



Sopra
group



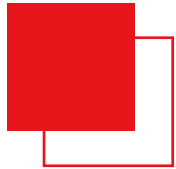
2010 Annual Results Presentation

22 February 2011

TALENTED  TOGETHER

Unissons nos Talents

Annual Results – 22 February 2011



Highlights 2010

■ Steady growth – very strong in 4th quarter

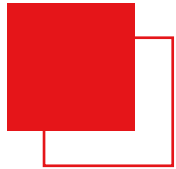
	<u>2010</u>	<u>Q4</u>
■ CSSI France	+ 6.0%	+ 9.4%
■ CSSI Europe	+ 1.2%	+ 9.7%
■ Axway	+ 11.8%	+ 12.3%

■ Margin improvement

- Group reaches symbolic 10% margin level
- CSSI France margin is close to 10%
- Axway is almost at 15% margin

■ Financial solidity

- Debt reduction of €71 m since June 2010
- Net debt to equity ratio (gearing) at all-time low of 15.7%
- Strong free cash flow: €90.8 m

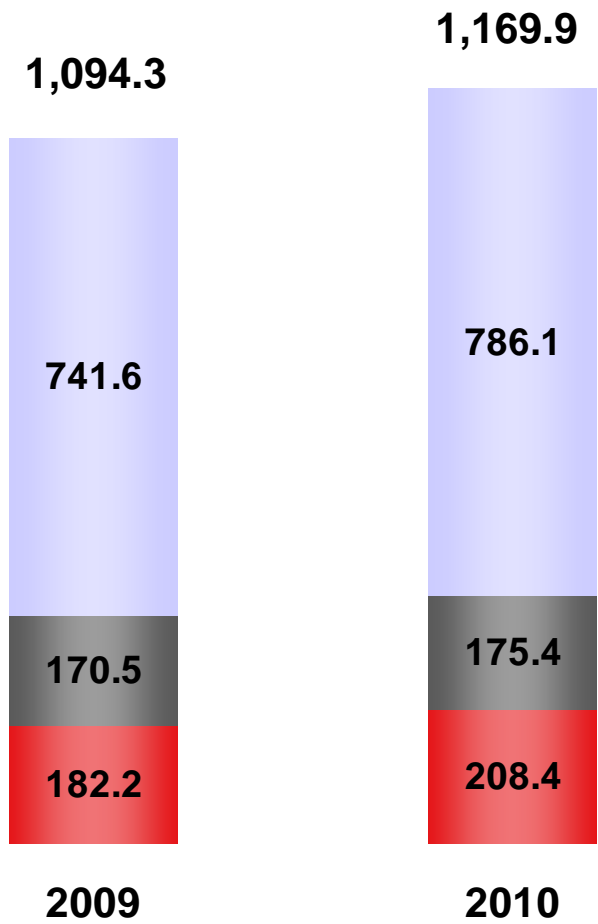


Agenda

- **2010 Achievements**
- **Complementary Information**
- **Sopra Group New Wins and Commentary**
- **Axway New Wins and Commentary**
- **Strategy and Outlook**



Revenue (€m)



Growth:	Full Year	Q4
Total	+6.9%	+11.2%
Organic	+6.2%	+10.0%

Organic Growth	2010	Q4
CSSI* France	+ 6.0%	+ 9.4%
CSSI* Europe	+ 1.2%	+ 9.7%
Axway	+ 11.8%	+ 12.3%

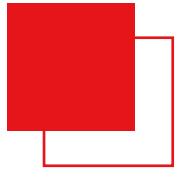
*CSSI: Consulting and Systems & Solutions Integration

Income Statement

	31/12 2010		31/12 2010 Restated (CVAE)		31/12 2009		Change 2009/2010 Restated	
	€m	%	€m	%	€m	%	€m	%
Revenue	1,169.9		1,169.9		1,094.3		75.6	
Staff costs - Employees	-783.7		-783.7		-737.4		-46.3	6.3%
Staff costs - Contractors	-84.9		-84.9		-74.3		-10.6	14.3%
Operating expenses	-169.9		-180.3		-183.7		3.4	-1.9%
Depreciation, amortisation and provisions	-14.8		-14.8		-15.9		1.1	-6.9%
Profit from recurring operations	116.6	10.0%	106.2	9.1%	83.0	7.6%	23.2	28.0%
Amortisation of allocated intangible assets	-2.6		-2.6		-2.6		-	
Other operating income and expenses	-4.7		-4.7		-17.2		12.5	
Operating profit	109.3	9.3%	98.9	8.5%	63.2	5.8%	35.7	56.5%
Net cost of financial debt	-5.8		-5.8		-9.2		3.4	
Net financial expense	-1.4		-1.4		-1.8		0.4	
Corporate income tax	-27.3		-16.9		-20.9		4.0	
Profit after tax of discontinued activities	-		-		-4.1		43.5	
Net profit	74.8	6.4%	74.8	6.4%	27.2	2.5%	4.1	175.0%

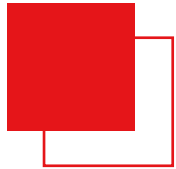
Operating Profit by Division

		2010		2010 Restated (CVAE)		2009	
CSSI Sopra Group (ex. Axway)							
Revenue	€m	961.5		961.5		912.1	
Profit from recurring operations	€m / %	85.5	8.9%	76.2	7.9%	64.5	7.1%
Operating profit	€m / %	83.7	8.7%	74.4	7.7%	46.6	5.1%
Net profit	€m / %	48.2	5.0%	48.2	5.0%	17.2	1.9%
of which CSSI France							
Revenue	€m	786.1		786.1		741.6	
Profit from recurring operations	€m / %	77.9	9.9%	68.6	8.7%	59.3	8.0%
Operating profit	€m / %	76.1	9.7%	66.8	8.5%	58.6	7.9%
Net profit	€m / %	42.2	5.4%	42.2	5.4%	34.9	4.7%
of which CSSI Europe							
Revenue	€m	175.4		175.4		170.5	
Profit from recurring operations	€m / %	7.6	4.3%	7.6	4.3%	5.2	3.0%
Operating profit	€m / %	7.6	4.3%	7.6	4.3%	12.0	-7.0%
Net profit	€m / %	6.0	3.4%	6.0	3.4%	17.7	-10.4%
Axway							
Revenue	€m	208.4		208.4		182.2	
Profit from recurring operations	€m / %	31.1	14.9%	30.0	14.4%	18.5	10.2%
Operating profit	€m / %	25.6	12.3%	24.5	11.8%	16.6	9.1%
Net profit	€m / %	26.6	12.8%	26.6	12.8%	10.0	5.5%



Balance Sheet

€m	31/12 2010	31/12 2009
Goodwill	369.9	356.6
Allocated intangible assets	22.0	23.1
Other fixed assets	44.6	40.4
Assets	436.5	420.1
Trade accounts receivable (net)	368.4	333.9
Other assets and liabilities	-383.1	-334.9
Operating assets and liabilities	-14.7	-1.0
ASSETS + WCR	421.8	419.1
Equity	364.6	281.7
Net financial debt	57.2	137.4
CAPITAL INVESTED	421.8	419.1



Shareholders' Equity

	M€
Position at 31 December 2009	281.7
Dividends	- 9.4
Net profit - Group share	74.8
Capital increase through exercise of share subscription options	2.6
Acquisition or disposal of treasury shares	- 0.5
Share-based payments	0.8
Actuarial differences	- 2.0
Change in financial instruments	0.8
Translation adjustments	15.8
Position at 31 December 2010	364.6

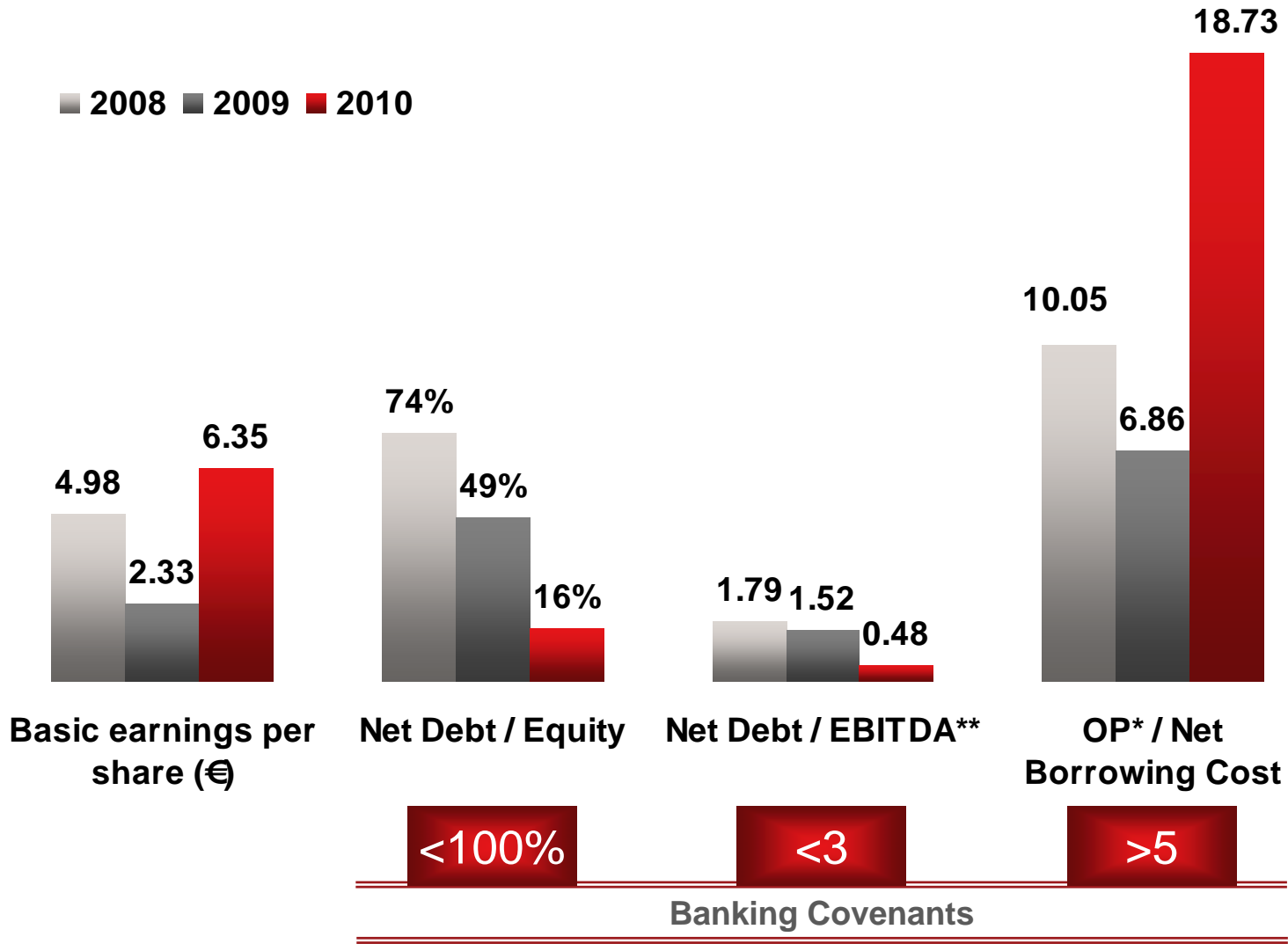


Changes in Net Debt

<i>In millions of euros</i>	2010	2009
Net debt at beginning of period (A)	137.4	198.2
Cash from operations before changes in working capital	124.7	94.6
Income taxes paid	-33.8	-32.2
Changes in working capital requirements	20.9	50.2
Net cash flow from operating activities	111.8	112.6
Net cash used in investing activities	-15.0	-12.0
Net interest paid	-6.0	-9.4
Free cash flow	90.8	91.2
Impact of changes in consolidation scope	-0.2	-8.8
Dividends paid	-9.4	-19.3
Capital increases in cash	2.6	1.2
Other changes	-3.6	-3.9
Total net change for the period (B)	80.2	60.4
Effect of foreign exchange rate changes (C)	-	0.4
Net debt at period-end (A-B+/-C)	57.2	137.4

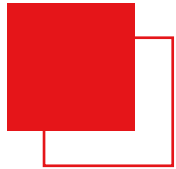


Financial Ratios



*OP: Operating Profit

**EBITDA 2010: €119.8 m

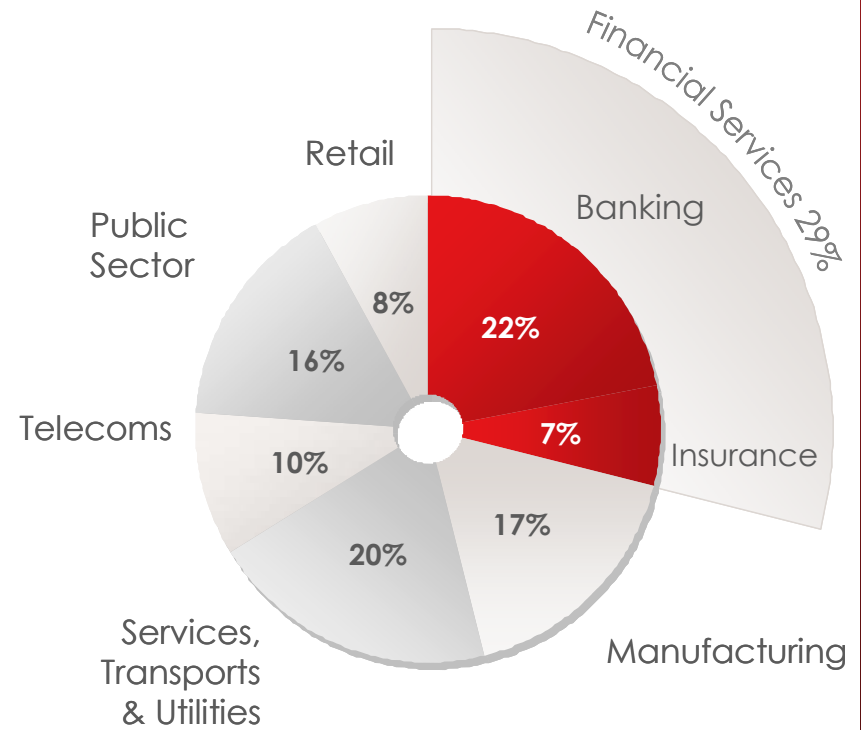
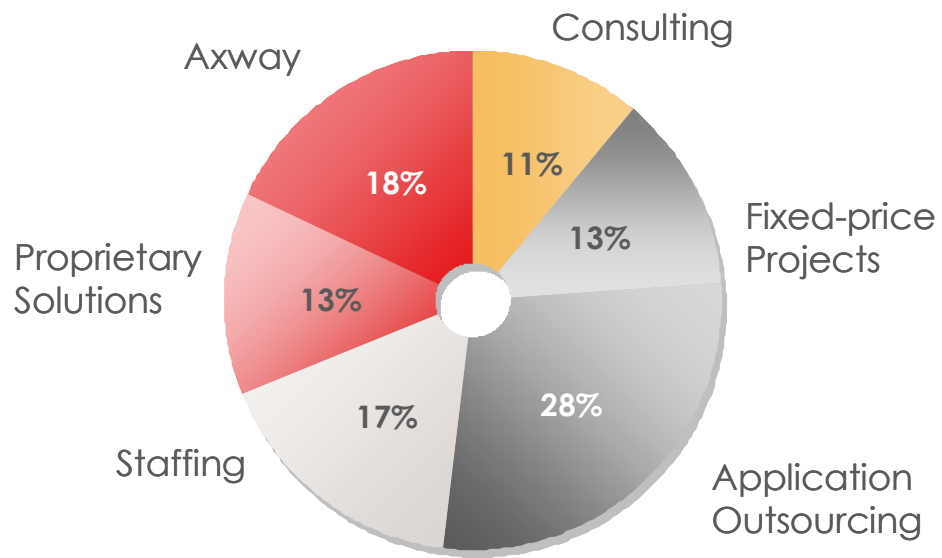


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- **Complementary Information**
- Sopra Group New Wins and Commentary
- Axway New Wins and Commentary
- Strategy and Outlook

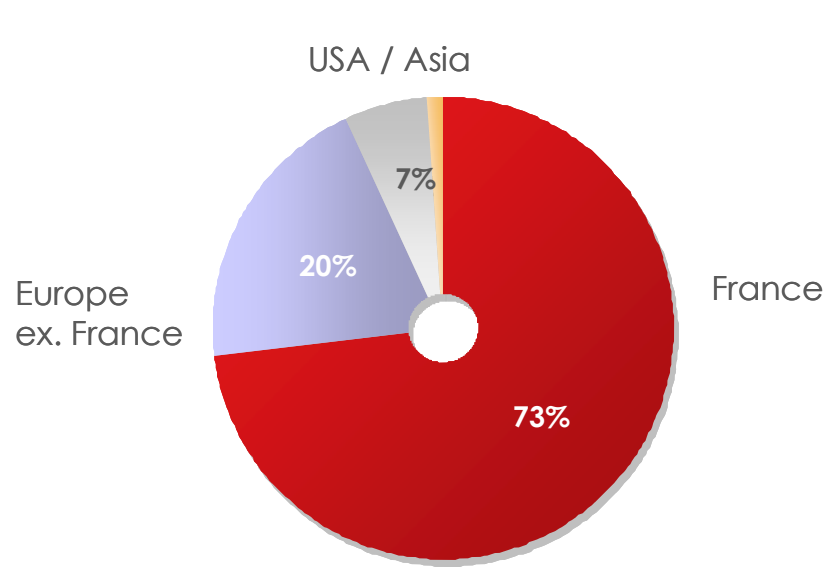


Business Sector & Vertical Market Positioning

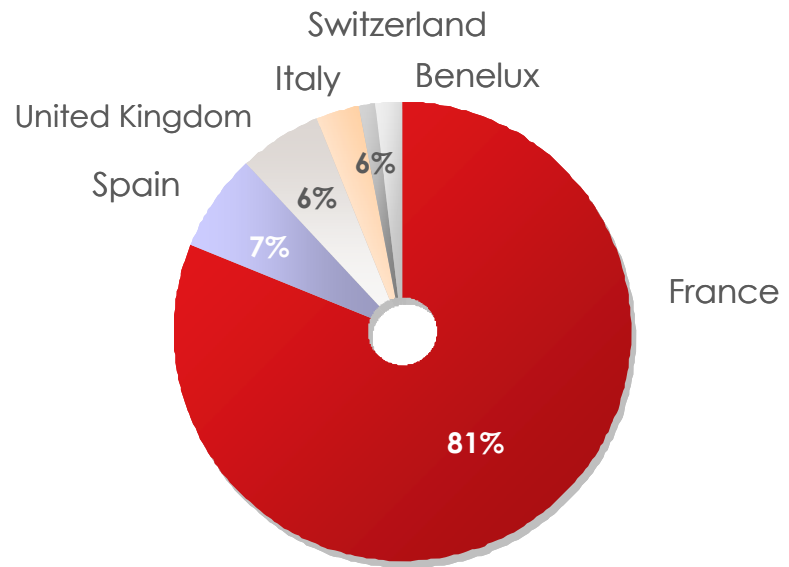




Strong Positioning in France



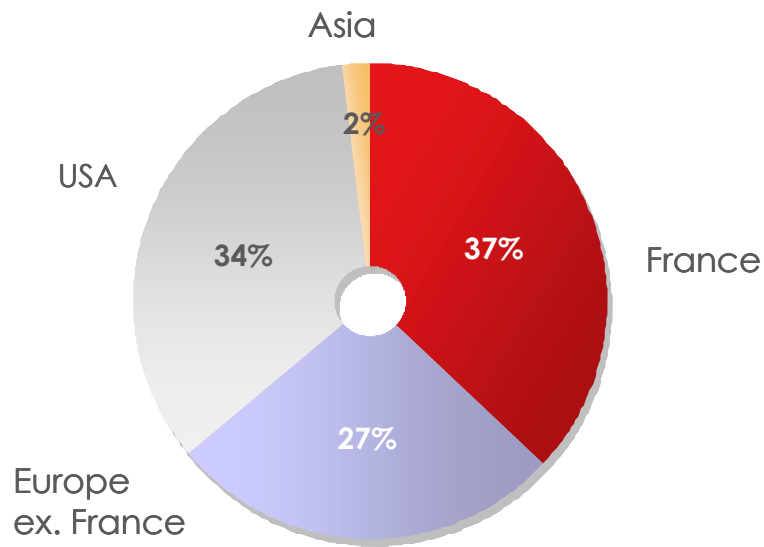
Revenue: Sopra Group & Axway



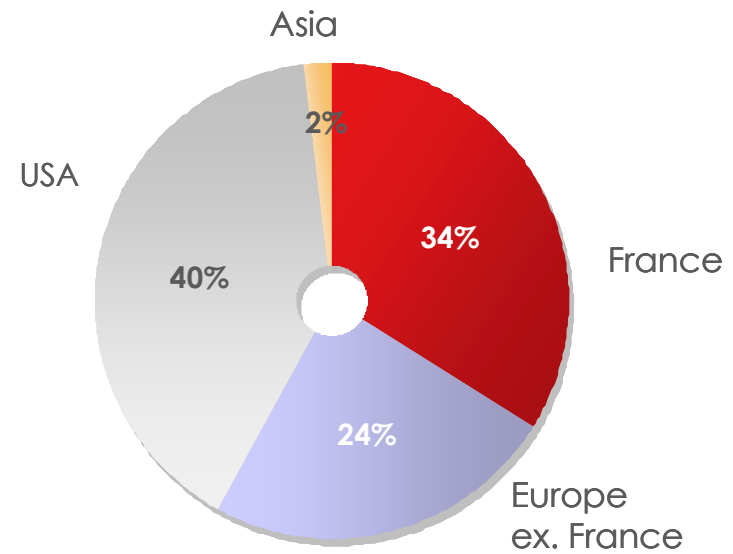
Sopra Group Revenue (ex. Axway)



Axway: Balanced Geographies



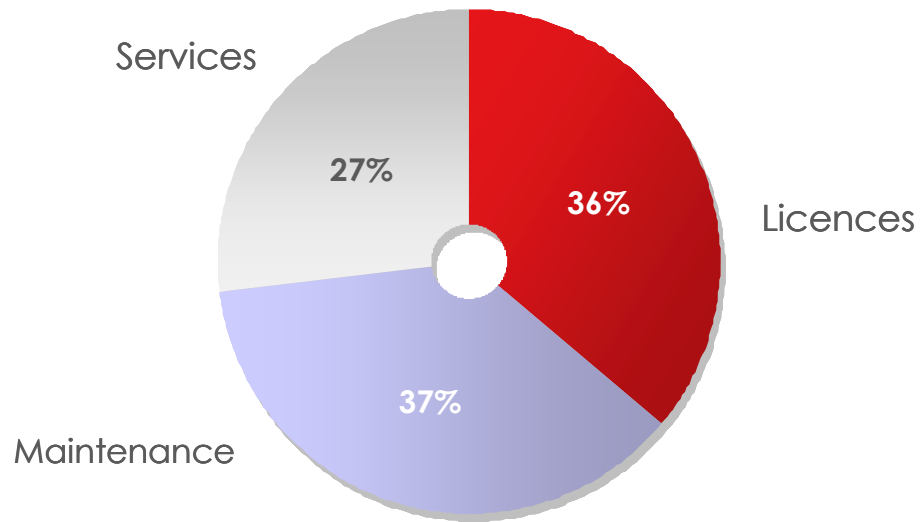
Axway Revenue



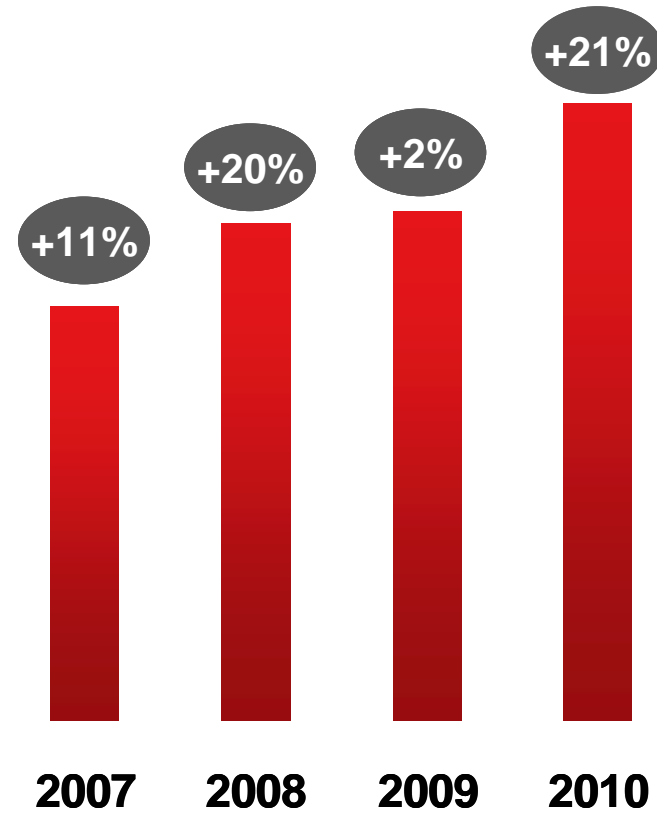
Axway Revenue (\$1=1€)



Axway: Focus on Revenue



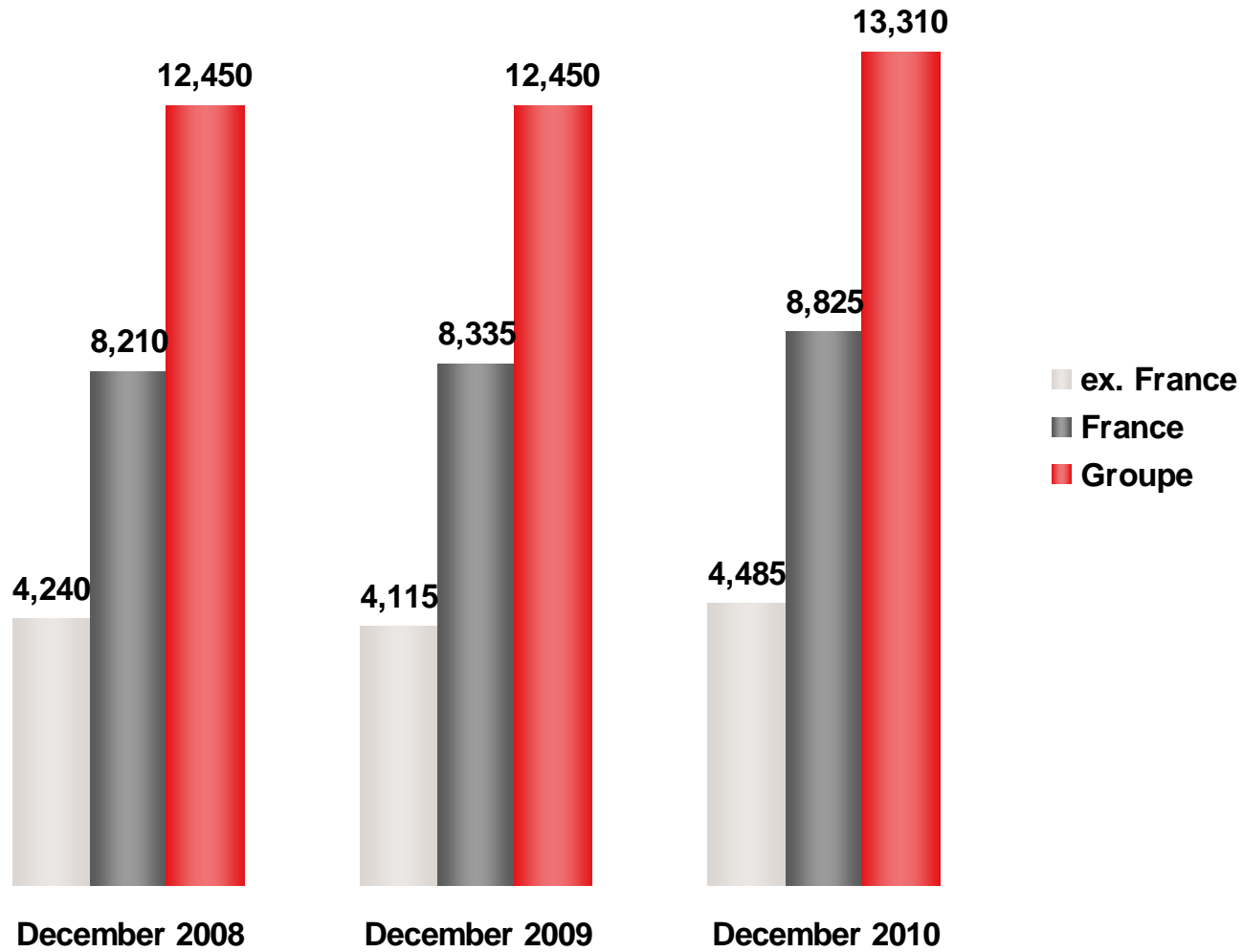
Type of Revenue



Licence Revenue



Workforce (excluding contractors)





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2010: Brief operations recap

- Significant growth of large deals
- European activities back on track
- Banking software products (Evolan) begin to attract foreign clients and grow outside France with French clients
- Pursuit of the Services Continuum strategy in order to serve client demand on large transformation programmes
- Permanent transformation of the enterprise



Operational objectives for 2011

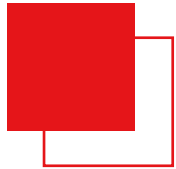
- **Capitalise on continued leadership in France**
 - Key Accounts
 - Vertical Markets

- **Position offering on a European scale**
 - Consulting, Integration and Application Outsourcing
 - Investment in Financial Solutions (Evolan)

- **Client Proximity – Delivery Quality - Industrialisation Programme**
 - Tools and methods systematically employed for projects
 - Full use of onshore and offshore Service Centre network

- **Extreme attention to HR and hiring policies**
 - Identify and attract tomorrow's leaders
 - Take the talent war into account

- **Organic growth and margin protection**



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Axway's Offering

- Axway is the world-wide leader of “Business Interaction Networks”
- Platform guarantees, secures and governs all electronic exchanges necessary to an enterprise
 - Internally: factories, depots, sales points, mother companies, subsidiaries, etc.
 - Externally: clients, suppliers, government, etc.
 - Between IT applications
 - In multiple modes: Files, B2B/EDI, eMail, Services, EAI, etc.

Distribution

- Global Geographic Coverage
 - Undeniable leader in Europe
 - Major player and strong growth in the US
 - Established partner in Asia
- Quality approach specific to Finance and Supply Chain verticals worldwide

Marketing, R&D, Support

- Savoir-faire recognised by leading industry analysts
 - Leader in Gartner Group’s MFT, B2B, and eMail “Magic Quadrants”
- Onshore/offshore infrastructure in place, capable of optimising maintenance, support and innovation

G&A and Management

- Systems complete, autonomous, worldwide and specific to a software developer
 - Finance, Legal, HR, etc.
- International, highly qualified management team with M&A experience
 - Viewlocity
 - Cyclone Commerce
 - B2B activity of Atos Origin in Germany
 - Tumbleweed

Highlights 2010

- Strong growth in Licence Sales
 - Strong performance in H1 partially result of delayed 2009 signings
 - Sustained activity in H2 on the client base and in new business
- Low growth in Services
 - Low closing rate at year-end 2009
 - Year of infrastructure rationalization
 - But a strong order book in Q4 2010
 - Return to investments
- Nominal growth in Maintenance
- Margin improvement without cutting R&D investment

2011 Objectives

- Normal level of licence sales expected
 - Good outlook in the US thanks to new regulatory issues and the merger with Tumbleweed
 - Major offerings sold in all group geographies
- Services activity strong in H1, needs to be built out in H2
- Deep reworking of Maintenance revenue streams
 - Extensive work on deployment of Support offerings
- Ready for the listing?
 - Operational & Functional organisations in good working order
 - Interesting market opportunities and an extremely competitive offering

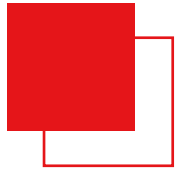
A Strategy in Motion

The separation of Sopra Group and Axway remains
a key strategic element



Axway's ambitious independence initiative

- **Objective: Join the \$500m software developer club**
- **Initiative is founded on existing company strengths**
 - Top quality management team
 - Large, well-established client base
 - State of the art technology platform
 - Credibility of announced economic performance (growth and profitability)
- **Conditions for successful roll-out of strategy**
 - Organic growth
 - Acquisitions
 - Profitability among best in class



Ambitions of the new Sopra Group

- **Objective: be a top quality player at the European level**

- **Initiative built on existing company strengths**
 - Proven track record: management team and company governance
 - Hybrid business model (services and solutions)
 - Strong position in France in vertical markets and with key accounts
 - Evolan offering for the Financial sector
 - Consistently outperform the market segment and deliver solid financial performance
 - Position in Axway maintained

- **Conditions for success**
 - Sustained organic growth
 - Acquisitions and partnerships
 - Reinforced positioning in Europe



Outlook

- **For 2011**
 - Sopra Group forecasts solid organic growth and a slight improvement in its current operating margin
 - Axway forecasts solid organic growth and a slight improvement in its current operating margin

- **3 year horizon for the new Sopra Group**
 - Sustained organic growth
 - Acquisitions in France and Europe
 - Margin target around 10%

- **3 year horizon for Axway**
 - Sustained organic growth
 - Acquisitions in Europe and in the US
 - Margin target among the best in class for software companies