Net trade receivables and similar accounts	217,633	266,744	286,744
Amounts due from customers	218,481	202,607	244,609
Other current assets	56,115	42,285	42,757
Current portion of non-current assets	3,687	3,948	3,863
Current tax assets	37,656	33,333	42,952
Prepaid expenses	31,907	22,865	28,492
Cash and cash equivalents	167,861	145,579	139,602
Current assets	**741,924**	**726,373**	**796,526**
Non-current assets classified as held for sale	6,979	7,475	8,912
Total assets	**1,770,857**	**1,808,826**	**1,856,859**
Shareholders' equity	**369,269**	**504,722**[8]	**796,406**[8]
Non-controlling interests	7,726	5,763	6,283
Total equity	**376,995**	**510,484**	**802,689**
Long-term borrowings	381,085	245,810	292,927
Retirement benefit obligations	302,304	382,966	41,436
Provision for non-current liabilities and charges	11,700	12,396	14,407
Deferred tax liabilities	4,261	1,036	20,556
Other non-current liabilities	41,472	23,989	25,421
Non-current liabilities	**740,822**	**666 197**	**394,746**
Short-term borrowings	67,509	42,786	59,376
Provisions for current liabilities and charges	20,543	24,652	29,261
Net trade payables and similar accounts	152,064	148,751	146,185
Gross amounts due to customers and advances and payments on account received	72,806	81,822	91,540
Current tax liabilities	45,259	41,126	56,157
Other current liabilities	294,153	292,283	275,772
Current liabilities	**652,334**	**631,420**	**658,292**
Liabilities directly associated with non-current assets classified as held for sale	706	724	1,131
Total liabilities	**1,770,857**	**1,808,826**	**1,856,859**

[8] of which €152.4 million relating to the subordinated hybrid convertible bonds issued in November 2007 and reimbursed on January 2, 2013

Summary cash flow statement at June 30, 2013

In €m	30/06/2013	30/06/2012
EBITDA	**61.6**	**60.6**
Non cash adjustments	-0.9	0.4
Financial charges	-4.9	-2.6
Cash flow before tax	**55.9**	**58.4**
Income tax	-11.2	-13.9
Change in WCR (cash elements)	29.5	-75.6
Operating cash flow	**74.2**	**-31.0**
Net industrial investment	-16.2	-21.8
Restructuring	-19.5	-12.8
Operating free cash flow	**38.4**	**-65.6**
Dividends[9]	-8.7	-8.7
Net financial investment	-0.9	0.2
Capital increase	0.0	0.0
Change in perimeter	0.0	-0.4
Additional contribution to pension funds	-7.8	-8.8
Other	-6.2	-3.5
Free cash flow before hybrid reimbursement	**14.7**	**-86.8**
Reimbursement of the hybrid convertible bond	-152.4	0.0
Free cash flow	**-137.7**	**-86.8**

Operating margin rate[2] by geographical region at June 30, 2013

In % of revenue	30/06/2013	30/06/2012
United Kingdom	7.8%	8.4%
France	2.2%	4.7%
Germany	6.6%	3.7%
Other Europe	7.1%	2.6%
Corporate expenses	-0.5%	-0.7%
Group	**5.2%**	**5.1%**

9 Including the coupon on the subordinated hybrid convertible bonds: €8.7 million in 2013 and 2012.