Reference document 2007

TALENTED TOGETHER

Contents

Sopra Group

Reference Document 2007

The original French-language version of this Reference Document was registered with the *Autorité des marchés financiers* on 23 April 2008, pursuant to article 212-13 of its General Regulations. The French-language original may be used as a basis for a financial transaction if it is supplemented by a prospectus authorised by the *Autorité des marchés financiers*.

Copies of this Reference Document may be obtained by submitting a request to Sopra Group, Director of Communication, 9 bis, rue de Presbourg, 75116 Paris, France, via our website: www.sopragroup.com, or via the website of the *Autorité des marchés financiers*: www.amf-france.org.

Pursuant to article 28 of Commission Regulation (EC) No.809/2004 of 29 April 2004, the following information is included with respect to this Reference Document:

1. Relating to financial year 2005:

- the management report and the consolidated financial statements, in addition to the Statutory Auditors' report on the consolidated financial statements, included in the Reference Document filed on 22 May 2006 under number D.06-0440 (pages 39 to 50 and 55 to 95, respectively);
- the simplified individual company financial statements of Sopra Group included in the Reference Document filed on 22 May 2006 under number D.06-0440 (pages 97 to 101);
- the Statutory Auditors' special report on regulated agreements included in the Reference Document filed on 22 May 2006 under number D.06-0440 (pages 102 and 103).

2. Relating to financial year 2006:

- the management report and the consolidated financial statements, in addition to the Statutory Auditors' report on the consolidated financial statements, included in the Reference Document filed on 27 April 2007 under number D.07-0400 (pages 41 to 52 and 53 to 95, respectively);
- the individual company financial statements of Sopra Group in addition to the Statutory Auditors' general report on the individual company financial statements included in the Reference Document filed on 27 April 2007 under number D.07-0400 (pages 97 to 114);
- the Statutory Auditors' special report on regulated agreements and commitments included in the Reference Document filed on 27 April 2007 under number D.07-0400 (pages 115 and 116).

The information included in both of these Reference Documents other than the information mentioned above, has been replaced and/or updated, as applicable, by the information included in this Reference Document.

Société anonyme
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Sopra Group: OUR BUSINESS

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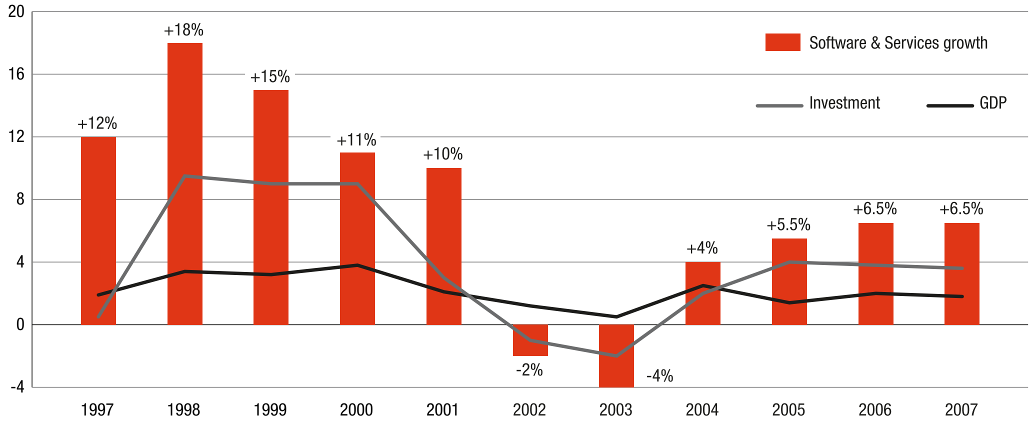
1. An overview of the IT services sector

1.1. Growth gains momentum

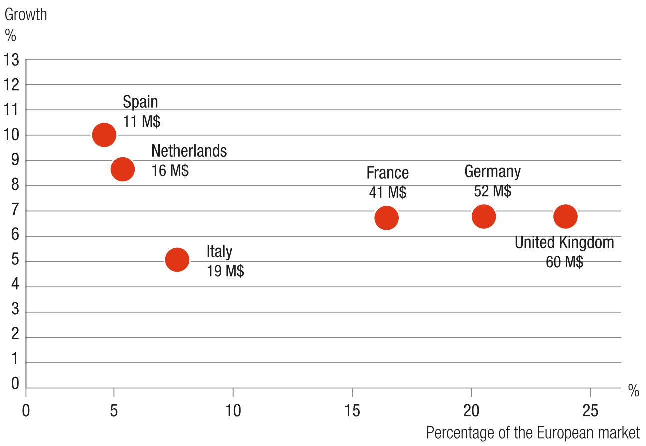
In France, 2007 was a year of satisfactory growth for the Software and Services sector, one in which companies with 10 employees or more posted a 6.5% increase in revenue (Source: Syntec Informatique Conference, 27 March 2008).

Between 1997 and 2007, revenue for companies in the sector grew about three times faster than the French GDP, as shown in the table below:



Sources: PAC, Syntec Informatique.

In Western Europe, growth in revenue for the Software and Services sector varied from one country to the next in 2007 (Source: IDC study, February 2008):



Four types of project have driven this growth, each acquiring greater or lesser prominence depending on the economic climate:

- projects helping companies adapt to a changing economic environment (competitors, competitiveness, regulatory framework). These projects are independent of the economic context;
- projects related to innovation (new product launches, access to new markets, new sales channels). These projects are in greater demand in a favourable economic climate;
- rationalisation projects (optimisation of resources in connection with mergers and acquisitions, projects offering a high return on investment, etc.). These projects are in greater demand in a difficult economic climate;
- outsourcing projects leading companies to entrust the responsibility for their information systems (in whole or in part) to specialists. These projects are also in greater demand in a difficult economic climate.

1.2. Acceleration of offshore activities

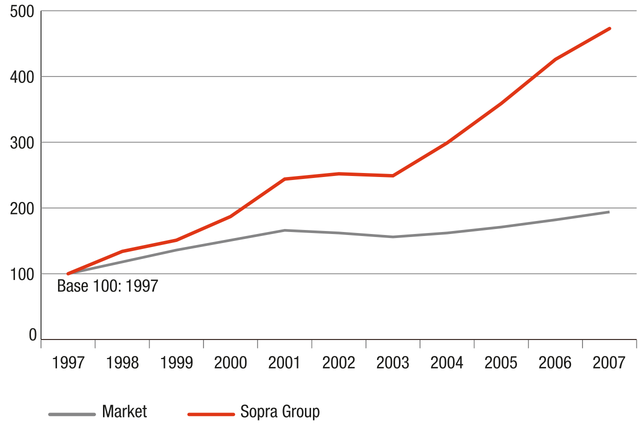
In 2006 and 2007, a number of major contracts were signed including multi-country offshore activities. Clients continue to seek out ways to keep overhead and investments under control, thus encouraging IT services and solutions providers to move a portion of their activities offshore.

In addition, Indian IT services players are beginning to establish a presence in the domestic market. For the moment, this competition has been limited to a few scattered projects, but this is the birth of a new phenomenon likely to gather steam in the years ahead. This phenomenon mainly affects Application Management, Acceptance Testing and certain fixed-price projects.

This trend is expected to gain significant prominence in the near future due to the constant pressure on prices by clients, the improved quality of offshore offerings, direct competition from Indian companies, advances achieved in the industrialisation of processes and the rapid decline in the cost of broadband connections. For those software and IT services players willing to embrace this to move forward, offshore will allow for:

- improved margins;
- further industrialisation of client-supplier relations;
- the transformation of professions within companies;
- a reorganisation of the Software and Services sector, with far greater market concentration;
- a lower rise in recruitments in wealthy countries.

1.3. Development of Sopra Group in comparison to its sector



Sources: Syntec - Sopra Group.

In recent years, Sopra Group has proven its capacity to outperform its sector. Over the last ten years, its revenue performance has been 2.4 times better than the market. Today, the Group is fully aware of the challenges faced by the IT services sector and constantly adapts its strategy in order to remain among the sector's best performing companies.

2. History of Sopra Group

Founded in January 1968 by Pierre Pasquier and François Odin, Sopra Group is one of Europe's longest established IT services companies.

From the outset, Sopra Group positioned itself in all of the IT services sectors and soon became a key player in the French market.

In 1990, Sopra Group was successfully listed on the Paris Bourse. Prior to this initial public offering, a first share subscription option plan was set in place for the vast majority of employees. From that time on, Sopra Group has maintained a balance between organic growth and growth through acquisition.

2.1. The most significant acquisitions

2.1.1. France

- In 1996, Sopra Group made its largest French acquisition with the purchase of SG2 Ingénierie, bringing Société Générale into the group's capital and adding a further 650 members to its workforce. This influx of personnel considerably strengthened the Company's presence in Paris, the French provinces and Belgium;
- in 2000, Sopra Group acquired Orga Consultants, which specialises in strategy, management and organisational consulting, and has a workforce of 200. This acquisition enabled Sopra Group to develop a high-level consulting business;
- in December 2003, Sopra Group acquired Inforsud Ingénierie from Crédit Agricole. This acquisition reaffirmed Sopra Group's dominant position in the banking sector and solidified its uncontested leadership in lending management and smartcard technologies;
- in July 2004, Sopra Group acquired Valoris, a European consulting and IT services company employing a staff of nearly 500. Its offer of services ranges from strategy consulting to the management of IT architectures. Valoris is a market leader in the following areas: Business Intelligence (BI), Client Relationship Management (CRM), Portals and Content Management.

2.1.2. Europe

Sopra Group is expanding through acquisitions and is firmly focused on becoming a European leader in systems integration:

- after having opened its first international office in **Switzerland** and having obtained, with the acquisition of SG2 in 1996, its equivalent in **Belgium**, between 1999 and 2001 Sopra Group's international network began to take shape, with the acquisitions of Mentor in the **United Kingdom**, Organizacion Guver, Dipisa, Newpath Consulting and Newpath GS in **Spain**, and ITI SpA in **Italy**;
- in 2005, Sopra Group accelerated its development in the United Kingdom and Spain:
  - by the acquisition of Newell & Budge in the **United Kingdom** as well as its Irish and Indian subsidiaries. The market leader in Scotland, supported by a staff of over 600 (including more than 100 employees of the India-based subsidiary Momentum Technologies), this company provides a complete range of consultancy, delivery and support services.

    As the positioning of Newell & Budge complements that of Sopra Group in the United Kingdom, the combined entity benefits from complete geographic coverage of this market, a highly skilled and experienced workforce and a strengthened client base, particularly in the financial services, public sector and telecoms verticals;
  - by the acquisition of PROFit SA, based in **Spain** and **Portugal**, which offers its blue chip clients a full range of IT services, encompassing consulting as well as the implementation of solutions and applications outsourcing services. PROFit has developed its value-added offerings in the banking, energy, telecoms and public sector verticals.

    As the positioning of PROFit complements that of Sopra Group in Spain, the combined entity benefits from complete geographic coverage of this market (Barcelona, Madrid, Seville, Valencia, Vitoria) and Portugal (with a presence in Lisbon), a highly skilled and experienced workforce and a strengthened client base, particularly in the financial services, telecoms, public sector and retail verticals.

2.2. Axway Software subsidiary

In 2001, the Group decided to use its **Axway Software** subsidiary to make inroads into the Enterprise Application Integration (EAI) market and set about becoming a global player in the field:

- **Axway Software** was set up (400 employees and revenue of €50 million) in 2001 to take responsibility for the entire EAI business. Axway draws upon Sopra Group's considerable experience and expertise in project management while combining specialist know-how, a powerful sales force and a loyal client base;
- in 2002, the Group acquired the integration business of **Viewlocity Inc.**, beginning with its **European** subsidiaries and then acquiring units in **Asia** and the **United States**. This acquisition rounded out Axway's offer with products specialised in Electronic Data Interchange (EDI) and gave it global geographic coverage. Thanks to this deal, Axway has become a major EAI services company with a staff of 600;
- in early 2006, the Group acquired Cyclone Commerce in the **United States**. This merger was in keeping with Axway's worldwide development strategy. The complementary positioning of the two companies will create a global leader in the B2B, SOA and collaborative services domains, capable of serving the needs of the largest multinational corporations;
- in early 2007, the Group acquired the B2B software business of Atos Origin in **Germany**. This acquisition makes Axway the undisputed European leader in B2B software platforms and significantly reinforces its presence in Germany, the largest market in Europe for this sector.

As part of its overseas expansion strategy, Sopra Group works closely with Axway and with its Systems Integration subsidiaries in Europe to drive growth and consolidate its leadership positions in key European markets.

Sopra Group enjoys considerable synergies and opportunities enabling it to leverage its successes in other markets. In this way, the Group aims to become a leading provider of Consulting and Systems & Solutions Integration services of French origin, supported by a strong presence in the banking and insurance sectors, an extensive regional footprint and an ambitious cross-border growth strategy.

3. Sopra Group's businesses and strategy

3.1. Project performance

Sopra Group's Project 2003–2007 has been a complete success: the revenue forecast of €1 billion in 2007 was achieved; as early as 2006, the operating margin target of 8% was exceeded although this was a year of considerable capital expenditure; exacting standards for the quality of production have been met; the Group made successful acquisitions in France and in several other European countries; and lastly, Axway, which adheres to a finely tuned software developer model, continued to show growth.

In line with this excellent performance, Sopra Group announces a new ambitious project for 2010 with the following goals: a doubling of revenue to €2 billion within the space of three years; the rapid attainment of an operating margin of 10%; smaller acquisitions in markets where the Group already maintains a presence so as to reinforce its current positions; and finally, a large-scale strategic acquisition.

3.2. The relevance of Sopra Group's business model

The IT services and consulting market continues to grow, but at varying levels depending on the offers and business segments.

Large and mid-sized IT services companies now apply widely differing business models, with the result being that they are no longer directly comparable. The challenge is therefore to choose and develop a relevant business model.

Sopra Group's business model is founded, in Europe, on Consulting, Systems Integration, Application Outsourcing, Industry-Specific Solutions (banking, human resources, real estate) as well as a global project for its subsidiary Axway, the leading provider of Collaborative Business Solutions. These segments have the potential to achieve high margins while leveraging the company's specific know-how. This business model is furthered not only by technology development, but also by growth in outsourcing and sector consolidation. It is less exposed to cyclical risk factors and represents a powerful strategic growth driver for Sopra Group.

In order to consolidate its positions in its key growth areas, Sopra Group once again made considerable investments in 2007 in nearshore/offshore platforms, office space, IT tools and equipment, but also in human resources, with a view to developing its Consulting business and strengthening its Offerings and Industrialisation departments, both of which are core components of the Sopra Group business model.

Sopra Group intends to continue to apply this business model to underpin major transformations, such as the industrialisation of production, the enrichment of the Offerings, Partnerships and Key Accounts programmes, the Europeanisation of banking solutions, the expansion of Axway's global project, the reinforcement of positions in Consulting and, in general, the success of Sopra Group in Europe.

3.3. Long-lasting management commitment

Sopra Group's credibility, reputation and the confidence of its investors, clients and partners have been built up throughout its passionate, time-honoured history. Over 40 years ago, Sopra Group's founders decided to realise their vision of offering a premium-quality client service based on technical excellence, respect for fundamental human values and top-level management involvement in projects developed for clients. The Group's distinctive identity has been forged by the key choices it has made, without ever compromising its independent enterprise culture in which initiatives and change can thrive.

3.4. Services

Sopra Group's mission is to guide the choices of clients without slavishly following the latest trends and to manage their major transformation programmes by aligning their information systems with their corporate strategies.

Sopra Group proposes a total solution focusing on achieving performance gains for its clients and characterised by a set of values and behaviours whose key elements are:

- the guarantee of a total commitment with a view to establishing a long-lasting partnership;
- the development of a strategy based on proximity (both intellectual and geographic);
- innovation;
- expertise and knowledge of clients' businesses;
- high quality of service performance;
- the industrialisation of services;
- striving to offer the optimal price/quality ratio.

3.4.1. Consulting

Sopra Group's approach to Consulting is to be perceived as a partner in the transformation of companies. Its offering encompasses two main areas: (i) strategy and management consulting and (ii) technology and business consulting.

- Strategy and management consulting services are provided by Orga Consultants, a Sopra Group company. Orga Consultants accompanies high-level managers in defining their strategic plans. It is primarily active in marketing and sales strategy, industrial and logistics performance, mergers/migrations, information system strategy and governance, economic control and performance and human resources management. Orga Consultants provides assistance to clients in many sectors, chief among which are banking and financial institutions, insurance and social welfare, manufacturing and services.
- Technology and business consulting is provided by Sopra Group's Business Consulting division. Its ambition is to significantly improve the operating performance of organisations and information systems, by acting on its main drivers: processes, systems, human resources and control. Sopra Group's teams assume responsibility for project management as well as project execution on behalf of its clients. Sopra Group's Business Consulting teams demonstrate their excellence through their capacity to combine knowledge of clients' businesses, expertise in key enterprise functions and proven proficiency in the delivery and management of technology solutions.

3.4.2. Systems integration

The market favours suppliers who can add value to each phase in a project lifecycle while offering a formal commitment to results.

Sopra Group, whose traditional core business is Systems Integration, accompanies its clients throughout the entire project lifecycle, from design to maintenance and beyond, including application management. Sopra Group's sense of professionalism and the rigorous criteria applied in the implementation of its offerings are major strengths in an area in which only the largest service companies with the most established service offerings and client relationships have been able to continue to invest and expand. Sopra Group's distinctive characteristic is its ability to understand its clients' businesses. Its key competitive advantage resides in the quality of its workforce. Through forty years of experience, these men and women have contributed to the development of a deep-rooted corporate culture and shared professional values, the building blocks of the Group's reliability and performance.

The Systems Integration business offers expertise in the following key technology areas:

- integration of industry-leading ERP systems: These are based on market-standard technologies and are generally the core component to be implemented for enterprise management solutions. ERP integration requires high-level project management skills, specialist knowledge of system modules, and an ability to integrate ERP modules with legacy systems. Sopra Group is the fourth largest integrator of SAP systems in France, the leading Oracle integrator for E-business Suite clients, QAD's leading European partner and has a dedicated team available for Microsoft Dynamics AX;

- X-Net services: Implementing enterprise portals, e-commerce websites, intranets, extranets and supplier websites;
- CRM (client relationship management): Improving the client performance and focus of a company may take many forms and often relies upon cutting-edge information and communications technologies. In this area, Sopra Group offers expertise for a wide variety of projects: the launching of contact centres, developing new channels of communication or implementing client knowledge databases, among others. Sopra Group's teams work closely with clients at all CRM project stages, from the formulation of strategy to the implementation of solutions;
- business intelligence applications: Analytic and decision support tools are used in a variety of business processes, from CRM through to price modelling, financial reporting and management control. Their design requires specialist IT skills and in-depth industry knowledge. Sopra Group is able to satisfy the growing demand for business intelligence solutions by pairing the extensive experience and skills of its design engineers with the proven and focused expertise of its consultants;
- embedded systems, with an involvement in the largest European programmes, especially in the area of aeronautics, backed by a team of more than 500 persons;
- proprietary solutions development: Sopra Group's expertise encompasses a broad spectrum of capabilities and experience and comprehensive skills in design and implementation underpinned by its strengths in methodology, technology and specialist knowledge of particular subjects or business sectors. Sopra Group is therefore able to assume complete responsibility for major specialised projects for companies or public sector organisations covering all their technological dimensions and sector-specific components;
- in the area of testing services, Sopra Group is expanding its coverage through an approach driven by the analysis of risk, offering meaningful and efficient testing at the lowest possible cost. This offer involves three segments: consulting, production and outsourcing;
- locally available industry-specific expertise, allowing clients to concentrate their efforts on their core business by offering them the services of professionals that have all of the technology qualifications to complete an assignment or a project.

3.4.3. Application outsourcing

One of the immediate and medium-term areas of development for Sopra Group is to provide application portfolio management services for its clients.

This underlying trend took root more than five years ago, with the transformation of project-based services provided under cost-plus contracts into Application Management services provided under long-term fixed-price agreements. Sopra Group very quickly positioned itself in this emerging market and has become one of its leading providers. These services, initially provided on the premises of clients, have increasingly been moved to dedicated Sopra Group Service Centres. These centres are industrialised and equipped to meet CMMI and ITIL standards.

One of the main vectors of this development is the industrialisation of processes as well as production and tooling methods. The objective is to industrialise production to a degree allowing clients to fully outsource entire functions or information systems.

The need to ensure responsiveness and quality at reduced cost has quickly encouraged the entire IT services sector to resolutely embrace the relocation of services rendered. Accordingly, Sopra Group first expanded its network by creating industrial production centres in neighbouring countries, Spain and Morocco. This nearshore approach was later supplemented by the creation of offshore operations in Romania and significantly in India. Today, Sopra Group benefits from a fully operational, comprehensive infrastructure, which is certain to see further expansion in order to meet the urgent needs of its clients.

3.4.4. Industry application solutions

Sopra Group's industry-specific solutions are widely used and have become the applications of choice in their specific sectors. Sopra Group is especially proud of its industry application solutions which, after many years of effort and investment, have today reached maturity thus providing an element with considerable competitive potential. They also offer an economic advantage as they are very often used in the comprehensive projects developed by the Group for its clients. This practice is particularly deep-rooted in financial services where Sopra Group solutions are often combined with Axway products.

Sopra Group's solutions focus on three areas:

- financial services: more than 800 clients in France and abroad. For its Evolan banking solutions, Sopra Group is working on the implementation of a software developer model. These solutions cover loans, payments, risks and reporting, as well as banking distribution;
- real estate management: with 200 clients and more than 25 years of industry experience, Sopra Group is the leading provider of real estate management solutions in France. From consulting to the integration of solutions, also encompassing maintenance and the management of operations, Sopra Group assists its clients in the real estate sector throughout the entire life cycle of the solutions implemented, regardless of the type of assets managed (residences, offices, shopping centres, warehouses, etc.);
- human resources management: Sopra Group solutions enable clients to manage a total of 2 million employees. Sopra Group provides a complete HRIS solution, including payroll, HR management, time and labour management and facilities management.

3.4.5. Axway

The world's leading provider of Collaborative Business Solutions, Axway synchronises exchanges both within and among enterprises, providing the agility required to accelerate processes and allow all partners to collaborate effectively. More than 8,000 organisations worldwide, representing a wide range of sectors, use Axway's solutions to manage and monitor information, thus enhancing value chain efficiency, compliance with regulations and service quality.

Synchrony, Axway's comprehensive core offering, consists of a software platform implementing the full complement of integration technologies (EAI, B2B, BPM, BAM, SOA), a portfolio of services tailored to collaborative business projects and a set of customised solutions for the financial services and life sciences/pharmaceutical industries.

A Sopra Group company, Axway is headquartered in Scottsdale, Arizona and has 20 offices worldwide.

4. Investments in 2007

4.1. Main acquisitions

In early 2007, Axway Software acquired the B2B software business of Atos Origin in Germany. Thanks to the complementarity of this entity, Axway has become a major market player in Germany and is now the leading provider of EDI and B2B software in Europe.

Broadening its presence in the banking and financial services sector in Europe, Sopra Group acquired:

- Methosystem, an Italian firm specialising in systems integration projects for the banking sector, in June 2007;
- BAI (Business Architects International), a Belgian firm offering banks and investment management companies a wide range of client-specific business applications, in September 2007.

Detailed information on these acquisitions is provided in Notes 2.2 and 4 to the consolidated financial statements.

4.2. Research and development

The Group continued to pursue R&D initiatives during 2007 and set aside €38.8 million to develop and expand its Axway services and proprietary solutions for banking, real estate and human resources applications, compared with €31.1 million in 2006.

These expenses, which relate mainly to the direct cost of staff dedicated to developing solution offers and software packages created by Sopra Group and Axway Software, have been recognised in full as operating expenses.

4.3. Facilities

A total of €11.2 million against €12.9 million in 2006 was invested in infrastructure and technical facilities.

5. Key figures

5.1. Financial summary

(in millions of euros)	2007	2006	2005
Revenue	1,001.4	897.7	757.0
EBITDA	101.9	84.7	66.4
Profit from recurring operations	90.8	75.1	56.1
Operating margin from recurring operations	9.1%	8.4%	7.4%
Operating profit	90.1	73.9	56.1
Operating margin	9.0%	8.2%	7.4%
Net profit attributable to the Group	55.1	44.2	35.3
Net profit	5.5%	4.9%	4.7%
Total assets	768.8	722.9	653.5
Total non-current assets	355.9	324.8	285.4
Equity – Group share	248.8	216.2	185.3
Minority interests	0.0	0.0	0.0
Number of shares at 31 December	11,671,531	11,466,835	11,444,095
Basic earnings per share (in euros)	4.80	3.86	3.25
Diluted earnings per share (in euros)	4.75	3.78	3.18
Net dividend per share (in euros)	1.65 *	1.35	1.10
Staff at 31 December	11,320	9,910	9,100

* *Amount proposed to the General Meeting of 15 May 2008.*

5.2. Revenue by activity

(in millions of euros)	2007		2006		2005	
Consulting	43.9	4.4%	41.0	4.6%	41.3	5.5%
SSI France	597.5	59.7%	537.9	59.9%	504.7	66.6%
SSI Europe	214.9	21.4%	201.9	22.5%	125.5	16.6%
Axway	145.1	14.5%	116.9	13.0%	85.5	11.3%
TOTAL	**1,001.4**	**100.0%**	**897.7**	**100.0%**	**757.0**	**100.0%**

SSI: Systems & Solutions Integration.

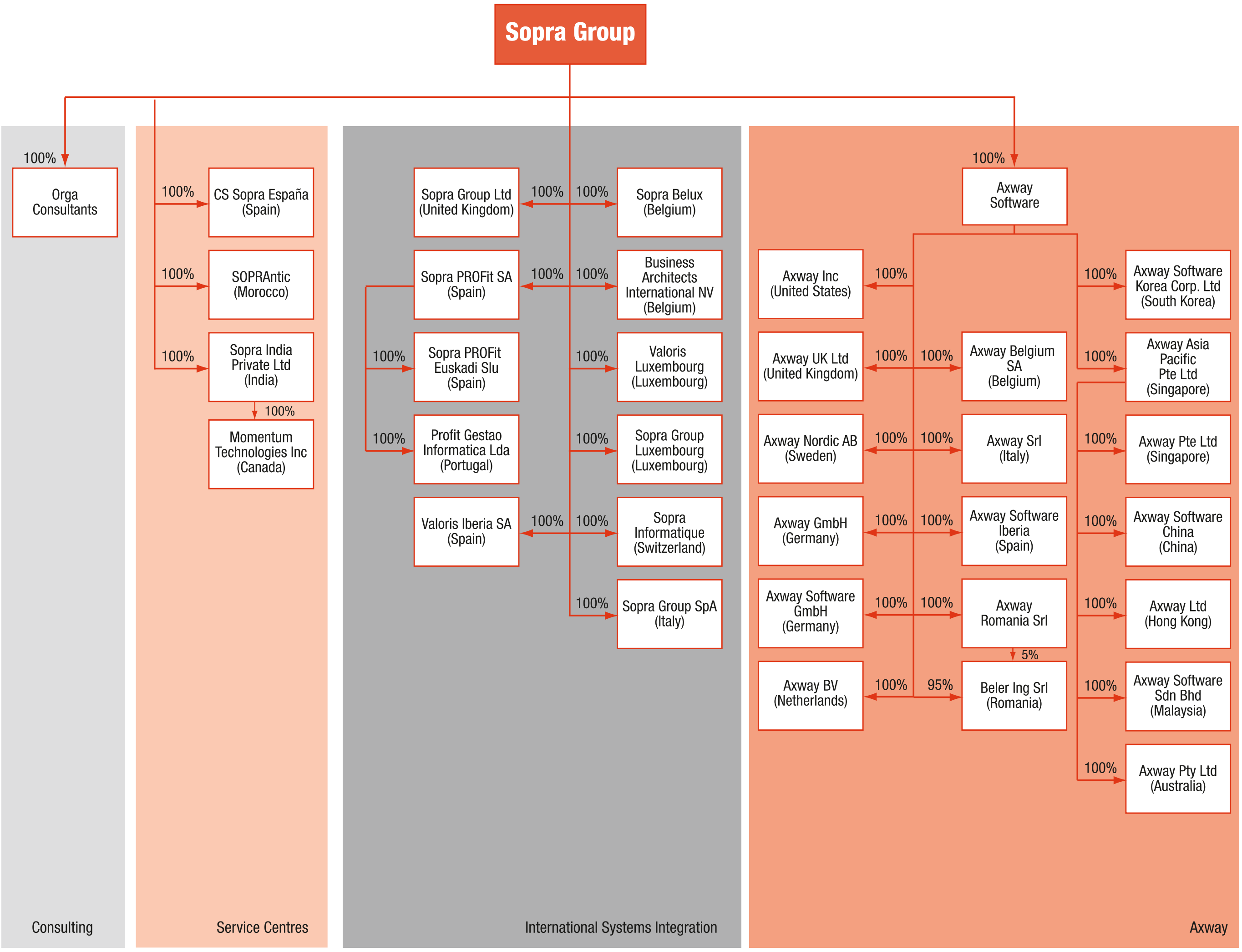
5.3. Revenue by business sector

	2007	2006	2005
Banking	24.5%	23.2%	23.2%
Manufacturing	16.2%	15.9%	18.6%
Services (including real estate)	18.7%	21.0%	20.2%
Telecom	12.6%	12.6%	12.8%
Public sector	15.8%	14.1%	10.8%
Insurance	6.2%	7.3%	8.7%
Retail	6.0%	5.9%	5.7%
TOTAL	**100.0%**	**100.0%**	**100.0%**

5.4. International revenue

(in millions of euros)	2007		2006		2005	
Systems Integration – European subsidiaries	214.9	21.4%	201.9	22.5%	125.5	16.6%
Systems Integration – excluding European subsidiaries	30.1	3.0%	27.4	3.0%	23.2	3.0%
Axway	83.9	8.4%	60.7	6.8%	35.5	4.7%
International revenue	**328.9**	**32.8%**	**290.0**	**32.3%**	**184.2**	**24.3%**
TOTAL REVENUE	**1,001.4**	**100.0%**	**897.7**	**100.0%**	**757.0**	**100.0%**

6. Simplified group structure at 31 December 2007



7. Group organisation

Since the General Meeting of 30 May 2006, Sopra Group's governance structure has of a Chairman and Chief Executive Officer, a Managing Director and a Board of Directors.

This organisational structure is supported by an ongoing operational and functional structure as well as a temporary mission structure for the management of particular businesses and projects.

7.1. Ongoing structure

Sopra Group's ongoing structure is composed of three operational tiers and their associated functional structures.

7.1.1. Tier 1: Executive Management

Executive Management comprises the Chairman and Chief Executive Officer, the Managing Director and the Executive Committee (the COMEX).

The Executive Committee comprises the Chairman and Chief Executive Officer, the Managing Director and the Directors of the major operating entities.

The Executive Committee members are responsible for the development of strategy and supervise the organisation, management control, functions and development of major client accounts of the Group.

7.1.2. Tier 2: Divisions and subsidiaries

This tier consists of entities having the status of divisions. Sopra Group's divisions are market-oriented and are organised around one of the following three parameters:

- business line (Consulting, Systems & Solution Integration, Axway);
- geography (countries, regions);
- economic sector.

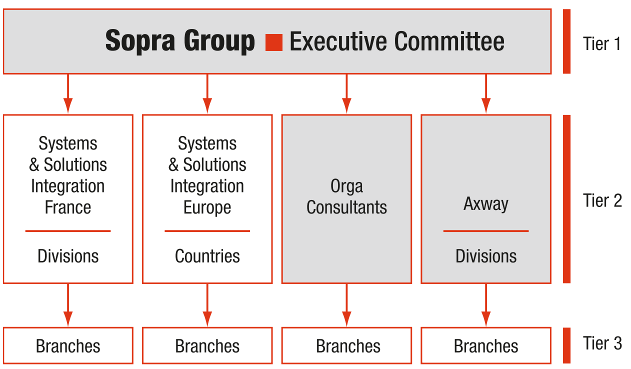
Tier 2 is the core level of the ongoing structure. The component entities of each division are autonomous branches with their own management, sales force and production teams.

7.1.3. Tier 3: Branches

Tier 3 is composed of branches, which constitute subdivisions of Tier 2 entities whose workforce exceeds a certain number of employees, that are fragmented at the geographic level or whose activities require separate management structures.

These branches are the organisation's primary building blocks. They operate as profit centres and enjoy genuine autonomy. They have responsibility for their own human resources, budgets, operating statements and results. They invoice their clients and manage debt collection. Steering meetings focusing on sales and marketing strategy and human resources are held weekly, and the income statement and budget are reviewed on a monthly basis.

The diagram below illustrates the three tiers of the ongoing structure:



7.1.4. Functional structures

Functional management (Corporate Secretariat, Finance and Administration, Logistics, Human Resources Management, Communication, Industrialisation, Information System Resources, Internal Information Systems, Legal Affairs) is centralised for the entire Group. Functional managers contribute to overall Group cohesiveness, transmit and ensure commitment to the Group's core values, serve the operational entities and report directly to Executive Management.

They propose their own policies, assist and render services to the operational units and monitor the application of policies and regulations.

In this manner, they contribute to overall supervision and enable the operational entities to focus on business.

Their direct accountability to Executive Management ensures that the entire Group functions smoothly.

7.2. Temporary mission structure for business and projects

Sopra Group's organisation must retain flexibility in order to adapt to changes in its markets and ensure the successful completion of projects.

Projects are handled by temporary mission teams and are supervised:

- at the level of the ongoing structure's fundamental business units (branches);
- or under the authority of a pilot unit, established to leverage synergies across several branches;
- or finally by the Executive Management or Major Commercial Programme Management who coordinate projects for certain major client accounts.

Each project must be organised in order to meet a fundamental objective: guaranteeing the financial success and contributing to the overall growth of the Group.

Success depends mainly on the competence of project managers who must:

- work closely with the Group's ongoing structures (vertical orientation);
- continually seek to create and maintain synergies across all relevant business units (horizontal orientation).

The horizontal dimension, the least hierarchical and the most operational, affords a certain flexibility. It is situation-dependent and does not lend itself to the traditional organisational chart presentation. The increasing complexity of projects handled by the Group encourages the use of this latter type of organisation, which requires greater willingness and facility on the part of participants to collaborate within teams composed of elements originating in different entities.

Depending on their particularities (size, area of expertise, geographical zone covered) large-scale projects can be managed at the Branch, Division or Executive Management level. Certain larger projects requiring the resources of several branches may involve the creation of a Tier 3 profit centre.

8. Human resources

8.1. Sopra Group's corporate culture

To support its development over the long term, Sopra Group's strategic orientations are examined and refined in the context of an Enterprise Project.

This Enterprise Project, which is generally revised every five years, includes an overall strategic vision and is grounded in a system of shared values. These values are communicated on a day-to-day basis across all levels of Sopra Group's organisation and enable the group to maintain its managerial performance at the required level.

8.1.1. Sopra Group's values

Sopra Group's business philosophy is built around five core values:

- respect (for employees, clients and shareholders) demands attentiveness to others, honouring commitments and developing skills;
- client-focused services require availability, creativity and the commitment to meet, without exception, client expectations;
- quality orientation and professional excellence inspire employees to achieve excellence at the first attempt, to work consistently and rigorously to maintain these standards, through innovation and the renewal of know-how;
- proactive and effective approach prompting staff to face competitive challenges head-on, set ambitious goals and choose the path of confidence;
- the Group spirit favours communication, teamwork and joint efforts while continuing to satisfy the expectations of clients by applying a global approach.

8.1.2. Sharing Group values and fundamentals, and integrating new staff

Sopra Group's system of values and fundamentals must be shared by the entire workforce, which consisted of 11,320 employees at 31 December 2007. A programme has been set up specifically to communicate and ensure the commitment of all staff to these values, especially among the 3,290 new members welcomed in 2007.

This programme is organised by **"Sopra Group Academy",** the Group's training structure with the following aims:

- satisfy training requirements related to the Enterprise Project and current missions;
- meet the skill acquisition expectations of staff members;
- serve as a forum for exchanging best practices;
- facilitate the integration of companies joining the Group;
- accompany internationalisation;
- implement measures in conformity with reforms introduced in France with regard to vocational training.

8.1.3. Welcoming seminars and staff integration

Sopra Group regularly organises welcoming seminars lasting three days with a view to discussing history, corporate project, values and offerings, as well as the fundamental values of client service and quality.

Sopra Group is conscious of the importance of integrating new staff and organises meetings after joiners have worked for the Group for one year.

8.1.4. Management training

For over 450 managers Sopra Group has developed a training programme covering the fundamentals of the Group's corporate culture with respect to management.

This training programme consists of residential seminars.

8.2. Change in the Group's total workforce

	2007	2006	2005	2004	2003
Workforce	11,320	9,910	9,100	7,500	6,060
o/w executive level	10,950	9,600	8,800	7,250	5,800

In 2007, the Group recruited 2,040 new staff in France and 1,250 at its international subsidiaries. At 31 December 2007, the Group had a total of 11,320 staff, of which almost 3,740 were employed outside France.

8.3. Recruitment

In terms of recruitment policy, Sopra Group continued its partnerships with a group of prestigious engineering schools and internships (almost 80% of which were end-of-study internships with a very high proportion of permanent recruitment). The recruitment of certain experienced professionals (SAP, OA, business intelligence, architecture and project management) was also stepped up.

The vast majority of newly recruited staff are offered open-ended contracts and have completed five or more years of higher education.

The workforce attrition rate, of around 11.7% in France, saw a slight reduction in comparison to 2006 but remains above the levels observed in 2005 as a result of the economic cycle and tension in the job market. Given the competitive environment, this rate remains reasonable; the overall rate is not necessarily a compelling indicator due to wide disparities between Paris and the rest of France.

8.4. Analysis of workforce by age and length of service

Sopra Group's average length of service in France is 6.2 years at 31 December 2007. It is lower than the figure recorded in 2006, due in particular to the massive recruitment of young engineering graduates.

The average age of employees (35.3 years) was appreciably lower in 2007. This decrease is the direct result of a recruitment policy targeting young graduates, with an average age of 29.4 years for newly recruited staff.

8.5. Development of human resources

8.5.1. Career advancement

All new staff members joining the Group do so with the intention of developing their skills and advancing in their chosen career.

Their advancement to positions of greater responsibility follows the organisation of the Group and its subdivisions (production, sales, management, etc.), which lay out the possible paths for career development.

8.5.2. Evaluation

The evaluation of staff members allows us to optimise the performance of our organisations but it is above all the cornerstone of our human resources development system. This system relies on two tools: mission evaluations (focusing on performance and skills acquisition) and annual evaluation meetings (development and advancement plan).

These evaluations, in which the staff member plays an active role, are then discussed at HR department meetings held every six months, where decisions are made with respect to promotion, training and compensation.

8.5.3. Skills development

The Group places a priority on the training of its staff members.

In 2007, the Sopra Group Academy rounded out its internal training offering and concentrated on the consolidation of training programmes by overall business segment skills.

The onus was also put on technology areas, quality methodologies and ERP, which represent a major focus area.

The key figures relating to our 2007 training actions in France are as follows:

- 25,000 training days;
- some 5,000 staff members trained;
- 50% of the training was devoted to technological skills acquisition.

8.5.4. Compensation

The Group's compensation policy is founded on the following objectives:

- respect for the principle of internal fairness;
- recognition of achievement and motivation of staff through a policy of variable and fixed compensation aligned with specific performance goals consistent with the Group's major challenges;
- remain competitive so as to attract and retain the most qualified candidates.

In 2007, the rate of salary increases was greater than the average for the sector. The principle of individually-tailored compensation packages was maintained.

8.6. Application of the provisions of Book 4 of Part IV of the Labour Code

Sopra Group has signed a profit sharing agreement and has established an employee savings plan.

The profit sharing agreement currently in force was signed in April 2002. This agreement covers all employees of UES Sopra Group (Sopra Group SA, Axway Software SA). The special profit sharing reserve consists of two portions: the first, two-thirds of the amount, is calculated in relation to length of service and the second, the remaining one-third, is calculated in relation to salaries.

An agreement pertaining to the establishment of an employee savings plan within UES Sopra Group was signed in July 2002. The amounts paid under this plan are invested in mutual fund shares. The Group's contribution consists in the payment of all operating fees for the employee savings plan.

8.7. Equality between men and women

The principle of equality between men and women is very closely monitored by Sopra Group, particularly through the *ad hoc* commission of the Group's works council established for this purpose.

Women represented 26% of the Group's workforce in 2007.

There is no gap in salaries for newly recruited staff and any gaps after initial recruitment are not significant.

In terms of new hires, the balance of men to women observed within UES Sopra Group tips in favour of women, given the equivalent ratio in engineering schools.

From 2007, a company-wide agreement stipulates the conditions for the entry into application of the individual wage increase guarantee for employees on maternity or adoption leave as required by the Law of 23 March 2006 relating to the equality of compensation between female and male employees.

9. Sustainable development

Sopra Group is mainly active in Consulting, Systems Integration and Axway. Consequently, the Company's offerings do not have any significant direct impact on the environment. Nevertheless, Executive Management and all of Sopra Group's employees strictly observe its guidelines for the protection of the environment, whether in connection with the internal management of the Group or during the provision of services to clients but also through the choice of its partners.

The Group's environmental policy covers all aspects of the life of the Company, and in particular travel and commuting, the management of business premises and waste management.

9.1. Travel and commuting

Sopra Group has put in place a deliberate policy encouraging the use of public transport as much as possible thus reducing the environmental impact of commuting and travel by its staff. At the same time, and also so as to limit the number of business trips, a plan for the installation of videoconferencing equipment throughout the Group has been established with the result that, today, most of the Group's major sites are so equipped.

9.2. Management of business premises

At all of its sites in France and, depending on local legislation, in its subsidiaries worldwide, Sopra Group favours the application of measures for the protection of the environment:

- furnishing of premises with ergonomic workstations enhancing the quality of working conditions for its staff;
- installation of the most energy-efficient and environmentally friendly heating and air-conditioning systems;
- preventive maintenance of installations to conserve energy;
- use of non-toxic and non-hazardous products by the cleaning services;
- installation of fountains dispensing purified water;
- commitment by site managers to observe and encourage respect for the environment on a day-to-day basis.

9.3. Waste management

Sopra Group makes every effort to recycle its waste to the full extent possible, and particularly with respect to the following areas:

- scrapping of computer equipment by specialised companies or by way of gifts to charitable associations;
- special containers for toner and ink cartridges with removal by accredited companies.

In addition, and depending on measures adopted by local authorities, Sopra Group works to ensure the sorting of used paper from other waste, as is already the case at certain sites.

10. Relationships with suppliers

Sopra Group has defined purchasing rules and procedures based on ethical principles in its relations with suppliers, especially by respecting the following priorities:

- observing principles of fairness and equality between suppliers;
- building long-term partnerships;
- clarity and transparency of bidding and supplier selection processes;
- emphasising the quality of products and services offered.

11. Risk factors

11.1. Legal risks

11.1.1. Intellectual property

a. Brands

Sopra Group and its subsidiaries have trademark protection for the main brand names used in each country.

The brand portfolio is managed by the Group's Legal Department with assistance from an industrial and intellectual property advisor.

b. Patents

Neither Sopra Group nor its subsidiaries have filed patent protection for software.

c. Software licences

Sopra Group and its subsidiaries own exclusive rights to all its software, either through having developed it in-house or by having acquired these rights.

The software is protected by copyright. In some cases, copyright protection has been filed with bodies such as Logitas.

Sopra Group and its subsidiaries only grant non-exclusive non-transferable user licences for software packages supplied to their clients.

11.1.2. Software distribution

Software published by Sopra Group and Axway Software is usually marketed directly by the Group. The Group nonetheless has set up a number of distribution agreements with partners.

11.1.3. Specific regulations

The Group is not subject to any specific regulations and its activities are not subject to any legal, regulatory or public authorisation.

11.1.4. Significant disputes and financial impact on the Company

Provisions are recognised in respect of disputes, as described in Notes 17 and 36 of the notes to the consolidated financial statements.

Risks are recognised in accordance with the method presented in Note 1.21 of the consolidated financial statements.

The Group is not aware of any legal or arbitration proceedings which could have a significant impact other that those reflected in the Group’s financial position.

11.2. Industrial and environmental risks

Sopra Group operates exclusively in the field of IT services and is therefore not exposed to any specific industrial or environmental risk.

11.3. Market risks

This issue is discussed in Note 33.3 of the consolidated financial statements.

In October 2005, Sopra Group entered into a €200 million syndicated credit facility with its banks. The new credit facility contains covenants described in Note 35.5 of the consolidated financial statements.

11.4. Business risks

Sopra Group is exposed to specific risks inherent in its particular business as an integrator and software developer. The main risk to which the Company is exposed is its capacity to carry out the commitments contracted with its clients in terms of quality, deadlines and costs: delivering products and services in conformity with specifications, meeting agreed deadlines and operating within the budget allocated.

Management of these risks requires perfect knowledge of numerous and constantly evolving technical and functional environments, the prior implementation of a validation system covering technical, legal, and financial aspects, a proven methodology for project management, and a technical and accounting surveillance and control system.

11.5. Insurance and risk coverage

11.5.1. Civil liability insurance

Sopra Group has taken out a civil liability insurance policy with AGF covering operating liability and post-delivery insurance, both for the parent company and its subsidiaries.

This contract provides world-wide cover for the period from 1 January 2007 to 31 December 2007.

The amounts of the cover and excesses are as follows:

a. Operating liabilities

- Physical, moral and bodily damages: €30,000,000 per year covered, of which:
  - non-consecutive non-property damages: €1,525,000 per year covered;
  - accidental pollution: €1,525,000 per year covered.
- Excess: €15,000 for all damage claims except bodily damage.

b. Civil and professional liability after delivery

- Physical, moral and bodily damages: €30,000,000 per year covered, of which:
  - embezzlement: €3,500,000 per year insured;
  - property entrusted to the Group: €800,000 per year insured;
  - computer viruses: €1,500,000.
- Excess: €200,000 per claim.

11.5.2. Civil liability relating to aeronautic products

Sopra Group has subscribed to an insurance policy covering civil liability arising from aeronautic products.

11.5.3. Management liabilities

Sopra Group has also contracted an insurance policy covering managers’ liability.

Sopra Group
AND THE STOCK MARKET

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page

1. General information

Sopra Group was listed on the Second Market of the Paris Bourse on 27 March 1990.

The capital of Sopra Group comprises 11,671,531 shares with a nominal value of €4 as of 31 December 2007, representing a total amount of €46,686,124.

Sopra Group shares are listed on Segment B of the Eurolist Market and are eligible for the Deferred Settlement Service (SRD).

Sopra Group forms part of the Next 150, SBF 250 and the CAC MID 100 indexes.

2. Current ownership

	At 31/12/2007				At 31/12/2006				At 31/12/2005			
Shareholders	Shares	% of capital	Voting rights	% voting rights	Shares	% of capital	Voting rights	% voting rights	Shares	% of capital	Voting rights	% voting rights
Sopra GMT	4,356,535	37.33%	8,649,387	47.87%	4,356,535	37.99%	8,649,387	48.31%	4,356,535	38.07%	8,649,387	48.36%
Pasquier Family	168,245	1.44%	288,708	1.60%	190,745	1.66%	321,208	1.79%	181,574	1.59%	312,037	1.74%
Odin Family	336,670	2.88%	408,532	2.26%	327,670	2.86%	399,532	2.23%	296,670	2.59%	368,532	2.06%
Geninfo (Groupe SG)	1,434,700	12.29%	2,869,400	15.88%	1,434,700	12.51%	2,869,400	16.03%	1,434,700	12.54%	2,869,400	16.04%
IBI	602,784	5.17%	602,784	3.34%	594,356	5.18%	594,356	3.32%	576,697	5.04%	576,697	3.22%
Groupe Crédit Agricole	235,000	2.01%	235,000	1.30%	235,000	2.05%	235,000	1.31%	235,000	2.05%	235,000	1.31%
Caravelle	69,672	0.60%	101,774	0.56%	69,672	0.61%	69,672	0.39%	69,672	0.61%	69,672	0.39%
Free float	4,465,750	38.26%	4,911,399	27.19%	4,257,657	37.13%	4,766,352	26.62%	4,293,197	37.51%	4,803,842	26.88%
Treasury shares	2,175	0.02%	-	-	500	0.00%	-	-	50	0.00%	-	-
TOTAL	**11,671,531**	**100.00%**	**18,066,984**	**100.00%**	**11,466,835**	**100.00%**	**17,904,907**	**100.00%**	**11,444,095**	**100.00%**	**17,884,567**	**100.00%**

Sopra GMT is a public limited company *(société anonyme)* under French law. Its ownership structure is as follows:

	31/12/2007	
Shareholders	Shares	% of capital
Pierre Pasquier family	318,050	48.23%
François Odin family	132,050	20.02%
Caravelle	186,000	28.21%
Sopra Group management	23,320	3.54%
TOTAL	**659,420**	**100.00%**

Geninfo is a holding company fully owned by the Société Générale Group. It acquired a holding in Sopra Group in 1996 through a share exchange when Sopra Group acquired SG2, the Systems Integration division of Société Générale.

IBI is a financial holding company governed by Luxembourg law owned by Mr. José Sancho Garcia (Managing Director of Sopra PROFit, the Spanish-Portuguese division of the Group's Systems and Solutions Integration business).

Crédit Agricole group became a shareholder of Sopra Group following the Inforsud Ingénierie acquisition in December 2003.

Caravelle is a diversified holding company controlled by Mr. Pierre-André Martel, who is also a director of Sopra Group and Sopra GMT.

No individual shareholder owns more than 5% of the capital.

On 31 December 2007, Sopra Group did not own any treasury shares other than those held under the liquidity contract (2,175 shares).

2.1. Share ownership thresholds

"Any shareholder whose shareholding exceeds the three per cent or four per cent thresholds must inform the Company, in the same conditions and using the same calculation methods as provided by law for larger shareholdings" (Article 29, paragraph 3 of the Articles of Association).

Apart from Sopra GMT, Geninfo (Société Générale) and IBI, no other shareholder exceeds these thresholds.

2.2. Approximate number of shareholders

At 31 December 2007, Sopra Group had 363 registered shareholders who owned an aggregate total of 7,892,877 registered shares out of a total share capital of 11,671,531 shares.

On the basis of the most recent data in the Company's possession, the total number of Sopra Group shareholders can be estimated at more than 10,000.

2.3. Shareholders' agreements notified to the stock market authorities

2.3.1. Pact between Sopra GMT, Messrs. Pasquier and Odin and Geninfo

A shareholders' agreement was signed on 4 July 2000 between Sopra GMT, Pierre Pasquier and François Odin on the one hand and Geninfo (Société Générale group) on the other.

Under this agreement:

- Geninfo is entitled to hold two seats on the Board of Directors of Sopra Group as long as it has a direct or indirect stake in Sopra Group of 10% or more, which is reduced to one seat on the Board if Geninfo's shareholding drops to between 5% and 10%. Geninfo is entitled to hold more than two seats on the Board if its shareholding increases to more than 20%;
- in the case of a proposed sale of Sopra Group shares to a third party, each party has the obligation to inform the other party. In the case of the sale of a block or several blocks of shares by Geninfo (defined as a sale for an amount equal to or in excess of either 5% of Sopra Group's market capitalisation or €7.5 million) to a competitor, Sopra Group's founders (Sopra GMT, family groups of Messrs. François Odin and Pierre Pasquier) shall have pre-emptive rights with respect to the conditions of the proposal. In such cases, initial notice of the planned deal should contain the details of the potential acquirer as well as the financial terms and conditions for the deal. Sopra Group shall have 40 days from the date the notice is served to exercise its pre-emptive rights. After this time, Geninfo is free to sell its holding according to the conditions notified. If Sopra Group exercises its pre-emptive rights, the sale must take place within 20 days from the date of its reply to notice of the deal.

This agreement came into effect on 7 July 2000 for an initial period expiring on 30 June 2001. It is automatically renewable for subsequent terms of two years.

2.3.2. Pact between the Pasquier and Odin families and Caravelle

A shareholders' agreement was signed on 29 September 2004 between the Pasquier and Odin families and the holding company Caravelle who certify that they are acting in concert for the purposes of the agreement concluded with respect to Sopra GMT and Sopra Group. This agreement governs their relationship within Sopra GMT and is concluded for a period of 10 years. It is renewable automatically for subsequent terms of five years. This agreement has been approved by the French stock market authorities (*Conseil des marchés financiers*).

This notably includes the following provisions:

- Sopra GMT share transfers

  Reciprocal pre-emption rights in the event of a sale of Sopra GMT shares are granted between (i) the Pasquier and Odin families and (ii) Caravelle.

  In addition, as a preferred shareholder Caravelle is granted a tag-along right enabling this company to sell all or a portion of its Sopra GMT shares should one or more members of one of the abovementioned families consider selling their Sopra GMT shares to one or more members of the other family or to a third party;
- Protection of Caravelle's investment in Sopra GMT and Sopra Group

  The Pasquier and Odin families and Caravelle agree to ensure that: Sopra GMT does not sell any of its shares in Sopra Group without the express prior consent of Caravelle, does not acquire debt or increase its capital, does not enter into any merger or other transaction having an impact on its capital, without the express prior consent of Caravelle, and that the financial situation of Sopra GMT reported at the Extraordinary General Meetings of Sopra Group be established by mutual agreement among the parties;
- Membership of the Board of Directors

  Caravelle is granted one seat on the Board of Directors of Sopra GMT, which will thus be composed of five members, including four representatives of the Pasquier and Odin families. The membership of this Board is subject to future modification should changes in share ownership arise, with the stipulation that as long as the Pasquier family and the Odin family hold the majority of the capital and voting rights of Sopra GMT, the majority of the members of its Board of Directors will be nominated subject to mutual agreement of these two groups;
- Corporate governance and Sopra Group management

  The Pasquier family and the Odin family agree to ensure that Pierre-André Martel, Chairman and Chief Executive Officer of Caravelle, retains the seat he currently holds on the Board of Directors of Sopra Group and that members of either family serving on the Board of Sopra Group neither propose nor accept the nomination, renewal or removal of a member of the Board without prior agreement among themselves and the prior consent of Caravelle, whose opinion may not be discounted without adequate justification. Moreover, the Pasquier and Odin families and Caravelle agree to ensure that Pierre Pasquier is appointed as Chairman of the Board of Directors upon relinquishing the chairmanship of the Management Board of Sopra Group;
- Possible merger of Sopra GMT and Sopra Group

  The Pasquier and Odin families and Caravelle will entertain the possibility of a merger of Sopra GMT and Sopra Group as from 1 January 2009. With effect from this date, should one or more parties to this agreement holding at least 5% of the voting rights of Sopra GMT, whether individually or as a group, request such an operation, the remaining parties agree to make every effort to bring this operation to a successful conclusion, provided that such a move is in the interest of Sopra GMT.

3. Changes in share capital

At 31 December 2007 Sopra Group had share capital of €46,686,124 comprising 11,671,531 shares with a nominal value of €4. The following changes have been made to the capital since 1998:

Year	Description	Capital after operation	Nominal value	Number of shares		Contributions	
				Created	Total	Nominal value	Premiums or reserves
1998	Capital increase through the exercise of options	FF91,906,600	FF50	13,884	1,838,132	FF694,200	FF2,505,970
1999	Increase in capital by capitalisation of reserves, conversion into euro and reduction of nominal value	€36,762,640	€4	7,352,528	9,190,660	€22,751,569	-€22,751,569
1999	Capital increase through the exercise of options	€37,985,140	€4	305,625	9,496,285	€1,222,500	€928,517
2000	Capital increase through contributions in kind of shares of companies of the Orga Consultants group	€40,549,140	€4	641,000	10,137,285	€2,564,000	€79,612,200
2000	Capital increase through the exercise of options	€40,680,940	€4	32,950	10,170,235	€131,800	€124,330
2001	Capital increase through the exercise of options	€40,709,540	€4	7,150	10,177,385	€28,600	€29,315
2002	Capital increase through the exercise of options	€40,855,440	€4	36,475	10,213,860	€145,900	€188,165
2003	Capital increase through contributions in kind of shares of companies of Inforsud Ingénierie tendered by Crédit Agricole Group	€41,795,440	€4	235,000	10,448,860	€940,000	€7,192,000
2003	Capital increase through the exercise of options	€42,194,100	€4	99,665	10,548,525	€398,660	€1,067,356
2004	Capital increase through the exercise of options	€42,927,800	€4	183,425	10,731,950	€733,700	€2,088,547
2005	Capital increase through contributions in kind of shares of PROFit tendered by IBI	€44,726,000	€4	449,550	11,181,500	€1,798,200	€22,176,302
2005	Capital increase through the exercise of options	€45,776,380	€4	262,595	11,444,095	€1,050,380	€3,047,365
2006	Capital increase through the exercise of options	€45,867,340	€4	22,740	11,466,835	€90,960	€434,074
2007	Capital increase through the exercise of options	€46,686,124	€4	204,696	11,671,531	€818,784	€3,927,276

4. Authorisations granted to the Board of Directors of Sopra Group to issue securities

	Nominal amount	Expiry date	Maximum number of shares
Sopra Group shares	€10 million	29/07/08	2,500,000
Convertible bonds or equivalent	€150 million	29/07/08	2,500,000

A resolution has been submitted to the General Meeting of 15 May 2008 relating to such authorisations.

5. Share subscription options

The different share subscription option plans together with the employee share ownership policy implemented before the Group was floated have enabled employees to acquire, or be potential acquirers of, more than 20% of the Company's shares.

The table below summarises share subscription option plans at 31 December 2007 granted by Sopra Group to its employees:

Grant date	Number of beneficia-ries	Number of options allocated initially	Of which members of the Board of Directors	Number of members of the Board of Directors concer-ned	Start date of exercise period	End date of exercise period	Exercise price	Number of options cancelled at 31/12/2007	o/w cancelled in 2007	Of which members of the Board of Directors	Number of options exercised at 31/12/2007	Of which members of the Board of Directors	o/w options exercised in 2007	Number of options outstan-ding at 31/12/2007	Of which members of the Board of Directors
Plan No. 3 - 1998 stock option plan (General Meeting of 7 January 1998): maximum of 721,250 shares															
13/01/1998	283	614,000			01/10/2002	12/01/2006	€15.37	70,175			543,825				
04/12/1998	1	25,000			25/02/2003	24/08/2006	€46.86	25,000							
03/03/1999	2	20,000			04/03/2004	02/03/2007	€48.50	10,000			10,000		5,400		
12/10/1999	13	51,750			13/10/2004	12/10/2007	€46.20	49,000	3,000		2,750				
16/12/2002	12	129,250			17/12/2007	15/12/2010	€22.50	40,250	1,000		79,450		79,450	9,550	
Total	**311**	**840,000**						**194,425**	**4,000**		**636,025**		**84,850**	**9,550**	
Plan No.4 - 2000 stock option plan (General Meeting of 29 June 2000): maximum of 714,774 shares															
29/06/2000	107	33,900			30/06/2005	29/06/2008	€73.00	33,800						100	
22/03/2001	147	301,500			23/03/2006	22/03/2009	€61.40	283,500						18,000	
19/12/2001	25	34,600			20/12/2006	19/12/2009	€61.40	34,600							
24/04/2002	2	6,000			25/04/2007	23/04/2010	€61.40	3,000						3,000	
16/12/2002	214	303,200			17/12/2007	15/12/2010	€22.50	48,750	4,600		131,846		119,846	122,604	
03/09/2003	69	88,000			04/09/2008	02/09/2011	€32.50	10,800	2,500					77,200	
13/01/2004	5	23,000			14/01/2009	12/01/2012	€35.90	4,000	1,000					19,000	
Total	**569**	**790,200**						**418,450**	**8,100**		**131,846**		**119,846**	**239,904**	
Plan No. 5 - 2005 stock option plan (General Meeting of 26 May 2005): maximum of 321,958 shares															
25/07/2006	1	30,000			26/07/2011	24/07/2014	€57.85							30,000	
21/12/2006	18	67,000			22/12/2011	20/12/2014	€58.80	5,000	5,000					62,000	
08/01/2007	1	5,000			09/01/2012	07/01/2015	€60.37	5,000	5,000						
Total	**20**	**102,000**						**10,000**	**10,000**					**92,000**	
													TOTAL FOR ALL THREE PLANS	**341,454**	

At 31 December 2007, Sopra Group's earnings per share would be diluted by a total of 2.84% if all of the 341,454 outstanding share subscription options were exercised.

Information concerning share subscription or purchase options

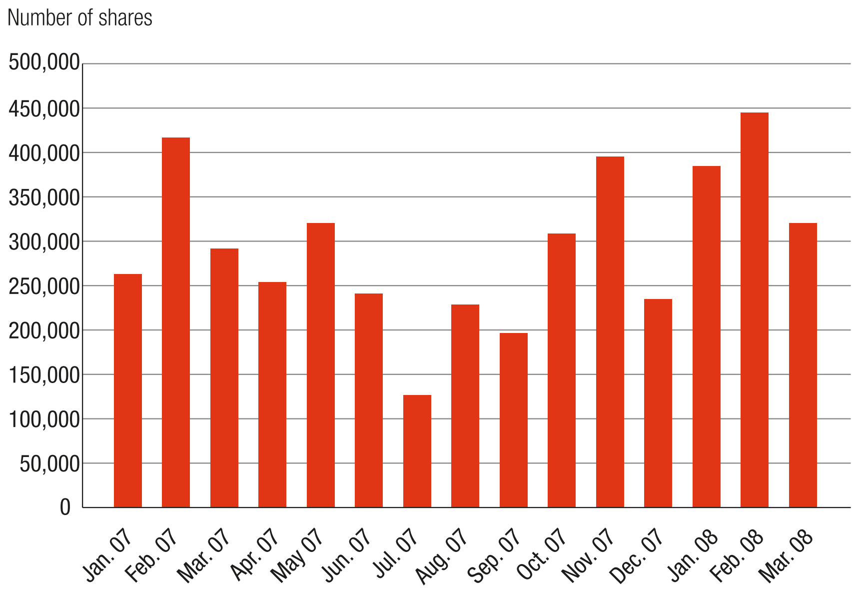
Options granted to company officers and options exercised by company officers	Number of options allocated/number of shares subscribed or purchased	Price	Expiry	Plan
	Nil			

Ten largest stock option allocations to employees and options exercised by said employees	Number of options allocated/number of shares subscribed or purchased	Weighted average price	Expiry	Plan
Ten largest stock option allocations to employees granted by the issuer company within the scope of the stock option plan during the year	5,000	€60.37	07/01/2015	No. 5
Options exercised by said employees during the year	98,650	€23.92	02/03/2007 15/12/2010	No. 3 No. 4

6. Share price

Source Euronext Paris: issuers' brochure

7. Monthly trading volume



Source Euronext Paris: issuers' brochure

8. Share price performance

Month	Number of trading days	Price (in euros)			Trading volumes	
		High	Low	Average closing price	Number of shares traded	Capital (in € million)
Jan-07	22	65.90	60.50	62.23	262,641	16.31
Feb-07	20	69.40	61.20	67.14	416,579	28.01
Mar-07	22	69.00	62.26	66.78	291,310	19.23
Apr-07	19	72.70	66.61	71.22	253,931	18.02
May-07	22	74.70	62.90	71.28	320,426	22.89
Jun-07	21	71.80	65.41	67.63	240,652	16.33
Jul-07	22	71.40	64.73	69.56	126,289	8.75
Aug-07	23	68.80	62.60	65.82	228,425	14.84
Sep-07	20	67.39	59.01	62.55	196,365	12.20
Oct-07	23	64.90	59.30	62.18	308,479	19.24
Nov-07	22	63.35	53.26	59.18	395,355	23.18
Dec-07	19	60.00	51.00	56.33	234,645	12.87
Jan-08	22	54.21	38.00	44.16	384,339	16.63
Feb-08	21	48.54	40.00	44.07	445,015	19.31
Mar-08	19	47.35	42.10	44.82	320,262	14.23

Dividends not collected before the five-year prescription period expires are paid to the French State.

9. Earnings per share

Year	Number of shares bearing a dividend	Dividend
2003	10,548,525	€0.40
2004	10,731,950	€0.80
2005	11,444,095	€1.10
2006	11,466,835	€1.35
2007 *	11,671,531	€1.65

* *Amount proposed to the General Meeting of 15 May 2008.*

CORPORATE GOVERNANCE

3

page

1. Board of Directors and Executive Management

1.1. Membership of the Board of Directors 31 March 2008

First name and surname or company name	Board of Directors	Date of appointment	Expiration of term: General Meeting convened to approve the financial statements for the year indicated	Audit Committee	Compen-sation and Nomination Committee	Positions and appointments held in other companies
Pierre Pasquier	Chairman	30/05/2006	2011			■ President, Axway Software ■ MD, Orga Consultants ■ MD, SOPRA GMT **Director or company officer of the Group's foreign subsidiaries (direct and indirect)**
Alain Brodelle	Member	30/05/2006	2011		Member	■ None
Philippe Citerne	Member	30/05/2006	2011		Chairman	■ Managing Director, Société Générale ■ Chairman, Systèmes Technologiques d'Echange et de Traitement (STET) ■ Director, Accor ■ Director, Crédit du Nord ■ Director, Généval ■ Director, SG Hambros Bank & Trust Ltd ■ Director, Grosvenor Continental Europe SAS ■ Director, TCW ■ Director, Rosbank
Gérard Jean	Member	30/05/2006	2011		Member	■ Managing Director, Altime SA ■ Chairman of the Supervisory Board, Altime Finances SA ■ Chairman of the Supervisory Board, Altime Industrie et Services SA
Pierre-André Martel	Member	30/05/2006	2011	Member	Member	■ Chairman of the Board of Directors, Caravelle SA ■ Chairman of the Supervisory Board, XRT SA ■ CEO, Cooper SAS ■ CEO, Nina SAS ■ CEO, PX Holding SAS ■ Chairman of the Management Board, Arcole Industries ■ Member of the Board of Directors of Sopra GMT ■ Member of the Supervisory Board, Marrel SAS ■ Member of the Supervisory Board, Groupe Norbert Dentressangle ■ Member of the Supervisory Committee, Fruehauf SAS

First name and surname or company name	Board of Directors	Date of appointment	Expiration of term: General Meeting convened to approve the financial statements for the year indicated	Audit Committee	Compen-sation and Nomination Committee	Positions and appointments held in other companies
Bernard Michel	Member	30/05/2006	2011	Member		■ Member of the Executive Committee, Crédit Agricole SA ■ Director of Properties, Procurement and Logistics, Crédit Agricole SA ■ Chairman, Aeprim SAS ■ Chairman of the Board of Directors, Crédit Agricole Immobilier ■ Chairman of the Board of Directors, Unimo SA ■ Chairman, Commission de Gestion Provisoire Caisse Régionale Corse ■ Vice-Chairman of the Supervisory Board, CPR Billets ■ Director, Vice-Chairman, Predica SA ■ Director, Cholet Dupont SA ■ Director, Crédit Agricole Leasing SA ■ Director, Crédit Agricole Reinsurance SA (Luxembourg) ■ Director, Crédit Agricole Risk insurance SA (Luxembourg) ■ Chairman of the Supervisory Board, France Capital SAD ■ Director, GIE Attica GIE ■ Director, Hospiconseil SA ■ Member of the Board of Directors, Litho Promotion SARL ■ Permanent Representative, Crédit Agricole SA Member of the Supervisory Board, *Fonds de Garantie des Dépôts* ■ Permanent Representative, Crédit Agricole SA Member of the Supervisory Board, *Systèmes Technologiques d'Echange et de Traitement*
François Odin	Member	30/05/2006	2011	Member		■ Managing Director, Sopra GMT ■ Director, Axway Software ■ Chairman, Régence SAS
Hervé Saint-Sauveur	Member	30/05/2006	2011	Chairman		■ Director and Vice-Chairman, LCH Clearnet Group Limited ■ Director, Sogécap ■ Director, Fondation de France
José Sancho Garcia	Member	30/05/2006	2011			■ Director, Information Business Integration SA ■ Member of the Board of FINAVES II
Gérard Vincent	Member	30/05/2006	2011	Member		■ Honorary Advisor, Sopra Group

The members of the Board of Directors considered as independent under the definition provided in the AFEP/MEDEF corporate governance report of 2003 are:

- Alain Brodelle;
- Gérard Jean;
- Gérard Vincent.

All of the members of the Board of Directors are experienced managers.

In addition, none has declared:

- any familial relationship with another member of the Board of Directors;
- any conviction during the last five years in relation to fraudulent offences or official public sanctions;
- involvement in any bankruptcy proceedings during the last five years as a member of a board of directors, a management body or a supervisory board;
- any conflict of interest affecting the exercise of his duties and responsibilities.

1.2. Remuneration of company officers

1.2.1. Policy for compensation paid to company officers

Members of the Board of Directors receive directors' fees as indicated in § 1.2.3.

The company officers employed within the Group who receive fixed and variable compensation are as follows:

- Pierre Pasquier, Chairman and Chief Executive Officer;
- Dominique Illien, Managing Director;
- José Sancho Garcia, Board member receiving compensation in Spain as the Managing Director of Sopra PROFit.

The fixed and variable components of their compensation are determined by the Board of Directors based on the recommendations of the Compensation Committee. These must be:

- for the fixed component, consistent with those applied by other companies in our sector;
- for the variable component, motivational in relation to the level of compensation and the objectives to be attained.

1.2.2. Compensation paid to company officers

The information provided below concerns:

- the members of the Board of Directors;
- the Managing Director.

The members of the Board of Directors employed within the Group received a variable component of compensation, in 2007 based on 2006 earnings and in 2008 based on 2007 earnings calculated as follows:

- 30% of their fixed salary, in recognition of the attainment of personal and Group objectives;
- a portion which may be increased to as much as 60% in case of exceptionally satisfactory performance.

Dominique Illien, who joined Sopra Group in June 2007, is not eligible to receive variable compensation on the basis of 2006 earnings.

Surname	First name	Directors' fees	Remuneration paid during the financial year			Variable paid in 2008 on 2007 profit	Deferred remuneration		
			Fixed	Benefits in kind	Variable paid in 2007 based on 2006 profit		On hiring	Change of function	Termination of function
Brodelle	Alain	€9,938	-	-	-	-	-	-	-
Citerne	Philippe	€7,469	-	-	-	-	-	-	-
Jean	Gérard	€11,173	-	-	-	-	-	-	-
Martel	Pierre-André	€11,173	-	-	-	-	-	-	-
Michel	Bernard	€9,938	-	-	-	-	-	-	-
Odin	François	€11,173	-	-	-	-	-	-	-
Saint-Sauveur	Hervé	€10,556	-	-	-	-	-	-	-
Vincent	Gérard	€11,173	-	-	-	-	-	-	-
Pasquier	Pierre	€9,321	€231,010	€6,859	€59,455	€115,505	-	-	-
Illien *	Dominique	-	€254,248	€4,743	-	€145,833	-	-	€652,000 **
Sancho Garcia	José	€8,086	€250,000	-	€75,000	€150,000	-	-	-
TOTAL		**€100,000**	**€735,258**	**€11,602**	**€134,455**	**€411,338**	**-**	**-**	**€652,000**

* *Over 7 months in 2007.*

** *Only if leaves Sopra Group in 2008.*

On 31 December 2006, Claude Decq resigned from his position as Managing Director of Sopra Group. At the termination of his employment contract, on 4 January 2008, he received a separation benefit, in the gross amount of €233,000. Furthermore, Claude Decq continues to benefit from the 20,000 options to subscribe to Sopra Group shares that had previously been awarded to him.

1.2.3. Allocation method for directors' fees

The total amount of directors' fees is allocated as follows:

- 50% equally distributed among all the members of the Board;
- 50% in relation to their actual attendance at meetings of the Board and of the various committees established by this body.

1.2.4. Award and vesting policy for stock options and bonus shares

No stock options were granted to company officers during the 2007 financial year.

1.3. Role, operations and organisation of the Board of Directors

Information on the role, operations and organisation of the Board of Directors is provided in the report of the Chairman of the Board of Directors in section 4.1.

2. Statutory Auditors

2.1. Statutory Auditors and Alternate Auditors

- **Cabinet Mazars & Guérard** represented by Pierre Sardet, Statutory Auditor;
- **Jean-Louis Simon**, Alternate Auditor;
- **Auditeurs & Conseils Associés SA** represented by Philippe Ronin, Statutory Auditor;
- **AEG Finances**, Alternate Auditor.

2.2. Fees for Statutory Auditors and members of their networks

	Mazars & Guérard (MAZARS)				Auditeurs & Conseils Associés (NEXIA)			
(thousands of euros)	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2007	2006	2007	2006	2007	2006	2007	2006
Audit								
Statutory audit, certification, of the individual company and consolidated financial statements								
■ Issuer	279	232	45%	36%	143	134	49%	54%
■ Fully consolidated subsidiaries	299	248	47%	39%	96	108	33%	43%
Other work and services directly related to the statutory audit								
■ Issuer	-	-	-	-	-	-	-	-
■ Fully consolidated subsidiaries	12	19	2%	3%	18	-	6%	-
Subtotal	**590**	**499**	**94%**	**78%**	**257**	**242**	**89%**	**97%**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax and employee-related	40	84	6%	13%	20	7	7%	3%
Other	-	59	-	9%	12	-	4%	-
Subtotal	**40**	**143**	**6%**	**22%**	**32**	**7**	**11%**	**3%**
TOTAL	**630**	**642**	**100%**	**100%**	**289**	**249**	**100%**	**100%**

3. Regulated agreements

3.1. New agreements concluded in 2007

Agreement relating to the separation benefit to be received by Mr Dominique Illien, Managing Director, in the event of termination (authorisation of the Board of Directors, 20 June 2007).

Nature and purpose: guarantee in the event of a departure before 31 December 2008 on the initiative of Sopra Group, except in cases of serious or gross misconduct.

Terms and conditions set forth in this agreement:

- a separation benefit equivalent to 16 times the gross amount of the most recent monthly fixed salary received prior to the termination of the position as company officer, thus €652,000;
- exemption from the attendance conditions normally required in order to exercise at the proper date half of the options to subscribe to Sopra Group shares acquired at the end of the term in office.

3.2. Agreements approved in previous years which continued to be applied during the year

The execution of the following agreements which were approved in previous years continued in 2007:

3.2.1. Agreements between Sopra Group and Orga Consultants

Agreement	Impact on the 2007 financial statements
Provision of premises	€1,133,876 revenue
Expense recharge Sopra Group charges Orga Consultants the proportion of the various expenses relating to the shared premises (telecoms, postage, professional tax, etc.)	€81,009 revenue
Provision of IT resources	€254,000 revenue
Assistance (functional management)	€903,800 revenue
Commercial support Payment of management fees for commercial support: 1.5% of Orga Consultants' revenue	€660,400 revenue
Tax consolidation The tax charge is apportioned as if no tax consolidation agreement applied	€25,179 expense

3.2.2. Agreements between Sopra Group and Axway Software

Agreement	Impact on the 2007 financial statements
Provision of premises	€2,210,520 revenue
Expense recharge Sopra Group charges Axway Software the proportion of the various expenses relating to the shared premises (telecoms, postage, professional tax, etc.)	€298,110 revenue
Provision of IT resources	€1,800,495 revenue
Assistance (functional management)	€4,097,500 revenue
Commercial support Payment of management fees for commercial support	No impact: not applied in 2007
Tax consolidation The tax charge is apportioned as if no tax consolidation agreement applied	€25,179 expense

3.2.3. Cash management agreements and relinquished debt

Company concerned		Balance of current account held with Sopra Group at 31 December 2007 (CB: credit balance; DB: debit balance)	(Expense)/Income	Relinquished debt
Axway	DB	€52,951,098	€2,086,157	
Orga Consultants	CB	€16,374,156	-€533,304	
Sopra Group Ltd	DB	€34,529,479	€2,002,837	
Sopra Belux	DB	€585,000	€4,468	
Sopra Group GmbH	DB	€329,500	€0	-€807,672
Sopra Group SpA	DB	€1,700,000	€40,451	
Valoris Iberia	DB	€490,000	€22,338	
Valoris Belgium		€0	€53,711	-€2,500,000
CS Sopra España	DB	€1,240,000	€33,605	
SopraNtic	DB	€201,954	€0	
Sopra Informatique	CB	€8,345,806	-€226,255	
Sopra PROFit	CB	€20,300,000	-€530,201	
Sopra Luxembourg	CB	€139,000	-€3,115	
BAI	CB	€20,782,481	-€236,557	

4. Chairman of the Board of Directors' report on the functioning of the Board and on internal control procedures

Pursuant to Article L.225-37 of the Commercial Code (enacted in accordance with the Law on Financial Security of 1 August 2003), the purpose of this report is to inform shareholders as to:

- the manner in which the work of the Board of Directors, was prepared and organised;
- the internal control procedures implemented by the Company.

The first section, which deals with the work of the Board of Directors, is based on the document entitled *Le Gouvernement d'entreprise des sociétés cotées*, published in October 2003 by the AFEP and the MEDEF. This document draws on the conclusions of the Viénot and Bouton reports of 1995, 1999 and 2002. The second section, which deals with internal control procedures, is based on the document published in December 2003 by the AFEP and the MEDEF as well as on the legal opinion issued by the ANSA (*Association nationale des sociétés par actions)* in November 2003 as well as the recommendations of the workgroup officially established by the *Autorité des marchés financiers,* complemented by the application guide relating to internal control and to the presentation of accounting and financial information published in January 2007.

4.1. Manner in which the work of the Board of Directors was prepared and organised

The composition and remuneration of the members of the Board of Directors are presented in paragraph 1 of chapter 3 of this Reference Document.

4.1.1. Regulatory framework governing the Board of Directors, its organisation and its working procedure

The organisation and working procedure of the Board of Directors are governed by law, the Company's Articles of Association, internal rules and regulations, and a charter.

Legal provisions

The working procedure of the Board of Directors is governed by Articles L.225-17 and subsequent of the Commercial Code. The principal mission of the Board of Directors is to determine the strategic directions to be followed by the Company and to oversee their implementation.

Provisions included in the Articles of Association

These include the organisational and procedural guidelines for the Board of Directors.

These matters are governed by Articles 14 to 21 of the Articles of Association:

- Article 14: members, appointments, term of office;
- Article 15: organisation and procedures;
- Article 16: notice of meetings and deliberations of the Board;
- Article 17: powers of the Board of Directors;
- Article 18: powers of the Chairman of the Board of Directors;
- Article 19: Executive Management;

- Article 20: remuneration of directors;
- Article 21: holding of multiple appointments.

Internal rules and regulations of the Board of Directors

The internal rules and regulations relate to the following issues: summary of legal and statutory powers, meetings, information received by the Board of Directors, training of members, committees, conflicts of interest, directors' fees, confidentiality and works council representatives.

These rules and regulations are available upon request from the Group's Communication Department.

Board of Directors' charter

The responsibilities of members of the Board of Directors are governed by a charter that addresses the following issues: proxies, missions and conditions of service, knowledge of rights and obligations, individually owned shares, ethical rules pertaining to stock market transactions, transparency, conflicts of interest, meeting attendance, and confidentiality.

This charter is available upon request from the Group's Communication department.

4.1.2. Meetings of the Board of Directors

Number of meetings held during the financial year and attendance of members of the Board of Directors

In accordance with its internal regulations, the Board of Directors is required to meet at least five times each year.

An annual calendar of meetings including a provisional agenda was established by the Board. This calendar may be modified should any specific events justify a change in the agreed schedule.

The Board of Directors met seven times in 2007. The attendance rate was 82.9%, representing a total roll call of 58 out of a possible 70 (the Board was composed of 10 members).

Issues discussed by the Board of Directors

The main issues discussed by the Board of Directors in 2007 were:

- organisation of and calendar for meetings;
- quarterly performance;
- 2007 budget and major strategies;
- approval of the individual company and consolidated financial statements for the year ended 31 December 2006;
- approval of the interim financial statements for the first half of 2007;
- approval of the decisions of the Compensation Committee;
- authorisation of regulated agreements and commitments;
- capital increase following the exercise of options to subscribe to shares occurring in 2006;
- preparation of the Ordinary General Meeting for 2007;
- approval of financial information and planning documents;
- Sopra–Axway 2010 Strategic Plan;
- acquisition projects;
- appointment of a Managing Director;
- establishment of an Internal Audit function reporting to the Chairman of the Board of Directors.

4.1.3. Access to information by members of the Board of Directors

Dissemination of information—Preparatory materials

Article 4 of the internal regulations states that:

- each member of the Board shall receive all information required in the performance of his or her mission and is authorised to request any documents deemed pertinent;
- in advance of each meeting of the Board, a set of preparatory materials shall be addressed to members presenting the items on the agenda requiring special analysis and preliminary reflection, provided that confidentiality guidelines allow the communication of this information;
- the members of the Board shall also receive, in the intervals between meetings, all pertinent and critical information concerning significant events or operations. This information shall include copies of all press releases disseminated by the Company.

Training

Article 5 of the internal regulations states that "any member of the Board may, on the occasion of his or her appointment or at any point during his or her term in office, engage in training sessions he or she feels are required by the performance of his or her duties".

4.1.4. The Committees of the Board of Directors

Audit Committee

The Audit Committee was created on 2 March 2004 and had its mandate renewed on 30 May 2006. Its members are:

- Hervé Saint-Sauveur, Chairman;
- Pierre-André Martel;
- Bernard Michel;
- François Odin;
- Gérard Vincent.

This Committee has two principle missions:

- examining the financial statements, especially in order to:
  - review the Company's exposure to risks as well as its off-balance sheet commitments,
  - verify that the procedures for gathering and checking information guarantee its reliability,
  - ensure that accounting policies have been applied consistently and are pertinent;
- ensuring compliance with the rules guaranteeing the independence and objectivity of the Statutory Auditors.

It was convened three times in 2007 in the presence of the General Secretary and the Statutory Auditors.

The main subjects discussed were the following:

- the 2006 impairment tests;
- accounts close-out at 31 December 2006 of the individual and consolidated financial statements;
- organisation of the Group internal audit and the internal audit 2007 work programme;
- the examination of the financial statements for the first half of 2007.

Compensation and Nomination Committee

The Compensation Committee as created on 27 April 2004 and its mandate was renewed on 30 May 2006. Its members are:

- Philippe Citerne, Chairman;
- Pierre-André Martel;
- Gérard Jean;
- Alain Brodelle.

This Committee has three main missions:

- determining the fixed and variable components of compensation as well as the benefits in kind to be paid to company officers and to the Company's principal directors;
- verifying the application of rules determined for the calculation of their variable compensation component;
- verifying the quality of the information communicated to shareholders concerning compensation, benefits in kind, options, and fees received by company officers and principal directors.

The Nomination Committee was formed on 22 October 2004 and its mandate was renewed on 30 May 2006. It has the same members as the Compensation Committee. Its main missions are as follows:

- propose appointments of members of the Board of Directors and Executive Management, particularly in the event of an unforeseen vacancy;
- evaluate the Board of Directors, and the Group's corporate governance.

These two committees meet according to the same schedule. They met three times in 2007.

The main subjects discussed were the following:

- application of earnout clauses involved in the acquisitions of Newell & Budge and PROFit;
- fixed and variable components of compensation paid to the COMEX members: principles, access rules and decisions in accordance with the performance of each member;
- allocation of directors' fees with respect to the 2006 financial year;
- review of the situation created by the departure of Claude Decq and the decision to be made concerning his replacement;
- granting of options to subscribe to shares to the managers of Axway.

4.1.5. Evaluation of the Board of Directors

The Nomination Committee is responsible for evaluating the Board of Directors.

4.2. Internal control procedures implemented by the Company

Definition of internal control

According to the definition established as a reference framework by the Working Group set up under the aegis of the AMF, internal control is "a system set up by the company, defined and implemented under its responsibility, which aims to ensure:

- compliance with laws and regulations;
- the application of instructions and guidelines determined by Executive Management or the Board of Directors;
- the proper functioning of the company's internal processes, particularly those intended to safeguard its assets;
- the reliability of financial disclosures;
- and, in a general sense, to contribute to the control of its business activities, to the efficiency of its operations and the effective use of its resources."

In April 2006, the Executive Management of the Group launched an adaptation process relating to its internal control system, which took into account the reference framework published by the Working Group from the date of its publication.

This approach involves the entire Group. Taking as its initial focus Systems & Solutions Integration in France, it will gradually be extended to cover all subsidiaries (all countries, all segments).

Approved presentation format

First and foremost, this report aims to present the five components of internal control as implemented within the Group:

- Organisation (a);
- Internal communication of information (b);
- System for the identification and management of risks (c);
- Control activities (d);
- Monitoring of the internal control system (e).

A specific review next addresses the production of accounting and financial information to be published.

Finally, the last part of the report focuses on improvements in the control of the main risks identified.

4.2.1. Components of the internal control system

a. Organisation

Organisation refers to the Group's legal, operational and functional organisation as commonly defined, the Human Resources function, the information system, procedures and tools.

Legal, operational and functional organisation

Legal structure

Sopra Group's legal structure is designed to be as simple as possible, involving a single entity per business segment and per country, with the exception of short periods following acquisitions, the latter being rapidly succeeded by merger-absorption operations, or in the case of specific agreements providing for the participation, for a limited time, of company managers in the capital of certain subsidiaries.

All Group companies are fully consolidated, with the Group holding in almost all cases 100% of the capital of these subsidiaries. For this reason, the Group controls all companies within its scope of consolidation. There are no *ad hoc* entities outside the scope of consolidation.

Operational structure

Sopra Group's operational structure is composed of a limited number of hierarchical levels within which elementary operational entities each perform an overall management function.

These elementary operational units, called branches, business units or skill centres, are the entities within which the Group pursues its activities.

Systems & Solutions Integration - France

All of this segment's entities are subsumed within Sopra Group SA. These include:

- branches organised by region, as Sopra Group benefits from significant geographical coverage over twenty-five sites;
- branches organised by major business segment (Banking, Telecoms, Manufacturing, Public Sector, Services, etc.) based in Paris;
- branches organised by function (sales, research & development, client service, etc.) for the development and distribution of software solutions for Banking, Human Resources and Real Estate;
- technology consulting branches, operating in close liaison with other Group entities.

Strategy and management consulting - France

All of this segment's entities are subsumed within Orga Consultants, a wholly owned subsidiary of Sopra Group. These include:

- branches organised by major business segment, all of which are located in Paris;
- skill centres.

Systems & Solutions Integration - International

The international subsidiaries comprise a dozen operational units. All these companies are wholly owned subsidiaries of Sopra Group.

Axway

This activity is pursued:

- in France, by Axway Software, a wholly owned subsidiary of Sopra Group, for sales and service to French clients, with respect to service offers, development, support, and maintenance;
- elsewhere, by around 15 subsidiaries located mainly in Europe, the United States and Asia.

Hierarchical levels

Sopra Group is organised into only three hierarchical levels:

- Tier 1 is composed of the members of the Sopra Group Executive Committee. It is situated at strategic level, and supervises operational matters (organisation, management control and development of major client accounts, etc.). Organised around Executive Management, the Executive Committee is currently composed of about ten individuals;
- Tier 2 is the core of this structure. It consists of:
    - divisions, for Systems & Solutions Integration France; each division is centred on a market, an offer, a solution or a region,
    - countries, for Systems & Solutions Integration outside France,
    - subsidiaries, for Consulting (Orga Consultants) and Axway.

  The managers of these Level 2 entities (about thirty individuals) report to a member of the Executive Committee;
- Tier 3 corresponds to operational units. Operational units carry out an overall management function: they are responsible for sales and marketing, production human resource management, reporting within the framework of the Group's management system. All of these activities are subject to the control or assistance of operational and functional management.

Functional organisation

Cross-functional entities (Industrialisation Department, Major Commercial Programmes) or strictly functional departments (Company Secretariat, Finance and Administration, internal control, Logistics, Human Resources, Communication, IT resources, Internal IT, Legal Affairs) are centralised within Sopra Group SA for the entire Group and report directly to Executive Management. The functional capacity of international subsidiaries is strictly limited to the local business environment. Functional managers contribute to overall Group control and enable operational entities to devote the entirety of their resources to their business.

Human Resources

Recruitment privileges first-level positions and those requiring specialist skills. Managerial positions are generally filled by means of internal promotion, which allows the Group to rely on an executive-level staff sharing the same culture and uniform values.

Training plays an essential role in the development of the skills required for the Group's operations (see section 8 of the chapter "Sopra Group: Our business" entitled "Human Resources").

An extensive management training programme enables some 800 participants each year to assimilate the Group's organisation and value system and to improve their management techniques.

Information system

The information system is organised to operate standards-compliant control processes throughout the Group and to produce accounting and financial information.

The various individual information systems are under the responsibility of two functional departments reporting directly to Executive Management. One of these takes charge of IT resources (including procurement) and security, while the other develops or selects the applications to be used to meet the Group's internal needs.

Constantly at work on improving the information system, these two departments accompany the Group's growth in all its aspects: organic growth, integration of acquisitions, extension of the Group's geographic presence, development of its various business segments.

The objectives of these departments are to adapt the information system in the best possible fashion to the Group's operating requirements, to ensure the physical and logical security of data to which permanent access must be guaranteed, to maintain the cost of the information system at the lowest possible level while remaining compatible with its service constraints.

Procedures

The Group observes rules and procedures encompassing the areas of organisation and steering, management and the information system, human resources, production and quality assurance, and sales and marketing, procurement and transport.

Functional managers are responsible for the establishment, maintenance and dissemination, by means of a training programme, of these rules and procedures, and for monitoring compliance, acting under the aegis of Sopra Group's Executive Management.

Once published, these procedures remain accessible on a permanent basis via a dedicated Intranet.

In France, a monthly newsletter facilitates monitoring by highlighting the main developments in procedures and tools for the entire structure (operational and functional). This newsletter systematically refers to reference documents accessible via the Intranet. An international version of this newsletter is under consideration.

Given the business segments in which Sopra Group operates, its Quality System serves as a key component of its internal control system and deserves special mention.

Sopra Group's Quality System is defined, documented and maintained by the Quality department. It covers Sopra Group's Systems & Solutions Integration segments and the services associated with their business activities.

The organisation, procedures, processes, and resources mobilised in the service of quality encompass the following areas: pre-sales, production, human resources management, and the management of the Quality System itself.

The basic principles of the Quality System are described in a Quality Manual supplemented by Guides to procedures and Operating Manuals.

The Group's expanding internationalisation is increasing the need to consider the language issue. The three languages used in the Group's tools and communication are French, English and Spanish. However, at present not all of the reference documents are made available in all three languages.

Tools

The centralisation of functions mentioned in the sections of this document addressing the Group's organisation and its information system entails the standardisation of IT equipment and tools.

The management applications and office automation software designed to standardise the documents produced by the Group are deployed across all Group entities.

Requirements related to regulations, operating methods or business-specific constraints are taken into consideration as necessary.

b. Internal dissemination of information

General description of the System for Information, Piloting and Control (SIPC)

This system is designed not only to organise the dissemination of information, ascending to Executive Management and descending to the branches, but also to direct, control, assist and provide training. Its regular meetings are adjusted according to the different perspectives considered:

- weekly, for the month in progress, with priority accorded to the monitoring of sales, production, and human resources;
- monthly, for the year in progress (special attention is paid to the coming three months), which, apart from the issues handled on a weekly basis, place additional emphasis on economic indicators: entity performance for the previous month, review of annual forecasts, budget monitoring;
- yearly, in regard to the entity's strategic plan and budget.

Steering meetings are held at the different levels presented above: operational units (themselves endowed with a project organisation), divisions, subsidiaries and the Sopra Group Executive Committee.

The monitoring and guidance system is supported by a software tool developed in-house.

Application of the SIPC to all entities of the Group

This system is deployed for all of the Group's entities, both operational and functional. It is rapidly implemented in any company acquired. The total coverage of the Group ensured by the SIPC makes it a highly effective vehicle for cohesiveness, the sharing of values and practices throughout the Group, and for control.

c. Risk listing and management process

The sequences of weekly, monthly and annual (budget) meetings described in the preceding paragraph are the occasion for the assessment of short term (alert) or long term (structural) risks. These sequences involve both operating and functional departments.

Alerts brought up during these meetings are evaluated and dealt with at the appropriate level (branch, division/subsidiary, Group). They are the subject of a supervised plan of action.

With respect to structural risks, a risk-mapping procedure (defined as the listing, definition and ranking of risks) is being set up. Led by a member of Executive Management, the steps consist of the initial production, through the use of working groups involving both operating and functional managers, of a risk-map, internal control objectives, an evaluation of existing processes and, finally, recommendations for improvements permitting the reduction of inherent business risk. The risk-map will be continuously updated and presented annually to the Audit Committee.

d. Control

Control activities are primarily the responsibility of the Finance and Administration Department with respect to its management accounting and of the Industrialisation Department within the scope of its Quality System management.

Finance and Administration Department (Management Accounting)

Management Accounting is performed by the Finance and Administration Department. It currently comprises approximately twenty-five employees. The principal tasks of Management Accounting are the consolidation and analysis of monthly results produced by the internal management system, overseeing the consistency of monthly forecasts, supervising the application of Group controls and procedures, assisting operating managers, training management system users, performing quarterly reviews of operating units and performing the reconciliation between the internal management accounts and the financial accounts.

Industrialisation Department (Quality System management)

Quality management relies upon the day to day involvement between the operating structure and the quality structure.

The monthly steering meetings facilitate an overview of quality at all levels, the monitoring of annual quality targets established during Executive Management reviews and the determination of the appropriate action plans to continuously improve Sopra Group's products and services.

Organisational audits are performed in order to verify the application and the efficacy of the Quality System (processes) with the Sopra Group participants concerned.

Sopra Group's Quality System is independent of the project management process. In this regard, it offers external quality assurance for projects with a view to safeguarding production, verifying production conformity and that the terms of the quality assurance procedure described in the quality scheme for the project are complied with and operate effectively.

An annual review is performed by management to ensure that the Quality System remains pertinent, adequate and effective. This review is based in particular upon an examination of project reviews and internal structural audits performed at all levels of the Company. During this review, the pertinence of the quality policy is evaluated, the annual quality objectives are defined and possible improvements and changes to the Quality System are considered. This review is performed at the levels of Executive Management, Division Management, and Subsidiary Management.

The effectiveness of actions undertaken as a result of monitoring sessions, audits and reviews is verified by the Quality Department. In addition, annual plans for improvement of the Quality System are drafted during the annual review performed by Executive Management.

e. Supervision of the internal control system

Internal supervision system

Chairman and Chief Executive Officer (Internal Control Department)

The Chairman and Chief Executive Officer continuously monitors the internal control system and an Internal Control Department has been created to assist him (operational since the 2008 financial year).

The Internal Control Department, which has a budgeted staff of three, has the following tasks:

- the independent and objective evaluation of the functioning of the internal control system;
- the development of all recommendations to improve the Group's operations;
- monitoring the implementation of recommendations adopted by Executive Management;
- updating the risk-map.

Executive Management validates the audit plan in particular on the basis of the risk-map and the priorities it has adopted for the year.

Board of Directors (Audit Committee)

The Audit Committee is informed of the activities of the Internal Control Department in its meetings with the Director of the Internal Control Department twice a year to discuss the risk-map and the implementation of the resulting audit plan.

External procedures

Furthermore, the internal control system is also monitored by the Statutory Auditors and by AFAQ AFNOR inspectors regarding the Quality System.

External audit

The mission of the Statutory Auditors includes an assessment of internal control procedures.

AFAQ AFNOR Certification Inspectors

The audit process is aimed at identifying ways to improve the quality management system in order to continuously improve performance. Monitoring audits contribute to performance improvement.

4.2.2. Production of accounting and financial information

a. Coordination of the accounting and financial function

Organisation of the accounting and financial function

Limited number of accounting entities

As indicated above, the legal entities, and therefore the accounting entities, are limited in number, providing reductions in operating costs and curtailing risks inherent in the function.

Centralisation of the accounting and financial function

As for most functions, the financial and accounting function is predominantly centralised within Sopra Group. The subsidiaries have either no teams or only small teams working in this function.

The responsibilities of the Finance and Administration Department involve mainly maintaining the accounts for the different Group companies and preparing the consolidated financial statements, financial control, tax issues, financing and cash accounting, and participation in financial communication and legal matters.

Supervision of the accounting and finance function

Involvement of Executive Management

The Finance and Administration Department reports to Executive Management. As with all other entities, it participates in the monitoring and guidance system described above: weekly meetings dealing with ongoing business, monthly meetings devoted to a detailed examination of figures (achieved and forecast), the organisation of the function, and the monitoring of large-scale projects.

Executive Management is involved in the planning and supervision process as well as in preparing the accounts close-out.

Role of the Board of Directors

The Board of Directors is responsible for the oversight of the production of accounting and financial information. It approves the annual accounts and reviews the interim accounts. It relies on the Audit Committee, which comprised of five of its members (cf. Paragraph 4.1.4 above).

Organisation of the accounting information system

Financial accounting

All Group companies prepare complete quarterly financial statements on which the Group bases its published quarterly sales figures and interim financial statements. All these companies are fully consolidated.

Monthly cash flow forecasts are prepared for all companies.

Accounting policies and presentation

The accounting policies applied within the Group are presented in the notes to the consolidated financial statements.

They were subject to a special review procedure by the Audit Committee.

The proper use of the percentage-of-completion method to evaluate projects is monitored on a permanent basis jointly by the Industrialisation Department, which validates the commitment remaining on projects, and by the Finance department.

b. Preparation of the published accounting and financial information

Reconciliation with the internal management system accounting data

All Group entities prepare a monthly budget, a monthly operating statement and budget forecasts are revised monthly. These procedures are designed to present the reality of operations and are based upon simple management rules that provide a clear view of performance.

The budget process, which is short in duration and takes place in the last quarter of the year, is a key event. It is the opportunity to apply the strategy approved by the Executive Committee, to adapt the organisation to developments in business segments, to market demand and the competition, as well as to assign quantitative and qualitative objectives to all Group entities. Budgets, including detailed monthly operating forecasts, are prepared by each unit.

A monthly operating statement closed on the third working day of the following month is prepared by each Group entity.

The third component of the management system is a revised operating statement prepared each month. This statement includes the results of the previous month and a revised forecast for the remaining months of the current year.

All these documents pertaining to operations are combined with numerous management indicators, related to the economy (labour force participation rate, selling prices, average salary), human resources, invoicing, and receipts, among others.

Commercial activities (prospective clients, contracts in progress, signings, etc.) and cash accounting (client invoicing, receipts) are monitored on a weekly basis.

The results derived from the monthly management reporting documents are verified by financial controllers reporting to the Chief Financial Officer, who also reconcile these data with the quarterly accounting results. Certain key figures are reconciled on a monthly basis.

Procedures for the preparation of the consolidated financial statements

Each company establishes quarterly financial statements and prepares a consolidation pack.

The interim and annual consolidation packs are examined by each company's auditors. Once approved, they are used by the Finance and Administration Department and the consolidated financial statements are examined by the Group's Statutory Auditors.

c. Improvement Projects

The Group plans to conduct an amalgamation of the various existing notes and procedures into a single document covering the significant accounting policies and procedures. The new document will serve as a common reference for the various internal and external operators involved in the production or use of financial and accounting data.

4.2.3. Assessment and control of the principal risks identified

Executive Management, after consultation with the Executive Committee, has adopted working practices aimed at controlling risks in three major areas:

a. Human resources risks

In a high growth service business, which also faces certain skill shortages, human resources risks are naturally critical.

One of the issues involves the optimal use and thus the expert knowledge of the resources already present in the Group (skills, aptitudes, potential), as the size of the primary operating entities is growing.

The capacity to produce a sufficient number of leaders capable of managing large projects which are complex in terms of their volume, client needs, technology and production methods, such as offshore sourcing, affects the potential long-term growth of the Group.

b. Production risks

The primary risk relates to the capacity to execute the engagements commitments vis à vis clients in terms of quality, delivery date and cost: delivering products and services that meet the specifications, within the time limits agreed and within the budgets forecast, in particular in connection with major client projects.

Controlling such risks requires a perfect knowledge of numerous constantly evolving technical and business environments, implementing a prior validation procedure covering technical, legal and financial aspects and a tried and tested project management system for monitoring and controlling technical and accounting aspects.

c. Commercial risks

Commercial efficiency depends upon the ability to mobilise all client-related knowledge, where relationships with major clients extend over a number of years, involve numerous employees, often belonging to different units. Mastering this knowledge is a key factor, which permits an understanding of, and an appropriate response to, clients' needs.

The selection of these risks has informed the choice of internal audit missions and the work programme of the staff concerned.

18 March 2008,

Pierre Pasquier

Chairman of the Board of Directors

5. Statutory Auditors' report prepared pursuant to the article L.225-235 of the Commercial Code, on the Report of the Chairman of the Board of Directors of Sopra Group on the internal control procedures relating to the preparation and processing of accounting and financial information

Ladies and gentlemen,

In our capacity of Statutory Auditors of Sopra Group, and in compliance with the provisions of the last paragraph of article L.225-235 of the Commercial Code, we hereby present our report on the Report of the Chairman of the Board of Directors, pursuant to the provisions of article L.225-37 of the Commercial Code, in respect of the financial year ended 31 December 2007.

The Chairman of the Board of Directors is responsible for presenting certain information in his report, including the condition under which the Board of Directors' work was prepared and organised and the internal control procedures that the Company has implemented.

We are responsible for presenting to you any observations that we have on the basis of the information provided in the Chairman of the Board of Director's report on internal control procedures relating to the preparation and processing of accounting and financial information.

We performed our assignment in accordance with professional standards applicable in France. These standards require that we carry out work designed to assess the truth and fairness of the information provided in the Chairman of the Board of Director's report on the internal control procedures relating to the preparation and processing of accounting and financial information. This work consisted notably of:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of financial and accounting information, underlying the information set out in the Chairman's report, as well as existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and existing documentation;
- determining whether any significant deficiencies in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have observed in the context of our mission are properly reported in the Chairman's report.

On the basis of the work that we performed, we have no comment to make on the information provided on the Company's internal control procedures relating to the preparation and processing of accounting and financial information, contained in the report of the Chairman of the Board of Directors, prepared in compliance with the provisions of the last paragraph of article L.225-37 of the Commercial Code.

Paris and Courbevoie, 27 March 2008

The Statutory Auditors

Auditeurs & Conseils Associés	Mazars & Guérard
Philippe Ronin	Pierre Sardet

4 REPORTS OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF 15 MAY 2008

REPORT OF THE BOARD OF DIRECTORS

1. Sopra Group's business and key events in 2007

1.1. Business in 2007 – General environment

In 2007, the Group continued to execute the strategy set out in **Project 2010**, which aims to ensure that the Group independently achieves revenue of €2 billion.

Over the last few years Sopra Group has developed its own business model based, in Europe, on Consulting, Systems Integration, Application Outsourcing and its industry-specific solutions for the banking, human resources and real estate sectors, as well as a global project for its Axway subsidiary, the Collaborative Business Solutions leader.

The Group has positioned itself, and adopted a successful business model, based not only on technological development but also on outsourcing and business combinations. This novel business model makes it difficult to make a comparison with other companies within the sector which have positioned themselves differently.

Growth for the IT services sector was satisfactory in 2007, with revenue of companies in the sector growing by approximately 6.5% in France (Source: Syntec Conference 27 March 2008).

Sopra Group's results in 2007 were excellent, with consolidated revenue for the year amounting to €1,001.4 million, an increase of 11.6% reflecting:

- strong organic growth of 9.4%, exceeding the market average, driven mainly by Systems Integration in France (up 10.9%) and Axway (up 12%);
- recent acquisitions contributed €21.6 million to revenue in 2007.

Profit from recurring operations amounted to €90.8 million, corresponding to 9.1% of revenue compared to €75.0 million and 8.4% of revenue in 2006, an increase of 21.1% and a 0.7 point margin improvement.

Net profit improved by 24.7% to reach €55.1 million or 5.5% of revenue.

1.2. Key events of the year

1.2.1. Continuation of Axway's worldwide project with the acquisition of the B2B software business of Atos Origin in Germany

Axway, a subsidiary of Sopra Group acquired all of the assets of the B2B software business of Atos Origin in Germany.

The two entities' complementary fit, both in geographic positioning and expertise in client businesses, help place Axway among the leading vendors in Germany, propelling it into the leadership position in the European EDI and B2B software markets and to consolidate its positioning in the Automotive sector.

This acquisition solidifies Axway's indisputable leadership in the European EDI and B2B platform markets and significantly expands its presence in Germany, which is the largest market in Europe.

Axway already has more than 8,000 clients in over 100 countries and almost 1,100 qualified staff in over 20 office locations throughout the world.

1.2.2. Solidified international presence

The Group continues to affirm its significant international presence with 32.8% of its business conducted outside France in 2007, strengthened by the acquisitions it made in 2007 (Methosystem in Italy and BAI in Belgium).

1.2.3. Reinforcement of the industrialisation and offshore strategy

The industrialisation and offshore strategy has been reinforced with the creation of the Industrialisation Department responsible for establishing industrialisation and production relocation processes, spreading the Group's methodology in this area and shepherding the development of relocated platforms in Spain, Morocco, Romania and India.

2. Consolidated financial statements

2.1. Consolidated income statement

2.1.1. Group results

Consolidated revenue amounted to €1,001.4 million in 2007, representing total growth of 11.6% and organic growth of 9.4%. This compares to organic growth of 8.5% in 2006. The Group improved its growth performance, which outperformed that of the sector as a whole (6.5% in France – source: Syntec Conference 27 March 2008).

Changes in the scope of consolidation corresponded to the acquisition of:

- Axway Software GmbH (B2B business of Atos Origin in Germany) consolidated from February 2007 (€16.0 million);
- Methosystem in Italy consolidated from July 2007 (€2.9 million);
- Interface in France consolidated from August 2007 (€0.5 million);
- Business Architects International in Belgium consolidated from October 2007 (€2.2 million).

These four acquisitions contributed in total up to €21.6 million to revenue in 2007.

Total staff costs, for both employees and contractors, increased by 11.5%, slightly less than the growth in revenue (11.6%) and represented 72.8% of revenue, the same percentage as in 2006, reflecting good control of salaries and costs of external contractors: this growth was achieved without a major adverse impact on this item, which often occurs during periods of strong growth.

These costs include €38.8 million in research and development expenses.

Operating expenses fell as a percentage of revenue to 16.7% compared to 17.4% in 2006 as a result of the tight controls imposed on overheads.

Depreciation, amortisation, provisions and impairment at 1.5% of revenue, represented a slight increase over 2006.

Profit from recurring operations amounted to €90.8 million, corresponding to 9.1% of revenue compared to €75.0 million and 8.4% of revenue in 2006, an increase of 21.1% and a 0.7 point margin improvement.

Operating profit amounted to €90.1 million after taking into account €0.7 million in non-recurring expenses related to the February 2007 acquisition of the B2B business of Atos in Germany: these expenses were incurred in order to provide an administrative, technical and supply chain structure for this business ensuring normal operations, following its disposal by Atos Origin, which had fulfilled these functions at the corporate level. In 2006, this caption includes the expenses related to the withdrawal from the Pyramid business, an offer of enterprise software and associated services developed for property managers, in the amount of €1.1 million. Operating profit thus grew by 21.9%, with a 0.8 point margin improvement.

Financial income and expense amounted to an expense of €9.8 million in 2007 compared to an expense of €7.7 million in 2006, primarily as a result of the increase in the cost of net financial debt which rose to €7.8 million in 2007 compared to €6.4 million in 2006. This increase is principally related to the growth in debt generated by external-growth driven acquisitions and the effect of the corporate income tax payments deferred from 2006 to 2007 (effect of the Valoris merger). Other financial income and expense includes:

- the reversal of a provision of €1.4 million established to recognise the net valuation of interest rate hedging instruments put in place in connection with the syndicated loan signed in October 2005. This provision was established as of 30 June 2006 in an amount of €1.2 million which was increased to €1.4 million as of 31 December 3006;
- income and expense related to discounting (retirement commitments, employee profit sharing, earnouts in respect of companies acquired);
- the change in the value of interest rate hedging derivatives;
- significant unrealised foreign exchange losses essentially related to intra Group accounts in GBP (significant depreciation of this currency against the euro from mid-November) and USD.

The total tax expense amounted to €25.2 million or 31.4% of pre-tax profit compared to 33.2% in 2006. This improvement of 2 percentage points is primarily due to the use of tax losses primarily in Belgium and the United Kingdom.

Net profit was €55.1 million or 5.5% of revenue compared to €44.2 million and 4.9% in 2006, an improvement of 24.7%.

Basic earnings per share (calculated on the basis of the weighted number of shares outstanding during the financial year) increased to €4.80 from €3.86 in 2006.

2.1.2. Results by division

a. Contribution of divisions to revenue

(in millions of euros)	2007		2006	
Consulting	43.9	4.4%	41.0	4.6%
SSI France	597.5	59.7%	537.9	59.9%
SSI Europe	214.9	21.4%	201.9	22.5%
Axway	145.1	14.5%	116.9	13.0%
TOTAL	**1,001.4**	**100.0%**	**897.7**	**100.0%**

SSI: Systems & Solutions Integration.

Systems & Solutions Integration (SSI) in France and Europe represented 81.1% of Group revenue as opposed to 82.4% in 2006. SSI France, the historic core business of Sopra Group, provided 60% of the Group's revenue with a strong improvement in profits.

Axway's share amounted to 14.5% compared to 13.0% in 2006 and benefited from the contribution of the B2B business of Atos in Germany over 11 months.

The contribution of Consulting, which only comprised the strategic and management consulting services business of Orga Consultants, was stable at 4.4%.

b. Contribution to profit from recurring operations

(in millions of euros)	2007		2006	
Consulting	4.5	5.0%	4.0	5.3%
SSI France	52.3	57.6%	44.1	58.8%
SSI Europe	19.5	21.4%	15.1	20.1%
Axway	14.5	16.0%	11.8	15.8%
TOTAL	**90.8**	**100.0%**	**75.0**	**100.0%**

SSI: Systems & Solutions Integration

The contributions of the divisions to operating profit were relatively stable from year to year in the absence of a major acquisition occurring during the course of a year. Only Axway benefited from the contribution of the B2B business of Atos in Germany over 11 months. The other acquisitions are not very significant.

The Systems & Solutions Integration business in France and Europe represented 79.1% of operating profit and 81.1% of the revenue of the Group.

2.2. Balance sheet and financial structure

Non-current assets were €355.9 million at 31 December 2007, up from €324.8 million the previous year. This is mainly the result of the increase:

- in goodwill (€300.6 million compared to €278.7 million in 2006), mainly due to the acquisition of BAI and Axway Software GmbH;
- in intangible assets (€5.2 million compared to €1.5 million in 2006);
- in property and equipment (€33.0 million compared to €32.0 million in 2006);
- and deferred tax assets (€13.1 million compared to €8.6 million in 2006).

Trade accounts receivable, stated net of all client-related credit and debit balances and including VAT, amounted to €359.0 million, compared to €323.8 million in 2006.

Cash and cash equivalents amounted to €26.6 million compared to €50.7 million in 2006.

At 31 December 2007, consolidated shareholders' equity totalled €248.8 million compared to €216.2 million in 2006. The statement of changes in consolidated shareholders' equity included in Chapter 5 provides a detailed presentation of the principal movements in 2007.

Long-term liabilities and borrowings amounted to €156.8 million versus €148.4 million in 2006 and were essentially comprised of drawdowns on a syndicated credit facility for €120.9 million, borrowings made to cover restatement expenses for IT lease finance agreements for €9.7 million, additions to the special employee profit sharing reserve for €16.3 million and bank overdrafts for €9.8 million.

The Group's free cash flow was €30 million compared to €71.2 million in 2006, sharply lower primarily as a result of the effect of the corporate income tax payments deferred from 2006 to 2007 as a result of the merger with Valoris (tax paid amounted to €38.2 million in 2007 compared to €1.3 million in 2006).

Due principally to cash outflows related to acquisitions for the amount of €49.2 million, net debt amounted to €130.3 million at 31 December 2007 compared to €97.7 million the previous year.

At 31 December 2007, Sopra Group's financial situation is healthy: net debt is 1.28 times the gross operating profit and the gearing ratio is 52.3%. This net debt represents the balance of the items "Long-term liabilities and borrowings" and "Cash and cash equivalents". A breakdown of the change in net debt is provided in Note 14.2 of the notes to the consolidated financial statements.

Other current liabilities, which totalled €268.8 million, mainly comprised:

- contributions due to social security agencies (personnel and social organisations) for €129.9 million;
- accrued taxes for €72.7 million, essentially corresponding to value added tax included in client receivables;
- accrued income and prepayments for €52.6 million, comprising the portion of billing revenue already issued but yet to be booked as revenue;
- liabilities on fixed assets, corresponding mainly to earnouts to be paid in 2008 for €9.4 million (total indebtedness for earnouts in respect of companies acquired amounted to €15.1 million taking into account the €6.7 million payable in 2009).

3. 2007 Sopra Group SA company financial statements

Sopra Group SA comprises the Systems & Solutions Integration business in France as well as all the Group's functional services. The Group's subsidiaries consist of Systems & Solutions Integration Europe, Consulting and Collaborative Business Solutions (Axway's business).

3.1. Income statement

Revenue increased by 11% to €617.1 million versus €555.2 million in 2006.

Operating profit rose to €54.5 million, up from €52.4 million a year earlier.

Net financial charges were €9.2 million compared to €4.5 million in 2006.

Pre-tax profit from recurring operations was €45.3 million, compared to €47.9 million one year earlier.

Net exceptional income for 2007 was €0.3 million. In 2006, the net exceptional expense was €2.9 million.

The employee profit sharing expense was €5.4 million compared to €6.1 million in 2006 and corporate income tax decreased from €14.1 million to €13.1 million.

There was a net profit of €27.0 million, versus €30.6 million in 2006.

3.2. Balance sheet

Shareholders' equity was €226.5 million at 31 December 2007, compared to €210.2 million at end 2006.

This change was due primarily to the following factors:

- the net profit for the year of €27.0 million;
- exercise of share subscription options amounting to €4.7 million;
- payment of dividends for 2006 amounting to €15.4 million.

Fixed assets increased to €403.9 million, from €320.6 million in 2006. These consisted mainly of €338.6 million in non-current financial assets, €49.6 million in intangible assets and property and equipment of €15.7 million.

4. Strategy and objectives, recent developments and 2008 outlook

4.1. Group strategy and objectives

4.1.1. Outlook for the market in 2008

We should continue to anticipate growth in our market according to Syntec (Source: Conference 27 March 2008) which estimates the rate at 5-7%. Growth, the strength of which depending on the division, is driven by a number of factors, including:

- successive technology cycles, which create more and more development possibilities;
- the outsourcing of activities that are not part of clients' core business;
- business combinations, which create significant needs (combination and migration of systems, change management, etc.).

Moreover, all of the IT services players have made their own strategic decisions as to their segments, offerings and services as well as the market sector they target and the geographic position they occupy or wish to occupy. As a result of this the business models chosen are not the same and companies are no longer as easily comparable as in the past. This is accentuated by an increasing diversity in their size.

4.1.2. Implementation of major transformation programmes

Our goal is to succeed in growing our business in an economic environment subject to significant change. To achieve this we must launch the projects necessary to ensure our competitiveness at the highest level outperforming the market in terms of growth and profitability. In order to ensure this, we have decided to launch the six projects set out below.

a. Industrialisation

In order to lower costs and improve productivity the Group has to work on four separate areas:

- Human Resources, on the one hand to enhance the appeal of the production function and thus avoid losing the staff with greatest talent, and on the other hand to accompany the inevitable transformation of businesses through targeted training programmes;
- working methods with tools deployed, development processes as well as their certification in order to take into account the new needs of clients;
- the use and development of nearshore and offshore production platforms in order to reduce costs; with this in mind the Group has already created eight platforms in France and four internationally (Spain, Romania, Morocco and India);
- quality control in order to avoid any costly error which could harm the quality of services.

b. Offerings, Partnerships, Major Client Accounts

The Group needs to anticipate and meet client demand in three areas:

- develop an "Offerings" programme in order to anticipate and increase the high value-added content of services;
- accelerate and enlarge the "Partnerships" policy in order to utilise its capacity to influence clients directly or indirectly and leverage a significant source of additional business;
- develop an ambitious "Major Clients Accounts" programme in order to increase internal growth by focusing the efforts of various Group entities and to deal with clients' concerns.

c. Banking Solutions: an European ambition

The Group has always been a leader in accompanying banking clients and developing solutions to meet their needs. Ahead of competitors in this field, in order to continue to support French clients in the best way possible and conquer the European banking market, the Group must now develop its products and organisation through a software development model for the Evolan banking solutions, throughout the product lines:

- Loans;
- Payments;
- Risks & reporting;
- Banking distribution.

Moreover, financial services constitutes Sopra Group's leading business sector. This position needs to be maintained and amplified through internal growth and targeted acquisitions in the various business lines:

- Consulting;
- Systems Integration;
- Proprietary Solutions;
- Outsourcing.

d. Axway: a global project

The world's leading provider of Collaborative Business Solutions, Axway synchronises exchanges both within and among enterprises, providing the agility required to accelerate processes and allow all partners to collaborate effectively.

Axway is a Pure Player software developer with its Synchrony platform. It has to focus its efforts on Research and Development in order to continuously keep ahead of client demand, investing heavily in its sales channels in order to reach the greatest number of potential clients and finally is concluding a significant number of technology partnerships for both the integration of its products and the addition of complementary components to its proprietary solutions.

Its goal remains the continuation of its current impressive growth rate in order to achieve revenue of €250 million as soon as possible. In order to achieve this goal Axway will need to make acquisitions to supplement its organic growth in order to round out its worldwide network, particularly in the United States.

e. Consulting: strengthening our positions

The Group needs to strengthen its position in consulting in order to lead Sopra Group towards projects that have a higher value added component and are positioned as far upstream as possible. This development will be achieved by accelerating growth in two traditional areas:

- strategic and management consulting via the Orga Consultants subsidiary;
- integrated business, solutions and technology consulting with Sopra Group Business Consulting.

f. European businesses: building on success

The Group is increasingly international, which is indispensable if it is to accompany its major clients in their cross-border projects.

In order to ensure this development and to add substance to local operations, the Group needs to maintain a strong rate of internal growth by exporting domestic know-how and becoming closer to multinational clients.

With respect to external growth, it needs to actively seek out strategic acquisitions both in terms of geographic and business development. Local acquisitions are obviously possible whenever an opportunity is deemed to be interesting.

4.1.3. A new 2010 Project: in a spirit of continuity

The objectives of the 2007 Project have been largely exceeded in terms of results and achieved in terms of revenue. The Group has decided to extend this success with a 2010 plan in order to:

- double revenue in three years and achieve €2 billion in revenue;
- rapidly achieve an operating margin of 10%;
- pursue local acquisitions in order to strengthen current business;
- identify a significant strategic acquisition target.

4.2. Recent developments

Acquisition of CIBF and G2i

In mid-January 2008, Sopra Group finalised the acquisitions of the French companies CIBF (Compagnie d'Ingénierie Bancaire et Financière) and G2i. Both of these acquisitions were cash transactions. These two companies will be consolidated from 1 January 2008.

The complementarity of Sopra Group and **CIBF**, firstly in terms of geographic presence, and secondly through shared expertise in payment methods, especially with respect to SEPA (Single European Payment Area) flows, will allow Sopra Group, in particular, to further develop its European presence and reinforce its Evolan™ industry application solution offerings.

The acquisition of **G2i** is in keeping with Sopra Group's declared strategy of consolidating its presence in France by strengthening its positions among major clients. G2i provides consulting and services in the field of embedded software and testing resources for the aerospace industry, primarily for Airbus.

4.3. Outlook for 2008

Given the consistency of its financial performance, and based on currently available information, Sopra Group remains confident in its ability to achieve organic growth in excess of the market 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.

5. Subsidiaries and associated entities

5.1. Acquisitions of equity interests in subsidiaries and associated entities

5.1.1. First consolidation

Axway Software GmbH – In early 2007, Axway Software, a wholly owned subsidiary of Sopra Group, acquired the B2B software business of Atos Origin in Germany, which employs 160 staff at sites in Berlin, Hamburg, Düsseldorf and Stuttgart and generated revenue in the region of €16.5 million in 2006. This entity, operating under the name Axway Software GmbH, has been consolidated since 1 February 2007.

Axway Software Korea Corporation Ltd – In March 2007, Axway Software established a new distribution subsidiary in South Korea, in which it holds a 100% interest.

Methosystem – At the end of June 2007, Sopra Group SpA, a wholly owned subsidiary of Sopra Group, acquired the Italian systems integrator Methosystem, thus reinforcing its presence in the Italian banking sector. Methosystem designs and implements traditional systems integration projects, developing software solutions that streamline the migration and fusion of data between financial institutions. This entity, which has been consolidated since 1 July 2007, employs 80 staff in Parma and Milan and generated revenue in excess of €5 million in 2006. In early October 2007, Methosystem was absorbed by Sopra Italy.

SOPRAntic – Sopra Group has established a wholly owned subsidiary in Morocco, whose head office is located in Casablanca. SOPRAntic, which has been consolidated since 1 October 2007, employed 24 staff at 31 December 2007.

Business Architects International (BAI) – Sopra Group has acquired 100% of the share capital of the Belgian software developer Business Architects International in a cash transaction. The synergies generated by this acquisition will allow Sopra Group to further expand its European presence and to reinforce its Evolan industry application solutions. BAI has been consolidated since 1 October 2007.

5.1.2. Deconsolidated entities

No Sopra Group entities were deconsolidated over the course of financial year 2007.

5.1.3. Internal reorganisation

CS Sopra España – The business of the Spanish service centre hosted by Sopra PROFit was spun off in April 2007. This new entity, a wholly owned subsidiary of Sopra Group, now operates under the name CS Sopra España. This spin-off had no impact on the consolidated financial statements.

Newell & Budge Holdings Ltd, Newell & Budge Ltd, Newell & Budge Security Ltd – The businesses of these three companies were transferred to Sopra Group Ltd, a wholly owned subsidiary of Sopra Group, at the beginning of May 2007. This operation had no impact on the consolidated financial statements.

Valoris Belgium – The shares in this company were sold by Valoris Luxembourg to Sopra Belux, both of these entities being wholly owned subsidiaries of Sopra Group. Valoris Belgium was then absorbed by Sopra Belux as of 30 June 2007. This merger had no impact on the consolidated financial statements.

Axway Integra AB, Axway AB, Axway Intelligra AB – On 30 November 2007, Axway Nordic AB absorbed the companies Axway AB, Axway Integra AB and Axway Intelligra AB, all of which were wholly owned subsidiaries of Sopra Group. This merger had no impact on the consolidated financial statements.

Methosystem – This company, which was acquired in June 2007, was absorbed in October 2007 as indicated in § 5.1.1.

5.2. List of direct subsidiaries

Company	Share capital	Other equity	% of capital held	Book value (in euros)		Loans and advances granted by the Company and not yet repaid	Amount of guarantees granted by the Company	Latest financial year revenue ex VAT	Latest financial year profit (or loss)	Dividends received by the Company during the financial year	Observations
				Gross	Net						
Axway Software	€19,900,000	€12,759,740	100.0%	€19,899,940	€19,899,940	€52,951,098	-	€86,991,253	€2,297,491	-	
Orga Consultants	€51,086,700	€17,024,599	100.0%	€85,061,843	€50,000,000	-	-	€45,991,748	€3,174,231	-	
Sopra Group Ltd (United Kingdom)	£26,900,000	-£3,655,372	100.0%	€53,914,408	€37,519,019	£25,322,193	-	£42,492,954	£7,198,104	-	
Sopra Belux (Belgium)	€2,638,082	-€1,173,363	100.0%	€3,052,485	€3,052,485	€585,000	-	€9,256,867	-€124,620	-	
BAI (Belgium)	€11,426,364	€11,604,872	100.0%	€37,479,247	€37,479,247	-	-	€2,217,394	€670,674	-	*
Valoris Luxembourg	€894,000	-€2,333,599	100.0%	€1,154,068	€0	€1,397,099	-	€428,779	€27,432	-	
Sopra Luxembourg	€100,000	€125,424	100.0%	€99,900	€99,900	-	-	€727,404	€46,750	-	
Sopra Informatique (Switzerland)	CHF 100,000	CHF 16,868,358	100.0%	€58,380	€58,380	-	-	CHF 13,337,011	CHF 1,229,346	-	
Sopra Group SpA (Italy)	€660,000	€1,679,688	100.0%	€9,502,516	€9,502,516	€1,700,000	-	€24,356,911	€721,206	-	
Sopra Profit (Spain)	€24,000,000	€26,169,330	100.0%	€113,487,256	€113,487,256	-	-	€78,939,297	€6,680,961	-	
Valoris Iberia SA (Spain)	€70,000	€1,015,262	100.0%	€18,759,981	€4,000,000	€490,000	-	€7,585,708	€267,801	-	
CS Sopra España (Spain)	€60,200	-€477,527	100.0%	€60,200	€60,200	€1,240,000	-	€5,752,054	-€477,527	-	
Sopra India Private Ltd (India)	INR 203,020,189	INR 157,516,941	100.0%	€7,910,275	€7,910,275	-	-	INR 501,910,079	INR 119,570,140	-	
SOPRAntic (Morocco)	MAD 3,000,000	-MAD 2,423,884	100.0%	€267,004	€267,004	MAD2,290,904	-	MAD 46,902	-MAD 2,423,884	-	

* *Portion consolidated over 3 months.*

5.3. List of indirect subsidiaries

Parent company – Subsidiaries	Share capital	Other equity	% of capital held	Book value Gross	Book value Net	Loans and advances granted by the Company and not yet repaid	Amount of guarantees granted by the Company	Latest financial year revenue ex. VAT	Latest financial year profit (or loss)	Dividends received by the Company during the financial year	Observa-tions
Axway Software											
Axway UK Ltd (United Kingdom)	£100,000	-£99,388	100.0%	€148,270	€0	€1,295,445		£6,876,637	£263,210	-	
Axway GmbH (Germany)	€400,000	-€1,173,410	100.0%	€400,192	€0	€1,636,869		€5,005,173	€640,466	-	
Axway Srl (Italy)	€98,040	€2,526	100.0%	€98,127	€98,127			€4,523,350	€1,674	-	
Axway Software Iberia (Spain)	€1,000,000	-€166,775	100.0%	€1,000,000	€833,225			€2,778,754	€158,079	-	
Axway Nordic (Sweden)	SEK 100,000	SEK 58,727,511	100.0%	€20,706,081	€20,706,081			SEK 65,710,196	SEK 2,792,487	-	
Axway Inc. (United States)	$1	-$6,750,684	100.0%	€28,419,791	€26,619,791			$37,724,319	-$3,529,857	-	
Axway B.V. (Netherlands)	€18,200	€480,664	100.0%	€200,000	€200,000			€3,554,622	€262,071	-	
Axway Belgium (Belgium)	€1,000,000	€595,359	99.9%	€999,000	€999,000			€5,923,725	€598,794	-	
Axway Asia Pacific Pte Ltd (Singapore)	SGD100	-SGD 245,468	100.0%	€908,431	€0	€750,230		SGD 0	-SGD 113,030	-	
Axway Romania Srl (Romania)	RON 48,850	RON 5,600,303	100.0%	€1,117,250	€1,117,250			RON 16,981,823	RON 2,044,073	-	
Beler Ing Srl (Romania)	RON 1,200	RON430,048	95.0%	€855,000	€855,000			RON 0	RON 35,206	-	
Axway Software GmbH (Germany)	€25,000	€20,852,563	100.0%	€21,638,002	€21,638,002			€16,032,609	€1,041,779	-	*
Axway Software Koréa corporation Ltd (South Korea)	KRW 50,000,000	-KRW 49,276,488	100.0%	€40,486	€0	€35,956		KRW 180,876,448	-KRW 49,276,488	-	
Axway Asia Pacific Pte Ltd (Singapore)											
Axway Software China (China)	CNY 11,358,640	-CNY 22,757,247	100.0%	SGD 847,385	SGD 847,385	€16,457		CNY 6,367,269	-CNY 4,528,095	-	
Axway Pte Ltd (Singapore)	SGD 200,000	-SGD 199,035	100.0%	SGD1	SGD1	€377,073		SGD 2,657,833	-SGD 5,215	-	
Axway Sdn Bhd (Malaysia)	MYR 250,000	-MYR 249,750	100.0%	SGD 106,768	SGD 106,768	€26,293		MYR 456,545	-MYR 3,370	-	
Axway Pty Ltd (Australia)	AUD 100,000	AUD 121,857	100.0%	SGD 1	SGD 1			AUD 0	AUD 2,520,070	-	
Axway Ltd (Hong Kong)	HKD 100,000	-HKD 96,039	100.0%	SGD 2	SGD 2	€127,962		HKD 8,977,450	-HKD 45,369	-	
Sopra Group Ltd (United Kingdom)											
Newell & Budge Holdings Ltd	£2,508,150	£1,468,802	100.0%	£3,771,392	£3,771,392	-		£0	-£86,980	-	
Newell & Budge Ltd	£100	£0	100.0%	£100	£100	-		£15,334,360	-£11,116,055	-	
Newell & Budge Security Ltd	£40,000	£0	100.0%	£40,000	£40,000	-		£366,487	£536,642	-	
CS Rand	£1,200,000	£0	100.0%	£1,200,000	£1,200,000	-		£0	£0	-	
Sopra India Private Ltd (India)											
Momentum Technologies Inc.	CAD 100	-CAD 581,804	100.0%	INR 3,160	INR 3,160	-		CAD 1,713,109	-CAD 642,073	-	
Sopra Profit (Spain)											
Sopra Profit Euskadi	€6,010	€661,740	100.0%	€3,254,484	€667,751	-		€2,431,735	€272,303	-	
Profit Gestão Informatica Lta	€17,500	€1,426,719	100.0%	€1,400,000	€1,400,000	-		€1,016,990	-€17,228	-	

* *Portion consolidated over 11 months*

6. Proposed appropriation of earnings

Sopra Group's profit available for distribution, determined as follows, is €27,013,347.31:

Net profit for the year	€27,011,997.31
Carried forward from 2006: dividends not paid on treasury shares	€1,350.00
TOTAL	**€27,013,347.31**

In consideration of the consolidated net profit amounting to €55,096,763, we propose that shareholders appropriate the profit available for distribution in the following manner:

Legal reserve	€81,878.40
Dividend	€19,258,026.15
Discretionary reserves	€7,673,442.76
TOTAL	**€27,013,347.31**

Thus increasing the legal reserve to €4,668,612.40, 10% of the Company's share capital.

Based on the number of shares composing the share capital at 31 December 2007 (11,671,531), the dividend allocated per share would be €1.65. The dividend would be paid as of 30 May 2008.

With regard to tax, in accordance with provisions in force as of 1 January 2005, this dividend would not have an associated *avoir fiscal* tax credit, but it would give natural person shareholders the right to a 40% tax allowance on the entire amount.

Moreover, as of 1 January 2008 it is now possible for individual shareholders resident in France for tax purposes, who receive dividends entitling them to the 40% tax allowance as part of the management of their personal assets, to elect to subject the dividends received to an 18% levy at source (excluding social contributions) as full payment for the corresponding income tax. The levy is calculated on the total amount of the dividends received, i.e. without deducting expenses, applying tax base allowances or the capped tax credit. If the option to have the levy at source applied to a portion of the dividends received during the course of the same year is exercised, this will result in the loss of the tax base allowances and capped tax credit for other dividends received during the same year for which the option to apply this levy was not taken up. The option must be explicitly exercised no later than at the time of the receipt of the income.

The following amounts were distributed as dividends in respect of the previous three financial years:

	2004	**2005**	**2006**
Total dividend	€8,585,560.00	€12,588,504.50	€15,480,227.25
Number of shares remunerated	10,731,950	11,444,095	11,466,835
Dividend per share	€0.80	€1.10	€1.35

7. Transactions by Sopra Group in its own shares

The Ordinary General Meeting of 8 June 2007, acting in accordance with the provisions of article L.225-209 of the Commercial Code, authorised the Board of Directors to trade the Company's shares on the stock exchange under a liquidity contract.

- At 31 December 2006, Sopra Group held a total of 500 treasury shares acquired at an average price of €60.67 managed under an AFEI liquidity contract by an investment services provider.
- During 2007, Sopra Group bought 199,498 of its own shares at an average price of €64.79 and sold 197,823 shares at an average price of €64.90.
- At 31 December 2007, Sopra Group owned 2,175 treasury shares purchased at an average price of €53.73.

The General Meeting is requested to authorise the Board of Directors, for a period of eighteen months, with the option to sub-delegate this authorisation, to buy back shares in the company, in one or several stages, in accordance with Articles L.225-209 *et seq.* of the Commercial Code, up to limit of 10% of the shares making up the company's share capital, thus 1,167,153 shares on the basis of the current share capital.

The shares may be bought back for the following purposes:

- in order to obtain market-making services to be rendered by an investment services provider, acting in complete independence under the terms of a liquidity contract concluded in compliance with the Code of Ethics of the AFEI (French association of investment firms) recognised by the AMF;
- to cover share purchase option plans, under the conditions and in accordance with the procedures stipulated by law;
- to hold the shares bought back in order to exchange them or present them as consideration at a later date for external growth operations;
- to cede the shares in the company, upon the exercise of the rights attached to securities giving access to the company's share capital through redemption, conversion, exchange, presentation of warrants or any other means;

- to implement any market practice that would come to be accepted by the AMF, and in general, to perform any operation that complies with regulations in force.

The maximum price at which shares may be bought back is set to €120 which, given the current number of shares making up 10% of the company's share capital, results in a maximum total price of €140,058,372.

Shares may be bought back by any means, such as on the stock market or over the counter, including block purchases or through the use of derivatives, at any time, even when a public tender offer is under way, subject to compliance with regulations in force.

This authorisation would be valid until 14 November 2009 inclusive.

8. Information concerning company officers

The information required pursuant to Article L.225-102 of the Commercial Code concerning the list of company officers and their compensation is included in the Reference Document in paragraph 1 of Chapter 3 (Corporate governance).

9. Appointment of a new director

We propose that you appoint as director, for a term of six years, Mr. Dominique Illien, Managing Director of Sopra Group.

10. Establishment of directors' fees

We propose that directors' fees for the Board of Directors for the financial year 2008 be set at €135,000 (€10,000 per director and €5,000 for each member of the Audit Committee).

11. Proposed amendments to the Articles of Association

In order to ensure the consistency of the Articles of Association and that they are updated appropriately, we propose a number of amendments which integrate the modification introduced by the Decree no. 2006-1566 of 11 December 2006 relating to the time limit for publication of notices in the *Bulletin des annonces légales obligatoires* (journal of official legal announcements: BALO), and the conditions for participating in General Meetings.

12. Delegation of authority granted to the Board of Directors to issue securities

The delegations of authority granted in May 2006 to the Board of Directors to increase the company's share capital, with or without shareholders' pre-emptive rights being maintained, by any method it determines, as well as to use to the financial markets to issue securities, with or without shareholders' pre-emptive rights being maintained, conferring immediate or future entitlement to shares in the company, remain valid until 29 July 2008, but their legal validity does not extend to the date of the next General Meeting.

In order for the Board of Directors to remain in a position to be able to carry out at any moment, in response to an appropriate opportunity and at appropriate time, a financial operation that is best adapted to the needs of our Company and to market conditions, we propose a resolution to renew the authorisations granted in 2006, with higher limits on the amounts in order to have the tools necessary to implement our 2010 plan, and with the dates of validity updated.

You are therefore requested to authorise the Board of Directors to increase the share capital, subject to the limit of €20 million at par value, and to issue securities in each issue for a par value subject to the limit of:

- €20 million at par value if the transaction is performed in shares of Sopra Group or related securities;
- €300 million if the transaction is performed in securities conferring future entitlement to Sopra Group shares (subject to the limit of €20 million at par value);
- a combination of the two possibilities described above, provided that the Sopra Group securities ultimately obtained are within the maximum limit of €20 million at par value specified above.

This authorisation shall be subject to an over-allotment clause, which may be used if the Board of Directors determines that demand exceeds the number of shares to be issued, in accordance with Article L.225-135-1 of the Commercial Code and the Decree of 23 March 1967 as amended by the Decree of 10 February 2005, and subject to the limits of the overall issue ceiling.

Furthermore, these authorisations may be accompanied, if the General Meeting so determines, by an authorisation which permits the Board of Directors to allow Group employees to benefit from a specific reserved tranche within the scope of a company or group savings plan. Any such tranche would be limited to 10% of the shares issued and may be subject to a maximum discount of 5% of the issue price. If the capital increase is approved, the Board of Directors will have the option of exercising or not exercising this power.

In addition, in order to allow the Board of Directors to continue to benefit fully from all possibilities that may arise, you are requested to authorise the Board to:

- use the delegation of authority to increase the company's share capital excluding the pre-emptive right of shareholders, to determine the issue price of shares or securities giving access to the company's share capital, subject to an annual limit of 10% of the share capital;
- use the delegation of authority to increase the company's share capital excluding the pre-emptive right of shareholders, to remunerate securities contributed to the company as part of a public exchange offer or contribution in kind relating to securities of the company, subject to an annual limit of 10% of the share capital.

13. Authorisation for the Board of Directors to grant share subscription or purchase options to Group employees and company officers

The authorisation granted during the General Meeting of 26 March 2005 will expire on 25 July 2008.

You are requested to authorise the Board of Directors, for a period of 38 months from the date of authorisation, to grant, to employees and officers of Sopra Group and of companies that are affiliated to it under applicable regulations, options conferring entitlement either to purchase existing shares or to subscribe to new shares to be issued in the company, subject to a maximum limit of 3% of the share capital of the company resulting from this operation.

The Board of Directors will determine all of the conditions under which the options are to be granted, including the positions and number of years of service of the beneficiaries, and the number of shares to which beneficiaries of the options will be entitled to subscribe. These conditions may involve a compulsory holding period for all or a portion of the securities, with the understanding that the duration of any compulsory holding period for securities may not exceed three years as from the option exercise date.

The subscription price will be set to the average price for the company's share over the twenty previous trading days; the options must be exercised within a maximum period of 8 years following their date of issue.

This authorisation comprises an express waiver by shareholders, in favour of the beneficiaries of options, of their pre-emptive right to subscribe to the shares that will be issued as the options are exercised.

14. Authorisation granted to the Board of Directors to issue warrants to subscribe to and/or acquire redeemable shares (BSAAR), to Group employees and company officers

You are requested to authorise the Board of Directors for a period of 18 months to grant the employees or company officers of Sopra Group and of those companies that are affiliated to it under applicable regulations redeemable equity subscription and/or purchase warrants (BSAAR) at a subscription price at least equal to 120% of the average closing price for the company's share over the previous twenty trading days.

These shall represent no more than 3% of the company's share capital, and the resulting amount of the capital increase resulting from the issue of shares in connection with the subscription will be deducted from the corresponding ceiling.

15. Information on transactions in securities by directors or persons designated by article L.621-18-2 of the *Code monétaire et financier*

Pursuant to article 223-26 of the general regulations of the AMF, the transactions referred to in article L.681-18-2 of the *Code monétaire et financier* during financial year 2007, relating to Sopra Group shares, were as follows:

Category (1)	Name	Function	Transaction type (2)	Transaction date	Number of securities	Unit price	Transaction amount
a	Gérard Vincent	Director	D	10/04/2007	150	69.90	€10,485.00
a	Bernard Michel	Director	A	08/05/2007	100	72.45	€7,245.00
a	Pierre Pasquier	Chairman and Chief Executive Officer	D	From 5 to 12/04/2007	10,000	69.63	€696,279.46
a	Régence (3)	Director	A	02/07/2007	9,000	64.48	€580,320.00
a	IBI (4)	Director	A	25/09/2007	1,000	59.40	€59,400.00
a	IBI	Director	A	26/09/2007	1,000	59.50	€59,500.00
a	IBI	Director	A	27/09/2007	1,000	59.49	€59,492.60
a	IBI	Director	A	28/09/2007	300	59.90	€17,969.22
a	IBI	Director	A	04/10/2007	300	60.00	€18,000.00
a	IBI	Director	A	05/10/2007	300	59.44	€17,831.25
a	IBI	Director	A	19/11/2007	400	59.91	€23,964.38
a	IBI	Director	A	20/11/2007	400	57.94	€23,176.50
a	IBI	Director	A	21/11/2007	244	53.74	€13,113.20
a	IBI	Director	A	21/11/2007	400	53.83	€21,533.34
a	IBI	Director	A	22/11/2007	1,000	54.31	€54,308.10
a	IBI	Director	A	23/11/2007	1,000	54.37	€54,373.50
a	IBI	Director	A	27/11/2007	1,000	55.60	€55,602.10
a	IBI	Director	A	20/12/2007	84	52.00	€4,368.00

(1) Category:

a: members of the Board of Directors, CEO, Unique CEO, Managing Director;

b: any other person who, under the conditions defined by the general regulations of the AMF has, on the one hand, at the issuer, the power to take management decisions concerning its evolution and strategy and, on the other hand, has regular access to privileged information relating directly or indirectly to the issuer;

c: persons having, subject to the conditions defined in the decree of the Conseil d'État, close personal links with the persons referred to in a and b.

(2) Type of transaction:

A: Acquisition;

D: Disposal;

S: Subscription;

E: Exchange.

(3) Régence is a financial holding company owned by the family of Mr. François Odin.

(4) IBI is a financial holding company subject to Luxembourg law and owned by Mr. José Sancho Garcia.

16. Employee share ownership

Pursuant to the provisions of Article L.225-102 of the Commercial Code, at 31 December 2007 no shares in the Company were held by:

- employees of the Company or its affiliates through an employee savings plan;
- employees or former employees through company mutual funds;
- employees during periods of inalienability affecting share option subscription plans.

17. Information required by law 2006-387 of 31 March 2006 relating to public acquisition offers

1. The Company's ownership structure is presented in paragraph 2 of Chapter 2 of the Reference Document.
2. There are no restrictions in the Articles of Association:
   - on voting rights, but a double voting right is granted to shares held in registered form for at least four years (Article 28 of the Articles of Association);
   - on share transfers: shares are freely tradable, other than as specified by applicable laws or regulations (Article 11 of the Articles of Association).

   The Company has not been informed of any clauses of agreements pursuant to Article L.233-11 of the Commercial Code.
3. Any direct or indirect participating interests in the capital of the Company of which the latter has been informed pursuant to Articles L.233-7 and L.233-12 are presented in paragraph 2 of Chapter 2 of the Reference Document.
4. There are no special controlling rights other than the double voting rights granted to certain registered shares, subject to the conditions described in the second paragraph above.
5. There is no control mechanism provided under an employee share ownership scheme.
6. Agreements between shareholders of which the Company is aware and which may give rise to restrictions on share transfers and voting rights are presented in paragraph 2 of Chapter 2 of the Reference Document.
7. The regulations applicable to the appointment and replacement of the members of the Board of Directors are set forth in Article 14 of the Articles of Association. The regulations relating to the amendment of the Company's Articles of Association are contained within Article 32 of the Articles of Association, which states that "the Extraordinary General Meeting alone shall be authorised to amend any and all provisions of the Memorandum and Articles of Association".
8. The powers of the Board of Directors are those described in Article 17 of the Articles of Association: "The Board of Directors determines the overall business strategy of the Company and supervises its implementation. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided on by the shareholders in a General Meeting."

   In addition, the Board of Directors has been granted authorisations by the Combined General Meeting of 30 May 2006 in its resolutions 19 to 23, a resolution for the renewal of which, with certain amendments, has been submitted to the Meeting of 15 May 2008.
9. Agreements concluded by the Company that might be amended or cease to apply in the event of a change in the ownership of the Company mainly concern the €200 million syndicated credit facility concluded at the end of October 2005.
10. There are no agreements providing for the payment of compensation to the members of the Board of Directors or to employees upon their resignation or their dismissal without just cause or should their employment contract be terminated due to a public offer.

18. Risk factors

This chapter is developed in Chapter 1 paragraph 11 of the Reference Document.

19. Sustainable development

This chapter is developed in Chapter 1 paragraph 9 of the Reference Document.

20. Other information

In accordance with Article 223 *quater* of the Tax Code, we bring to your attention that the accounts for the year ended 31 December 2007 include €221,033 in respect of non-deductible expenses (Article 39-4 of the Tax Code).

Paris, 18 March 2008

The Board of Directors

Summary of results for the last 5 financial years for Sopra Group SA (individual financial statements)

(in euros)	2007	2006	2005	2004	2003
Share capital at the end of the financial year					
■ Share capital	46,686,124	45,867,340	45,776,380	42,927,800	42,194,100
■ Number of ordinary shares outstanding	11,671,531	11,466,835	11,444,095	10,731,950	10,548,525
■ Maximum number of future shares to be created at 31 December by the exercise of share subscription rights	571,412	791,258	833,914	1,126,759	1,299,934
Operations and results for the financial year					
■ Revenue excluding VAT	616,050,938	555,168,681	488,560,636	441,875,318	364,919,187
■ Profit before tax, employee profit sharing, depreciation, amortisation and provisions	50,412,360	49,137,832	39,907,156	32,970,372	28,339,345
■ Corporate income tax	13,076,862	14,062,506	10,464,395	8,857,977	7,844,312
■ Employee profit sharing for the financial year	5,406,486	6,073,471	4,010,364	3,186,532	2,521,002
■ Profit after tax, employee profit sharing, depreciation, amortisation and provisions *	27,011,997	30,637,832	18,524,198	15,586,882	-10,986,720
■ Profit distributed	19,258,026	15,480,227	12,588,505	8,585,560	4,219,410
Earnings per share					
■ Profit after tax, employee profit sharing, but before depreciation, amortisation and provisions	2.74	2.53	2.22	1.95	1.70
■ Profit after tax, employee profit sharing, depreciation, amortisation and provisions **	2.31	2.67	1.62	1.45	-1.04
■ Dividend per share	1.65	1.35	1.10	0.80	0.40
Employee data					
■ Average workforce for the financial year	6,521	5,990	5,460	5,157	4,261
■ Total payroll for the financial year	272,414,673	248,535,330	220,321,024	200,428,358	169,094,559
■ Social and social benefit charges paid during the year (social security, social bodies, etc.)	123,794,263	113,489,000	100,215,289	92,009,448	76,068,339

* *Profit for 2003, excluding exceptional impairment of the shares of European subsidiaries for an amount of €26,319,547, would be €15,332,827.*

** *Excluding impairment of the shares of subsidiaries, earnings per share would be €1.45 in 2003.*

REPORT OF THE BOARD OF DIRECTORS ON THE USE OF DELEGATIONS OF AUTHORITY GRANTED BY THE COMBINED GENERAL MEETING OF 30 MAY 2006

- The delegation of powers to the Board of Directors by the **nineteenth resolution**, to increase the Company's share capital, subject to the limit of €10 million in par value, through the issue of ordinary shares or any other securities conferring entitlement to shares in the Company, with shareholders' pre-emptive subscription rights being maintained, **was not used.**
- The delegation of powers to the Board of Directors by the **twentieth resolution**, to increase the Company's share capital, subject to the limit of €10 million in par value, through the issue of ordinary shares or any other securities conferring entitlement to shares in the Company, without shareholders' pre-emptive subscription rights being maintained, **was not used.**
- The authorisation provided to the Board of Directors by the **twenty first resolution**, as part of the delegation for the purposes of increasing the Company's capital, without shareholders' pre-emptive subscription rights being maintained, to determine the issue price of shares or securities conferring access to the Company's shares, subject to an annual limit of 10% of the share capital, **was not used.**
- The authorisation provided to the Board of Directors by the **twenty second resolution**, as part of the delegation for the purposes of increasing the Company's capital, without shareholders' pre-emptive subscription rights being maintained, to remunerate securities contributed to the Company as part of a public exchange offer or contribution in kind relating to the Company, **was not used.**

Paris, 18 March 2008

The Board of Directors

REPORT OF THE BOARD OF DIRECTORS RELATING TO SHARE SUBSCRIPTION OPTIONS

The Board of Directors used the authorisation provided by the twelfth resolution of the Combined General Meeting of 26 May 2005 to grant share subscription options in favour of members of personnel, as follows:

- allocation of 5,000 share subscription options on 8 January 2007 and the cancellation of this grant during the course of the year as a consequence of the departure of the employee to whom the options were granted.

Paris, 18 March 2008

The Board of Directors

REPORT OF THE BOARD OF DIRECTORS ON THE AWARD OF BONUS SHARES

Board of Directors did not make use of the authorisation granted by the Combined General Meeting of 26 May 2005 in its thirteenth resolution to award existing or newly issued bonus shares to employees or officers of the Company or its Group.

Paris, 18 March 2008

The Board of Directors

5 SOPRA GROUP 2007 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

ASSETS *(in thousands of euros)*	*Notes*	**2007**	**2006**	**2005**
Goodwill	4	300,558	278,654	242,182
Intangible assets	5	5,234	1,538	2,040
Property and equipment	6	32,958	31,968	28,929
Financial assets	7	4,003	4,068	4,373
Deferred tax assets	8	13,147	8,557	7,837
Non-current assets		**355,900**	**324,785**	**285,361**
Inventories and work in progress		274	23	21
Trade accounts receivable	9	358,964	323,819	290,949
Other current receivables	10	23,866	20,750	23,894
Derivatives	11	3,210	2,824	-
Cash and cash equivalents	12	26,573	50,693	53,254
Current assets		**412,887**	**398,109**	**368,118**
TOTAL ASSETS		**768,787**	**722,894**	**653,479**

LIABILITIES AND EQUITY *(in thousands of euros)*	*Notes*	**2007**	**2006**	**2005**
Share capital		46,686	45,867	45,776
Capital reserves		51,681	46,886	45,541
Consolidated reserves		110,774	82,136	59,753
Profit for the year		55,097	44,206	35,259
Losses taken directly to equity		-15,433	-2,875	-986
Equity - Group share		**248,805**	**216,220**	**185,343**
Minority interests		**2**	**1**	**1**
TOTAL EQUITY	**13**	**248,807**	**216,221**	**185,344**
Financial debt - long term portion	14	134,428	136,487	174,747
Deferred tax liabilities	15	1,028	284	265
Provisions for post-employment benefits	16	25,520	14,515	12,545
Non-current provisions	17	4,505	3,989	3,614
Other non-current liabilities	18	13,686	25,098	26,171
Non-current liabilities		**179,167**	**180,373**	**217,342**
Financial debt - short-term portion	14	22,416	11,935	7,236
Trade accounts payable	19	48,459	41,766	36,360
Other current liabilities	20	268,833	271,203	207,197
Derivatives	21	1,105	1,396	-
Current liabilities		**340,813**	**326,300**	**250,793**
TOTAL LIABILITIES		**519,980**	**506,673**	**468,135**
TOTAL LIABILITIES AND EQUITY		**768,787**	**722,894**	**653,479**

Consolidated income statement

(in thousands of euros)	*Notes*	2007		2006		2005	
		Amount	**%**	**Amount**	**%**	**Amount**	**%**
Revenue	22	1,001,440	100.0%	897,668	100.0%	756,975	100.0%
Purchases consumed	23	-113,244	-11.3%	-104,038	-11.6%	-83,504	-11.0%
Staff costs	24	-647,881	-64.7%	-582,569	-64.9%	-501,968	-66.3%
External expenses	25	-116,695	-11.7%	-106,617	-11.9%	-87,507	-11.6%
Tax other than corporate income tax		-20,290	-2.0%	-17,900	-2.0%	-16,106	-2.1%
Depreciation and amortisation	26	-11,694	-1.2%	-10,391	-1.2%	-9,471	-1.3%
Provisions and impairment	26	-2,915	-0.3%	-2,439	-0.3%	-2,570	-0.3%
Other operating income and expenses from recurring operations		2,105	0.2%	1,337	0.1%	263	0.0%
Profit from recurring operations		**90,826**	**9.1%**	**75,051**	**8.4%**	**56,112**	**7.4%**
Other operating income and expenses	27	-673	-0.1%	-1,127	-0.1%	-	-
Operating profit		**90,153**	**9.0%**	**73,924**	**8.2%**	**56,112**	**7.4%**
Income from cash and cash equivalents	28	169	0.0%	411	0.0%	400	0.1%
Cost of gross financial debt	28	-7,994	-0.8%	-6,758	-0.8%	-4,298	-0.6%
Cost of net financial debt		**-7,825**	**-0.8%**	**-6,347**	**-0.7%**	**-3,898**	**-0.5%**
Other financial income and expense	28	-2,000	-0.2%	-1,301	-0.1%	-8	0.0%
Income tax expense	29	-25,231	-2.5%	-22,070	-2.5%	-16,947	-2.2%
Net profit for the year from continuing operations		**55,097**	**5.5%**	**44,206**	**4.9%**	**35,259**	**4.7%**
Net profit for the year from discontinued operations or operations being discontinued		-	-	-	-	-	-
Net profit		**55,097**	**5.5%**	**44,206**	**4.9%**	**35,259**	**4.7%**
Attributable to Group		**55,097**	**5.5%**	**44,206**	**4.9%**	**35,259**	**4.7%**
Attributable to minority interests		-	-	-	-	-	-

EARNINGS PER SHARE *(in euros)*	*Notes*	2007	2006	2005
Basic earnings per share	30	4.80	3.86	3.25
Fully diluted earnings per share	30	4.75	3.78	3.18

Statement of recognised gains and losses

(in thousands of euros)	2007	2006	2005
Actuarial gains and losses on pension plans	-7,637	-	-
Deferred taxes	2,629	-	-
Exchange differences on translating foreign operations	-7,550	-1,889	-489
Gains and losses recognised directly in equity	**-12,558**	**-1,889**	**-489**
Net profit for the financial year	55,097	44,206	35,259
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD	**42,539**	**42,317**	**34,770**

Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Consoli-dated reserves	Profit for the year	Losses taken directly to equity	Total Group share	Minority interests	Total
EQUITY AT 1 JANUARY 2005	**42,928**	**19,522**	**44,672**	**24,531**	**-497**	**131,156**	**18**	**131,174**
Profit for the year	-	-	-	35,259	-	35,259	-	**35,259**
Gains and losses recognised directly in equity	-	-	-	-	-489	-489	-	**-489**
Total gains and losses recognised	**-**	**-**	**-**	**35,259**	**-489**	**34,770**	**-**	**34,770**
Capital transactions	2,848	25,224	-	-	-	28,072	-	**28,072**
Share-based payments	-	573	-	-	-	573	-	**573**
Treasury share transactions	-	-	18	-	-	18	-	**18**
Appropriation of profit	-	222	15,724	-24,531	-	-8,585	-	**-8,585**
First-time adoption of IAS 32/39	-	-	- 658	-	-	-658	-	**-658**
Changes in consolidation scope	-	-	-	-	-	-	-17	**-17**
Other movements	-	-	- 3	-	-	-3	-	**-3**
EQUITY AT 31 DECEMBER 2005	**45,776**	**45,541**	**59,753**	**35,259**	**-986**	**185,343**	**1**	**185,344**
Profit for the year	-	-	-	44,206	-	44,206	-	**44,206**
Gains and losses recognised directly in equity	-	-	-	-	-1,889	-1,889	-	**-1,889**
Total gains and losses recognised	**-**	**-**	**-**	**44,206**	**-1,889**	**42,317**	**-**	**42,317**
Capital transactions	91	434	26	-	-	551	-	**551**
Share-based payments	-	626	-	-	-	626	-	**626**
Treasury share transactions	-	-	-31	-	-	-31	-	**-31**
Appropriation of profit	-	285	22,388	-35,259	-	-12,586	-	**-12,586**
Changes in consolidation scope	-	-	-	-	-	-	-	**-**
Other movements	-	-	-	-	-	-	-	**-**
EQUITY AT 31 DECEMBER 2006	**45,867**	**46,886**	**82,136**	**44,206**	**-2,875**	**216,220**	**1**	**216,221**
Profit for the year	-	-	-	55,097	-	55,097	-	**55,097**
Gains and losses recognised directly in equity	-	-	-	-	-12,558	-12,558	-	**-12,558**
Total gains and losses recognised	**-**	**-**	**-**	**55,097**	**-12,558**	**42,539**	**-**	**42,539**
Capital transactions	819	3,927	-	-	-	4,746	-	**4,746**
Share-based payments	-	859	-	-	-	859	-	**859**
Treasury share transactions	-	-	-80	-	-	-80	-	**-80**
Appropriation of profit	-	9	28,718	-44,206	-	-15,479	1	**-15,478**
Changes in consolidation scope	-	-	-	-	-	-	-	**-**
Other movements	-	-	-	-	-	-	-	**-**
EQUITY AT 31 DECEMBER 2007	**46,686**	**51,681**	**110,774**	**55,097**	**-15,433**	**248,805**	**2**	**248,807**

Consolidated cash flow statement

(in thousands of euros)	**2007**	2006	2005
Consolidated net profit (including minority interests)	**55,097**	**44,206**	**35,259**
Net increase in depreciation, amortisation and provisions	12,055	12,668	9,815
Share-based payment expense	859	627	573
Other calculated income and expense	-294	22	-
Gains and losses on disposal	7	1,279	84
Cash from operations after changes in working capital	**67,724**	**58,802**	**45,731**
Cost of net financial debt	7,825	6,347	3,898
Income taxes paid (including deferred tax)	25,231	22,070	16,947
Cash from operations before changes in working capital (A)	**100,780**	**87,219**	**66,576**
Tax paid (B)	-38,166	-1,325	-14,206
Changes in operating working capital requirements (including liabilities related to employee benefits) (C)	-10,887	4,393	-1,244
Net cash from operating activities (D) = (A+B+C)	**51,727**	**90,287**	**51,126**
Purchase of tangible and intangible fixed assets	-9,009	-8,352	-4,846
Proceeds from sale of tangible and intangible fixed assets	13	144	70
Purchase of financial assets	-383	-1,063	-1,976
Proceeds from sale of financial assets	556	1,431	2,234
Impact of changes in consolidation scope	-49,119	-23,366	-91,504
Net cash from (used in) investing activities (E)	**-57,942**	**-31,206**	**-96,022**
Proceeds on issue of shares	-	-	-
Proceeds on the exercise of stock options	4,746	525	4,098
Purchase and proceeds from disposal of treasury shares	-80	-32	18
Dividends paid during the year			
■ Dividends paid to shareholders of Sopra Group SA	-15,479	-12,586	-8,585
■ Dividends paid to minority interests of consolidated expenses	-	-	-
Change in borrowings	-4,961	-44,925	77,165
Net interest paid (including finance leases)	-7,873	-6,005	-3,898
Other cash flow relating to financing activities	-120	-82	-
Net cash from (used in) financing activities (F)	**-23,767**	**-63,105**	**68,798**
Effect of foreign exchange rate changes (G)	-154	-434	230
NET CHANGE IN CASH AND CASH EQUIVALENTS (D + E + F + G)	**-30,136**	**-4,458**	**24,132**
Opening cash position	46,895	51,353	27,221
Closing cash position	16,759	46,895	51,353

Notes to the consolidated financial statements

ACCOUNTING PRINCIPLES AND POLICIES

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTES TO THE CONSOLIDATED INCOME STATEMENT

OTHER INFORMATION

Notes to the consolidated financial statements

Sopra Group and its subsidiaries constitute an IT consulting and services group with an offer spanning Consulting to Systems Integration and Application Outsourcing and also provide Collaborative Business Solutions through its Axway subsidiary.

Sopra Group is a *société anonyme* governed by French law. Its registered office is located Parc des Glaisins 74942, Annecy-le-Vieux, France and its head office is located at 9 bis, rue de Presbourg 75116 Paris, France.

It is listed on compartment B, Euronext Paris.

The consolidated financial statements for the year ended 31 December 2007 of Sopra Group were approved by the Board of Directors' meeting of 13 February 2008.

ACCOUNTING PRINCIPLES AND POLICIES

Note 1 | Summary of the main accounting policies

The main accounting policies applied for the preparation of the consolidated financial statements are presented below. They have been applied consistently for all of the financial years presented, with the exception of the change in the method of accounting for retirement benefits detailed in Paragraph 1.2.

1.1. Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2007 were prepared in accordance with:

- IFRS standards as adopted by the European Union. This information is available on the website of the European Commission: http://ec.europa.eu/internal_market/accounting/ias_en.htm;
- IFRS as published by the IASB.

They were prepared mainly using the historical cost convention, except for employee benefits, share subscription options, financial debt and derivatives which are measured at fair value.

It should be noted that the Group chose to adopt IFRS for the opening balance sheet as of 1 January 2004:

- to retain its property and equipment at historical cost (and has not therefore undertaken any revaluations);
- to apply *IAS 32 and 39* relating to financial instruments with effect from 2005 and on a prospective basis;
- to make no retroactive adjustment in respect of business combinations entered into prior to 1 January 2004.

1.2. Change in accounting policy

Within the scope of the application of the amendment to *IAS 19 Employee Benefits* and in order to take better account of the effects in France of the Social Security Financing Act for 2008, the Group has opted to recognise in equity all of the actuarial gains and losses determined in connection with the valuation of defined benefit pension plans, during the periods in which they occur.

This method, SoRIE (Statement of Recognised Income and Expense), replaces the so called "corridor" method used until 30 June 2007. The latter consisted of apportioning actuarial gains and losses over the expected average remaining working lives of the beneficiaries, for the portion exceeding the greater of 10% of the present value of the obligation or 10% of the fair value of plan assets as of the end of the period.

The consequences of this change in accounting methods are as follows:

- income statement: this no longer includes the charge for the portion of the previously unrecognised actuarial gains and losses as described above;
- balance sheet: a provision has been established to cover all of the gains and losses not previously recognised, a deferred tax asset has been recognised and the net amount allocated to equity.

The impacts of this change of method are presented below:

BALANCE SHEET

(in thousands of euros)	2007	2006	2005
Increase in provisions for post-employment benefits	-7,637	-2,110	-1,285
Increase in deferred tax assets	2,629	726	442
REDUCTION IN EQUITY	**-5,008**	**-1,384**	**-843**

INCOME STATEMENT

(in thousands of euros)	2007	2006	2005
Reduction in provisions and impairment	522	81	1
INCREASE IN PROFIT FROM RECURRING OPERATIONS	**522**	**81**	**1**

The pro forma information with respect to the financial years 2005 and 2006 is presented in paragraph 1.3.c.

1.3. Application of new standards and interpretations

a. Standards and interpretations entering into force on 1 January 2007

- *IAS 1 Amendment - Presentation of Financial Statements - Capital Disclosures;*
- *IFRS 7 Financial Instruments: Disclosures.*

IAS 1 as amended and *IFRS 7* only impact the presentation of financial statements requiring the inclusion of a greater level of disclosure. The information required to be disclosed is included in 2007 for the first time in the consolidated financial statements of Sopra Group (Notes 13.6 and 32).

b. Standards and interpretations subject to early application

- *IFRS 8 – Operating segments* (enters into force as of 1 January 2009). The Group has chosen not to adopt the earlier application of this standard at 31 December 2007;
- *IFRIC 11- Group and Treasury Share Transactions* (applicable for financial years commencing after 1 March 2007). The Group has chosen not to adopt the earlier application of this standard;
- The standards and interpretations published by the IASB but not yet adopted by the European Union have not been the subject of earlier application. These primarily relate to:
  - *IAS 1 Revised version of Presentation of Financial Statements,*
  - *IAS 23 Amendment – Borrowing Costs,*
  - *IFRIC 13 Client Loyalty Programmes, and*
  - *IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.*

c. Comparative periods

Information for the comparative periods 2006 and 2005 complies with IFRS.

The application of the option for recognising actuarial differences in equity did not have a material impact on the financial statements for the years ended 31 December 2005 and 2006, as evidenced by the tables below. This is the reason the financial statements for the year ended 31 December 2007 include as comparative information the data for previously published financial statements.

BALANCE SHEET

(in thousands of euros)	2007	2006		2005	
		Published	Pro forma	Published	Pro forma
Deferred tax assets	13,147	8,557	9,283	7,837	8,279
Non-current assets	**355,900**	**324,785**	**325,511**	**285,361**	**285,803**
TOTAL ASSETS	**768,787**	**722,894**	**723,620**	**653,479**	**653,921**
Consolidated reserves	105,766	82,136	80,752	59,753	58,910
Total equity	**248,807**	**216,221**	**214,837**	**185,344**	**184,501**
Provisions for post-employment benefits	25,520	14,515	16,625	12,545	13,830
Non-current liabilities	**179,167**	**180,373**	**182,483**	**217,342**	**218,627**
Total liabilities	**519,980**	**506,673**	**508,783**	**468,135**	**469,420**
TOTAL EQUITY AND LIABILITIES	**768,787**	**722,894**	**723,620**	**653,479**	**653,921**

INCOME STATEMENT

(in thousands of euros)	2007	2006		2005	
		Published	Pro forma	Published	Pro forma
Provisions and impairment	-2,915	-2,439	-2,358	-2,570	-2,569
Profit from recurring operations	**90,826**	**75,051**	**75,132**	**56,112**	**56,113**
Operating profit	**90,153**	**73,924**	**74,005**	**56,112**	**56,113**
NET PROFIT	**55,097**	**44,206**	**44,287**	**35,259**	**35,260**

d. Format of the financial statements

Sopra Group has decided to apply Recommendation 2004-R.02, dated 27 October 2004, of the *Conseil national de la comptabilité* dealing with the format of the income statement, the cash flow statement and the statement of changes in shareholders' equity.

1.4. Consolidation methods

- Sopra Group is the consolidating company.
- The companies over which Sopra Group has full control have been consolidated using the full consolidation method. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists even when the parent owns one-half or less of the voting power of an enterprise when there is:
  - power over more than one-half of the voting rights by virtue of an agreement with other investors;
  - power to govern the financial and operating policies of the enterprise under a statute or an agreement;
  - power to appoint or remove the majority of the members of the board of directors or equivalent governing body, if control over the enterprise is exercised by this board or governing body; or
  - power to cast the majority of votes at meetings of the board of directors or equivalent governing body, if control over the enterprise is exercised by this board or governing body.
- Sopra Group does not exert significant influence or joint control over any entity.
- Sopra Group does not, directly or indirectly, control any *ad hoc* company.
- Inter-company transactions as well as unrealised balances and profits on operations between Group companies are eliminated.
- The accounts of all consolidated companies are prepared as at 31 December. These accounts have, where applicable, been restated to ensure the consistency of accounting and valuation rules applied by the Group.
- The scope of consolidation is presented in Note 2.

1.5. Foreign currency translation

a. Functional and presentation currencies

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which each entity operates, i.e. its "functional currency".

The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company, Sopra Group SA.

b. Translation of the financial statements of foreign subsidiaries

Group subsidiaries' functional currencies are their local currencies in which most of their transactions are denominated. The accounts of all Group entities whose functional currency differs from the Group's presentation currency are translated into euros as follows:

- assets and liabilities are translated at rates applying at the balance sheet date;

- income, expenses and cash flows are translated at average rates for the period;
- all resulting foreign exchange differences are recognised as a distinct equity component: "Translation differential".

Foreign exchange differences arising from the translation of net investments in foreign operations are recognised in equity on consolidation. When a foreign operation is divested, the applicable accumulated translation difference is transferred to profit or loss as part of the gain or loss arising on disposal.

Goodwill and other fair value adjustments arising on acquisition of foreign operations are treated as assets and liabilities of the operation and, as such, are translated at rates applying at the balance sheet date.

The Group does not own any consolidated entities operating in a hyperinflationary economy.

The applicable rates of exchange are presented in Note 38.

c. Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated to entities' functional currencies at rates applying on the transaction dates. The foreign exchange gains and losses arising on settlement, as well as those arising from the adjustment of foreign currency denominated monetary assets and liabilities to rates applying at the balance sheet date, are recognised in profit or loss with the exception of amounts recognised directly in equity in respect of cash flow hedging or hedging of the net investment in foreign operations.

1.6. Significant estimates and accounting judgments

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

Such estimates and judgments, which are continually updated, are based both on historical information and on 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.

Significant assumptions and accounting estimates

The main assumptions and accounting estimates liable to leave scope for material adjustments to the carrying amount of assets and liabilities in subsequent periods are as follows:

- the measurement of goodwill (see Notes 1.8 and 4);
- the measurement of liabilities relating to earnouts on acquisitions (see Notes 1.5 and 18);
- the measurement of retirement commitments (see Notes 1.19 and 16);
- the recognition of income (see Note 1.22).

Significant judgments in the application of accounting policies

With the exception of those policies requiring accounting estimates, no judgment exercised by Management has had a material impact on the amounts recognised in the financial statements.

1.7. Business combinations

Business combinations are recognised by applying the purchase method, in accordance with *IFRS 3*. However, the acquisitions of SG2 Ingénierie in 1996 and of Orga Consultants in 2000, for which the Group had applied the pooling of interests method, did not give rise to any restatement in application of the option offered by *IFRS 1*.

Under the purchase method, the acquirer purchases net assets and recognises at their fair value the assets acquired, the liabilities incurred and any liabilities assumed.

The acquirer is the combining entity that obtains control of the other combining entities or businesses (the acquirees). Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities.

The acquirer measures the cost of the business combination as the aggregate of:

- the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree; plus
- any costs directly attributable to the business combination.

The acquisition date is the date that the acquirer effectively obtains control of the acquiree.

Any adjustment to the cost of the combination that is contingent on future events is included in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill, being the excess of the cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as an asset.

If the initial accounting for a business combination can only be determined provisionally for the reporting period in which the combination was effected, the acquirer recognises the combination using provisional values. The acquirer must then recognise adjustments to these provisional values related to the completion of initial accounting within 12 months of the acquisition date.

1.8. Goodwill

Goodwill represents the excess, at the date of acquisition, of the cost of acquisition of an investment over the Group's share of the identifiable net assets of the acquired entity. Goodwill is measured at cost less any cumulative impairment losses which may not be reversed.

Goodwill is allocated over cash-generating units for the purposes of the impairment tests described in Note 1.12, which are performed as soon as any indication of impairment is noted and systematically at the balance sheet date of 31 December.

1.9. Intangible assets

a. Assets acquired externally

These relate only to software packages acquired which are registered at cost. They are depreciated using the straight-line method over three, five or ten years, depending on their estimated useful lives.

b. Assets generated internally

In application of *IAS 38 Intangible assets:*

- all research and development costs are charged to the income statement in the year they are incurred;
- project development costs are capitalised if, and only if, all of the following can be demonstrated:
  - the technical feasibility of completing the intangible asset so that it will be available for use or sale,
  - the intention to complete the intangible asset and use or sell it,
  - the ability to use or sell the intangible asset,
  - the manner in which the intangible asset will generate probable future economic benefits,
  - the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
  - the ability to measure reliably the expenditure attributable to the intangible asset during its development.

None of the development expenses for software and solutions (Axway, Banking, Human Resources and Real Estate) are recognised under intangible assets, since all of the conditions described above were not fulfilled.

1.10. Property and equipment

Property and equipment essentially comprises land and buildings, fixtures, office furniture and equipment and IT equipment.

Property and equipment is measured at acquisition cost (excluding any borrowing costs) less accumulated depreciation and any impairment losses. No amounts have been revalued.

Depreciation is based on the straight-line method according to the expected useful economic lives of each fixed asset category as follows:

Buildings	25 years
Fixtures and fittings	10 years
Equipment and tooling	3 to 5 years
Vehicles	5 years
Office furniture and equipment	5 to 10 years

Depreciation is applied against assets' acquisition cost after deduction of any residual value. Assets' residual values and expected useful lives are reviewed at each balance sheet date.

1.11. Leases

a. Finance leases

Leases of tangible fixed assets under which the Group retains substantially all the risks and rewards incidental to ownership of the assets are treated as finance leases. The related assets are recognised at the leased assets' fair value or, if less, at the present value of the minimum payments due under the leases.

Each lease payment is allocated between interest and capital repayment elements in order to reflect a constant periodic rate of return on the outstanding capital balance. The aggregate future capital repayment elements are included within *Financial debt*, while the aggregate interest elements are recognised in profit or loss over the period of each lease.

Assets acquired under finance leases are depreciated over their estimated useful lives or, if shorter, over the applicable lease terms.

- Property under finance lease is depreciated on a straight-line basis over 25 years;
- IT equipment under finance lease is depreciated on a straight-line basis over 4 years i.e. the most common duration of the associated leases.

b. Operating leases

Leases of tangible fixed assets under which the lessor retains substantially all the risks and rewards incidental to ownership of the assets are treated as operating leases, the payments in respect of which are recognised as an expense on a straight-line basis over the duration of the applicable leases.

1.12. Impairment of assets

IAS 36 Impairment of assets, requires that an entity assess at each reporting date whether there is any indication that an asset may be impaired; if so, the asset's recoverable amount must be estimated.

Irrespective of whether there is any indication of impairment, an entity must also:

- test intangible assets with indefinite useful lives annually;
- test goodwill acquired in a business combination annually.

In practice, impairment testing is above all relevant to goodwill which comprises the essential portion of Sopra Group's consolidated non-current assets.

Impairment testing is performed at the level of the cash-generating units (CGUs) to which assets are allocated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group's segmentation into cash-generating units is consistent with the operating structure of its businesses, its management and reporting structure and its segment reporting structure. Impairment testing involves comparing cash-generating units' carrying amounts with their recoverable amounts. A cash-generating unit's recoverable amount is the higher of its fair (generally market) value, less costs to sell, and its value in use.

The value in use of a CGU is determined using the present value of future cash flow method:

- cash flows for a plan period of five years, with cash flows for the first year of the plan based on the budget;
- cash flows beyond the five-year plan period used in value-in-use calculations are increased in line with historic long-term growth rates adjusted for inflation.

Cash flow projections for the explicit period are determined by taking into account:

- the general growth rate of the economy;
- the impact of technological advances in the sector;
- transfers of IT functions engendered by the rise of outsourcing benefiting the IT services sector.

The cash flows are discounted using a discount rate equal to:

- the ten-year risk-free money rate;
- supplemented by the market's risk premium multiplied by a sensitivity coefficient (ß) specific to the entity.

Impairment losses are recognised to the extent of any excess of a CGU's carrying amount over its recoverable amount. Impairment losses are first allocated against goodwill and are charged to profit or loss as part of *Other operating expenses*.

The Group's CGU segmentation, and the other parameters applied for the purposes of impairment testing, are presented in Note 4.4.

1.13. Financial assets

The Group classifies its financial assets into the following categories:

- assets measured at fair value through profit or loss;
- assets held to maturity;
- loans and receivables; and
- assets available for sale.

Classification depends on the purposes for which financial assets were acquired. Management decides on the appropriate classification at the time of initial recognition and performs a reassessment at each interim or annual reporting date.

Financial assets are initially measured at their fair value; they are subsequently measured, depending on their classification, at fair value or at amortised cost.

a. Assets measured at fair value through profit or loss

This category comprises both financial assets held for trading (i.e. acquired with a view to resale in the near term) and those designated upon initial recognition as at fair value through profit or loss. Changes in the fair value of assets of this category are recognised in profit or loss.

Despite the fact that they are held for trading, the Group's current investments are not accounted for in accordance with *IAS 39* because, given they comprise highly liquid investments meeting the definition of cash equivalents provided by *IAS 7*, they are instead consolidated as part of *Cash and cash equivalents* (see Note 1.16).

b. Assets held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that the Group has the intention and ability to hold to maturity. If any such asset is disposed of prior to maturity all other assets of the category must obligatorily be reclassified as available for sale. Assets held to maturity are otherwise measured, after initial recognition, at amortised cost.

The Group currently holds no assets classified within this category.

c. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They comprise the financial assets arising when the Group remits funds, or provides goods and services, to an individual or entity. Loans and receivables are initially recognised at fair value then subsequently measured at amortised cost using the effective interest rate method.

The Group has distinguished within this category:

- non-current financial assets comprising receivables associated with non-consolidated investments as well as guarantee deposits for leased property. Impairment losses are recognised for receivables associated with non-consolidated investments whenever their estimated recoverable amounts are lower than their carrying amounts; and
- current trade receivables which are initially measured at the nominal amounts invoiced which generally equate with the fair value of the consideration to be received. The impact of discounting would be negligible given that the Group's average credit period is of the order of sixty days. If necessary, impairment losses are recognised on an individual basis reflecting any problems of recovery.

d. Assets available for sale

Assets available for sale are those non-derivative financial assets not entering any of the above categories, whether or not the Group intends to dispose of them. Changes in the fair value of these assets are recognised directly in equity with the exception of impairment losses and foreign exchange gains and losses which are recognised in profit or loss.

The Group has included in this category its investments in non-consolidated entities over which it exercises neither control nor any significant influence.

As such investments comprise equity instruments whose price is not quoted in an active market, and whose fair value cannot otherwise be reliably measured, they are maintained at cost less any impairment losses. Their recoverable amount is estimated based on criteria such as the Group's share of entities' net assets and their outlook for growth and profitability. Any impairment losses recognised cannot subsequently be reversed.

1.14. Deferred tax

Deferred tax is recognised using the balance sheet liability method based on temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

Deferred tax assets and liabilities are measured for each entity or taxable unit on the basis of the tax rates in force, or substantially adopted, at the balance sheet date and expected to apply when assets will be realised or liabilities settled.

Deferred tax assets relating to both temporary differences and tax losses carried forward are recognised only to the extent that it appears probable that the future tax savings they represent will be achieved.

1.15. Derivatives

Derivative financial instruments are initially recognised for their fair value at the date that the derivative contracts are entered into; they are subsequently adjusted to their fair value. The accounting treatment of the associated profit or loss depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the hedged item.

The Group designates certain derivatives as:

- hedges of the fair value of assets or liabilities recognised in the balance sheet, or of firm forward commitments; or
- cash flow hedges of specific risks attaching to assets or liabilities recognised in the balance sheet or highly probable future transactions; or
- hedges of net investments in foreign operations.

The fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is in excess of 12 months, and as a current asset or liability if the remaining maturity of the hedged item does not exceed 12 months.

Derivatives held for trading are classified as current assets or liabilities. The Group also includes within this category derivatives which do not qualify for hedge accounting in accordance with *IAS 39*. In this case, any changes in their fair value are recognised in profit or loss as part of *Other financial income and expense* (see Note 28.2).

1.16. Cash and cash equivalents

Cash and cash equivalents comprise liquidities, bank demand deposits, other highly liquid investments with maturities not exceeding three months and bank overdrafts. Bank overdrafts are included as part of *Short-term financial debt.*

Under *IAS 7* cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Group applies the classification of UCITS proposed by the *Association française de gestion* (AFG) and *Association française des trésoriers d'entreprise* (AFTE) and adopted as the reasonable basis for recognition by the *Autorité des marchés financiers* (AMF):

- UCITS classified by the AMF as euro-denominated money-market instruments are presumed to satisfy the four criteria to be defined as cash equivalents under *IAS 7*;
- the eligibility of other UCITS to be considered as "cash equivalents" is not automatic but must be established with reference to the four criteria.

Cash equivalents are recognised at their fair value; changes in fair value are recognised in the income statement under *Other financial income and expense.*

1.17. Share-based payments

a. IFRS 2

Its application to Sopra Group relates purely to options for share subscription granted to employees. As allowed under the standard, the Group will only adjust its financial statements for options granted on or after 7 November 2002 and exercisable after 1 January 2005.

The beneficiaries of the options concerned may exercise their rights five years after options are granted and during a period of three years, i.e. at any time during the sixth to eighth years following attribution.

The fair value of these options at their date of attribution is performed by a third party specialist using a Black & Scholes based method taking into account discrete dividends, using a yield curve and anticipated exercise. This value is constant over a plan's duration.

The value attributed to the options is analysed as a cost of services rendered by employees in return for the options and is recognised on a linear basis over the vesting period, i.e. on the basis of one fifth per year.

Recognition takes place via a charge to *Staff costs* balanced by a credit to an *Issue premium account* within shareholders' equity. There is thus no net impact on shareholders' equity.

The calculation performed reflects the total number of options held at each balance sheet date by eligible employees, taking into account the very high rate of exercise of the options.

b. Sale or conversion to bearer shares during blocked periods

Under the regulations governing the various stock option plans, shares resulting from the exercise of options may not be sold or converted into bearer shares during the statutory blocked period. Accordingly no provision is required.

1.18. Treasury shares

All of the treasury shares held by Sopra Group are recognised at their acquisition cost, deducted from shareholders' equity.

Gains or losses on the sale of treasury shares are added or deducted net of tax from consolidated reserves.

1.19. Employee benefits

a. Short-term employee benefits and defined contribution post-employment benefits

The Group recognises the amount of short-term employee benefits, as well as the contributions due in respect of mandatory state-sponsored pension plans, in *Staff costs*. As the Group has no commitments beyond these contributions, no provision was recognised for these plans.

b. Defined benefit plans and other long-term employee benefits

These plans relate mainly to France, for the payment of pensions in accordance with collective bargaining agreements, and to a lesser extent Italy, for the payment of legally required post-employment benefits *(Trattamento di Fine Rapporto).*

The defined benefit plans are borne directly by the Group, which provides for the cost of the future benefits based on conditions below.

The Group uses the projected credit method to determine the value of its defined benefit obligation: this method stipulates that each period of service gives rise to an additional unit of benefit rights and values separately each of the units to obtain the final obligation.

The above calculations reflect various actuarial assumptions relating to matters such as the estimated periods of future service of employees, future salary levels, life expectancy and staff turnover.

The resulting benefit obligation is then discounted using an appropriate interest rate for first-rate corporate bonds denominated in the currency of payment of benefits and with a maturity approximating with the estimated average maturity of the benefit obligation.

A change in these estimates and hypotheses may lead to a significant change in the amount of the commitment.

The amount of the provision recognised for retirement and similar commitments corresponds to the present value of the obligation in respect of defined benefits, less unrecognised actuarial differences. Actuarial differences resulting from changes in the value of the discounted obligation in respect of defined benefits include on the one hand, the effects of differences between previous actuarial assumptions and actual data, and on the other hand, the effect of changes in actuarial assumptions.

From the financial year ended 31 December 2007 onwards, actuarial differences are fully recognised in equity, for all of the Group defined benefit plans, in conformity with the SoRIE option introduced by the amendment to IAS 19.

There are no pension commitments, medical cover, or long-service awards. No new benefits or changes in regime resulting from legal, collective-bargaining or contractual provisions occurred during the financial year.

c. Individual training benefits

Following the opinion rendered by the CNC's Urgent Issues Committee on 13 October 2004, and based on the general view that individual training benefit obligations are to be distinguished from other employee benefits inasmuch as they imply a future benefit for the employer entity, the Group has decided, pending any subsequent developments, that no provision should be recognised in this respect at 31 December 2007. The Group equally has no requirement for provision in respect of special cases such as training agreed for of no future benefit to the Group, disputed amounts going back more than two years or training unrelated to the employment held.

1.20. Financial debt

Financial debt essentially comprises:

- bank borrowings which are initially recognised at their fair value, net of any transaction costs, and subsequently at amortised cost with any difference between the capital amounts borrowed, net of transaction costs, and the amounts repayable recognised in profit or loss over the duration of the borrowings using the effective interest rate method;
- finance lease debt which is recognised at the inception of each lease based on the present value of future lease payments discounted using the interest rates implicit in each lease;
- profit-sharing debt towards employees for amounts blocked in current accounts: such debt is adjusted for any difference between the contractual interest rate applied to balances and the applicable minimum rate. Any such differential for a given year is recognised as part of financial debt and balanced by an additional charge to staff costs, then amortised as a deduction from financial expense over the following five years;
- current bank overdraft facilities.

Financial debt repayable within twelve months of the balance sheet date is classified within current liabilities.

1.21. Provisions

A provision is recognised when an obligation exists with respect to a third party originating subsequent to the balance sheet date and when the loss or liability is probable and may be reliably estimated.

To the extent that this loss or liability is not probable or may not be reliably estimated, a contingent liability is disclosed by the Group among its commitments given.

1.22. Revenue recognition

The applicable IAS is *IAS 18* Revenue.

a. Systems Integration and Consulting services

- **Technical assistance, consulting, training and projects provided on an ongoing contract basis**

These services are recognised when performed, i.e. in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- services already performed but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised as revenue and are included in the balance sheet under the *Accrued income* caption of *Trade accounts receivable;*
- services already billed but not yet entirely performed are deducted from invoiced revenue and included in the balance sheet under the *Deferred revenue* caption of *Other current liabilities*.

- **Services covered by lump sum contracts**

Under such contracts the group commits itself to a price, a result and a deadline. Services performed under such contracts are recognised as follows using the percentage of completion method:

- revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the group's quality procedures, of the contract's degree of completion. During performance of a project, this assessment is based on 90% of the contract amount with the remaining 10% deferred until completion;
- the amount of revenue recognised at each balance sheet date is based on the difference between 90% of the contract value and the amount required to cover the total number of man-days remaining to be performed. This amount is included in the balance sheet under the *Accrued income* caption of *Trade accounts receivable.* Payments on account received are deducted from the amount of *Trade accounts receivable* which are therefore disclosed for their net amount.

b. Software and Solutions

Services provided within the scope of the Group's Software (Axway) and Solutions (Banking, Real Estate, Human Resources) operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- ancillary services such as installation, settings, adaptation, training, etc.

- **In general, separate contracts are concluded with clients for licences and maintenance on the one hand and ancillary services on the other hand**

In this situation, the various elements comprising contracts are accounted for as follows:

- the licence fee is recognised when delivery takes place, which is reputed to be the case when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are insignificant and not liable to endanger the client's acceptance of goods supplied or services rendered;
- maintenance is generally billed in advance and is recognised on a time basis;
- ancillary services are generally provided on the basis of time spent and are recognised when performed, i.e. in general when invoiced. They are sometimes performed within the scope of lump sum contracts in which case they are recognised using the percentage of completion method described in paragraph 1.22.a.

- **Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated on a lump sum basis**

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, i.e. maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

- **In fairly rare instances, ancillary services may be considered indispensable to a software package's functioning**

This may be the case for very complex projects, the completion of which may be subject to particular risks. In this situation projects, assessed as a whole and specifically monitored by the group's quality department, are accounted for using the percentage of completion method described in paragraph 1.22.a.

1.23. Segment information

A business segment is a distinguishable component of the Group engaged in providing products or services and subject to risks and returns that are different from those of other business segments.

A geographic segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment and subject to risks and returns that are different from those of components operating in other economic environments.

The Group organisational structure reflects both its businesses (principal segmentation) and the geographic distribution of its activities (secondary segmentation).

The divisions comprise:

- strategic and management consulting services provided by its Orga Consultants subsidiary in France;
- systems and solutions integration and applications outsourcing carried out in France by Sopra Group and in Europe by a combination of subsidiaries;
- Axway's activities in the area of application integration.

1.24. Earnings per share

Earnings per share as stated in the income statement are calculated on the basis of the Group's share in the net profit as follows:

- weighted average earnings per share are based on the weighted average number of shares in issue during the financial year, calculated according to the dates when the funds arising from cash share issues were received and, in respect of shares issued for contributions in kind via equity, the date on which the corresponding new group companies were consolidated for the first time;
- diluted earnings per share take into account share options already granted or to be granted subject to the ceiling and time limits set by the General Meeting that authorised the plans. The share buyback method has been applied at the market price, based on the average share price throughout the year.

Note 2 | Scope of consolidation

2.1. List of consolidated companies in 2007

Company	Country	% Control	% Held	Consolidation method
Systems and Solutions Integration				
Sopra Group	France	-	-	Parent company
Sopra Group Ltd	United Kingdom	100.0%	100.0%	FC
Sopra Belux	Belgium	100.0%	100.0%	FC
Business Architects International	Belgium	100.0%	100.0%	FC
Sopra Group Luxembourg	Luxembourg	100.0%	100.0%	FC
Valoris Luxembourg	Luxembourg	100.0%	100.0%	FC
Sopra Informatique	Switzerland	100.0%	100.0%	FC
Sopra Group SpA	Italy	100.0%	100.0%	FC
Sopra PROFit	Spain	100.0%	100.0%	FC
Sopra PROFit Euskadi	Spain	100.0%	100.0%	FC
Valoris Iberia	Spain	100.0%	100.0%	FC
CS Sopra España	Spain	100.0%	100.0%	FC
PROFit Gestão Informatica Lda	Portugal	100.0%	100.0%	FC
SOPRAntic	Morocco	100.0%	100.0%	FC
Momentum Technologies Inc.	Canada	100.0%	100.0%	FC
Sopra India Private Ltd	India	100.0%	100.0%	FC
Axway				
Axway Software	France	100.0%	100.0%	FC
Axway UK Ltd	United Kingdom	100.0%	100.0%	FC
Axway Nordic AB	Sweden	100.0%	100.0%	FC
Axway GmbH	Germany	100.0%	100.0%	FC
Axway Software GmbH	Germany	100.0%	100.0%	FC
Axway BV	Netherlands	100.0%	100.0%	FC
Axway Belgium	Belgium	100.0%	100.0%	FC
Axway Srl	Italy	100.0%	100.0%	FC
Axway Software Iberia	Spain	100.0%	100.0%	FC
Axway Inc.	United States	100.0%	100.0%	FC
Axway Romania Srl	Romania	100.0%	100.0%	FC
Beler Srl	Romania	100.0%	100.0%	FC
Axway Asia Pacific Pte Ltd	Singapore	100.0%	100.0%	FC
Axway Pte Ltd	Singapore	100.0%	100.0%	FC
Axway Software China	China	100.0%	100.0%	FC
Axway Ltd	Hong Kong	100.0%	100.0%	FC
Axway Software Sdn Bhd	Malaysia	100.0%	100.0%	FC
Axway Pty Ltd	Australia	100.0%	100.0%	FC
Axway Software Korea Corp. Ltd	South Korea	100.0%	100.0%	FC
Consulting				
Orga Consultants	France	100.0%	100.0%	FC

FC: Fully consolidated

2.2. Changes in the consolidation scope

a. First consolidation

- **Axway Software GmbH -** In early 2007, Axway Software, a wholly owned subsidiary of Sopra Group, acquired the B2B software business of Atos Origin in Germany, which employs 160 staff at sites in Berlin, Hamburg, Düsseldorf and Stuttgart and generated revenue in the region of €16.5 million in 2006. This entity, operating under the name Axway Software GmbH, has been consolidated since 1 February 2007. Further information on the terms of the acquisition is provided in Note 4.
- **Axway Software Korea Corporation Ltd -** In March 2007, Axway Software established a new distribution subsidiary in South Korea, in which it holds a 100% interest.
- **Methosystem -** At the end of June 2007, Sopra Group SpA, a wholly owned subsidiary of Sopra Group, acquired the Italian systems integrator Methosystem, thus reinforcing its presence in the Italian banking sector. Methosystem designs and implements traditional systems integration projects, developing software solutions that streamline the migration and fusion of data between financial institutions. This entity, which has been consolidated since 1 July 2007, employs 80 staff in Parma and Milan and generated revenue in excess of €5 million in 2006. In early October 2007, Methosystem was absorbed by Sopra Group SpA.
- **SOPRAntic -** Sopra Group has established a wholly owned subsidiary in Morocco, whose head office is located in Casablanca. SOPRAntic, which has been consolidated since 1 October 2007, employed 24 staff at 31 December 2007.
- **Business Architects International (BAI) -** Sopra Group has acquired 100% of the share capital of the Belgian software developer Business Architects International in a cash transaction.

  The synergies generated by this acquisition will allow Sopra Group to further expand its European presence and to reinforce its Evolan industry application solutions. BAI has been consolidated since 1 October 2007.

b. Deconsolidated entities

No Sopra Group entities were deconsolidated over the course of financial year 2007.

c. Internal reorganisation

- **CS Sopra España -** The business of the Spanish service centre hosted by Sopra PROFit was spun off in April 2007. This new entity, a wholly owned subsidiary of Sopra Group, now operates under the name CS Sopra España. This spin-off had no impact on the consolidated financial statements.
- **Newell & Budge Holdings Ltd, Newell & Budge Ltd, Newell & Budge Security Ltd -** The businesses of these three companies were transferred to Sopra Group Ltd, a wholly owned subsidiary of Sopra Group. This operation had no impact on the consolidated financial statements.
- **Valoris Belgium -** The shares in this company were sold by Valoris Luxembourg to Sopra Belux, both of these entities being wholly owned subsidiaries of Sopra Group. Valoris Belgium was then absorbed by Sopra Belux as of 30 June 2007. This merger had no impact on the consolidated financial statements.
- **Axway Integra AB, Axway AB, Axway Intelligra AB -** On 30 November 2007, Axway Nordic AB absorbed the companies Axway AB, Axway Integra AB and Axway Intelligra AB, all of which were wholly owned subsidiaries of Sopra Group. This merger had no impact on the consolidated financial statements.
- **Methosystem -** This company, which was acquired in June 2007, was absorbed in October 2007 as indicated in §2.2.a above.

Note 3 | Comparability of the accounts

The impact of the acquisitions of Axway Software GmbH in February 2007, Methosystem in June 2007 and Business Architects International in October 2007 on the Group's income statement and key performance indicators was below the materiality threshold (25%) required by French Prospectus Regulations for the preparation of *pro forma* information.

The main impacts of this acquisition on the 2007 financial statements are presented below:

- **Contribution to revenue and profit from recurring operations**

(in millions of euros)	2007	2007 Including full-year impact of acquisitions
Revenue	1,001.4	1,013.2
Profit from recurring operations	90.8	92.4

- **Impact of 2007 acquisitions on *Goodwill***

See Note 4.

Impact of changes in the scope of consolidation on net debt

(in millions of euros)	2007	2006	2005
Cost of acquisitions (excluding earnouts)	60.9	25.7	123.4
Portion remunerated in Sopra Group shares	-	-	-24.0
Net debt/net cash of companies acquired	-27.1	-1.4	-0.5
Deferred payments	-	1.0	-1.5
Earnouts paid in respect of prior year acquisitions	15.4	0.3	5.8
TOTAL	49.2	25.6	103.2

NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 4 | Goodwill

4.1. Changes in goodwill

Movements in financial year 2007 are described in Note 2.2 Changes in the consolidation scope.

(in thousands of euros)	Gross	Impairment	Net
1 January 2006	**279,871**	**37,689**	**242,182**
Acquisitions			
Cyclone Commerce	33,066	-	33,066
Adjustments relating to business combinations			
PROFit – earnout adjustment	6,419	-	6,419
PROFit – equity adjustment at the acquisition date	465		465
Newell & Budge – earnout adjustment	-50	-	-50
Newell & Budge – equity adjustment at the acquisition date	-1,809	-	-1,809
Other movements			
Sopra Group Ltd – acquisition of business goodwill – XPT Solutions Limited	29	-	29
Sopra Group – discontinuation of Pyramid	-1,653	-1,310	-343
Translation differential	**-1,026**	**279**	**-1,305**
31 December 2006	**315,312**	**36,658**	**278,654**
Acquisitions			
Axway Software GmbH	20,604	-	20,604
Methosystem	2,190	-	2,190
Business Architects International	12,964	-	12,964
Business goodwill – Interface	285	-	285
Adjustments relating to business combinations			
Newell & Budge – earnout adjustment	-3,935	-	-3,935
Cyclone – earnout adjustment	-37	-	-37
Crinsoft – earnout adjustment	17	-	17
Other movements			
Valoris Belgium – removal of fully-amortised business goodwill	-1,575	-1,575	-
Sopra Group Ltd – reclassification of business goodwill – XPT Solutions Limited	-29	-	-29
Translation differential	**-11,096**	**-941**	**-10,155**
31 DECEMBER 2007	334,700	34 142	300,558

4.2. Determination of goodwill recorded for business combinations during the year

Goodwill recognised in 2007 mainly relates to the acquisitions of Axway Software GmbH, Methosystem and Business Architects International. It was measured at the acquisition dates using the method presented under Note 1.7. Provisional allocations are made for goodwill, with the definitive amounts to be recognised at 30 June 2008, the interim balance sheet date for the 2008 financial year.

(in thousands of euros)	**Axway Software GmbH**	**Methosystem**	**BAI**
Acquisition price	21,638	1,700	37,479
Present value of earnouts	1,000	500	-
Expenses related to the acquisition	60	-	42
Cost of acquisition	**22,698**	**2,200**	**37,521**
Fair value of assets acquired by the Group	-2,094	-10	-24,557
GOODWILL	**20,604**	**2,190**	**12,964**

4.3. Adjustments to business combinations recognised in prior years

An earnout anticipated at the acquisition of Newell & Budge, determined on the basis of the entity's expected earnings for the 2007 financial year, in the principal amount of £3 million, and recognised at the acquisition date (July 2005) in the amount of £2.7 million (present value), was not maintained in the financial statements at 31 December 2007, as the grant conditions had not been met.

The impact on the financial statements for the year ended 31 December 2007 is as follows:

- goodwill: decrease of €3.935 million;
- other long-term liabilities: decrease of €4.171 million;
- financial items: increase of €236 thousand.

4.4. Impairment tests

The Group has adopted a segmentation into cash-generating units (CGUs), consistent with the operational organisation of its business lines, the management control and reporting system and published segment reporting.

The summarised statement of net carrying amounts for goodwill attributed to CGUs is presented below:

(in thousands of euros)		**2007**	**2006**	**2005**
Consulting	France – Orga Consultants	3,876	3,876	3,876
Systems and Solutions Integration	France	49,245	48,948	49,580
	United Kingdom	63,684	73,604	73,952
	Spain	81,297	81,297	74,413
	Italy	8,120	5,930	5,930
	Belgium	15,964	3,000	3,000
	Spain – Valoris Iberia	3,000	3,000	3,000
Axway	Axway	75,372	58,999	28,431
TOTAL		**300,558**	**278,654**	**242,182**

Impairment tests did not give rise to the recognition of any impairment. These tests were performed under the conditions described in Note 1.12 using the following parameters:

- a perpetual growth rate of 2.5% and a discount rate of 9.5%;
- the value in use thus obtained was subjected to sensitivity testing, which indicated a range for the perpetual growth rate between 2.0% and 3.0% and for the discount rate between 9% and 10%.

Note 5 | Intangible assets

(in thousands of euros)	Gross	Amortisation	Net
1 January 2006	**23,135**	**21,095**	**2,040**
Changes in scope	2,412	2,124	288
Acquisitions	374	-	374
Disposals	-3,737	-3,737	-
Translation	-245	-219	-26
Amortisation	-	1,138	-1,138
31 December 2006	**21,939**	**20,401**	**1,538**
Changes in scope	658	582	76
Fair value measurements in respect of business combinations	2,800	-	2,800
Acquisitions	1,940	-	1,940
Disposals	-472	-472	-
Reclassification of business goodwill – Sopra Group Ltd	29	-	29
Reclassification as property and equipment	-161	-118	-43
Translation	-252	-232	-20
Amortisation	-	1,086	-1,086
31 DECEMBER 2007	**26,481**	**21,247**	**5,234**

Intangible assets essentially include non-proprietary software used in the Group's ordinary course of business, and software acquired as part of external growth transactions.

As indicated under Note 4.2, the definitive acquisition costs for Axway Software GmbH and Business Architects International (BAI) have not yet been recognised. A total provisional allocation of €2.800 million, consisting of an amount of €800 thousand for Axway Software GmbH and an amount of €2.000 million for BAI, was recognised at 31 December 2007 in respect of the software assets developed by these two companies.

No expense was incurred in developing the Group's solutions and software was capitalised, either in 2007 or in previous years.

Note 6 | Property and equipment

(in thousands of euros)	Land and buildings	Furniture, fixtures, and fittings	IT equipment	Total
GROSS VALUE				
1 January 2006	**10,578**	**41,445**	**31,211**	**83,234**
Translation differential	-	-106	-125	-231
Acquisitions	180	6,459	6,278	12,917
Disposals	-	-3,921	-2,555	-6,476
Changes in scope	10	1,307	1,892	3,209
31 December 2006	**10,768**	**45,184**	**36,701**	**92,653**
Translation differential	-	-414	-675	-1,089
Acquisitions	83	4,843	6,322	11,248
Disposals	-	-584	-4,476	-5,060
Reclassification of intangible assets	-	-	161	161
Changes in scope	-	2,081	1,303	3,384
31 DECEMBER 2007	**10,851**	**51,110**	**39,336**	**101,297**
DEPRECIATION				
1 January 2006	**7,272**	**25,453**	**21,580**	**54,305**
Translation differential	-	-107	-92	-199
Acquisitions	415	3,860	4,976	9,251
Disposals	-	-2,946	-2,515	-5,461
Changes in scope	-	1,230	1,559	2,789
31 December 2006	**7,687**	**27,490**	**25,508**	**60,685**
Translation differential	-	-350	-590	-940
Charge for the year	368	4,700	5,540	10,608
Reversals	-	-519	-4,481	-5,000
Reclassification of intangible assets	-	-	118	118
Changes in scope	-	1,714	1,154	2,868
31 DECEMBER 2007	**8,055**	**33,035**	**27,249**	**68,339**
NET VALUE				
1 January 2007	**3,081**	**17,694**	**11,193**	**31,968**
31 DECEMBER 2007	**2,796**	**18,075**	**12,087**	**32,958**

- Investments made by the Group in fixed assets (€11.2 million) primarily include office equipment in France and abroad, in the amount of €4.8 million and information technology equipment (central systems, work stations, and networks) in the amount of €6.3 million.
- Amounts included under disposals (€5.1 million) during the year correspond primarily to the scrapping of computer equipment each year after taking inventory, and premises for which leases were not renewed that the Group no longer occupies.
- Land and buildings include the premises of Sopra Group's registered office at Annecy-le-Vieux. A portion of these premises was acquired as part of a property finance lease arrangement completed in 2003. These contracts have, since their inception, been restated in the consolidated financial statements and are included in the balance sheets for the following amounts:

(in thousands of euros)	2007	2006	2005
Land	255	255	255
Buildings	3,861	3,861	3,861
Depreciation	-3,471	-3,339	-3,184
NET VALUE	**645**	**777**	**932**

Finance lease contracts relating to IT investments (see Note 1.11) are presented in the balance sheet in the following amounts:

(in thousands of euros)	2007	2006	2005
Gross value	23,909	22,794	19,220
Depreciation	-14,121	-13,702	-11,231
NET VALUE	**9,788**	**9,092**	**7,989**

Note 7 | Financial assets

The Group's non-current financial assets comprise available for sale assets and loans and receivables.

(in thousands of euros)	2007	2006	2005
Assets at fair value through profit and loss	-	-	-
Held to maturity assets	-	-	-
Available for sale assets	1,301	1,301	1,374
Loans and receivables	2,702	2,767	2,999
TOTAL	**4,003**	**4,068**	**4,373**

7.1. Available for sale assets

(in thousands of euros)	Gross	Impairment	Net
1 January 2006	**32,049**	**30,675**	**1,374**
Increase	108	-	108
Decrease	-543	-361	-182
Translation differential	3	2	1
31 December 2006	**31,617**	**30,316**	**1,301**
Increase	-	-	-
Decrease	-1,106	-1,106	-
Translation differential	-13	-13	-
31 DECEMBER 2007	**30,498**	**29,197**	**1,301**

Available for sale assets, as understood in *IAS 39*, mainly comprise non-consolidated investments:

- in Valoris' subsidiaries that were in the process of being wound up or divested at the date that Valoris was acquired by Sopra Group, in the amount of €23.738 million, in respect of which a provision has been set aside of €23.547 million;
- in the German company Sopra Group GmbH, which is in the process of liquidation, in the amount of €5.485 million, which has been fully impaired since 2004;
- in Cosmosbay-Vectis in which the Group holds a 7.56% equity stake, in the amount of €0.946 million.

7.2. Loans and receivables

(in thousands of euros)	2007	2006	2005
Receivables from unconsolidated equity interests – gross value	5,484	7,846	7,871
Provisions for receivables from unconsolidated equity interests	-5,484	-7,846	-7,756
Receivables from unconsolidated equity interests – net value	**-**	**-**	**115**
Loans	44	43	47
Deposits and other non-current financial assets	2,741	2,755	2,854
Provisions for loans, deposits and other non-current financial assets	-83	-31	-17
Loans, deposits and other non-current financial assets – net value	**2,702**	**2,767**	**2,884**
TOTAL	**2,702**	**2,767**	**2,999**

Receivables from equity interests, which are fully impaired, are attributable to the unconsolidated Valoris subsidiaries.

Deposits and other non-current financial assets (€2.741 million) consist mainly of guarantees given for the leased premises. Non-remunerated deposits are maintained at their nominal value, given that the effect of discounting is not significant.

Note 8 | Deferred assets and liabilities

8.1. Breakdown by maturity

(in thousands of euros)	2007	2006	2005
Deferred tax assets (DTA)			
- less than one year	2,733	3,005	2,757
- more than one year	10,414	5,552	5,080
TOTAL DTA	**13,147**	**8,557**	**7,837**
Deferred tax liabilities (DTL)			
- less than one year	-	-	-
- more than one year	-1,028	-284	-265
TOTAL DTL	**-1,028**	**-284**	**-265**
NET DEFERRED TAX	**12,119**	**8,273**	**7,572**

8.2. Change in deferred tax assets and liabilities

(in thousands of euros)	2007	2006	2005
At 1 January	**8,273**	**7,572**	**17,611**
Reclassification of tax receivables as deferred tax assets	796	-	-
Changes in scope	197	3	-
Tax – income statement impact	211	702	-10,394
Tax – equity impact	2,629	5	346
Translation differential	13	-9	9
AT 31 DECEMBER	**12,119**	**8,273**	**7,572**

8.3. Breakdown of net deferred tax by type

(in thousands of euros)	2007	2006	2005
Differences related to consolidation adjustments			
Actuarial gains and losses recognised for post-employment obligations	2,450	-	-
Software depreciation and amortisation of revalued software	669	892	1,190
Derivatives	-725	-	-
Finance leases	-33	-95	-156
Discounting of employee profit sharing	559	522	408
Tax-driven provisions	-308	-284	-260
Capitalised tax losses	-	-	651
Temporary differences from tax returns			
Provision for pensions	5,331	4,232	3,633
Provision for employee profit sharing	2,358	2,466	1,725
Provision for Organic tax	413	379	350
Provisions for investments	841	-	-
Differences in amortisation periods	383	117	-
Activated tax losses	214	-	-
Other	-33	44	31
TOTAL	12,119	8,273	7,572

8.4. Deferred tax assets not recognised by the Group

(in thousands of euros)	2007	2006	2005
Tax losses carried forward	13,687	22,762	16,864
Temporary differences	-	-	-
TOTAL	13,687	22,762	16,864

8.5. Maturity of tax losses carried forward

(in thousands of euros)	2007	2006	2005
N+1	4,188	2,197	2,842
N+2	5,131	2,437	4,316
N+3	3,517	2,393	1,721
N+4	3,350	2,532	2,570
N+5 and subsequent years	14,674	21,271	2,157
Tax losses carried forward with a maturity date	**30,860**	**30,830**	**13,606**
Tax losses which may be carried forward indefinitely	**16,385**	**42,172**	**43,194**
TOTAL	47,245	73,002	56,800
Deferred tax basis – activated	712	-	1,864
Deferred tax basis – not activated	46,533	73,002	54,936
Deferred tax – activated	214	-	651
Deferred tax – not activated	13,687	22,762	16,864

Note 9 | Trade accounts receivable

(in thousands of euros)	2007	2006	2005
Trade accounts receivable	280,982	252,395	224,549
Unbilled revenue	93,577	84,520	79,284
Doubtful debtors	3,903	3,024	3,552
Accrued credit notes	-16,108	-13,530	-13,364
Provision for doubtful debtors	-3,390	-2,590	-3,072
TOTAL	**358,964**	**323,819**	**290,949**

Unbilled revenue is comprised essentially of work performed in respect of fixed-price projects recognised using the percentage-of-completion method (see Note 1.22.a). Invoices are generally prepared for these contracts upon completion of the services rendered and the latter are paid over the lifespan of the projects through payments on account.

Working capital requirements (WCR)-Trade accounts receivable at 31 December 2007 represents about 2.6 months, unchanged from 31 December 2006. This ratio is calculated by comparing the WCR with the revenue generated in the final quarter of the year. The WCR is obtained by stripping out VAT from the *Trade accounts receivable* balance and subtracting the deferred income balance appearing under liabilities. The average settlement period of invoices issued is approximately 60 days.

Note 10 | Other current receivables

(in thousands of euros)	2007	2006	2005
Staff and social security	2,430	1,212	1,550
Tax receivables (other than corporate income tax)	14,176	12,101	9,360
Corporate income tax	2,360	3,035	8,341
Leased equipment	491	331	1,247
Other receivables	654	336	403
Prepayments	3,755	3,735	2,993
TOTAL	**23,866**	**20,750**	**23,894**

Tax receivables of €14.176 million relate mainly to deductible VAT (of €12.558 million).

Note 11 | Derivatives

(in thousands of euros)	2007	2006	2005
Asset derivatives	3,210	2,824	-
Liability derivatives	-1,105	-1,396	-
NET AMOUNT	**2,105**	**1,428**	**-**

Derivatives included under assets in the amount of €3.210 million correspond to an interest rate swap agreement that swaps the variable Euribor six-month rate of the syndicated loan against a fixed rate of 3.16%. A second swap is included in current liabilities for the amount of €1.105 million. This second agreement swaps the fixed rate of 3.16% against a variable Euribor 12-month post-fixed rate (see Note 33.3.a). These two instruments were put in place in connection with the syndicated loan signed in October 2005 (see Note 14.1).

The net amount resulting from the valuation of these swaps at 31 December 2007 was taken to *Other financial income and expenses* for the amount of €0.677 million.

Note 12 | Cash and cash equivalents

The cash flow statement is presented on page 59.

12.1. Statement of net cash and cash equivalents

(in thousands of euros)	2007	2006	2005
Investment securities	152	20,685	12,465
Cash	26,421	30,008	40,789
Cash and cash equivalents	**26,573**	**50,693**	**53,254**
Overdrafts	-9,814	-3,798	-1,901
TOTAL	**16,759**	**46,895**	**51,353**

Net cash and cash equivalents include available liquid funds (cash and positive bank balances), liquid marketable securities that meet the definition of cash equivalents as indicated in Note 1.16, bills of exchange presented for collection and falling due before 1 January and temporary bank overdrafts. It is closely related to the mobilisation of the medium term loans (mainly the syndicated credit set up at the end of October 2005) at the end of the financial year. Net debt, presented in Note 14.1, is more representative of the Group's financial position.

12.2. Investment securities

Type of security *(in thousands of euros)*	2007	2006	2005
Monétaire Euro OPCVM money-market fund units	-	20,241	12,462
Other	152	444	3
TOTAL	**152**	**20,685**	**12,465**

Note 13 | Consolidated equity

The consolidated statement of changes in equity is presented on page 58.

13.1. Changes in the share capital

At 31 December 2007 Sopra Group had share capital of €46,686,124 comprising 11,671,531 fully-paid shares with a nominal value of €4 each.

Movements occurring in 2007 included the exercise of stock options: 204,696 shares were created corresponding to a capital increase of €818,784 and a share premium of €3,927,276, for a total of €4,746,060.

13.2. Share subscription option plans

Grant date	Number of options allocated initially	Start date of exercise period	End of exercise period	Exercise price	Number of shares cancelled at 31/12/2007	o/w cancelled in 2007	Number of options exercised at 31/12/2007	o/w options exercised in 2007	Number of options remaining to be exercised at 31/12/2007	Fair value of options at the grant date
Plan No. 3 – 1998 stock option plan (General Meeting of 07/01/1998): maximum of 721,250 shares										
13/01/1998	614,000	01/10/2002	12/01/2006	€15.37	70,175	-	543,825	-	-	Not applicable
04/12/1998	25,000	25/02/2003	24/08/2006	€46.86	25,000	-	-	-	-	Not applicable
03/03/1999	20,000	04/03/2004	02/03/2007	€48.50	10,000	-	10,000	5,400	-	Not applicable
12/10/1999	51,750	13/10/2004	12/10/2007	€46.20	49,000	3,000	2,750	-	-	Not applicable
16/12/2002	129,250	17/12/2007	15/12/2010	€22.50	40,250	1,000	79,450	79,450	9,550	€6.36
Total	**840,000**				**194,425**	**4,000**	**636,025**	**84,850**	**9,550**	
Plan No. 4 – 2000 stock option plan (General Meeting of 29/06/2000): maximum of 714,774 shares										
29/06/2000	33,900	30/06/2005	29/06/2008	€73.00	33,800	-	-	-	100	Not applicable
22/03/2001	301,500	23/03/2006	22/03/2009	€61.40	283,500	-	-	-	18,000	Not applicable
19/12/2001	34,600	20/12/2006	19/12/2009	€61.40	34,600	-	-	-	-	Not applicable
24/04/2002	6,000	25/04/2007	23/04/2010	€61.40	3,000	-	-	-	3,000	Not applicable
16/12/2002	303,200	17/12/2007	15/12/2010	€22.50	48,750	4,600	131,846	119,846	122,604	€6.36
03/09/2003	88,000	04/09/2008	02/09/2011	€32.50	10,800	2,500	-	-	77,200	€12.15
13/01/2004	23,000	14/01/2009	12/01/2012	€35.90	4,000	1,000	-	-	19,000	€11.36
Total	**790,200**				**418,450**	**8,100**	**131,846**	**119,846**	**239,904**	
Plan No. 5 – 2005 stock option plan (General Meeting of 26/05/2005): maximum of 321,958 shares										
25/07/2006	30,000	26/07/2011	24/07/2014	€57.85	-	-	-	-	30,000	€13.10
21/12/2006	67,000	22/12/2011	20/12/2014	€58.80	5,000	5,000	-	-	62,000	€17.47
08/01/2007	5,000	09/01/2012	07/01/2015	€60.37	5,000	5,000	-	-	-	€15.28
Total	**102,000**				**10,000**	**10,000**	**-**	**-**	**92,000**	
TOTAL FOR PLANS						**22,100**		**204,696**	**341,454**	

As noted above, 84,850 shares under Plan No. 3 and 119,846 shares under Plan No. 4 were exercised in 2007.

A total of 22,100 shares were retired, their beneficiaries having left the company before completing their vesting period.

5,000 options were granted during the financial year for Plan No. 5. These options were later cancelled due to the departures of their beneficiaries.

No more options may be allocated under Plan No. 3 or Plan No. 4 (the five-year authorisation granted by the Extraordinary General Meeting has expired). There are 229,958 options remaining to be allocated under Plan No. 5.

At 31 December 2007, the total number of options already allocated that may be exercised in respect of the various plans detailed above comes to 341,454, with 229,958 options remaining to be allocated, bringing the maximum total number of shares that may be created to 571,412.

13.3. Capital reserves

(in thousands of euros)	2007	2006	2005
Share issue, merger and contribution premium	47,094	42,309	41,248
Legal reserve	4,587	4,577	4,293
TOTAL	**51,681**	**46,886**	**45,541**

The principal movements in 2007 are as follows:

- exercise of share options: €3.927 million;
- value of services rendered related to the share options: €0.859 million;
- appropriation of 2007 Sopra Group profit to the legal reserve: €0.009 million.

13.4. Transactions in treasury shares

At 31 December 2007, Sopra Group held 2,175 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €116,515, representing an average purchase price of €53.57.

All transactions in treasury shares are taken directly to shareholders' equity. The cumulative impact at 31 December 2007 is a deduction of €80 thousand (cf. *Statement of changes in consolidated shareholders' equity*).

13.5. Dividends

Sopra Group's Combined General Meeting of 8 June 2007, resolved to distribute a dividend of €15,480 thousand, i.e. €1.35 per share. This dividend was paid on 15 June 2007. The dividend paid the previous financial year totalled €12,588 thousand, i.e. €1.10 per share.

Upon approval of the financial statements for financial year 2007, the 2008 General Meeting is invited to distribute a dividend of €1.65 per share, representing a total of €19,258 thousand.

13.6. Capital management objectives, policy and procedures

The company's capital is uniquely comprised of the items disclosed in the balance sheet. There are no financial liabilities considered as components of capital and, conversely, there are no equity components not considered to be part of the company's capital.

The company does not operate under any external capital constraints, with the exception of the covenant contained within the current syndicated loan agreement that its gearing ratio (net debt to equity) must remain below 1 over the entire term of the loan. At 31 December 2007, this ratio was 0.52.

Note 14 | Financial debt

14.1. Consolidated net debt

(in thousands of euros)	Current	Non-current	2007	2006	2005
Bank loans	5,868	115,000	120,868	121,485	160,216
Liabilities on finance lease contracts	4,137	5,538	9,675	8,972	7,900
Employee profit sharing	2,519	13,781	16,300	13,821	11,966
Other sundry financial liabilities	78	109	187	346	-
Bank overdrafts	9,814	-	9,814	3,798	1,901
FINANCIAL DEBT	**22,416**	**134,428**	**156,844**	**148,422**	**181,983**
Investment securities	-152	-	-152	-20,685	-12,465
Cash and cash equivalents	-26,421	-	-26,421	-30,008	-40,789
NET DEBT	**-4,157**	**134,428**	**130,271**	**97,729**	**128,729**

Bank loans

In late October 2005, the Group implemented a 7-year €200 million, reducible, multi-currency revolving credit facility with its six partner banks, payable semi-annually. The credit facility was set up to pay down existing debt, ensure the financing of acquisitions and internal growth, lengthen debt maturity, and optimise repayment conditions.

At 31 December 2007, the authorised amount was €144 million. The reductions will be €14 million at 21 April 2008 and €15 million at 21 October 2008, resulting in an authorised amount of €115 million at 31 December 2008.

The applicable interest rate is the Euribor rate for the drawdown period concerned plus a margin adjusted on a half yearly basis as a function of the leverage ratio (net debt to gross operating profit). The net debt in question does not take into account the employee profit sharing liability but does include liabilities related to earnouts. The margin may range from 0.30% to 0.65%. The margin applied in 2007 was 0.35%, then 0.40%. It will be 0.35% for the first part of 2008. A commitment fee equivalent to 0.35% of the margin also applies.

Three financial ratios must be met:

- the leverage ratio (net debt to EBITDA) must be less than 3;
- the gearing ratio (net debt to equity) must be less than 1;

- the debt service coverage ratio (operating profit to net borrowing cost) must be greater than 5.

At 31 December 2007, these targets were amply achieved since the three ratios came to 1.27, 0.52 and 11.5, respectively.

Liabilities on finance lease contracts

The carrying amount of liabilities on finance lease contracts is €9.675 million, and the corresponding future financial expense amounts to €0.482 million, representing a total minimum future payment for finance leases of €10.157 million.

(in thousands of euros)	2007			2006	2005
	Minimum payments for finance leases	**Future financial expense**	**Present value of future lease payments**	**Present value of future lease payments**	**Present value of future lease payments**
Less than one year	4,408	271	4,137	3,674	3,113
One to five years	5,749	211	5,538	5,298	4,787
More than five years	-	-	-	-	-
TOTAL	**10,157**	**482**	**9,675**	**8,972**	**7,900**

Employee profit sharing

As from 2002, profit sharing reserves for Sopra Group and Axway Software, which were formerly managed in the form of fixed-interest current accounts frozen over a period of five years, may now be invested in multi-business company mutual funds (FCP). Orga Consultants' profit sharing reserves are fully invested in such company mutual funds.

Profit sharing liabilities are subject to adjustment to take into account the existing variance between the contractual interest rate applied, and the applicable regulatory rate ceiling.

14.2. Statement of changes in net debt

(in thousands of euros)	2007	2006	2005
NET DEBT AT 1 JANUARY (A)	**97,729**	**128,729**	**58,933**
Net cash from operating activities before changes in working capital	**67,724**	**58,802**	**45,731**
Cost of net financial debt	7,825	6,347	3,898
Income taxes (including deferred tax)	25,231	22,070	16,947
Cash from operations before changes in working capital	**100,780**	**87,219**	**66,576**
Tax paid	-38,166	-1,325	-14,206
Changes in working capital requirements	-10,887	4,393	-1,244
Net cash from operating activities	**51,727**	**90,287**	**51,126**
Change related to investing activity	-13,869	-13,116	-8,572
Net interest paid	-7,873	-6,005	-3,898
Available net cash flow	**29,985**	**71,166**	**38,656**
Impact of changes in scope	-49,218	-25,554	-103,212
Financial investments	173	368	258
Dividends	-15,479	-12,586	-8,585
Capital increase in cash	4,746	525	4,098
Employee profit sharing	-2,479	-1,854	689
Application of IAS 32/39	-	-	-1,004
Other changes	-116	-631	-926
TOTAL NET CHANGE DURING THE YEAR (B)	**-32,388**	**31,434**	**-70,026**
Impact of changes in foreign exchange rates	-154	-434	230
NET DEBT AT 31 DECEMBER (A-B)	**130,271**	**97,729**	**128,729**

Tax paid: -€38.166 million

Sopra Group benefited from the ability to carry forward the tax losses of Valoris in connection with the merger transaction carried out at the end of 2005. A corporate income tax reimbursement of €8.788 million, corresponding to the difference between the amount of the tax credit transferred (€11.099 million) and the balance due to cover the remaining tax payable for 2005 (€2.311 million), was issued in early May 2006. Furthermore, as a result of this operation, Sopra Group was not required to make a provisional corporate income tax payment for 2006; rather, the full tax payment was paid in 2007 for the amount of €13.395 million. The theoretical amount of provisional payments that would otherwise have been made in 2006 is €10.912 million.

The amount of corporate income tax that would normally have been paid in 2007 and 2006 in the absence of these operations is therefore:

(in thousands of euros)	2007	2006
Income taxes paid	-38,166	-1,325
Valoris tax credit reimbursement	-	-8,788
Theoretical provisional payments for 2006	10,912	-10,912
Restated income taxes paid	**-27,254**	**-21,025**

Impact of changes in the scope of consolidation: -€49.218 million

(in thousands of euros)	2007	2006	2005
Cost of acquisitions (excluding earnouts)	60,919	25,656	123,455
Portion remunerated in Sopra Group shares	-	-	-23,975
Net debt/net cash of acquired companies	-27,116	-1,438	-539
Deferred payments	-	1,000	-1,550
Earnouts paid in respect of prior year acquisitions	15,415	336	5,821
TOTAL	**49,218**	**25,554**	**103,212**

This amount takes into account:

- the acquisition of the B2B business of Atos Origin in Germany in early February 2007 for €21.698 million less net cash recorded in the balance sheet of the acquired entity for €4.245 million, thus a net amount of €17.453 million;
- the acquisition in late June 2007 of Methosystem in Italy for €1.700 million plus its net debt (€163 thousand), for a total of €1.863 million;
- the acquisition in October 2007 of Business Architects International in Belgium for €37.521 million, less the entity's net cash, thus a net amount of €14.487 million;
- the payment of earnouts in respect of the 2006 financial year for PROFit, Newell & Budge, Cyclone Commerce and Beler for a total amount of €15.415 million.

Employee profit sharing: -€2.479 million

This amount corresponds mainly to the difference between the profit sharing for 2006 transferred to reserves in 2007 and the profit sharing for 2001 released in 2007.

Note 15 | Deferred tax liabilities

See Note 8.

Note 16 | Provisions for pensions and similar commitments

These provisions relate to two non-financed defined benefit plans in France and Italy.

(in thousands of euros)	01/01/2007	Actuarial differences at 01/01/2007	Changes in scope	Charge for the year	Recovery for the year (provision used)	Change in actuarial differences	31/12/2007
France	12,292	2,110	-	2,679	-10	5,527	22,598
Italy	2,223	-	488	619	-408	-	2,922
TOTAL	**14,515**	**2,110**	**488**	**3,298**	**-418**	**5,527**	**25,520**
Impact (net of expenses incurred)							
Profit from recurring operations				2,260			
Financial income (expense)				1,038			
TOTAL				**3,298**			

In France, the defined benefits scheme relates to the payment of retirement benefits. The Group provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement with respect to the retirement scheme modified in 2004 pursuant to the retirement reform measures introduced by the Loi Fillon of 21 August 2003. Provisions for retirement benefits are recognised in accordance with the conditions in Note 1.19.

The main actuarial hypotheses retained for this plan are as follows:

	31/12/2007	31/12/2006	31/12/2005
Discount rate of commitments	4.70%	4.25%	4.00%
Future salary growth rate	2.50%	2.50%	2.50%
Retirement date	65 years	65 years	65 years
Mortality table	Insee 2000-2002	Insee 2000-2002	Insee 1998-2000

Assumptions referring to mortality rates are based on published statistical data. Turnover tables are established for each company concerned by five-year age groups and are updated at each balance sheet date to reflect separation data for the last five years.

A ± 1.0 point change in the discount rate would have an impact of about ± €3 million on the total commitment.

The Social Security Financing Act for 2007 removed the possibility of companies to retire employees under the age of 65.

The Social Security Financing Act for 2008 introduced a contribution to be paid by the employer as part of the benefits due to an employee whose retirement is at the request of the employer. This contribution amounts to 50% but is limited to 25% for benefits paid between 11 October 2007 and 31 December 2008. It applies irrespective of the age of the employee (whether retirement occurs before or after the age of 65).

Given the procedures for departures within the company, this 50% contribution was deemed to apply to all staff members.

The changes entailed by these new legal provisions have been considered by the Group as changes in actuarial assumptions for the following reasons:

- the changes introduced by the new legal provisions do not have a direct impact on the gross amount received by employees;
- the agreements in force at the date of entry into application of the Act have not yet been amended: benefits awarded to employees may change at a later date once a new agreement has been concluded;
- the abandonment of an existing departure procedure and the introduction of a new contribution to the benefits paid in the event of retirement at the request of the employer entail the adjustment by the Group of its actuarial assumptions as defined under IAS 19.

Table showing the change in provision for retirement indemnities (France)

(in thousands of euros)	**Present value of the obligation not financed**	**Unrecognised actuarial differences**	**Net commitments**	**Unrecognised actuarial differences**
31 December 2004	**9,263**	**-**	**9,263**	**1,093**
Past service cost	832	-	832	832
Financial cost	457	-	457	457
Net actuarial gains/losses recognised in profit and loss	1	-	1	1
Benefits paid to employees	-	-	-	-
Change in actuarial differences not recognised	1,285	-1,285	-	-
31 December 2005	**11,838**	**-1,285**	**10,553**	**1,290**
Past service cost	1,071	-	1,071	1,071
Financial cost	587	-	587	587
Net actuarial gains/losses recognised in profit and loss	81	-	81	81
Benefits paid to employees	-	-	-	-
Change in actuarial differences not recognised	825	-825	-	-
31 December 2006	**14,402**	**-2,110**	**12,292**	**1,739**
Past service cost	1,641	-	1,641	1,641
Financial cost	1,038	-	1,038	1,038
Benefits paid to employees	-10	-	-10	-10
Change in actuarial differences in 2007	5,527	-	5,527	-
Actuarial differences not recognised at 01/01/2007	-	2,110	2,110	-
31 DECEMBER 2007	**22,598**	**-**	**22,598**	**2,669**

Experience adjustments arising on scheme liabilities are presented in the table below:

(in thousands of euros)	**2007**	**2006**
Present value of defined benefit scheme obligations	22,598	14,402
Experience adjustments on scheme liabilities	-529	-79
Experience adjustments on scheme liabilities (as % of obligations)	-2.34%	-0.55%

In Italy, the defined benefits scheme relates to the payment of regulatory termination benefits *(Trattamento di Fine Rapporto)*. These payments are calculated as a proportion of the employee's gross annual salary and are linked to the price index issued by the Italian Institute of Statistics (ISTAT). The method used to determine the Group's commitments in respect of these termination payments differs from the projected unit credit method since it is based on acquired rather than projected entitlements. The variance between the two methods is not material.

Note 17 | Non-current provisions

(in thousands of euros)	01/01/2007	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	31/12/2007
Provisions for disputes	2,081	-	397	-952	-433	1,093
Provisions for guarantees	-	1,140	-	-	-160	980
Provisions for contingencies – Non-consolidated subsidiaries	426	-	-	-	-294	132
Other provisions for contingencies	1,468	1,367	-	-458	-1,406	971
Sub-total provisions for contingencies	**3,975**	**2,507**	**397**	**-1,410**	**-2,293**	**3,176**
Provisions for losses – Valoris subsidiaries	14	-	-	-14	-	-
Other provisions for losses	-	160	1,174	-5	-	1,329
Sub-total provisions for losses	**14**	**160**	**1,174**	**-19**	**-**	**1,329**
TOTAL	**3,989**	**2,667**	**1,571**	**-1,429**	**-2,293**	**4,505**
Impact (net of expenses incurred)						
Profit from recurring operations			1,563		-893	
Financial income/(expense)			8		-1,400	
TOTAL			**1,571**		**-2,293**	

- Provisions for disputes mainly relate to labour arbitration proceedings, severance pay and a few trade disputes.
- Provisions for non-consolidated subsidiaries relate to the termination of the businesses of Sopra Group GmbH in Germany and of the Valoris subsidiaries.
- Other provisions for contingencies include a charge of €1.400 million intended to cover the anticipated impairment of interest rate hedging instruments at 31 December 2006.
- Changes in the scope of consolidation relate to the acquisition of the B2B business of Atos Origin in Germany.

Note 18 | Other non-current liabilities

(in thousands of euros)	**2007**	2006	2005
Fixed asset liabilities – portion due in more than one year	6,692	17,393	21,078
Employee profit sharing during the year	6,842	7,433	4,712
Conditional advances	152	272	381
TOTAL	**13,686**	**25,098**	**26,171**

- Fixed asset liabilities include the portion due in more than one year of amounts that the Group estimates it will need to pay under the earnout clauses included in the acquisition agreements, for the amount of €6.692 million. The portion due in less than one year, recognised in *Other current liabilities*, was €8.436 million. The total amount of these liabilities is €15.128 million at 31 December 2007.
- Employee profit sharing represents amounts booked to staff costs for the year by Sopra Group and Axway. These amounts increase financial debt for the following year.
- Conditional advances consist of subsidies received from OSEO by Acanthis, which was acquired by Sopra Group in January 2005 and merged in 2005.

Note 19 | Trade accounts payable

(in thousands of euros)	2007	2006	2005
Trade accounts payable	49,502	42,019	36,592
Trade accounts payable – advances and payments on account, accrued credit notes	-1,043	-253	-232
TOTAL	**48,459**	**41,766**	**36,360**

Note 20 | Other current liabilities

(in thousands of euros)	2007	2006	2005
Fixed asset liabilities – portion due in less than one year	9,403	17,181	2,364
Staff cost liabilities	129,921	116,813	105,898
Tax liabilities (excluding corporate income tax)	72,723	63,645	59,920
Corporate income tax	3,150	15,604	1,331
Deferred income	52,564	57,331	37,171
Other liabilities	1,072	629	513
TOTAL	**268,833**	**271,203**	**207,197**

As indicated in Note 18, fixed asset liabilities – portion due in less than one year comprise €8.436 million in earnouts related to acquisitions.

Staff cost liabilities include only amounts owed to social security bodies and employees and profit sharing for employees of Orga Consultants, which was transferred to a management body the following year.

Tax liabilities correspond essentially to value added tax collected from clients: the amount due for December, and the amount included under trade accounts receivable.

Deferred income corresponds essentially to services invoiced but not yet performed, based on their stage of completion (see Note 1.22).

Note 21 | Derivatives

Derivatives correspond to interest rate hedging instruments (see Notes 11 and 33.3.a).

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 22 | Revenue

22.1. Revenue by division

(in millions of euros)	2007		2006		2005	
Consulting	43.9	4.4%	41.0	4.6%	41.3	5.5%
SSI France	597.5	59.7%	537.9	59.9%	504.7	66.6%
SSI Europe	214.9	21.4%	201.9	22.5%	125.5	16.6%
Axway	145.1	14.5%	116.9	13.0%	85.5	11.3%
TOTAL	**1,001.4**	**100.0%**	**897.7**	**100.0%**	**757.0**	**100.0%**

SSI: Systems & Solutions Integration

22.2. Revenue by business sector

	2007	2006	2005
Banking	24.5%	23.2%	23.2%
Manufacturing	16.2%	15.9%	18.6%
Services (including real estate)	18.7%	21.0%	20.2%
Telecom	12.6%	12.6%	12.8%
Public sector	15.8%	14.1%	10.8%
Insurance	6.2%	7.3%	8.7%
Retail	6.0%	5.9%	5.7%
TOTAL	**100.0%**	**100.0%**	**100.0%**

22.3. International revenue

(in millions of euros)	2007		2006		2005	
Systems Integration – European subsidiaries	214.9	21.4%	201.9	22.5%	125.5	16.6%
Systems Integration – Excluding European subsidiaries	30.1	3.0%	27.4	3.0%	23.2	3.0%
Axway	83.9	8.4%	60.7	6.8%	35.5	4.7%
International revenue	**328.9**	**32.8%**	**290.0**	**32.3%**	**184.2**	**24.3%**
TOTAL REVENUE	**1,001.4**	**100.0%**	**897.7**	**100.0%**	**757.0**	**100.0%**

Note 23 | Purchases consumed

(in thousands of euros)	2007	% Revenue	2006	% Revenue	2005	% Revenue
Purchases of subcontracting services	95,584	9.5%	83,812	9.3%	71,802	9.5%
Purchases of equipment and supplies not held in inventory	7,417	0.7%	3,950	0.4%	2,953	0.4%
Purchases of merchandise and change in the inventory of merchandise	10,243	1.0%	16,276	1.8%	8,749	1.2%
TOTAL	113,244	11.3%	104,038	11.6%	83,504	11.0%

Note 24 | Staff costs

24.1. Analysis

(in thousands of euros)	2007	2006	2005
Salaries	465,353	415,974	352,895
Social charges	175,053	158,643	143,655
Employee profit sharing	7,475	7,952	5,418
TOTAL	647,881	582,569	501,968

24.2. Workforce

Workforce at year end	2007	2006	2005
France	7,580	6,750	6,550
International	3,740	3,160	2,550
TOTAL	11,320	9,910	9,100

Average workforce	2007	2006	2005
France	7,296	6,702	6,509
International	3,460	2,900	1,650
TOTAL	10,756	9,602	8,159

24.3. Employee profit sharing

Pursuant to the application of *IAS 32 and 39*, liabilities in respect of profit sharing were subject to a restatement described in Notes 1.20 and 14.1.

Employee profit sharing totalled €5.951 million for Sopra Group SA, €0.890 million for Axway €0.634 million for Orga Consultants.

24.4. Share subscription options

The cost of services rendered by staff in exchange for options received was booked to staff costs, in the amount of €0.859 million for financial year 2007 (see Note 1.17 and *Statement of changes in consolidated shareholders' equity*).

Information on outstanding share subscription option plans is provided in Note 13.2.

Note 25 | External expenses

(in thousands of euros)	2007		2006		2005	
Leases and charges	27,148	23.3%	24,805	23.3%	22.999	26.3%
Maintenance and repairs	6,017	5.2%	5,422	5.1%	5.095	5.8%
External structure personnel	4,150	3.6%	6,404	6.0%	2.425	2.8%
Remuneration of intermediaries and fees	7,337	6.3%	6,262	5.9%	4.177	4.8%
Advertising and public relations	5,392	4.6%	4,756	4.5%	2.966	3.4%
Travel and entertainment	47,726	40.9%	42,599	40.0%	37.491	42.8%
Telecommunications	6,035	5.2%	5,486	5.1%	5.467	6.2%
Sundry	12,890	11.0%	10,883	10.2%	6.887	7.9%
TOTAL	**116,695**	**100%**	**106,617**	**100%**	**87.507**	**100%**

Note 26 | Depreciation, amortisation, provisions and impairment

(in thousands of euros)	2007	2006	2005
Amortisation of intangible assets	1,086	1,138	1,151
Depreciation of property and equipment	6,319	5,327	4,722
Depreciation of assets held under finance lease	4,289	3,926	3,598
Depreciation and amortisation	**11,694**	**10,391**	**9,471**
Impairment of current assets net of unused reversals	-15	476	-
Provisions for contingencies and losses net of unused reversals	2,930	1,963	2,570
Provisions and impairment	**2,915**	**2,439**	**2,570**
TOTAL	**14,609**	**12,830**	**12,041**

Note 27 | Other operating income and expenses

In 2006, this caption includes the expenses related to the withdrawal from the Pyramid business, an offer of enterprise software and associated services developed for property managers, in the amount of €1.127 million.

In 2007, this item includes non-recurring expenses, in the amount of €673 thousand, related to the acquisition of the B2B business of Atos Origin: these expenses were incurred in order to provide an administrative, technical and supply chain structure for this business ensuring normal operations, following its disposal by Atos Origin, which had fulfilled these functions at the corporate level.

Note 28 | Financial income and expense

28.1. Cost of net financial debt

(in thousands of euros)	**2007**	**2006**	**2005**
Income from cash and cash equivalents	169	411	400
Interest charges	-7,983	-6,438	-4,231
Impact of the change in the value of the syndicated loan	-11	-320	-67
TOTAL	**-7,825**	**-6,347**	**-3,898**

The change in net financial expenses is mainly due to the increase in the debt generated by external growth operations and to the deferral until 2007 of the corporate income tax payment for 2006. The increase in interest rates was broadly hedged by the interest rate swap agreement put in place at the signing of the syndicated loan.

28.2. Other financial income and expense

(in thousands of euros)	**2007**	**2006**	**2005**
Charges and reversals of provisions	1,759	-1,519	236
Discounting of retirement commitments	-1,038	-587	-458
Discounting of employee profit sharing	439	338	345
Discounting of earnouts in respect of companies acquired	-373	-1,132	-247
Change in the value of derivatives	677	1,428	-
Realised foreign exchange gains and losses	-597	-241	-136
Unrealised foreign exchange gains and losses	-3,817	850	224
Other financial charges and expense	950	-438	28
TOTAL	**-2,000**	**-1,301**	**-8**

Charges and reversals of provisions include a charge of €1.400 million intended to cover the anticipated impairment of interest rate hedging instruments at 31 December 2006.

Discounting of retirement commitments: see Note 16

Discounting of employee profit sharing: see Note 14.1

Discounting of earnouts in respect of companies acquired: see Note 18.

The caption *Change in the value of derivatives* recognises the net change (€0.677 million) of the fair value of the two interest rate hedging instruments put in place in connection with the syndicated loan signed in October 2005.

Unrealised foreign exchange gains and losses mainly involve inter-company accounts denominated in GDP (sharp fall in this currency beginning in mid-November) and USD.

Note 29 | Tax charge

29.1. Analysis

(in thousands of euros)	**2007**	**2006**	**2005**
Current tax	25,441	22,772	6,553
Deferred tax	-210	-702	10,394
TOTAL	**25,231**	**22,070**	**16,947**

29.2. Reconciliation between the theoretical and effective tax charge

(in thousands of euros)	**2007**	**2006**	**2005**
Net profit	55,097	44,206	35,259
Tax charge	-25,231	-22,070	-16,947
Profit before tax	80,328	66,276	52,206
Theoretical tax rate	**34.43%**	**34.43%**	**34.93%**
Theoretical tax charge	**-27,657**	**-22,819**	**-18,236**
Reconciliation			
Permanent differences	-249	-733	-241
Impact of non-capitalised losses for the year	-2,246	-552	-158
Use of non-activated losses carried forward	3,574	755	1,092
Impact of tax credits	779	738	304
Tax rate differences – France/Other countries	608	531	302
Prior year tax adjustments	-38	-	-10
Other	-2	10	-
Actual tax charge	**-25,231**	**-22,070**	**-16,947**
Effective tax rate	**31.41%**	**33.30%**	**32.46%**

The effective tax rate for 2007 is 31.4% of profit before tax, compared to 33.3% in 2006. This improvement is due to the use of tax losses and the decline in the corporate income tax rate in Spain.

Note 30 | Earnings per share

(in euros)	**2007**	**2006**	**2005**
Net profit – Group share	55,096,763	44,206,004	35,259,027
Weighted average number of ordinary shares in issue	11,477,548	11,461,664	10,861,908
BASIC NET EARNINGS PER SHARE	**4.80**	**3.86**	**3.25**

(in euros)	**2007**	**2006**	**2005**
Net profit – Group share	55,096,763	44,206,004	35,259,027
Weighted average number of ordinary shares in issue	11,477,548	11,461,664	10,861,908
Weighted average number of securities retained in respect of dilutive items	123,862	239,379	218,002
Weighted average number of shares retained for the calculation of diluted net earnings per share	11,601,410	11,701,043	11,079,910
DILUTED NET EARNINGS PER SHARE	**4.75**	**3.78**	**3.18**

The methods of calculating earnings per share are described in Note 1.24.

The only dilutive items are share subscription options, which are analysed in Note 13.2.

OTHER INFORMATION

Note 31 | Segment and geographical information

31.1. Results by division

a. Systems & Solutions Integration – France

(in millions of euros)	2007		2006		2005	
Revenue	597.5		537.9		504.7	
Profit from recurring operations	52.3	*8.8%*	44.1	*8.2%*	37.5	*7.4%*
Operating profit	52.3	*8.8%*	43.0	*8.0%*	37.5	*7.4%*

b. Consulting

(in millions of euros)	2007		2006		2005	
Revenue	43.9		41.0		41.3	
Profit from recurring operations	4.5	*10.3%*	4.0	*9.8%*	5.0	*12.1%*
Operating profit	4.5	*10.3%*	4.0	*9.8%*	5.0	*12.1%*

c. Systems & Solutions Integration – Europe

(in millions of euros)	2007		2006		2005	
Revenue	214.9		201.9		125.5	
Profit from recurring operations	19.5	*9.1%*	15.1	*7.5%*	4.8	*3.8%*
Operating profit	19.5	*9.1%*	15.1	*7.5%*	4.8	*3.8%*

d. Axway

(in millions of euros)	2007		2006		2005	
Revenue	145,1		116,9		85,5	
Profit from recurring operations	14.5	*10.0%*	11.8	*10.1%*	8.8	*10.3%*
Operating profit	13.8	*9.5%*	11.8	*10.1%*	8.8	*10.3%*

e. Group

(in millions of euros)	2007		2006		2005	
Revenue	1,001.4		897.7		757.0	
Profit from recurring operations	90.8	*9.1%*	75.0	*8.4%*	56.1	*7.4%*
Operating profit	90.1	*9.0%*	73.9	*8.2%*	56.1	*7.4%*

31.2. Geographical breakdown of revenue

(in millions of euros)	France	United Kingdom	Spain	Other European countries	Other zones	TOTAL
Revenue	672.5	94.3	82.1	106.7	45.8	**1,001.4**

31.3. Breakdown of the main assets per division

(in thousands of euros)	Consulting	SSI France	SSI Europe	Axway	TOTAL
Goodwill	3,876	49,245	172,065	75,372	**300,558**
Property and equipment	-	28,573	3,079	1,306	**32,958**
Trade accounts receivable	15,606	207,121	84,074	52,163	**358,964**

31.4. Geographical breakdown of the main assets

(in thousands of euros)	France	United Kingdom	Spain	Other European countries	Other zones	TOTAL
Goodwill	54,182	63,684	84,297	67,967	30,428	**300,558**
Property and equipment	26,033	754	3,600	1,446	1,125	**32,958**
Trade accounts receivable	249,209	25,402	38,683	36,221	9,449	**358,964**

Note 32 | Financial instruments

32.1. Derivatives reported in the balance sheet

a. At 31 December 2007

(in thousands of euros)	*Notes*	31/12/2007	Breakdown by class of derivative instrument				
		Balance sheet value	Outside scope of IFRS 7	Assets and liabilities at fair value through profit and loss	Assets available for sale	Loans and receivables	Financial debt at amortised cost
Goodwill	*4*	300,558	300,558	-	-	-	-
Intangible assets	*5*	5,234	5,234	-	-	-	-
Property and equipment	*6*	32,958	32,958	-	-	-	-
Financial assets	*7*	4,003	-	-	1,301	2,702	-
Deferred tax assets	*8*	13,147	13,147	-	-	-	-
Non-current assets		**355,900**	**351,897**	**-**	**1,301**	**2,702**	**-**
Inventories and work in progress		274	274	-	-	-	-
Trade accounts receivable	*9*	358,964	-	-	-	358,964	-
Other current receivables	*10*	23,866	-	-	-	23,866	-
Derivatives	*11*	3,210	-	3,210	-	-	-
Cash and cash equivalents	*12*	26,573	-	26,573	-	-	-
Current assets		**412,887**	**274**	**29,783**	**-**	**382,830**	**-**
TOTAL ASSETS		**768,787**	**352,171**	**29,783**	**1,301**	**385,532**	**-**
Share capital		46,686	46,686	-	-	-	-
Capital reserves		51,681	51,681	-	-	-	-
Consolidated reserves		110,774	110,774	-	-	-	-
Profit for the year		55,097	55,097	-	-	-	-
Losses taken directly to equity		-15,433	-15,433	-	-	-	-
Equity – Group share		**248,805**	**248,805**	**-**	**-**	**-**	**-**
Minority interests		**2**	**2**	**-**	**-**	**-**	**-**
TOTAL EQUITY	*13*	**248,807**	**248,807**	**-**	**-**	**-**	**-**
Financial debt – long-term portion	*14*	134,428	-	-	-	-	134,428
Deferred tax liabilities	*15*	1,028	1,028	-	-	-	-
Provision for post-employment benefits	*16*	25,520	25,520	-	-	-	-
Non-current provisions	*17*	4,505	4,505	-	-	-	-
Other non-current liabilities	*18*	13,686	6,692	-	-	152	6,842
Non-current liabilities		**179,167**	**37,745**	**-**	**-**	**152**	**141,270**
Financial debt – short-term portion	*14*	22,416	-	-	-	-	22,416
Trade accounts payable	*19*	48,459	-	-	-	48,459	-
Other current liabilities	*20*	268,833	8,436	-	-	260,397	-
Derivatives	*21*	1,105	-	1,105	-	-	-
Current liabilities		**340,813**	**8,436**	**1,105**	**-**	**308,856**	**22,416**
TOTAL LIABILITIES		**519,980**	**46,181**	**1,105**	**-**	**309,008**	**163,686**
TOTAL LIABILITIES AND EQUITY		**768,787**	**294,988**	**1,105**	**-**	**309,008**	**163,686**

b. **At 31 December 2006**

(in thousands of euros)	*Notes*	**31/12/2006**	**Breakdown by class of derivative instrument**				
		Balance sheet value	**Outside scope of IFRS 7**	**Assets and liabilities at fair value through profit and loss**	**Assets available for sale**	**Loans and receivables**	**Financial debt at amortised cost**
Goodwill	*4*	278,654	278,654	-	-	-	-
Intangible assets	*5*	1,538	1,538	-	-	-	-
Property and equipment	*6*	31,968	31,968	-	-	-	-
Financial assets	*7*	4,068	-	-	1 301	2,767	-
Deferred tax assets	*8*	8,557	8,557	-	-	-	-
Non-current assets		**324,785**	**320,717**	**-**	**1 301**	**2,767**	**-**
Inventories and work in progress		23	23	-	-	-	-
Trade accounts receivable	*9*	323,819	-	-	-	323,819	-
Other current receivables	*10*	20,750	-	-	-	20,750	-
Derivatives	*11*	2,824	-	2,824	-	-	-
Cash and cash equivalents	*12*	50,693	-	50,693	-	-	-
Current assets		**398,109**	**23**	**53,517**	**-**	**344,569**	**-**
TOTAL ASSETS		**722,894**	**320,740**	**53,517**	**1 301**	**347,336**	**-**
Share capital		45,867	45,867	-	-	-	-
Capital reserves		46,886	46,886	-	-	-	-
Consolidated reserves		82,136	82,136	-	-	-	-
Profit for the year		44,206	44,206	-	-	-	-
Losses taken directly to equity		-2,875	-2,875	-	-	-	-
Equity – Group share		**216,220**	**216,220**	**-**	**-**	**-**	**-**
Minority interests		**1**	**1**	**-**	**-**	**-**	**-**
TOTAL EQUITY	*13*	**216,221**	**216,221**	**-**	**-**	**-**	**-**
Financial debt – long-term portion	*14*	136,487	-	-	-	-	136,487
Deferred tax liabilities	*15*	284	284	-	-	-	-
Provision for post-employment benefits	*16*	14,515	14,515	-	-	-	-
Non-current provisions	*17*	3,989	3,989	-	-	-	-
Other non-current liabilities	*18*	25,098	17,393	-	-	7,705	-
Non-current liabilities		**180,373**	**36,181**	**-**	**-**	**7,705**	**136,487**
Financial debt – short-term portion	*14*	11,935	-	-	-	-	11,935
Trade accounts payable	*19*	41,766	-	-	-	41,766	-
Other current liabilities	*20*	271,203	15,598	-	-	255,605	-
Derivatives	*21*	1,396	-	1,396	-	-	-
Current liabilities		**326,300**	**15,598**	**1,396**	**-**	**297,371**	**11,935**
TOTAL LIABILITIES		**506,673**	**51,779**	**1,396**	**-**	**305,076**	**148,422**
TOTAL LIABILITIES AND EQUITY		**722,894**	**268,000**	**1,396**	**-**	**305,076**	**148,422**

32.2. Impact of derivatives on profit or loss

The impact of derivatives on profit or loss is not material and mainly relates to the change in value of interest rate hedging instruments as described under Note 11.

Note 33 | Financial risk factors

33.1. Credit risk

(in thousands of euros)	Carrying value	Of which: impaired	Of which: neither impaired nor past due at the balance sheet date	Of which: not impaired at the balance sheet date but past due, with the following breakdown:					
				Less than 30 days	Between 30 and 60 days	Between 61 and 90 days	Between 91 and 180 days	Between 181 and 360 days	More than 360 days
Receivables (including doubtful debtors)	284,885	3,390	198,331	39,177	22,254	12,845	5,042	3,699	147

33.2. Liquidity risk

According to the definition given by the *Autorité des marchés financiers,* liquidity risk arises when assets are longer term than liabilities. This can result in an inability to repay short-term debt if the company is unable to sell the asset in question or obtain bank credit lines.

The Group considers that it is not exposed to this type of risk in view of its overall financial structure, the level and structure of current assets and debt (see Note 14), and its capacity to mobilise additional financing if necessary.

Consolidated net debt by maturity is presented in the table below:

(in thousands of euros)	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	TOTAL
Bank loans	5,868	29,000	28,000	29,000	29,000	-	120,868
Finance lease liabilities	4,137	2,987	1,780	771	-	-	9,675
Employee profit sharing	2,519	2,174	2,522	3,435	5,650	-	16,300
Other sundry financial debt	78	-	-	-	-	109	187
Bank overdrafts	9,814	-	-	-	-	-	9,814
Total financial debt	**22,416**	**34,161**	**32,302**	**33,206**	**34,650**	**109**	**156,844**
Investment securities	-152	-	-	-	-	-	-152
Cash and equivalents	-26,421	-	-	-	-	-	-26,421
CONSOLIDATED NET DEBT	**-4,157**	**34,161**	**32,302**	**33,206**	**34,650**	**109**	**130,271**

33.3. Market risk

a. Interest rate risk

Interest rate risk is managed by the Group's Finance Department in collaboration with the Group's main partner banking establishments.

The analysis of financial assets and liabilities by type of interest rate (fixed or variable) is provided in the following table:

(in thousands of euros)	2007	Rate	Interest/exchange rate hedges
Bank loans	120,868	Variable	Swaps
Finance lease liabilities	9,675	Fixed	None
Employee profit sharing	16,300	Fixed	None
Other sundry financial debt	187	Fixed	None
Bank overdrafts	9,814	Variable	None
Total financial debt	**156,844**		
Investment securities	-152	Variable	None
Cash and equivalents	-26,421	Variable	None
CONSOLIDATED NET DEBT	**130,271**		

At 31 December 2007, net debt amounted to €130.3 million and was composed for 79.9% (€104.1 million) of debt at variable interest rates, generally based on the Euribor rate, and for 20.1% (€26.2 million) of debt at fixed interest rates. A ± 1 point change in interest rates applied to all variable-rate debt over a full year would have an impact of ± €1 million, in the absence of interest rate hedging.

When the Group set up the €200 million syndicated credit loan in October 2005, it contracted an interest rate hedge applying to two-thirds of the loan, for a period of seven years.

This hedge consists of two instruments:

- a first agreement that swaps the variable Euribor six-month rate of the syndicated loan against a fixed rate of 3.16%;
- a second agreement that swaps the fixed rate of 3.16% against:
  - 3% if the Euribor 12-month post-fixed rate (E12M post) is less than 1.99%,
  - E12M post if 1.99% ≤ E12M post < 3.68%,
  - 3.68% if 3.68% ≤ E12M post.

At 31 December 2007, the net valuation of these two swaps is €2.1 million:

- Swap 1: +€3.2 million
- Swap 2 : -€1.1 million
- Net: **+€2.1 million**

This coverage does not qualify as a perfect hedge under the definition provided in *IAS 39* and is therefore considered as a transaction to be taken directly to the income statement.

b. Foreign exchange risk

Foreign exchange risk arises mainly from currency translation of financial statements for UK- or US-based companies. No specific hedge has been arranged for this type of risk.

The exposure to risk arising from trade transactions is limited, since each of the entities involved mainly carries out business in its own country and its own currency.

The breakdown of consolidated net debt by currency is presented in the following table:

(in thousands of euros)	Euro	Pound sterling	Swiss franc	Swedish krona	US dollar	Other	TOTAL
Bank loans	120,868	-	-	-		-	120,868
Finance lease liabilities	9,675	-	-	-	-	-	9,675
Employee profit sharing	16,300	-	-	-	-	-	16,300
Other sundry financial debt	109	-	-	-	78	-	187
Bank overdrafts	9,761	52		-	1	-	9,814
Total financial debt	**156,713**	**52**	**-**	**-**	**79**	**-**	**156,844**
Investment securities	-152	-	-	-	-	-	-152
Cash and equivalents	-18,584	-3,673	-443	-527	-1,414	-1,780	-26,421
CONSOLIDATED NET DEBT	**137,977**	**-3,621**	**-443**	**-527**	**-1,335**	**-1,780**	**130,271**

The exposure of the company's net debt to foreign exchange risk mainly concerns subsidiaries located in European countries (the United Kingdom, Switzerland and Sweden), and to a lesser extent, those located in the Asia-Pacific region (Axway's retail subsidiaries) and in the United States, following the acquisition of Cyclone Commerce in early 2006.

The Group does not systematically contract hedges for foreign exchange risk. However, the Group contracts specific hedges for all large individual foreign currency transactions.

c. Equity risk

At 31 December 2007, Sopra Group held 2,175 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €116,515, representing an average purchase price of €53.57.

All transactions in treasury shares are taken directly to shareholders' equity. The impact at 31 December 2007 is a deduction of €80 thousand (see *Statement of changes in consolidated shareholders' equity*).

Note 34 | Related-party transactions

34.1. Remuneration of senior management

The items shown in the remuneration table concern the Directors and Executive Management.

(in thousands of euros)	2007	2006
Short-term employee benefits	1,258	1,311
Post-employment benefits	9	20
Other long-term employee benefits	-	-
Termination benefits	-	-
Equity compensation benefits	-	34
TOTAL	**1,267**	**1,365**

The Ordinary General Meeting of 8 June 2007 set the amount of fees to be apportioned among the directors at €100,000.

Post-employment benefits correspond to retirement benefits established in accordance with collective bargaining agreements (see Notes 1.19 and 16). There are no commitments in favour of executive managers with respect to post-employment benefits or other long-term employee benefits.

At 31 December 2007, no member of the Board of Directors or of Executive Management held share subscription options.

No loans were granted either to directors or to members of Executive Management (nor to any of their close family members).

34.2. Subsidiaries and associated entities

Transactions and balances between Sopra Group and its subsidiaries were eliminated in full on consolidation, since all of the subsidiaries are fully consolidated.

Non-consolidated equity investments are included under *Available for sale financial assets*. With the exception of Cosmosbay – Vectis, these all relate to companies in the process of liquidation, for which no significant transactions have been undertaken since 2005.

34.3. Relationships with other related parties

Sopra Group maintains material relationships with two of its shareholders: Société Générale Group and Crédit Agricole Group. At 31 December 2007, these two banking groups respectively held 12.29% and 2.01% of the company's capital.

The Board of Directors of Sopra Group includes two members belonging to the Société Générale Group (Philippe Citerne and Hervé Saint-Sauveur) and one member belonging to the Crédit Agricole Group (Bernard Michel).

Société Générale and Crédit Agricole are both major clients and important banking partners for Sopra Group.

Note 35 | Off balance sheet commitments and contingent liabilities

35.1. Contractual obligations and commercial commitments

Contractual obligations *(in thousands of euros)*	Payments due per period			2007	2006	2005
	Less than one year	One to five years	More than five years			
Long-term liabilities	5,868	115,000	-	120,868	121,831	160,216
Finance lease obligations	4,137	5,538	-	9,675	8,972	7,900
Irrevocable purchase obligations	-	-	-	-	-	-
Employee profit sharing	2,519	13,781	-	16,300	13,821	11,966
Other sundry financial debt	78	-	109	187	-	
Current bank overdrafts	9,814	-	-	9,814	3,798	1,901
TOTAL	**22,416**	**134,319**	**109**	**156,844**	**148,422**	**181,983**

Other commercial commitments *(in thousands of euros)*	Amount of commitments per period			2007	2006	2005
	Less than one year	One to five years	More than five years			
Credit lines	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-
Guarantees	-	2,737	-	2,737	2,080	1,459
Purchase obligations	-	-	-	-	-	-
Other commercial commitments	4,170	-	-	4,170	3,596	2,373
TOTAL	**4,170**	**2,737**	**-**	**6,907**	**5,676**	**3,832**

35.2. Commitments given related to recurring operations

(in thousands of euros)	2007	2006	2005
Discounted bills not yet due	-	-	-
Bank guarantees/deposits on leased premises	2,737	2,080	1,459
Bank guarantees for final completion of projects	4,170	3,596	2,373
Collateral, mortgages and surety	-	-	-
Foreign exchange hedging instruments	-	-	-

35.3. Collateral, guarantees and surety

a. Registered shares used as collateral

Name of registered shareholder	Beneficiary	Starting date	Expiry date	Conditions for freeing shares	Number of shares pledged by the issuer	% of capital pledged
Sopra GMT	Lyonnaise de Banque	October 2007	October 2008	Repayment of loan for €9 million	250,000	2.14%
Sopra GMT	Natexis	March 2007	March 2010	Repayment of loan for €5 million	120,000	1.03%
Sopra GMT	Natexis	January 2005	January 2008	Repayment of loan for €3 million	100,000	0.86%
Sopra GMT	BNP Paribas	September 2004	September 2008	Repayment of loan for €5 million	228,600	1.96%
TOTAL					**698,600**	**5.99%**

b. Assets used as collateral (intangible, tangible or financial)

No such assets were pledged in this manner.

35.4. Real collateral given in guarantee

No real collateral was given to guarantee bank financing.

35.5. Covenants

Within the framework of the syndicated loan of 200 million euros implemented in October 2005, Sopra Group assumed the following covenants:

- total Net Financial Debt divided by EBITDA shall remain below 3.5 until 31 December 2005, and after that date and for the entire duration of that loan, below 3. At 31 December 2006, this ratio was equal to 1.38. At 31 December 2007, it was equal to 1.27;
- total Net Financial Debt divided by Equity shall remain below 1 for the entire duration of the loan. At 31 December 2006, this ratio was equal to 0.54. At 31 December 2007, it was 0.52;
- total Operating Profit divided by the Cost of Net Financial Debt shall remain above 5 for the entire duration of the loan. At 31 December 2006, this ratio was equal to 11.6. At 31 December 2007, it was 11.5.

Net financial debt applied in these calculations includes the earnouts relating to the acquisitions recognised under fixed asset liabilities (see Note 18), and does not include employee profit sharing.

35.6. Contingent liabilities

No contingent liabilities need to be taken into account.

35.7. Individual training rights (DIF)

Over the course of the 2007 financial year, with respect to individual training rights, 131,142 hours were acquired and 78,276 hours were consumed.

At 31 December 2007, the cumulative balance of individual training rights not consumed was 217,113 hours.

Note 36 | Exceptional events and legal disputes

To the Company's knowledge, there are no exceptional events or legal disputes that may have a material effect on its financial position, revenue, business assets, or net profit, or those of the Group as a whole.

Note 37 | Post balance sheet events

In mid-January 2008, Sopra Group finalised the acquisitions of the French companies CIBF (Compagnie d'Ingénierie Bancaire et Financière) and G2i. Both of these acquisitions were cash transactions. These two companies will be consolidated from 1 January 2008.

The complementarity of Sopra Group and CIBF**,** firstly in terms of their geographic presence, and secondly through their shared expertise in payment methods, especially with respect to SEPA (Single European Payment Area) flows, will allow Sopra Group, in particular, to further develop its European presence and reinforce its Evolan™ industry application solution offerings.

The acquisition of G2i is in keeping with Sopra Group's declared strategy of consolidating its presence in France by strengthening its positions among major clients. G2i provides consulting and services in the field of embedded software and testing resources for the aerospace industry, primarily for Airbus.

Note 38 | Rates of conversion of foreign currencies

€1/currency	Average rate for the period			Period-end rate		
	2007	**2006**		**2007**	**2006**	**2005**
Swiss franc	1.6459	1.5766	1.5478	1.6547	1.6069	1.5551
Pound sterling	0.6873	0.6818	0.6830	0.7334	0.6715	0.6853
Swedish krona	9.2647	9.2515	9.2971	9.4415	9.0408	9.3885
Romanian leu	3.3410	3.5115	3.5956	3.6077	3.3835	3.6802
US dollar	1.3797	1.2617	1.2360	1.4721	1.3170	1.1797
Canadian dollar	1.4662	1.4253	1.4171	1.4449	1.5281	1.3725
Australian dollar	1.6365	1.6678	1.6261	1.6757	1.6691	1.6109
Hong Kong dollar	10.7610	9.8020	9.6099	11.4800	10.2407	9.1474
Singapore dollar	2.0691	1.9962	2.0596	2.1163	2.0202	1.9628
Yuan (China)	10.4551	10.0422	10.1060	10.7524	10.2796	9.5204
Rupee (India)	56.6764	57.1429	53.5240	57.9856	58.3090	53.2995
Ringgit (Malaysia)	4.7229	4.6170	4.7039	4.8682	4.6490	4.4584
Korean won	1,280.1108	-	-	1,377.9600	-	-

Statutory Auditors' Report on the consolidated financial statements

Ladies and gentlemen,

As mandated by your General Meetings we have audited the consolidated financial statements of Sopra Group SA for the financial year ended 31 December 2007, which precede this report.

The consolidated financial statements were prepared by the Board of Directors and it is our responsibility to express an opinion on these accounts based on our audit.

I - Opinion on the consolidated financial statements

We performed our audit in accordance with generally accepted French auditing standards. These standards require that we perform our audit in such a way as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit involves examining, on a test basis, the evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting policies used and significant estimates made in the preparation of the accounts, and evaluating the overall presentation. We believe that our audit provides a reasonable basis for the audit opinion expressed below.

We certify that the consolidated financial statements are, with respect to IFRS as adopted in the European Union, true and fair and provide a true and fair view of the net worth, financial situation and earnings of the consolidated entity at the end of the financial year under review.

Without qualifying this opinion, we draw your attention to the discussion under Note 1.2 relating to the change in accounting method arising from the application of the amendment to IAS 19.

II - Justification of our assessments

Pursuant to the provisions of Article L.823-9 of the Commercial Code relating to the justification of our assessments, we bring the following matters to your attention:

Note 1.2 to the consolidated financial statements discusses the change in accounting method entering into force during the year as a result of the application of the amendment to IAS 19 *Employee benefits.* Pursuant to IAS 19, the comparative information relating to the 2006 and 2005 financial years was restated to retrospectively take into account the application of this amendment. As part of our assessment of the accounting principles observed by your company, we verified the proper restatement of the accounts for the 2006 and 2005 financial years as well as the corresponding information provided under Note 1.2 of the consolidated financial statements.

The Company allocates a provision for its retirement benefit commitments towards its employees based on the projected credit unit method, as indicated in Note 1.19.b to the consolidated financial statements. In the course of our assessments, we examined the data used, we assessed the actuarial assumptions retained, verified the overall consistency of these assumptions and the resulting measurements, as well as the appropriateness of the information provided in the note.

At each balance sheet date, the company systematically performs an impairment test of goodwill and assets with indefinite useful lives, based on the methods described in Notes 1.12 and 4.4 of the consolidated financial statements. In the course of our assessment, we examined the appropriateness of the approach adopted in addition to the implementation methods of this impairment test and the overall consistency of the assumptions used and the resulting assessments.

In the course of our assessments, we verified the consistency of all of the data and assumptions that underpin the measurement of deferred tax assets.

These assessments form part of our overall audit approach of the consolidated financial statements and thus contributed to the formulation of our unqualified opinion expressed in the first section of this report.

III - Specific verification

We also verified, in accordance with professional standards applicable in France, the information provided in the Group's management report. We have no comments on the sincerity and consistency with the consolidated financial statements.

Paris and Courbevoie, 27 March 2008

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars & Guérard**
Philippe Ronin	Pierre Sardet

SOPRA GROUP SA 2007 INDIVIDUAL FINANCIAL STATEMENTS

6

Balance sheet

ASSETS *(in thousands of euros)*	**2007**	**2006**
Intangible assets	49,612	48,480
Property and equipment	15,676	16,371
Non-current financial assets	338,616	255,783
Fixed assets	**403,904**	**320,634**
Stocks and work in progress	27	23
Trade accounts receivable	237,073	235,326
Other receivables, prepayments and accrued income	55,818	51,740
Investment securities	-	20,241
Cash and equivalents	8,704	9,289
Current assets	**301,622**	**316,619**
TOTAL ASSETS	**705,526**	**637,253**

LIABILITIES AND EQUITY *(in thousands of euros)*	**2007**	**2006**
Capital	46,686	45,867
Premiums	92,693	88,766
Reserves	60,099	44,940
Profit	27,012	30,638
Shareholders' equity	**226,490**	**210,211**
Provisions	**19,077**	**12,719**
Financial debt	138,686	133,722
Trade accounts payable	37,031	26,942
Tax and social security liabilities	154,485	155,005
Other liabilities, accruals and deferred income	129,757	98,654
Debt	**459,959**	**414,323**
TOTAL LIABILITIES AND EQUITY	**705,526**	**637,253**

Income statement

(in thousands of euros)	**2007**	**2006**
Net revenue	616,051	555,169
Other operating income	1,445	2,826
Operating income	**617,496**	**557,995**
Purchases consumed	4,738	6,132
Staff costs	396,209	362,024
Other operating expenses	135,241	115,564
Taxes and duties	19,191	16,695
Depreciation and provisions	7,629	5,212
Operating expenses	**563,008**	**505,627**
Operating profit	**54,488**	**52,368**
Financial income and charges	-9,224	-4,480
Pre-tax profit on recurring operations	**45,264**	**47,888**
Exceptional income and expenses	231	2,886
Employee profit sharing	-5,406	-6,073
Corporate income tax	-13,077	-14,063
NET PROFIT	**27,012**	**30,638**

Notes to the individual financial statements

1 | Significant events, intra-group relations, accounting policies and valuation rules

1.1. Significant events

1.1.1. Acquisition of Business Architects International

In October 2007, Sopra Group acquired 100% of the share capital of the Belgian software developer Business Architects International (BAI), in a €37.5 million cash transaction. As this company had net cash of €23.0 million at the acquisition date, the net outflow was only €14.5 million.

BAI offers a credit solution at the leading edge of its industry, whether considered from a functional or technical standpoint, and also provides related consulting and integration services.

For Sopra Group, this operation is in line with its declared strategy to bolster its European presence in the financial services industry and, in particular, to reinforce its Evolan industry application solutions.

1.1.2. Legal organisation of off-shore activities

With a view to bringing Sopra Group's legal organisation in sync with its operational organisation, which entrusts its French operations with the supervision and expansion of off-shore activities in various countries, the company carried out the following operations in 2007:

- **Spain –** The business of the Spanish service centre hosted by Sopra PROFit was spun off in April 2007. This new entity, a wholly owned subsidiary of Sopra Group, now operates under the name CS Sopra España;
- **Morocco –** Sopra Group established a new service centre in Morocco. This new entity, a wholly owned subsidiary of Sopra Group, has taken the name SOPRAntic;
- **India –** All of the shares of Sopra India Private Ltd, originally held by Sopra Newell & Budge, were acquired by Sopra Group. This inter-company transaction was carried out at net carrying value.

1.2. Intra-group relations

Analysis of Sopra Group SA's individual accounts is difficult due to the high level of supply chain integration of the French companies at functional and logistics levels. There are a large number of major intra-group relations between Sopra Group and its wholly owned subsidiaries Axway Software and Orga Consultants.

1.2.1. Axway Software

The agreements concluded following the spin-off of the EAI division in 2001 continued to apply in 2007.

- Sopra Group provides Axway Software with:
  - fully equipped offices, chiefly at the Annecy-le-Vieux and Puteaux sites;
  - computer equipment (mainframes, workstations, networks).

These items are invoiced on the basis of the real costs incurred by Sopra Group and with respect to the equipment effectively used by Axway Software, determined by means of regular inventories.

- Sopra Group invoices Axway Software for the services rendered on its behalf by the central functions (Finance and Administration, Financial Control, Human Resources, Internal Information Systems, Legal Affairs, etc.) on the basis of the real cost of each of these functions pro rated to the missions actually performed.
- Staff exchanges are billed on the basis of the salaries charged, or at selling price, depending on the nature of the work undertaken.
- Cash accounting is managed as a central function within Sopra Group.
- As from 1 January 2002, Axway Software is considered as belonging with Orga Consultants to the consolidated tax group formed by Sopra Group.

These agreements have been authorised by the Board of Directors of each company and are described in the Statutory Auditors' special report.

1.2.2. Orga Consultants

- Sopra Group provides Orga Consultants with:
  - fully equipped offices, at the Lyon-Ecully site, and at the Paris-Neuilly site;
  - computer equipment (mainframes, workstations, networks).

These items are invoiced on the basis of the real costs incurred by Sopra Group and with respect to the equipment effectively used by Orga Consultants, determined by means of regular inventories.

- Sopra Group invoices Orga Consultants for the services rendered on its behalf by the central functions (Finance and Administration, Management Audit, Human Resources, Internal Information Systems, Legal Affairs, etc.) on the basis of the real cost of each of these functions pro rated to the missions actually performed.
- Staff exchanges are billed on the basis of the salaries charged, or at selling price, depending on the nature of the work undertaken.
- Cash accounting is managed as a central function within Sopra Group.
- Sopra Group charges a fee equal to 1.5% of Orga Consultants' revenue for its contribution to the development of Orga Consultants' business.
- As from 1 January 2002, Orga Consultants is considered as belonging with Axway Software to the consolidated tax group formed by Sopra Group.

These agreements have been authorised by the Board of Directors of each company and are described in the Statutory Auditors' special report.

1.3. Accounting policies and valuation rules

The 2007 Sopra Group SA individual financial statements were prepared in accordance with French generally accepted accounting principles.

These principles were applied on a prudent basis and in accordance with the following underlying assumptions:

- going concern basis;
- consistency of accounting methods from one year to the next;
- accrual basis;

and in accordance with general guidelines for the preparation and presentation of annual financial statements.

No change has been made in accounting policies during the periods under review.

1.3.1. Software development expenses

All research and development costs are charged to the income statement in the year they are incurred.

Software development costs may be capitalised if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the manner in which the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

None of the development expenses for software and solutions (Banking, Human Resources and Real Estate) have been recognised under intangible assets, since the conditions described above were not satisfied in their entirety.

1.3.2. Software acquired

Software is recognised at its acquisition cost. Straight-line amortisation is applied over 3, 5 or 10 years.

1.3.3. Business goodwill

Mergers of companies carried out prior to 2000 in connection with internal restructuring operations were conducted the basis of the net assets of the companies. The difference between the value of the securities and the net assets contributed has been allocated to intangible assets.

Mergers of companies carried out in 2000 in connection with a major operation to simplify the legal structures were conducted on the basis of values generally similar to the consolidated net worth. This resulted in items related to the business goodwill and software packages contributed being valued separately in the contribution agreement.

Since 2000, business goodwill is no longer amortized but if appropriate a provision may be made for impairment of business goodwill. Amortization applied prior to 1 January 2000 has been retained in the balance sheet.

The Company conducts goodwill impairment tests during year-end closing and each time that there is an indication of an impairment loss. It writes down the value of an asset if its current value (either the monetary value or the economic value, whichever is highest) is less than its carrying amount.

1.3.4. Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at their acquisition cost.

Depreciation is calculated using the straight-line method, based on the useful life of the type of fixed asset concerned.

Buildings	25 years
Fixtures and fittings	10 years
Equipment and tooling	3 to 5 years
Vehicles	5 years
Office furniture and equipment	5 to 10 years

1.3.5. Equity interests

Equity interests are recognised at their acquisition cost.

Since 2003, the value in use of the securities has been their economic value, calculated using the discounted cash flow approach (early application of Regulation 2002-10 of the French Accounting Regulatory Committee). A provision for impairment is recognised when the value in use calculated in this way is less than the acquisition cost.

Cash flows are determined on the basis of available data and 5-year forecasts. A growth rate to infinity of 2.5% was applied from the start of the sixth year. The cash flows resulting from these forecasts were then discounted using a discount rate of 9.5%.

Tests are conducted at the level of each Cash Generating Unit (CGU). A single UGT can group together several companies within the same country and with the same activity.

1.3.6. Revenue

a. Systems Integration and Consulting services

Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised when performed, i.e. in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- Services already performed but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised as revenue and are included in the balance sheet under the Accrued income caption of Trade accounts receivable;
- Services already billed but not yet entirely performed are deducted from invoiced revenue and included in the balance sheet under the Deferred income caption of *Other liabilities*.

Services covered by lump sum contracts

Under such contracts the Group commits itself to a price, a result and a deadline. Services performed under such contracts are recognised as follows using the percentage of completion method:

- revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the group's quality procedures, of the contract's degree of completion. During performance of a project, this assessment is based on 90% of the contract amount with the remaining 10% deferred until completion;
- the amount of revenue recognised at each balance sheet date is based on the difference between 90% of the contract value and the amount required to cover the total number of man-days remaining to be performed. This amount is included in the balance sheet under the Accrued income caption of *Trade accounts receivable*. Payments on account received are included under *Other liabilities*.

b. Software and Solutions

Services provided within the scope of the group's Software and Solutions operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- ancillary services such as installation, settings, adaptation, training, etc.

In general, separate contracts are concluded with clients for licences and maintenance on the one hand and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

- the licence fee is recognised when delivery takes place, which is reputed to be the case when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are insignificant and not liable to endanger the client's acceptance of goods supplied or services rendered;
- maintenance is generally billed in advance and is recognised on a time basis;
- ancillary services are generally provided on the basis of time spent and are recognised when performed, i.e. in general when invoiced. They are sometimes performed within the scope of lump sum contracts in which case they are recognised using the percentage of completion method described in the paragraph above.

Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated on a lump sum basis

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, i.e. maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

In fairly rare instances, ancillary services may be considered indispensable to a software package's functioning

This may be the case for very complex projects, the completion of which may be subject to particular risks. In this situation, projects assessed as a whole and specifically monitored by the Group's quality department are accounted for using the percentage of completion method described above.

1.3.7. Trade accounts receivable

Trade accounts receivable are recognised using the methods specified above.

A separate estimate is carried out for each trade receivable at the end of the financial year and a provision is made in the event of a risk of non-recovery linked to collective proceedings. Doubtful debts for which legal proceedings have not been instigated are treated as accrued credit notes.

1.3.8. Retirement benefits

Since 2004, Sopra Group has provided for all of its retirement commitments in accordance with the provisions of the Syntec collective bargaining agreement regarding retirement and pensions.

Sopra Group's obligation towards its employees is determined on an actuarial basis, using the projected credit method: the employer's discounted obligation is recognised in proportion to the probable length of service of the employees, taking into account actuarial assumptions such as the level of future salary, life expectancy and staff turnover. Changes in actuarial assumptions that affect the valuation of the obligation are recognized as actuarial gains and losses.

The main actuarial assumptions applied by Sopra Group are:

- an annual increase in salaries of 2.5%;
- a discount rate corresponding to the interest rate of prime corporate bonds denominated in the payment currency, the maturity period of which is close to the average estimated length of the retirement obligation concerned. In practice, this rate is the year-end rate for 10-year French Treasury bonds (OAT), plus 0.25%, thus 4.70% for the 2007 financial year;
- application of a social security contribution rate of 50% for all employees. The Social Security Financing Act for 2008 introduced a contribution to be paid by the employer as part of the benefits due to an employee whose retirement is at the request of the employer. This contribution amounts to 50% but is limited to 25%

for benefits paid between 11 October 2007 and 31 December 2008. It applies irrespective of the age of the employee (whether retirement occurs before or after the age of 65);

- staff turnover tables are updated annually based on historical data of leavers over the last five years;
- the mortality tables used are those prepared by the French national institute of statistics and economic studies (INSEE) for 2000-2002.

The past service cost is recognized in the income statement, which records an increase in the obligation linked to the purchase of an additional year of service *(Provision allocations)* and the interest expense in respect of the obligation *(Finance costs).*

Actuarial differences are amortized in the income statement as of the financial period following their recognition, to the extent of the portion exceeding a corridor fixed at 10% of the amount of the obligation.

1.3.9. Individual training rights

On the basis of the recommendation of the Emergency Committee of the French National Accounting Council (CNC) of 13 October 2004 and current consensus, according to which the commitments in respect of individual training rights are to be distinguished from other employee benefits since they represent a future benefit for the company, and until further information is available, it is deemed that no provision should be made in the accounts as of 31 December 2007. Moreover, there are no special cases justifying a provision, such as agreements already signed regarding training that does not represent a future benefit for the company, conflicts having lasted for more than two years or training courses unrelated to the position held.

2 | Notes on the balance sheet

2.1. Fixed assets

2.1.1. Intangible assets

(in thousands of euros)	Concessions, patents, similar rights	Business goodwill	Total
GROSS VALUE			
At 1 January 2007	**13,302**	**50,369**	**63,671**
Acquisitions	1,413	285	1,698
Disposals	-218	-	-218
At 31 December 2007	**14,497**	**50,654**	**65,151**
AMORTISATION			
At 1 January 2007	**11,841**	**3,350**	**15,191**
Charges	566	-	566
Reversals	-218	-	-218
At 31 December 2007	**12,189**	**3,350**	**15,539**
NET VALUE			
At 1 January 2007	1,461	47,019	48,480
At 31 December 2007	**2,308**	**47,304**	**49,612**

Intangible assets comprise:

- software acquired or contributed;
- business goodwill acquired or contributed during mergers.

Software acquisitions mainly relate to workstation software as well as development and industrialisation tools.

Software development costs, which totalled €14.300 million in 2007, are recorded as expenses (see Note 1.3.1).

The acquisition of business goodwill in the amount of €285 thousand corresponds to the purchase of the “Interface” business (Airbus).

2.1.2. Property and equipment

(in thousands of euros)	Land	Buildings	Technical installations	Sundry fittings	Vehicles	Furniture and office equipment	Other property and equipment	Total
GROSS VALUE								
At 1 January 2007	**323**	**6,404**	**760**	**18,891**	**67**	**11,828**	**2,945**	**41,218**
Acquisitions	-	83	36	2,315	-	687	98	3,219
Disposals	-	-	-149	-	-		-	-149
At 31 December 2007	**323**	**6,487**	**647**	**21,206**	**67**	**12,515**	**3,043**	**44,288**
DEPRECIATION								
At 1 January 2007	**38**	**4,309**	**701**	**10,227**	**58**	**7,778**	**1,736**	**24,847**
Charges	10	226	56	1,542	9	778	1,293	3,914
Reversals	-	-	-149	-	-	-	-	-149
At 31 December 2007	**48**	**4,535**	**608**	**11,769**	**67**	**8,556**	**3,029**	**28,612**
NET VALUE								
At 1 January 2007	285	2,095	59	8,664	9	4,050	1,209	16,371
At 31 December 2007	**275**	**1,952**	**39**	**9,437**	**-**	**3,959**	**14**	**15,676**

Property and equipment consists of:

- land/buildings: Sopra Group became the owner of two buildings on the Annecy-le-Vieux site, at the expiration of the corresponding property finance lease contracts. A third wholly owned building was added to this property asset;
- office furniture, fixtures and equipment: this refers to equipment on premises leased by Sopra Group in the major cities of France.

Computer hardware is for the most part acquired on four-year leases and is not included under property and equipment in the individual accounts.

2.1.3. Financial investments

(in thousands of euros)	Equity investments and non-current securities	Receivables in respect of equity investments	Loans and other financial investments	Total
GROSS VALUE				
At 1 January 2007	**322,023**	**40,821**	**1,388**	**364,232**
Acquisitions – Increases	59,716	24,407	278	84,401
Disposals – Decreases	-1,106	-5,396	-139	-6,641
At 31 December 2007	**380,633**	**59,832**	**1,527**	**441,992**
IMPAIRMENT				
At 1 January 2007	**97,536**	**10,913**	**-**	**108,449**
Charges	-	-	65	65
Reversals	-1,106	-4,032	-	-5,138
At 31 December 2007	**96,430**	**6,881**	**65**	**103,376**
NET VALUE				
At 1 January 2007	224,487	29,908	1,388	255,783
At 31 December 2007	**284,203**	**52,951**	**1,462**	**338,616**

Details concerning equity interests are provided in the "Subsidiaries and associated entities" tables presented in Note 4.8.

a. Gross amounts

The principal movements in 2007 relating to investments in associates were as follows:

- Sopra PROFit, for a total amount of €14.000 million in earnouts due for the 2007 financial year (€7.000 million) and anticipated for the 2008 financial year (€7.000 million);
- the acquisition of the entire share capital of Business Architects International for the amount of €37.479 million (see Note 1.1.1);
- the establishment of CS Sopra España, a Spanish subsidiary, with initial share capital of €60 thousand;
- the establishment of SOPRAntic, a Moroccan subsidiary, with initial share capital of €267 thousand;
- the acquisition of the share capital of Sopra India, originally held by Sopra Newell & Budge, for the amount of €7.910 million.

The increase in loans to associates mainly corresponds to the contributions made to Axway Software in order to finance the acquisition by the latter of the B2B business of Atos Origin in Germany in February 2007 and an earnout payment for the acquisition of Cyclone Commerce, Inc.

b. Impairment of equity interests

As a result of the application of CRC Regulation 2002-10 relating to fixed asset depreciation and impairment, the following provisions were recorded for impairment with respect to previous financial years:

- Orga Consultants: €35.062 million en 2002;
- Sopra Group Ltd: €16.395 million in 2003.

Provisions for impairment were also recorded with respect to the European subsidiaries of Valoris for the amount of €15.914 million prior to the acquisition of Groupe Valoris by Sopra Group.

Impairment tests are performed annually and have not given rise to any additional provisions.

2.2. Other assets

2.2.1. Trade receivables

(in thousands of euros)	2007	2006
Non-Group clients	160,932	154,645
Accrued income	68,161	68,943
Group clients	7,973	11,725
Doubtful debtors	92	154
Provision for doubtful debtors	-85	-141
TOTAL	**237,073**	**235,326**

Trade receivables are recognised as assets and are stated net of all client-related debit and credit balances.

Unbilled revenue is comprised essentially of production recognised for fixed-price projects using the percentage-of-completion method. Invoices are generally prepared for these contracts upon completion of the services rendered and the latter are paid over the lifespan of the projects through payments on account.

2.2.2. Other receivables, prepayments and accrued income

(in thousands of euros)	2007	2006
Employees and related accounts	46	28
Social security	319	225
State and public bodies		
■ Corporate income tax	1,807	-
■ Value added tax	6,629	6,123
■ Other taxes, duties and related liabilities	554	384
Group and partners	39,076	43,487
Impairment of current accounts	-329	-1,109
Sundry debtors	2,057	1,270
Impairment of sundry debtors	-206	-219
Prepayments	2,177	1,536
Translation differential – asset	3,688	15
TOTAL	**55,818**	**51,740**

2.2.3. Impairment of current assets

(in thousands of euros)	At 01/01/2007	Charges	Reversals	At 31/12/2007
Impairment of inventories and work in progress	-	-	-	-
Impairment of trade receivables	141	7	63	85
Impairment of current accounts	1,109	-	780	329
Impairment of sundry debtors	219	-	13	206
Impairment of investment securities	-	-	-	-
TOTAL	**1,469**	**7**	**856**	**620**

The principal movement in 2007 was the reversal of provisions for trade receivables and current account receivables written off during the year.

The expenses incurred in connection with the writing off of these receivables were fully offset by these reversals of provisions.

2.3. Equity

2.3.1. Share capital

At 31 December 2007, Sopra Group had share capital of €46,686,124 comprising 11,671,531 shares with a nominal value of €4.

As a result of subscription options exercised, 204,696 shares with a par value of €4 were created, corresponding to an increase in share capital of €819 thousand and a share premium of €3.927 million.

2.3.2. Change in shareholders' equity

(in thousands of euros)	Share capital	Issue, merger and contribution premiums	Legal reserve	Optional reserve	Retained earnings	Net profit for the year	Total
At 1 January 2007	**45,867**	**88,766**	**4,578**	**40,360**	**2**	**30,638**	**210,211**
Appropriation of 2006 earnings and dividends	-	-	9	15,151	-1	-30,638	-15,479
Exercise of share subscription options	819	3,927	-	-	-	-	4,746
Net profit for the year	-	-	-	-	-	27,012	27,012
At 31 December 2007	**46,686**	**92,693**	**4,587**	**55,511**	**1**	**27,012**	**226,490**

The amount of dividends paid in 2007 in respect of net profit for 2006 was €15.479 million.

2.3.3. Share subscription option plans

As noted above, 204,696 shares were exercised in 2007 under Plans No. 3 and 4.

A total of 22,100 shares were retired, their beneficiaries having left the company before completing their vesting period.

At 31 December 2007, the total number of outstanding options was 341,454.

Grant date	Number of options granted initially	Beginning of option exercise period	End of option exercise period	Exercise price	Number of lapsed options at 31/12/2007	Of which lapsed in 2007	Number of options exercised at 31/12/2007	Of which options exercised in 2007	Number of options outstanding at 31/12/2007
Plan No. 3 - 1998 stock option plan (General Meeting of 07/01/1998): maximum of 721,250 shares									
13/01/1998	614,000	01/10/2002	12/01/2006	€15.37	70,175	-	543,825	-	-
04/12/1998	25,000	25/02/2003	24/08/2006	€46.86	25,000	-	-	-	-
03/03/1999	20,000	04/03/2004	02/03/2007	€48.50	10,000	-	10,000	5,400	-
12/10/1999	51,750	13/10/2004	12/10/2007	€46.20	49,000	3,000	2,750	-	-
16/12/2002	129,250	17/12/2007	15/12/2010	€22.50	40,250	1,000	79,450	79,450	9,550
TOTAL	**840,000**				**194,425**	**4,000**	**636,025**	**84,850**	**9,550**
Plan No. 4 - 2000 stock option plan (General Meeting of 29/06/2000): maximum of 714,774 shares									
29/06/2000	33,900	30/06/2005	29/06/2008	€73.00	33,800	-	-	-	100
22/03/2001	301,500	23/03/2006	22/03/2009	€61.40	283,500	-	-	-	18,000
19/12/2001	34,600	20/12/2006	19/12/2009	€61.40	34,600	-	-	-	-
24/04/2002	6,000	25/04/2007	23/04/2010	€61.40	3,000	-	-	-	3,000
16/12/2002	303,200	17/12/2007	15/12/2010	€22.50	48,750	4,600	131,846	119,846	122,604
03/09/2003	88,000	04/09/2008	02/09/2011	€32.50	10,800	2,500	-	-	77,200
13/01/2004	23,000	14/01/2009	12/01/2012	€35.90	4,000	1,000	-	-	19,000
TOTAL	**790,200**				**418,450**	**8,100**	**131,846**	**119,846**	**239,904**
Plan No. 5 - 2005 stock option plan (General Meeting of 26/05/2005): maximum of 321,958 shares									
25/07/2006	30,000	26/07/2011	24/07/2014	€57.85	-	-	-	-	30,000
21/12/2006	67,000	22/12/2011	20/12/2014	€58.80	5,000	5,000	-	-	62,000
08/01/2007	5,000	09/01/2012	07/01/2015	€60.37	5,000	5,000	-	-	-
TOTAL	**102,000**				**10,000**	**10,000**	**-**	**-**	**92,000**
TOTAL FOR PLANS						**22,100**		**204,696**	**341,454**

2.4. Provisions

(in thousands of euros)	At 01/01/2007	Charges for the year	Recoveries for the year (provision used)	Recoveries for the year (provision not used)	At 31/12/2007
Provisions for retirement benefits	10,606	2,757	-	-	13,363
Provisions for commercial disputes	875	50	415	13	497
Provisions for employee disputes	796	129	276	352	297
Provisions for foreign exchange losses	16	3,688	12	4	3,688
Provisions for risks relating to subsidiaries	426	1,100	-	294	1,232
TOTAL	**12,719**	**7,724**	**703**	**663**	**19,077**

Provisions were recorded chiefly for retirement benefit commitments and risks related to various disputes.

The total commitment for retirement benefits amounted to €19.387 million; the cumulative amount of actuarial gains and losses not recognised in the balance sheet was €6.024 million, whereas this same item totalled €1.805 million at 31 December 2006: this increase is due to the application of the Social Security Financing Act for 2008 (see Note 1.3.8).

Provisions for foreign exchange losses mainly relate to receivables from associates and GBP-denominated current accounts.

2.5. Liabilities

2.5.1. Financial debt

(in thousands of euros)	At 01/01/2007	Increase	Decrease	At 31/12/2007
Syndicated loan	120,000	-	-	120,000
Employee profit sharing	12,003	4,919	2,900	14,022
Contingent advances	272	-	120	152
Other financial debt	341	3,003	-	3,344
Accrued interest on financial debt	1,106	1,168	1,106	1,168
TOTAL	**133,722**	**9,090**	**4,126**	**138,686**

In order to finance its acquisitions in 2005 and subsequent years, in October 2005 Sopra Group negotiated an agreement with a pool of banks to obtain a €200 million syndicated credit facility. This syndicated credit facility replaced previously existing lines of credit. The agreement was concluded for a term of seven years and calls for half yearly repayments.

At 31 December 2007, a drawdown on this syndicated credit facility, in the amount of €120.0 million, was recorded under financial debt.

In connection with obtaining this facility, Sopra Group agreed to the following covenants, on the basis of consolidated information:

- the ratio of net debt to EBITDA is required to be lower than 3.5 until 31 December 2005 and lower than 3 as from this date and for the entire term of the facility. At 31 December 2006 this ratio was 1.38 and at 31 December 2007 it was 1.27;
- the ratio of net debt to equity is required to be lower than 1 for the entire term of the facility. At 31 December 2006 this ratio was 0.54 and at 31 December 2007 it was 0.52;
- the ratio of operating profit to net borrowing cost is required to be greater than 5 for the entire term of the facility. At 31 December 2006 this ratio was 11.6 and at 31 December 2007 it was 11.5.

Net financial debt applied in these calculations includes the earnouts relating to the acquisitions recognised under fixed asset liabilities and does not include employee profit sharing.

Sopra Group has contracted an interest rate hedge applying to two-thirds of the facility.

This hedge consists of two instruments:

- a first agreement that swaps the variable Euribor six-month rate of the syndicated loan against a fixed rate of 3.16%;
- a second agreement that swaps the fixed rate of 3.16% against:
  - 3% if the Euribor 12-month post-fixed rate (E12M post) is less than 1.99%,
  - E12M post if 1.99% ≤ E12M post < 3.68%,
  - 3.68% if 3.68% ≤ E12M post.

At 31 December 2007, the net valuation of these two swaps was €2.1 million:

- *Swap 1*: +€3.2 million
- *Swap* 2: -€1.1 million
- Net: **+€2.1 million**

Other loans and financial debt correspond mainly to the special reserve for employee profit sharing managed by Sopra Group in the form of blocked current accounts in the amount of €14 million. Since 2002, employees have also been able to opt for external management of profit sharing through multi-company mutual funds.

2.5.2. Trade accounts payable

(in thousands of euros)	2007	2006
Trade accounts payable and related accounts	15,188	11,666
Accrued expenses	18,529	13,108
Trade accounts payable - Group	3,314	2,168
TOTAL	37,031	26,942

2.5.3. Tax and social security liabilities

(in thousands of euros)	2007	2006
Staff cost liabilities	47,798	45,203
Social charges	54,248	48,826
State and other public authorities		
■ Corporate income tax	-	13,395
■ Value added tax	50,729	46,200
■ Other taxes	1,710	1,381
TOTAL	154,485	155,005

Accrued taxes primarily correspond to value added tax collected from clients: the amount payable in respect of the month of December and the amount included in trade accounts receivables.

2.5.4. Other liabilities, accruals and deferred income

(in thousands of euros)	2007	2006
Client deposits	2,728	6,658
Liabilities on fixed assets and related accounts	15,000	7,984
Group and partners	65,941	34,634
Other liabilities	15,939	13,108
Deferred income	29,673	35,438
Translation gains or losses on payables	476	832
TOTAL	129,757	98,654

Deferred income, which totalled €29.7 million at 31 December 2007, comprise the portion of billings issued in advance on fixed-price and maintenance contracts.

3 | Notes to the income statement

3.1. Revenue

Revenue breaks down as follows by market:

	2007	2006
Banking and Insurance	27.1%	26.7%
Manufacturing	21.2%	19.8%
Services (including real estate)	16.3%	20.3%
Telecom	14.0%	14.0%
Public sector	14.8%	12.7%
Retail	6.6%	6.5%
TOTAL	**100.0%**	**100.0%**

Of the €616 million in revenue generated in 2007, €27 million derived from international operations.

3.2. Compensation allocated to the members of governing bodies

Directors' fees for financial year 2007 amounted to €90 thousand.

Compensation paid in 2007 to executive management bodies was €0.556 million.

3.3. Financial items

Interest on medium-term loans drawn down in 2007 and 2006 amounted to €5.694 million and €4.629 million, respectively.

At 31 December 2007, unrealised foreign exchange losses, mainly denominated in pounds sterling, resulted in the recognition of a provision for contingencies and losses in the amount of €3.688 million.

The method for accounting for retirement commitments presented in Note 1.3.8 entails the recognition of a finance charge to discount the provision to present value in the amount of €895 thousand for 2007 compared to €506 thousand for 2006.

3.4. Exceptional items

In 2006, exceptional items mainly comprised a reversal of provisions for the Spanish and Italian subsidiaries of SSI Europe recognised in the amount of €4.677 million.

3.5. Employee profit sharing

The reserve for employee profit sharing amounted to €5.406 million. This amount is determined under the conditions laid down by law. It is then pooled with that of Axway Software, a wholly owned subsidiary of Sopra Group, under an agreement signed in 2002 by the managements of both companies and by the representatives of the employees of the *Unité Économique et Social* (economic and employee unit). The total amount is then shared out among the employees of the two companies according to the same criteria.

3.6. Corporate income tax

3.6.1. Tax consolidation group

Since 2002, Sopra Group and its two wholly owned subsidiaries, Axway Software and Orga Consultants, have opted to file as a tax consolidation group. Each of the companies calculates and recognises its tax charge as if the tax consolidation group did not exist. Any tax savings that may result from this method benefit the parent company, Sopra Group SA. No tax savings were achieved in 2007.

Due to the application of a single deduction for the calculation of social security contributions, Sopra Group incurred a charge of €25 thousand per consolidated subsidiary.

3.6.2. Research tax credit

Sopra Group benefited in 2007 from a research tax credit in the amount of €1.249 million.

3.6.3. Breakdown of tax between recurring and exceptional operations

Corporate income tax breaks down as follows:

(in thousands of euros)	2007	2006
Tax on recurring operations	14,859	15,895
Tax on exceptional operations	-160	-617
Research tax credit	-1,249	-1,215
Family tax credit	-373	-
TOTAL	**13,077**	**14,063**

3.6.4. Deferred and latent tax position

(in thousands of euros)	Basis					
	At 01/01/2007		Change		At 31/12/2007	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
I. CERTAIN OR CONTINGENT DIFFERENCES						
Tax-driven provisions	-	-	-	-	-	-
Investment grants	-	-	-	-	-	-
Temporary non-deductible expenses						
■ To be deducted the following year						
- employee profit sharing	6,073	-	-667	-	5,406	-
- organic	920	-	94	-	1,014	-
■ To be deducted thereafter						
- provision for retirement commitments	10,606	-	2,757	-	13,363	-
- other	-	-	-	-	-	-
Temporary non-taxable income						
- net short-term capital gains	-	-	-	-	-	-
- capital gains on mergers	-	-	-	-	-	-
- long-term deferred capital gains	-	-	-	-	-	-
Deducted expenses (or taxed income) for tax purposes that has not been recognised						
- deferred charges	-	-	-	-	-	-
Total	**17,599**	**-**	**2,184**	**-**	**19,783**	**-**
II. ITEMS TO BE OFFSET						
Losses that may be carried forward for tax offset	-	-	-	-	-	-
Deferred depreciation	-	-	-	-	-	-
Long-term capital losses	-	-	-	-	-	-
Other	-	-	-	-	-	-
III. CONTINGENT TAX ITEMS						
Capital gains on non-depreciable assets contributed on merger	-	21,099	-	-	-	21,099
Special reserve for construction profits	-	-	-	-	-	-
Other	-	-	-	-	-	-

4 | Other information

4.1. Maturities of receivables and payables at the balance sheet date

4.1.1. Receivables

(in thousands of euros)	Gross amount	Within 1 year	More than 1 year
Non-current assets			
Receivables relating to equity investments	59,832	59,832	-
Other non-current financial assets	1,527	117	1,410
Current assets			
Doubtful debts or disputes	92	-	92
Other trade receivables	237,066	237,066	-
Staff costs and related receivables	46	46	-
Social security	319	319	-
State and public bodies			
■ Corporate income tax	1,807	1,807	
■ VAT	6,629	6,629	-
■ Other tax	554	554	-
Group and associates	39,076	39,076	-
Other receivables	2,057	2,057	-
Prepaid expenses	2,177	2,177	-
TOTAL	**351,182**	**349,680**	**1,502**

4.1.2. Payables

(in thousands of euros)	Gross amount	Within 1 year	1 to 5 years	More than 5 years
Bank debt				
■ 2 years maximum at origin	4,502	4,502	-	-
■ More than 2 years at origin	120,152	21	5,131	115,000
Other financial debt	14,032	2,301	11,721	10
Trade payables	37,031	37,031	-	-
Staff costs and related payables	47,798	42,392	5,406	-
Social security	54,248	54,248	-	-
State and public bodies				
■ Corporate income tax	-	-	-	-
■ VAT	50,729	50,729	-	-
■ Other tax	1,710	1,710	-	-
Liabilities in respect of fixed assets	15,000	15,000	-	-
Group and associates	65,941	65,941	-	-
Other payables	15,939	15,939	-	-
Deferred income	29,673	29,673	-	-
TOTAL	**456,755**	**319,487**	**22,258**	**115,010**

4.2. Information concerning related parties

(in thousands of euros)	Related parties
ASSETS	
Advances and payments on account for fixed assets	-
Equity investments	283,336
Receivables related to equity investments	52,951
Loans	-
Trade receivables	12,665
Other receivables	38,746
Translation differential – Asset	3,688
LIABILITIES	
Convertible bonds	-
Other bonds	-
Bank debt	-
Other financial debt	-
Liabilities in respect of fixed assets	-
Trade payables	7,388
Other liabilities	65,941
Translation differential – Liability	476
INCOME STATEMENT	
Income from equity investments	-
Other financial income	5,925
Financial expense	7,717

4.3. Information on finance leases

4.3.1. Finance leases

(in thousands of euros)	Initial value	Depreciation		Net value
		for the period	accumulated	
IT equipment	23,909	4,157	14,121	9,788

4.3.2. Finance lease commitments

(in thousands of euros)	Actual lease payments		Lease payments remaining			Residual purchase price
	for the period	accumulated	less than 1 year	1 to 5 years	Total payable	
IT equipment	4,456	11,910	4,359	5,613	9,972	185

4.4. Off balance sheet commitments

4.4.1. Off balance sheet commitments

(in thousands of euros)	
Discounted notes not yet due	Nil
Bank guarantees in lieu of guarantee deposits for leased premises	2,538
Bank guarantees for effective project completion	961
Post-employment obligations not provisioned	Nil
Collateral, mortgages and sureties	Nil
Interest rate hedging instruments	See 2.5.1
Exchange rate hedging instruments	Nil

4.4.2. Individual training rights (DIF)

In 2007, 117,750 hours were acquired and 67,074 DIF hours were consumed.

The cumulative balance of training that was not consumed amounts to 198,344 hours at 31 December 2007.

4.5. Accrued income and expenses

(in thousands of euros)	
ACCRUED INCOME	
Trade accounts payable – Credit notes to be received	165
Trade accounts receivable	68,161
Tax and social charge receivables	319
Other receivables	25
Cash and cash equivalents	282
TOTAL	**68,952**
ACCRUED EXPENSE	
Accrued interest on financial debt	1,168
Trade accounts payable	18,529
Trade accounts receivable – Credit notes to be issued	14,018
Tax and social charge payables	60,598
Other liabilities	35
TOTAL	**94,348**

4.6. Workforce

The average workforce for 2007 comprised 6,521 employees, including 5,999 executive-level staff. The workforce at 31 December 2007 comprised 6,783 employees.

4.7. Exceptional events and legal disputes

To the Company's knowledge, there are no exceptional events or legal disputes that may have a material effect on its financial position, revenue, business assets, or net profit, or those of the Group as a whole.

4.8. List of subsidiaries and associated entities

Company	Share capital	Other shareholders' equity	% of capital held	Book value		Loans and advances granted by the company and not yet repaid	Surety and guarantees given by the company	Latest fiscal year revenue (ex. VAT)	Latest fiscal year profit or loss
				Gross	Net				
Axway Software	€19,900,000	€12,759,740	100.0%	€19,899,940	€19,899,940	€52,951,098	-	€86,991,253	€2,297,491
Orga Consultants	€51,086,700	€17,024,599	100.0%	€85,061,843	€50,000,000	-	-	€45,991,748	€3,174,231
Sopra Group Ltd (United Kingdom)	£26,900,000	-£3,655,372	100.0%	€53,914,408	€37,519,019	£25,322,193	-	£42,492,954	£7,198,104
Sopra Belux (Belgium)	€2,638,082	-€1,173,363	100.0%	€3,052,485	€3,052,485	€585,000	-	€9,256,867	- €124,620
BAI (Belgium)	€11,426,364	€11,604,872	100.0%	€37,479,247	€37,479,247	-	-	€2,217,394	€670,674
Sopra Luxembourg	€100,000	€125,424	100.0%	€99,900	€99,900	-	-	€727,404	€46,750
Valoris Luxembourg	€894,000	-€2,333,599	100.0%	€1,154,068	€0	€1,397,099	-	€428,779	€27,432
Sopra Informatique (Switzerland)	CHF 100,000	CHF 16,868,358	100.0%	€58,380	€58,380	-	-	CHF 13,337,011	CHF 1,229,346
Sopra Group SpA (Italy)	€660,000	€1,679,688	100.0%	€9,502,516	€9,502,516	€1,700,000	-	€24,356,911	€721,206
Sopra PROFit (Spain)	€24,000,000	€26,169,330	100.0%	€113,487,256	€113,487,256	-	-	€78,939,297	€6,680,961
Valoris Iberia (Spain)	€70,000	€1,015,262	100.0%	€18,759,981	€4,000,000	€490,000	-	€7,585,708	€267,801
CS Sopra España (Spain)	€60,200	-€477,527	100.0%	€60,200	€60,200	€1,240,000	-	€5,752,054	- €477,527
SOPRAntic (Morocco)	MAD 3,000,000	-MAD 2,423,884	100.0%	€267,004	€267,004	MAD 2,290,904	-	MAD 46,902	-MAD 2,423,884
Sopra India (India)	INR 203,020,189	INR 157,516,941	100.0%	€7,910,275	€7,910,275	-	-	INR 501,910,079	INR 119,570,140

Statutory Auditors' General Report

Ladies and gentlemen,

In accordance with our appointment as Statutory Auditors by your Ordinary General Meeting, we hereby report to you for the year ended 31 December 2007 on:

- the audit of the accompanying financial statements of Sopra Group SA;
- the justification of our assessments;
- specific procedures and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion of the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the company at 31 December 2007 and of the results of operations for the year then ended, in accordance with French accounting regulations.

II - Justification of assessments

In accordance with Article L.823-9 of the French Commercial Code governing the justification of our assessments, we hereby report on the following matters:

- the assets of Sopra Group SA include equity investments, for which the accounting policies are described in Note 1.3.5. Our work involved assessing the criteria used to estimate the book value of these securities. In the context of our assessments, we verified the rationale for the approach adopted as well as the consistency of all of the hypotheses used and the resulting valuations;
- the company provides for its obligation for post-employment benefits to employees using the projected credit unit method, as indicated in Note 1.3.8. In the context of our assessments, we verified the data used, assessed the actuarial hypotheses retained and verified the consistency of all of the hypotheses used and the resulting valuations.

The assessments made in this way form part of our audit approach with respect to the individual financial statements, taken together, and therefore contributed to the formation of our opinion, as expressed in the first section of this report.

III - Specific procedures and disclosures

We also performed the other procedures required by law in accordance with professional standards applicable in France.

We have no matters to report as to:

- the fair presentation and consistency with the financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements;
- the fair presentation of information provided in the management report on the compensation and benefits in kind paid to corporate officers as well as commitments granted in their favour when they assumed, changed or terminated duties or subsequent thereto.

Pursuant to the law, we have verified that the management report contains the applicable disclosures as to the owners of shares and voting rights.

Paris and Courbevoie, 27 March 2008

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars & Guérard**
Philippe Ronin	Pierre Sardet

Statutory Auditors' Special Report

Ladies and Gentlemen,

As the Statutory Auditors of your Company, we present our report on the regulated agreements and commitments which have been brought to our attention.

Agreements and commitments authorised during the year

Pursuant to Article L.225-40 of the French Commercial Code, we were informed of agreements and commitments which were subject to the prior authorisation of your Board of Directors.

We are not required to determine whether any such agreements exist, but to provide, on the basis of the information given to us, the main features and conditions of those agreements about which we have been informed, without having to express an opinion on their usefulness or appropriateness. In accordance with the terms of Article R.225-31 of the French Commercial Code, it is your responsibility to assess the interest of entering into such agreements and commitments when they are submitted for your approval.

We performed our work based on French professional standards; these standards require that we perform work designed to verify the consistency of the information we have received with the source documents from which such information has been extracted.

Agreement relating to the separation benefit to be received by Mr Dominique Illien, Managing Director, in the event of termination (authorisation of the Board of Directors, 20 June 2007)

Nature and purpose: guarantee in the event of a departure before 31 December 2008 on the initiative of Sopra Group, except in cases of serious or gross misconduct.

Terms and conditions: this agreement involves:

- a separation benefit equivalent to 16 times the gross amount of the most recent monthly fixed salary received prior to the termination of the position as company officer, thus €652,000;
- exemption from the attendance conditions normally required in order to exercise at the proper date half of the options to subscribe to Sopra Group shares acquired at the end of the term in office.

Agreements and commitments approved during previous years

Moreover, pursuant to the application of Article R.225-30 of the French Commercial Code, we were informed that the execution of the following agreements and commitments approved in during prior years continued in 2007:

1. Agreements between your company and Orga Consultants

Agreement	Impact on the 2007 financial statements
Provision of premises	€1,133,876 revenue
Expense recharge Sopra Group charges Orga Consultants the proportion of various expenses relating to the shared premises (telecoms, postage, professional tax, etc.)	€81,009 revenue
Provision of IT resources	€254,000 revenue
Assistance (Functional Management)	€903,800 revenue
Commercial support Payment of management fees for commercial support by Sopra Group. 1.5% of Orga Consultants' revenue	€660,400 revenue
Tax consolidation The tax charge is apportioned as if no tax consolidation agreement applied	€25,179 expense

2. Agreements between your company and Axway Software

Agreement	Impact on the 2007 financial statements
Provision of premises	€2,210,520 revenue
Expense recharge Sopra Group charges Axway Software the proportion of various expenses relating to the shared premises (telecoms, postage, professional tax, etc.)	€298,110 revenue
Provision of IT resources	€1,800,495 revenue
Assistance (Functional Management)	€4,097,500 revenue
Commercial support Payment of management fees for commercial support by Sopra Group	No impact: not applied in 2007
Tax consolidation The tax charge is apportioned as if no tax consolidation agreement applied	€25,179 expense

3. Cash management agreements and receivables relinquished

Company concerned	Balance of current account held with Sopra Group at 31 December 2007 (CB: credit balance; DB: debit balance)		(Expense)/Income	Receivables relinquished
Axway	DB	€52,951,098	€2,086,157	
Orga Consultants	CB	€16,374,156	-€533,304	
Sopra Group Ltd	DB	€34,529,479	€2,002,837	
Sopra Belux	DB	€585,000	€4,468	
Sopra Group GmbH	DB	€329,500	€0	-€807,672
Sopra Group SpA	DB	€1,700,000	€40,451	
Valoris Iberia	DB	€490,000	€22,338	
Valoris Belgium		€0	€53,711	-€2,500,000
CS Sopra España	DB	€1,240,000	€33,605	
SOPRAntic	DB	€201,954	0	
Sopra Informatique	CB	€8,345,806	-€226,255	
Sopra PROFit	CB	€20,300,000	-€530,201	
Sopra Luxembourg	CB	€139,000	-€3,115	
BAI	CB	€20,782,481	-€236,557	

Paris and Courbevoie, 27 March 2008

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars & Guérard**
Philippe Ronin	Pierre Sardet

COMBINED GENERAL MEETING OF 15 MAY 2008

7

Agenda

Ladies and Gentlemen,

We have convened this Combined General Meeting to submit the following items of business for your approval:

Requiring the approval of the Ordinary General Meeting

- approval of the Sopra Group SA individual financial statements for the financial year ended 31 December 2007 and the granting of final discharge to members of the Board of Directors;
- approval of Sopra Group's consolidated financial statements for the financial year ended 31 December 2007;
- appropriation of earnings;
- approval of agreements governed by Article L.225-38 of the Commercial Code;
- appointment of a new director;
- setting of Directors' fees;
- transactions by Sopra Group in its own shares under the terms of Article L.225-209 of the Commercial Code;

Requiring the approval of the Extraordinary General Meeting

- amendments to the Articles of Association;
- delegation of authority granted to the Board of Directors to increase the company's share capital, through the issue of ordinary shares or any other securities giving access to the company's share capital, maintaining the pre-emptive right of existing shareholders to subscribe to new shares;
- delegation of authority granted to the Board of Directors to increase the company's share capital, through the issue of ordinary shares or any other securities giving access to the company's share capital, excluding the pre-emptive right of existing shareholders to subscribe to new shares;
- possibility to increase the amount of issues in the event of oversubscription by no more than 15% of the value of the original issue and at the same price;
- delegation of authority granted to the Board of Directors to increase the company's share capital, through the issue of ordinary shares or any other securities giving access to the company's share capital, excluding the pre-emptive right of existing shareholders to subscribe to new shares, subject to a limit of 10% of the share capital, with the authorisation granted to the Board of Directors to determine the issue price;
- delegation of authority granted to the Board of Directors to increase the company's share capital, excluding the pre-emptive right of existing shareholders to subscribe to new shares, in order to remunerate securities contributed to the company as part of a public exchange offer or contribution in kind relating to the company's shares, through the issue of shares or securities giving access to the company's share capital, subject to a limit of 10% of the share capital;
- delegation of authority granted to the Board of Directors to carry out capital increases reserved for employees of the company or of any of its affiliated undertakings who are members of company savings plans;
- authorisation granted to the Board of Directors to award options to subscribe to or to purchase shares to employees and officers of the company or of any of its affiliated undertakings;
- authorisation granted to the Board of Directors to issue warrants to subscribe to and/or acquire redeemable shares (BSAAR), excluding the pre-emptive right of existing shareholders to subscribe to new shares;

Requiring the approval of the Combined General Meeting

- necessary powers granted to carry out formalities.

We hereby inform you that the resolutions submitted for the approval of the Extraordinary General Meeting require a quorum representing at least one-quarter of the total voting shares and a majority of two-thirds of the votes of the shareholders present or represented by proxy holders. Those submitted for the approval of the Ordinary General Meeting require a quorum representing at least one-fifth of the total voting shares and a simple majority of the votes of the shareholders present or represented by proxy-holders.

Proposed resolutions

Resolutions presented for the approval of the Ordinary General Meeting

First resolution

Approval of the individual financial statements

The General Meeting, having heard the Management Report of the Board of Directors, the Report of the Chairman of the Board of Directors (Article L.225-37 of the Commercial Code) and the Reports of the Statutory Auditors, approves the individual financial statements for the year ended 31 December 2007, showing a profit of €27,011,997.31. It also approves the transactions reflected in those accounts and summarised in those reports.

It consequently gives the members of the Board of Directors full and unconditional discharge from their duties for the aforementioned financial year.

The General Meeting also approves the non tax deductible expenses, covered by Article 39-4 of the General Tax Code, incurred during the year amounting to €221,033 and the corresponding tax charge of €76,100.

Second resolution

Approval of the consolidated financial statements

The General Meeting, having heard the report of the statutory auditors, approves the consolidated financial statements for the year ended 31 December 2007, which show a consolidated net profit (Group share) of €55,096,763 as well as the transactions reflected in these financial statements or summarised in the management report.

Third resolution

Appropriation of earnings

The General Meeting notes that Sopra Group's profit available for distribution, determined as follows, is €27,013,347.31:

Profit for the year	€27,011,997.31
Retained earnings: dividends not paid on treasury shares	€1,350.00
TOTAL	**€27,013,347.31**

In consideration of the consolidated net profit amounting to €55,096,763, we propose that you appropriate the profit available for distribution in the following manner:

Legal reserve	€81,878.40
Dividend	€19,258,026.15
Discretionary reserves	€7,673,442.76
TOTAL	**€27,013,347.31**

Thus increasing the legal reserve to €4,668,612.40, 10% of the company's share capital.

As the number of shares comprising the share capital at 31 December 2007 was 11,671,531, the dividend allocated per share would be €1.65. The dividend will be paid as of 30 May 2008. With regard to tax, in accordance with provisions in force as of 1 January 2005, this dividend will not have an associated avoir fiscal tax credit, but it would give natural person shareholders the right to a 40% tax deduction on the entire amount.

The following amounts were distributed as dividends in respect of the previous three financial years:

	2004	2005	2006
Total dividend	€8,585,560.00	€12,588,504.50	€15,480,227.25
Number of dividend bearing shares	10,731,950	11,444,095	11,466,835
Dividend paid	€0.80	€1.10	€1.35

Fourth resolution

Approval of agreements governed by Article L.225-38 of the Commercial Code

The General Meeting, having heard the special report of the statutory auditors on agreements pursuant to Article L.225-38 *et seq.* of the Commercial Code, hereby approves the conclusions of said report and the agreements described therein.

Fifth resolution

Appointment of a new director

As from this date, the General Meeting appoints as director Mr **Dominique Illien** for a term of six years, which shall thus expire at the conclusion of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

Sixth resolution

Setting of Directors' fees

The General Meeting sets at €135,000 the amount of directors' fees to be allocated between the members of the Board of Directors for the financial year in progress.

Seventh resolution

Authorisation granted to Sopra Group to trade its own shares

The General Meeting, pursuant to the provisions of Articles L.225-209 *et seq*. of the Commercial Code, and Title IV of Book II of the general regulations of the *Autorité des marchés financiers* in addition to its application guidelines, hereby authorises the Board of Directors with immediate effect, with the option to sub-delegate this authorisation, to buy back shares in the company, in one or several stages, in accordance with Articles L.225-209 *et seq*. of the Commercial Code, up to limit of 10% of the shares making up the company's share capital, thus 1,167,153 shares on the basis of the current share capital.

This authorisation is granted for an eighteen-month period as from this date.

The General Meeting hereby decides that shares may be bought back for the following purposes:

- in order to obtain market-making services to be rendered by an investment services provider, acting in complete independence under the terms of a liquidity contract concluded in compliance with the Code of Ethics of the AFEI (French association of investment firms) recognised by the AMF;
- to cover share purchase option plans, under the conditions and in accordance with the procedures stipulated by law;
- to hold the shares bought back in order to exchange them or present them as consideration at a later date for external growth operations;
- to cede the shares in the company, upon the exercise of the rights attached to securities giving access to the company's share capital through redemption, conversion, exchange, presentation of warrants or any other means;
- to implement any market practice that would come to be accepted by the AMF, and in general, to perform any operation that complies with regulations in force.

The maximum price at which shares may be bought back is set to €120 which, given the current number of shares making up 10% of the company's share capital, results in a maximum total price of €140,058,372.

Shares may be bought back by any means, such as on the stock market or over the counter, including block purchases or through the use of derivatives, at any time, even when a public tender offer is under way, subject to compliance with regulations in force.

The General Meeting grants full power to the Board of Directors, including the option to sub-delegate this power, in order to implement this authorisation, to determine the conditions and procedures for this implementation, to make the necessary adjustments, to conclude any and all agreements, to carry out all formalities and file all declarations with the AMF, and generally to take any and all other actions required.

Resolutions presented for the approval of the Extraordinary General Meeting

Eighth resolution

Amendments to the articles of association

The General Meeting, having examined the report presented by the Board of Directors, decides to amend the articles of association as follows:

Under Article 10, a third paragraph is added, which reads as follows:

"However, the persons referred to in Article L.225-109 of the Commercial Code are required, pursuant to the provisions of said article, to deposit shares belonging either to themselves or any of their children who are unemancipated minors in registered form at a bank, other accredited financial institution or with an investment services provider."

Paragraph 1 of Article 21 is amended as follows:

"A single individual may not serve as a director or supervisory board member of more than five French-based public listed companies (sociétés anonymes)."

Paragraph 5 of Article 25 is amended as follows:

"At least thirty-five days before the date of any General Meeting of shareholders, the company shall publish, in the Bulletin des annonces légales obligatoires, the notice specified in Article R.225-73 of the Commercial Code."

Paragraph 2 of Article 27 is amended as follows:

"Shareholders are entitled to take part in general meetings provided they are able to justify their status with an entry in their own name or in the name of the intermediary duly registered on their behalf, in application of paragraph 7 of Article L.228-1 of the Commercial Code, either in the accounts of registered shares maintained by the company or in the accounts of bearer shares maintained by the officially authorised financial intermediary, no later than the fourth business day before the date of the meeting at midnight Paris time."

Paragraph 7 of Article 27 is amended as follows:

"Shareholders may vote by mail by filling in a form addressed to the company, under the conditions provided for by applicable laws and regulations; to be taken into account, this form must reach the company at least three days before the date of the General Meeting."

Ninth resolution

Delegation of authority granted to the Board of Directors to increase the company's share capital, subject to the limit of €20 million at par value, through the issue of ordinary shares or any other securities giving access to the company's share capital, maintaining the pre-emptive right of existing shareholders to subscribe to new shares

Having examined the report presented by the Board of Directors, the Statutory Auditors' special report, and pursuant to the provisions of Articles L.225-129-2 and L.228-92 of the Commercial Code, the General Meeting hereby:

- delegates the authority to the Board of Directors in order to increase the share capital, in one or several stages, through the issue in euros, on the French and/or international markets, of ordinary shares or any other securities conferring immediate or future entitlement to shares in the company. Such securities may also be denominated in any currency or with reference to a basket of currencies. This delegation is granted to the Board of Directors for a twenty-six month period as from the date of this General Meeting;
- decides that the total amount of increases in share capital that may be carried out immediately and/or in the future, on the basis of the tenth resolution presented for the approval of this General Meeting, may not exceed €20 million at par value. This ceiling excludes the total par value of any additional shares which may be issued to preserve the rights of holders of securities conferring entitlement to shares in accordance with the law;
- further decides that the par value of any debt securities conferring entitlement to shares in the company issued under this authorisation may not exceed €300 million;
- decides that securities issued by virtue of this resolution shall be reserved in preference to shareholders subscribing in proportion to their existing shareholding;
- decides that where subscriptions in proportion to existing shareholdings, and where applicable, secondary priority rights, do not absorb the entire issue of shares or other securities as

defined above, the Board of Directors may take, in the order it deems appropriate, any of the following courses of action:

- limit the amount of the issue to the subscriptions received, provided that this represents at least three-quarters of the amount of the issue initially decided,
- freely allocate all or a portion of the unsubscribed securities among the persons of its choice,
- offer all or a part of the issued securities not subscribed to the public;

- delegates to the Board of Directors, for the same validity period of twenty-six months, the authority to decide to increase the company's share capital, in one or several stages, via the capitalisation of share premium accounts, reserves, earnings or other items which may be capitalised according to the law and the articles of association, by awarding bonus shares or increasing the par value of existing shares; and decides that the total amount of any resulting capital increase, supplemented by the amount required to maintain the rights of holders of securities in accordance with the law, independently of the ceiling determined by the second point above, may not exceed the amount of premiums, reserves and earnings specified above at the date of the capital increase;
- takes due note that this delegation supplants any previously granted delegation established for the same purpose.

Tenth resolution

Delegation of authority granted to the Board of Directors to increase the company's share capital, subject to the limit of €20 million at par value, through the issue of ordinary shares or any other securities giving access to the company's share capital, excluding the pre-emptive right of existing shareholders to subscribe to new shares

Having examined the report presented by the Board of Directors, the Statutory Auditors' special report, and pursuant to the provisions of Articles L.225-129-2, L.225-135, L.225-136, L.228-92 and L.228-93 of the Commercial Code, the General Meeting hereby:

- delegates the authority to the Board of Directors in order to increase the share capital, in one or several stages, through the issue in euros, on the French and/or international markets, of ordinary shares or any other securities conferring immediate or future entitlement to shares in the company or in any other company in which it holds, either directly or indirectly, more than one-half of the share capital. Such securities may also be denominated in any currency or with reference to a basket of currencies. This delegation is granted to the Board of Directors for a twenty-six month period as from the date of this General Meeting;
- decides that the total amount of increases in share capital that may be carried out immediately and/or in the future may not exceed €20 million at par value, with this amount being deducted from the ceiling imposed by the ninth resolution presented for the approval of this General Meeting;
- further decides that the par value of any debt securities conferring entitlement to shares in the company issued under this authorisation may not exceed €300 million, with this amount being deducted from the ceiling imposed by the ninth resolution presented for the approval of this General Meeting;
- decides to exclude the pre-emptive right of existing shareholders to subscribe to securities covered by this resolution to be issued in accordance with the law and grants the power to the Board of Directors to confer upon shareholders a secondary priority right to subscribe to these securities pursuant to the provisions of Article L.225-135 of the Commercial Code;
- decides that the amount that is or will become receivable by the company for each share issued or to be issued, after taking into consideration, in the event of the issue of detachable share subscription or allotment warrants, the issue price of such warrants, shall be greater than or equal to the minimum price imposed by legal and/or regulatory provisions on the date of issue, irrespective of whether the securities to be issued, immediately or in the future, may be deemed to be equivalent to shares that have already been issued;
- takes due note that this delegation supplants any previously granted delegation established for the same purpose.

Eleventh resolution

Possibility to increase the amount of issues in the event of oversubscription by no more than 15% of the value of the original issue and at the same price

The General Meeting, having examined the report presented by the Board of Directors and the Statutory Auditors' special report, hereby authorises the Board of Directors, when it becomes apparent that an issue carried out in connection with a capital increase decided in application of the ninth or tenth resolution presented for the approval of this General Meeting is oversubscribed, to raise the number of shares or securities to be issued, with or without the pre-emptive right of existing shareholders to subscribe to new shares, in accordance with Article L.225-135-1 of the Commercial Code, within the limits set forth in the ninth and tenth resolutions, at the same price as that determined for the original issue, for a period of 30 days as from the expiration of the initial subscription period and in an amount not to exceed 15% of the original issue.

Twelfth resolution

Delegation of authority granted to the Board of Directors, as part of the delegation for the purposes of increasing the company's share capital, excluding the pre-emptive right of shareholders to subscribe to new shares, to determine the issue price of shares or securities giving access to the company's share capital, subject to an annual limit of 10% of the share capital

The General Meeting, having examined the report presented by the Board of Directors and the Statutory Auditors' special report, and pursuant to the provisions of Article L.225-136-1 of the Commercial Code, hereby authorises the Board of Directors, under the terms of the delegation granted as part of the tenth resolution presented for the approval of this General Meeting and subject to the annual limit of 10% of the company's share capital (at the date of this General Meeting), to set the issue price of shares and/or securities conferring entitlement to ordinary shares to be issued, with the understanding that this price will be greater than or equal to the weighted average of the opening price on the three trading days preceding the date on which it is set, after deducting, if deemed necessary, a maximum discount of 5%.

The Board of Directors will need to prepare and submit a supplementary report, on which the Statutory Auditors will issue an opinion, describing the definitive conditions for the operation and including an assessment of the actual impact of the operation on shareholder positions.

This authorisation is granted for a twenty-six month period as from the date of this Meeting.

Thirteenth resolution

Delegation of authority granted to the Board of Directors, as part of the delegation for the purposes of increasing the company's share capital, excluding the pre-emptive right of existing shareholders to subscribe to new shares, to remunerate securities contributed to the company as part of a public exchange offer or contribution in kind relating to the company's shares

The General Meeting, having examined the report presented by the Board of Directors as well as the Statutory Auditors' special report, hereby decides that the issues carried out in accordance with the tenth resolution presented for the approval of this General Meeting may be used to remunerate securities contributed to the company as part of a public exchange offer pursuant to the provisions of Article L.225-148 of the Commercial Code.

Similarly, the General Meeting authorises the Board of Directors, for the same twenty-six month period, to decide, based on the report of the auditor appointed to control non-cash contributions, to carry out capital increases, pursuant to the delegation provided by the tenth resolution presented for the approval of this General Meeting, in one or several stages, subject to the limit of 10% of the share capital, in order to remunerate contributions in kind made to the company consisting of shares or any other securities giving access to the company's share capital, insofar as the provisions of Article L.225-148 do not apply.

In any event, the amount of capital increases carried out under this resolution is deducted from the ceiling imposed by the ninth and tenth resolutions presented for the approval of this General Meeting.

Fourteenth resolution

Delegation of authority granted to the Board of Directors to carry out capital increases reserved for employees who are members of company savings plans

The General Meeting, having examined the report presented by the Board of Directors as well as the Statutory Auditors' special report, in accordance with Articles L.443-1 *et seq*. of the Labour Code and Articles L.225-129-6 and L.225-138-1 of the Commercial Code and pursuant to the provisions of this same code:

- delegates full power to the Board of Directors, for a period of twenty-six months as from the date of this decision, in order to increase the share capital, at its sole discretion, in one or several stages, through issues of shares or securities giving access to the company's share capital reserved for the members of company saving plans established by affiliated French or foreign undertakings as defined under Article L.225-180 of the Commercial Code and Article L.444-3 of the Labour Code, not to exceed 10% of the par value of the company's share capital on the implementation date of this authorisation;
- decides to set the maximum discount to be offered under company savings plans at 10% of the average of the opening prices of the company's shares on the Eurolist by Euronext market over the twenty trading days preceding the date on which the decision to set the opening date for the subscription period is made. However, the General Meeting expressly authorises the Board of Directors to reduce the above-mentioned discount, subject to legal and regulatory limits;
- decides that the characteristics of the other securities conferring entitlement to the company's share capital will be determined by the Board of Directors in accordance with applicable regulatory conditions;
- decides to exclude the pre-emptive right of employees who are members of company savings plans to subscribe to shares to which the issued shares, or other securities giving access to the company's share capital, will confer entitlement, immediately or in the future, and to require the waiver of any rights to receive shares or other securities to be allotted under the terms of this resolution;
- decides to grant the Board of Directors full power to implement this delegation, including the option to subdelegate this power in accordance with the law, subject to the limitations and under the conditions specified above, particularly in order to:
  - determine the characteristics of the securities to be issued, the amounts proposed on subscription and notably set the issue prices, dates, terms and conditions relating to the subscription, settlement, delivery and vesting of securities, in accordance with applicable laws and regulations,
  - recognise the completion of the capital increases in the amount of the shares which will be effectively subscribed or other securities issued under the terms of this authorisation,
  - where applicable, charge the costs of the capital increase against the related premium and deduct this amount from the sums required to adjust the legal reserve to one-tenth of the new share capital after each capital increase,
  - conclude any agreements, carry out all transactions and fulfil all conditions, including carrying out formalities arising from capital increases and making the necessary amendments to the company's articles of association, either directly or by means of a representative, and more generally, do anything that may be required in this regard,
  - generally, make any agreement, notably in order to successfully complete the planned issues, take all measures and perform all formalities with respect to the issue, listing and custodial services of shares issued by virtue of this delegation, in addition to exercising the associated rights.

Fifteenth resolution

Authorisation granted to the Board of Directors to award options to subscribe to or to purchase shares to employees and officers of the company or of any of its affiliated undertakings

The General Meeting, having heard the report presented by the Board of Directors as well as the Statutory Auditors' special report, hereby authorises the Board of Directors, in accordance with Articles L.225-177 to L.225-186 of the Commercial Code, to grant, on one or several occasions, options conferring entitlement either to subscribe to new shares in the company, to be issued in connection with a capital increase, or to purchase existing shares bought back by the company under the conditions provided by the law, to employees and officers of the company and of all Sopra Group entities, the latter understood as defined by Article L.208-1 *et seq.* of the Commercial Code, for a period of thirty-eight months as from the date of this meeting, with the understanding that the total amount of options granted in application of this authorisation may not confer entitlement to a number of shares representing more than 3% of the company's share capital on the date when the decision to allocate options is taken by the Board of Directors (thus, by way of example, a total of 350,145 shares at the date of this Meeting).

The Board of Directors will determine all of the conditions under which the options are to be granted, including the positions and number of years of service of the beneficiaries, and the number of shares to which beneficiaries of the options will be entitled to subscribe. These conditions may involve a compulsory holding period for all or a portion of the securities, with the understanding that the duration of any compulsory holding period for securities may not exceed three years as from the option exercise date.

Notwithstanding any adjustments that will need to be made in the event of future transactions regulated by law, the subscription price will be set to the average price for the company's share over the twenty previous trading days. With respect to the option to purchase shares, the price may not be lower than 80% of the average purchase price of shares held by the company as provided under Articles L.225-208 and L.225-180 of the Commercial Code.

The options must be exercised within a maximum period of 8 years following their date of issue.

This authorisation comprises an express waiver by shareholders, in favour of the beneficiaries of options, of their pre-emptive right to subscribe to the shares that will be issued as the options are exercised.

The capital increase resulting from the options exercised to subscribe to new shares will be definitively performed exclusively by the subscription to these new shares accompanied by declarations that options have been exercised and that related payments have been received, which may be made in cash or by offsetting a liquid and due claim on the company. The Board of Directors will carry out any formality required for the listing of the securities thus issued and will make the necessary amendments to the articles of association.

Sixteenth resolution

Authorisation granted to the Board of Directors to issue warrants to subscribe to and/or acquire redeemable shares (BSAAR), excluding the pre-emptive right of existing shareholders to subscribe to these warrants or to the shares issued via the exercise of BSAAR

Pursuant to the provisions of Articles L.228-91 *et seq.*, L.225-129 *et seq.* and L.225-138 of the Commercial Code, the General Meeting, having examined the report presented by the Board of Directors as well as the Statutory Auditors' special report, hereby:

- delegates to the Board of Directors, with the option to sub-delegate this power, the authority to decide upon the issue, in one or several stages, of warrants to subscribe to and/or acquire redeemable shares (BSAAR);
- decides that under the terms of this authorisation, the Board of Directors may allot a maximum of 3% of the company's share capital, which currently consists of 11,671,531 shares, and that the amount of the capital increase resulting from the issue of shares in connection with the subscription will be deducted from the ceiling imposed under the fifteenth resolution presented for the approval of this General Meeting;
- decides, pursuant to the provisions of Article L.225-138 of the Commercial Code, to exclude the pre-emptive right of existing shareholders to subscribe to BSAAR and to reserve this right for employees and officers of the company and its affiliated undertakings based in France and abroad. The Board of Directors will determine the list of individuals authorised to subscribe to BSAAR (the "Beneficiaries") as well as the maximum number of BSAAR that may be subscribed by each beneficiary;
- decides that the Board of Directors will:
  - determine all of the characteristics of the BSAAR, in particular their subscription price, which will be calculated, in consultation with an independent expert, on the basis of criteria having an impact on this value, primarily exercise price, holding period, exercise period, trigger threshold and redemption period, interest rate, dividend distribution policy, price and volatility of the company's share, as well as the issue procedures and the terms and conditions of the issue agreement,
  - determine the subscription or acquisition price of shares obtained through the exercise of BSAAR, with the understanding that each BSAAR will confer the entitlement to subscribe to (or acquire) one share in the company at a price at least equal to 120% of the average closing price for the company's share over the twenty trading days preceding the date on which all of the terms and conditions for the BSAAR and the procedures for their issue are decided;
- takes note that, as required by the last paragraph of Article L.225-132 of the Commercial Code, the decision to issue BSAAR will entail the automatic waiver by shareholders – in favour of the beneficiaries of these warrants – of their pre-emptive right to subscribe to shares to be issued via the exercise of BSAAR;
- grants full power to the Board of Directors, with the option to sub-delegate this power as provided by the law and regulations, to take all measures, conclude all agreements and carry out all formalities required for the issue of these BSAAR, recognise the resulting capital increases, make the corresponding amendments to the articles of association, and amend, if deemed necessary (subject to the approval of the BSAAR beneficiaries), the issue agreement for the BSAAR;
- in accordance with Article L.225-138 of the Commercial Code, the Board of Directors will prepare and submit a supplementary report to the next General Meeting relating the conditions under which this delegation will have been used.

This delegation of authority is granted for an eighteen-month period as from the date of this Meeting.

Resolution presented for the approval of the Combined General Meeting

Seventeenth resolution

Powers to perform formalities

The General Meeting gives full authority to the bearer of an original or copy of these minutes to carry out all legally required formalities.

We hope that you accept these proposals and that you vote in favour of the corresponding resolutions.

The Board of Directors

ADMINISTRATIVE AND LEGAL INFORMATION

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1. General Information

Company name: Sopra Group

Registered office: PAE Les Glaisins, 74940 Annecy-le-Vieux, France

Head office: 9 bis, rue de Presbourg, 75116 Paris, France

Legal status: a *société anonyme*

Date of incorporation: 5 January 1968, with a term of 50 years as from 25 January 1968. The company's term will therefore expire on 25 January 2018 unless it is dissolved before that date or the term is extended.

Corporate purpose: "The company's purpose shall be:

To engage, in France and elsewhere, in consulting, expertise, research and training with regard to corporate organisation and information processing, in computer analysis and programming and in the performance of customised work.

The design and creation of automation and management systems, including the purchase and assembly of components and equipment, and appropriate software.

The creation or acquisition of and the operation of other businesses or establishments of a similar type.

And, generally, all commercial or financial transactions, movable or immovable, directly or indirectly related to said corporate purpose or in partnership or in association with other companies or persons." (Article 2 of the Articles of Association).

Registration No.: 326 820 065 RCS Annecy

Place where legal documents may be consulted: Registered office.

Financial year: From 1 January to 31 December of each year.

Statutory allocation of profits:

"In respect of profits for the year minus any prior year losses, at least five per cent is allocated to the legal reserve. Said allocation shall no longer be mandatory when this reserve represents one-tenth of the capital.

Profit available for distribution comprises the profit for the year less any losses carried forward and amounts allocated to reserves, pursuant to the law and the Articles of Association, plus retained earnings.

The General Meeting may deduct from this profit all amounts that it deems appropriate for allocation to all optional, ordinary or extraordinary reserves, or to retained earnings.

The balance, if any, is apportioned by the General Meeting between all shareholders in proportion to the number of shares that they own" (Extract of Article 36 of the Articles of Association).

2. General Meetings

Article 24 - General Meetings

General Meetings are convened and held in the conditions laid down by the law.

The decisions collectively made by the shareholders shall be taken in General Meetings characterised either as Ordinary General Meetings, Extraordinary General Meetings or Special General Meetings depending on the nature of the decision to be taken.

Special General Meetings are called for the holders of shares of a given category to decide upon any changes to the rights attached to shares in this category.

The decisions taken by General Meetings are binding for all the shareholders, including absentee and dissenting shareholders and those lacking legal capacity.

Article 25 - Venue and procedure for convening General Meetings

General Meetings shall be convened by the Management Board. Failing this, they may also be convened by the Statutory Auditors or by a court-appointed agent, in accordance with the law.

General Meetings shall take place at the registered office or in any other place specified in the convening notice.

General Meetings shall be convened by means of a notice published either in a journal authorised to publish legal announcements in the area where the registered office is located, or in the *Bulletin des annonces légales obligatoires* (journal of official legal announcements: BALO), at least two weeks before the General Meeting.

However, if all the shares are registered, these publications are not obligatory, and the General Meeting may be convened by giving notice to each shareholder by registered letter, at the Company's expense.

At least thirty five days before the date of any General Meeting of shareholders, the company shall publish, in the *Bulletin des annonces légales obligatoires,* the notice specified in Article 225-73 of the Commercial Code.

Shareholders who have held registered shares for at least one month on the date a convening notice is published shall be invited to attend the General Meeting by ordinary letter.

However, they may give the Company a written authorisation to communicate by electronic mail instead of by letter. In this case, they must communicate their electronic address to the Company. They may, at any time, by registered letter, request the company to communicate by letter instead.

Shareholders may also ask to be notified of any General Meeting by registered letter if they have forwarded to the Company the amount necessary to cover the cost of sending such a letter.

When a General Meeting has not been able to deliberate due to the lack of the required quorum, a second General Meeting – extended, if necessary – shall be convened with at least six days' notice, in the same way as the first.

The notice and the letters inviting the shareholders to this second General Meeting shall feature the date and agenda of the first General Meeting. If a meeting is postponed by court decision, the court may set an alternative date.

The notice and letters convening the Meeting must contain all the information required by law.

Article 26 - Agenda

The agenda for the General Meeting is decided by the convening body.

A shareholder or group of shareholders, representing at least 5% of the share capital, and acting under the conditions and within the time periods determined by the law, can request the inclusion, by registered letter with proof of receipt, of draft resolutions in the agenda for the meeting.

The workers' council may also request the inclusion of proposed resolutions in the agenda.

The General Meeting may not decide upon any issues that are not on the agenda. It may, however, at any time and in any circumstances, dismiss and replace one or more directors.

Article 27 - Access to General Meetings - Powers - Composition

The General Meeting shall be composed of all shareholders, regardless of the number of shares they hold, who attend the meeting either in person or by proxy.

Shareholders are entitled to take part in general meetings provided they are able to justify their status with an entry in their own name or in the name of the intermediary duly registered on their behalf in application of paragraph 7 of Article L.228-1 of the Commercial Code, either in the accounts of registered shares maintained by the company or in the accounts of registered shares maintained by the officially authorised financial intermediary, no later than the fourth business day before the date of the meeting at midnight Paris time.

A shareholder may be represented only by his or her spouse or by another shareholder, who must prove that he or she has been mandated to act as proxy. If a shareholder does not name a proxy-holder in a form of proxy, the chairman of the General Meeting shall vote in favour of proposed resolutions submitted for approval by the Board of Directors, and against any other proposed resolution. For any other vote, the shareholder shall choose a proxy-holder who agrees to vote as directed by the shareholder.

The legal representatives of legally incapable shareholders and the persons representing legal entities that hold shares in the Company may attend General Meetings whether they are shareholders or not.

If so decided by the Board of Directors when convening the Meeting, shareholders may also take part by videoconference or any other means of telecommunication, including the Internet, that permits them to be identified as provided by the law.

Shareholders who participate in the Meeting via videoconference or any other means of telecommunication that enables them to be identified as required by law shall be considered to be present for the purpose of calculating the quorum and majority.

All shareholders may vote by correspondence by filling in a form addressed to the Company, under the conditions provided for by the law and the regulations; to be taken into account, this form must reach the Company at least three days before the date of the General Meeting.

Two members of the Workers' Council, to be named by the Council in compliance with the law, may attend General Meetings. They must, upon their request, be heard when decisions requiring shareholder unanimity are voted.

Article 28 - Voting rights

The voting right attached to capital-only shares or dividend-bearing shares shall be proportional to the portion of the capital they represent. With the same par value, each share shall entitle the holder to the same number of votes, with a minimum of one vote. However, double voting rights are given to:

a) all fully paid-up shares that have been registered for at least four years in the name of a given shareholder of French nationality or a citizen of a European Union Member State;

b) registered shares allocated to a shareholder, in the event of an increase in capital by capitalisation of reserves, profits or share premiums, on the basis of old shares giving the holder such right.

Nonetheless, the aforesaid period is not interrupted and rights remain acquired in the event of any transfer following inheritance, liquidation of marital property between spouses, or donation *inter vivos* in favour of a spouse or relative entitled to inherit.

Article 29 - Rights to shareholder information - disclosure obligations

All shareholders are entitled to receive all the information necessary for them to take an informed decision relating to the management and situation of the Company.

The documentation required and its availability to shareholders is laid down by the law.

Any shareholder who holds more than 3% or more than 4% of the company's capital shall inform the company in the same manner and based on the same methods of calculation as required with respect to legal thresholds.

Article 30 - Attendance sheet - officers - minutes

The attendance sheet, duly initialled by the shareholders present and by proxy-holders and including the names of shareholders attending the meeting via a telecommunication channel, accompanied by the authorisations granted to proxy-holders, and, where appropriate, voting forms, shall be certified as accurate by the officers of the General Meeting.

The General Meeting shall be chaired by the Chairman of the Supervisory Board or, in the Chairman's absence, by a Vice-Chairman. Failing this, the Meeting shall elect its own Chairman.

The duties of vote-teller shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy-holders.

The officers of the meeting thus appointed shall designate a secretary, who may be a shareholder or not.

The minutes are kept and copies or extracts of these minutes are delivered and certified in accordance with the law.

Article 31 - Ordinary General Meetings

An Ordinary General Meeting is a meeting called to take decisions which do not amend the Memorandum and Articles of association.

It shall be held at least once a year, in the conditions provided for by law, to approve the accounts for the financial year then ended.

Decisions are valid only if, when the meeting is convened for the first time, the shareholders attending the meeting or represented by proxy or having voted by mail represent at least one quarter of the total voting rights. No quorum is required for a second meeting.

The Meeting issues decisions by simple majority of the votes of the shareholders present or represented by proxy-holders, including the votes of shareholders who have voted by mail.

Article 32 - Extraordinary General Meetings

The Extraordinary General Meeting alone shall be authorised to amend the Memorandum and Articles of Association. However, it may not increase shareholders' commitments, subject to transactions arising from any grouping together of shares, duly and properly carried out.

Decisions are valid only if the shareholders attending the meeting or represented by proxy or having voted by mail represent at least one third of the total voting rights, in the case of a first meeting, and one quarter of the total voting rights in the case of a second meeting. In the event of this quorum not being reached, the second meeting may be deferred to a date not more than two months later than the date on which it was originally convened; the quorum of one-fifth is also required for this second meeting.

The Meeting issues decisions by a majority of two-thirds of the votes of the shareholders present or represented by proxy-holders, including the votes of shareholders who have voted by mail, except in the event of a legal derogation.

Article 33 - Special General Meetings

When there are several categories of shares, no changes may be made to the rights of a given category of shares unless approved by an Extraordinary General Meeting open to all shareholders and also by a Special General Meeting of the holders of the category of shares in question.

Decisions taken by Special General Meetings are valid only if the shareholders attending the meeting or represented by proxy represent at least one-third of the total voting rights, in the case of a first meeting, and one-fifth of the total voting rights in the case of a second meeting.

In all other respects, Special General Meetings are convened and deliberate in the same way as Extraordinary General Meetings.

3. Preparation and supervision of the Reference Document and the information contained therein

Name and position of the person responsible for the Reference Document

Mr. Pierre Pasquier, Chairman and Chief Executive Officer

Information Officer

Mr. Jean-Claude Debray, Director of Communication

Persons responsible for auditing the financial statements

Statutory Auditors

- Auditeurs et Conseils Associés – 33, rue Daru, 75008 Paris

Represented by Philippe Ronin.

Term of office expires at the General Meeting called to approve the 2009 financial statements.

First appointed: June 1986.

- Cabinet Mazars & Guérard – 61, rue Henri-Regnault, 92400 Courbevoie

Represented by Pierre Sardet.

Term of office expires at the General Meeting called to approve the 2011 financial statements.

First appointed: June 2000.

Alternate Auditors

- AEG Finances – 4, rue de Châtillon, 75014 Paris

Term of office expires at the General Meeting called to approve the 2009 financial statements.

- Jean-Louis Simon – 61, rue Henri-Regnault, 92400 Courbevoie

Term of office expires at the General Meeting called to approve the 2011 financial statements.

4. Provisional reporting timetable

Publication Date*	Event	SFAF Meeting Date
28 April 2008	Revenue for the first quarter of 2008	-
28 July 2008	Revenue for the second quarter of 2008	-
29 August 2008	Half year results to 30 June 2008	2 September 2008
12 November 2008	Revenue for the third quarter of 2008	-

* *After the market close on the above dates.*

The full-year and half-year results are released at analysts' meetings organised in collaboration with the SFAF (French financial analysts association).

5. Documents available to the public

The legal documents relating to the Company, in particular its articles of association, financial statements and reports presented to its Meetings by the Board of Directors and the Statutory Auditors may be requested from the Director of Communication Sopra Group, 9 bis rue de Presbourg, 75116 Paris, France. All published financial information is available on group's website: www.sopragroup.com.

CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

I declare, having taken all reasonable care to ensure that such is the case, that the information contained in this Reference Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial positions and results of operations of the parent company and of all entities included in the scope of consolidation, and that the management report included in this document, beginning on page 40, provides a true and fair presentation of the development of the businesses, results of operations and financial positions of the parent company and of all entities included in the scope of consolidation, as well as a description of the main risks and uncertainties to which these companies are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have verified, in accordance with professional standards and doctrine applicable in France, the financial and accounting information provided in this Reference Document and that they have read the Document as a whole.

The Statutory Auditors' report on the financial statements for the year ended 31 December 2007 includes an observation relating to a change in accounting method arising from the application of the amendment to IAS 19.

Paris, 23 April 2008

Pierre Pasquier

Chairman and Chief Executive Officer

In order to enhance the readability of the Annual Report filed as a Reference Document, the following theme-based table allows the reader to identify the headings required by Commission Regulation (EC) 809/2004 of 29 April 2004.

TABLE OF CONCORDANCE

n.a.: not applicable

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