

Assystem makes two strategic decisions to allow its two major business lines to accelerate their growth

- Global Product Solutions: Assystem joins forces with Ardian to develop its activity of engineering products and services post-development.
- Energy & Infrastructure: Assystem strengthens its strategic partnership with EDF by committing to participate in the round table of New Areva NP.

Paris, 11 May 2017 at 7 a.m. – Assystem S.A. (ISIN no.: FR0000074148 - ASY) announces two strategic decisions, with the aim of accelerating the growth of its two main business lines.

Dominique Louis, Chairman and CEO of Assystem, said: *“These strategic decisions provide crucial benefits to the group’s two main business lines. They offer our customers a response that meets their expectations, our collaborators new opportunities and create value for our shareholders.”*

Conclusion of an agreement between Ardian and Assystem to allow GPS to remain one of the main parties involved in the ongoing consolidation of the R&D outsourcing market.

Assystem has concluded an agreement with Ardian¹ with a view to selling to Ardian 60% of its R&D outsourcing division Global Product Solutions (GPS), the group remaining closely associated with the development of GPS through its 40% residual stake. Assystem will consolidate this holding by the equity method.

Assystem aims to allow GPS to remain one of the main players in the ongoing consolidation of the R&D outsourcing market. By cooperating with the private independent investment company Ardian, the group gives GPS access to the resources and expertise that Ardian deploys to support the growth of its holdings, particularly through identification and financing of acquisitions.

GPS aims to respond to the expectations of its clients, who are willing to prioritise fewer suppliers with a more general, global offering. Enhancing GPS’s growth and its geographical and sectorial reach is of the essence to ensure, over the long run, its position as a market leader.

¹ *The agreement consists in an offer made by Ardian to benefit Assystem. It includes the organisation and financing of the GPS division acquisition, allowing Assystem to own 40% of the share capital of the acquisition vehicle. Ardian and Assystem are expected to conclude contracts as per the terms of the offer, upon receipt of notice from the employee representative bodies as required by the legislation in force.*

The operation will be, in accordance with Position-Recommendation No. 2015-05 of the French Financial Markets Authority, subject to the consultation of Assystem’s shareholders. As such, an ordinary shareholders’ meeting will be convened in the next few days. The Board of Directors of Assystem, which met for this purpose on 9 May 2017, unanimously recommends the shareholders of Assystem rule in favour of this operation. HDL Development, which holds a 60.7% stake in Assystem, will take part in the vote and confirms its unconditional support for the operation.

The operation is planned to close end of Q3 2017 and is subject to approval by the relevant merger control authorities.

The company's managerial teams will remain in place. Mr Olivier Aldrin, former deputy chief executive officer of the Altran group, will assume the role of chairman of the management board from the transaction date.

The value determined for 100% of GPS is of €550 m. Taking into account the bank financing to be put in place by the acquisition vehicle, Assystem will invest its own funds in this latter for approximately €125 m, representing its 40% stake. The tax and other costs incurred by Assystem represent approximately €25 m, therefore the net proceeds to it will amount to approximately €400 m. They will be used on one hand, to accelerate the growth of its Energy & Infrastructure division and on the other hand, to finance a share repurchase.

Strengthening of the historic partnership with EDF: submission of an offer to own 5% of the stock in New Areva NP²

Assystem, the leading independent nuclear engineering company in Europe, is willing to accelerate the development of its Energy & Infrastructure (E&I) division in a context of rapid growth in the world's nuclear engineering needs, driven by the necessary replacement of electricity generating means using fossil fuels with carbon-free means.

In this context, Assystem wishes to take part in the reconfiguration of the French nuclear industry and has, accordingly, made an offer to AREVA and EDF (future controlling shareholder of New Areva NP) to own a 5% stake in this new entity, based on a valuation consistent with that drawn up between EDF and AREVA for the stake held by EDF (i.e. a value for 100% of the capital of €2.5 billion, on a debt-free cash-free basis, not including the effect of potential price adjustments).

The commitment made by Assystem will result in an investment of c. €125 m, to be made when New Areva NP will have been fully incorporated and the conditions precedent to its sale by AREVA will have been met.

This commitment is part of a broader agreement with EDF, aimed at consolidating their partnership, particularly for maintenance in operating conditions activities of all civilian nuclear reactors in France and in Great Britain and creating new opportunities for Assystem to take part in new build projects led by the French nuclear industry. It should also help to strengthen Assystem's links with historical partners of the French nuclear sector (Japanese and Chinese). Furthermore, this participation will not lead to any restriction to the field of collaborations entered into by Assystem with other major international actors (Russian and Korean).

New Areva NP, the activities of which generated revenues of €3.27 billion in 2016³, will be refocused on its core business, and be immune from the risks of turn key projects and full implementation for the construction of new nuclear power plants. The value retained for the company's capital takes into account the effects of the performance plan implemented since 2015 on the operational profitability of its activities.

Based on the expertise gained in the management of complex projects with strong regulatory restrictions, and the advances recorded in the development of robotics and digitalisation of engineering services, Assystem will also continue to develop its activities on markets in sustained growth of transport infrastructures, life sciences, energy efficiency of buildings and security systems, thanks to organic and external growth.

² *New Areva NP, a wholly-owned subsidiary of AREVA NP, in which the assets and activities currently conducted by AREVA NP of the design and supply of equipment for nuclear reactors, design and supply of fuel assemblies, and services to a broad installed base of nuclear reactors worldwide will be transferred, with the exception of contracts and means relating to the EPR OL3 project in Finland and some contracts relating to parts forged at the Le Creusot plant.*

³ *Revenues per combined consolidated financial statements.*

Share repurchase

A portion of the proceeds of the sale of 60% of GPS will be, subject to closing, used by Assystem to finance a repurchase of part of its shares pursuant to an offer to be launched within three months of closing. Such offer will be made for an amount of at least €200 m and on a minimum of 25% of Assystem shares (not including treasury shares).

Assystem's Board of Directors held on 9 May has agreed to these terms and to structure the share repurchase so that HDL Development, which holds a 60.7% stake in Assystem, maintains such stake at that level after the completion of the offer.

The terms and conditions of the share repurchase will be subject to the opinion of an independent expert and the approval of Assystem's shareholders during an extraordinary shareholders' meeting.

ABOUT ASSYSTEM

Assystem is an international group specialised in engineering and is listed on Euronext Paris. As a key participant in the industry for 50 years, Assystem supports its clients in developing their products and managing their capital expenditure throughout the product life cycle. Assystem employs more than 12,500 people worldwide and generated €956 million in revenue in 2016. Assystem SA is listed on Euronext Paris (ISIN no.: FR0000074148 - ASY).

GPS, which had revenues of €578 million in 2016 (of which 59% in Aerospace, 33% in Automotive and 8% in Transportation & Industry), specialises in product engineering and post-development services for industrial clients operating in the aerospace, automotive, transportation and manufacturing industries. Its activity is highly technical and the company has proven expertise in critical and complex systems.

E&I, which had revenues of €316 million in 2016 (of which 60% in Nuclear and 40% in Energy Transition & Infrastructures), specialises in engineering in the sectors of energy and infrastructure. E&I operates in restricted environments, with strong operating safety requirements, renewable energies, transport infrastructure and building, as well as the life sciences. On the nuclear market, Assystem is one of the four leading engineering companies in the world, and the largest independent actor in Europe.

For more information, visit www.assystem.com

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