

## Press Release

Paris, 14 February 2008

### Sopra Group – 2007 objectives met

- **Revenue: 1 billion euros**
  - **Total growth: +11.6%**
  - **Organic growth: +9.4%**
- **Current operating margin: 9.1% (+21.1%)**
- **Net profit: 5.5% (+24.7%)**

		2007	2006	Change (%)
<b>Key income statement items</b>				
Revenue	M€	1,001.4	897.7	+ 11.6%
Profit from recurring operations	M€	90.8	75.0	+ 21.1%
<i>as % of revenue</i>	%	9.1%	8.4%	
Operating profit	M€	90.1	73.9	+ 21.9%
<i>as % of revenue</i>	%	9.0%	8.2%	
Net profit	M€	55.1	44.2	+ 24.7%
<i>as % of revenue</i>	%	5.5%	4.9%	
<b>Data per share</b>				
Basic net earnings per share <sup>1</sup>	€	4.80	3.86	+ 24.4%

Sopra Group announces revenue of 1 billion euros for 2007, with a current operating margin of 9.1%, perfectly in line with the **Project 2007**, which was ambitiously launched in 2003 in a challenging economic environment.

This performance once again reflects the solidity of the Group's positioning and strategy. The targeted acquisitions that were forecast in connection with **Project 2007** have been completed, and the objectives that were set, both in terms of revenue growth and enhancing margins have been adhered to. Over the last four years, Sopra Group has therefore recorded robust and regular organic growth, beating the average IT services market growth rate, with a constant increase in margins.

		2004	2005	2006	2007
Revenue	M€	629.8	757.0	897.7	1001.4
Total growth	% n/n-1	+ 19.8%	+ 20.2%	+ 18.6%	+ 11.6%
Organic growth	% n/n-1	+ 9.4%	+ 9.7%	+ 8.5%	+ 9.4%
Current operating margin	% revenue	6.5%	7.4%	8.4%	9.1%
Net profit	% revenue	3.9%	4.7%	4.9%	5.5%

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For 2007 more specifically, the Group's growth was amplified and reached +12.8% (organic growth) and +15.6% (total growth) during the fourth quarter, as forecast. With a current operating margin of more than 9%, profitability was at its highest level since 1999 and underscores the Group's capacity to pursue its development and assume the level of investment required for its transformation project.

Emboldened by this performance, the Group is now pursuing its **Project 2010**, which aims to achieve revenue of 2 billion euros while preserving the Group's independence.

In recent years, Sopra Group has developed a specific business model founded, in Europe, on Consulting, Systems Integration, Application Outsourcing and industry specific Solutions (Banking, Human Resources and Real Estate), and worldwide on the activity of its Axway subsidiary which is the market leader for Collaborative Business Solutions.

As regards the outlook for the Group, Pierre Pasquier added: *"We have made the right choices in terms of positioning and we have implemented a successful business model fuelled not only by technological development but also by both the trend towards outsourcing and enterprise consolidation. We don't believe that our business model is subject to a cyclical downturn that is often talked about these days. Additionally, our model makes it difficult to compare us with other industry players who have not selected the same positioning"*.

## Performance by division

(in millions of euros)	Revenue	Growth		ROC	% Margin	Revenue	ROC	% Margin
		total	organic					
Management consulting	43.9	+ 7.1%	+ 7.1%	4.5	10.3%	41.0	4.0	9.8%
SSI France	597.5	+ 11.1%	+ 10.9%	52.3	8.8%	537.9	44.1	8.2%
SSI Europe	214.9	+ 6.3%	+ 4.3%	19.5	9.1%	201.9	15.1	7.5%
Axway	145.1	+ 24.1%	+ 12.0%	14.5	10.0%	116.9	11.8	10.1%
<b>Total Group</b>	<b>1,001.4</b>	<b>+ 11.6%</b>	<b>+ 9.4%</b>	<b>90.8</b>	<b>9.1%</b>	<b>897.7</b>	<b>75.0</b>	<b>8.4%</b>

## Financial position

The Group has generated free cash flow<sup>2</sup> of 30.0 million euros. The reduction compared to the previous year reflects the combination of a favourable situation in terms of payment of corporate income tax and an increase in working capital required as a result of growth.

Given in particular the cash paid for acquisitions, net debt amounts to 130.3 million euros. The Group's financial position at 31 December 2007 is sound, with net debt representing 1.3 times EBITDA and a net debt to equity ratio of 52.4%.

## Dividend

It will be proposed to shareholders to distribute a dividend for 2007 of €1.65 per share compared to the dividend of €1.35 paid for financial year 2006.

## Changes in consolidation scope

As previously mentioned:

- The B2B activity of Atos Origin (Germany) has been consolidated since 1 February 2007,
- Methosystem (Italy) has been consolidated since 1 July 2007,
- Interface (France) has been consolidated since 1 August 2007,
- Business Architects International (Belgium) has been consolidated since 1 October 2007.

The integration of CIBF and G2i, acquired in 2008, is well underway and the two companies will be consolidated with effect from 1 January 2008.

## Outlook

Given the regularity of its financial performance, and based on the information available at the present date, Sopra Group remains confident in its ability to achieve organic growth in excess of the industry average. Improving the operating margin, while at the same time financing the investment for ongoing business transformation, also remains a constant objective of the Group.

## Financial calendar

- Wednesday 13 May 2008 after the market close: publication of revenue for the 1<sup>st</sup> quarter of 2008.
- Friday 15 May 2008 at 2.30pm: Annual Shareholders' Meeting at Hôtel Meurice.

## Contacts

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## About Sopra Group

A leader in the European consulting and IT services market, Sopra Group generated revenue of 1 billion euros in 2007 and has a human and intellectual resource potential of over 11,000 people. Thanks to a longstanding culture of excellence and strong sector-specific, functional and technological know-how, the Group offers its clients an end to end approach based on a well-honed business model. Sopra Group's ambition is to allow its clients to focus on transformation projects that will give them a competitive edge and help them drive growth. Sopra Group's savoir-faire encompasses prior strategic reflection through to the supervision and implementation of major systems integration and application outsourcing projects. The Group also pursues the worldwide deployment of its activities in both application integration and business process management through its subsidiary Axway, the world's leading provider of Collaborative Business Solutions, with a complete range of solutions and services. For more information, please go to our website [www.sopragroup.com](http://www.sopragroup.com).

<sup>1</sup> Calculated on the basis of the weighted average number of ordinary shares in circulation.

<sup>2</sup> Cash flow from operations less net interest expense and corporate income tax paid, change in working capital requirements and operating investments net of disposals.

## Appendices

### ■ Consolidated income statement

	31/12 2007		31/12 2006	
	M€	%	M€	%
<b>Revenue</b>	<b>1,001.4</b>	<b>100%</b>	<b>897.7</b>	
Staff costs - Employees	-647.9		-582.6	
Staff costs - Contractors	80.7		-71.0	
Operating expenses	167.4		-156.3	
Depreciation, amortisation and provisions	-14.6		-12.8	
<b>Profit from recurring operations</b>	<b>90.8</b>	<b>9.1%</b>	<b>75.0</b>	<b>8.4%</b>
Other operating income and expenses	-0.7		-1.1	
<b>Operating profit</b>	<b>90.1</b>	<b>9.0%</b>	<b>73.9</b>	<b>8.2%</b>
Net cost of financial debt	-7.8		-6.4	
Net financial expense	-2.0		-1.3	
Corporate income tax	-25.2		-22.0	
<b>Net profit</b>	<b>55.1</b>	<b>5.5%</b>	<b>44.2</b>	<b>4.9%</b>
Group share	55.1	5.5%	24.5	2.7%
Minority interests	-		-	
<b>EBITDA</b>	<b>101.9</b>	<b>10.2%</b>	<b>84.7</b>	<b>9.4%</b>

### ■ Consolidated balance sheet

M€	31/12 2007	31/12 2006
Goodwill	300.6	278.6
Other fixed assets	38.2	37.6
Other assets and liabilities	70.3	16.2
<b>Assets</b>	<b>409.1</b>	<b>332.4</b>
Equity	248.8	216.2
Provisions for contingencies and losses	30.0	18.5
Net debt	130.3	97.7
<b>Capital invested</b>	<b>409.1</b>	<b>332.4</b>

■ **Change in net debt**

<i>In millions of euros</i>	2007	2006
<b>Net debt at beginning of period (A)</b>	<b>97.7</b>	<b>128.7</b>
Cash from operations before changes in working capital	100.8	87.2
Income taxes paid	-38.2	-1.3
Changes in working capital requirements	-10.9	4.4
<b>Net cash flow from operating activities</b>	<b>51.7</b>	<b>90.3</b>
Net cash used in investing activities	-13.8	-13.1
Net interest paid	-7.9	-6.0
<b>Free cash flow</b>	<b>30.0</b>	<b>71.2</b>
Impact of changes in consolidation scope	-49.2	-25.6
Dividends paid	-15.5	-12.6
Capital increases in cash	4.7	0.6
Other changes	-2.4	-2.1
<b>Total net change for the period (B)</b>	<b>-32.4</b>	<b>31.4</b>
Effect of foreign exchange rate changes (C)	-0.2	-0.4
<b>Net debt at period-end (A-B+/-C)</b>	<b>130.3</b>	<b>97.7</b>

■ **Change in equity**

	M€
<b>Position at 31 December 2006</b>	<b>216.2</b>
Dividends	- 15.5
Net profit - Group share	55.1
Capital increase through exercise of share subscription options	4.7
Share-based payments	0.9
Translation adjustments	- 7.6
<b>Position at 31 December 2007</b>	<b>248.8</b>

■ Group revenue per quarter

	Q1	Q2	Q3	Q4	12 M 2007
<b>Consulting</b>					
Revenue 2007 (M€)	10.8	11.9	9.2	12.0	43.9
Revenue 2006 (M€)	11.0	10.4	8.3	11.3	41.0
Total growth (%)	-1.8%	14.4%	10.8%	6.2%	7.1%
Organic growth (%)	-1.8%	14.4%	10.8%	6.2%	7.1%
<b>SSI France</b>					
Revenue 2007 (M€)	146.6	141.8	137.7	171.4	597.5
Revenue 2006 (M€)	137.0	130.9	119.5	150.5	537.9
Total growth (%)	7.0%	8.3%	15.2%	13.9%	11.1%
Organic growth (%)	7.0%	8.3%	14.8%	13.5%	10.9%
<b>SSI Europe</b>					
Revenue 2007 (M€)	51.9	52.5	51.0	59.5	214.9
Revenue 2006 (M€)	49.5	51.0	48.6	52.8	201.9
Total growth (%)	4.8%	2.9%	4.9%	12.7%	6.4%
Organic growth (%)	4.2%	2.1%	3.2%	7.8%	4.4%
<b>Axway</b>					
Revenue 2007 (M€)	29.9	37.9	31.8	45.5	145.1
Revenue 2006 (M€)	25.9	27.3	28.8	34.9	116.9
Total growth (%)	15.4%	38.8%	10.4%	30.4%	24.1%
Organic growth (%)	6.8%	21.5%	-1.2%	19.4%	12.0%
<b>Group</b>					
Revenue 2007 (M€)	239.2	244.1	229.7	288.4	1,001.4
Revenue 2006 (M€)	223.4	219.6	205.2	249.5	897.7
Total growth (%)	7.1%	11.2%	11.9%	15.6%	11.6%
Organic growth (%)	5.9%	9.0%	9.5%	12.8%	9.4%

■ Breakdown and movements in the Group's workforce (excluding external personnel)

	31/12 2007	31/12 2006
Staff - France	7 580	6 750
Staff - International	3 740	3 160
<b>Total</b>	<b>11 320</b>	<b>9 910</b>
Staff	9 910	9 100
Integration of acquired companies	310	100
Net recruits	1 100	710
<b>Total</b>	<b>11 320</b>	<b>9 910</b>

■ Breakdown of revenue by division

	Revenue 2007 (%)	Revenue 2006 (%)
Management consulting	4%	5%
SSI France	60%	60%
SSI Europe	21%	22%
Axway	15%	13%
	<b>100%</b>	<b>100%</b>

■ Breakdown of revenue by vertical market

	Revenue 2007 (%)	Revenue 2006 (%)
Banking / Finance	24.0%	23%
Insurance	6.0%	7%
Manufacturing	16.0%	16%
Services	19.0%	21%
Telecoms	13.0%	13%
Public Sector	16.0%	14%
Retail	6.0%	6%
	<b>100.0%</b>	<b>100%</b>