

## Assystem's 2010 results demonstrate profitable and sustainable growth

- Revenue up an organic 4.7%
- Current operating profit over-target, at €44.3 million, for a current operating margin of 7%
- Return to significant consolidated net profit of €22.5 million
- Record high free cash flow at €51,4 million
- Dividend submitted to shareholders of €0.45 a share

(Paris – 14 March 2011 – 17:35) – The Supervisory Board of Assystem S.A. (ISIN: FR0000074148 - ASY), a leading innovation and engineering consultancy, met on 11 March and reviewed the financial statements for the year ended 31 December 2010.

*The consolidated accounts have been audited. The auditors will issue their report once the filing procedures for the registration of the reference document have been completed.*

<i>(in € millions)</i>	2010	2009
<b>Income statement highlights</b>		
Revenue	636.5	607.3
Current operating profit	44.3	25.7
<i>Current operating margin</i>	7.0%	4.2%
Operating profit	44.3	15.6
<i>Operating margin</i>	7.0%	2.6%
Group share net of income	21.5	(0.8)
<b>Cash flow highlights</b>		
Operating free cash flow <sup>1</sup>	51.4	36.3
<b>Key items of the balance sheet</b>		
Treasury net of debt <sup>2</sup>	34.0	(0.8)
<b>Per share data (€)</b>		
Basic earnings per share	1.10	(0.04)
Diluted earnings per share	1.08	(0.04)
Dividend submitted to shareholders' approval	0.45	0.25

*The income statement and the statement of cash flows previously issued take into account the late-2010 disposal of the Italian subsidiary, which has been classified in "discontinued operations."*

<sup>1</sup> Net cash flow from operating activities, less capital expenditure, net of disposals

<sup>2</sup> Long-term and short-term debt less cash and cash equivalents and fair value of interest rate hedging instruments.

“Assystem returned to profitable organic growth in 2010,” noted Dominique Louis, Chairman of the Management Board. “Our three business units now enjoy a robust outlook, thanks in particular to their promising positioning in the nuclear, aerospace and automotive markets. During the year, we won the ITER contract, thereby confirming our ability to manage large, complex projects and earning Assystem recognition as a nuclear architect engineer. Our growth strategy is focused on three countries – France, Germany and the United Kingdom – and on the priority energy and embedded systems markets. Execution of this strategy has been furthered by the creation of the *n.triple.a* joint venture, via our nuclear engineering alliance with Atkins, and the acquisition of Berner & Mattner, which has strengthened our presence in Germany. We enjoy clear visibility for 2011 and are confident that our three business units will pursue their profitable growth.”

## ANALYSIS OF THE 2010 INCOME STATEMENT

At a time of economic recovery, Assystem successfully rode out the recession and returned to robust organic growth in 2010, with revenue rising 4.7% after declining 8.6% in 2009. Led by the continued implementation of large investment projects and research programmes, the nuclear segment reported a particularly sustained 16% gain and confirmed its growth potential outside France. The automotive segment enjoyed a vigorous upturn, with revenue surging 37% on a remarkable performance by embedded systems and the sustained development of R&D programmes in new businesses, which have improved the segment’s mid-term visibility. The aerospace segment saw continued development of major cross-border programmes offering the promise of organic growth.

### 2010 revenue by region

In € millions	2010	2009	Organic growth*
France	<b>438.3</b>	433.5	<b>+ 1.4%</b>
International	<b>198.2</b>	173.8	<b>+ 12.7%</b>
<b>Total</b>	<b>636.5</b>	607.3	<b>+ 4.7%</b>

\*On a constant scope of consolidation and exchange rate basis

Growth was supported throughout the year by Assystem’s performance in markets outside France, particularly in the United Kingdom, where the 23.4% gain was led by the nuclear and aerospace segments. In France, the main determinants were the nuclear operations and the *Technology & Product Engineering* business unit. The latter had a particularly brisk fourth quarter, with a sharp 10% upturn in business driven by demand for embedded systems and automotive solutions.

### Current operating profit by region

In € millions	2010	% of revenue	2009	% of revenue
	France	<b>26.5</b>		
International	<b>17.8</b>	<b>9.0%</b>	4.6	2.6%
<b>Total</b>	<b>44.3</b>	<b>7.0%</b>	25.7	4.2%

Current operating profit ended 2010 at €44.3 million, exceeding initial targets for the year. The upturn in demand, the sustained rise in the operational invoicing rate, which remained above 90% the entire year, and the disciplined management of indirect costs all contributed to drive a sharp improvement in current operating margin, which at 7% represented a return to pre-recession levels.

Margin improvement was especially noticeable outside France, where it occurred in a context of optimised resource management and constructive dialogue with large accounts. In France the recovery in the Technology & Product Engineering business, whose operating margin swung from negative in 2009 to more than 6% in 2010, has positioned Assystem to capture all of the upturn in business, which is likely to continue.

## GROUP SHARE OF NET INCOME

The group share of net income improved sharply to €21.5 million in 2010.

It included net financial expense of €6.1 million, reflecting net borrowing costs stable at €1.9 million, financial expenses entirely due to non-cash items, and €14.7 million in income tax expense.

The effective tax rate, which as from 2010 reflects the recognition of the CVAE tax on value added in income tax expense for the year, stood at 38.4%.

## ABILITY TO GENERATE HIGH CASH FLOW

Operating free cash flow amounted to €51.4 million in 2010, a further strong performance that reflected:

- The good transformation of operating profit into cash flow.
- A €14.2 million improvement in working capital, mainly thanks to a decline in DSO for the fourth straight year.
- Disciplined management of capital expenditure, which stood at €6.6 million for the year.

After a disbursement of €8.8 million (€4.9 million in dividends and €3.9 million in further share buybacks), Assystem ended the year with a positive net cash after debt of €34.0 million.

## DIVIDEND

The payment of a dividend of €0.45 per share (versus €0.25 in respect of 2009) will be submitted to shareholder approval at the Annual General Meeting.

## 2011 OUTLOOK

In a more favourable economic environment, Assystem enjoys a growth potential, sometimes unique, in fast expanding engineering markets, such as nuclear power and embedded systems, and in countries where it can aspire to being a driver of consolidation (Germany, France and the United Kingdom) or a new player capable of creating competitive differentiation.

In 2011, Assystem expects to maintain growth in business at a faster pace than in 2010, by leveraging its solid fundamentals and an organisation that has proven effective in meeting the human resources and other challenges of resurgent demand.

Assystem intends to pursue its growth strategy through selective acquisitions in France and abroad in its core engineering businesses and in promising sectors. It has the capabilities to finance its goals.

## 2011 INVESTOR CALENDAR

10 May 2011: after close of trading: revenue for the three months ended 31 March 2011

12 May 2011: Annual General Meeting

28 July 2011: after close of trading: revenue for the six months ended 30 June 2011

5 September 2011: after close of trading: results for the six months ended 30 June 2011

**Assystem** is an international Engineering and Innovation Consultancy. As a key participant in the industry for more than 40 years, the Group supports its customers in developing their products and managing their capital expenditure throughout the product life cycle. Assystem employs more than 8,500 people worldwide and reported €636 million in revenue in 2010. The Company is listed on NYSE Euronext Paris – Compartment B - Code ISIN: FR0000074148 – ASY. For more information: [www.assystem.com](http://www.assystem.com)

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## ANNEXES

### • REVENUE BY BUSINESS UNIT

In millions of euros	2010	2009	Organic growth (%)
Plant Engineering & Operations	281.7	267.2	+ 4.1%
Aerospace Mechanical Engineering	166.3	156.0	+ 4.9%
Technology & Product Engineering	180.0	177.3	+ 4.6%
Other activities	8.5	6.8	---
<b>Total</b>	<b>636.5</b>	<b>607.3</b>	<b>+4.7%</b>

### • CURRENT OPERATING PROFIT BY BUSINESS UNIT

In millions of euros	2010	2009
Plant Engineering & Operations	21.5	22.9
Aerospace Mechanical Engineering	10.7	6.9
Technology & Product Engineering	12.6	(3.5)
Other activities	(0.5)	(0.5)
<b>Total</b>	<b>44.3</b>	<b>25.7</b>

### • INFORMATIONS ON CAPITAL AT DECEMBER, 31 2010

Number of shares		
Ordinary shares outstanding	20,157,082	
Self-owned shares	798,272	
Number of redeemable subscription warrants 2012 <sup>1</sup>	442,822	strike price: €10.15
Number of redeemable subscription warrants 2013 <sup>2</sup>	4,892,734	strike price: €35.00
Number of redeemable subscription warrants 2015 <sup>3</sup>	3,247,925	strike price: €11.10
Stock awards and performance stock awards	64,700	
Basic weighted average number of shares	19,509,348	
Diluted weighted average number of shares	19,836,888	

<sup>1</sup> Parity: 1.13, Maturity date: March 31, 2012, Enforcement call starting date: January 31, 2009, Enforcement call price: €17.5.

<sup>2</sup> Parity: 1.0, Maturity date: July 31, 2013, Enforcement call starting date: July 31, 2010, Enforcement call price: €52.5.

<sup>3</sup> Parity: 1.0, Maturity date: July 9, 2015, Enforcement call starting date: July 9, 2013, Enforcement call price: €15.54.

### • SHARE OWNERSHIP STRUCTURE AT DECEMBER, 31 2010

In percentage	Economic rights	Voting rights <sup>4</sup>
Dominique Louis / HDL / H2DA <sup>5</sup> / CEFID <sup>6</sup> / EEC	27.3	34.4
CDC Group <sup>7</sup>	16.7	14.7
Members of the Supervisory board and of the Management board	3.5	5.3
Employees Saving Scheme	1.3	2.2
Free Float (including employees)	47.3	43.4
Treasury Stock	3.9	0.0

<sup>4</sup> These voting rights differ from the theoretical voting rights used in the calculation of threshold crossing

<sup>5</sup> Held by HDL (60.5%) and certain members of the Management Board

<sup>6</sup> Held by HDL, Dominique Louis and Michel Combes.

<sup>7</sup> Of which 15% owned by FSI and 2.6% by CDC EVM.

## HIGHLIGHTS OF THE ANNUAL CONSOLIDATED STATEMENT

### • CONSOLIDATED FINANCIAL SITUATION STATEMENT

*In millions of euros*

<b>Assets</b>	<b>Notes*</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Goodwill	7,8	75.6	75.0	83.1
Intangible assets	9	6.2	9.2	12.8
Property, plant and equipment	10	13.6	14.9	16.7
Investment properties	11	1.4	1.4	1.9
Investments in associates	12	0.5	0.5	1.0
Available-for-sale assets	13	3.3	3.6	2.8
Other non-current financial assets	14	4.0	3.8	5.5
Deferred tax assets	26	7.8	5.2	4.1
<b>Total non-current assets</b>		<b>112.4</b>	<b>113.6</b>	<b>127.9</b>
Available-for-sale-assets		1.0		
Trade receivables	15	205.6	203.7	252.0
Other receivables	15	14.5	13.7	20.6
Corporate income tax receivables		1.6	4.1	0.6
Other current financial and derivative assets	16,18			
Cash and cash equivalents	17	127.9	92.9	73.6
<b>Total current assets</b>		<b>350.6</b>	<b>314.4</b>	<b>346.8</b>
<b>TOTAL ASSETS</b>		<b>463.0</b>	<b>428.0</b>	<b>474.7</b>

<b>Equity and Liabilities</b>	<b>Notes*</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Share capital	19	20.2	20.0	20.6
Share premiums		64.2	63.3	67.4
Consolidated reserves		36.2	44.7	24.4
Profit for the period		21.5	(0.8)	25.8
Equity, group share		142.1	127.2	138.2
Minority interests		2.6	1.4	1.0
<b>Consolidated equity</b>		<b>144.7</b>	<b>128.6</b>	<b>139.2</b>
Bond loans	20	47.1	87.7	85.6
Other non-current financial and derivative liabilities	21,18	0.2	1.0	0.6
Provisions	22	0.5	0.6	1.6
Employee benefits	23	14.7	12.5	10.7
Other non-current liabilities	24	8.2	6.0	6.9
Deferred tax liabilities	26	0.1		0.3
<b>Non-current liabilities</b>		<b>70.8</b>	<b>107.8</b>	<b>105.7</b>
Other current financial and derivative liabilities	20	42.2		
Provisions	21	4.4	5.0	6.6
Trade payables and related accounts	22	5.9	12.3	8.6
Corporate income tax liability		30.8	26.9	38.7
Other current liabilities		5.8	0.7	4.2
Other current financial and derivative liabilities	25	158.4	146.7	171.7
<b>Current liabilities</b>		<b>247.5</b>	<b>191.6</b>	<b>229.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>463.0</b>	<b>428.0</b>	<b>474.7</b>

\* These notes refer to the commentaries included in the Annual Financial Statement that will be released on our website [www.assystem.com](http://www.assystem.com)

● **CONSOLIDATED INCOME STATEMENT**

<i>In millions of euros</i>	Notes	2010	2009	2008	
<b>Revenue</b>	<b>29</b>	<b>636.5</b>	<b>607.3</b>	<b>658.6</b>	
Employee benefits expense	32	(458.8)	(449.6)	(471.7)	
Taxes and duties other than income tax		(1.5)	(7.0)	(6.9)	
Amortization, depreciation and provision expense	30	(10.9)	(11.5)	(10.0)	
Other ordinary operating revenue and expense	31	(121.0)	(113.5)	(125.1)	
<b>Current operating profit</b>	<b>6</b>	<b>44.3</b>	<b>25.7</b>	<b>44.9</b>	
Non-current operating revenue	33		0.3	2.3	
Non-current operating expense	33		(10.4)	(5.0)	
<b>Operating profit</b>	<b>28</b>	<b>44.3</b>	<b>15.6</b>	<b>42.2</b>	
Share in profit of associates		0.1	0.2	0.4	
Net borrowing costs	34	(1.9)	(1.9)	(1.8)	
Other financial revenue and expense	35	(4.2)	(2.9)	(3.7)	
<b>Profit for the period from continuing operations before tax</b>		<b>38.3</b>	<b>11.0</b>	<b>37.1</b>	
Income tax expense	36	(14.7)	(3.5)	(11.1)	
<b>Profit for the period from continuing operations</b>		<b>23.6</b>	<b>7.5</b>	<b>26.0</b>	
Profit for the period from discontinued operations	42	(1.1)	(8.4)	(0.2)	
<b>Consolidated profit for the period</b>		<b>22.5</b>	<b>(0.9)</b>	<b>25.8</b>	
<b>Attributable :</b>					
		To Assystem SA	21.5	(0.8)	25.8
		To minority interests	1.0	(0.1)	

In euro				
Basic earnings per share	37	1.10	(0.04)	1.29
Diluted earnings per share	37	1.08	(0.04)	1.27
Basic earnings per share from continuing operations	37	1.16	0.39	1.30
Diluted earnings per share from continuing operations	37	1.14	0.39	1.28
Basic earnings per share from discontinued operations	35	(0.06)	(0.43)	(0.01)
Diluted earnings per share from discontinued operations	35	(0.06)	(0.43)	(0.02)

● **CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>In millions of euros</i>	Notes	2010	2009	2008
<b>OPERATIONS</b>				
Profit for the period from continuing operations		23.6	7.5	26.0
Elimination of non-cash and non-operating transactions	41	30.5	28.7	27.3
Change in working capital requirement	41	14.2	16.3	9.4
Income tax expense	41	(10.3)	(11.3)	(11.5)
Net cash flow for discontinued operations	42	(4.0)	0.8	(3.1)
<b>Net cash flow from operating activities</b>	<b>41</b>	<b>54.0</b>	<b>42.0</b>	<b>48.1</b>
<b>INVESTING ACTIVITIES</b>				
Non-current assets acquisitions		(7.1)	(6.1)	(12.0)
Non-current assets disposals		0.5	0.3	0.2
		(6.6)	(5.8)	(11.8)
Securities purchases		(0.5)		(6.7)
Securities disposals				1.0
		(0.5)		(5.7)
Loans to companies classified as available-for-sale assets	14			
Loans repaid by companies classified as available-for-sale assets	14		0.3	0.3
Dividends received		0.2	0.1	0.8
Net cash flow for discontinued operations	42	0.8		(0.9)
<b>Net cash flow from investing activities</b>		<b>(6.1)</b>	<b>(5.4)</b>	<b>(17.3)</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from bonds issues and other borrowings	21			64.0
Bond and other borrowings repayments	21	(1.2)	(0.6)	(85.2)
Interest paid	34	(3.1)	(2.6)	(4.6)
Dividends paid to shareholders of parent company		(4.9)	(9.7)	(7.6)
Capital increases	19	1.1	0.7	1.2
Purchase and disposal of treasury shares		(4.9)	(2.1)	(9.4)
<b>Net cash flow from financing activities</b>		<b>(13.0)</b>	<b>(14.3)</b>	<b>(41.6)</b>
<b>Variation in cash</b>		<b>34.9</b>	<b>22.3</b>	<b>(10.8)</b>
<b>Cash at beginning of period</b>	<b>41</b>	<b>92.3</b>	<b>70.1</b>	<b>80.4</b>
Effect of non-cash items and exchange rate fluctuations			(0.1)	0.5
Variation in cash		34.9	22.3	(10.8)
<b>Cash at end of period</b>	<b>41</b>	<b>127.2</b>	<b>92.3</b>	<b>70.1</b>