



Paris, 22 September 2004

STERIA 2004 first-half results

Operating profit + 21 %

First-half 2004 results

On 20 September 2004 the Supervisory Board of the STERIA GROUP SCA examined the consolidated accounts submitted by Management for the first half of 2004.

The key figures are as follows :

		1H03	1H04	Change %
Revenue	€m	478.5	483.4	+ 1 %
Operating profit	€m	14.2	17.2	+ 21 %
As % of revenue	%	3	3.6	
Net profit before goodwill amortisation	€m	9.7	13.0	+ 34 %
Net profit (group share)	€m	8	8.7	+ 9 %
Earnings per share before goodwill amortisation	€	0.56	0.73	+ 30 %
Earnings per share after goodwill amortisation	€	0.46	0.49	+ 6.5 %

The figures reflect two main trends:

1. Improvement in operating profitability confirmed:

In line with its primary objective, Steria has continued to enhance profitability as reflected in the **21%** increase in operating profit. The French market, with an operating margin of **6.4 %** (before group charges) compared to 3% for the first half of 2003, contributed significantly to this improvement.

Net profit (before goodwill amortisation) was up strongly, reflecting improved operating performance and an exceptional gain of **€2.5m** resulting from the sale of a product-related activity in Switzerland. Goodwill amortisation amounting to **€4.3m** includes exceptional amortisation of **€2.2m** partially resulting from the writeback of surplus restructuring provisions for certain countries.

The gearing ratio, including factoring (net debt/equity), was **10.3%**. Net earnings per share (before goodwill amortisation) were up **30%**.

2. Return to growth:



The first half saw a return to growth in the IT services sector in several European countries. Steria's consolidated revenue was up **1.7%**, at constant exchange rates and on a like-for-like basis, compared with the first half of 2003 (+ 2.2% compared with Q2). This performance was mainly driven by the French and UK markets where Steria generates three quarters of its revenue, with nominal growth rates of **+ 7.6%** and **+ 5%** respectively, and where it holds a leadership position in managed services.

First-half 2004 highlights:

In the overall context of improved profitability and a return to growth, the first half was characterised by :

- the strengthening of international top management:
 - . François Mazon: CEO France
 - . Modesto Entrecañales: CEO Spain
- improved performance in France
- a strong order book:
 - . **€578m** : **120 %** of revenue
- the commercial benefits resulting from synergies relating to offerings

despite the negative impact of decreased prices and the ongoing programmed decrease in hardware and software activities in certain countries.

Outlook

The main trends visible in the first half are set to continue throughout the rest of the year. Against this background, Steria expects slight growth in revenue for the full year 2004 accompanied by an improvement in operating profit despite continuing significant pressure on prices.

Steria has the capability to continue to enhance its profitability and is confident that 2005 will see the start of a sustained growth cycle in the IT services market in Europe, enabling it to achieve its ambitious development plans within the TOP 10 European providers.

STERIA is listed on the Euronext First Market

**Code ISIN : FR0000072910, Bloomberg Code : RIA FP, Reuters Code : TERI.PA
Euronext 150, SBF 120, IT CAC 50, MIDCAC**

For further information, consult the Internet site: <http://www.steria.com>

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