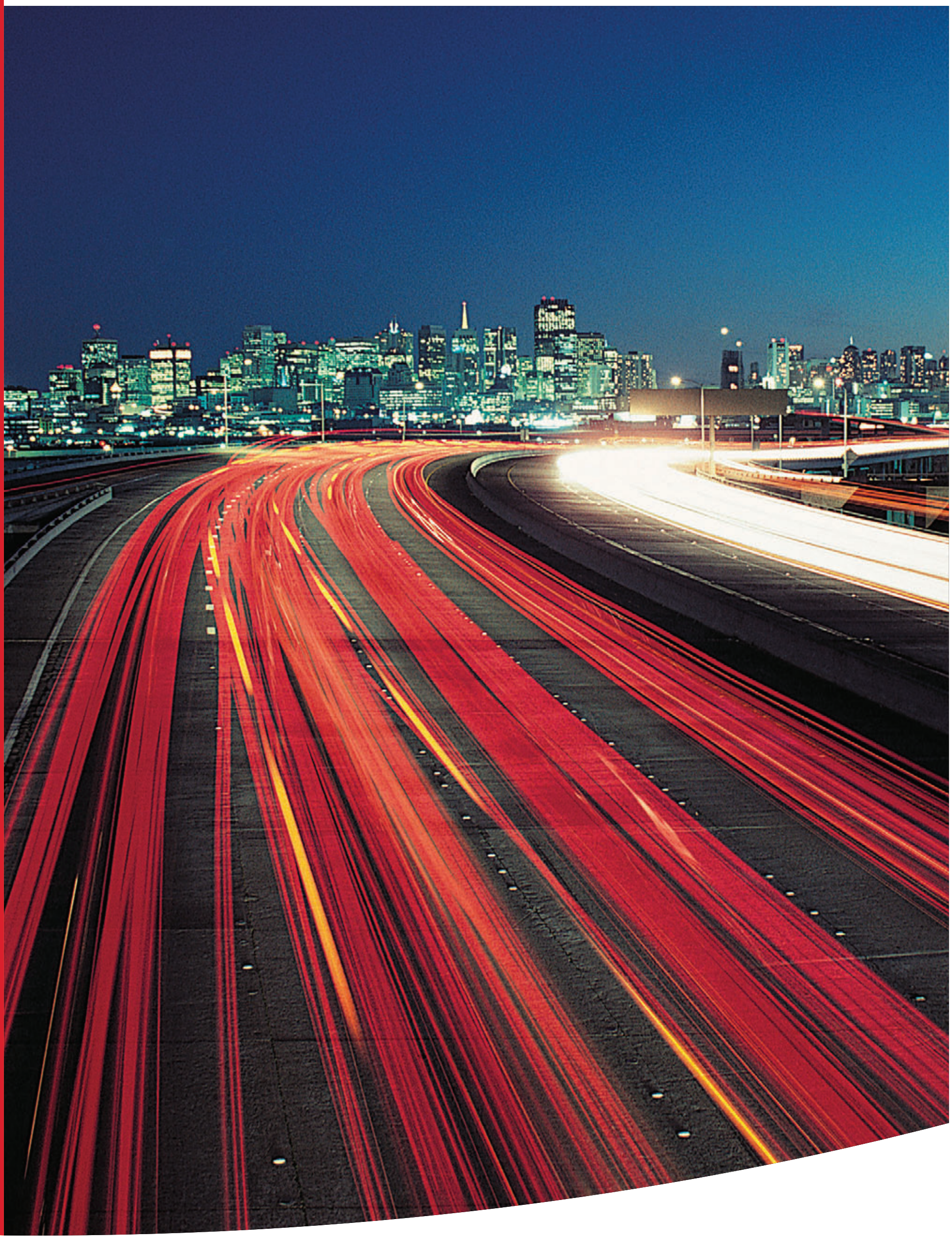
2015

HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2015



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Société Anonyme with share capital of €20,371,789 – 326 820 065 RCS Annecy
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This document is a free translation into English of the original French "Rapport financier semestriel au 30 juin 2015", hereafter referred to as the "Half-year financial report at 30 June 2015". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

1 Business review for the period ended 30 June 2015

1. Business activity during the first six months of 2015

1.1. Consolidated income statement for first-half 2015

The Statutory Auditors conducted a limited review of the financial statements for the first half of 2015.

	First-half 2015		First-half 2014 Pro forma*		First-half 2014 Reported Sopra	
	(€m)	*(%)*	*(€m)*	*(%)*	*(€m)*	*(%)*
Revenue	**1,768.1**		**1,661.5**		**722.3**	
Staff costs	-1,084.4		-1,040.8		-498.8	
Operating expenses	-554.0		-486.9		-161.0	
Depreciation, amortisation and provisions	-22.3		-29.5		-10.3	
Operating profit on business activity	**107.4**	***6.1%***	**104.3**	***6.3%***	**52.2**	***7.2%***
Expenses related to stock options and related items	-0.4		-1.6		-1.4	
Amortisation of allocated intangible assets	-9.5		-8.6		-2.4	
Profit from recurring operations	**97.5**	***5.5%***	**94.1**	***5.7%***	**48.4**	***6.7%***
Other operating income and expenses	-31.4		-24.4		-7.8	
Operating profit	**66.1**	***3.7%***	**69.7**	***4.2%***	**40.6**	***5.6%***
Cost of net financial debt	-4.1		-6.3		-3.2	
Other financial income and expenses	-7.7		-10.2		-1.4	
Income tax expense	-25.2		-14.3		-14.3	
Share of net profit from equity-accounted companies	0.2		0.6		0.5	
Net profit	**29.3**	***1.7%***	**39.5**	***2.4%***	**22.2**	***3.1%***
Group share	26.9		33.0		22.2	
Minority interests	2.4		6.5		-	

* *Base of comparison adjusted pro forma for the Sopra Steria merger.*

Sopra Steria's revenue for the first half of 2015 was €1,768.1 million, up 6.4% from the first half of 2014 pro forma and representing organic growth of 2.0%.

Operating profit on business activity came to €107.4 million for the half-year period, yielding a margin of 6.1% (pro forma 2014: 6.3%), including €20 million in operational cost synergies related to the merger.

Profit from recurring operations came to €97.5 million after stock options and equivalent expenses as well as the amortisation of allocated intangibles.

Operating profit was €66.1 million after a net expense of €31.4 million for other operating income and expenses, which included €30.4 million in reorganisation and restructuring expenses.

The tax expense was €25.2 million, versus €14.4 million in the pro forma financial statements for the first half of 2014, primarily due to the non-capitalisation of loss carryforwards in Germany.

The net profit attributable to the Group was €26.9 million after deducting €2.4 million in respect of minority interests.

1.2. Performance by reporting entity

SOPRA STERIA: REVENUE BY REPORTING ENTITY (€M/%) – FIRST-HALF 2015

	First-half 2015	First-half 2014 Restated*	First-half 2014 Reported Sopra	Organic growth	Total growth
France	666.2	654.1	393.3	*1.8%*	*69.4%*
United Kingdom	518.3	523.4	43.6	*-1.0%*	*NS*
Other Europe	346.3	331.9	86.3	*4.3%*	*301.3%*
Sopra Banking Software	138.3	128.7	120.7	*7.5%*	*14.6%*
Other Solutions	99.0	95.9	78.4	*3.2%*	*26.3%*
SOPRA STERIA GROUP	**1,768.1**	**1,734.0**	**722.3**	***2.0%***	***144.8%***

* *Revenue at 2015 scope and exchange rates.*

SOPRA STERIA: REVENUE BY REPORTING ENTITY (€M/%) – SECOND-QUARTER 2015

	Second-quarter 2015	Second-quarter 2014 Restated*	Second-quarter 2014 Reported Sopra	Organic growth	Total growth
France	332.9	324.3	195.5	*2.7%*	*70.3%*
United Kingdom	266.7	275.6	21.3	*-3.2%*	*NS*
Other Europe	176.4	166.3	44.8	*6.1%*	*293.8%*
Sopra Banking Software	69.3	64.6	60.0	*7.3%*	*15.5%*
Other Solutions	50.8	51.3	42.3	*-1.0%*	*20.1%*
SOPRA STERIA GROUP	**896.1**	**882.0**	**363.9**	***1.6%***	***146.2%***

* *Revenue at 2015 scope and exchange rates.*

SOPRA STERIA: PERFORMANCE BY REPORTING ENTITY – FIRST-HALF 2015

	First-half 2015		First-half 2014 Pro forma*	
	(€m)	*(%)*	*(€m)*	*(%)*
France				
Revenue	666.2		653.6	
Operating profit on business activity	53.3	8.0%	32.6	5.0%
Profit from recurring operations	53.0	8.0%	31.4	4.8%
Operating profit	32.3	4.8%	17.9	2.7%
of which C&SI				
Revenue	*562.8*		*545.2*	
Operating profit on business activity	*53.8*	*9.6%*	*34.0*	*6.2%*
Profit from recurring operations	*53.5*	*9.5%*	*32.8*	*6.0%*
Operating profit	*38.4*	*6.8%*	*22.2*	*4.1%*
of which I2S				
Revenue	*103.4*		*108.4*	
Operating profit on business activity	*-0.5*	*-0.5%*	*-1.4*	*-1.3%*
Profit from recurring operations	*-0.5*	*-0.5%*	*-1.4*	*-1.3%*
Operating profit	*-6.1*	*-5.9%*	*-4.4*	*-4.1%*
United Kingdom				
Revenue	518.3		468.2	
Operating profit on business activity	33.3	6.4%	44.2	9.4%
Profit from recurring operations	26.9	5.2%	38.5	8.2%
Operating profit	25.2	4.9%	38.5	8.2%
Other Europe				
Revenue	346.3		334.0	
Operating profit on business activity	2.2	0.6%	9.6	2.9%
Profit from recurring operations	1.7	0.5%	8.8	2.6%
Operating profit	-4.9	-1.4%	3.1	0.9%
Sopra Banking Software				
Revenue	138.3		127.2	
Operating profit on business activity	9.9	7.2%	8.5	6.7%
Profit from recurring operations	7.2	5.2%	6.0	4.7%
Operating profit	7.2	5.2%	5.9	4.6%
Other Solutions				
Revenue	99.0		78.4	
Operating profit on business activity	8.7	8.8%	9.4	12.0%
Profit from recurring operations	8.7	8.8%	9.4	12.0%
Operating profit	6.4	6.5%	9.0	11.5%

* *Base of comparison adjusted pro forma for the Sopra Steria merger.*

In **France,** where the market has shown signs of improvement, the Group achieved revenue of €666.2 million for organic growth of 1.8%, but with different trends depending on the business line.

The Consulting & Systems Integration entity posted revenue of €562.8 million over the half-year period, representing organic growth of 3.1%. Business was marked by accelerated sales growth in the second quarter (4.3% versus 2.1% in the first quarter of 2015), buoyed by several large deals requiring an increasingly comprehensive project spectrum. This trend contributed to a substantial drop in consultant downtime in comparison to the end of 2014.

Consequently, the operating margin on business activity improved significantly to reach 9.6%, up 3.4 points from the previous financial year (6.2%), a faster increase than initially planned.

The I2S (Infrastructure & Security Services) entity posted negative organic growth of 4.6%, with revenue of €103.4 million. In Infrastructure Management, which accounts for 90% of the entity's revenue and is an important part of the Group's strategy for a comprehensive offering, the repositioning work continued with a focus on increasing selectivity to capture higher value-added contracts. Cybersecurity, an offering based on the cutting edge of current technology, was driven by some promising new deals and a full project pipeline. In general, the cost optimisation and restructuring initiatives taken in I2S helped improve its operating profit on business activity for the first half of 2015, containing the loss to €0.5 million for the period as opposed to a loss of €1.4 million in the first half of 2014.

In the **United Kingdom,** Sopra Steria achieved revenue of €518.3 million for the first half of 2015, an organic decrease of 1.0%. A particularly high base of comparison from the second quarter of 2014 and the disruption caused by the country's general elections in May are to be taken into account. Nevertheless, the substantial development prospects of shared service platforms for back-office administrative functions offer significant short- and medium-term sales opportunities. Sopra Steria has also reaffirmed its ambition to further develop business in the private sector, particularly in financial services, where major synergies can be developed with Sopra Banking Software. The operating margin on business activity was 6.4% for the first half of 2015, compared with 9.4% for the first half of 2014 pro forma. Given the market opportunities and initiatives taken to optimise costs, reaching an operating margin above 8.0% by 2017 is realistic.

For **Other Europe,** revenue totalled €346.3 million in the first half of 2015, representing organic growth of 4.3%. Performance varied by country. In Germany, following a challenging year in 2014, the pipeline improved and business stabilised. Another operating loss was recorded in the first half of 2015, but Germany should see a clear improvement in its operating profit on business activity for the second half of 2015. Spain and Scandinavia posted strong organic growth while business in the BeLux (Belgium and Luxembourg) zone – which was still affected over the half-year period by the end of the Schengen project – showed improved sales momentum, illustrated in particular by a major success with the European Patent Office.

Sopra Banking Software had a good first half of the year, with revenue of €138.3 million, representing organic growth of 7.5%. Business was strong in Europe and especially in France thanks to the "Platform" product, as well as in the Middle East & Africa, where "Amplitude" products proved highly successful. The operating margin on business activity was 7.2% (6.7% in first-half 2014). Investments in research and development continued at a brisk pace.

Organic revenue growth in **Other Solutions** was 3.2% for the first half of the year. Property management solutions continued to show good momentum in line with past performance, as did Sopra HR Software, working against a high base of comparison from its revenue in the second quarter of 2014. The operating margin on business activity for the Other Solutions division came to 8.8%, versus 12.0% for the first half of 2014 (which included the impact of ONP licences for human resources solutions).

1.3. Staff changes

At 30 June 2015, the Group's total workforce comprised 37,126 people (37,358 people as of 31 December 2014), with 17.4% assigned to X-Shore zones.

1.4. Financial position

At 30 June 2015, the financial position of Sopra Steria Group was robust in terms of both financial ratios and liquidity.

At the end of the first half of the year, which is traditionally a period of net cash outflows, net financial debt was €618.1 million (€442.4 million at 31 December 2014), equal to 2.1x EBITDA (the bank covenant stipulates a maximum of 3x).

On the basis of the bank facilities renegotiated on 31 July 2014, the Group has €1.6 billion in financing, of which €1 billion was available at 30 June 2015.

2. Key events of the period

2.1. Changes in governance

On 17 March 2015, the Board of Directors of Sopra Steria Group, chaired by Pierre Pasquier, decided to simplify governance and to appoint Vincent Paris as CEO and John Torrie as Deputy CEO. François Enaud left the Group.

- Vincent Paris, aged 50, joined Sopra Group in 1987 after graduating from the prestigious École Polytechnique, and has spent nearly his entire career with the Group. A member of the Executive Committee since 2011, he previously held several different positions, including Director of French operations, Deputy CEO of Sopra and Deputy CEO of Sopra Steria.
- John Torrie, aged 60, joined Steria in 2002 as Managing Director of UK operations. He became a member of the Steria Executive Committee in 2007. Prior to joining Steria, he worked in management roles at several companies including SchlumbergerSema, where he was Global Services Managing Director.

Under the terms of these appointments, Vincent Paris and John Torrie are responsible for the operational implementation of Sopra Steria Group's strategic plan.

On 25 June 2015, at its meeting chaired by Pierre Pasquier, the Board of Directors of Sopra Steria Group approved the appointment of Laurent Giovachini as Deputy CEO on the recommendation of its Nomination, Ethics and Governance Committee.

- Laurent Giovachini, aged 53, is a graduate of the École Polytechnique and ENSTA engineering schools and holds the French military rank of *ingénieur général de l'armement* (engineer general in the military corps of engineers). He has served in several high-ranking positions at the French Interior Ministry and Ministry of Defence. He was Chief Executive Officer of CS Systèmes d'Information from 2011 to 2013. After joining Sopra Steria Group's Executive Committee in 2013, he became General Secretary in 2014.

Under the terms of this appointment, Laurent Giovachini joined John Torrie in assisting CEO Vincent Paris in the operational implementation of Sopra Steria Group's strategic plan.

2.2. Signing of a major contract with the French Ministry of Defence

On 23 April 2015, the Group announced that it had been selected by the French Ministry of Defence to work alongside the General Directorate for Armament (DGA) and the Ministry of Defence's human resources department (DRH-MD) to create a payroll software programme for military personnel called Source Solde. It will be developed using software from Sopra HR Software.

2.3. Changes in the composition of the Board of Directors

At Sopra Steria Group's General Meeting of 25 June 2015, the shareholders ratified the co-optation of:

- Sylvie Rémond to replace Françoise Mercadal-Delasalles, following the latter's resignation as director, for the latter's remaining term of office, which shall expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017;
- Solfrid Skilbrigt to replace François Enaud, following the latter's resignation as director, for the latter's remaining term of office, which shall expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

On Thursday 27 August 2015, pursuant to Article L. 225-27-1 of the French Commercial Code and in accordance with the Articles of Association, Sopra Steria Group's local works council designated two directors representing the employees for a term expiring at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017:

- Aurélie Abert;
- Gustavo Roldan de Belmira.

CHANGES IN BOARD COMPOSITION DURING THE PERIOD

Appointments	Aurélie Abert, effective 27 August 2015
	Gustavo Roldan de Belmira, effective 27 August 2015
Resignations	Françoise Mercadal-Delasalles, effective 1 January 2015
	François Enaud, effective 17 March 2015
Co-optations	Sylvie Rémond, effective 17 March 2015, replacing Françoise Mercadal-Delasalles
	Solfrid Skilbrigt, effective 21 April 2015, replacing François Enaud

2.4. Current ownership

On 25 June 2015, Sopra Steria Group announced the buyback of 1.47% of its share capital, corresponding to 300,000 shares for a total amount of €23 million.

This acquisition happened in the placement organized by GENINFO (Groupe Société Générale) of 1.4 million shares in Sopra Steria Group representing 7.04% of its share capital at a unit price of €77.25.

Sopra GMT (Pasquier and Odin families and the historical Managers) acquired through this placement 700,000 shares corresponding to 3.43% of the share capital for a total amount of €54 million.

The remainder, i.e. 434,700 shares corresponding to 2.13% of the share capital, was subscribed by institutional investors.

After the placement by GENINFO, Sopra Steria Group's ownership structure was as follows:

(as %)	Share capital	Exercisable voting rights
Sopra GMT	19.8%	29.9%
Odin family	1.2%	2.0%
Pasquier family	0.6%	1.1%
Sopra Développement	0.0%	0.0%
SEI	1.3%	1.9%
Managers	1.2%	1.8%
Soderi	0.0%	0.0%
Total agreements: *Founders/GMT/Management and GMT/Soderi*	**24.1%**	**36.7%**
Holdings managed on behalf of employees	8.5%	7.2%
Treasury shares	1.5%	-
Free float	65.9%	56.1%
TOTAL	**100.0%**	**100.0%**

This placement reinforces the weight of the shareholders' agreement between Sopra GMT, the founders and part of the management, whose holding grew from 20.7% to 24.1% of the share capital. This transaction will enable Sopra Steria Group to continue to execute its independent enterprise project while increasing its free float from 63.8% to 65.9% of the share capital.

Société Générale Corporate & Investment Banking acted as Sole Bookrunner on the transaction.

3. Risk factors and related-party transactions

3.1. Risk factors

The risk factors are of the same nature as those presented in Chapter 1, Section 10 (pages 36 to 40) of the 2014 Registration Document, and have not undergone any significant changes. The amounts related to financial risks and market risk at 30 June 2015 are presented in Notes 16, 17 and 18 to the condensed consolidated interim financial statements in this report.

3.2. Related-party transactions

These transactions are discussed in Note 21 to the consolidated financial statements.

4. Outlook for 2015

Based on the advance on the initial integration plan in Consulting & Systems Integration in France, the Group's objectives for the 2015 financial year are now organic revenue growth of around 2.0% and an operating margin on business activity of approximately 6.5%.

5. Subsequent events

On 29 July 2015, Airbus and Sopra Steria Group announced that they had signed an agreement on Sopra Steria's acquisition of CIMPA, an Airbus subsidiary specialising in PLM (Product Lifecycle Management) services.

In 2014, CIMPA's revenue was about €100 million and it had 950 employees in Europe.

This acquisition will allow Sopra Steria to boost its position among major players in the world of aeronautics, in addition to those in industry, transport and energy, by capitalising on CIMPA's areas of expertise. This strategic move also strengthens the Group's capacity to delve deeper into its clients' line of work and to assist them in their digital transformation.

CIMPA's activities will enter Sopra Steria Group's consolidation scope on 1 October 2015. The cost of the acquisition has not been publicly disclosed.

2 Condensed consolidated interim financial statements

Consolidated statement of net income

(in thousands of euros)	Notes	First-half 2015	First-half 2014
Revenue	*4*	**1,768,054**	**722,334**
Staff costs	*5*	-1,084,407	-498,778
External purchases and expenses		-549,468	-160,578
Taxes and duties		-14,110	-6,979
Depreciation, amortisation, provisions and impairment		-22,340	-10,267
Other current operating income and expenses		9,689	6,503
Operating profit on business activity		**107,418**	**52,235**
as % of revenue		*6.1%*	*7.2%*
Expenses related to stock options and related items		-384	-1,415
Amortisation of allocated intangible assets		-9,551	-2,448
Profit from recurring operations		**97,483**	**48,372**
as % of revenue		*5.5%*	*6.7%*
Other operating income and expenses	*6*	-31,412	-7,810
Operating profit		**66,071**	**40,562**
as % of revenue		*3.7%*	*5.6%*
Cost of net financial debt	*7*	-4,075	-3,164
Other financial income and expenses	*7*	-7,688	-1,372
Tax expense	*8*	-25,172	-14,310
Net profit from associates	*9*	186	484
Net profit from continuing operations		**29,322**	**22,200**
Net profit from discontinued operations		-	-
Consolidated net profit		**29,322**	**22,200**
as % of revenue		*1.7%*	*3.1%*
Non-controlling interests		2,420	1
ATTRIBUTABLE TO GROUP		**26,902**	**22,199**
as % of revenue		*1.5%*	*3.1%*
EARNINGS PER SHARE *(in euros)*			
Basic earnings per share	*10*	1.36	1.86
Fully diluted earnings per share	*10*	1.36	1.83

Note: Data presented for comparison with 2015 are data published at 30 June 2014.

Consolidated statement of comprehensive income

(in thousands of euros)	Notes	First-half 2015	First-half 2014
Consolidated net profit		**29,322**	**22,200**
Other comprehensive income:			
Actuarial gains and losses on pension plans	*18*	10,273	-3,363
Tax impact		-4,568	1,158
Subtotal of items recognised in equity and not reclassifiable to profit or loss		**5,705**	**-2,205**
Translation adjustments		82,861	4,625
Change in net investment hedges		-15,933	-563
Tax impact on net investment hedges		5,979	193
Change in cash flow hedges		889	422
Tax impact on cash flow hedges		-441	-127
Related to associates		3,327	179
Subtotal of items recognised in equity and reclassifiable to profit or loss		**76,682**	**4,729**
Other comprehensive income, total net of tax		**82,387**	**2,524**
COMPREHENSIVE INCOME		**111,709**	**24,724**
Non-controlling interests		6,491	1
Attributable to Group		**105,218**	**24,723**

Note: Data presented for comparison with 2015 are data published at 30 June 2014.

Consolidated statement of financial position

Assets *(in thousands of euros)*	Notes	30/06/2015	31/12/2014
Goodwill	12	1,546,769	1,475,218
Intangible assets		220,295	219,536
Property, plant and equipment		107,680	109,944
Equity-accounted investments	13	148,636	146,809
Other non-current financial assets		84,339	78,127
Post-employment and similar benefit obligations	18	3,522	-
Deferred tax assets		156,575	154,746
Non-current assets		**2,267,816**	**2,184,380**
Stocks and work in progress		228	278
Trade accounts receivable	14	1,088,173	931,651
Other current receivables		194,515	166,476
Cash and cash equivalents	16	228,879	222,420
Current assets		**1,511,795**	**1,320,825**
Assets held for sale		5,123	4,779
TOTAL ASSETS		**3,784,734**	**3,509,984**

Liabilities and equity *(in thousands of euros)*	Notes	30/06/2015	31/12/2014
Share capital		20,372	20,372
Capital reserves		527,354	658,556
Consolidated reserves and other reserves		507,251	279,964
Profit for the period		26,902	98,201
Equity attributable to the Group		**1,081,879**	**1,057,093**
Non-controlling interests		**35,460**	**29,712**
TOTAL EQUITY	15	**1,117,339**	**1,086,805**
Financial debt – long-term portion	16	470,313	594,929
Deferred tax liabilities		10,083	8,146
Post-employment and similar benefit obligations	18	444,897	428,607
Non-current provisions	19	28,872	30,103
Other non-current liabilities	20	86,974	61,983
Non-current liabilities		**1,041,139**	**1,123,768**
Financial debt – short-term portion	16	376,663	69,887
Current provisions	19	77,988	69,227
Trade payables		241,159	258,748
Other current liabilities		930,446	901,524
Current liabilities		**1,626,256**	**1,299,386**
Liabilities held for sale		-	25
TOTAL LIABILITIES		**2,667,395**	**2,423,179**
TOTAL LIABILITIES AND EQUITY		**3,784,734**	**3,509,984**

Note: The consolidated statement of financial position at 31/12/2014 has been adjusted to reflect the definitive purchase price allocation for the merger with Steria described in Note 2.1 Sopra Steria merger.

Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Treasury shares	Consolidated reserves and retained earnings	Other comprehensive income	Total attributable to Group	Minority interests	Total
At 31/12/2013	**11,920**	**13,192**	**-299**	**360,934**	**-27,844**	**357,903**	**9**	**357,912**
Share-based payments	-	1,418	-	723	-	2,141	-	2,141
Transactions in treasury shares	-	-	-586	11	-	-575	-	-575
Ordinary dividends	-	3	-	-22,650	-	-22,647	-	-22,647
Other movements	-	-	-	164	24	188	-	188
Shareholder transactions	**-**	**1,421**	**-586**	**-21,752**	**24**	**-20,893**	**-**	**-20,893**
Profit for the period	-	-	-	22,199	-	22,199	1	22,200
Other comprehensive income	-	-	-	-	2,524	2,524	-	2,524
Comprehensive profit for the period	**-**	**-**	**-**	**22,199**	**2,524**	**24,723**	**1**	**24,724**
At 30/06/2014	**11,920**	**14,613**	**-885**	**361,381**	**-25,296**	**361,733**	**10**	**361,743**
Capital transactions	26	861	-	490	-	1,377	-	1,377
Steria public exchange offer	8,297	643,046	-	-	-	651,343	-	651,343
Share-based payments	-	-1,320	-	-328	-	-1,648	-	-1,648
Transactions in treasury shares	-	-	561	-602	-	-41	-	-41
Free share allotment plan	129	1,356	-	-203	-	1,282	-	1,282
Changes in scope	-	-	-33,288	23,384	-	-9,904	24,402	14,498
Put option on minority interests	-	-	-	573	-	573	-573	-
Other movements	-	-	-	180	-9	171	2	173
Shareholder transactions	**8,452**	**643,943**	**-32,727**	**23,494**	**-9**	**643,153**	**23,831**	**666,984**
Profit for the period	-	-	-	76,002	-	76,002	3,302	79,304
Other comprehensive income	-	-	-	-	-23,795	-23,795	2,569	-21,226
Comprehensive profit for the period	**-**	**-**	**-**	**76,002**	**-23,795**	**52,207**	**5,871**	**58,078**
At 31/12/2014	**20,372**	**658,556**	**-33,612**	**460,877**	**-49,100**	**1,057,093**	**29,712**	**1,086,805**
Reduction of the share issue premium	-	-118,845	-	118,845	-	-	-	-
Share-based payments	-	-	-	-496	-	-496	8	-488
Transactions in treasury shares	-	-	-21,775	101	-	-21,674	-	-21,674
Ordinary dividends	-	-	-	-38,706	-	-38,706	-	-38,706
Put option on minority interests	-	-	-	-20,238	-	-20,238	-751	-20,989
Other movements	-	-12,357	-	13,060	-21	682	-	682
Shareholder transactions	**-**	**-131,202**	**-21,775**	**72,566**	**-21**	**-80,432**	**-743**	**-81,175**
Profit for the period	-	-	-	26,902	-	26,902	2,420	29,322
Other comprehensive income	-	-	-	63	78,253	78,316	4,071	82,387
Comprehensive profit for the period	**-**	**-**	**-**	**26,965**	**78,253**	**105,218**	**6,491**	**111,709**
At 30/06/2015	**20,372**	**527,354**	**-55,387**	**560,408**	**29,132**	**1,081,879**	**35,460**	**1,117,339**

Note: Equity at 31/12/2014 has been adjusted to reflect the definitive purchase price allocation for the merger with Steria described in Note 2.1 Sopra Steria merger.

Consolidated cash flow statement

(in thousands of euros)	First-half 2015	First-half 2014
Consolidated net profit (including non-controlling interests)	**29,322**	**22,200**
Net increase in depreciation, amortisation and provisions	45,852	11,278
Unrealised gains and losses related to changes in fair value	-2,702	-143
Share-based payment expense	384	1,415
Other calculated income and expenses	-	1,139
Gains and losses on disposal	285	6
Share of net profit of equity-accounted companies	-186	-484
Cash from operations after cost of net debt and tax	**72,955**	**35,411**
Cost of net financial debt	4,075	3,164
Income taxes (including deferred tax)	25,172	14,310
Cash from operations before cost of net debt and tax (A)	**102,202**	**52,885**
Tax paid (B)	-6,101	-13,478
Changes in operating working capital requirements (including liabilities related to employee benefits) (C)	-226,047	-49,454
Net cash from/used in operating activities (D) = (A+B+C)	**-129,946**	**-10,047**
Purchase of tangible and intangible fixed assets	-17,746	-6,390
Proceeds from sale of tangible and intangible fixed assets	93	6
Purchase of financial assets	-8	-516
Proceeds from sale of financial assets	-	554
Changes in scope	-	-20,294
Dividends received (equity-accounted companies, non-consolidated securities)	-	2,107
Changes in loans and advances granted	3,390	-
Net interest received	1,070	-
Net cash from/used in investing activities (E)	**-13,201**	**-24,533**
Purchase and sale of treasury shares	-22,592	-586
Dividends paid during the period		
▪ Dividends paid to shareholders of the parent company	-	-
▪ Dividends paid to minority interests of consolidated companies	-	-
Change in borrowings	124,327	-19,391
Net interest paid (including finance leases)	-896	-3,156
Additional contributions related to defined-benefit pension plans	-10,391	-
Other cash flows relating to financing activities	-4	-3,111
Net cash from/used in financing activities (F)	**90,444**	**-26,244**
Effect of foreign exchange rate changes (G)	23,598	781
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G)	**-29,105**	**-60,043**
Opening cash position	198,750	41,185
Closing cash position	169,645	-18,858

Note: Data presented for comparison with 2015 are data published at 30 June 2014.

Notes to the condensed consolidated financial statements

ACCOUNTING PRINCIPLES AND POLICIES

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OTHER INFORMATION

ACCOUNTING PRINCIPLES AND POLICIES

Note 1 Overview of main accounting policies

The Group's consolidated financial statements for the six-month period ended 30 June 2015 were approved by the Board of Directors at its meeting on 4 August 2015.

1.1. Basis of preparation

The consolidated financial statements for the period ended 30 June 2015 were prepared in accordance with IAS 34 *Interim Financial Reporting*, part of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the European Union and available online at http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm.

The accounting policies and calculation methods used to prepare the condensed consolidated financial statements for the six-month period ended 30 June 2015 are the same as those used in the consolidated financial statements for the year ended 31 December 2014 and described in Chapter 4, Note 1 the 2014 Registration Document filed on 29 April 2015 with the *Autorité des Marchés Financiers* under no. D.14-0434 and available online at http://www.soprasteria.com.

1.2. Application of new standards and interpretations

New standards and interpretations are mandatory for reporting periods starting on or after 1 January 2015:

- IFRIC 21 *Levies;*
- Annual Improvements cycle 2011-2013.

These are without material impact on the condensed interim financial statements.

The Group chose not to opt for early application of Annual Improvements cycle 2010-2012 (which contains amendments to IFRS 2 on "market", "performance" and "service" vesting conditions) published by the IASB and adopted by the European Union, and does not anticipate any material impact on the consolidated financial statements arising from the adoption of said standards and interpretations.

The Group has also chosen not to opt for the early application of standards published by the IASB but not adopted by the European Union.

1.3. Material judgments and estimates

The preparation of interim financial statements entails the use of estimates and assumptions in measuring certain consolidated assets and liabilities as well as certain income statement items. Management is also required to exercise judgement in the application of the Group's accounting policies.

Such estimates and judgements, which are continually updated, are based both on historical information and on a reasonable anticipation of future events according to the circumstances. However, given the uncertainty implicit in assumptions as to future events, the related accounting estimates may differ from the ultimate actual results.

The main assumptions and estimates that may leave scope for material adjustments to the carrying amounts of assets and liabilities in the subsequent period are as follows:

- the identification of impairment indicators for tangible and intangible fixed assets and equity-accounted investments;
- the measurement of payroll liabilities such as retirement benefit obligations and annual bonuses;
- revenue recognition;
- the measurement of deferred tax assets;
- amounts payable to non-controlling interests;
- provisions for contingencies and losses.

Note 2 Scope of consolidation

No changes in the scope of consolidation occurred in the first half of 2015.

2.1. Sopra Steria merger

Sopra Group acquired full ownership of Steria in 2014 (see Chapter 4, Note 2.1 of the 2014 Registration Document).

The fair value of the assets acquired and liabilities assumed has been updated as at 30 June 2015 to reflect new information on facts and circumstances existing at the time of the acquisition that was not available at 31 December 2014. Said information mainly concerns project risk in France, the United Kingdom and Germany and tax risk in France.

The final purchase price allocation has now been determined based on the following identifiable assets and liabilities measured at fair value:

(in thousands of euros)	**Fair value**
Allocated intangible assets	127,299
Other intangible assets	43,035
Property, plant and equipment	52,625
Deferred tax	104,290
Trade accounts receivable	412,560
Other assets	186,250
Cash and cash equivalents	168,069
Total assets acquired	**1,094,128**
Financial debt	541,528
Provisions for post-employment benefits	286,089
Provisions for contingencies and losses	84,111
Trade payables	177,355
Other liabilities	467,892
Total liabilities assumed	**1,556,975**
TOTAL NET ASSETS ACQUIRED/(NET LIABILITIES ASSUMED)	**-462,847**
Minority interests	-24,402
GOODWILL	**1,128,688**
PURCHASE PRICE	**641,439**

The fair value of the assets acquired and liabilities assumed has been adjusted retrospectively. The amounts at 31 December 2014 provided for comparison in the financial statements have been adjusted accordingly as follows:

Assets *(in thousands of euros)*	**31/12/2014 reported**	**Adjustments**	**31/12/2014**
Goodwill	1,449,341	25,877	1,475,218
Intangible assets	219,536	-	219,536
Property, plant and equipment	109,944	-	109,944
Equity-accounted investments	146,809	-	146,809
Other non-current financial assets	78,127	-	78,127
Deferred tax assets	156,300	-1,554	154,746
Non-current assets	**2,160,057**	**24,323**	**2,184,380**
Stocks and work in progress	278	-	278
Trade accounts receivable	942,255	-10,604	931,651
Other current receivables	166,781	-305	166,476
Cash and cash equivalents	222,420	-	222,420
Current assets	**1,331,734**	**-10,909**	**1,320,825**
Assets held for sale	5,042	-263	4,779
TOTAL ASSETS	**3,496,833**	**13,151**	**3,509,984**

Liabilities and equity *(in thousands of euros)*	**31/12/2014 reported**	**Adjustments**	**31/12/2014**
Share capital	20,372	-	20,372
Capital reserves	658,556	-	658,556
Consolidated reserves and other reserves	279,980	-16	279,964
Profit for the period	98,201	-	98,201
Equity attributable to the Group	**1,057,109**	**-16**	**1,057,093**
Non-controlling interests	**31,311**	**-1,599**	**29,712**
TOTAL EQUITY	**1,088,420**	**-1,615**	**1,086,805**
Financial debt – long-term portion	594,929	-	594,929
Deferred tax liabilities	9,745	-1,599	8,146
Post-employment and similar benefit obligations	428,607	-	428,607
Non-current provisions	24,525	5,578	30,103
Other non-current liabilities	61,983	-	61,983
Non-current liabilities	**1,119,789**	**3,979**	**1,123,768**
Financial debt – short-term portion	69,887	-	69,887
Current provisions	61,404	7,823	69,227
Trade payables	256,851	1,897	258,748
Other current liabilities	900,457	1,067	901,524
Current liabilities	**1,288,599**	**10,787**	**1,299,386**
Liabilities held for sale	25	-	25
TOTAL LIABILITIES	**2,408,413**	**14,766**	**2,423,179**
TOTAL LIABILITIES AND EQUITY	**3,496,833**	**13,151**	**3,509,984**

The fair value remeasurement of the assets acquired and liabilities assumed led to the recognition of a new intangible asset of €127.3 million in respect of client relationships. The value of this intangible asset was measured by an independent appraiser. It is amortised on a straight-line basis over ten years.

The amount of the contingent liabilities identified and recognised in liabilities assumed is €19.3 million, or €17.7 million after tax. They represent tax and employee risk, contractual risk and project risk. They are located mainly in India (€6.9 million after tax) but also in the United Kingdom and France.

The adjustments to assets acquired and liabilities assumed did not have a material impact on the Group's profit for the period ended 31 December 2014.

2.2. List of main consolidated and equity-accounted companies for the first half of 2015

Company	Country	% control	% held	Consolidation method
FRANCE				
Sopra Steria Group	France	-	-	Parent company
Sopra Steria Infrastructure & Security Services	France	100.00%	100.00%	FC
Diamis	France	40.00%	40.00%	EM
Beamap SAS	France	100.00%	100.00%	FC
Sopra Steria Polska	Poland	100.00%	100.00%	FC
Sopra India Private Ltd	India	100.00%	100.00%	FC
Steria Medshore SAS	Morocco	100.00%	100.00%	FC
UNITED KINGDOM				
Sopra Group Holding Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Group C&SI Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Steria Holdings Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Steria Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Steria Services Ltd	United Kingdom	100.00%	100.00%	FC
Druid Group Limited	United Kingdom	100.00%	100.00%	FC
NHS Shared Business Services Ltd	United Kingdom	50.00%	50.00%	FC
Steria Recruitment Ltd	United Kingdom	100.00%	100.00%	FC
Steria UK Corporate Ltd	United Kingdom	100.00%	100.00%	FC
Shared Services Connected Ltd SSCL	United Kingdom	75.00%	75.00%	FC
Steria Employee Trustee Company Ltd	United Kingdom	100.00%	100.00%	FC
Xansa 2004 Employee Benefit Trust	United Kingdom	100.00%	100.00%	FC
Zansa Limited	United Kingdom	100.00%	100.00%	FC
Xansa Cyprus (No. 1) Limited	Cyprus	100.00%	100.00%	FC
Xansa Cyprus (No. 2) Limited	Cyprus	100.00%	100.00%	FC
Xansa India Sez DP Ltd	India	100.00%	100.00%	FC
Steria India Ltd	India	100.00%	100.00%	FC
Sopra Steria Asia Pte Ltd	Singapore	100.00%	100.00%	FC
OTHER EUROPE				
Sopra Steria GmbH	Germany	100.00%	100.00%	FC
ISS Software GmbH	Germany	100.00%	100.00%	FC
Sopra Group GmbH	Germany	100.00%	100.00%	FC
Sopra Steria GmbH	Austria	100.00%	100.00%	FC
Sopra Belux	Belgium	100.00%	100.00%	FC
Sopra Steria Benelux	Belgium	100.00%	100.00%	FC
Sopra Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Steria PSF Luxembourg	Luxembourg	100.00%	100.00%	FC
Xansa SA Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Informatique	Switzerland	100.00%	100.00%	FC
Sopra Steria AG	Switzerland	100.00%	100.00%	FC
Sopra Steria Group SpA	Italy	100.00%	100.00%	FC
Sopra Group Informatica SAU	Spain	100.00%	100.00%	FC
Sopra Group Euskadi SL	Spain	100.00%	100.00%	FC
Sopra Group Informatica Lda	Portugal	100.00%	100.00%	FC
Sopra Steria A/S	Denmark	100.00%	100.00%	FC
Sopra Steria AS	Norway	100.00%	100.00%	FC
Sopra Steria AB	Sweden	100.00%	100.00%	FC

Company	Country	% control	% held	Consolidation method
SOPRA BANKING SOFTWARE				
Sopra Banking Software	France	100.00%	100.00%	FC
Sopra Banking Software Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Banking Software Belgium	Belgium	100.00%	100.00%	FC
Sopra Banking Software Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Banking Netherlands BV	Netherlands	100.00%	100.00%	FC
Sopra Banking Software GmbH	Germany	100.00%	100.00%	FC
Sopra Banking Software Singapore Pte Ltd	Singapore	100.00%	100.00%	FC
Sopra Banking Software Morocco	Morocco	100.00%	100.00%	FC
Sopra Software Cameroun	Cameroun	95.00%	95.00%	FC
OTHER SOLUTIONS				
Sopra HR Software	France	100.00%	100.00%	FC
Sopra HR Software Limited	United Kingdom	100.00%	100.00%	FC
Sopra HR Software SPRL	Belgium	100.00%	100.00%	FC
Sopra HR Software Sarl	Luxembourg	100.00%	100.00%	FC
Sopra HR Software GmbH	Germany	100.00%	100.00%	FC
Sopra HR Software Sarl	Switzerland	100.00%	100.00%	FC
Sopra HR Software Srl	Italy	100.00%	100.00%	FC
Sopra HR Software SL	Spain	100.00%	100.00%	FC
Sopra HR Software Sarl	Tunisia	100.00%	100.00%	FC
Sopra HR Software Sarl	Morocco	100.00%	100.00%	FC
AXWAY	France	25.35%	25.35%	EM

FC: Fully consolidated.
EM: Equity method.

Note 3 Comparability of financial statements: pro forma disclosures

The individual and combined impact of the Sopra Steria merger in the second half of 2014 on the Group's income statement and key performance indicators exceeds the 25% materiality threshold laid down in the AMF General Regulation (Article 222-2) for the preparation of pro forma disclosures.

The income statement published for the period ended 30 June 2014 covered the operations of Sopra Group.

To illustrate the effects of the Sopra Steria merger and for comparison purposes, a pro forma income statement has been prepared for the first half of 2014. This pro forma income statement has been prepared using the same assumptions as those described in the 2014 Registration Document, Chapter 4, Note 3.1.

(in millions of euros)	First-half 2015		First-half 2014 Pro forma*	
	Amount	*% revenue*	Amount	*% revenue*
Revenue	**1,768.1**	***100.0%***	**1,661.5**	***100.0%***
Operating expenses	-1,660.7		-1,557.2	
Operating profit on business activity	**107.4**	***6.1%***	**104.3**	***6.3%***
Expenses related to stock options and related items	-0.4		-1.6	
Amortisation of allocated intangible assets	-9.5		-8.6	
Profit from recurring operations	**97.5**	***5.5%***	**94.1**	***5.7%***
Other operating income and expenses	-31.4		-24.4	
Operating profit	**66.1**	***3.7%***	**69.7**	***4.2%***
Cost of net financial debt	-4.1		-6.3	
Other financial income and expenses	-7.7		-10.2	
Income tax expense	-25.2		-14.3	
Net profit from associates	0.2		0.6	
Net profit	**29.3**	***1.7%***	**39.5**	***2.4%***
Attributable to Group	26.9	*1.5%*	33.0	*2.0%*
Minority interests	*2.4*		*6.5*	

* *Base of comparison adjusted pro forma for the Sopra Steria merger.*

NOTES TO THE CONSOLIDATED STATEMENT OF NET INCOME

Note 4 Revenue

Revenue by reporting entity

(in millions of euros)	First-half 2015		First-half 2014	
France	666.2	*37.7%*	393.3	*54.4%*
United Kingdom	518.3	*29.3%*	43.6	*6.0%*
Other Europe	346.3	*19.6%*	86.3	*12.0%*
Sopra Banking Software	138.3	*7.8%*	120.7	*16.7%*
Other Solutions	99.0	*5.6%*	78.4	*10.9%*
TOTAL REVENUE	**1,768.1**	***100.0%***	**722.3**	***100.0%***

Note 5 Staff costs

5.1. Breakdown

(in thousands of euros)	First-half 2015	First-half 2014
Salaries	815,396	362,032
Employee-related expenses	263,132	136,724
Net expense for post-employment and similar benefit obligations	5,879	22
TOTAL	**1,084,407**	**498,778**

5.2. Workforce

Workforce at period-end	First-half 2015	First-half 2014
France	17,037	10,765
International	20,089	6,395
TOTAL	**37,126**	**17,160**

Note 6 Other operating income and expenses

(in millions of euros)	First-half 2015	First-half 2014
Expenses arising from business combinations (fees, commissions, etc.)	-0.9	-4.7
Net restructuring and reorganisation costs	-30.4	-2.9
Other operating expenses	-0.1	-0.2
TOTAL	**-31.4**	**-7.8**

During the first half of 2015 the Group continued its implementation of the synergies unlocked by the Sopra Steria merger. This is the main reason for the amount of restructuring and reorganisation costs.

Note 7 Financial income and expenses

7.1. Cost of net financial debt

(in thousands of euros)	First-half 2015	First-half 2014
Interest income	5,592	258
Gains/losses on hedges of cash and cash equivalents	-22	-
Income from cash and cash equivalents	**5,570**	**258**
Interest charges	-7,784	-2,782
Impact of amortised cost on financial expenses	-801	-163
Gains/losses on hedges of gross financial debt	-1,060	-477
Cost of gross financial debt	**-9,645**	**-3,422**
COST OF NET FINANCIAL DEBT	**-4,075**	**-3,164**

The average borrowing rate after hedging was 2.20% for the first half of 2015, compared with 2.46% for the first half of 2014.

7.2. Other financial income and expenses

(in thousands of euros)	First-half 2015	First-half 2014
Foreign exchange gains and losses	**-607**	**-1,214**
Reversals of provisions	19	57
Interest income from bonds	301	-
Other financial income	231	58
Total other financial income	**551**	**115**
Additions to provisions	-546	-20
Discounts granted	-368	-
Net interest expense on retirement benefit obligations	-5,701	-816
Interest on employee profit-sharing liability	-496	255
Change in fair value of derivatives	-498	305
Other financial expenses	-23	3
Total other financial expenses	**-7,632**	**-273**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**-7,688**	**-1,372**

Note 8 Tax expense

(in thousands of euros)	First-half 2015	First-half 2014
Current tax	26,459	12,750
Deferred tax	-1,287	1,560
TOTAL	**25,172**	**14,310**

Note 9 Net profit from associates

Profit for the first half of 2015 includes:

- €587k in respect of the share of the Axway group's profit for the period;
- a €613k loss in respect of the dilution of Axway Software's share capital;
- €212k in respect of the share of Diamis' profit for the period.

Note 10 Earnings per share

(in euros)	First-half 2015	First-half 2014
Net profit attributable to the Group (a)	26,902,192	22,199,603
Weighted average number of ordinary shares in issue (b)	20,371,789	11,919,583
Weighted average number of treasury shares (c)	640,380	-
Weighted average number of shares in issue excluding treasury shares (d) = (b) + (c)	19,731,409	11,919,583
BASIC EARNINGS PER SHARE (a/d)	**1.36**	**1.86**

(in euros)	First-half 2015	First-half 2014
Net profit attributable to the Group (a)	26,902,192	22,199,603
Weighted average number of shares in issue excluding treasury shares (d)	19,731,409	11,919,583
Dilutive effect of instruments that give rise to potential ordinary shares (e)	69,996	197,501
Theoretical weighted average number of equity instruments (g) = (d) + (e)	19,801,405	12,117,084
FULLY DILUTED EARNINGS PER SHARE (a/g)	**1.36**	**1.83**

Note 11 Segment information

11.1. Revenue by geographic area

(in millions of euros)	France	United Kingdom	Other European countries	Other zones	Total
First-half 2014	482.6	60.6	155.2	23.9	722.3
First-half 2015	**796.1**	**529.8**	**399.2**	**43.0**	**1,768.1**

11.2. Results by reporting entity

a. France

(in millions of euros)	First-half 2015		First-half 2014	
Revenue	666.2		393.3	
Operating profit on business activity	53.3	*8.0%*	32.7	*8.3%*
Profit from recurring operations	53.0	*8.0%*	31.7	*8.1%*
Operating profit	32.2	*4.8%*	27.5	*7.0%*

b. United Kingdom

(in millions of euros)	First-half 2015		First-half 2014	
Revenue	518.3		43.6	
Operating profit on business activity	33.3	*6.4%*	2.3	*2.7%*
Profit from recurring operations	26.9	*5.2%*	2.3	*2.7%*
Operating profit	25.2	*4.9%*	2.3	*2.7%*

c. Other Europe

(in millions of euros)	First-half 2015		First-half 2014	
Revenue	346.3		86.3	
Operating profit on business activity	2.2	*0.6%*	0.4	*0.5%*
Profit from recurring operations	1.7	*0.5%*	0.1	*0.1%*
Operating profit	-4.9	*-1.4%*	0.1	*0.1%*

d. Sopra Banking Software

(in millions of euros)	First-half 2015		First-half 2014	
Revenue	138.3		120.7	
Operating profit on business activity	9.9	*7.2%*	7.4	*6.1%*
Profit from recurring operations	7.2	*5.2%*	4.9	*4.1%*
Operating profit	7.2	*5.2%*	4.8	*4.0%*

e. Other Solutions

(in millions of euros)	First-half 2015		First-half 2014	
Revenue	99.0		78.4	
Operating profit on business activity	8.7	*8.8%*	9.4	*12.0%*
Profit from recurring operations	8.7	*8.8%*	9.4	*12.0%*
Operating profit	6.4	*6.5%*	9.0	*11.5%*

f. Not allocated

(in millions of euros)	First-half 2015		First-half 2014	
Revenue	-		-	
Operating profit on business activity	-		-	
Profit from recurring operations	-		-	
Operating profit	-		-3.1	

g. Group

(in millions of euros)	First-half 2015		First-half 2014	
Revenue	1,768.1		722.3	
Operating profit on business activity	107.4	*6.1%*	52.2	*7.2%*
Profit from recurring operations	97.5	*5.5%*	48.4	*6.7%*
Operating profit	66.1	3.7%	40.6	5.6%

Following the acquisition of control of Steria, the principal operational decision-maker implemented a reorganisation of operating segments. The changes in internal reporting are applied retrospectively and the figures provided for comparison are restated.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 12 Goodwill

12.1. Statement of changes in goodwill

Movements in the first half of 2015 were as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2014	**1,558,313**	**83,095**	**1,475,218**
Acquisitions	-	-	-
Adjustments on business combinations	-	-	-
Impairment	-	-	-
Translation adjustments	74,493	2,942	71,551
30 JUNE 2015	**1,632,806**	**86,037**	**1,546,769**

12.2. Breakdown of goodwill by CGU

The Group applies a breakdown by cash-generating units (CGUs) consistent with the operational organisation of its business lines as well as its management and reporting system and segment disclosures.

A statement of the carrying amount of goodwill by CGU is presented below:

(in thousands of euros)	30/06/2015	31/12/2014
France	378,669	377,457
United Kingdom	714,230	652,334
Other Europe	272,643	264,718
Sopra Banking Software	168,690	167,143
Other Solutions	12,537	13,566
TOTAL	**1,546,769**	**1,475,218**

12.3. Impairment testing

The Group performs impairment tests annually or where there is an indication of impairment.

There were no indications of impairment at 30 June 2015. Therefore no impairment tests were performed.

Note 13 Equity-accounted investments

(in thousands of euros)	30/06/2015	31/12/2014
Axway	146,871	145,256
Diamis	1,765	1,553
TOTAL	**148,636**	**146,809**

Changes in the Axway Software holding over the first half of 2015 were as follows:

(in thousands of euros)	Gross value of Axway shares	Impairment of Axway shares	Carrying amount of Axway shares
31 December 2014	**145,256**	**-**	**145,256**
Capital transactions	64	-	64
Dividends paid	-2,086	-	-2,086
Net profit	588	-	588
Translation adjustments	3,117	-	3,117
Changes in shareholding	-677	-	-677
Other movements	609	-	609
30 JUNE 2015	**146,871**	**-**	**146,871**

At 30 June 2015 the Axway Software shares held by Sopra Steria Group represented 25.35% of the share capital, compared with 25.47% at 31 December 2014. There were no indications of impairment of equity-accounted investments at 30 June 2015.

Note 14 Trade accounts receivable

(in thousands of euros)	30/06/2015	31/12/2014
Trade accounts receivable – gross value	588,840	616,696
Accrued income	508,175	324,442
Impairment of trade accounts receivable	-8,842	-9,487
TOTAL	**1,088,173**	**931,651**

In June 2015 the Group completed a sale of trade receivables in France for a value of €30.0 million. As the transfer was made with recourse, the receivables are still recognised on the balance sheet.

Note 15 Equity

15.1. Changes in the share capital

There were no changes in the first half of 2015.

The share capital of Sopra Steria Group as at 30 June 2015 is €20,371,789. It is composed of 20,371,789 fully paid-up shares with a par value of €1 each.

15.2. Share subscription option plan

A total of 21,302 share subscription options were exercised in the first half of 2015.

No new options were granted during the first half of 2015.

The expense recognised in the first half of 2015 for the cost of services rendered by stock option holders, using the method set out in Note 1.16 *Share-based payments* in the 2014 Registration Document, is €19k.

15.3. Free share allotment plan

The Group did not set up any new free share plans in the first half of 2015. The expense recognized in the first half of 2015 for the cost of services rendered during the vesting period of existing plans was €365k.

15.4. Transactions in treasury shares

At 30 June 2015, the value of treasury shares recognised as a deduction from consolidated equity is €55,386k, consisting of 638,226 shares, of which 328,426 are held by UK trusts falling within the consolidation scope and 300,000 were acquired through the private placement made on 25 June 2015 by GENINFO (Groupe Société Générale).

All transactions in treasury shares are taken directly to equity.

15.5. Dividends

At Sopra Steria Group's Combined General Meeting of 25 June 2015, the shareholders resolved to distribute an ordinary dividend of €38,706k in respect of financial year 2014, equating to €1.90 per share. The dividend was paid on 8 July 2015.

15.6. Non-controlling interests

The contributions to the income statement and balance sheet of entities in which there are non-controlling interests come mainly from shared ventures formed with the UK authorities in the United Kingdom region: NHS SBS, 50%-owned by the UK Department of Health, and SSCL, 25%-owned by the Cabinet Office. The Group has 50% and 75% control respectively.

When forming SSCL the Group granted the Cabinet Office a put option on its minority stake in the company. The accounting for this commitment is described in the 2014 Registration Document, Chapter 4, Note 1.24. It was remeasured through equity at 30 June 2014 (see Note 20 *Other non-current liabilities*).

Most of the amount of non-controlling interests on the balance sheet is attributable to the UK Department of Health for its share in the net assets of NHS SBS, i.e. €35,398k. In the income statement, the amounts attributable to the non-controlling interests in SSCL and NHS SBS are €1,223k and €1,198k respectively.

Note 16 Financial debt – Net financial debt

(in thousands of euros)	Current	Non-current	30/06/2015	31/12/2014
Bonds	2,188	187,463	189,651	194,476
Bank borrowings	29,936	277,336	307,272	429,463
Liabilities on finance lease contracts	4,089	5,436	9,525	10,425
Other sundry financial debt	281,218	78	281,296	6,783
Current bank overdrafts	59,232	-	59,232	23,670
FINANCIAL DEBT	**376,663**	**470,313**	**846,976**	**664,817**
Investment securities	-105,752	-	-105,752	-100,928
Cash	-123,127	-	-123,127	-121,492
NET FINANCIAL DEBT	**147,784**	**470,313**	**618,097**	**442,397**

16.1. Financial debt

During the first half of 2015 the Group implemented a commercial paper programme of up to €300.0 million. Commercial paper outstanding at 30 June 2015 was €243.0 million, this being the main cause of the change in other sundry financial debt.

Exchange rate fluctuations contributed €6,527k to the decrease in net debt.

The terms and conditions of the syndicated loan and the bond issue include financial covenants.

The bank debt requires compliance with two financial ratios calculated every six months using the published consolidated financial statements on a 12-month rolling basis:

- the leverage ratio, equal to net financial debt/EBITDA;
- the interest coverage ratio, equal to EBITDA/cost of net financial debt.

The leverage ratio must not exceed 3.0 at any reporting date. The interest coverage ratio must not fall below 5.0.

Net financial debt is defined on a consolidated basis as all borrowings and equivalent financial liabilities (excluding inter-company liabilities), less available cash and cash equivalents.

EBITDA is the consolidated operating profit on business activity adding back depreciation and amortisation and current provisions.

For the interest coverage ratio, EBITDA is as defined above and the cost of net financial debt is also calculated on a rolling 12-month basis.

The above financial covenants were complied with at 30 June 2015.

The Group has lines of credit with a total euro equivalent of €1,847.5 million (45.8% drawn at 30 June 2015).

These lines of credit consist of:

- floating-rate bank lines of €1,424 million (€424 million drawn), which are hedged for interest rate risk;
- a fixed-rate bond issue of €180 million, fully drawn;
- a commercial paper programme of up to €300 million (€243 million drawn) paying floating rates and issued at a discount.

16.2. Investment securities and cash

Investment securities and other short-term cash investments include money-market holdings, short-term deposits and funds advanced under the liquidity provider's agreement. The risk of a change in value on these investments is negligible.

The contribution to net cash by Indian entities is €119,476k. If that cash is repatriated in the form of dividends, a withholding tax will apply (to date estimated at 20%); a provision has been recognized for this withholding.

A portion of NHS SBS' cash is earmarked for the granting of advances to production platform clients as part of their transition operations, in the amount of €20,862k at 30 June 2015.

Note 17 Financial instruments and interest rate and foreign exchange risk management

As part of its overall risk management policy and due to the substantial scale of its production activities in India and Poland, the Group has entered into and continues to implement transactions designed to hedge its exposure to foreign currency risk through the use of derivatives including exchange-traded futures and options as well as over-the-counter instruments with top-tier counterparties.

The Group also hedges against interest rate fluctuations by swapping part of its floating-rate debt for fixed-rate debt.

17.1. Management of interest rate risk

The Group is party to a number of interest rate swaps at 30 June 2015. The notional amount of those swaps is €295 million and their fair value is (-)€2,007k.

Interest rate derivatives are designated as cash flow hedges.

The total amount of gross borrowings subject to interest rate risk is €648.9 million.

The interest rate hedges in effect at 30 June 2015 reduce this exposure.

17.2. Management of foreign exchange risk

Foreign exchange risk hedging mainly relates to GBP/INR and EUR/PLN hedges on the Group's production platforms in India and Poland and certain commercial contracts denominated in US dollars. Foreign currency derivatives are classified as cash flow hedges, fair value hedges and held for trading.

Their fair value at 30 June 2015 was €2,588k for a notional amount of €105 million.

Note 18 Post-employment and similar benefit obligations

Retirement benefits and similar obligations are broken down as follows:

(in thousands of euros)	30/06/2015	31/12/2014
Post-employment benefits	407,317	397,435
Other long-term employee benefits	34,058	31,172
TOTAL	**441,375**	**428,607**

Post-employment benefits arise mainly from the Group's obligations towards its employees to provide retirement bonuses, mostly in France but also in Italy and Poland, and defined-benefit pension plans in the United Kingdom, Germany and other European countries (Belgium, Norway).

The net liability in respect of retirement benefits and similar obligations is calculated at the balance sheet date based on the most recent valuations available as at the close of the preceding year. A review of actuarial assumptions was performed to take into account any half-year changes or one-off impacts. The market value of plan assets is reviewed as at the closing date.

Changes in the net liabilities of the main post-employment benefit plans during the first half of 2015 are presented below:

(in thousands of euros)	Defined-benefit pension funds – United Kingdom	Lump-sum retirement benefits – France	Defined-benefit pension funds – Germany	Other	Total
Net liability at 31 December 2014	**250,086**	**98,439**	**43,698**	**5,212**	**397,435**
Net expense recognised in the income statement	7,528	4,087	-191	222	11,646
■ *Of which operating charges for service cost*	*2,929*	*4,190*	*70*	*202*	*7,391*
■ *Of which operating reversals for paid benefits*	-	*-881*	*-565*	-	*-1,446*
■ *Of which net interest expense*	*4,599*	*778*	*304*	*20*	*5,701*
Net expense recognised in equity	7,134	-16,408	-1,146	148	-10,272
■ *Of which return on plan assets*	*12,762*	-	-	*-143*	*12,619*
■ *Of which effect of changes in financial assumptions*	*-5,628*	*-16,408*	*-1,146*	*291*	*-22,891*
Contributions	-13,276	-	-	-247	-13,523
■ *Of which employer contributions*	*-13,276*	-	-	*-247*	*-13,523*
■ *Of which employee contributions*	-	-	-	-	-
Exchange differences	23,770	-	-	-10	23,760
Other movements*	-	-	-	-1,729	-1,729
NET LIABILITY AT 30 JUNE 2015	**275,242**	**86,118**	**42,361**	**3,596**	**407,317**

* *Reclassification of the TFR (Trattamento di Fine Rapporto) for Italian subsidiaries from "post-employment benefits" to "other long-term employee benefits".*

The actuarial assumptions used to measure these liabilities are as follows at 30 June 2015:

	United Kingdom	France	Germany	Other
Discount rate	3.79%	2.51%	1.59% to 2%	1.30% to 3%
Rate of inflation or salary increase	3.15%	2.50% to 2%	2.00%	2% to 3.50%

And at 31 December 2014:

	United Kingdom	France	Germany	Other
Discount rate	3.65%	1.59%	1.49% to 2%	2.50% to 3%
Rate of inflation or salary increase	2.97%	2.00%	2.00%	2% to 3.50%

Note 19 Provisions for contingencies and losses

(in thousands of euros)	01/01/2015	Charges	Reversals (used)	Reversals (not used)	Other	Translation adjustments	30/06/2015	Current portion	Non-current portion
Provisions for disputes	8,308	4,075	-374	-318	-497	16	11,210	9,997	1,213
Provisions for losses on contracts	20,176	163	-1,676	-	-4,296	958	15,325	14,425	900
Provisions for taxes	10,701	-	-	-	3,218	-	13,919	-	13,919
Provisions for restructuring	9,669	9,631	-5,851	-353	-	6	13,102	12,942	160
Other provisions for contingencies	50,476	5,719	-5,101	-2,458	2,009	2,659	53,304	40,624	12,680
TOTAL	**99,330**	**19,588**	**-13,002**	**-3,129**	**434**	**3,639**	**106,860**	**77,988**	**28,872**

Provisions for disputes are recognised to cover employee disputes and severance pay (€6,233k), as well as disputes with clients and suppliers (€2,720k). The latter are the primary reason for the increase in the first half of the year.

The main provisions for losses at completion are on projects in the United Kingdom (€11,539k).

Provisions for restructuring were recognized mostly to reflect the cost of transforming the Infrastructure Management business in France (€3,126k), vacant premises costs (€3,138k) and one-off restructuring initiatives in Germany (€4,794k) and Denmark (€1,606k).

Other provisions for contingencies are mainly for costs relating to business premises and renovations, particularly in the United Kingdom (€12,071k), client and project risk (€16,296k) mostly in the United Kingdom and France, and contract risk.

Provisions for taxes cover tax risk in France, notably on the R&D tax credit.

Note 20 Other non-current liabilities

(in thousands of euros)	30/06/2015	31/12/2014
NHS-SBS: fees payable to the UK Department of Health	1,315	2,403
NHS-SBS: advances granted by the UK Department of Health	24,740	22,596
SSCL: put option granted to the Cabinet Office	57,440	32,728
Derivatives	2,793	3,521
Other liabilities – portion due in more than one year	686	735
TOTAL	**86,974**	**61,983**

Following the signing of new contracts with the UK authorities, the put option granted to the Cabinet Office on its 25% stake in SSCL was revalued at €20,990k with most of the matching adjustment recognised in non-controlling interests and the rest in consolidated reserves attributable to the Group.

OTHER INFORMATION

Note 21 Related party transactions

Agreements entered into with parties related to Sopra Steria Group were identified in the 2014 Sopra Steria Registration Document filed with the AMF on 29 April 2015, in Note 33 *Related party transactions*.

Other than those set out in this note, no new agreements were entered into with parties related to Sopra Steria Group during the first half of 2015, except for the severance settlement described below.

At its meeting on 17 March 2015, the Board of Directors of Sopra Steria Group, after taking into account the recommendations of the Nomination, Ethics and Governance Committee and the Compensation Committee, authorised a settlement *(transaction)* to be entered into with François Enaud following his removal as Chief Executive Officer. The settlement was presented to shareholders in a specific resolution at the General Meeting of 25 June 2015. The €2.9 million expense recognised for the settlement in *Other operating income and expenses* includes the lump-sum settlement payment *(indemnité transactionnelle),* consideration in return for a non-compete obligation, related expenses and the impact of lifting the continued-employment condition for the exercise of share subscription options.

Note 22 Off balance sheet commitments and contingent liabilities

The Group's off balance sheet commitments are those granted or received by Sopra Steria Group and its subsidiaries. They have not undergone any material change relative to 31 December 2014.

Certain contingent liabilities have been adjusted to reflect the purchase price allocation for Steria, as indicated in Note 2.1.

Note 23 Subsequent events

On 29 July 2015, Airbus and Sopra Steria Group announced that they had signed an agreement on Sopra Steria Group's acquisition of CIMPA, an Airbus subsidiary specialising in PLM (Product Lifecycle Management) services. CIMPA's activities will enter the Sopra Steria consolidation scope as of 1 October 2015.

Statutory Auditors' report on the interim financial information

To the Shareholders,

In compliance with the assignment entrusted to us at your General Meetings and with Article L. 451-1-2 III of the French Monetary and Financial Code, we have performed:

- a limited review of Sopra Steria Group's condensed consolidated interim financial statements for the period from 1 January 2015 to 30 June 2015, which precede this report;
- the verification of the information provided in the business review for the six-month period ended 30 June 2015.

These condensed consolidated interim financial statements were prepared under the responsibility of the Board of Directors. Our role is to issue a conclusion on the financial statements based on our limited review.

I – CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our limited review in accordance with the auditing standards generally accepted in France.

A limited review consists essentially of inquiries with the management personnel responsible for financial and accounting matters, and of analytical procedures. The work performed is lesser in scope than a full audit conducted in accordance with the auditing standards generally accepted in France. Consequently, a limited review provides only moderate assurance that the financial statements taken as a whole are free from material misstatement, as opposed to the higher level of assurance provided by an audit.

Based on our limited review, nothing has come to our attention that might cause us to believe that the accompanying condensed half-year consolidated financial statements were not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union for interim financial information.

II – SPECIFIC VERIFICATION

We also verified the disclosures provided in the business review for the six-month period on the condensed consolidated interim financial statements that were the focus of our limited review.

We have no comments as to the fairness and consistency of those disclosures with the condensed consolidated financial statements.

Paris and Courbevoie, 24 September 2015

The Statutory Auditors

Auditeurs & Conseils Associés

François Mahé

Mazars

Bruno Pouget

Statement by the person responsible for the half-year financial report

I declare that, to the best of my knowledge, the financial statements presented in the half-year financial report have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of Sopra Steria Group, and that the half-year business review gives a fair view of the main events that occurred in the first six months of the financial year and their impact on the interim financial statements, the main transactions between related parties and the main risks and uncertainties for the remaining six months of the financial year.

Paris, 24 September 2015

Vincent Paris

Chief Executive Officer

Sopra Steria Group

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