HALF-YEAR FINANCIAL REPORT
AT 30 JUNE
2014

sopra

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Société Anonyme with share capital of €11,919,583 – 326 820 065 RCS Annecy
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This document is a free translation into English of the original French "Rapport financier semestriel au 30 juin 2014", hereafter referred to as the "Half-year financial report at 30 June 2014". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

1 Business review for the period ended 30 June 2014

General environment

Last year, in 2013, France's digital services industry experienced slightly negative growth of -0.2% (source: Syntec Numérique). This year got off to a somewhat better start, with low growth of around 1% expected for 2014. At the European level, there was a certain disparity between northern countries, which returned to stronger growth, and southern countries, where growth was weak.

France's public sector, burdened by major budget cuts, has been among the areas most affected by the economic crisis. Alongside it we find the country's telecoms industry, still reeling from Numericable's acquisition of SFR. However, other industry sectors such as finance (in response to changes in its regulatory framework and investments in digital banking) are maintaining the pace of their investments.

Prices remain under pressure and the offshore market continues to expand, although less quickly than anticipated due to linguistic challenges.

1. Significant events of the first six months of the year and impact on the interim financial statements

1.1. Significant events

1.1.1. ACQUISITIONS

a. COR&FJA Banking Solutions GmbH

On 18 February 2014, Sopra finalised the acquisition of 100% of the shares of Germany company COR&FJA Banking Solutions GmbH, thus reinforcing the international position of its subsidiary Sopra Banking Software.

This acquisition bolsters Sopra Banking Software's international strategy by giving it a foothold in the German market. The combination of COR&FJA Banking Solutions' client roster with Sopra Banking Software's widely recognised expertise makes it possible to offer new solutions and services to an expanded client base.

Due to internal restructuring by its parent company, COR&FJA Banking Solutions GmbH has been operating as a separate entity since the summer of 2013. COR&FJA Banking Solutions GmbH generated revenue of €23.3 million in 2012, including €10.3 million in maintenance.

COR&FJA Banking Solutions GmbH has been included in the scope of consolidation since 1 January 2014.

It has been renamed Sopra Banking Software GmbH.

b. HR Access Service

On 30 June 2014, Sopra finalised its acquisition (via its subsidiary Sopra HR Software) of the HR Access Service business owned until then by IBM France. This acquisition enabled the Group to significantly increase the pace of deployment of its strategy for human resources solutions.

HR Access Service brings Sopra closer to its clientele and enhances its expertise on the market for services related to human resources solutions.

This new entity is being integrated into Sopra HR Software. Pro forma revenue for all the Sopra group's HR operations is expected to be €150 million for the financial year.

The transaction took the form of a partial transfer of business *(cession partielle de fonds de commerce).*

1.1.2. INDUSTRIAL AND COMMERCIAL COLLABORATION AGREEMENT SIGNED WITH CS COMMUNICATION & SYSTÈMES

On 6 June 2014, Sopra signed an industrial and commercial collaboration agreement with its long-time partner, CS Communication & Systèmes. The main objective of the agreement is to improve and reinforce overall performance, notably by developing existing industrial and commercial collaborations in aeronautics and defence, and by establishing new areas for cooperation in activities related to security, space and energy.

After signing this agreement, in July 2014 Sopra subscribed for €8,028,000 of convertible bonds issued to CS shareholders, and a customary agreement was entered into with the majority shareholder of CS Communication & Systèmes.

1.1.3. PROPOSED FRIENDLY TIE-UP BETWEEN SOPRA AND STERIA TO CREATE A EUROPEAN LEADER IN DIGITAL TRANSFORMATION

On 8 April 2014, Sopra and Steria announced their intention to create a European leader in digital services by carrying out this proposed tie-up.

The new, combined group would be expected to achieve the following objectives:

- combined revenue of €3.1bn and a group boasting over 35,000 professionals, located in 24 countries, at the service of major international clients;
- highly complementary business activities and geographies, creating one of the most complete portfolios of offerings available on the market;
- a Solutions and Business Process Services activity representing 25% of revenue;
- value creation thanks to significant revenue synergies and annual operational cost savings of €62m;
- balanced corporate governance, with Pierre Pasquier as Chairman of the Board of Directors and François Enaud as Chief Executive Officer;
- a new entrepreneurial project backed by a stable reference shareholder base and a shareholders' agreement between Sopra GMT and Soderi.

Schedule and terms of the tie-up

The tie-up proposal took the form of a friendly, voluntary *offre publique d'echange* (public exchange offer) initiated by Sopra for all of the shares of Steria on the basis of 1 Sopra share for 4 Steria shares.

The following provisional timetable for the public exchange offer was confirmed by the AMF on 17 July 2014. That confirmation followed the European Commission's 14 July 2014 decision to authorise the tie-up between Sopra and Steria in its capacity as anti-trust regulator:

- 26 June 2014: opening of the Public Exchange Offer;
- 30 July 2014: closing of the Public Exchange Offer;
- 6 August 2014: publication of the final notice of result of the Offer by the AMF;
- 12 August 2014: settlement-delivery of securities tendered;
- 18 August 2014: reopening of the Offer;
- 5 September 2014: closing of the Reopened Offer;
- 12 September 2014: publication by the AMF of the final notice of result of the Reopened Offer;
- 18 September 2014: settlement-delivery of the Reopened Offer.

The initial offer will be deemed successful if the Steria shares tendered to it constitute at least 60% of the fully-diluted share capital and voting rights as of the closing date (the "success threshold").

The Board of Directors of Soderi, which is Steria's *associé commandité* (general partner), as well as Steria's Supervisory Board and Sopra's Board of Directors, have approved the proposed tie-up and are supporting it.

Sopra and Steria share a culture of independence and growth, as well as a great deal of mutual respect, making the decision to combine forces a natural one. The accelerating pace of today's digital revolution and new modes of service consumption are giving rise to sweeping changes in the market. This proposed tie-up is designed to benefit clients by providing them with the best possible transformation solutions to help them adapt to an evolving digital world. Once allied, Sopra and Steria would boast one of the most comprehensive portfolios of offerings available on the market, ranging from software solutions to business process execution. The tie-up would also benefit both companies' employees by giving them opportunities to develop their careers and acquire new skills. Shareholders stand to gain too, as they join in this foundational, value-creating venture.

Balanced corporate governance and a stable shareholder base

The new group's corporate governance would be balanced, resulting from a merger of equals.

Pierre Pasquier would be Chairman of the Board of Directors, while François Enaud would be Chief Executive Officer. On the Board of Directors, Sopra and Steria would each be represented by four directors, in addition to independent members and employee representatives.

The share capital of the new combined entity would be structured around three core shareholder groups. The founders and certain managers of Sopra would own a total of about 22%. Geninfo would have a 7% stake. Current and former Steria employees would account for another 10%. Together, the above-mentioned groups would hold 39% of the share capital. A shareholders' agreement to this effect would be signed by Sopra GMT and Soderi, with the latter representing Steria's former employee shareholders.

Very strong complementary fit of business lines and geographic segments

From an industry perspective, the proposed tie-up between Sopra and Steria is a response to the market changes brought about by the digital revolution and new modes of service consumption. The combined group would be able to make the transition from "Systems Developer-Integrator" to "Service Creator-Operator", with the critical mass and capacity to deliver the best possible transformation solutions to its clients. Its portfolio of offerings would be among the most comprehensive on the market.

The new group would generate 25% of its annual revenue from Solutions and Business Process Services, where both Sopra and Steria register their highest levels of growth and profitability. That proportion would increase rapidly as a result of organic and external growth as well as synergies from the tie-up.

In terms of business lines and geographic segments, the complementary fit between the two entities is very strong. Sopra brings the power of its organisation in France, the strength of its products in banking, human resources and real estate, and its effective application management model. Steria offers its international reach (Europe and Asia) with strong positioning in the United Kingdom, a well-timed offering in Business Process Services and its expertise in IT infrastructure management.

Industrial-scale production capacity would be significantly reinforced with an array of offshore and nearshore service centres employing a workforce of approximately 8,000 people, including over 6,000 in India.

A value-creating proposal with strong synergies

The stronger competitive positioning and complementary fit of offerings and geographic locations afforded by the tie-up would lead to faster revenue growth. For example, Sopra would be able to use Steria's positions in Europe to accelerate the commercialisation and rollout of its software solutions. Steria, meanwhile, could leverage Sopra's offshore capacity in India for its French clients. The proposed tie-up is also expected to generate annual operational cost synergies of €62m commencing in 2017. It is expected to have a neutral effect on basic earnings per share in 2015 and be strongly accretive as of 2016.

The goal is to form a new company capable of generating strong organic growth, with revenue of over €4bn and an operating margin on business activity progressively approaching the 10% mark.

1.1.4. CHANGES IN SOPRA'S GOVERNANCE STRUCTURE

a. Changes in executive management

At its meeting on 15 April 2014, Sopra's Board of Directors approved the appointment of Vincent Paris as the Group's Chief Executive Officer, replacing Pascal Leroy, who occupied the position until 30 April 2014. This appointment took effect on 1 May.

Vincent Paris, who had been Deputy CEO of Sopra, will be responsible for the day-to-day management of Sopra's operations until the effective completion of the friendly tie-up with Steria, planned for this summer.

Vincent Paris, aged 49, joined Sopra Group in 1987 after graduating from the prestigious École Polytechnique, and has spent his entire career with the Group, with the exception of a brief period at an IT subsidiary of Vivendi.

After starting out in Sopra Group's Banking & Finance division, he held several different leadership positions in the French regions. In 2006, he became head of the Public Sector division, and from 2010 onwards he supervised all the Group's Paris-based divisions. Since 2011, Vincent Paris has been a member of the Executive Committee and directs Sopra Group's operations in France.

As announced publicly and subject to the successful completion of the proposed friendly tie-up between Sopra and Steria, Pierre Pasquier will serve as Chairman of the Board of Directors of the new entity, Sopra Steria Group, with François Enaud as its Chief Executive Officer and Vincent Paris as Deputy CEO.

b. Changes in the composition of the Board of Directors

CHANGES IN BOARD COMPOSITION DURING THE HALF-YEAR PERIOD

Appointments	By decision of the General Meeting of 27 June 2014
	Effective immediately for a term of four years: ■ Sopra GMT (represented by Kathleen Clark-Bracco) ■ Eric Pasquier ■ Marie-Hélène Rigal-Drogerys *Subject to the success of the public exchange offer for the shares of Groupe Steria SCA, for a term of four years:* ■ Astrid Anciaux ■ François Enaud ■ Eric Hayat ■ Jean-Bernard Rampini
Resignations	Kathleen Clark-Bracco (due to her appointment as permanent representative of Sopra GMT)
Co-optations	None

c. Double voting rights

On 27 June 2014, the General Meeting adopted Resolution 29 to reinstate double voting rights for shares that have been registered for at least two years.

As part of a shareholders' agreement, Sopra GMT has agreed to use its double voting rights only in the event of an agreement with the Board of Directors. In two years' time, the Board will prepare a report on how double voting rights have been used.

Disclosures of threshold crossings were filed with the AMF following the release of the number of voting rights on 7 July 2014.

1.2. Business activity during the first six months of 2014

The Statutory Auditors conducted a limited review of the interim consolidated financial statements. Sopra turned in a solid performance for the first part of the year, underscored by growth and improved profitability. Clients' trust in the Group enabled it to outperform in a very challenging economic environment. At this point in the year, the Group is in a position to confirm all its annual targets. Highlights of the first half-year period were:

- revenue representing total growth of 9.3% and organic growth of 4.5%;
- operating margin on business activity up 100 basis points at 7.2%.

1.2.1. CONSOLIDATED INCOME STATEMENT

	First-half 2014		First-half 2013	
	€m	%	€m	%
Revenue	**722.3**		**661.0**	
Staff costs - Employees	-498.8		-455.4	
Staff costs - Contractors	-48.3		-53.1	
Operating expenses	-112.7		-101.2	
Depreciation, amortisation and provisions	-10.3		-10.0	
Operating profit on business activity	**52.2**	***7.2%***	**41.3**	***6.2%***
Expenses related to stock options and related items	-1.4		-1.4	
Amortisation of allocated intangible assets	-2.4		-2.4	
Profit from recurring operations	**48.4**	***6.7%***	**37.5**	***5.7%***
Other operating income and expenses	-7.8		26.1	
Operating profit	**40.6**	***5.6%***	**63.6**	***9.6%***
Cost of net financial debt	-3.2		-2.4	
Other financial income and expenses	-1.4		-	
Tax charge	-14.3		-13.4	
Share of net profit of equity-accounted companies	0.5		2.4	
Net profit before profit or loss from discontinued operations	**22.2**	***3.1%***	**50.2**	***7.6%***
Profit after tax from discontinued operations	-		-	
NET PROFIT	**22.2**	***3.1%***	**50.2**	***7.6%***
Group share	22.2		50.2	
Non-controlling interests	-		-	

Revenue for the first half of 2014 was €722.3 million, representing total growth of 9.3% and organic growth of 4.5%. Following an excellent first quarter, the Group maintained its strong start to the year, recording revenue of €363.9 million for the second quarter, i.e. total growth of 7.1% and organic growth of 4.7%.

Operating profit on business activity for the half-year period was €52.2 million, corresponding to a margin of 7.2%, a 100 basis point improvement over the first half of 2013.

Profit from recurring operations was €48.4 million, representing a margin of 6.7%, after €1.4 million in expenses relating to the Group's bonus share allotment plan and stock options, as well as amortisation of allocated intangible assets in the amount of €2.4 million.

Other operating expenses came to €7.8 million, including €4.6 million attributable to the tie-up with Steria and €3.2 million arising from restructuring. Operating profit was thus €40.6 million, representing a margin of 5.6% (first-half 2013: 9.6%). It should be noted that, in the first half of 2013, the Group recognised negative goodwill on its acquisition of HR Access. Without that negative goodwill, last year's margin would have been 6.3%.

Net financial items came out to an expense of €4.6 million. The Group's total tax expense was €14.3 million.

The share of net profit from equity-accounted companies, corresponding to Sopra's 25.61% shareholding in Axway, was €0.5 million.

Net profit was €22.2 million, representing a net profit margin of 3.1%.

CONSULTING & SERVICES

In France, first-half revenue was €393.3 million, representing total growth of 3.2% and organic growth of 2.5%. Amidst a generally lacklustre economic environment, the Group saw its pace of growth pick up in the second quarter, buoyed by a high number of contracts renewed with key accounts. While budgets changed only marginally, Sopra generated growth by gaining market share. The public sector maintained its wait-and-see attitude, but demand from the financial services and manufacturing sectors was higher. Operating profit on business activity came in at €32.7 million, representing a margin of 8.3% for the period, compared with 7.5% in full-year 2013.

In Europe, revenue was €129.9 million, representing total growth of 5.7% and organic growth of 4.4%. Operating profit on business activity totalled €2.7 million, representing a margin of 2.1% for first-half 2014, compared with 2.8% for the same period in the previous financial year. In Spain, Belgium and Switzerland, growth and profitability came in as hoped; the United Kingdom proved resilient, while adverse economic conditions weighed on the performance of the Group's Italian and German subsidiaries.

SOLUTIONS

Sopra Banking Software generated first-half revenue of €120.7 million, representing total growth of 12.0% and organic growth of 1.6%, for an operating margin of 6.1% (€7.4 million). Those results reflect a strategy that reconciles, on the one hand, the investment effort needed to bring the subsidiary's offering to the market and, on the other, its target of double-digit profitability over the full year. While research and development costs and the deployment of sales teams held back profit margins in the first half of the year, a number of major projects involving substantial licence sales at the end of the year should allow Sopra Banking Software to achieve its annual target of an operating margin of over 10%.

The "Other Solutions" division, which combines revenue generated by the Group's human resources and real estate solutions, recorded half-year revenue of €78.4 million, representing total growth of 59.0% and organic growth of 22.3%. It achieved a stable margin of 12.0%, validating the Group's strategy of developing ancillary services to complement its solutions offerings, reflected in the recent acquisition of HR Access Service.

PERFORMANCE BY REGION IN FIRST-HALF 2014

	Revenue	Operating profit on business activity	Operating margin on business activity	Total growth	Organic growth
	€m	€m	%	%	%
France	**393.3**	**32.7**	***8.3%***	***3.2%***	***2.5%***
Europe (excluding France)	**129.9**	**2.7**	***2.1%***	***5.7%***	***4.4%***
United Kingdom	43.6	2.3	*5.3%*	*3.1%*	*-0.5%*
Spain	44.3	2.1	*4.7%*	*17.2%*	*17.2%*
Italy	20.9	-0.4	*-1.9%*	*-8.3%*	*-8.3%*
Other countries (1)	21.1	-1.3	*-6.2%*	*5.5%*	*5.5%*
Sopra Banking Software	**120.7**	**7.4**	***6.1%***	***12.0%***	***1.6%***
Other Solutions	**78.4**	**9.4**	***12.0%***	***59.0%***	***22.3%***
SOPRA GROUP	**722.3**	**52.2**	***7.2%***	***9.3%***	***4.5%***

(1) Other countries: Germany, Belgium, Switzerland.

REVENUE BREAKDOWN BY ECONOMIC SECTOR (%)

	First-half 2014	2013
Financial services	*36%*	*33%*
Services/Transport/Utilities	*20%*	*20%*
Public sector	*17%*	*16%*
Manufacturing	*14%*	*16%*
Telecoms & Media	*8%*	*10%*
Retail	*5%*	*5%*
TOTAL	***100%***	***100%***

STAFF CHANGES

	First-half 2014	2013
Staff - France	10,765	10,230
Staff - International	6,395	6,060
TOTAL	**17,160**	**16,290**
Staff at the beginning of the period	16,290	14,310
Integration of acquired companies	130	900
Net additions to staff	740	1,080
TOTAL	**17,160**	**16,290**

REVENUE BY OFFERING (%)

	First-half 2014	2013
Consulting & Integration	*72%*	*76%*
Software publishing	*28%*	*24%*
TOTAL	***100%***	***100%***

1.2.2. GROUP FINANCIAL POSITION

Shareholders' equity was €361.7 million. Net debt at 30 June 2014 was €197.3 million.

Net bank debt, which excludes the profit-sharing liability of €27.1 million, was €170.2 million. Consequently, the net debt to equity ratio excluding employee profit sharing (as used to assess compliance with banking covenants) was 47.0%.

The Group's financial position therefore remains excellent and its debt is perfectly compliant with its banking covenants.

2. Description of the main risks and uncertainties for the remaining six months of the year

This document contains forecasts subject to certain risks and uncertainties that may affect the Group's future growth and profitability. The reader is reminded that a higher proportion of licence agreements (which, for clients, often means investments) are generally signed in the second half of the year, and may thus have a more or less favourable impact on Sopra's end-of-year performance.

The outcome of events or actual results may differ from those described in this document as a result of the main operational risks set out in our 2013 Registration Document (no. D.14-0434) filed with the Autorité des Marchés Financiers (AMF) on 29 April 2014. Irrespective of any strategic risk associated with the Group's competitive positioning or potential loss of business model relevance, the Group's senior management has consulted with the Executive Committee and decided that operational risks involving human resources, production, sales activity and cash management are the company's main risks and should be addressed in ongoing action plans.

2.1. Human resources risk

In a services business where certain critical competencies can be rare, human resources is naturally a major risk category. Effective hiring, skills and career management, continuity in key roles, and the sharing of the Group's culture and values are core issues that require constant attention.

One area of central importance in HR management is the optimization – and thus familiarity with – the Group's existing resources (skills, aptitudes, potential), especially as its primary operating entities continue to grow in size.

The organisation, tools and human resources processes that contribute to controlling this risk across the Group have been reinforced in recent years, as described below.

Sopra's corporate vision for the next three years includes an HR component that is updated annually and broken down to individual business unit level. As such, the company's HR requirements are expressed in terms of headcount, changes in the Group's business lines and skills development in line with the key challenges ahead.

The Group's performance measurement and career management policy is designed to promote the sharing of employees' specialist knowledge. Individual and collective HR development plans are prepared in line with the company's needs as well as employees' capabilities and career goals.

The policy works as follows. Employee performance is assessed by project managers on a project-by-project basis. Those assessments feed into annual career interviews with line managers. Human Resources Committees, made up of senior management and all line managers in each business unit, meet twice a year to assess and review employees' roles, performance and future development. In particular, these committees are designed to help employees share their knowledge as well as assess their skills, performance and development potential from a cross-functional perspective. Development plans are prepared in accordance with committee findings. Human Resources Committees exist at every level of management (branch, division, country and Group). They serve to ensure that performance is assessed consistently and fairly and that career management is aligned with the objectives embodied in the Group's strategic HR vision. Action plans are then rolled out and managed throughout the year within each entity.

The Human Resources Department works with the Heads of HR in each division to support management by coordinating all these efforts.

In response to the growth of its operating entities, the Group has strengthened its network of branch-level line managers, to whom branch managers may delegate responsibility for employee career management.

The Group's long-term growth potential is affected by its ability to produce a sufficient number of leaders capable of managing large, complex projects involving a range of volumes, client needs, technologies and production methods, such as offshoring.

An ambitious programme has been put in place to favour the emergence of future leaders from within the Group (project managers, systems architects, subject-matter experts, etc.). This has led to a rethinking of the career paths, skill utilisation opportunities and employment conditions of the Group's production staff.

An overview of the Group's human resources policy can be found in section 2 of the Sustainable Development and Corporate Social Responsibility Report (Chapter 4 of the 2013 Registration Document), entitled "Our responsibility to our employees".

2.2. Production risks

Production risk refers mainly to the Group's need to deliver on its commitments to clients in terms of quality, timescales and costs: to deliver products and services in line with specifications and within the stipulated deadlines and allocated budgets, particularly in the context of major client programmes. It is critical for the Group to be able to meet client demands and deliver consistent quality.

Production risk control requires familiarity with a number of constantly evolving technical and business environments. It involves the upstream validation of technical, legal and financial specifications, as well as a tried and tested project management methodology designed to integrate the participation of offshore production platforms, together with operational and accounting controls.

When it became clear that the reliability of IT and communications infrastructures was gaining in importance, the Group expanded the responsibilities of its Head of Information Systems Security (within the Industrialisation department). This grew from a need to spur greater involvement among all stakeholders across the Group in analysing information system risks and defining action plans in a context of growing interdependence between entities and onshore and offshore production sites.

2.3. Risks related to business relations with key clients

In order to do business effectively, the Group must be able to draw on the entirety of its client-related knowledge, even as relationships with major clients extend over a number of years and involve numerous employees, often in different units. Proper control and use of this knowledge is key to understanding and responding appropriately to clients' needs. It also allows for better management of the risk of losing a client or a major contract.

Sales to key accounts are coordinated with the members of the Executive Committee under the umbrella of major commercial programmes.

2.4. Cash management risks

The improvement in working capital management achieved over the past two years has been largely attributable to the emphasis placed during that time on better billing cycles.

The Finance Department, which manages the Group's provisional financing plan, alongside the Legal Department and all operational managers, contributed actively to the Group's improved performance in this area.

Related training continued for managers, sales engineers and project leaders, who help put the Group's cash management directives into practice on a day-to-day basis.

Effective management of invoicing and payments received remains a high-level priority.

Organisational improvements have also allowed for a better separation of functions within the Finance Department, thus tightening its control of the cash cycle.

The Group also negotiates bank borrowing facilities to help manage its liquidity risk.

3. Main related-party transactions

3.1. Transactions between related parties during the six-month period ended 30 June 2014 with a material impact on the issuer's financial position or results during that period

The Group's financial position and results for the first six months of the current financial year were not materially impacted by any related-party transaction.

3.2. Changes affecting related-party transactions described in the latest Registration Document with a potential material impact on the issuer's financial position or results during the six-month period ended 30 June 2014

The Group's financial position and results for the first six months of the current financial year were not materially impacted by any change in related-party transactions.

4. Updated forecasts and targets

The group confirms its stand-alone annual targets:

- organic growth of between 3% and 5%;
- improvement in the operating margin on business activity;
- net debt at year-end of between €130 million and €160 million, taking into account the acquisition of HR Access Services and the subscription to the CS convertible bond issue.

2

Condensed consolidated interim financial statements

Consolidated statement of net income

(in thousands of euros)	Notes	First-half 2014	First-half 2013	2013
Revenue	*4*	**722,334**	**661,036**	**1,348,995**
Staff costs	*5*	-498,778	-455,362	-911,911
External expenses and purchases		-160,578	-150,249	-306,294
Taxes and duties		-6,979	-8,098	-17,625
Depreciation, amortisation, provisions and impairment		-10,267	-10,038	-21,263
Other current operating income and expenses		6,503	4,058	17,022
Operating profit on business activity		**52,235**	**41,347**	**108,924**
as % of revenue excl. VAT		*7.2%*	*6.2%*	*8.1%*
Expenses related to stock options and related items		-1,415	-1,443	-2,973
Amortisation of allocated intangible assets		-2,448	-2,426	-4,855
Profit from recurring operations		**48,372**	**37,478**	**101,096**
as % of revenue excl. VAT		*6.7%*	*5.7%*	*7.5%*
Other operating income and expenses	*6*	-7,810	26,140	2,849
Operating profit		**40,562**	**63,618**	**103,945**
as % of revenue excl. VAT		*5.6%*	*9.6%*	*7.7%*
Cost of net financial debt	*7*	-3,164	-2,449	-6,980
Other financial income and expenses	*7*	-1,372	15	-1,439
Tax charge	*8*	-14,310	-13,378	-32,546
Net profit from associates	*9*	484	2,433	8,430
Net profit from continuing operations		**22,200**	**50,239**	**71,410**
Net profit from discontinued operations		-	-	-
CONSOLIDATED NET PROFIT		**22,200**	**50,239**	**71,410**
as % of revenue excl. VAT		*3.1%*	*7.6%*	*5.3%*
Non-controlling interests		1	4	8
Attributable to Group		**22,199**	**50,235**	**71,402**
EARNINGS PER SHARE *(in euros)*				
Basic earnings per share	*10*	1.86	4.22	6.00
Fully diluted earnings per share	*10*	1.83	4.17	5.92

Consolidated statement of comprehensive income

(in thousands of euros)	Notes	First-half 2014	First-half 2013	2013
Consolidated net profit		**22,200**	**50,239**	**71,410**
Other comprehensive income:				
Actuarial gains and losses on pension plans		-3,363	-1,204	1,236
Tax impact		1,158	430	-645
Subtotal of items not reclassifiable to profit or loss		**-2,205**	**-774**	**591**
Translation adjustments		4,062	-4,356	-2,826
Change in the value of derivatives		422	649	623
Related to associates		179	274	-1,955
Related to discontinued activities		-	-	-
Tax impact		66	-76	-754
Subtotal of items reclassifiable to profit or loss		**4,729**	**-3,509**	**-4,912**
Other comprehensive income, total net of tax		**2,524**	**-4,283**	**-4,321**
COMPREHENSIVE INCOME		**24,724**	**45,956**	**67,089**
Non-controlling interests		1	4	8
Attributable to Group		**24,723**	**45,952**	**67,081**

Consolidated statement of financial position

ASSETS *(in thousands of euros)*	Notes	30/06/2014	30/06/2013	31/12/2013
Goodwill	12	343,968	311,289	317,457
Intangible assets		52,410	57,081	54,038
Property and equipment		53,265	42,731	49,159
Equity-accounted investments in associates	13	117,504	114,820	118,784
Other non-current financial assets		4,944	4,955	4,924
Deferred tax assets		28,370	37,837	25,592
Non-current assets		**600,461**	**568,713**	**569,954**
Stocks and work in progress		141	263	205
Trade accounts receivable	14	461,185	450,710	442,413
Other current receivables		62,925	48,479	63,657
Cash and cash equivalents		42,780	74,603	102,230
Current assets		**567,031**	**574,055**	**608,505**
TOTAL ASSETS		**1,167,492**	**1,142,768**	**1,178,459**

LIABILITIES AND EQUITY *(in thousands of euros)*	Notes	30/06/2014	30/06/2013	31/12/2013
Share capital		11,920	11,893	11,920
Capital reserves		14,613	11,032	13,192
Consolidated reserves and other reserves		313,001	259,575	261,389
Profit for the period		22,199	50,235	71,402
Equity – Group share		**361,733**	**332,735**	**357,903**
Non-controlling interests		**10**	**5**	**9**
TOTAL EQUITY	15	**361,743**	**332,740**	**357,912**
Financial debt – long-term portion	16	151,819	209,191	135,499
Deferred tax liabilities		3,047	17,009	2,133
Provision for post-employment benefits	17	69,482	58,403	58,740
Non-current provisions	18	12,008	11,874	12,384
Other non-current liabilities		2,067	3,033	5,196
Non-current liabilities		**238,423**	**299,510**	**213,952**
Financial debt – short-term portion	16	88,226	81,603	121,310
Trade payables		62,755	55,156	68,910
Other current liabilities		416,345	373,759	416,375
Current liabilities		**567,326**	**510,518**	**606,595**
TOTAL LIABILITIES		**805,749**	**810,028**	**820,547**
TOTAL LIABILITIES AND EQUITY		**1,167,492**	**1,142,768**	**1,178,459**

Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Treasury shares	Consolidated reserves and retained earnings	Other comprehensive income	Equity - Group share	Non-controlling interests	Total equity
At 31/12/2012	**11,893**	**9,533**	**-307**	**307,283**	**-23,150**	**305,252**	**1**	**305,253**
Capital transactions	-	99	-	44	-	143	-	143
Share-based payments	-	1,401	-	317	-	1,718	-	1,718
Transactions in treasury shares	-	-	-306	58	-	-248	-	-248
Ordinary dividends	-	-	-	-20,219	-	-20,219	-	-20,219
Changes in scope	-	-	-	-	-	-	-	-
Other movements	-	-	-	137	-	137	-	137
Shareholder transactions	**-**	**1,500**	**-306**	**-19,663**	**-**	**-18,469**	**-**	**-18,469**
Profit for the period	-	-	-	50,235	-	50,235	4	50,239
Other comprehensive income	-	-	-	-	-4,283	-4,283	-	-4,283
Comprehensive profit for the period	**-**	**-**	**-**	**50,235**	**-4,283**	**45,952**	**4**	**45,956**
AT 30/06/2013	**11,893**	**11,033**	**-613**	**337,855**	**-27,433**	**332,735**	**5**	**332,740**
Capital transactions	27	713	-	482	-	1,222	-	1,222
Share-based payments	-	1,446	-	908	-	2,354	-	2,354
Transactions in treasury shares	-	-	314	60	-	374	-	374
Ordinary dividends	-	-	-	15	-	15	-	15
Changes in scope	-	-	-	355	-355	-	-	-
Other movements	-	-	-	92	-18	74	-	74
Shareholder transactions	**27**	**2,159**	**314**	**1,912**	**-373**	**4,039**	**-**	**4,039**
Profit for the period	-	-	-	21,167	-	21,167	4	21,171
Other comprehensive income	-	-	-	-	-38	-38	-	-38
Comprehensive profit for the period	**-**	**-**	**-**	**21,167**	**-38**	**21,129**	**4**	**21,133**
AT 31/12/2013	**11,920**	**13,192**	**-299**	**360,934**	**-27,844**	**357,903**	**9**	**357,912**
Capital transactions			-	-	-	-	-	-
Share-based payments	-	1,418	-	723	-	2,141	-	2,141
Transactions in treasury shares	-	-	-586	11	-	-575	-	-575
Ordinary dividends	-	3	-	-22,650	-	-22,647	-	-22,647
Changes in scope	-	-	-	-	-	-	-	-
Other movements	-	-	-	164	24	188	-	188
Shareholder transactions	**-**	**1,421**	**-586**	**-21,752**	**24**	**-20,893**	**-**	**-20,893**
Profit for the period	-	-	-	22,199	-	22,199	1	22,200
Other comprehensive income	-	-	-	-	2,524	2,524	-	2,524
Comprehensive profit for the period	**-**	**-**	**-**	**22,199**	**2,524**	**24,723**	**1**	**24,724**
AT 30/06/2014	**11,920**	**14,613**	**-885**	**361,381**	**-25,296**	**361,733**	**10**	**361,743**

Consolidated cash flow statement

(in thousands of euros)	First-half 2014	First-half 2013	2013
Consolidated net profit (including non-controlling interests)	**22,200**	**50,239**	**71,410**
Profit after tax from discontinued operations	-	-	-
Net increase in depreciation, amortisation and provisions	11,278	10,354	22,328
Unrealised gains and losses related to changes in fair value	-143	-787	567
Share-based payment expense	1,415	1,443	2,973
Other calculated income and expense	1,139	-35,251	-36,240
Gains and losses on disposal	6	504	1,481
Share of net profit of equity-accounted companies	-484	-2,433	-8,431
Cash from operations after cost of net debt and tax	**35,411**	**24,069**	**54,088**
Cost of net financial debt	3,164	2,449	6,980
Income taxes (including deferred tax)	14,310	13,378	32,547
Cash from operations before cost of net debt and tax (A)	**52,885**	**39,896**	**93,615**
Tax paid (B)	-13,478	-15,442	-36,767
Changes in operating working capital requirements (including liabilities related to employee benefits) (C)	-49,454	-50,895	-1,673
Net cash from (used in) operating activities (D) = (A+B+C)	**-10,047**	**-26,441**	**55,175**
Purchase of tangible and intangible fixed assets	-6,390	-5,977	-17,110
Proceeds from sale of tangible and intangible fixed assets	6	125	210
Purchase of financial assets	-516	-931	-1,165
Proceeds from sale of financial assets	554	56	295
Impact of changes in scope	-20,294	44,167	41,086
Dividends received (equity-accounted companies, non-consolidated securities)	2,107	1,851	1,851
Changes in loans and advances granted	-	-	-
Other cash flow relating to investing activities	-	-	-
Net cash from (used in) investing activities (E)	**-24,533**	**39,291**	**25,167**
Proceeds on issue of shares	-	99	-
Proceeds on the exercise of stock options	-	-	1,365
Purchase and proceeds from disposal of treasury shares	-586	-306	8
Dividends paid during the period			
■ Dividends paid to shareholders of the parent company	-	-20,219	-20,204
■ Dividends paid to minority interests of consolidated companies	-	-	-
Change in borrowings	-19,391	63,743	-12,898
Net interest paid (including finance leases)	-3,156	-2,408	-6,907
Other cash flow relating to financing activities	-3,111	-822	-2,361
Net cash from (used in) financing activities (F)	**-26,244**	**40,087**	**-40,997**
Effect of foreign exchange rate changes (G)	781	-561	-620
Net cash from (used in) discontinued operations (H)	**-**	**-**	**-**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G+H)	**-60,043**	**52,376**	**38,725**
Opening cash position	41,185	2,460	2,460
Cash relating to discontinued operations	-	-	-
Closing cash position	-18,858	54,836	41,185

Notes to the condensed consolidated financial statements

ACCOUNTING PRINCIPLES AND POLICIES

NOTES TO THE CONSOLIDATED STATEMENT OF NET INCOME

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OTHER INFORMATION

Sopra Group and its subsidiaries form a digital services group whose comprehensive offering ranges from Consulting to Systems and Solutions Integration, Application Portfolio Management and Software Solutions Development. Sopra Group is a limited company *(société anonyme)* governed by French law. Its registered office is located at Parc des Glaisins, 3 rue du Pré Faucon, 74942 Annecy-le-Vieux, France. The head office is at 9 bis rue de Presbourg, 75116 Paris, France.

Sopra Group is listed on Compartment B of NYSE Euronext Paris.

The Sopra group's consolidated financial statements for the six-month period ended 30 June 2014 were approved by the Board of Directors at its meeting on 24 July 2014.

ACCOUNTING PRINCIPLES AND POLICIES

Note 1 Key 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.

1.1. Basis of preparation

The consolidated financial statements for the six months ended 30 June 2014 were prepared in accordance with:

- International Financial Reporting Standards (IFRS) 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/index_en.htm;
- IFRS as published by the IASB.

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

The consolidated financial statements for the period ended 30 June 2014 were prepared in accordance with IAS 34 *Interim Financial Reporting*, as amended in May 2010. They are condensed interim financial statements and do not include all of the information required for annual financial statements. They must be read in conjunction with Sopra Group's 2013 Registration Document, which was filed with the AMF on 29 April 2014 under number D.14-0434 and is available for download from the Group's website (www.sopragroup.com).

The accounting policies applied by the Group in preparing the consolidated financial statements for the period ended 30 June 2014 are identical to those applied in the published consolidated financial statements for the period ended 31 December 2013.

The amounts of various expense items such as annual bonuses, employee profit sharing and corporate income tax are estimated annually and are recognised for the half-year period proportionally to forecast operating results.

1.2. Application of new standards and interpretations

New standards, amendments to existing standards and interpretations required for accounting periods starting on or after 1 January 2014 had no material impact on the Group's financial statements. That includes:

- *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (Amendments to IAS 32);
- IFRS 10 *Consolidated Financial Statements* and the other standards on consolidation: IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, revised IAS 27 *Separate Financial Statements* and revised IAS 28 *Investments in Associates and Joint Ventures*;
- *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (Amendments to IFRS 10, IFRS 11 and IFRS 12);
- *Investment Entities* (Amendments to IFRS 10, IFRS 12 and IAS 27);
- *Recoverable Amount Disclosures for Non-Financial Assets* (Amendments to IAS 36);
- *Novation of Derivatives and Continuation of Hedge Accounting* (Amendments to IAS 39).

The Group has not opted for early application of the standards and interpretations not yet adopted by the European Union for accounting periods starting on or after 1 January 2014. That includes:

- Annual Improvements (2010-2012 cycle and 2011-2013 cycle);
- IFRIC 21 *Levies*;
- *Defined Benefit Plans: Employee Contributions* (Amendments to IAS 19);
- *Clarification of Acceptable Methods of Depreciation and Amortisation* (Amendments to IAS 16 and IAS 18).

Note 2 Highlights and consolidation scope

2.1. Sopra - Steria tie-up

On 8 April 2014, Sopra and Steria announced a proposed friendly tie-up of their two groups, aimed at creating a European leader in digital services with combined revenue of €3.1bn and operations in 24 countries, harnessing the talents of over 35,000 professionals.

The tie-up proposal took the form of an *offre publique d'échange,* or public exchange offer, initiated by Sopra for all of Steria's shares on the basis of 1 Sopra share for 4 Steria shares.

The offer opened on 26 June 2014, and on 27 June Sopra's Combined Annual General Meeting approved the issuance of Sopra shares in consideration of tenders to the offer.

On 14 July 2014, the European Commission, in its capacity as anti-trust regulator, authorised the tie-up.

The offer will close on 30 July 2014, the results will be made public on 6 August, and settlement-delivery will take place on 12 August. If the offer is successful, it will reopen from 18 August to 5 September 2014. The initial offer will be deemed successful if the Groupe Steria SCA shares tendered to it (including the contribution by FCPE Steriactions) represent at least 60% of the fully-diluted share capital and voting rights.

The public exchange offer will be followed immediately by the reorganisation and merger processes integral to the proposed tie-up, as indicated from the time the tie-up was announced on 8 April 2014. Those processes are scheduled for completion by 31 December 2014 so as to achieve an operational integration of the two groups as quickly as possible and start generating the expected synergies. The procedure for informing and consulting with Sopra and Steria's employee representative bodies has been in progress since mid-June 2014.

2.2. Newly consolidated entities

COR&FJA Banking Solutions – On 18 February 2014, through its subsidiary Sopra Banking Software, Sopra completed its acquisition of 100% of the share capital of COR&FJA Banking Solutions GmbH.

This acquisition bolsters Sopra Banking Software's international strategy by giving it a foothold in the German market. COR&FJA Banking Solutions' client roster, combined with the recognised expertise of Sopra Banking Software, will make it possible to propose a new industry-specific offering to a larger portfolio of clients.

Due to internal restructuring by its parent company, COR&FJA Banking Solutions GmbH has been operating as a separate entity since the summer of 2013. COR&FJA Banking Solutions GmbH generated revenue of €23.3 million in 2012, including €10.3 million in maintenance.

COR&FJA Banking Solutions GmbH has been consolidated since 1 January 2014.

The company has been renamed Sopra Banking Software GmbH.

HR Access Service (IBM) – On 30 June 2014, via its subsidiary Sopra HR Software, Sopra Group completed its acquisition of the HR Access Service business previously owned by IBM France.

HR Access Service offers Sopra greater proximity with clients and enhanced expertise in the services market for human resources solutions.

This acquisition took the form of a partial transfer of business *(cession partielle de fonds de commerce)*. HR Access Service will be part of Sopra HR Software and is consolidated with effect from 30 June 2014.

2.3. Deconsolidated entities

No entities were deconsolidated during the first half of 2014.

2.4. List of consolidated companies in the first half of 2014

Company	Country	% Control	% Held	Consolidation method
SYSTEMS AND SOLUTIONS INTEGRATION				
Sopra Group	France	-	-	Parent company
Sopra Group Holding Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Group C&SI Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Belux	Belgium	100.00%	100.00%	FC
Sopra Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Group GmbH	Germany	100.00%	100.00%	FC
Sopra Informatique	Switzerland	100.00%	100.00%	FC
Sopra Group SpA	Italy	100.00%	100.00%	FC
Sopra Group Informatica SA	Spain	100.00%	100.00%	FC
Sopra Group Euskadi SL	Spain	100.00%	100.00%	FC
PROFit Gestao Informatica Lda	Portugal	100.00%	100.00%	FC
Sopra India Private Ltd	India	100.00%	100.00%	FC
SOPRA BANKING SOFTWARE				
Sopra Banking Software	France	100.00%	100.00%	FC
Sopra Banking Software Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Banking Software Belgium	Belgium	100.00%	100.00%	FC
Sopra Banking Software Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Banking Software GmbH	Germany	100.00%	100.00%	FC
Sopra Banking Software Singapore Pte Ltd	Singapore	100.00%	100.00%	FC
Sopra Banking Software Morocco	Morocco	100.00%	100.00%	FC
Sopra Software Cameroun	Cameroon	95.00%	95.00%	FC
HR ACCESS				
Sopra HR Software	France	100.00%	100.00%	FC
HR Access Solutions UK Ltd	United Kingdom	100.00%	100.00%	FC
HR Access Solutions Belgium BVBA	Belgium	100.00%	100.00%	FC
HR Access Solutions Luxembourg Sarl	Luxembourg	100.00%	100.00%	FC
HR Access Solutions GmbH	Germany	100.00%	100.00%	FC
HR Access Solutions Suisse Sarl	Switzerland	100.00%	100.00%	FC
HR Access Solutions Italy Srl	Italy	100.00%	100.00%	FC
HR Access Solutions Spain SL	Spain	100.00%	100.00%	FC
HR Access Solutions Tunisie International Sarl	Tunisia	100.00%	100.00%	FC
HR Access Solutions Maroc Sarl	Morocco	100.00%	100.00%	FC
AXWAY GROUP	France	25.61%	25.61%	EM

FC: Fully consolidated.
EM: Equity method.

Note 3 Comparability of financial statements

3.1. Impact of acquisitions

The individual and combined impact of acquisitions completed in first-half 2014 on the Group's income statement and key performance indicators was less than the 25% disclosure threshold provided in the AMF's General Regulation (Article 222-2) for pro forma reporting.

The main impacts of those acquisitions on the financial statements for the first half of 2014 are as follows:

CONTRIBUTION OF COMPANIES ACQUIRED TO *REVENUE* AND *OPERATING PROFIT ON BUSINESS ACTIVITY*

	30/06/2014			30/06/2013
(in millions of euros)	Excluding acquisitions	Contribution from acquisitions	Reported	Reported
Revenue	710.8	11.5	722.3	661.0
Profit from recurring operations	47.5	0.9	48.4	37.5

IMPACT OF 2014 ACQUISITIONS ON *GOODWILL*

See Note 12.

IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION ON *NET DEBT*

(in thousands of euros)	First-half 2014	First-half 2013
Cost of acquisitions paid (excluding earnouts)	23,000	1,500
Net debt/net cash of acquired companies	-2,706	42,667
Earnouts paid in respect of prior acquisitions	-	-
TOTAL	**20,294**	**44,167**

3.2. Redefinition of divisions

To better reflect the Group's current organisational structure, the presentation of results by division has been modified: as of 2014, Other Solutions includes HR Access as well as Human Resources Solutions and Real Estate Solutions, which were presented as part of CSSI France in 2013. Revenue, profit and goodwill by business line for 2013 have been restated to reflect this new presentation.

NOTES TO THE CONSOLIDATED STATEMENT OF NET INCOME

Note 4 Revenue

4.1. Revenue by business line

(in millions of euros)	First-half 2014		First-half 2013 reclassified*		First-half 2013 reported	
CSSI France	393.3	*54.4%*	381.0	*57.6%*	413.7	*62.6%*
SSI Europe	129.9	*18.0%*	122.9	*18.6%*	122.9	*18.6%*
Sopra Banking Software	120.7	*16.7%*	107.8	*16.3%*	107.8	*16.3%*
Other Solutions	78.4	*10.9%*	49.3	*7.5%*	16.6	*2.5%*
TOTAL REVENUE	**722.3**	***100.0%***	**661.0**	***100.0%***	**661.0**	***100.0%***

* *Redefinition of divisions: see Note 3.2.*

4.2. Revenue by economic sector

	First-half 2014	First-half 2013
Financial services	*35.7%*	*33.8%*
Services/Transport/Utilities	*20.1%*	*20.1%*
Public sector	*17.4%*	*16.0%*
Manufacturing	*14.4%*	*15.8%*
Telecoms & Media	*7.8%*	*9.7%*
Retail	*4.6%*	*4.6%*
TOTAL	***100.0%***	***100.0%***

4.3. International revenue

(in millions of euros)	First-half 2014		First-half 2013	
CSSI France*	15.4	*2.1%*	18.3	*2.8%*
SSI Europe	129.8	*18.0%*	122.9	*18.6%*
Sopra Banking Software	81.4	*11.3%*	71.9	*10.9%*
Other Solutions	13.1	*1.8%*	5.4	*0.8%*
Total international revenue	**239.7**	***33.2%***	**218.5**	***33.1%***
TOTAL REVENUE	**722.3**	***100.0%***	**661.0**	***100.0%***

* *Export portion.*

Note 5 Staff costs

5.1. Analysis

(in thousands of euros)	First-half 2014	First-half 2013
Salaries	362,032	325,438
Social charges	136,724	128,676
Employee profit-sharing and incentive schemes	22	1,248
TOTAL	**498,778**	**455,362**

5.2. Workforce

Workforce at the end of the period	First-half 2014	First-half 2013
France	10,765	10,402
International	6,395	5,699
TOTAL	**17,160**	**16,101**

Average workforce	First-half 2014	First-half 2013
France	10,580	10,156
International	6,289	5,599
TOTAL	**16,869**	**15,755**

Note 6 Other operating income and expenses

(in millions of euros)	First-half 2014	First-half 2013
Acquisition costs (fees, commissions, etc.)	-0.1	-1.9
Costs related to the tie-up between Sopra and Steria	-4.6	-
Restructuring costs	-2.9	-6.7
■ *of which integration and reorganisation of business lines*	*-0.1*	*-0.5*
■ *of which separation costs*	*-2.8*	*-2.9*
■ *of which other non-recurring expenses*	*-*	*-3.3*
Other operating expenses	-0.2	-0.7
Total operating expenses	**-7.8**	**-9.3**
Gain on negative goodwill from HR Access	-	35.4
Total operating income	**-**	**35.4**
TOTAL	**-7.8**	**26.1**

Note 7 Financial income and expenses

7.1. Cost of net financial debt

(in thousands of euros)	First-half 2014	First-half 2013
Income from cash and cash equivalents	258	200
Interest charges	-2,782	-2,896
Net result of hedges (yield spread)	-477	-609
Impact of the change in the value of syndicated loans	-163	856
TOTAL	**-3,164**	**-2,449**

The average cost of borrowings after hedging was 2.46% in first-half 2014, compared to 2.35% in first-half 2013. Including bank overdrafts, the average cost of financing was 2.22% in first-half 2014, compared with 2.11% in first-half 2013.

7.2. Other financial income and expenses

(in thousands of euros)	First-half 2014	First-half 2013
Foreign exchange gains and losses	**-1,214**	**499**
Reversals of provisions	57	-
Proceeds on the disposal of financial assets sold	-	-
Other financial income	58	70
Total other financial income	**115**	**70**
Charges of provisions	-20	-
Discounting of retirement commitments	-816	-650
Discounting of employee profit sharing	255	258
Change in the value of derivatives	305	-69
Net carrying amounts of financial assets sold	-	-
Other financial expense	3	-93
Total other financial expense	**-273**	**-554**
TOTAL	**-1,372**	**15**

Note 8 Tax charge

(in thousands of euros)	First-half 2014	First-half 2013
Current tax	12,750	15,577
Deferred tax	1,560	-2,199
TOTAL	**14,310**	**13,378**

Note 9 Net profit from associates

Profit for the first half of 2014 includes the following:

- the Group's share of Axway's profit for the period (25.61% of €2.758 million): €706k;
- the impact of the dilution of Axway's share capital: (-) €222k.

Note 10 Earnings per share

(in euros)	First-half 2014	First-half 2013
Net profit attributable to the Group	22,199,603	50,234,771
Weighted average number of ordinary shares in issue	11,919,583	11,893,486
BASIC EARNINGS PER SHARE	**1.86**	**4.22**

(in euros)	First-half 2014	First-half 2013
Net profit attributable to the Group	22,199,603	50,234,771
Weighted average number of ordinary shares in issue	11,919,583	11,893,486
Weighted average number of securities retained in respect of dilutive items	197,501	159,458
Weighted average number of shares retained for the calculation of diluted net earnings per share	12,117,084	12,052,944
FULLY DILUTED EARNINGS PER SHARE	**1.83**	**4.17**

The method used to calculate earnings per share is described in Note 1.23 to the consolidated financial statements in the 2013 Registration Document. The only diluting instruments are the stock options and bonus shares presented in Notes 25.2 and 25.3, respectively, to the consolidated financial statements in the 2013 Registration Document.

For the calculation of diluted earnings per share, only potential dilutive ordinary shares have been taken into account, to the exclusion of those with an earnings-enhancing effect. The shares considered to have an enhancing effect are potential ordinary shares resulting from share subscription options whose exercise price plus the fair value of the services remaining to be received from option holders is higher than the average share price (€83.01) during the period. There were no potential earnings-enhancing shares at 30 June 2014.

Note 11 Segment information

11.1. Revenue by geographic area

(in millions of euros)	France	United Kingdom	Spain	Other European countries	Other zones	TOTAL
First-half 2013	442.5	59.6	40.2	96.0	22.7	661.0
First-half 2014	**482.6**	**60.6**	**49.1**	**106.1**	**23.9**	**722.3**

11.2. Results by division

a. France

(in millions of euros)	First-half 2014		First-half 2013 reclassified*		First-half 2013 reported	
Revenue	393.3		381.0		413.7	
Operating profit on business activity	32.7	*8.3%*	28.4	*7.5%*	31.0	*7.5%*
Profit from recurring operations	31.7	*8.1%*	27.3	*7.2%*	29.9	*7.2%*
Operating profit	27.5	*7.0%*	26.8	*7.0%*	29.5	*7.1%*

b. Europe

(in millions of euros)	First-half 2014		First-half 2013 reclassified*		First-half 2013 reported	
Revenue	129.9		122.9		122.9	
Operating profit on business activity	2.7	*2.1%*	3.5	*2.8%*	3.5	*2.8%*
Profit from recurring operations	2.4	*1.8%*	3.3	*2.7%*	3.3	*2.7%*
Operating profit	2.4	*1.8%*	2.9	*2.4%*	2.9	*2.4%*

c. Sopra Banking Software

(in millions of euros)	First-half 2014		First-half 2013 reclassified*		First-half 2013 reported	
Revenue	120.7		107.8		107.8	
Operating profit on business activity	7.4	*6.1%*	10.5	*9.7%*	10.5	*9.7%*
Profit from recurring operations	4.9	*4.1%*	8.0	*7.4%*	8.0	*7.4%*
Operating profit	4.8	*4.0%*	7.9	*7.3%*	7.9	*7.3%*

d. Other Solutions

(in millions of euros)	First-half 2014		First-half 2013 reclassified*		First-half 2013 reported	
Revenue	78.4		49.3		16.6	
Operating profit on business activity	9.4	*12.0%*	-1.1	*-2.2%*	-3.7	*-22.3%*
Profit from recurring operations	9.4	*12.0%*	-1.1	*-2.2%*	-3.7	*-22.3%*
Operating profit	9.0	*11.5%*	26.0	*52.7%*	23.3	*140.4%*

e. Not allocated

(in millions of euros)	First-half 2014		First-half 2013 reclassified*		First-half 2013 reported	
Revenue	-		-		-	
Operating profit on business activity	-		-		-	
Profit from recurring operations	-		-		-	
Operating profit	-3.1		-		-	

f. Group

(in millions of euros)	First-half 2014		First-half 2013 reclassified*		First-half 2013 reported	
Revenue	722.3		661.0		661.0	
Operating profit on business activity	52.2	*7.2%*	41.3	*6.2%*	41.3	*6.2%*
Profit from recurring operations	48.4	*6.7%*	37.5	*5.7%*	37.5	*5.7%*
Operating profit	40.6	*5.6%*	63.6	*9.6%*	63.6	*9.6%*

* *Redefinition of divisions: see Note 3.2.*

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 12 Goodwill

12.1. Changes in goodwill

Movements in the first half of 2014 were as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2013	**398,514**	**81,057**	**317,457**
Acquisitions			
COR&FJA	12,424	-	12,424
HR Access Service business of IBM	11,401	-	11,401
Adjustments on business combinations	**-**	**-**	**-**
Impairment	**-**	**-**	**-**
Translation adjustments	**3,850**	**1,164**	**2,686**
30 JUNE 2014	**426,189**	**82,221**	**343,968**

12.2. Determination of goodwill arising on business combinations in the period

Goodwill amounts recognised in first-half 2014 arose on the 100% acquisitions of COR&FJA in Germany and IBM France's HR Access Service business. They were measured at the date those businesses were acquired, using the method described in Note 1.6 to the consolidated financial statements in the 2013 Registration Document.

(in thousands of euros)	COR&FJA	HR Access Service	TOTAL
Purchase price	13,000	10,495	23,495
Present value of earnouts	-	-	-
Acquisition cost	**13,000**	**10,495**	**23,495**
Fair value of net assets acquired	576	-906	-330
GOODWILL	**12,424**	**11,401**	**23,825**

In accordance with IFRS 3, the identification of assets acquired and liabilities assumed, as well as the amounts of those assets and liabilities, were reviewed to ensure appropriate consideration of all available information as of the acquisition date.

Provisional goodwill amounts were recognised because measurement of the acquired intangible assets (software packages, client relationships, etc.) was ongoing. Those amounts will be finalised within the 12-month measurement period.

Detailed information on the fair value measurement of the net assets of acquired entities is provided in the table below:

(in thousands of euros)	COR&FJA	HR Access Service	Total
Intangible assets allocated	-	-	-
Other intangible assets	40	-	40
Property and equipment	66	-	66
Deferred tax	144	1,373	1,517
Trade accounts receivable	4,438	-	4,438
Other assets	305	-	305
Cash and cash equivalents	2,706	-	2,706
Financial debt	-	-	-
Provision for post-employment benefits	-	-2,279	-2,279
Provisions for contingencies and losses	-2,987	-	-2,987
Trade payables	-1,314	-	-1,314
Other liabilities	-2,822	-	-2,822
FAIR VALUE OF NET ASSETS ACQUIRED	**576**	**-906**	**-330**

12.3. Breakdown of goodwill by CGU

The Group divides its reporting divisions into cash-generating units (CGUs), consistent with the operational organisation of its business lines as well as its management and reporting systems and published segment information.

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

(in thousands of euros)		30/06/2014	31/12/2013 reclassified*	31/12/2013 reported
CSSI France	France	49,783	49,700	52,495
SSI Europe	United Kingdom	51,540	49,549	49,549
	Spain	51,297	51,297	51,297
	Italy	8,119	8,119	8,119
	Other countries	-	-	-
Sopra Banking Software		170,799	157,763	155,997
Other Solutions		12,430	1,029	-
TOTAL		**343,968**	**317,457**	**317,457**

* *Redefinition of divisions: see Note 3.2.*

12.4. Impairment tests

The Group conducted a review of its material intangible assets to determine whether there were indications that these assets might be impaired and therefore would require impairment testing. No such indications were found; it was therefore not necessary to carry out any impairment tests. No impairments were thus recognised.

Note 13 Equity-accounted investments in associates

(in thousands of euros)	Gross value	Impairment	Net
31 December 2013	**136,721**	**17,937**	**118,784**
Changes in scope	-	-	-
Capital transactions	260	-	260
Dividends paid	-2,103	-	-2,103
Net profit	706	-	706
Translation adjustments	288	-	288
Changes in shareholding	-489	-	-489
Other movements	58	-	58
30 JUNE 2014	**135,441**	**17,937**	**117,504**

At 30 June 2014, the Axway shares held by Sopra Group (5,263,435 shares representing 25.61% of the share capital) were valued at €117.5 million, corresponding to the value in use of the investment. Based on a 30 June 2014 closing price of €22.73, the market value of those shares less costs to sell was €117.2 million.

Note 14 Trade accounts receivable

(in thousands of euros)	30/06/2014	31/12/2013
Trade accounts receivable - gross value	287,345	328,052
Accrued income	192,214	134,140
Accrued credit notes	-9,982	-11,988
Impairment of trade accounts receivable	-8,392	-7,791
TOTAL	**461,185**	**442,413**

Net trade accounts receivable, expressed in terms of months of revenue, corresponded to 2.4 months of revenue at 30 June 2014, compared to 2.3 months at 31 December 2013 and 2.5 months at 30 June 2013.

Note 15 Equity

The consolidated statement of changes in equity is presented on page 15.

15.1. Changes in the share capital

There were no changes in the first half of 2014.

At 30 June 2014, Sopra Group had share capital of €11,919,583, comprising 11,919,583 fully-paid shares with a nominal value of €1 each.

15.2. Share subscription option plan

A total of 14,911 options were cancelled when the grantees left the company prior to vesting.

No share subscription options were exercised in the first half of 2014.

No new options were granted during the period.

At 30 June 2014, a total of 163,173 shares were issuable upon exercise of outstanding options, with options still grantable for 427,799 shares, thus representing a maximum number of 590,972 shares issuable upon exercise of options.

The amount recognised in first-half 2014 for the cost of services provided by stock option holders was €79k, according to the methodology described in the 2013 Registration Document under Note 1.16 to the consolidated financial statements, entitled "Share-based payments".

15.3. Bonus share allotment plan

In accordance with IFRS 2 *Share-based Payment*, the fair value of bonus shares granted is measured at the grant date and recognised as an expense over the vesting period of two to four years. The expense recognised in first-half 2014 was €1.430 million.

15.4. Transactions in treasury shares

At 30 June 2014, Sopra Group held 10,743 of its own shares, acquired under the share repurchase programmes authorised by the General Meeting, for a total amount of €886k, representing an average purchase price of €82.46. The value of treasury shares based on an average June 2014 closing price of €83.04 was €892k.

Treasury shares represented 0.09% of the total number of shares in issue at 30 June 2014.

All transactions in treasury shares are taken directly to equity. The impact in equity for first-half 2014 was (-) €575k.

15.5. Dividends

Sopra Group's Combined General Meeting of 27 June 2014 resolved to distribute an ordinary dividend of €22.647 million in respect of 2013, i.e. €1.90 per share. The dividend was paid as of 8 July 2014. The previous year's dividend was €20.219 million, i.e. €1.70 per share.

Note 16 Financial debt – Net debt

(in thousands of euros)	Current	Non-current	30/06/2014	31/12/2013
Bank loans	18,326	122,946	141,272	158,336
Liabilities on finance lease contracts	3,983	5,961	9,944	7,563
Employee profit sharing	4,280	22,834	27,114	29,813
Other sundry financial debt	-	78	78	52
Current bank overdrafts	61,637	-	61,637	61,045
FINANCIAL DEBT	**88,226**	**151,819**	**240,045**	**256,809**
Investment securities	-4	-	-4	-4
Cash and cash equivalents	-42,775	-	-42,775	-102,226
NET DEBT	**45,447**	**151,819**	**197,266**	**154,579**

16.1. Bank loans

At end-June 2014, the Group had the following borrowing facilities available:

(in millions of euros)	Start date	Due date	Notional principal amount	Amount authorised as of 30/06/2014	Second-half 2014 reductions	Amount authorised as of 31/12/2014
Revolving credit facility	June 2011	June 2018	150	150	-	150
Renewable credit facility/term loan	June 2012	June 2017	128	96	8	88
				246	**8**	**238**

The terms of those facilities are:

- interest rate: Euribor or Libor for the drawdown period plus a margin adjusted every half-year depending on the leverage ratio (net debt to EBITDA). Net debt does not include the employee profit-sharing liability; however, it does include earnout liabilities;
- a non-utilisation fee also applies.

The Group's borrowing covenants include three financial ratios. On the basis of the financial statements for the period ended 30 June 2014, the Group's ratios are below the upper limits set by those covenants.

16.2. Hedging of borrowings

Hedging contracts were entered into when the Group's syndicated credit facilities were obtained.

The interest rate applicable to those facilities is Euribor, so the purpose of the hedging contracts is to protect against a rise in Euribor.

At 30 June 2014, five swap agreements were in force (receiving 3-month Euribor and paying fixed). They were implemented in June 2012 when the Group obtained a new syndicated credit facility, which they match in terms of notional principal amount and maturity (2017).

At 30 June 2014, these hedging contracts were valued at (-) €2.0 million (all in liabilities), versus (-) €1.6 million at 31 December 2013.

Because they qualify as perfectly effective hedges under IAS 39, the (-) €0.4 million valuation difference was taken to equity.

16.3. Summary of exposure to interest rate risk

	Rate	30/06/2014	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Investments securities	Variable rate	4	4	-	-	-	-	-
Cash and cash equivalents	Fixed rate	42,775	42,775	-	-	-	-	-
	Fixed rate	**42,775**	**42,775**	**-**	**-**	**-**	**-**	**-**
Financial assets	**Variable rate**	**4**	**4**	**-**	**-**	**-**	**-**	**-**
Bank loans	Variable rate	-141,272	-18,326	-17,420	-1,646	-103,880	-	-
Finance lease liabilities	Fixed rate	-9,944	-3,983	-3,039	-2,064	-858	-	-
Employee profit sharing	Fixed rate	-27,114	-4,280	-6,279	-9,485	-4,152	-2,918	-
Other financial debt	Fixed rate	-78	-	-	-	-	-	-78
Current bank overdrafts	Variable rate	-61,637	-61,637	-	-	-	-	-
	Fixed rate	**-37,136**	**-8,263**	**-9,318**	**-11,549**	**-5,010**	**-2,918**	**-78**
Financial liabilities	**Variable rate**	**-202,909**	**-79,963**	**-17,420**	**-1,646**	**-103,880**	**-**	**-**
NET EXPOSURE BEFORE HEDGING	**Fixed rate**	**5,639**	**34,512**	**-9,318**	**-11,549**	**-5,010**	**-2,918**	**-78**
	Variable rate	**-202,905**	**-79,959**	**-17,420**	**-1,646**	**-103,880**	**-**	**-**
Interest rate hedging instruments	**Fixed-rate payer swaps**	**96,000**	**16,000**	**16,000**	**-**	**64,000**	**-**	**-**
NET EXPOSURE AFTER HEDGING	**Fixed rate**	**-90,361**	**18,512**	**-25,318**	**-11,549**	**-69,010**	**-2,918**	**-78**
	Variable rate	**-106,905**	**-63,959**	**-1,420**	**-1,646**	**-39,880**	**-**	**-**

Note 17 Provisions for post-employment benefits

Provisions for post-employment benefits are recognised mainly for defined benefits not covered by plan assets in France, Italy and Germany.

(in thousands of euros)	01/01/2014	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	Change in actuarial gains and losses	Other move-ments	30/06/2014
France	51,214	2,279	2,817	-270	-	3,362	-	59,402
Italy	5,918	-	574	-262	-	-	-41	6,189
Germany	1,608	2,245	69	-31	-	-	-	3,891
TOTAL	**58,740**	**4,524**	**3,460**	**-563**	**-**	**3,362**	**-41**	**69,482**
Impact (net of expenses incurred)								
Profit from recurring operations			2,644		-			
Financial items			816		-			
TOTAL			**3,460**		**-**			

The Group's defined benefit plan in **France** is used to cover the payment of retirement *benefits (indemnités de départ en retraite)*. The Group recognises provisions for its commitments to employees in accordance with the terms of voluntary and compulsory retirement under the Syntec collective bargaining agreement as amended in 2004 following the pension reform act of 21 August 2003. Retirement benefit provisions are based on the actuarial valuations described in the 2013 Registration Document under Note 1.18 to the consolidated financial statements.

TABLE SHOWING THE CHANGE IN PROVISION FOR RETIREMENT BENEFITS (FRANCE)

(in thousands of euros)	Present value of defined benefit scheme obligations	Taken to the income statement
31 December 2013	**51,214**	**4,371**
Changes in scope	2,279	-
Service cost	2,025	-
Financial cost	792	1,755
Benefits paid to employees	-270	792
Change in actuarial gains and losses	3,362	-
30 JUNE 2014	**59,402**	**2,547**

The main actuarial assumptions used for this plan were as follows for the periods under review:

	30/06/2014	30/06/2013	31/12/2013
Benchmark for discounting	Source: Bloomberg	Source: Bloomberg	Source: Bloomberg
Discount rate for commitments	*2.20% to 2.30%*	*2.40% to 2.60%*	*2.90%*
Future salary growth rate	*2.50%*	*2.50%*	*2.50%*
Age at retirement	65 years	65 years	65 years
Mortality table	Insee 2008-2010	Insee 2008-2010	Insee 2008-2010

The Group's defined benefit plan in **Italy** is used to cover legally required termination benefits *(Trattamento di Fine Rapporto)*. Payments are calculated as a proportion of the employee's gross annual salary and are indexed to ISTAT (Italian National Institute of Statistics) price data.

Note 18 Non-current provisions

(in thousands of euros)	01/01/2014	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	Other move-ments	30/06/2014
Provisions for disputes	2,195	-	456	-401	-40	-	2,210
Provisions for guarantees	1,064	210	266	-	-	300	1,840
Provisions for losses on completion	1,911	395	-	-1,011	-	-	1,295
Other provisions for contingencies	620	137	-	-	-	-281	476
Sub-total provisions for contingencies	**5,790**	**742**	**722**	**-1,412**	**-40**	**19**	**5,821**
Provisions for taxes	6,504	-	1,987	-1,548	-875	-19	6,049
Other provisions for losses	90	-	48	-	-	-	138
Sub-total provisions for losses	**6,594**	**-**	**2,035**	**-1,548**	**-875**	**-19**	**6,187**
TOTAL	**12,384**	**742**	**2,757**	**-2,960**	**-915**	**-**	**12,008**
Impact (net of expenses incurred)							
Profit from recurring operations			770		-40		
Operating profit			-		-		
Financial items			-		-		
Tax charge			1,987		-875		
TOTAL			**2,757**		**-915**		

OTHER INFORMATION

Note 19 Related-party transactions

Agreements entered into with parties related to Sopra Group were identified in the 2013 Registration Document filed with the AMF on 29 April 2014, in Note 35 to the consolidated financial statements, entitled “Related party transactions”.

Other than those set out in the 2013 Registration Document, no new agreements were entered into with parties related to Sopra Group during the first half of 2014, except for the severance settlement described below.

At its meeting on 4 June 2014, after taking into consideration the recommendations of the Compensation Committee and verifying that the applicable performance conditions had been met, the Board of Directors of Sopra Group authorised a settlement (*transaction*), consistent with the Company’s interests and disclosed in accordance with Article L. 225-42-1 of the French Commercial Code, with Pascal Leroy, following his removal as Chief Executive Officer and the termination of his employment contract.

As recommended by the Afep Medef corporate governance code, the terms of Pascal Leroy’s compensation as company officer (*mandataire social*) include performance conditions. The Board of Directors has verified that the compensation to be awarded for his removal as company officer and the termination of his employment contract, under the settlement agreed with him, does not exceed two years of his fixed and variable compensation.

The €1.5m expense recognised for the settlement in “other operating income and expenses” includes but is not limited to the lump-sum settlement payment *(indemnité transactionnelle)*, contractual severance compensation *(indemnité conventionnelle de licenciement)*, consideration in return for a non-compete obligation, compensation in lieu of notice, and items arising on the exemption to the requirement that Pascal Leroy still be with the Company in order to exercise his share subscription options.

Note 20 Off balance sheet commitments and contingent liabilities

The Group's off balance sheet commitments are those granted or received by Sopra Group and its subsidiaries. They have not undergone any material change relative to 31 December 2013.

The Group is in compliance with the covenants and commitments governing its outstanding syndicated credit.

Note 21 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 22 Events after the reporting period

Subscription to CS Communication & Systèmes convertible bond issue

In early July, CS Communication & Systèmes issued €12,006,720 of debt in the form of 33,352 convertible bonds with a face value of €360 each.

In line with its commitment, which was originally to subscribe for the entire issue, Sopra Group received 22,300 bonds, i.e. 66.9% of the total principal.

Statutory Auditors' report on the interim financial information

To the Shareholders,

As mandated by your General Meetings and in accordance with Article L. 451-1-2 III of the French Monetary and Financial Code, we have carried out the following procedures:

- a limited review of Sopra Group's condensed consolidated interim financial statements for the six-month period from 1 January 2014 to 30 June 2014, which precede this report;
- the verification of the information provided in the business review for the six-month period ended 30 June 2014.

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

I – CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our limited review in accordance with French professional standards.

A limited review of the interim financial statements consists of obtaining the information deemed necessary, primarily from staff responsible, concerning accounts and finances, and of implementing analytical procedures. Such a review does not comprise all of the verifications carried out in an audit performed in accordance with professional standards applicable in France. It does not therefore provide the assurance of having identified all of the material misstatements that could have been identified in the course of an audit.

Based on our limited review, we have not identified any material misstatements which would cast doubt on the compliance of the condensed interim consolidated financial statements with IAS 34 as adopted in the European Union for interim financial information.

II – SPECIFIC VERIFICATION

We also verified the information provided in the interim management report commenting on the condensed consolidated interim financial statements that were the focus of our limited review.

We have no comments on the sincerity and the consistency of this information with the consolidated financial statements.

Paris and Courbevoie, 31 July 2014

The Statutory Auditors

Auditeurs & Conseils Associés	**Mazars**
François Mahé	Christine Dubus

Certification by the Company Officer responsible for the half-year financial report

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

Paris, 5 August 2014

Vincent Paris

Chief Executive Officer

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