Reference Document

ANNUAL FINANCIAL REPORT

2011

TALENTED TOGETHER

Elements of the Annual Financial Report are clearly identified by the AFR pictogram AFR

Sopra Group

Reference Document 2011

ANNUAL FINANCIAL REPORT

The original French-language version of this Reference Document was registered with the *Autorité des Marchés Financiers* (AMF) on 27 April 2012 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 AMF. This document was prepared by the issuer whose authorised signatories alone assume responsibility for its content.

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 AMF: *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 2009:

- 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 2010 under number D. 10-0329 (pages 47 to 64 and 65 to 114, respectively);
- the individual company financial statements of Sopra Group in addition to the Statutory Auditors' report on the individual company financial statements included in the Reference Document filed on 27 April 2010 under number D. 10-0329 (pages 115 to 135);
- the Statutory Auditors' special report on regulated agreements and commitments included in the Reference Document filed on 27 April 2010 under number D. 10-032 (pages 136 and 137).

2. Relating to financial year 2010:

- 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 8 April 2011 under number D. 11-0261 (pages 53 to 72 and 73 to 123, respectively);
- The Report of the Board of Directors to the General Meeting of 8 June 2011 and the pro forma consolidated financial statements, together with the Report of the Statutory Auditors on these financial statements, included in the update to the Reference Document filed on 20 May 2011 under D. 11-0261R (pages 3 to 8 and 19 to 60, respectively);
- the individual company financial statements of Sopra Group in addition to the Statutory Auditors' report on the individual company financial statements included in the Reference Document filed on 27 April 2011 under number D. 11-0261 (pages 125 to 145);
- the Statutory Auditors' special report on regulated agreements and commitments included in the Reference Document filed on 27 April 2011 under number D. 11-0261 (pages 146 and 147).

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.

This document is a free translation into English of the original French "Document de référence", referred to as the "Reference Document". 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.

Société anonyme

with share capital of €11,893,486

326 820 065 RCS Annecy

Registered office: PAE Les Glaisins – FR 74940 Annecy-le-Vieux

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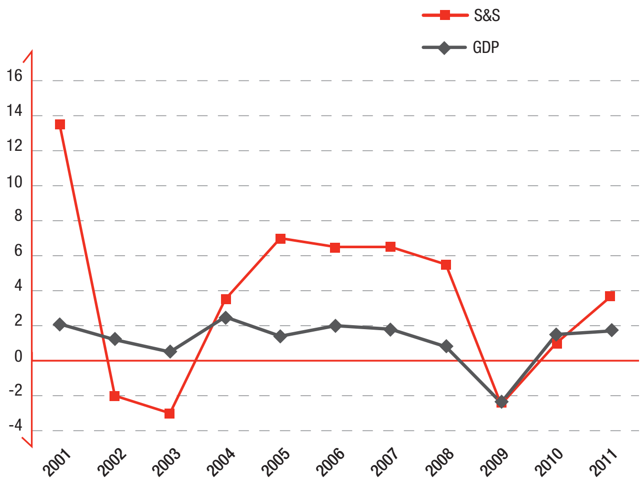
1 Sopra Group: OUR BUSINESS

1. An overview of the IT services sector

1.1. Sector activity in 2011

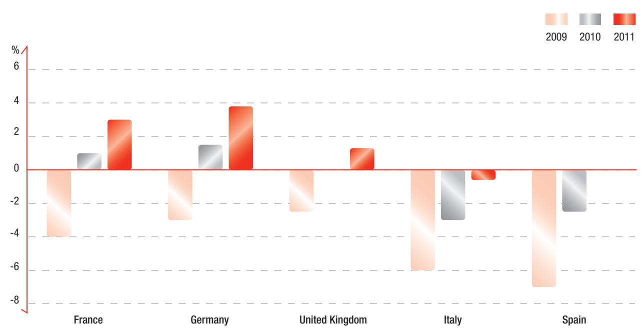
In France, the Software and Services sector (S&S) recorded a year of revenue growth in 2011 of 3.6%. There was a substantial recovery in the French market, reflected in a strong first half. Second-half performance was a bit less solid due to the European debt crisis. This improvement in business activity came on the heels of five consecutive years of growth among companies in the sector followed by a recession in 2009 and a year of weak growth in 2010.

Between 2000 and 2011, the growth rate for the sector outpaced that of GDP. The table below shows the sector's growth over this period.



Source: Syntec Numérique, INSEE.

In Western Europe, growth in revenue for the Software and Services sector excluding technology consulting varied from one country to the next:



Source: PAC, Syntec Numérique, EITO.

Only Germany fared better than France, with 3.8% growth. The United Kingdom (1.3%), Spain (0%) and Italy (-0.6%) all fell far behind.

Three verticals fuelled this growth:

- utilities and services;
- the public sector, although to a lesser extent than in previous years;
- the financial sector (banking and insurance), which delivered an excellent performance in the first half, followed by a slightly weaker second half.

Performance by the manufacturing sector was very mixed:

- aerospace and defence had a year of strong growth;
- the automotive industry reduced its investments.

Prices improved somewhat, especially for services offering high added value.

Today, most companies have fashioned their own approaches to offshore business activities. For example, they have realised that expanding into India is only possible for firms able to use English successfully and comprehensively as a working language. In addition, this type of move works best when focused on certain types of services (long-term applications management, stable and highly specific projects). Sub-contracting at a distant profit centre may also prove to be counterproductive (short-cycle projects, complex and changing specifications, French-speaking project managers).

We continue to observe a decrease in the number of service providers able to handle key accounts with broader responsibilities and longer-term commitments. As projects increasingly expand in scope and tend very often to be organised around major segments of clients' application portfolios, they are now being entrusted almost exclusively to partners with a reputation for excellence and reliability built up over many years.

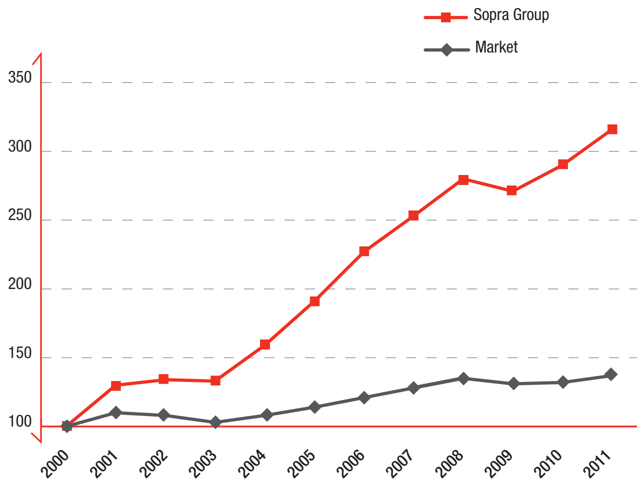
Quality candidates are difficult to find and recruitment still represents a major challenge for the sector's various players. The need for young graduates from top educational institutions far exceeds supply, and it is also becoming increasingly difficult to find qualified senior engineers with the right experience in those technologies most in demand today.

Viewed from the perspective of our various business activities, the current situation reveals that consulting is back on a growth track. Application and infrastructure management services continue to see robust demand. In contrast, fixed-price projects and technical assistance services are holding up less well.

1.2. Outlook for 2012

Performance in the early part of 2012 seems to be in line with that seen in 2011, with a satisfactory level of business activity. However, macroeconomic indicators for 2012, combined with a presumed wait-and-see attitude inspired by the French election season, may result in postponements of some orders. Facts on the ground have yet to bear out these predictions, except for a slight downturn in the financial markets.

1.3. Development of Sopra Group in comparison to its sector (basis of 100 in 2000)



Source: Syntec – Sopra Group.

In recent years, Sopra Group has proven its capacity to outperform its sector. Today, the Group is fully aware of the challenges faced by the IT services sector and constantly adapts in order to remain among the sector's best performing companies.

2. History of Sopra Group

Founded in January 1968 by Pierre Pasquier, François Odin and Léo Gantelet, 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 Bourse de Paris. 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 acquired SG2 Ingénierie. This transaction saw Société Générale acquire a stake in the share capital of Sopra Group, together with an influx of 650 employees, which 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, with 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 leader in the areas of business intelligence (BI), customer relationship management (CRM), portals, and content management.
- In October 2011, Sopra Group acquired Delta Informatique, a French provider of integrated solutions for the financial services and banking sector. This acquisition has allowed the Group to reinforce its leading position in the banking software industry.

2.1.2. Europe

Sopra Group has expanded 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 application 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 becomes an independent entity in June 2011

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 became 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 created a global leader in the B2B, SOA and collaborative services domains, capable of serving the needs of the largest clients;
- in early 2007, the Group acquired the B2B software business of Atos Origin in **Germany.** This acquisition made Axway the undisputed European leader in B2B software platforms and significantly reinforced its presence in Germany, the largest market in Europe for this sector;
- in September 2008, the Group acquired Tumbleweed Communications Corp. This acquisition has enabled both companies to strengthen their positions in the B2B/file transfer market while delivering a significant boost to Axway's North American revenue.

Through its initial public offering in June 2011, Axway became an independent entity, no longer part of Sopra Group. From now on, each of these two entities will maintain a separate existence. Of course, they will continue to work together in many areas.

3. Sopra Group's businesses and strategy

Sopra Group is a leading European provider of information technology and business consulting services and is also one of Europe's largest software companies.

Sopra Group's core competence is to provide assistance and guide its clients so as to ensure the success of their transformation projects focusing on their business processes and their information systems. This competence rests on:

- three complementary business lines;
- specialised technology expertise;
- a European presence;
- broad segment coverage;
- sound fundamentals.

3.1. Three complementary business lines, the foundation of our market position

Our three business segments (consulting, IT services and software development and distribution) form a continuous value chain, which allows us to provide end-to-end support for the transformation projects of our clients.

Our chain of value creation thus consists of four links and applies to all types of projects carried out by the Group:

Guidance/conception/building/maintenance

- Guidance: this link mainly involves the upstream stages of a project, in which an audit, a diagnosis or an opportunity analysis is necessary to clarify the issues at hand and help the client define the guidelines, objectives, target vision and approaches to a project.

- Conception: giving formal shape to an organisation, a business process, specifications for an application, etc.
- Building: setting up an organisation, a process with its operating methods, integrating an existing software solution or developing one specifically to meet the client's requirements, etc.
- Maintenance: ensuring the long-term viability of the solution implemented, through optimisations and adaptations, as needs evolve.

3.1.1. Consulting

With 500 consultants working under the Sopra Consulting brand, Sopra Group is a leading provider of consultancy services focusing on transformation, helping companies and organisations to redefine their fundamentals and boost their performance in rapidly changing environments.

Thanks to its expertise in management, performance and technology consulting, the Group is able to assist executives in the design and implementation of transformation strategies and projects, always with the aim of achieving lasting improvements in performance.

Sopra Group's approach to transformation involves looking at all aspects essential to ensure success: economic, technological, human and cultural.

Its main areas of competence are:

- customer relationship management;
- information systems performance and governance;
- administrative and financial performance/Business intelligence;
- operational excellence;
- human capital development;
- transformation.

3.1.2. Systems and Solutions Integration

Systems and Solutions Integration is Sopra Group's traditional core business, serving major clients over the entire life cycle of their application portfolio. In this business segment, our services may be broken down into three main categories:

- continuous improvements in the client's portfolio of existing applications, measured by the progress of application services provided to business lines and the often considerable decline in costs associated with these services. To meet these challenges, one of the key competencies we offer relates to the industrialisation of application maintenance, which extends to increasingly broad and substantial areas;
- the implementation of innovative solutions in order to enhance existing applications. These solutions serve our clients in helping them to expand their uses, business lines or practices. This may involve, for example, the development of new sales or recommendation channels, new service offerings, expanded mobility or enterprise social networks. The possibilities offered by technology innovations and their potential impact on the businesses of our clients create numerous opportunities. In this type of project, we help clients assess and integrate innovations within their business lines and their information systems;
- the restructuring of information systems reflects a need for radical transformation in order to resolve burdensome business challenges. Whether this relates to the integration of a major acquisition, ensuring the consistency of processes and the related processing cycles, completely overhauling core business processes or modifying the value chain, more often than not a thorough remodelling of the information system is required. In this case, we help clients identify and implement solutions that will enable them to attain their target without any interruption in service and by making the best possible use of the existing system.

3.1.3. Software publishing

Sopra Group offers packaged, industry-specific solutions in three areas: retail banking, real estate and human resources.

- **Retail banking:** this range of solutions is marketed under the Evolan brand. It serves all the needs of retail banking clients and is designed to remain viable within information systems over the long term. The Group's clients for this range of solutions are comprised of very large, top tier banks, with modules relating to loans, payments, smartcards, distribution and reporting, as well as medium-sized, second and third tier banks, with an integrated solution covering all areas of retail banking. Since 2010, banks have resumed their investment programmes. Two market trends have become prominent, creating new opportunities for Evolan:
  - the need for banks to revisit their business models, prompted by declining margins, and to embark on major information system transformation projects;
  - the advent of new production/distribution models whereby back office production functions are pooled and sometimes assured by a single "factory", while distribution is handled on an individual basis, applying multiple and distinctive approaches;
  - continuing investments in retail banking to meet performance targets and optimise customer relationships;
  - the convergence of organisations and information systems within large cooperative banking networks.
- **Real estate management:** Sopra Group's powerful, end-to-end offering designed for this sector enjoys a strong reputation and a very positive brand image. Sopra Group is the leading provider of real estate management solutions in France. Our solutions cover all aspects of this business sector: homes, offices, shopping centres, warehouses, etc.
- **Human resources:** Sopra Group's offering goes by the name of Pléiades. It covers payroll, time recording and human resources management. In addition to this line of software solutions, Sopra Group also offers IT facilities management services related to payroll. In all, Pléiades solutions are used to process information relating to more than two million employees. Due to Pléiades' feature richness and its time recording functionality, these solutions enjoy an enviable position among large and medium-sized organisations with a need to handle complex payroll situations.

3.2. Several highly structured technology specialisations

3.2.1. Architectures

The increasing use of information systems to support cross-functional and more open business processes (clients, partners, suppliers, etc.) has revealed a disconnect between the new Web-based front office, where many strategic developments have been focused, and the organisation's legacy applications, guarantors of its business objectives. The information system must thus be organised in order to serve "quickly and well" without any loss of integrity or degradation in performance and while continuing to rein in costs.

In order to address this major challenge and assist its clients with the transformation of their information systems, Sopra Group **offers a comprehensive service offering in IT ARCHITECTURE.**

The aim of these **consultancy, assistance** and **integration services** is to gradually obtain a cohesive target with a view to implementing a **well-controlled, robust** and **long-lasting** IT architecture so as to ensure that the information system:

- is more **open** and **interoperable** with its ecosystem;
- adapts to changing business and technical requirements more **rapidly;**
- optimises **costs** for the ownership and operation of software and equipment.

This architectural competency is brought most visibly to the fore in the implementation of the exchange systems at the heart of today's redesign projects for large and complex information systems.

3.2.2. Enterprise resource planning (ERP)

Enterprise resource planning (ERP) software packages are used to manage the functions and processes of an entire organisation. They clearly represent a market standard approach and are often the core component of the organisation's existing management solutions.

As ERP packages are central to the administrative and financial management of the organisation, they must continually adapt to new management challenges:

- improved process effectiveness;
- changes in the organisation as part of its market adaptation cycle;
- regulatory requirements;
- solutions based on innovative technologies and adding new features and enhancements (CRM, SCM, BI, HR, PLM, etc.);
- reduction in ownership costs.

We help our clients address these challenges and adapt their ERP packages.

The offering encompasses both types of ERP packages:

- global ERP solutions: offering comprehensive expertise related to the SAP and Oracle E-Business Suite packages;
- specialised ERP solutions: offering a sector-based and/or business line approach to packages such as QAD, Microsoft Dynamics AX, Oracle/JD Edwards, Qualiac, TXT or GeneriX.

Sopra Group's ERP offering is built on the foundation of its long-term partnerships with major software publishers and is backed by the proven track record of its more than 2,000 ERP consultants, firmly positioning the Group in the top echelon of European providers of services in support of ERP-related transformation projects.

3.2.3. Business intelligence (BI)

Thanks to its broad expertise in business intelligence, Sopra Group offers a full range of services: business strategy support, management and control of business performance, architecture consulting, technology consulting covering all market-leading solutions, integration projects and industrial service centres.

In particular, Sopra Group helps its clients to:

- align BI information systems with the organisation's strategies;
- meet new user requirements: mobility, business process specialisation (marketing, finance, etc.), real-time decision making, etc.;
- leverage all the informal and underutilised data available across organisations;
- give the BI information system flexibility and agility by focusing on improvements in BI architecture, info-centre and data mart rationalisation, private clouds;
- fully utilise the information provided by their ERP system, other packages (CRM, HR, etc.) and reference frameworks using a master data management (MDM) approach;
- manage and optimise the development of BI information systems, reacting quickly as needs evolve and maintaining a long-term perspective (service centre/application management approach).

3.2.4. Portals and other collaborative solutions

With the advent of Enterprise 2.0, the emphasis on collaborative work and the development of social networks, organisations need a new generation of interactive platforms able to bring users together (employees, customers and suppliers) and ensure efficient sharing of resources, services and knowledge.

Collaborative portals and solutions are meeting this need and serve as a single point of entry to the organisation's data and applications.

Our teams guide clients in their use of these solutions, offering support in relation to the technologies involved in the solutions as well as their functional aspects, so as to solidify their rightful status as major drivers of transformation.

3.2.5. Customer relationship management (CRM)

Under the impact of the growing digitisation of a broad array of economic activities, its extension into the social sphere and resulting changes in behaviours, the challenges addressed by CRM and, in a wider sense, all processes involved in the management of customer relations are evolving rapidly. CRM systems must therefore respond to these new needs as they arise or anticipate them in the following ways:

- make the most of customer knowledge using a truly individualised approach;
- orchestrate the openness and responsiveness of customer interaction channels;

- instil a collaborative approach to process requests from multiple sources;
- in an increasingly information-rich world, achieve recognition as a trusted and attentive partner;
- propose an offering structured around use and the benefits provided to the customer;
- move from a focus on proposing an offering to one built on responding to the specific needs of customers;
- integrate information on events in progress when handling requests or sales opportunities;
- take part in, stimulate or even serve as moderator for exchanges between customers over social networks.

Sopra Group helps its clients to embrace these new imperatives, building the required know-how and developing their information systems, transforming their challenges into opportunities, enhancing their competitive edge, ultimately attaining customer relationships that are individualised, interactive and firmly in the moment.

3.2.6. Mobility

One of the major technological shifts over the last few years is the complete and universal appropriation of smartphones and tablet computers by the general public and by organisations. By 2015, there will be 10 billion mobile devices in use worldwide and more people will be accessing the Internet *via* these devices than with wired devices! These devices are being used for an ever larger number of purposes, leaving the field wide open for the development of applications able to interact with the customer or user and to boost process effectiveness. We offer our clients end-to-end assistance, from the definition of their mobility strategy to the operational launch and the integration of new developments. Our teams have acquired the necessary technical skills and expertise relating to the market's leading mobile platforms (Apple/iOS, Microsoft/Windows Phone, Google/Android, etc.).

3.2.7. E-commerce

In less than 10 years, the Internet has become an indispensable channel for expansion by companies distributing their products to consumers (B2C) and to professionals (B2B). In this universe, the sales process is fully supported by the information system providing a many-linked chain of IT services (e-catalogue, e-payment, e-marketing, etc.). To ensure the success of an e-commerce solution, its architecture must be consistent with, and in service to, business processes, while guaranteeing the integration of the company's existing applications (ERP, CRM, etc.). For many years, we have been helping our clients give shape to their online sales processes, translate these processes into IT solutions and integrate them within their information systems using market-leading solutions (both open source and provided by major software publishers).

3.2.8 Software Engineering for Scientific, Technical and Industrial Applications and Embedded Systems (STIE)

STIE covers all design, development and maintenance activities pertaining to software-based operational systems. These systems are those at the heart of our clients' products and without which devices such as mobile telephones, aircraft, satellites, ships and nuclear power stations would be unable to function or even be conceived. Their critical nature is related to their uses (transportation of persons, management of high energy capacities, military applications) and the environment in which they must be used (radiation, vibrations, extremes of temperature). Sopra Group is a major player in this area, involved in this sector's largest projects as a partner of choice for Europe's major companies. The Group provides consultancy, integration and ongoing maintenance in this area, mainly in France, the United Kingdom and Spain, supplemented by its offshore capacities.

3.2.9. Innovation

Sopra Group is also organised to make the best possible use of innovative technologies able to create value for its clients' business lines and information systems. We keep a constant eye on technological advances and have the necessary expertise to rapidly leverage innovations, frequently transforming these opportunities into effective solutions ready to be installed within our clients' systems. In this manner, Sopra Group is currently working in areas such as MDE (model-driven engineering), the mobile Internet, enterprise social networks, new digital identification solutions, "big data" and business analytics, and cloud computing.

3.3. European presence

With firm roots in France, the Group is also present elsewhere in Europe (United Kingdom, Spain, Italy, Switzerland and Belgium) and has forged partnerships with other European players in the IT services sector.

Sopra Group's European strategy is in large part a result of its excellent position with several key accounts. The Group's European presence is a strategic imperative lending credence to its capacity to serve major French clients not only in France but also in their subsidiaries and establishments located in other European countries. This is an essential aim as an adjunct to the local activities of each of our entities across the region.

Our objective in these countries has been and remains to build solid competencies in our business lines and to provide a continuum of services for our clients in all their geographic locations.

In 2011, revenue generated outside France represented 18% of Sopra Group's total revenue.

Spain accounted for 7% of Sopra Group revenue, the United Kingdom 6%, with Italy, Switzerland and Belgium together accounting for 5%.

Sopra Group intends to expand its operational capacity in Germany, directly or through partnerships, in order to work on major projects requiring a presence in this country.

3.4. Broad segment coverage

Sopra Group is present in the following main business segments:

- financial services, in particular retail banking;
- aerospace and defence;
- public sector;

- telecoms;
- energy and utilities;
- retail.

In all of these segments, we target key accounts.

3.4.1. Financial services

Sopra Group has served the financial sector since the early days of the company. Retail banks were Sopra Group's first clients in this segment. All of our business lines contribute to our presence in this segment, but we enjoy a particularly strong position owing to our Evolan range of solutions and the breadth of our offerings for banking clients. Leading French banks make use of our solutions for their main processing cycles, including lending, payments, smartcards, risk management and compliance.

3.4.2. Aerospace and defence

In application of the strategic priority to focus on key accounts introduced in 2005, Sopra Group has become a leading player in these two segments. We provide value-added services to major aerospace and defence clients in France, Germany, England and Spain: service centres, application management and fixed-price projects, relating to embedded systems. Our main clients are EADS, Safran, Thales and the French Ministry of Defence.

3.4.3. Public sector

Well established as a key partner for the French public sector, in recent years Sopra Group has played an essential role in support of the series of reforms launched to modernise government procedures (performance, user relations, regulations, paperless processes, interoperability, etc.).

On behalf of large public sector organisations in France (ministries, health and social welfare providers, regional authorities), Sopra Group offers recognised expertise, tailored to address today's major challenges and encompassing all necessary aspects of procedures (professional, technological, economic). Our aim is therefore to provide end-to-end assistance to public sector organisations in managing their major transformation projects. Our full complement of services thus includes consultancy for planning and analysis, project management for major reform programmes and the continuous improvement of application portfolios.

3.4.4. Telecoms operators

Sopra Group works for the market's leading telecoms operators and ranks among the top three IT services companies active in this segment. We support the core business processes of these operators, primarily in solutions integration but also by providing assistance for specific business lines and programme development. Our services cover most of the stages in the customer life cycle for these operators: sales, multi-channel customer relations, management of the catalogue of products and services, network activation of services, as well as the processing of usage information, invoicing and receivables collection. Our projects are built around market-leading telecoms software packages and innovative technologies.

3.4.5. Energy, utilities, transport and courier services

For more than five years, Sopra Group has seen double-digit growth in this strategic sector which has been the focus of considerable innovation.

Sopra Group supports the information systems of the sector's leading players, including EDF, GDF, Veolia and Total. The Group provides its entire range of services to these operators, from consulting to integration, customised to the needs of their main business activities: energy production, nuclear energy, distribution, transmission, commercialisation, support functions.

Sopra Group is also expanding its presence among leading players in transport and courier services, including SNCF and La Poste. We assist these major clients with their efforts to improve service quality and in creating innovative solutions.

Sopra Group's strategy is to accelerate its development by acquiring key positions in this sector, in major transformation projects and innovative vertical solutions.

3.4.6. Retail

Building loyalty and developing business with an increasingly well-informed and demanding customer base, optimising purchasing and procurement performance, innovating *via* multi-channel sale and marketing concepts that set our clients apart from their international competitors – these are the business challenges addressed by the major mass-market and specialised distributors and retailers Sopra Group has served and supported for more than 15 years.

Multinational firms in the retail vertical need information systems able to meet especially stringent requirements in terms of agility and responsiveness. Sopra Group has built up a genuinely high level of expertise in this sector and is able to provide end-to-end assistance to its clients, from the early project management phases to the integration of specialised and high value-added solutions meeting specific business needs across multiple countries, retail formats and store chains.

Sopra Group's service offering runs the gamut, from consultancy and expertise related to functional aspects of the retail and distribution business, to solutions integration and application outsourcing, helping its clients across this entire sector to reduce time to market and optimise their operational effectiveness.

3.5. Sound fundamentals

3.5.1. Overall managerial model: the "intrapreneur" (see chapter 4, section 7)

- Sopra Group's management is organised around three hierarchical levels: the Executive Committee, divisions and branches.
- All managers, at each of these three levels, are granted **overall responsibility** covering sales, production and economic management.
- Depending on the issues involved or their complexity, the management of certain major contracts is escalated to the Division or Executive Committee level.
- each level enjoys operational autonomy but all are managed through a general framework of structured procedures promoting **a strong culture of commitment and high performance.** This culture of high performance is reinforced by the Group's resolute independence, a conviction shared by all managers.

3.5.2. Quality and productivity: a policy of continuous industrialisation

The last ten years have witnessed profound changes in the types of projects handled by Sopra Group: increasing prevalence of larger and more complex projects, rising proportion of fixed-price offerings, increasingly legalistic nature of contracts and the associated risks, constant downward pressures on prices and the resulting need to ensure strong gains in productivity.

Consequently, one of the main challenges of this period for Sopra Group was to ensure constant improvements in the industrialisation of its production methods, by focusing on five main areas:

- Sopra Group's **production culture,** built on the transmission of relevant knowledge, skills and attitudes in the field, by management and through organised peer support;
- **Human Resources** personnel, who serve a critical function in the deployment of procedures:
  - considerable care is devoted in the **assignment of staff to projects,** making a substantial contribution to project success. This degree of attention is found in all aspects of human resources management,
  - training and mentoring actions, in order to rapidly build **staff competencies** so that they are able to assume greater responsibilities in relation to projects;
- the **organisation:** establishment of an Industrialisation Department and its representatives in all the operational business units whose responsibilities are to:
  - monitor production quality and performance,
  - identify and handle risks,
  - coach project managers,
  - roll out industrialised production processes across all business units;
- **industrialisation tools,** consisting of:
  - the Quality System,
  - specific methods, especially eMedia,
  - related software tools;
- **Service Centres:** for a number of years, Sopra Group has focused efforts on streamlining the operations of its production centres. Over the last ten years or so, efforts in this area have been reinforced with the establishment of Service Centres in the main business units together with the creation of:
  - local Service Centres in the French provinces,
  - nearshore French-speaking centres in Spain and Morocco,
  - an offshore centre in India (SGI).

4. Investments during the year

4.1. Main acquisitions

In October 2011, Sopra Group acquired Delta Informatique.

Delta Informatique develops and distributes its own global banking software solution serving retail banks in France and around the world. This offering, used by clients in more than forty countries (notably across Europe and Africa and the Middle East), has been selected by several major French banking groups for implementation within all of their international subsidiaries. In 2010, Delta Informatique reported revenue of €33.5 million.

With its Evolan offering, Sopra Group has been present for more than 30 years in the French market as a developer of software solutions for the banking sector. This acquisition enables Sopra Group to enhance the Evolan range, in particular by allowing the Group to offer its major clients in the banking sector a single solution in support of their international expansion projects.

4.2. Research and development

The Group continued to pursue R&D initiatives during 2011 and set aside €28.8 million, compared with €59.3 million in 2010 (€16.5 million for Sopra Group and €42.8 million for Axway) to develop, improve and expand its industry-specific solutions. All of these totals are gross amounts and do not take into account funding related to the French R&D tax credit.

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

4.3. Facilities

A total of €14.79 million was invested in infrastructure and technical facilities against €15.48 million in 2010.

Investment in facilities comprised the following:

- improvements, furniture, fixtures and fittings: €8.28 million;
- IT equipment: €6.36 million;
- land and buildings: €0.15 million.

5. Key figures

In order to measure three-year operating performance, information for the 2010 financial year is presented before and after the Axway spin-off (see Chapter 5).

5.1. Financial summary

(in millions of euros)	**2011**	**2010 restated under IFRS 5**	**2010 published**
Revenue	1,050.3	964.4	1,169.9
EBITDA	99.8	88.2	119.8
Operating profit on business activity	92.5	85.7	116.8
As % of revenue	*8.8%*	*8.9%*	*10.0%*
Profit from recurring operations	91.7	84.8	114
As % of revenue	*8.7%*	*8.8%*	*9.7%*
Operating profit	97.9	83.7	109.3
As % of revenue	*9.3%*	*8.70%*	*9.30%*
Net profit attributable to the Group	62.9	48.2	74.8
As % of revenue	*6.0%*	*5.0%*	*6.4%*
Total assets	770.4	929	929
Total non-current assets	366.6	471	471
Equity – Group share	273.9	364.5	364.5
Minority interests	-	-	-
Number of shares at 31 December	11,893,486	11,853,945	11,853,945
Basic earnings per share *(in euros)*	5.29	6.35	6.35
Fully diluted earnings per share *(in euros)*	5.29	6.33	6.33
Net dividend per share *(in euros)*	1.90*	0.80	0.80
Staff at 31 December	12,610	11,650	13,310

* *Amount proposed to the General Meeting of 19 June 2012.*

5.2. Revenue by activity

(in millions of euros)	2011		2010 restated under IFRS 5		2010 published	
Consulting and SSI France	865.8	82.4%	788.9	81.8%	786.1	67.2%
SSI Europe	184.5	17.6%	175.5	18.2%	175.4	15.0%
Axway	-	-	-	-	208.4	17.8%
TOTAL REVENUE	**1,050.3**	**100.0%**	**964.4**	**100.0%**	**1,169.9**	**100.0%**

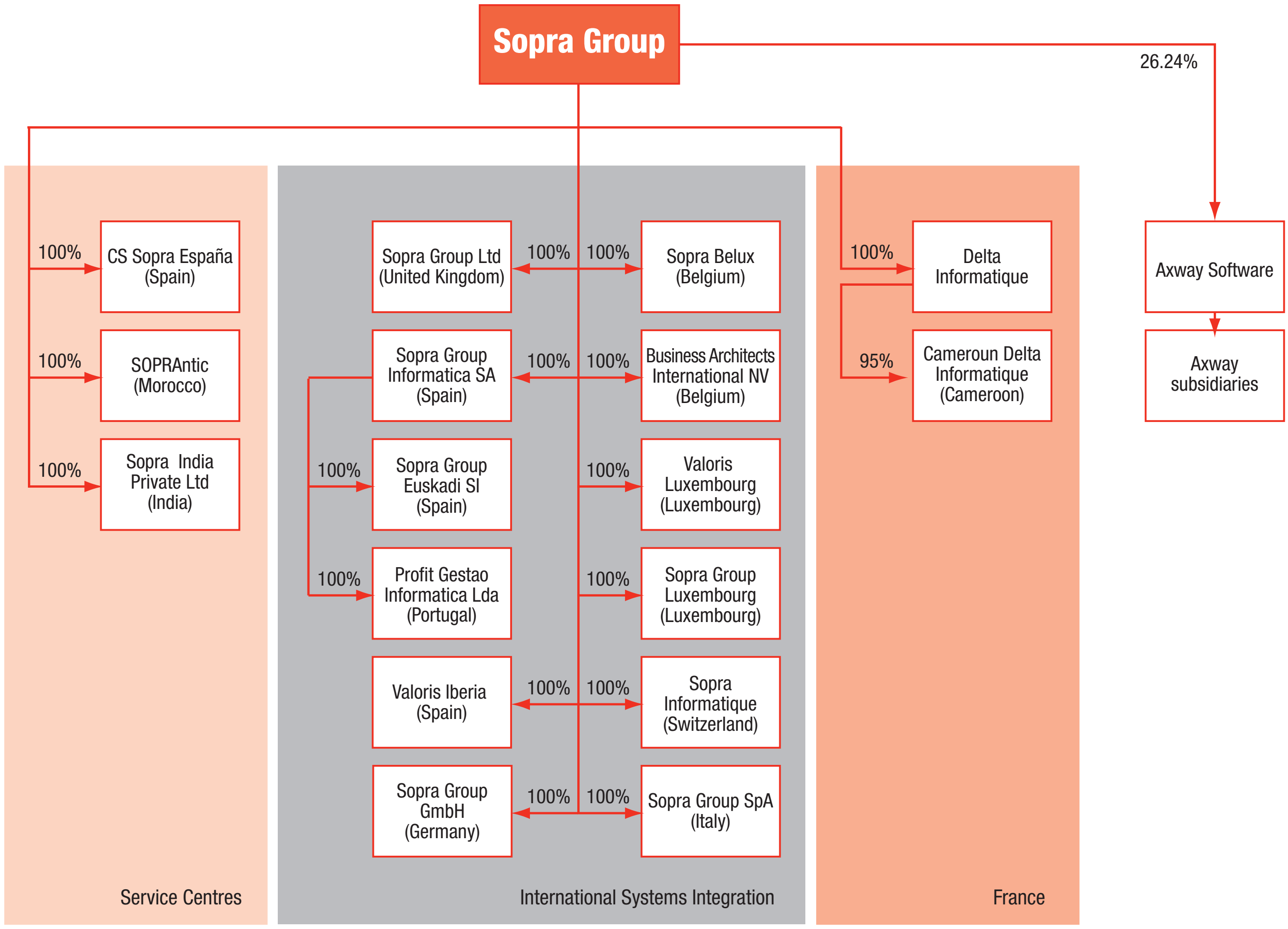
5.3. Revenue by business sector

	2011	2010 restated under IFRS 5	2010 published
Services (including Real Estate)	21.1%	19.2%	19.6%
Banking and Insurance	25.2%	27.7%	28.3%
Public sector	17.6%	17.9%	16.3%
Manufacturing	17.0%	16.7%	17.2%
Telecom	12.1%	11.7%	10.2%
Retail	7.0%	6.8%	8.4%
TOTAL	**100.0%**	**100.0%**	**100.0%**

5.4. International revenue

(in millions of euros)	2011		2010 restated under IFRS 5		2010 published	
France	54.8	5.2%	43.9	4.6%	43.9	3.8%
International	184.5	17.6%	175.4	18.2%	175.4	15.0%
Axway	-	-	-	-	131.3	11.2%
International revenue	**239.3**	**22.8%**	**219.3**	**22.7%**	**350.6**	**30.0%**
TOTAL REVENUE	**1,050.3**	**100.0%**	**964.4**	**100.0%**	**1,169.9**	**100.0%**

6. Simplified group structure at 31 December 2011



7. Group organisation

Sopra Group's governance structure consists of the Board of Directors, the Chairman and Chief Executive Officer and the Managing Director.

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.

Sopra Group's Executive Committee members are responsible for the development of strategy and supervise the organisation, management audit, 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 and Solutions Integration, Axway);
- geography (countries, regions);
- economic sector.

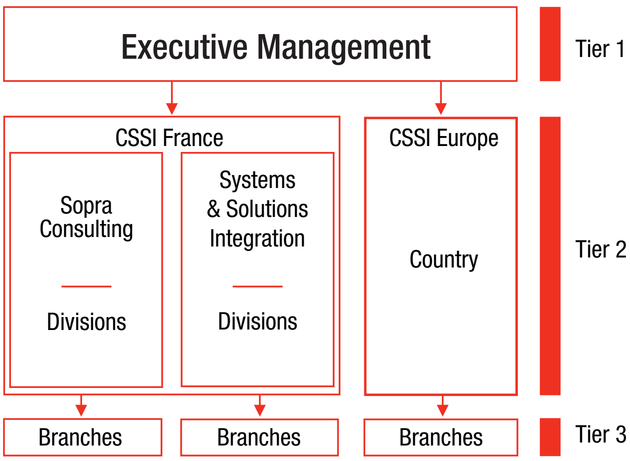
Tier 2 is the core level of the ongoing structure. The component entities of each division are autonomous branches with their own management, sales force and production teams.

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. Operational support functions

The operational organisation is reinforced by the presence of three central units providing assistance to the agencies and overseeing major transformation projects:

- the Industrialisation Department, which is responsible for the methods and tools used to ensure the quality of services and supervises the production of the Group's Service Centres for all major project commitments;
- the Major Commercial Programmes Department, which promotes the major account strategy;
- the Offerings Department, responsible for developing partner relations and new offerings.

7.1.5. Functional structures

Functional management (Corporate Secretariat, Finance, Logistics, Human Resources Management, Communication, 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. The functional capacity of international subsidiaries is strictly limited to the local business environment.

Functional structures standardise and propose management rules (information system resources, IT systems, financial reporting, etc.), support and render services on behalf of operational units and monitor the application of strategies and rules.

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 Group's branches or business units;
- or under the authority of a pilot unit, established to leverage synergies across several branches.

Each project must be organised in order to meet a fundamental, three-part objective: excellent client service and economic success while contributing to the overall growth of the Group.

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.

2 CORPORATE AND SOCIAL RESPONSIBILITY REPORT

MESSAGE FROM THE CHAIRMAN

Our vision of the world of information technology and related services is about empowering companies and organisations to achieve sustainable progress.

We firmly believe that the technological and organisational changes we all confront today represent significant opportunities. Beyond dominant trends and developments, our role is to guide our clients so that they can make the best and most informed choices possible and to assist them with their major transformation projects, at all times upholding the ethical principles and values embedded in our policies and practices.

For more than forty years, we have been building our Group's reputation around solid and lasting fundamentals and a set of core values that we see as the Sopra Group DNA.

These values are:

- client-focused services;
- commitment to quality and professional excellence;
- respect for others;
- taking positive and effective action at all times;
- Group spirit.

As an expression of these values, our Group is a signatory of the United Nations Global Compact, which serves as the founding framework for our approach to sustainable development. Through this commitment, Sopra Group promotes the Global Compact's ten principles in the areas of human rights, labour standards, protection of the environment and anti-corruption, fully in line with the fundamental precepts upon which our Group was founded. Sopra Group is committed to encouraging compliance with these principles within its sphere of influence, helping its clients and partners to adopt responsible business practices.

Our commitment to the Global Compact and the publication of our Corporate Social Responsibility Report are part of our ongoing efforts to ensure transparency, fairness and loyalty in our dealings with all our stakeholders: clients, employees, shareholders, partners, suppliers and members of civil society.

Since its founding, Sopra Group has been guided by a spirit of excellence and progress. It is with this aim in mind that we will continue to build relationships with all of our stakeholders.

Pierre Pasquier
Chairman and Chief Executive Officer

1. Group commitment

1.1. 2011 CSR report

The objective of Sopra Group's 2011 CSR Report is to meet regulatory requirements relating to the disclosure of social and environmental information as set forth in the decree implementing Article 116 of the French New Economic Regulations Act as well as the future requirements of the decree drafted to implement Article 225 of the Grenelle Environment II Act. This report is intended above all to present information to Sopra Group's stakeholders on its contributions to sustainable development. Wherever necessary, it relies on international reference frameworks, through the use of indicators published by the Global Reporting Initiative (GRI) and by focusing on the main areas of action regarding sustainable resource use as defined under ISO 26000.

The information presented in this report is consistent with the nature of the Group's business activities and their impact on human resources, the environment and local communities. For this reason, the information provided may not cover all regulatory requirements, instead including only the most relevant indicators.

1.2. Milestones in the Group's continuous improvement process

- 2004: Sopra Group, signatory of the United Nations Global Compact.
- 2008: Launch of a project examining ways to promote sustainable development.

  Birth of partnership with *Planète Urgence* to promote international solidarity efforts.
- 2009: Sopra Group commits to structured procedures.

  Project to raise awareness of the Group's procedures among staff.

  Creation of the Group's guide to eco-friendly behaviours.

  Sopra Group included in the GAIA Index[(1)], the leading French CSR stock market index.
- 2010: Creation of the Group's Sustainable Development Department.

  Establishment of a Responsible Purchasing Charter.

  Sopra Group Academy adds coverage of sustainability issues to its curricula.

  Deployment of internal communications tools.
- 2011: Creation of the Group's Sustainable Development Committee.

  Sopra Group's first *Bilan Carbone*® assessment conducted in France.

  Participation in the Carbon Disclosure Project (CDP)[(2)].

  Launch of CSR evaluation programme for suppliers.

1.3. CSR governance

Sopra Group's CSR programme and its procedures are monitored at the highest levels of its organisation. Actions in this area are under the aegis of a member of Executive Management, who defines the Group's CSR strategy.

Sopra Group's Sustainable Development Department was created in late 2010 to administer the Group's sustainable development policies and coordinate its continuous improvement process.

In early 2011, another specific body, the Sustainable Development Committee, was formed to define areas for improvement together with the main managers concerned and monitor the progress of corrective action plans. This Committee brings together the main departments involved in the Group's CSR procedures so that they may work together to implement their respective programmes.

2. Corporate responsibility

A responsible corporate citizen

Sopra Group is a well-established player in its field, offering its 12,610 employees a stable working environment with stimulating career prospects. These opportunities are made possible within a Group whose businesses involve a wide variety of professions, with operations in France and abroad, and a strong company culture. Ever since it was formed, the Group has always sought to retain its employees, even during major crisis periods like the one that faced all companies in 2009.

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.

(1) Launched in 2009 by IDMidcaps and EthiFinance in partnership with the SFAF and Middlenext, the GAIA Index measures the commitment of medium-sized French companies to environmental, social and governance (ESG) criteria.

(2) The Carbon Disclosure Project (CDP) is an international organisation that publishes a report each year on greenhouse gas emissions, based primarily on data voluntarily provided by corporations.

2.1. Sopra Group's corporate culture

2.1.1. Sopra Group's values

Sopra Group's company culture and its Enterprise Project are grounded in a firm value system that binds together the entire Group.

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

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

2.1.2. Sharing of fundamental precepts

The Group's system of values and fundamental precepts must be shared by the entire workforce, which consisted of 12,610 employees at 31 December 2011. A programme has been set up specifically to communicate and ensure the commitment of all staff to these values, especially among employees who joined the Group in 2011.

This programme is organised by Sopra Group Academy, the Group's training and knowledge management structure. Its aim is to accompany the Group's expansion through the implementation of plans for the development of skills and the sharing of knowledge in order to:

- serve the strategic vision for the development of the Group's business segments outlined in the Enterprise Project;
- meet the expectations of staff members in terms of personal development;
- disseminate the Group's fundamentals and encourage the exchange of knowledge through communities of practice;
- facilitate the integration of new hires and acquired companies;
- foster the Group's internationalisation;
- implement regulatory provisions for vocational training;
- build awareness of our know-how among our clients.

2.1.3. Integration of new employees

Designed to serve the Enterprise Project, Sopra Group's human resources policy involves:

- the successful integration of new employees in a Group that has seen a significant rise in its workforce since 2004;
- a recruitment policy organised in particular around long-lasting partnerships with prestigious engineering schools and a highly successful programme of internships;
- a high level of training guaranteeing the excellence and adaptability of both employees and management, with a skills development plan revised each year and implemented by a dedicated structure, Sopra Group Academy;
- regular evaluation of skills and revisions to our Core Competency Reference Guide so as to adapt to changes in the Group and in our clients' requirements.

2.2. Employment policy

Sopra Group's assessment system enables the Group to know its staff and regularly monitor their development. This system is mainly based on assignment reviews, annual appraisals and twice-yearly assessment and review cycles. The system is backed by a Core Competency Reference Guide, which can be used by employees to improve their understanding of the requirements of the Group's businesses and career development opportunities. For local managers, this Guide supports professional development in line with both employees' wishes and the Group's priorities.

The assessment system operates under the responsibility of over 650 local managers.

2.2.1. Core competency reference guide

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

Backed by the dynamism of its Enterprise Project and the diversity of its business segments, over the long-term Sopra Group offers a motivating work environment conducive development of a variety of professional careers.

The Core Competency Reference Guide describes all of the Group's business lines (Consulting, Systems and Solutions Integration, Application Outsourcing, Management, Sales, Support Functions) and helps employees grasp the demands of their positions as well as the possible career paths within the different areas.

2.2.2. Recruitment

The Group's recruitment policy places a priority, in a deliberate manner, on the hiring of young people having completed at least five years of higher education, whether they are graduates of engineering schools, business schools or universities. The vast majority of newly recruited staff are offered permanent employment contracts. The recruitment of experienced professionals is subject to prior analysis to ensure that the requirements in question may not be covered using internal human resources, with skills and expertise developed through practical workshops and training courses.

To implement the recruitment policy defined by Executive Management, the following annual plans are established:

- the recruitment plan, which defines staffing requirements by subsidiary and by operating entity. As part of the annual budget process, each entity evaluates the qualitative and quantitative dimensions of its recruitment needs, in accordance with its objectives as assigned by the Group.

  In preparing the year's recruitment plan, medium-term staffing requirements are categorised by business line. Each entity's recruitment plan is coordinated with its training programme and its practical workshops;
- the communications plan, which includes all actions carried out to enhance CV sourcing capabilities, select the best applicants, propose targeted applications to entities corresponding to their

requirements and facilitate the recruitment of individuals starting their careers.

This plan also seeks to raise the profile and increase the attractiveness of Sopra Group's employer brand;

- the educational partnership plan, intended to promote the recruitment of graduates from preferred institutions and the selection of promising interns able to be pre-qualified for permanent positions with the Group.

  For many years, Sopra Group has been nurturing partnerships with engineering schools, business schools and universities whose degree programmes correspond to the requirements of its business lines.

  This plan serves as a guide for all operational units to mobilise local operational staff;
- the internship plan, which sets quotas for the number of interns to be recruited, organises the listing of internship offers and their dissemination to educational institutions.

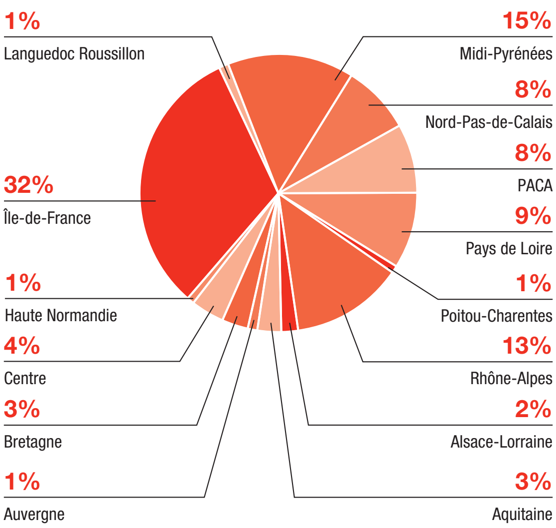
  This plan is directly tied to each operating entity's budget preparation process. It targets those schools, universities and training programmes where Sopra Group is interested in recruiting interns.

  Through its recruitment policy, Sopra Group contributes to regional development. To better serve its clients and meet their expectations as closely as possible, Sopra Group has been developing its Service Centre concept while reinforcing teams in each of the regions where it operates. This allows for the creation of many jobs, with operational units across all the Group's regions adding new employees.

  As a result of these measures, Sopra Group now has more than 8,920 employees in France, two-thirds of whom are based outside the Paris region.

  In 2011, with more than 1,540 new hires in France, Sopra Group once again served as a major player in support of employment in the French provinces.

REGIONAL DISTRIBUTION OF 2011 RECRUITMENTS



2.2.3. Assessment system: supporting employee development

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: project evaluations for specific assignments focusing on performance and skills acquisition and annual performance reviews to assess progress against objectives set the previous year and to discuss professional and career development plans.

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 about promotion, training and compensation. They thus form part of the career management process for each employee.

2.2.4. Application of the provisions of Book 4 of Part IV of the French Labour Code

Notices of termination have been received for both the profit-sharing agreement signed in April 2002 and the agreement relating to the establishment of a company savings plan within all entities of the UES[3] Sopra Group signed in July 2002. At 31 December 2011, a new profit-sharing agreement and a new agreement relating to the establishment of company savings plans at all Sopra Group entities were under negotiation.

An incentive agreement was signed in June 2009. It concerns all employees at the Group's entities based in France. Contingent upon the attainment of specific targets in terms of current operating profit, it calls for the comprehensive distribution of incentive payments as a function of the employee's length of service.

A rider to this incentive agreement was signed on 29 June 2011. This rider extended application of the method for determining current operating profit adopted in 2010 to take into account the change introduced in the recognition of the CVAE[4] in the consolidated financial statements.

2.2.5. Employment indicators

a. Workforce and staff changes

In 2011, the Group recruited 1,540 new staff in France and 800 at its international subsidiaries. In addition, in October 2011, the 280 employees of Delta Informatique, 250 of which are based in France, joined Sopra Group. At 31 December 2011, the Group had a total of 12,610 staff, of which 3,690 were employed outside France.

*(3) **Unité economique et sociale,** or economic and social unit, indicating the fact that, for the company in question, trade union and employee representatives of several legal entities are merged into a single works council.*

*(4) **Cotisation sur la valeur ajoutée des entreprises,** a tax based on the value added by the business.*

SOPRA GROUP WORKFORCE

	2011	2010	2009	2008	2007
France	8,920	8,223	7,742	7,612	6,989
International	3,690	3,426	3,094	3,186	3,031
TOTAL	**12,610**	**11,649**	**10,836**	**10,798**	**10,020**
o/w Management-level	**12,106**	**11,171**	**10,348**	**10,247**	**9,479**

b. Age and gender

At 31 December 2011, the average length of service in France for Sopra Group's productive employees was 6.7 years, thus remaining stable compared to 2010.

The average age of productive employees was 34.6 years at 31 December 2011, stable compared to 2010. The maintenance of the average age at this level is the direct result of a recruitment policy targeting young graduates, with an average age of 27.9 years for newly recruited staff.

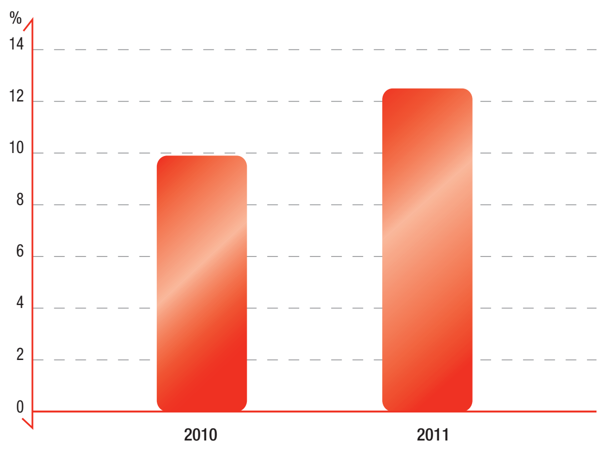
In terms of the gender breakdown of employees, men represented 74% of the total workforce and women accounted for 26% at 31 December 2011.

c. Staff turnover

Sopra Group's staff turnover rate in France rose considerably from 8.5% in 2010 to 12% in 2011. This increase was more pronounced for the consulting business than for application outsourcing and systems and solutions integration.

Staff turnover across the Group as a whole rose from 9.9% in 2010 to 12.5% in 2011.

SOPRA GROUP STAFF TURNOVER RATE



2.3. Training and professional development

2.3.1. Sopra Group Academy

One of Sopra Group's major objectives in the area of human resources management is increasing the expertise of its employees and anticipating their professional development. In response to this major challenge, more than five years ago the Group set up **Sopra Group Academy**, an internal training organisation offering a full range of training through a broad network of over 200 trainers: orientation seminars together with training in management, methods and tools, new technologies, the Group's business areas and offerings as well as personal development programmes These training programmes also rely on mechanisms for sharing knowledge and best practices. For example, Sopra Group Academy works with all the group's divisions to coordinate the Group Knowledge Portal, a sharing and learning platform for all employees.

Through working closely with staff in a flexible way, this approach seeks to develop the skills of each and every one of the company's employees.

2.3.2. Skills management

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

In 2011, Sopra Group Academy concentrated on the consolidation of training programmes by overall business segment skills and the development of the knowledge management dimension so as to promote the exchange of knowledge and know-how, as well as the leveraging of best practices.

Efforts were directed in particular towards technology areas, industrialisation methods and tools, industry-specific solutions (a major focus) and the acquisition of core consulting and integration services-related competencies.

In 2011, Sopra Group strengthened its training programme, in particular by implementing training actions specifically intended to inculcate greater discipline in the management of contracts and to develop its capacity for innovation.

In addition, individual training courses were introduced to facilitate the repositioning of staff members within business lines.

2.3.3. Management training

As part of its schedule of training programmes, Sopra Group has developed a specific course covering the fundamentals of the Group's corporate culture with respect to management, which has involved the participation of over 850 managers to date.

This training programme consists of residential seminars.

2.3.4. Welcoming seminars and staff integration

Sopra Group regularly organises 3-day orientation seminars for its new employees with a view to discussing the Group's history, its corporate project, values and offerings, as well as the Group's fundamentals in the areas of client service and quality.

Sopra Group is conscious of the importance of successfully integrating new staff and also organises meetings bringing together employees having worked for the Group for between 18 and 24 months.

2.3.5. Training indicators

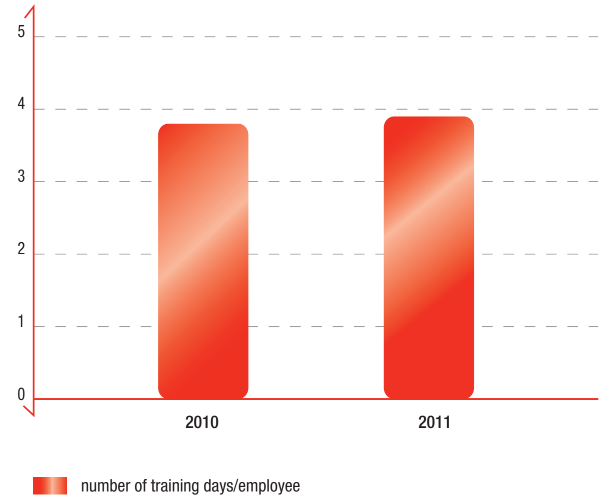
In 2011, the average number of training days per person was 3.9 days, up from 3.8 days in 2010.

The key figures relating to our 2011 training actions in France are as follows:

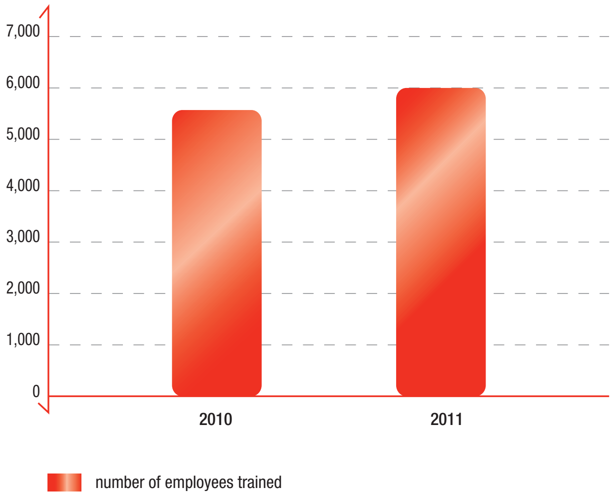
- 32,000 training days, up from 28,550 in 2010;
- more than 6,000 employees trained, up from 5,570 in 2010;

- more than 40% of the training was devoted to technological and solution-based skills acquisition.

NUMBER OF TRAINING DAYS PER STAFF MEMBER IN FRANCE



NUMBER OF STAFF MEMBERS TRAINED IN FRANCE



2.4. Non-discrimination principles

2.4.1. Gender equality

Sopra Group observes principles of gender equality by applying fair practices in the areas of recruitment, access to training, remuneration and promotion.

Recruitment

In 2011, women accounted for 22.8% of hires under permanent employment contracts in France and were thus represented in a proportion considerably higher than that of female students in engineering schools and universities pursuing degrees in IT-related professions.

In 2011, Sopra Group launched awareness campaigns, such as its sponsorship, under the banner *"Mademoiselle fait la CCE",* of the all-female sailing team competing in the Course Croisière EDHEC CCE, the leading student-run sporting competition in Europe organised by students of the EDHEC Business School in Lille, as part of the related initiative *"Mademoiselle fait Centrale Paris",* to underscore the fact that engineering schools are open to women as well as men.

Training and career management

Sopra Group strives at all times to ensure that it offers an equivalent level of training for women and men. The proportion of women and men taking part in training programmes thus reflects the gender breakdown of the Group's workforce at the year-end.

Similarly, the proportion of women and men offered promotions is also comparable to this same statistic.

Remuneration

The difference in remuneration noted by category of employee between women and men is within the range of +3% to -3%.

To ensure an equivalent level of remuneration for women and men, Sopra Group offers identical starting salaries to both male and female applicants with identical qualifications, degrees, skills and experience for positions involving equivalent levels of responsibility.

As part of the annual salary assessment and review process, Sopra Group reiterates to all management personnel the gender equality principles to be observed, in particular the lack of penalisation for absences related to maternity, paternity or adoption leave, or periods of part-time work.

At the completion of the annual salary review process, controls on the gender breakdown of salary increases are performed and adjustments are made in the event of any significant discrepancy noted between female and male employees with equivalent qualifications, skills, responsibilities and training.

2.4.2. Plan for the Disabled

In order to promote the employment of people with disabilities, the Group's policy was supported by action in three areas in 2011:

- raising awareness among operational and functional managers to promote the recruitment of people with disabilities; One manifestation of this policy is Sopra Group's partnership with the association Handicafé, which works to facilitate meetings between disabled job seekers and recruiters at school job forums. Sopra Group organises recruitment interviews specifically for these individuals during events of this type;
- developing the use of subcontracting, supply and service provision agreements with officially recognised sheltered workshops and accredited ESATs (assisted employment centres); For example, Sopra Group has been working since 2009 with a sheltered employment centre in Lille that employs disabled workers and offers the Group sourcing services for recruitment. On a regular basis, Sopra Group offers training to the employees of this centre, to aid them in their efforts and bring their sourcing skills up to date. As another example, when replacing IT equipment that no longer meets its needs, the Group passes on these unwanted, though still usable, components to a certified agency employing the disabled;
- partnering with associations or bodies working for the social and professional integration of people with disabilities.

Along these lines, in 2011 Sopra Group renewed its partnership with Tadeo, a comprehensive service facilitating the hiring and professional integration of hearing-impaired or deaf individuals. Tadeo is a shared online communications platform delivering on-demand French sign language (LSF) video interpretation services and simultaneous subtitles. These services allow a deaf or hearing-impaired user to communicate face-to-face or over the telephone. This partnership involves financial participation as well as assistance provided by expert consultants in the following areas: project supervision, the development of relations between institutions, partnership building, technical expertise relating to call centres and Internet-based video services.

The Group's growing involvement in support of the professionalisation and integration of disabled workers was demonstrated in 2011 by a 25% increase in the number of disabled individuals employed by the Group in France. It is worth noting that Sopra Group had already achieved a 30% increase in this area in 2010 compared with 2009.

2.4.3. Youth diversity and assistance with entering the labour force

Sopra Group pursues a range of initiatives to help young people from disadvantaged backgrounds enter the labour market:

- support for the association *Nos Quartiers ont des Talents* through the recruitment of young people mainly from impoverished neighbourhoods. Sopra Group intends to mentor ten or so young people each year, giving them the tools and techniques to build their skills in the business environment and helping them find employment;
- financial support for ENSAM's association Ecosail, which aims to introduce young people from Lille's working-class neighbourhoods to the engineering profession. This partnership also provides an opportunity for Sopra Group staff to meet the Ecosail students and share their experiences with them;
- participation in the forum *Paris Diversité/Premier Emploi,* which seeks to promote equal opportunities and diversity in employment practices, while eradicating discrimination in all its forms. At this event, Sopra Group meets disabled job seekers as well as those from disadvantaged backgrounds.

2.4.4. Senior plan

In compliance with new French laws, Sopra Group has set up a plan in favour of its older employees structured around the following initiatives:

- maintaining employees aged fifty and over in their jobs;
- anticipating requirements for career development;
- developing competencies, qualifications and access to training;
- transmitting know-how and competencies and the development of mentoring actions.

In accordance with the established plan, interviews have been held with nearly 250 employees to explore options for career development since it was lauched in 2010.

2.5. Work organisation

All Sopra Group entities comply with applicable local laws as well as sector practices in the companies in question.

In France, part-time employees accounted for 6% of the workforce at 31 December 2011. When permitted by the services or project concerned, requests for part-time work issued by employees are generally authorised for a term of between six and twelve months. This authorisation is renewable.

A specific financial compensation mechanism is provided for on-call duty by employees under contractual commitments entered into with clients.

2.6. Employee relations

2.6.1. Organisation of dialogue between employees and management

The organisation of Sopra Group's employee representative bodies is structured around a central works council and two local works councils, employee representatives at some twenty sites and 11 health, safety and working conditions committees.

A group-wide agreement gives each trade union the option to send monthly and quarterly notices to all staff *via* the Sopra Group intranet. In 2011, this option was extended to the central works council.

2.6.2. Overview of collective bargaining agreements

In preparation for the legal reorganisation involving the merger of the entities Sopra Group and Sopra Consulting, a group-wide agreement setting out measures intended to harmonise the employment status of Sopra Consulting's staff members with that of Sopra Group staff members was signed with the CFTC, the only trade union represented at Sopra Consulting.

2.7. Health and safety

2.7.1. Policy

Following a trial run in 2010, Sopra Group decided to extend its rescue and first-aid training programme to all Group entities in order to ensure that each site has first-aid officers able to intervene immediately in the event of an accident. Eighty additional staff members received 12 hours of rescue and first-aid training in 2011, in accordance with regulations in force, thus allowing for the coverage of 26 new sites.

In addition, 31 employees having received their initial training in 2010 took part in the mandatory refresher course following the first year of qualification as a first-aid officer.

At 31 December 2011, 111 Sopra Group employees were certified as first-aid officers.

The objective of this policy is to maintain the key health and safety indicators, in particular absenteeism and workplace accidents, at low levels.

2.7.2. Absenteeism

Sopra Group's employee absenteeism rate declined appreciably in 2011 relative to its 2010 level[(5)]. It is now lower than the average for the sector.

OVERALL ABSENTEEISM RATE FOR SOPRA GROUP ENTITIES BASED IN FRANCE

	2011	2010
Overall absenteeism rate	3.1%	3.2%

2.8. Internal communications

Sopra Group has put in place a strong internal communications plan to keep employees informed, keep them engaged and promote exchanges within the Group. Actions are pursued at the entity or Group level, or targeted to specific employee positions.

2.8.1. System of exchanges between staff members

Sopra Group's monitoring system provides for a series of meetings at the Group and entity levels on a yearly, monthly and weekly basis.

At the annual launch meeting, the year's operational priorities and the Group's medium-term strategy are communicated to managers. These aspects are then revisited during monthly meetings. In addition, each entity holds two or three meetings a year bringing together all staff. Lastly, each team holds weekly meetings.

2.8.2. Dissemination of information

Staff members access Group information through the use of various tools: the Group portal, which disseminates Sopra Group's latest news and refers readers to the different existing intranets (Human Resources, Knowledge Management, Quality System, Sustainable Development, etc.); the bimonthly electronic newsletter e-mailed directly to staff; the Group's knowledge base and forum (with communities managed directly by staff members).

Locally pertinent information is also disseminated by entity managers through newsletters.

Furthermore, certain targeted populations (managers, assistants) receive specific information *via* a monthly newsletter to review business processes and reinforce best practices.

3. Environmental policy

Taking into consideration environmental impacts

3.1. General policy

Compared with heavy industry, Sopra Group's service and consultancy activities have a limited impact on the environment. Nevertheless, our businesses generate a large amount of travel, require significant infrastructure and IT equipment and produce a lot of documents.

Sopra Group carried out its first *Bilan Carbone*® assessment in the first half of 2011. This action is part of a wider effort since 2009 to drive continuous improvement in the Group's environmental performance. The analysis of greenhouse gas emissions completed using the *Bilan Carbone*® methodology has resulted in a comprehensive status report for Sopra Group's operations in France.

The need to control our environmental impact has therefore become a key factor in our management and production methods, and is covered by a continuous improvement programme involving the relevant functional divisions and their staff.

As the limitation of our environmental impact is understood to be a matter of concern for all parties involved, the Group's employees play a key role in this eco-responsibility process. At Sopra Group we encourage employee initiatives in the area of environmental protection and promote the avoidance of excess consumption of non-renewable energy resources in our working methods. A guide to eco-friendly behaviours was published and distributed in early 2009 to raise awareness and help employees in their day-to-day activities. Staff are regularly reminded of the existence of this guide as well as the full set of complementary Group

(5) *Absentee rate: to calculate its employee absenteeism rate, the Group divides the total number of man-days actually lost due to absence by the number of man-days that could have been worked. The rates indicated are those for Sopra Group's operations in France. Types of absence taken into account are sickness, work-related accidents, commuting accidents, industrial actions, maternity or paternity leave (excluding parental leave) and unexcused absences.*

initiatives under way. Correspondents at all sites are tasked with ensuring the proper application of the relevant measures.

In 2011, a Sustainable Development Committee bringing together the main managers involved in sustainable development efforts was set up to steer Sopra Group's CSR policy. Through their participation in this Committee, several departments contribute to Sopra Group's approach to the environment and define, together with the Sustainable Development Department and under the supervision of Executive Management, the Group's overall environmental policy. This policy is defined each year and summarised in a memorandum addressed to all Sopra Group teams involved. Each department affected by the Group's environmental policy (Procurement, Logistics, IT Resources, Human Resources, Communications) organises its own actions in this area. The Sustainable Development Committee is responsible for coordination of the entire plan.

In 2011, the Group began the process of naming dedicated sustainable development correspondents at all sites, with the assistance of site managers.

3.2. 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 energy-efficient and environmentally friendly heating and air-conditioning systems whenever these systems require replacement;
- preventive maintenance of installations to conserve energy;
- use of non-toxic and non-hazardous products by the cleaning services;
- installation of water fountains, directly connected to the drinking water distribution network, with the aim of reducing plastic bottle use;
- commitment by site managers to observe and encourage respect for the environment and good practice on a day-to-day basis. In assuming direct day-to-day responsibility for waste separation at sites, these managers promote best practices and communicate information to staff members as necessary. They also verify the gradual installation of low-energy devices as equipment is replaced.
- efforts to raise the awareness of employees as to the importance of applying the best practices contained in the Group's guide to eco-friendly behaviours.

For existing premises, Sopra Group has launched refurbishment projects in order to reduce their energy consumption.

Thermal renovation of premises

Since 2011, a thermal renovation programme has been under way at the Group's head office in Annecy-le-Vieux encompassing insulation, ventilation, heating and other systems.

As another example, at one of its sites in Colomiers, Sopra Group has installed a state-of-the-art system to control ventilation (double flow) and air-conditioning.

With respect to Sopra Group's priorities in relation to new premises, the Group's strategy is to favour buildings able to obtain the French BBC *(Bâtiment Basse Consommation)* and HQE *(Haute Qualité Environnementale)* certifications, in line with the Group's overarching objective to promote the quality of the work environment.

Construction of a new site in lyon meeting new standards

A new 8,000 sq.m building located in Limonest, a Lyon suburb, scheduled for completion in early 2013, which will house Sopra Group's regional management staff, is in the process of being certified to the French standards HQE and BBC.

3.3. Management of IT resources

IT resources are managed centrally by the IT Resources and Services Department. This ensures that hardware is standardised and shared, leading to energy savings.

By virtue of its activity of developing software and managing IT projects on behalf of its clients, Sopra Group has a large number of servers. These servers account for a large proportion of the company's environmental footprint (in terms of materials, energy consumption and air-conditioning requirements). With the aim of controlling economic and ecological costs, Sopra Group has for a long time tightly managed its stock of servers by pooling hardware and implementing solutions for reducing the amount of energy consumed by workstations.

In early 2009, Sopra Group decided to implement an improved energy management model, and embarked on harmonising standards applied to all equipment in France, in particular by ensuring that all workstation screens enter sleep mode after 15 minutes and by extending the use of standby mode. This programme has been renewed by the Group and deployed to all subsidiaries.

With regard to photocopiers and printers, Sopra Group has developed a process for rationalising the number of devices and promoting sensible use of consumablesIn this regard, networking is considered as a way of reducing the number of devices, since photocopiers can also function as both printers and scanners (scan to mail). As of 2010, 80% of the Group's photocopiers were networked. Furthermore, virtually all the Group's photocopiers support double-sided printing.

3.3.1. Virtualisation of IT infrastructure

One of the ways in which Sopra Group reduces its carbon footprint is by opting for the virtualisation of its IT infrastructure. This technology allows for IT centres to pool and optimise the use of their equipment resources.

The aims of this approach are reflected in:

- an increase in processing capacity by reducing the number of physical machines and thereby energy consumption;
- the acquisition of more compact machines using less energy;
- significant space savings in IT centres by limiting the need to build extensions;
- extensions to the life cycles of IT equipment.

3.3.2. Paperless processes

Sopra Group continues to encourage the wider use of paperless processes by deploying tools permitting electronic document management and by frequently urging its employees to avoid printing whenever possible. Concrete measures implemented by the Group to encourage the use of paperless processes combined with its efforts to raise environmental awareness among employees have a positive impact on the environment on a number of levels since they allow for reductions both in the use of paper and in energy consumed by printing. In addition, paperless processes help to limit the physical delivery of documents and, last but not least, less paper used for printing means less waste to be processed.

Paperless processes implemented by the Group involve: the various internal newsletters published by Sopra Group (Group newsletter and those of the functional and operational divisions); activity reports produced on a monthly basis by each employee; the management of paid leave and absences, IT requests related to the management of the Group's installed base of IT equipment; work documents required for internal and external meetings that are increasingly distributed electronically with the admonition to print them out only if absolutely necessary.

New projects in this area were initiated in 2011, notably relating to travel expense information and invoices.

3.3.3. Management of the installed base of IT equipment

Sopra Group manages its installed base of IT equipment in application of very precise guidelines with a view to controlling costs and protecting the environment.

All IT equipment used by Sopra Group is listed in a database managed using HP's AssetCenter product. Technical, financial and usage information are continually updated over the equipment's life cycle, allowing the Group both to optimise equipment lifespans and to ensure proper recycling when this equipment reaches its end of life.

The quality of information collected ensures effective management of Sopra Group's installed base of equipment. The only pieces of equipment subject to replacement are those that become obsolete or whose use no longer corresponds to Sopra Group's business standards. In 2011, an effort was made to remove obsolete equipment from the Group's premises.

Even once equipment has been removed and recycled, Sopra Group maintains information relating to the final destination of equipment in its database. In order to ensure that electrical and electronic equipment reaching the end of its useful life is managed in an ecologically friendly manner, Sopra Group sells most of its equipment to a certified organisation. In addition, between 10% and 15% of PCs coming to the end of their useful lives are donated to educational institutions or to charitable associations connected to Sopra Group employees.

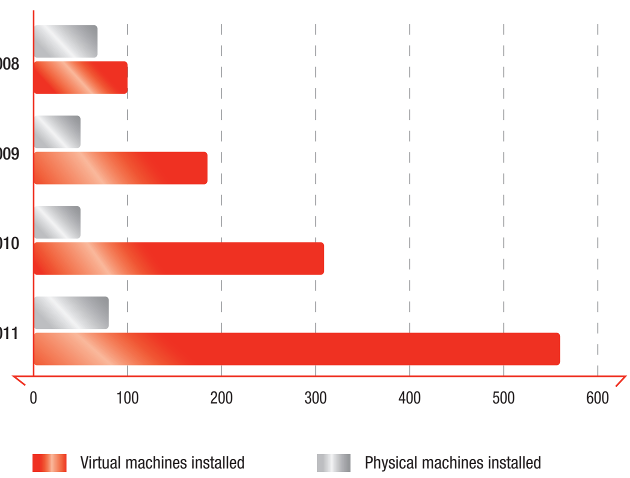
Finally, one of the key principles put in place over the last few years has been that of extending the life span of hardware and resisting pressure from manufacturers to constantly renew equipment. Indeed, extending the life span of IT equipment enables us to significantly reduce our environmental impact.

Currently, IT equipment at Sopra Group is used for at least four years. In order to ensure traceability, this equipment is regularly inventoried physically by Sopra Group's technical teams but also by way of the collection of information via the network.

In 2011, the life cycle of IT equipment was extended by about three months.

The table below shows the extent of efforts accomplished in reducing the number of physical machines in favour of virtual machines:

PHYSICAL AND VIRTUAL MACHINES OPERATED BY SOPRA GROUP



3.3.4. Procurement policy for workstations in 2011

Sopra Group used the opportunity presented by Dell's overhaul of its product line to take into account new environmental criteria in the selection of the equipment used by its employees:

- **laptop computers:** the new model selected by Sopra Group is smaller and more lightweight than the previous one, in line with preferences expressed by the members of the Group's mobile workforce:
  - weight reduced to 1.6 kg,
  - meets Energy Star 5.0 requirements,
  - equipped with a 3-cell battery, which takes less time to charge,
  - Runs Windows 7 for optimal energy management;
- **desktop computers:** the new model from Dell offers better performance while using less energy:
  - the 22-inch monitors available with this line consume less energy than the previous 17- and 19-inch models, for savings of about 11 kW/h per monitor and per year,
  - the overall performance levels of these desktop computers allow us to anticipate a life cycle in excess of four years.

Energy consumption by laptop and desktop computers

ENERGY CONSUMPTION OF COMPUTER WORKSTATIONS IN KW/H FOR SOPRA GROUP'S OPERATIONS IN FRANCE

Type	Reference model 2008	2009	2010	2011	Savings in kW/h compared to the 2008 model	
Laptop computer	67	63	59	57	17.54%	Calculation based on office use for a period of 8 hours
Desktop computer	235	190	190	178	32.02%	Calculation based on production use for a period of 8 hours

Overall energy consumption by sites

Energy consumption across the Group's sites fell by more than 2% in 2011[(6)]. This calculation is based on consumption levels at 23 sites in France representing three-quarters of the floor area and workstations in France.

ENERGY CONSUMPTION PER SQ.M AND PER WORKSTATION FOR SOPRA GROUP'S OPERATIONS IN FRANCE

	2010	2011	Change
kW/h per sq.m	174	170	-2.3%
kW/h per workstation	1,946	1,901	-2.3%

3.4. Management of commuter journeys and business travel

Sopra Group has locations both in France and abroad. In France, the Group has many sites located throughout the country. Its clients are themselves located all over France and abroad. Sopra Group has also developed offshore Service Centres in Spain, Morocco and India. All of the above generates a large amount of travel, with an associated environmental impact.

The *Bilan Carbone*® assessment carried out in 2011 on the basis of 2010 data revealed the large extent to which commuter journeys and business travel contribute to the Group's greenhouse gas emissions.

Based on these findings and in order to limit the number of trips, Sopra Group has implemented an action plan involving initiatives on several fronts.

3.4.1. Work-related trips over long distances

As early as 2008, Sopra Group had launched a programme to limit trips for internal and external meetings, in particular through the greater use of videoconference equipment at most Group sites.

A total of 49 videoconferences were held in 2011, up from 39 in 2010, representing an increase of 25%. In addition, Sopra Group engages efforts to ensure that videoconferencing is used as much as possible. For example, reminder memos are sent to the managers of agencies and sites with the potential to make use of this equipment whenever fewer than 48 hours of videoconferencing are logged during any given year.

A memorandum is sent on a regular basis to all management personnel to ensure that this action plan, which sets out guidelines for the Group's policy on work-related travel, is implemented.

To identify areas in need of improvement, Sopra Group monitors the carbon footprint of its employees' business travel, which primarily involves journeys by air or by rail. This ongoing assessment allows the Group to identify ways in which it can limit its use of more polluting forms of travel. This is especially pertinent in relation to a number of destinations in France, for which the requirement to travel by train would result in significant reduction in CO_2 emissions.

In 2011, efforts undertaken resulted in a 7% decrease in greenhouse gas emissions due to travel by rail or by air.

NUMBER OF KILOMETERS TRAVELLED BY RAIL AND BY AIR FOR SOPRA GROUP'S OPERATIONS IN FRANCE

	2010		2011	
Number of kilometers by rail	18,188,384	53%	19,195,526	55%
Number of kilometers by air	16,439,135	47%	15,591,817	45%

GREENHOUSE GAS EMISSIONS GENERATED BY RAIL AND AIR TRAVEL FOR SOPRA GROUP'S OPERATIONS IN FRANCE

	2010	2011	Change
Total number of kilometers by rail and by air	34,627,519	34,787,343	0.5%
Total CO_2 emissions (kg of CO_2 equivalent)	4,886,611	4,556,008	-7%

Lastly, in order to better manage work-related travel, trip management is centralised with two service providers:

- a travel agency for trips by air and by rail;
- a car rental agency.

3.4.2. Work-related trips over short distances

With respect to work-related travel over short distances, the used of taxis and personal vehicles is discouraged when public transport is easily accessible. The Group requires that personal vehicles be used for work-related travel only when strictly necessary.

(6) These figures correspond to the overall energy consumption including that of all shared space as well as power requirements for convection heaters and air-conditioning systems.

Group guidelines for work-related travel are disseminated *via* the Sopra Group intranet and apply to all staff.

3.4.3. Commuter journeys

The portion of greenhouse gas emissions attributable to commuter journeys, as indicated by the *Bilan Carbone*® assessment, requires the Group to seek ways to make improvements in this area. A car-pooling solution was developed in late 2011, followed by the establishment of an intranet site for this purpose in January 2012, open to all staff. This site relies on a market-tested solution which is also the leading car-pooling platform in France. Staff will be regularly encouraged to make use of this platform.

Other possible solutions are being considered to reduce greenhouse gas emissions generated by commuter journeys.

3.5. Waste management

With respect to waste management, Sopra Group continues to promote the recycling of waste, by way of the following actions:

- implementation of waste separation at most of the Group's sites in France, working with specialised service providers. This decision was accompanied by an awareness campaign promoting the proper use of waste separation, in accordance with the specific characteristics of each site. Site representatives are appointed to ensure that all waste separation programmes across the Group operate smoothly, notably by suggesting corrective measures to improve efficiency;
- waste management relating to consumable computer and office supplies, batteries, beverage cans and paper, by making available special containers for this purpose, with waste collected by an accredited firm implementing procedures allowing for the monitoring of the quantity of waste processed;

WASTE SEPARATION YIELDS IN THE PARIS REGION, INCLUDING RECYCLED PRINTER CARTRIDGES (IN KG)

	2010	2011	Change
Paper	13,820	18,090	24%
Other office consumables	3,438	4,089	16%

- a specific waste management approach for products covered by the European Union's Waste Electrical and Electronic Equipment (WEEE) Directive, with waste collected by accredited firms implementing procedures allowing for the traceability of this waste.

In connection with the management of its IT-related waste, Sopra Group tested and qualified a new service provider in 2011, ATF Gaia.

ATF Gaia is able to organise the collection of waste throughout France.

This company provides a high degree of traceability for IT-related waste and offers several types of recycling:

- full recycling of equipment;
- recycling of spare parts;
- recycling of computer components.

In addition, ATF Gaia specialises in secure data destruction for disks and magnetic cartridges.

As is the case for all other companies entrusted by Sopra Group with WEEE management, ATF Gaia employs disabled workers.

Recycled printer cartridges

The Aubière, Saint-Grégoire, Ecully, Aix-en-Provence, Montpellier, Rouen, Colomiers and Niort sites send their used printer cartridges to BMF Alterburo, an office supply firm that centralises cartridge recycling for many of its clients in France. Other sites employ the services of local firms.

NUMBER OF RECYCLED CARTRIDGES OUTSIDE THE PARIS REGION

Supplier	Number of cartridges
BMF Alterburo	600
Other suppliers	1,000
ESTIMATED TOTAL	**1,600**

3.6. Involvement of management and employees

Training and information on protecting the environment offered to employees

Several types of initiatives are developed at Sopra Group: awareness campaigns by way of the internal newsletter, which now includes a Sustainable Development section; frequent news alerts about environmental matters issued on the intranet; the Sopra Group knowledge base, which is the online reference source for all informational documents relating to the Group's corporate social responsibility initiatives; and training sessions organised at the Group's annual seminars.

Information relating to these issues is also included in the Orientation Guide sent to all new employees.

3.7. Raw material consumption and the sustainable use of resources

In 2011, Sopra Group decided to implement the use of SFI-certified copy paper(7) at all its sites in France. In addition, awareness actions to promote more limited use of paper are organised on a regular basis.

Sopra Group's business activities do not require excessive use of water. Furthermore, the precise assessment of water consumption for all of the Group's operations in France is difficult to obtain, since it depends on the utility management system readings made available by Sopra Group's various lessors.

However, Sopra Group intends to intensify its efforts in order to obtain this information.

From a more general perspective and in regard to the rational use of resources, awareness actions targeting staff are conducted on a regular basis, using the Group's guide to eco-friendly behaviours and a range of communications tools.

4. Corporate citizenship

A responsible and community-minded corporate citizen

4.1. Impact of the Group's business activities on economic, social and territorial disparities

Sopra Group works in close collaboration with Pôle Emploi, the French government agency managing benefits and job opportunities for the unemployed, to help young people having completed at least five years of higher education in the sciences who are experiencing difficulties in finding employment. The Group undertakes to put in place training programmes tailored to its professions so that these young graduates may join Sopra Group's teams.

These young people are often employed under professionalisation contracts, which are either fixed-term or permanent employment contracts involving alternating periods of work and training. Fixed-term professionalisation contracts are generally concluded for periods of between 6 and 12 months.

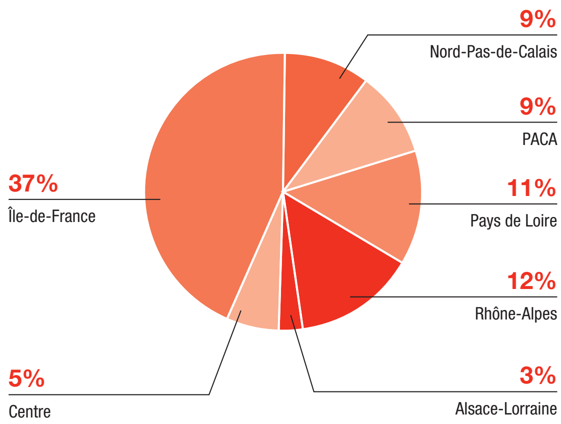
Sopra Group Academy, the Group's training and knowledge management structure, takes charge of skills assessment and provides assistance to employees, as well as general, professional and technology instruction. Upon joining the Group, newly recruited employees generally undergo training.

Among the courses offered by Sopra Group to date, four main themes have been addressed: mainframe environments, Sopra Group's Pléiades solution(8), aeronautics and new technologies. In 2011, Sopra Group offered 198 individuals having completed professionalisation contracts permanent positions with the Group.

In addition, Sopra Group works with Pôle Emploi to recruit applicants directly to permanent positions.

In 2011, 85 recruitments were conducted *via* Pôle Emploi, including 60% in the French provinces.

NATIONAL DISTRIBUTION OF 2011 RECRUITMENTS UNDER PROFESSIONALISATION CONTRACTS



4.2. Educational partnership policy

Given its recruitment objectives, according to which 80% of the targeted population consists of either engineers or managers taking on their first position of this type or those with less than two years of managerial experience, Sopra Group maintains strong partnerships with educational institutions both in the Paris region and in the French provinces. This policy, pursued under the Group's Educational Partnership plan, is grounded in local action. Its aims are to:

- raise the profile of Sopra Group, its professions and its values;
- improve the sourcing of interns and applicants;
- facilitate the recruitment of young graduates.

This policy allows Sopra Group to take an active part in major events in the life of these educational institutions at all levels:

- administration (board of directors or trustees, curriculum development committee, strategic orientation committee, participation in foundations, juries, mentoring, financial assistance *via* the apprenticeship tax, etc.);

(7) *SFI: Sustainable Forestry Initiative is an internationally recognised standard for the sustainable management of forests across North America. The SFI standard integrates reforestation, growing, nurturing and harvesting of trees while protecting soil, water quality, wildlife and plant habitats. SFI is one of the largest sustainable forestry and certification programmes in the world.*

(8) *Pléiades: a Sopra Group solution offering a comprehensive approach to HR services*

- teachers (company-sponsored chairs, courses, project bringing together teachers, students and a Sopra Group team, feedback, business-related projects, etc.);
- students (sharing of experiences, round tables, conferences, simulated interviews, graduation ceremonies, forums, company visits, project workshops, job and internship offers, sponsoring of associations, projects carried out by non-profit organisations, etc.).

Sopra Group, a proud partner of the 43rd Course Croisière EDHEC

For the fifth consecutive year, Sopra Group was a key sponsor of Course Croisière EDHEC, the leading student-run sporting competition in Europe, was held in Lorient on Brittany's south coast from 9 to 16 April 2011. In honour of the 2011 event, Sopra Group organised an online contest. Once again, this commitment by Sopra Group demonstrated its aim of supporting students and their projects beyond the scope of professional training.

In this context, Sopra Group has set up a structured organisation between the central Human Resources Department and the operational units in order to enhance local efforts and allocate actions across teams.

In 2011, Sopra Group pursued a large number of actions with targeted schools and universities:

- 131 partner schools and universities;
- 276 partnership actions carried out during the 2010/2011 school year;
- 84 forums, during which 1,989 CVs were collected;
- 32 simulated interviews;
- 32 conferences on specific themes in line with student expectations;
- 171 course hours delivered (Centrale Paris, INSA Toulouse, Polytech Savoie, ESPEME, INSA Rouen, MIAGE Nantes);
- 2 company-sponsored chairs at Centrale Paris and EISTI.

Financing of scholarships

Sopra Group allocates a portion of its apprenticeship tax to private educational institutions so as to offer scholarships to students lacking the financial resources to pursue and complete graduate studies.

SIMSA Project at the Université d'Orléans

In association with insurers and social welfare organisations, Sopra Group Orléans contributed to the creation of a second-year specialisation in information systems as related to insurance and social welfare professions, known by its French acronym SIMSA (for *Système d'Information des Métiers du Social et de l'Assurance*) as part of the curriculum for the master's degree offered as part of the MIAGE programme (equivalent to a master's degree in business data processing) at the Université d'Orléans. Students thus gain an understanding of the market requirements in the Orléans employment area, where social welfare and insurance are increasingly prominent. This growing facet of the market underscores the need to reinforce relations between the academic and corporate worlds.

4.3. Stakeholder engagement

Sopra Group's commitment to the United Nations Global Compact is part of the Group's ongoing efforts to ensure transparency, fairness and loyalty in its dealings with all its stakeholders: clients, employees, shareholders, partners, sub-contractors, suppliers and members of civil society.

It is in this spirit of dialogue and transparency that Sopra Group has integrated sustainable development in its relations with stakeholders. Sopra Group seeks to structure these relations with the aim of achieving progress for the benefit of all parties concerned:

4.3.1. Clients

For many years, Sopra Group has succeeded in building lasting relationships with its clients, whom it supports in their major transformation programmes. In order to achieve this, the Group has developed a set of values backed by a code of professional ethics and relies on established fundamentals that govern the Group's operations and service activities on an ongoing basis. The values that have shaped the Group's development since its formation – placing the priority on client service, choosing quality and professional excellence – have led it to constantly improve the relevance and quality of its services for the benefit of its clients.

This approach to managing client relationships and responsibilities has enabled Sopra Group to become a long-term, preferred partner to major organisations that continue to trust the Group to help them grow.

Sopra Group aims to keep its clients informed of its commitments in the area of corporate social responsibility by communicating frequently about progress made through improvement measures put in place. Clients are themselves also encouraged, whenever possible, to join with the Group in implementing actions to reduce our combined carbon footprint. This may involve favouring the use of videoconferencing technology instead of meetings requiring travel or the use of paperless processes for all documents related to the monitoring of projects conducted by Sopra Group on their behalf.

4.3.2. Employees

Sopra Group complies with European and French social legislation, collective bargaining agreements in each of the countries where it operates and recognises the right to trade union representation in all countries concerned.

The Group applies a social policy with the aim of safeguarding the health and safety of each of its employees and treating everyone in the workplace with dignity and respect.

Sopra Group is particularly attentive at all times to ensure compliance with principles of equality and non-discrimination as much in relation to its recruitment practices as in the development of its employees' careers.

To keep its staff informed of actions and events related to the Group's business activities and development, Sopra Group has put in place a range of communications tools and procedures.

All Group employees are frequently reminded of the issues raised by sustainable development. In this way, it is made clear that they have an important role to play in Group's approach to corporate social responsibility and the resulting improvement measures.

4.3.3. Shareholders

Sopra Group is a listed company. Each year, as part of the Reference Document, a CSR Report is published to provide information on the Group's general policy in the area of corporate social responsibility. As required by law, Sopra Group undertakes to communicate each year on its improvement measures and indicators in the following three areas of intervention: social performance; environmental performance; and governance, commitments and engagement

In terms of the transparency of financial disclosures, **Sopra Group was in the top three in the ranking of members of the CAC All-Tradable index** established in connection with the 2011 *Grands Prix de la Transparence*. Organised by Labrador and HEC's Club Finance, these awards recognise companies applying best practices in the dissemination of their regulated information. Companies are ranked by a committee of analysts including representatives of independent bodies, such as the AMF[9], guaranteeing the rigour and independence of these Grands Prix.

For the third consecutive year, Sopra Group has been included in the GAIA Index, a stock market index that brings together the 70 French stocks that have obtained the best non-financial ratings out of a universe of 230 small and midcap stocks.

CARBON DISCLOSURE PROJECT

In 2011, following its first *Bilan Carbone®* assessment, Sopra Group took part in the Carbon Disclosure Project[10] for the first time and completed this organisation's questionnaire so as to provide information to investors on the Group's greenhouse gas emissions and its approach to climate change.

4.3.4. Sub-contractors

Sopra Group's expertise extends from consulting activities as well as the design, development and integration of systems and solutions, together with the services associated with these activities (training, organisation, assistance, maintenance).

Sopra Group may occasionally use sub-contractors in cases when its responsibilities involve activities or services outside its usual scope of its business operations, or when specific expertise is required for a given project.

The Group's Guide to Quality Procedures provides a precise description of the methodology used by Sopra Group to draw up sub-contractor terms and conditions, select a sub-contractor, establish the contractual basis for the relationship, supervise the services provided by the sub-contractor, evaluate quality and accept the deliverables. A report on the work performed by the sub-contractor is then prepared.

When outside consultants are hired to work with Sopra Group teams due to their specific expertise, they are managed along with all other team members. Their services are supervised under the same conditions as the work performed by the other members of the team.

4.3.5. Suppliers and service providers

Sopra Group is particularly keen to incorporate sustainable development policies in its procurement practices. For this reason, the Group has committed to socially responsible and environmentally sustainable purchasing, notably by selecting its suppliers and service providers in accordance with the guidelines and recommendations of the United Nations Global Compact, of which Sopra Group is a signing party. This policy is implemented through the following mechanisms:

- Responsible Purchasing Charter

  In 2010, Sopra Group drew up a Responsible Purchasing Charter based on the key guidelines and recommendations of the Global Compact. This charter, which was updated in 2011 sets out the Group's values in the area of corporate social responsibility and its commitment in favour of sustainable development as they relate to its procurement practices.

  The Responsible Purchasing Charter lays down the fundamental principles of fairness and transparency to be followed by the Procurement Department and identifies roles and responsibilities within the Procurement Network.

  This charter is sent to all of the Group's regular suppliers and service providers, without exception. A large number of Sopra Group's main and regular suppliers signed its Responsible Purchasing Charter in 2011.

  Sopra Group undertakes to ensure that all new suppliers or service providers added to the Group's list of preferred vendors sign its Responsible Purchasing Charter.

- CSR assessment programme for suppliers and service providers

  In addition, a CSR questionnaire is sent to the main listed suppliers and service providers as well as those newly added to the preferred vendor list. Through its assessment of suppliers and service providers, Sopra Group includes the Group's partners in its approach to sustainable development and aims to assess their involvement in all three areas concerned: economic, social and environmental.

  In 2011, a first batch of questionnaires was sent to some twenty of the Procurement Department's key suppliers or service providers as well as those working directly with the IT Resources and Security Department. In 2012, this procedure for the evaluation of vendors will be continued so as to cover all suppliers and service providers in the Group's preferred vendor list, and will then be applied whenever new vendors are added to the list and as part of the renewal process.

  The Procurement Department, in association with the Sustainable Development Department, undertakes to analyse responses to the Group's CSR questionnaire received from suppliers and service providers, ensuring that the information provided is pertinent and requesting clarification if required. A rating system is used to evaluate responses. On the basis of this analysis, suppliers and service providers may be requested to implement action plans in order to improve their CSR performance. The level of performance achieved by any supplier or service provider is among the key criteria used when selecting new vendors or renewing those already listed. The way in which performance is measured depends on the type of services or goods provided and the industry sector to which the supplier or service provider belongs.

(9) *Autorité des Marchés Financiers, the French financial market regulator.*

(10) *The Carbon Disclosure Project (CDP) is an international organisation that publishes a report each year on greenhouse gas emissions, based primarily on data related to corporations.*

The Procurement Department verifies that its suppliers and service providers share Sopra Group's values in the area of corporate social responsibility. Throughout the selection process and even once the business relationship has been established, this department monitors risk exposure on an ongoing basis. Audits may be carried out to verify that suppliers and service providers honour their commitments. Key performance indicators relating to CSR and sustainability will thus be analysed across all listed suppliers and service providers and procedures will be implemented, if necessary, to encourage particular vendors to put in place improvement measures.

4.3.6. Partners

Sopra Group's Partnership strategy involves working with major software developers and publishers to provide the Group's clients with market-leading solutions, whether for their business processes or their information systems. This strategy has resulted in alliances and offerings that create value for the Group's clients. Partnerships are also key to Sopra Group's innovation, training and knowledge management programmes, and play a role in project methodology and management, so as to ensure a high level of service. Relations with partners involve all levels of Group management, are essential to the sales and marketing functions, and infuse the Group's consulting, integration, outsourcing and publishing activities.

The Group's four strategic partners are Microsoft, IBM Software, SAP and Oracle. Each of these partnerships is supervised by an Advocate, who is a member of the Group's Executive Committee, and by an Alliance Manager, who is responsible for day-to-day coordination of all aspects of relations with the partner. In addition to these strategic partnerships, Sopra Group enters into industry-specific and technology partnerships, managed and implemented by market entities.

Microsoft GOLD CERTIFIED Partner

SAP Partner

Advanced Business Partner IBM

ORACLE Platinum Partner

4.4. Sopra Group, a corporate citizen actively engaged in communities

Jean Mounet, Vice-Chairman of Sopra Group, has been appointed chairman of the Executive Committee of the *Observatoire du Numérique* and also serves on its Strategy Committee.

Officially inaugurated on 28 November 2011 by Eric Besson, the French minister with responsibility for the digital economy, the *Observatoire du Numérique* was established to provide information on the presence and real impact of the digital sector on the economy as a whole and on society. The first research unit of its kind in France, the *Observatoire du Numérique* brings together, analyses and interprets all data relating to the digital sector so that they may be used by the government and elected officials, economic actors and the wider public.

In order to develop initial indicators, the Observatoire du Numérique's Strategic Advisory Committee has set up eight workgroups, including one named *Employment, training and CSR*.

Sopra Group, an active member of Syntec Numérique

For many years, Sopra Group has been a major contributor to the development of Syntec Informatique, now known as Syntec Numérique, so that it may serve a major role in the industry in support of its members and the digital sector in general.

As a member of Syntec Numérique, Sopra Group encouraged several of its managers to lend their expertise to the preparation of *Going Paperless for Sustainability,* Volume 1 of the Green Paper series inaugurated by Syntec Numérique in 2009.

In addition, and in order to anticipate the increasing demand for young graduates in the IT services sector, Sopra Group launched an information campaign in selected engineering schools beginning in 2005.

Pasc@line

Sopra Group lends its support to the association Pasc@line, which was founded by Syntec Numérique in 2006 and brings together more than sixty engineering schools, by frequently taking part in conferences, lectures, round tables and other events dealing with the IT professions and their prospects. This association seeks to raise the profile of the field of information technology and communication services among young people and to restructure curricula so as to prepare these students to better understand the changing face of these professions and the expectations of employers.

4.5. Business ethics

In the conduct of its business, Sopra Group does not tolerate any type of corruption or misappropriation in an attempt to obtain a commercial advantage and undertakes to comply, and ensure compliance by all of its staff, with:

- laws prohibiting any kind of active or passive corruption;
- competition rules;
- the confidentiality of information to which any staff member may gain access in the context of his or her assignments;
- the security and confidentiality of client data.

4.6. Quality and client satisfaction

Client satisfaction is closely tied to the quality of the products and services provided by Sopra Group, reinforced through the implementation of a quality management system that is the focus of continuous improvement efforts.

The Group's Quality policy is underpinned by the strong commitment of Sopra Group's Executive Committee, taking as its main thrust the satisfaction of client demands, all while maintaining a robust bottom line, thus safeguarding the Group's independence in the choices offered to its clients.

Sopra Group's Quality System is the embodiment of this Quality policy. It aims not only to correct areas of non-compliance or organisational problems as they occur, but is built in such a way as to prevent their occurrence, continually improving the Group's processes to ensure that they are always efficient, competitive and in keeping with the expectations of its clients.

4.6.1. Application of a recognised Quality System

All Sopra Group entities (in Europe and India) have been certified to ISO 9001 by accredited organisations. This certification reflects Sopra Group's commitment to increasing client satisfaction through ongoing improvements in its processes.

Annual management review

An annual review is performed by management to ensure that the Quality System remains pertinent, adequate and effective. During this review, the pertinence of the quality policy is evaluated, the annual quality objectives are defined and possible improvements and changes in the Quality System are considered.

Client involvement in processes

In the context of projects, Sopra Group's teams share with clients their approach to production, the resources and organisation necessary to ensure the quality of services or deliverables. Shared indicators may also be put in place, allowing for the measurement of satisfaction in accordance with mutually agreed requirements and/or satisfaction as perceived by the various client and Sopra Group stakeholders.

4.6.2. Continuous improvement of the Quality System

The improvement of Quality processes derives from three main sources: internal audit, the detection of organisational problems and potential improvements to processes, and attentiveness to clients' needs to ensure their satisfaction.

Internal audit

The concept of internal audit covers several types of activities:

- structural audits:
  - the purpose of a structural audit is to verify the application and effectiveness of the Quality System as it pertains to the operating structure and the Quality Structure of a Branch or a Division,
  - the Group's Quality Directors are responsible for the planning of these audits;
- Management and Quality Assurance reviews of projects:
  - these reviews, chiefly concerned with verifying the application and effectiveness of the Quality Systemand management rules at the project level, are described in the Quality Manual;
- audits by the Industrialisation Department:
  - Industrialisation Department audits are carried out by accredited, independent firms. They serve in particular to verify the Quality System's compliance with the ISO 9001 standard,
  - structural audits and project reviews are used to ascertain whether the way in which activities are conducted is able to satisfy the requirements of Sopra Group's Quality System,
  - the annual audit by the Industrialisation Department serves as a final check to monitor ISO complianceby the Quality System.

Detection of organisational problems and potential improvements to processes

Apart from structural audits, Quality System procedures themselves allow for the detection of areas of non-compliance relating to client deliverables, organisational problems in the Quality System or its application, or the suggestion of improvements.

In relation to projects, all Sopra Group and client stakeholders contribute, for the areas under their responsibility, to the detection and the remedial or corrective treatment of areas of non-compliance or organisational problems.

4.6.3. Attentiveness to clients' needs and measurement of client satisfaction

All information channels are used to ensure client satisfaction:

- staff in the Group's Offerings and Innovation departments keep a constant watch on market developments and help prepare and improve Sopra Group's range of service offerings;
- management and/or sales teams meet regularly with clients involved with Sopra Group in projects or for whom the Group supplies industry-specific personnel to assist at the local level;
- project steering committees usually meet once monthly to assess client satisfaction against any indicators established for the project;
- reports written up by team members at the end of projects are also used to refine this assessment system;

Quality teams within Divisions are responsible for the implementation of measures or supplementary indicators at the local level depending on their specific context.

All of this information is brought together to serve as the entry point for the annual review by Management.

A reputation for meeting commitments

In 2011, Sopra Group surveyed key clients to gain insight into their perceptions of the company. This survey found that Sopra Group forges genuine partnerships with its clients over the long term, enjoys a reputation for offering a superior quality of service and for meeting its commitments, in particular by placing a high priority on attentiveness to the needs of its clients, whether internal or external.

Among the Group's strong points cited by clients interviewed, delivery quality is recognised as a fundamental constant of Sopra Group's services.

4.7. Sopra Group's commitment to solidarity

4.7.1. Development of solidarity actions in India

Yogdaan
Sopra India CSR initiative

For several years, Sopra Group India (SGI), which has over 1,000 employees, has been pursuing volunteer training and assistance efforts on behalf of disadvantaged or disabled persons.

In 2011, all corporate social responsibility initiatives at SGI were brought together in a platform called Yogdaan, a Hindi word meaning "contribution", to improve the coordination of these efforts. The aim is to promote the well-being of society as a whole.

Currently, SGI's projects in the area of corporate social responsibility fall under two categories: education and sponsorship/donations.

- **education:**
  - in 2010, SGI launched a training programme for engineering students under the auspices of the Noida office of NASSCOM, the trade body representing the Indian IT-BPO industry, which continued in 2011,
  - Sopra Group India has raised the number of projects involved and has signed on an additional institution,
  - two educational institutions now participate in this programme: Inderprastha Engineering College (IPEC) in Ghaziabad and Sharda University in Noida,
  - this programme launched by SGI is being pursued under a regional partnership between industry players and universities spurred by the observation that, in recent years, the gap between the knowledge and skills of university graduates and industry expectations has widened, with many graduates no longer able to find immediate employment in the sector. In large part, this situation results from a lack of communication between university staff and experts in the IT-BPO industry,
  - the main objectives of this programme are to familiarise students with industry practices and improve their conceptual understanding of the field,
  - in 2011, the following activities were conducted under this programme:
    - successful completion of a project involving 40 students at IPEC and five of this institution's faculty members initiated in 2010-2011 as part of NASSCOM's campaign to promote partnerships between industry players and universities. This initiative by SGI was recognised as the best among all those launched by organisations and universities participating in the campaign,
    - launch of new projects at IPEC and Sharda University, involving students and faculty members at each institution,
    - organisation of training sessions with IPEC faculty members,
    - conferences led by experts from SGI on behalf of students;
- **sponsorship and donations:**

  As a responsible corporate citizen, Sopra Group India and its employees actively sponsor projects on behalf of disadvantaged populations.

  The following programmes were among those supported by SGI in 2011:

  - partnership with the National Association for the Blind: SGI's partnership with this association involves the sponsorship of a football team participating in a tournament for blind athletes organised by the association,
  - donations: Sopra Group India and its employees have donated new clothes, blankets, office supplies and new books to support staff employed by SGI, a total of over 100 individuals.

4.7.2. Strengthening of partnership with Planète Urgence

PLANÈTE URGENCE
NOUS VOUS AIDONS À AGIR

Planète Urgence: Heartfelt action and an opening to the world

The partnership with Planète Urgence initiated in 2008 by Sopra Consulting was extended in 2011 to all of the Group's operations in France.

Sopra Group's commitment to Planète Urgence is motivated by the Group's ambition to be more active in the area of corporate social responsibility.

Planète Urgence is a French non-governmental organisation (NGO) that has been working for more than ten years with local NGOs in developing countries, mainly in sub-Saharan Africa. More recently, due to barriers to action by Planète Urgence in some African countries, projects have been launched in Haiti, Cambodia, Mongolia and Togo, in Laos and Nepal.

Sopra Group's participation in the Congé Solidaire programme organised by Planète Urgence is a contribution to the work of this NGO shared by the company and the interested employee.

Under this innovative programme, volunteer employees are able to use their paid holidays to provide assistance in various developing countries.

The humanitarian missions proposed by Sopra Group to its employees directly relate to their professional experience. The company's participation involves the payment of the employee's travel expenses and training as well as Planète Urgence's administrative fees for the mission.

Through its partnership with Planète Urgence, Sopra Group is increasingly interested in encouraging employees to opt for this type of short-term humanitarian mission, an enriching and unusual way for them to make use of their free time.

In 2011, five Sopra Group employees took part in missions in the context of this partnership. In 2012, about ten employees will be using their paid holidays to offer humanitarian assistance under this programme.

5. Annexes: GRI and ISO 26000 cross-reference tables

Strategy and analysis, profile of the organisation and parameters of the report

SUMMARY OF COMPLIANCE WITH GRI GUIDELINES RELATING TO STRATEGY AND ANALYSIS, THE COMPANY'S ORGANISATIONAL PROFILE AND REPORT PARAMETERS[(11)]

GRI reference	Indicator	Page
	Strategy and analysis	
1.1	Statement from the organisation's most senior decision-maker	18
1.2	Description of key impacts, risks, and opportunities	5, 6 and 130
	Organisational profile	
2.1	Name of the organisation	186
2.2	Primary brands, products and/or services	6 to 9
2.3	Operational structure of the organisation, including main divisions, operating entities, subsidiaries and joint ventures	14 to 15
2.4	Location of organisation's registered office	182
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	14
2.6	Nature of ownership and legal form	162
2.7	Markets served (including geographic breakdown, sectors served, and types of clients/beneficiaries)	13
2.8	Scale of the reporting organisation	12
	Report parameters	
3.1	Reporting period (for example, accounting or calendar year) for the information provided	19
3.3	Reporting cycle (annual, biennial, etc.)	19
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). For further information, refer to the GRI Sustainability Reporting Guidelines on this subject.	9 and 14
3.7	Statement of any specific limitations on the scope or boundary of the report	19

Social performance

COMPLIANCE WITH GRI INDICATORS

GRI reference	Sopra Group indicator	Page
LA1	Breakdown of workforce by region in France and abroad	21
LA1	Total workforce by employment contract	21
LA2	Staff turnover rate in terms of number of employees and as a percentage of the total workforce	22
LA13	Gender breakdown of workforce	22
EC7	Procedures for local hiring	20 and 21
LA7	Number of lost work days	25
LA9	Health and safety	25
LA10	Average hours of training per year per employee	23
LA11	Programmes for skills management and lifelong learning	22
LA13	Diversity	24
LA14	Difference between salary scales for men and women	23
HR2	Suppliers and contractors that have undergone screening on human rights and actions taken	32

(11) Some of these indicators are addressed in Sopra Group's CSR Report, whereas others are dealt with in the other chapters of the Group's Reference Document.

COMPLIANCE WITH AREAS FOR ACTION DEFINED UNDER ISO 26000

ISO 26000 reference	Sopra Group indicator	Page
6.4.3	Breakdown of workforce by region in France and abroad	21
6.4.3	Total workforce by employment contract	21
6.4.3	Staff turnover rate in terms of number of employees and as a percentage of the total workforce	22
6.8	Procedures for local hiring	20 to 21
6.8	Communities and local development	30
6.4.6	Absenteeism rate	25
6.4.6	Health and safety	25
6.4.7	Average hours of training per year per employee	23
6.4.7	Programmes for skills management and lifelong learning	22
6.3.7 & 6.3.10	Diversity	24
6.3.7 & 6.3.10	Difference between salary scales for men and women	23

Environmental performance

COMPLIANCE WITH GRI INDICATORS

GRI reference	Sopra Group indicator	Page
EN3	Direct energy consumption	28
EN5	Energy saved due to conservation and efficiency improvements	27 to 28
EN18	Initiatives to reduce greenhouse gas emissions	26 to 28
EN22	Total weight of waste by type and disposal method	29

COMPLIANCE WITH AREAS FOR ACTION DEFINED UNDER ISO 26000

ISO 26000 reference	Sopra Group indicator	Page
6.5.4	Use of recycled paper	30
6.5.5	Initiatives to reduce greenhouse gas emissions	26 to 28
6.5.3	Total weight of waste by type	29

Governance, commitments and engagement

COMPLIANCE WITH GRI INDICATORS

GRI reference	Sopra Group indicator	Page
4.1	Governance structure of Sopra Group	14 and 15
4.2	The chairman of the highest governance body is also an executive officer	40
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	18 to 20
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives endorsed or subscribed to by Sopra Group	32
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which Sopra Group participates in projects or committees and provides substantive funding beyond routine membership dues	35
4.16	Key topics and concerns that have been raised through stakeholder engagement	31 to 33
SO4	Anti-corruption actions and business ethics	33
PR5	Quality and client satisfaction	34

COMPLIANCE WITH AREAS FOR ACTION DEFINED UNDER ISO 26000

ISO 26000 reference	Sopra Group indicator	Page
6.6	Anti-corruption actions and business ethics	33
6.4.3, 6.4.4, 6.4.5 & 6.3.10	Collective bargaining agreements	21
6.7.6	Quality and client satisfaction	34
6.6.6	Promoting social responsibility in the value chain	32

3

CORPORATE GOVERNANCE

1. Board of Directors and Executive Management

1.1. Members of the Board of Directors as of 31/12/2011

First name and surname (age) Professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments held
Pierre PASQUIER (76 years) **Professional address: Sopra Group PAE Les Glaisins – BP 238 74942 Annecy-le-Vieux Cedex – France**	120,463 *See Chap. 7 section 2*	Chairman	30/05/2006	2011	■ **Chairman and CEO of Sopra Group** ■ Chairman of Axway Software ■ Chairman and CEO of Sopra GMT ■ Director or company officer of the Group's foreign subsidiaries (direct and indirect)
Alain BRODELLE (69 years)	100	Member of the Board of Directors Member of the Nomination Committee Member of the Compensation Committee	30/05/2006	2011	■ Nil
Philippe CITERNE (62 years)	100	Member of the Board of Directors Chairman of the Compensation Committee Chairman of the Nomination Committee	30/05/2006	2011	■ **Chairman, TELECOM & Management SudParis** ■ Chairman, Systèmes Technologiques d'Échanges et de Traitement (STET) ■ Director of Accor ■ Director of Rexecode ■ Director of Edenred ■ **Other directorships and offices held during the last 5 years:** • Managing Director of Société Générale; • Director of Grosvenor Continental Europe; • Permanent representative of Société Générale on the supervisory board of Accor; • Director of TCW; • Director of SG Hambros Bank Ltd Management; • Director of Rosbank.
Gérard JEAN (64 years) **Professional address: Altime Associates 192 av. Charles de Gaulle 92200 Neuilly-sur-Seine – France**	1	Member of the Board of Directors Member of the Nomination Committee Member of the Compensation Committee	30/05/2006	2011	■ **Chairman of the Management Board, Altime Associates SA** ■ Chairman of the Supervisory Board, Altime Associates Finances et Secteur Public SA ■ Chairman of the Supervisory Board, Altime Associates Industrie et Services SA
Delphine INESTA (33 years) **Professional address: CARAVELLE 6 place des États-Unis 75116 Paris – France**	100	Member of the Board of Directors Member of the Compensation Committee Member of the Nomination Committee	13/05/2011	2011	■ **Director, Caravelle** ■ Member of Management of Arcole Industries ■ Director Delegate Member of the Supervisory Board of Mory SAS ■ Member of the Supervisory Board of Ducros Express SAS ■ Member of the Supervisory Board of Marrel SAS

First name and surname (age) Professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments held
Bernard MICHEL (63 years) **Professional address: GECINA 14-16, rue des Capucines 75002 Paris – France**	101	Advisor	22/06/2010	2015	■ **Chairman and CEO of Gecina SA** ■ Chairman of CA Grands crus SAS ■ Vice Chairman, Emporiki Life (Greece) ■ Chairman of the Fondation d'entreprise Gecina SA ■ Company director Holding La Sécurité Nouvelle SA ■ Member of Supervisory Board of the company Unofi SAS ■ Chairman of Supervisory Board of Finogest SA ■ Company offices of subsidiaries of Gecina SA ■ **Other directorships and offices held during the last 5 years:** • CEO of Predica; • Chairman of GIE informatique Silca, OPCI Pasteur, Aeprim SAS; • Chairman of the Board of Directors of Crédit Agricole Immobilier, Unimo; • Chairman of Supervisory Board of France Capital SAD; • Vice Chairman, Director, Pacifica; • Vice Chairman of Supervisory Board of CP Or Devise; • Director of Amundi Immobilier SA, Cholet Dupond SA, Crédit Agricole Reinsurance SA (Luxembourg), Crédit Agricole Risk Insurance SA (Luxembourg), Crédit Agricole Leasing SA, Litho Promotion, OPCI Pasteur Patrimoine, Attica GIE, Sopra Group; • Permanent representative of Crédit Agricole SA, member of Supervisory Board of Systèmes Technologiques d'Échange et de Traitement (STET); • Member of Supervisory Board of Fonds de Garantie des Dépôts; • CEO of Crédit Agricole Assurances, member of executive committee Crédit Agricole SA, member of Medef; • Director: Predica, Pacifica, CAAGIS SAS; • Chairman of Supervisory Board of SAS Systèmes technologiques d'échange et de traitement (STET), permanent representative Crédit Agricole Assurances, director of Crédit Agricole Creditor Insurance; • Permanent representative of Predica at Supervisory Board of CAPE SA, director of Médicale de France SA, Advisor of Siparex; • Member of office of the Fédération Française des Sociétés d'Assurances (FFSA); • Vice Chairman: la Fédération Française des Sociétés d'Assurance Mutuelle (FFSAM), Groupement Français de Bancassureurs; • Chairman of the provisional management commission of Caisse Régionale de la Corse.

First name and surname (age) Professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments held
François ODIN (78 years) **Professional address: REGENCE SAS Les Avenières 74350 Cruseilles – France**	52,742 See Chap. 7 section 2	Member of the Board of Directors Member of the Audit Committee	30/05/2006	2011	■ **Managing Director of Sopra GMT** ■ Chairman of Régence SAS ■ Director or company officer of the Group's foreign subsidiaries (direct and indirect)
Hervé SAINT-SAUVEUR (67 years) **Professional address: LCH Clearnet SA 18, rue du 4-Septembre 75002 Paris – France**	100	Member of the Board of Directors Chairman of the Audit Committee	30/05/2006	2011	■ **Chairman, LCH Clearnet SA** ■ Director of Viparis Holding ■ Director of Comexposium ■ Director of Axway Software ■ Elected member, Paris Chamber of Commerce and Industry
Jean-François SAMMARCELLI (61 years) **Professional address: Société Générale Tour Société Générale 17, cours Valmy Paris La Défense 7 – France**	100	Member of the Board of Directors	22/06/2010	2011	■ **Managing Director of Société Générale group and Director of Retail Banking networks, France** ■ Chairman of the Board of Directors, Crédit du Nord ■ Permanent representative of Crédit du Nord on the supervisory board of Banque de Rhône-Alpes ■ Permanent representative of Crédit du Nord on the supervisory board of Société Marseillaise de Crédit ■ Director of Banque Tarneaud ■ Director of Sogecap ■ Permanent representative of SG FSH on the Board of Directors of Franfinance ■ Member of the Supervisory Board, SG Marocaine de Banque ■ Member of Supervisory Board of Fonds de Garantie des dépôts ■ Director of Sogeprom ■ Director of Boursorama ■ Advisor, Ortec Expansion ■ Director of Amundi Group
Gérard VINCENT (70 years)	5,000	Member of the Board of Directors Member of the Audit Committee	30/05/2006	2011	■ Consular delegate, Lyon Chamber of Commerce and Industry ■ Member of CRI-ARS Rhône Alpes ■ Member of CRI-ARS Rhône Alpes ■ Psychoanalyst

* *General Meeting convened to approve the financial statements for the year indicated.*

The members of the Board of Directors considered as independent under the definition provided in the AFEP-MEDEF Code of Corporate Governance for Listed Companies are:

- Alain BRODELLE;
- Gérard JEAN;
- Hervé SAINT-SAUVEUR;
- Gérard VINCENT.

Owing to their professional experience as well as activities pursued outside the Company, the members of the Board of Directors have all acquired expertise in the area of management and some of them also have gained expertise in the Company's industry sector.

In addition, to the best of the Company's knowledge, none has:

- any conflict of interest affecting the exercise of his duties and responsibilities;
- any familial relationship with another member of the Board;
- any conviction during the last five years in relation to fraudulent offences;

- been incriminated and/or been the focus of an official public sanction issued by statutory or regulatory authorities, nor barred by a court from serving as a member a supervisory board, board of directors or other management body of an issuer or from taking part in the management or conduct of an issuer's business affairs at any point during the past five years;
- been involved in any bankruptcy proceedings or been subject to property sequestration during the last five years as a member of a board of directors, a management body or a supervisory board;
- furthermore, there are no service agreements binding the members of the Supervisory Board, Board of Directors or other management bodies to the issuer or to any one of its subsidiaries that provide benefits upon the termination of such an agreement.

1.2. Compensation paid to company officers

The company officers occupying a position within the Group who received fixed and variable compensation in respect of financial year 2011 are as follows:

- Pierre PASQUIER, Chairman and Chief Executive Officer;
- Pascal LEROY, Managing Director;

Like all Executive Committee members, company officers holding a position within the Group received variable compensation in 2011 based on 2010 results and in 2012 based on 2011 results. This variable component may represent up to:

- 40% of fixed annual compensation where both individual and collective targets (based on Group profitability) are met;
- 60% of fixed annual compensation for very strong performance.

	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to become due on the termination of service or change of functions		Indemnities relating to a non-competition clause	
Senior Executive Officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Pierre Pasquier Chairman and Chief Executive Officer Start of term of office: 2006 End of term of office: 2012		X		X		X		X
Pascal Leroy Managing Director Start of term of office: 2010 End of term of office: 2012	X *			X	X			X

* *Outside the scope of the AFEP-MEDEF recommendations.*

1.2.1. Summarised statement of compensation payable and options and shares allocated to Pierre Pasquier, Chairman and Chief Executive Officer of Sopra Group

	2011	2010
Compensation payable in respect of the financial year	€560,426	€407,958
Valuation of options allocated during the year	-	-
Valuation of performance-based shares allocated during the year	-	-
TOTAL	**€560,426**	**€407,958**

1.2.2. Summarised statement of compensation paid to Pierre Pasquier, Chairman and Chief Executive Officer of Sopra Group

	2011		2010	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€350,000	€350,000	€250,510	€250,510
Variable compensation	€192,500	€140,000	€140,000	€61,000
Exceptional compensation	-	-	-	-
Directors' fees	€11,427	€10,949	€10,949	€8,548
Benefits in kind	€6,499	€6,499	€6,499	€6,499
TOTAL	**€560,426**	**€507,448**	**€407,958**	**€326,557**

1.2.3. Summarised statement of compensation payable and options and shares allocated to Pascal Leroy, Managing Director of Sopra Group

	2011	2010
Compensation payable in respect of the financial year	€420,835	€44,874
Valuation of options allocated during the year*	€767,760	-
Valuation of performance-based shares allocated during the year	-	-
TOTAL	**€1,188,595**	**€44,874**

* *Fair value of options at the grant date (see the section describing the share subscription option plan of the note to the consolidated financial statements on consolidated shareholders' equity).*

Pascal Leroy was appointed as Managing Director of Sopra Group on 29 October 2010.

1.2.4. Summarised statement of compensation payable to Pascal Leroy, Managing Director of Sopra Group

	2011		2010	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€300,000	€300,000	€36,021	€36,021
Variable compensation	€105,000	€7,813	€7,813	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	€15,835	€15,835	€1,040	€1,040
TOTAL	**€420,835**	**€323,648**	**€44,874**	**€37,061**

Pascal Leroy was appointed as Managing Director of Sopra Group on 29 October 2010.

1.2.5. Directors' fees payable in respect of financial years 2011 and 2010

(Members of the Audit Committee are shown in italics)	2011	2010
Alain BRODELLE	€12,041	€13,299
Philippe CITERNE	€12,654	€12,829
Delphine INESTA (coopted as of 13 May 2011)	€8,975	-
Gérard JEAN	€10,815	€15,179
Pierre-André MARTEL (resigned as of 13 May 2011)	€8,975	€14,709
Bernard MICHEL (Advisor)	€16,486	€11,541
François ODIN	*€18,325*	*€20,652*
Pierre Pasquier	€11,427	€10,948
Hervé SAINT-SAUVEUR	*€20,050*	*€19,712*
Jean-François SAMMARCELLI	€10,202	€9,539
José SANCHO GARCIA	-	€940
Gérard VINCENT	*€20,050*	*€20,652*
TOTAL	**€150,000**	**€150,000**

The total amount of directors' fees to be allocated with respect to the 2011 financial year was €150,000 (seventh resolution approved by the General Meeting of 10 May 2011):

- €130,000 of this total was allocated as follows: half of the amount as a fixed fee, and half on the basis of actual attendance at Board meetings and their service on its various committees;
- €20,000 was allocated pro rata on the basis of attendance at Audit Committee meetings between members of the committee and the Advisor.

1.2.6. Share subscription and purchase options allocated during the year to executive officers

Executive officer concerned	Number and date of plan	Type of options	Valuation	Number of options allocated during the year	Exercise price originally	Exercise period
Pascal Leroy	Plan no. 6 15/05/2008	Subscription	€767,760	42,000	€72.40	30/03/2016-29/03/2019

* *Fair value of options at the grant date (see the section describing the share subscription option plan of the note to the consolidated financial statements on consolidated shareholders' equity).*

NB : As was the case for all beneficiaries of Sopra Group options, Pascal Leroy's rights were adjusted following the spin-off and listing of Axway and the subsequent capital increase by Axway in July (see below).

The aim of the decision of 29 March 2011 to grant options to Pascal Leroy was to align his benefits with those of other shareholders over an extended period. For this reason:

- no performance conditions apply to the exercise of these options, as the variable component of remuneration is linked to performance for Group executives;
- as a condition for this grant, Pascal Leroy agreed, for as long as he remains a Sopra Group company officer, not to sell or transfer more than 5% of the shares resulting from the exercise of these options in any given year.

The Board of Directors has taken note of the fact that the fair value of the options granted to Pascal Leroy measured at their grant date is a little more than €150,000 per year over the five-year vesting period for these options, an amount to be considered in relation to a potential annual remuneration of €480,000.

In accordance with a decision taken by the Board of Directors in its meeting of 3 December 2010, Pascal Leroy is covered by a guarantee, in the event of his departure on the initiative of Sopra Group, except in cases of serious or gross misconduct and subject to the satisfaction of performance conditions as determined by the Board of Directors, which provides for the exemption from attendance conditions normally required to exercise at the proper date half of the options to subscribe to Sopra Group shares acquired at the end of his term of office.

Following the spin-off and listing of Axway, which took effect on 14 June 2011, and the capital increase carried out by Axway in July, the number of shares under option and the exercise price of options granted to Pascal Leroy were adjusted as follows: Pascal Leroy is now entitled to 44,731 Sopra Group shares at a unit exercise price of €66.61 and 42,000 Axway shares delivered when Sopra Group exercised its options.

1.2.7. Share subscription and purchase options exercised during the year by executive officers

Executive officer concerned	Number and date of plan	Number of options exercised during the year	Exercise price
-	-	-	-

1.2.8. Performance-based shares allocated to executive officers

Executive officer concerned	Number and date of plan	Number of shares allocated during the year	Valuation	Acquisition date	Vesting date
-	-	-	-	-	-

1.2.9. Performance-based shares fully vested in executive officers during the year

Executive officer concerned	Number and date of plan	Number of options exercised during the year	Exercise price
-	-	-	-

1.2.10 Departure from the AFEP-MEDEF Code of Corporate Governance

The exercise of options to subscribe to shares granted to Pascal Leroy on 29 March 2011 is not subject to performance conditions (see section 3.2.8 above).

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 of this chapter.

2. External audit

2.1. Statutory Auditors and Alternate Auditors

- **Cabinet Mazars** represented by Christine Dubus, Statutory Auditor;
- **Jean-Louis Simon,** Alternate Auditor;
- **Auditeurs & Conseils Associés** represented by François Mahé, Statutory Auditor;
- **AEG Finances,** Alternate Auditor.

2.2. Fees for Statutory Auditors and members of their networks

	Mazars						Auditeurs & Conseils Associés					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
(in thousands of euros)	2011	2010	2009	2011	2010	2009	2011	2010	2009	2011	2010	2009
Audit												
Statutory audit, certification, audit of the individual company and consolidated financial statements												
■ Issuer	239	214	214	44%	26%	29%	174	156	156	67%	46%	54%
■ Fully-consolidated subsidiaries	140	447	429	26%	54%	59%	58	118	115	22%	34%	39%
Other work and services directly related to the statutory audit												
■ Issuer	117	105	-	21%	13%	-	2	-	-	1%	-	-
■ Fully-consolidated subsidiaries	-	-	-	-	-	-	-	55	-	-	16%	-
Subtotal	**496**	**766**	**643**	**91%**	**93%**	**88%**	**234**	**329**	**271**	**90%**	**96%**	**93%**
Other services provided by the networks to fully-consolidated subsidiaries												
Legal, tax and employee-related	47	61	85	9%	7%	12%	25	15	20	10%	4%	7%
Other	-	-	-		-	-	-	-	-	-	-	-
Subtotal	**47**	**61**	**85**	**9%**	**7%**	**12%**	**25**	**15**	**20**	**10%**	**4%**	**7%**
TOTAL	**543**	**827**	**728**	**100%**	**100%**	**100%**	**259**	**344**	**291**	**100%**	**100%**	**100%**

3. Regulated agreements

3.1. Agreements and commitments authorised during the year under review

3.1.1. Agreement for the recharging of expenses and fees related to the listing of Axway Software (authorisation of the Board of Directors, 18 February 2011)

Some of the expenses and fees incurred in connection with the listing of Axway Software were recharged by Sopra Group to its former subsidiary. The costs of this transaction were thus apportioned between Sopra Group and Axway Software, with the former assuming 25% of the total and the latter 75%.

Income recorded by Sopra Group as a result of these recharged expenses and fees amounted to €2,496,555.

3.1.2. Agreement on the removal of Axway Software from the tax consolidation group (authorisation of the Board of Directors, 27 April 2011)

As a result of the spin-off and listing of Axway, the tax consolidation agreement entered into by Sopra Group and Axway Software on 25 February 2002 was terminated.

The removal of Axway Software from the tax consolidation group has no material impact for Sopra Group.

3.1.3. Framework agreement for assistance signed with Sopra GMT (authorisation of the Board of Directors, 27 April 2011)

Under this agreement, Sopra GMT provides services ranging from strategic thinking and overall policy coordination between Sopra Group and Axway to the development of synergies between the two companies. In 2011, Sopra GMT carried out various consultancy and assistance assignments, particularly in the areas of finance and control.

The recharging of these services to Sopra Group and Axway Software is performed on the basis of actual costs plus a margin of 7% (excluding expenses relating to Sopra GMT's administration of its investments, estimated at around 5% of the company's total expenses), divided between Sopra Group and Axway Software in a 70/30 ratio.

The corresponding expenses recorded by Sopra Group in respect of 2011 amounted to €148,014.

3.2. Agreements and commitments approved during previous years, which continued to be executed in the year under review

3.2.1. Agreement relating to the separation benefit to be received by Pascal Leroy, Managing Director of Sopra Group, in the event of termination (authorisation of the Board of Directors, 3 December 2010)

This agreement provides for a guarantee in the event of the departure by Pascal Leroy, on the initiative of Sopra Group, except in cases of serious or gross misconduct, and subject to the satisfaction of performance conditions as determined by the Board of Directors.

This guarantee comprises:

- a separation benefit equivalent to the total gross compensation, comprised of both fixed and variable components, received during the twelve months preceding the notification of termination;
- 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.

3.2.2. Agreements between Sopra Group and Axway Software

Agreement	Impact on Sopra Group's 2011 financial statements
Provision of premises	€3,326,256 Income
Provision of IT resources	€771,297 Income
Assistance (functional divisions)	€360,450 Income

3.2.3. Agreements between Sopra Group and Sopra Consulting

At 1 June 2011, all of Sopra Consulting's assets and liabilities were transferred to Sopra Group, resulting in the merger of the two companies.

Agreement	Impact on Sopra Group's 2011 financial statements
Provision of premises	€606,022 Income
Provision of IT resources	€75,045 Income
Assistance and head office expenses (functional divisions)	€218,097 Income
Commercial support Payment of management fees for commercial support by Sopra Group. These management fees amount to 2% of Sopra Consulting's revenue.	€168,194 Income

3.2.4. Cash management agreements

Company concerned	Balance of current account held with Sopra Group at 31 December 2011	Expense (-) Income (+)
Axway Software	€0 debit	€752,029
Sopra Consulting	€0 credit	-€106,977
Sopra Group Ltd	-€8,380,190 credit	-€189,849
Sopra Belux	€997,000 debit	€15,266
Sopra Group GmbH	€764,500 debit	€19,113
Sopra Group SpA	€6,667,963 debit	€146,679
Sopra Ntic	€902,145 debit	€41,663
Sopra Informatique	-€6,646,771 credit	-€193,106
Sopra Group Informatica	-€24,801,711 credit	-€580,848
Sopra Luxembourg	-€271,753 credit	-€8,385
BAI	-€14,368,917 credit	-€346,394
Delta-Informatique	-€2,250,000 credit	-€2,466

4. Chairman of the Board of Directors' report on corporate governance, on internal control procedures and risk management

Pursuant to Article L. 225-37 of the French Commercial Code, 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;
- specific procedures relating to the participation of shareholders in General Meetings;
- the internal control and risk management procedures implemented by the Company.

The first section, which deals with the Board of Directors, applies the recommendations of the Code of Corporate Governance for Listed Companies published in December 2008 by AFEP and MEDEF and updated in April 2010 (this document may be viewed on the MEDEF website). The second section refers to the provisions of the Articles of Association relating to General Meetings and the rights of shareholders. The third section, which presents the Group's internal control and risk management procedures, is based on the recommendations of the workgroup officially established by the *Autorité des marchés financiers* (AMF) and supplemented in 2010.

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

4.1.1. Composition of the Board of Directors and remuneration of its members

The composition and remuneration of the members of the Board of Directors are presented in paragraph 1 of this chapter. The terms of office of all currently serving members of the Board of Directors expire at the close of the General Meeting of 19 June 2012 convened to approve the financial statements for the year ended 31 December 2011, with the exception of Bernard Michel, Advisor, whose term of office expires at the close of the General Meeting convened to approve the financial statements for the year ended 31 December 2015.

4.1.2. 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 *et seq.* of the French 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

The rules governing the organisation and procedures of the Board of Directors are set forth in Articles 14 to 21 of the Articles of Association. Please refer to Chapter 9 of the Reference Document: Administrative and legal information.

The Articles of Association currently differ from the recommendations of the AFEP-MEDEF corporate governance code on directors' term of office, which is set at six years for historical reasons.

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.

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.

The Articles of Association, the rules and regulations and the charter of the Board of Directors are available upon request from the Group's Communications department.

4.1.3. Role 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 schedule is drawn up detailing the work of the Board. This schedule may be changed where justified by special events or deals, as was the case with the spin-off of Axway in 2011.

The Board of Directors met nine times in 2011. The attendance rate across the year was 88%.

The Board of Directors was kept regularly informed of the work of the Audit, Compensation and Nomination Committees.

Issues discussed

The main issues discussed in 2011 were:

- the spin-off of Axway (preparation, completion and review);
- external growth plans;
- capital increase following the exercise of options to subscribe to shares occurring in 2010 and in 2011;
- approval of the financial statements for the year ended 31 December 2010;
- 2011 budget and major strategies;
- quarterly performance;
- approval of management forecasts and corresponding reports;
- approval of the interim financial statements for the first half of 2011;
- authorisation of regulated agreements;
- preparation of the 10 May 2011 Combined General Meeting;
- preparation of the 8 June 2011 Ordinary General Meeting;
- approval of the Chairman's report on corporate governance and internal control procedures;
- approval of the recommendations of the Compensation Committee, in particular those relating to the Company officers;
- composition of the Board of Directors and Board Committees;
- appropriateness of a share distribution to Group employees;
- company policy as regards professional and pay equality.

4.1.4. 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.

The members of the Board of Directors also receive a monthly report providing a synthetic overview of Sopra Group share performance. This report describes and analyses developments in the share price and trading volumes, putting them into perspective by highlighting main trends in macroeconomic data and financial markets.

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".

Given the experience and length of service of the members of the Board of Directors, no training was deemed to be required in 2011.

Following the co-optation of Delphine Inesta as a member of the Board of Directors, a series of interviews and visits were organised on her behalf, so as to allow her to acquire an overall perspective on the Group and its professions.

4.1.5. Role of the Board of Directors

Audit Committee

The Audit Committee was formed on 2 March 2004 and reappointed on 30 May 2006. It is governed by a charter approved by the Board of Directors at its meeting on 27 August 2009. It consists of the following:

- Hervé Saint-Sauveur, Chairman;
- François Odin;
- Gérard Vincent.

Bernard Michel, a non-voting director, was invited to all meetings of the Audit Committee.

This Committee meets at least four times a year. At least two of these meetings are convened to review the interim and annual financial statements, respectively.

The Committee, which lacks the authority to take decisions on its own, submits its findings and recommendations to the Board of Directors in support of the latter's decisions in the areas of risk management and internal control, financial reporting, internal audit and external audit. The Audit Committee therefore has the following main responsibilities:

- 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;
- promoting the effectiveness of internal control and risk management procedures;
- monitoring the statutory audit of the Group's financial statements by the Statutory Auditors;
- ensuring compliance with the requirement for the independence of Statutory Auditors.

It was convened five times in 2011 in the presence of the Statutory Auditors. The main items of business at these meetings were as follows:

- the 2010 impairment tests;
- approval of the financial statements for the year ended 31 December 2010;
- examination of the financial statements for the first half of 2011;
- group financing;
- the organisation and 2011 work programme for the Group's internal audit function;
- risk mapping and the overall scope of audit procedures;
- updating the internal audit charter;
- the Chairman's draft report on corporate governance and internal control procedures;
- reappointment of the Statutory Auditors;
- self-assessment of the work performed by the Committee.

The Statutory Auditors appeared before the Committee in the absence of Executive Management personnel. The same was true of the Director of Internal Audit.

Various operating and functional Group managers were also interviewed for the informational purposes of the members of the Audit Committee in relation to risk management, internal controls and the preparation of financial and accounting information.

Compensation and Nomination Committees

The Compensation and Nomination Committees operate on the basis of the resolutions having led to their creation and no internal rules have been adopted for either committee to date.

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

- Philippe Citerne, Chairman;
- Mr. Alain Brodelle;
- Mrs Delphine Inesta;
- Mr. Gérard Jean.

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 Selection Committee was formed on 22 October 2004 and reappointed on 30 May 2006. Its membership is the same as that of 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 2011. The main subjects covered were as follows:

- fixed and variable executive compensation: principles, award criteria and recommendations based on performance;
- appropriateness of a share distribution to Group employees;
- allocation of directors' fees with respect to the 2010 financial year.

4.1.6. Evaluation of the Board of Directors

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

4.2. Specific procedures relating to the participation of shareholders in General Meetings

The main provisions of the Articles of Association relating to General Meetings and the rights and obligations of shareholders are included in Chapter 9 of the Reference Document: Administrative and legal information.

4.3. Internal control and risk management procedures implemented by the Company

Introduction

The Group is active in a range of business activities mainly corresponding to consultancy and intellectual services. The Group faces very stiff competition in its markets, where suppliers are assessed by clients in relation to two main discriminating factors: their ability to provide services with the required level of quality and the prices demanded for these services.

The competitive environment in which the Group operates involves several different types of players: often the Group must compete with the client's own internal teams, at times with major multinational corporations and on other occasions with small firms benefiting from very specific technical expertise or a deep-rooted local presence. Despite increasing market concentration over the last few years, the software and services sector is still fragmented and continues to see dramatic changes in the range and specific characteristics of solutions offered, driven by the emergence of new client requirements motivated by either economic or organisational interests as well as by technology watersheds.

In this constantly evolving environment, key factors that will ensure success are responsiveness and flexibility, local access to decision makers, and the ability to take risks and manage projects of strategic importance for major clients.

This requires a highly decentralised operational organisation favouring autonomy and promoting decision-making capacity at the local level. To provide the necessary counterbalance to this decentralised structure, a specialised information system with robust coordination and control capabilities allows the Group to foster dialogue among all participants in a short management chain so that the Executive Committee may remain closely implicated in the Group's business activities.

The main challenges involve, on the one hand, the ability to expand the Group's presence among major clients while organising production so as to improve quality and reduce costs, and on the other hand, the management of human resources so as to assign the most appropriate staff members to each position. As for the production of accounting and financial information, this does not pose any specific difficulties apart from the assessment of work in progress. Only minimal equipment is required.

Rules and procedures must be applied and this must be done in a relevant manner: an over-emphasis on box-ticking constitutes a risk for the Group and staff must make concerted efforts to avoid this approach. All Group employees, regardless of their function, are expected to demonstrate good judgement in all circumstances and, in each and every specific instance, to take decisions that best serve the Group and its clients.

In full awareness of the potential for a dangerous dilution of the corporate culture that has made its rapid growth possible, the Group launched a reassessment of its internal control procedures in 2006. Initially assigned to a representative of Executive Management as part of a larger project, the approach implemented was soon evaluated in the context of the recommendations issued by the workgroup officially established by the *Autorité des marchés financiers* (AMF) and continues to be developed. Although the essential aspects of such a system have already been in place within the Company for a number of years, this initiative encouraged the reinforcement and adaptation of the existing system.

Definition of internal control

According to the definition of the AMF's reference framework, 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 […];*
- *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" although without being able *"to provide an absolute guarantee that the Company's objectives will be attained".*

Approved presentation format

First and foremost, this section 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 focuses on improvements made in the measurement and management of the main risks identified.

4.3.1. Components of the internal control system

a. Organisation

This paragraph refers to the Group's legal, operational and functional organisation, the Human Resources function, the information system, procedures and tools.

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, rapidly succeeded by merger-absorption operations.

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.

As an exception to the preceding, apart from its consulting and systems and solutions integration subsidiaries, the Group holds about 26% of the share capital of Axway, a company whose shares were admitted to trading on NYSE Euronext in Paris on 14 June 2011 and which, until that date, was a wholly owned subsidiary of the Group.

Internal organisation

Operational structure

The Group's operational structure consists of only three tiers:

- 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 audit and development of major client accounts, etc.). Organised around Executive Management, the Executive Committee is currently composed of about ten individuals;
- Tier 2 consists of:
  - divisions centred on a market, an offer, a solution or a geographic area in France,
  - countries outside France.

  There are about thirty of these Tier 2 entities. The Director of each entity reports to a member of Executive Committee;

- Tier 3 corresponds to the Group's operational units, called branches, business units or skill centres, the entities within which it pursues its activities. Operational units carry out an overall management function: they are responsible for sales and marketing, production, human resource management and 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.

Each of these units reports to the management of a division, a region or a country. Each division generally includes between four and five units of this type.

Functional organisation

Cross-functional structures (Industrialisation Department, Major Commercial Programmes) or strictly functional departments (Purchasing, Logistics and Transport, Finance, Communication, Internal Control, Internal IT, Legal Affairs, Human Resources, IT Resources and Security) 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 control of Sopra Group and enable operational entities to devote the entirety of their resources to their business.

Human resources

Recruitment is primarily focused on 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 programmes, which are organised by Sopra Group Academy, plays an essential role in the development of the skills required for the Group's operations (See Section 2.3, "Training and professional development", in chapter 2 of this document).

The transmission of the Group's fundamentals (values, best practices) represented around 20% of total training efforts again in 2011. A major training programme conducted specifically for managerial staff in 2011 enabled some 850 participants to review once again the Group's value system, update their knowledge of the organisation and improve their management techniques.

Information system

Information systems are used to cover all of the Group's management needs (in particular, monitoring of operations and revenue, invoicing and receipts, monitoring of commercial transactions, budgeting and economic forecasts, production of accounting and financial information, management of human resources). They also structure and provide input for the standardised coordination and control meetings held across the Group.

The various individual information systems used within the Group are under the responsibility of two functional departments reporting directly to Executive Management, charged with direct supervision of information system operations and authorised to resolve any discrepancies. 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.

By constantly working to improve the information system, these two departments support all aspects of the Group's growth: organic growth, integration of acquired businesses, extension of the Group's geographical presence and 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 logistical security of data to which permanent access must be guaranteed, and finally to maintain the cost of the information system at the lowest possible level while remaining compatible with its service constraints.

The position of Information Systems Security Manager (ISSM) within the Industrialisation Department provides a perspective from outside the information systems departments on the choices they make and ensures the development, adaptation and application of the Group's Information Systems Security Policy (ISSP) in collaboration with all operational and functional departments concerned.

Procedures

The Group observes rules and procedures encompassing the areas of organisation and steering, internal and accounting management, the information system, human resources, production and quality assurance, 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.

These procedures are accessible on a permanent basis *via* an intranet portal.

In France, a monthly bulletin addressed to the entire operational and functional structure announces or accompanies major changes in terms of procedures or tools and always refers to reference materials accessible *via* the intranet portal. An international version of this newsletter is published each quarter in three languages.

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 Industrialisation department. It covers the Systems and Solutions Integration segments and the services associated with their business activities.

The organisational approach, procedures, processes, and resources that serve to improve quality encompass the following areas: pre-sales, production, human resources and 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 applicable Reference Documents are made available in all three languages, notably Spanish. By way of illustration, 65% of the documents accessible in the Group's knowledge base are written in French, while documents written in English and Spanish represent 30% and 5% of the total, respectively.

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 applications.

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 various levels referred to above: operational units (which are themselves structured along project lines), divisions, subsidiaries and the 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 generally 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 identification and management process

The process for the identification and management of risks put in place by the Group aims to anticipate risks or deal with them as quickly as possible in order to facilitate the attainment of its targets.

All staff members, both employees and management, are active participants in this process. The issues involved in risk management are readily appreciated by Sopra Group personnel since nearly all are engineers, already impregnated with a culture of project management, which is an important part of risk management.

The relaying of information relating to identified operational and functional risks is structured by the rules governing the information system, coordination and control so that it may be handled at the most appropriate level of the organisation.

Operational risks associated with business activities, which are classified as *alerts* in the Group's in-house lexicon when they are significant for the entity that identifies them, are handled immediately or are included in the weekly review carried out at each of the three levels of the organisation with the aim of implementing an appropriate action plan as quickly as possible. The Group's decentralised organisation generally allows for decisions to be taken swiftly, addressing concerns at the level of action, accompanied if necessary by approval from the next reporting level. When a decision is required at the Group level, the procedures for the handling of risks (person in charge, time limit granted for the implementation of action plans) are usually determined by the Executive Committee during its meetings.

Group functions responsible for the definition and proper application of policies relating in particular to human resources, financing, production, client and supplier contracts, information systems, logistics and communications submit reports to Executive Management on a monthly basis, including any newly identified risks, the assessment of their possible consequences and the procedures for prevention or remediation put in place or planned.

The process also involves reviews organised by the management audit team, the Industrialisation Department and internal audit personnel.

Furthermore, the Company has identified four main areas (risks related to human resources, production, sales and marketing activities, cash management) requiring actions over the long term and mobilising considerable resources within the Group. With regard to these specific areas, risk correspondents have been appointed and assigned responsibility for analysis, monitoring, and corrective actions. They are required to submit reports on their activities to Executive Management on a regular basis.

The mapping of risks is debated and discussed during meetings of the Group's Executive Committee in order to verify its completeness, consider the evaluation made of each of the main risks, assess corrective measures and approve the level of residual risk deemed as acceptable for the company.

Finally, in order to ensure that it can respond quickly in the event of a major crisis, the Group has modelled crisis management procedures as part of its business continuity strategy. It had the opportunity to test this type of approach in preparing the Company for the consequences of a potential widespread epidemic of influenza "A" (H1N1) in 2009-2010.

The operation of the risk management process is under the supervision of Executive Management, which receives information on risks from operational, functional and audit staff.

d. Control

Apart from self-assessment procedures and the supervisory control procedures assured by operational managers at every level, in application of existing principles of delegation, functional managers play a particular role in the area of risk management by providing assistance and guidance to operational staff, using a preventive approach to perform the mandatory consultations required, where applicable, by the procedures or by carrying out post-controls on the application of procedures and the results obtained (in particular, controls relating to the quality of data entered into the information system).

The Finance Department is entrusted with specific responsibilities in the area of Management Audit and the Industrialisation Department is responsible for control procedures relating to the management of its Quality System.

Finance Department (Management Audit)

Management Audit is performed by the Finance Department. Due to its more limited scope of operations since the spin-off and listing of Axway, this team currently has seventeen members. The principal tasks of Management Audit 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 (240 branch reviews conducted in 2011) 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 and Axway products and services.

Structural audits are performed so as to verify the application and effectiveness of the Quality System among the Sopra Group staff members concerned (management, sales, operational quality unit).

Sopra Group's Quality System is independent of the project management procedure. 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 in the Quality System are considered. This review is performed at the level of Executive Management and then at that of Division or Subsidiary Management.

Projects are reviewed on a regular basis, at key phases in their life cycle. Organised by the Industrialisation Department, or by the Quality System's local representatives, these reviews provide an external perspective on the status and organisation of projects. Almost 1,200 reviews of this type were conducted in 2011.

The effectiveness of actions undertaken as a result of monitoring sessions, audits and reviews is verified by the Industrialisation 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

The supervision of the internal control system is a responsibility shared by all Group employees. The Group's management bodies play a key role in this area.

Internal Audit Department (under the authority of the Chairman)

The Internal Audit Department, which is responsible for internal control, monitors the system in place and reports its findings directly to the Chairman.

In application of the Internal audit charter adopted by the Group, the Internal Audit Department, which has a staff of three, has the following tasks:

- the independent and objective evaluation of the functioning of the internal control system *via* a periodic audit of entities;
- the development of all recommendations to improve the Group's operations;
- monitoring the implementation of recommendations adopted by Executive Management;
- updating risk information.

The Chairman of the Board of Directors validates the audit plan in particular on the basis of risk information obtained using the risk mapping procedure as well as the priorities he has adopted for the year. This plan is presented to the Audit Committee for review and feedback.

Board of Directors (Audit Committee)

The Audit Committee is informed of the activities of the Internal Audit Department in its meetings with its Director twice a year, which are also attended by the Statutory Auditors, without management being present.

In particular, these meetings focus once per year on the risk mapping procedure, the annual internal audit plan, and twice per year on the findings of specific internal audit assignments, and follow-up on the implementation of recommendations resulting from these audits.

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 procedure aims to ensure that the Quality System is both in compliance with international standards and is applied to the entire certified scope of operations.

Each year, AFNOR itself selects the sites visited depending upon when they were last visited and the representativeness of the activity in relation to the certification.

The purpose of this audit process is to identify ways in which the quality management system might be improved in order to ensure constant performance gains.

4.3.2. 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 the Group. Local teams are of adequate size to best serve their role as correspondents within the subsidiaries.

The responsibilities of the Finance 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 Department reports to Executive Management. Like all Group entities, it has a part to play in the supervisory arrangements set out above: weekly meetings focus on day-to-day operations, while monthly meetings are held to review figures in detail (both forecasts and actuals), organise the function and monitor major 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 accounting and financial information. It approves the annual accounts and reviews the interim accounts. It relies on the Audit Committee, as described above (see §4.1.5).

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.

Changes in accounting policies are submitted to the Audit Committee as appropriate.

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 (Management Audit).

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 revised monthly forecasts. These procedures are designed to reflect actual performance as closely as possible, and are based upon simple management rules to provide for optimum clarity.

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.

These various documents are combined with numerous management indicators, related to economic performance (activity rate, selling prices, average pay, etc.), human resources, invoices and receipts, etc.

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 Group Finance Department and the consolidated financial statements are examined by the Group's Statutory Auditors.

4.3.3. Assessment and control of the principal risks identified

Irrespective of the strategic risk associated with the Group's competitive positioning and the risk that its business model might lose its relevance, Group senior management decided, after consulting the Executive Committee, that operational risks associated with human resources, production, sales activity and cash management should continue to be the subject of Group action plans in 2011.

a. Human resources risks

In a service business, which also faces certain skill shortages, human resources risks are naturally critical. The performance of the recruitment process, human resources management, the permanence of key roles and the sharing of the Group's culture and values are key issues deserving of constant attention.

Among the main issues involved in human resources, the optimal use and thus the expert knowledge of the resources already present in the Group (skills, aptitudes, potential) is an area of particular importance, as the primary operating entities continue to grow in size.

Human resources structure, tools and processes were the focus of a major upgrade contributing to the management of these risks.

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.

An ambitious programme, which aims to favour the emergence within the Group of its future leaders (project managers, architects, experts, etc.) led to a rethinking of the career paths, skill use opportunities and employment conditions of the Group's staff employed in productive subdivisions. The lessons of this programme, which also resulted in organisational changes, continue to be applied today.

b. Production risks

The main risk lies in the Group's ability to deliver on its commitments to clients in respect of quality, timescales and costs: to deliver products and services in line with specifications and within the stipulated timescales and allocated budget, particularly in the context of major client programmes. Providing responses to fully meet client demands and the control of production quality are among the primary challenges faced by the Group.

Controlling such risks requires a perfect knowledge of numerous constantly evolving technical and business environments, the application of a prior validation procedure covering technical, legal and financial aspects, a tried and tested project management methodology designed to integrate the participation of offshore production platforms, together with a management system for monitoring and controlling technical and accounting aspects.

The revamping of the Group's engineering method gave rise to a training programme addressing these issues, which involved nearly 9,000 participants in 2008 and 2009.

On another front, the realisation of the growing importance of issues related to the reliability of IT and communications infrastructure led to the establishment of a new position (Head of Information Systems Security) within the Industrialisation Department at the end of 2009. This organisational change meets the need to spur greater involvement of all stakeholders across the Group in the analysis of risks and the drafting of action plans.

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 but also allows for better management of the risk of losing a client or a major contract.

The sales approach used for some fifteen major accounts is coordinated in the form of a procedure involving the members of the Executive Committee for the management of major commercial programmes.

d. Cash management risks

The results obtained during the last two years in promoting better control of working capital requirements are largely attributable to the fact that improving the management of the client cycle remained a top priority throughout this period.

The Finance Department, the Legal Department and all operational managers remained mobilised to improve the Group's performance in this area.

Training efforts were pursued on behalf of managers, sales engineers and project managers, who contribute on a day-to-day basis to the hands-on implementation of directives in this area.

In the face of tightening credit conditions, effective management of invoicing and receipts remains a high-level priority.

In addition, organisational improvements will allow for a better separation of functions within the Finance Department, thus strengthening its control of the cash cycle.

Legal, industrial, environmental and market risk factors are discussed in Chapter 4 of this Reference Document.

This report was approved by the Board of Directors in its meeting of 26 April 2012.

Paris, 26 April 2012

Pierre Pasquier

Chairman of the Board of Directors

Report of the Statutory Auditors in application of Article L. 225-235 of the French Commercial Code on the report of the Chairman of the Board of Directors of Sopra Group

To the Shareholders,

In our capacity as Statutory Auditors of Sopra Group, and in compliance with the provisions of Article L. 225-235 of the French 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 French Commercial Code, in respect of the financial year ended 31 December 2011.

It is the responsibility of the Chairman to draw up and submit for the approval of the Board of Directors a report on internal control and risk management procedures implemented by the company that also provides the other disclosures required by Article L. 225-37 of the French Commercial Code, in particular those related to corporate governance.

It is our responsibility to:

- present to you any observations that we have on the basis of the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and
- to certify that the report includes any other disclosures required by Article L. 225-37 of the French Commercial Code, with the understanding that it is not our responsibility to verify the fair presentation of this information.

We performed our assignment in accordance with professional standards applicable in France.

Disclosures concerning internal control and risk management procedures relating to the preparation and processing of accounting and financial information

Professional standards applicable in France require that we carry out work designed to assess the truth and fairness of the information provided in the report of the Chairman on internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

In particular, this work involved:

- obtaining an understanding of the internal control and risk management 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 on the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information, contained in the Report of the Chairman of the Board of Directors and prepared in compliance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We hereby certify that the Report of the Chairman of the Board of Directors includes all other disclosures required by Article L. 225-37 of the French Commercial Code.

Paris and Courbevoie, 26 April 2012

The Statutory Auditors

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

4 REPORTS OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF 19 JUNE 2012

REPORT OF THE BOARD OF DIRECTORS

1. Sopra Group's business and key events in 2011

1.1. Business in 2011 – General environment

Over the last few years Sopra Group has developed a specific business model based on Consulting, Systems Integration, Application Outsourcing and its industry-specific solutions for the banking, human resources and real estate sectors.

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.

The sector saw a return to growth in 2011, after reporting negative growth in 2010. Revenue of companies in the Software and Services sector increased by about 3.6% in France (Source: Syntec), compared to 1.5% in 2010.

Consolidated revenue amounted to €1,050.3 million in 2011, representing total growth of 8.9% and organic growth of 8.0%, compared to 2010 after restatement under IFRS 5 (excluding Axway). Operating profit on business activity came to €92.5 million corresponding to a margin of 8.8%. Profit from recurring operations amounted to €91.7 million corresponding to a margin of 8.7%. After taking into account €6.2 million in other operating income and expenses, operating profit totalled €97.9 million, representing a margin of 9.3%, up 0.6% relative to the previous year. Net profit was €62.9 million, representing a net profit margin of 6.0%.

Although it was possible to contain the crisis that broke out in August, it slightly affected both growth and margin performance in the fourth quarter. The Group's full-year performance was buoyed by high value-added services consisting of major build and application outsourcing projects. All geographical regions continued to see growth, with France and Italy making very strong contributions. The sectors that generated the highest volumes of business were transport and utilities, retail, manufacturing, telecoms and media.

At 31 December 2011, the Group's total workforce was 12,610 persons, a rise of 960 persons compared to 31 December 2010 including 280 Delta-Informatique employees.

1.2. Key events of the year

Key events in 2011 included the spin-off of Axway in June and the acquisition of Delta Informatique in September (see section 5 of this Management report).

2. Consolidated financial statements 2011

The spin-off and listing of Axway as a separate company was a key event in 2011. Axway became an independent company on 14 June 2011, the initial listing date of Axway's shares.

This spin-off affects the presentation of Sopra Group's 2011 financial statements (income statement and balance sheet) as follows:

- for the balance sheet, three periods are shown:
  - 31 December 2009: no change to published information, i.e. Axway is fully consolidated,
  - 31 December 2010: no change to published information, i.e. Axway is fully consolidated,
  - 31 December 2011: Axway shares recognised under *equity-accounted investments;*
- for the income statement, four periods are shown:
  - financial year 2009 restated under IFRS 5, without including Axway's business, but with its net profit reported under *Profit after tax from discontinued operations,* to ensure consistency with other periods,
  - financial year ended 31 December 2010 as published, with the Axway business fully consolidated,
  - financial year ended 31 December 2010 restated under IFRS 5 without Axway, with profits from the Axway business included under *Profit after tax from discontinued operations* so as to be consistent with other periods,
  - financial year ended 31 December 2011, with Axway's business included under the following items:
    - the net gain on Axway shares retained by Sopra Group is shown under *Other operating income and expenses,*
    - Axway's profits between 14 June 2011 (the date of the spin-off) and 31 December 2011 are shown under *Share of net profit from equity-accounted associates,*
    - Axway's profits between 1 January and the date of the spin-off are reported in full under *Profit after tax from discontinued operations,* in accordance with IFRS 5.

2.1. Consolidated income statement

	2011		2010 Restated		2010 Published		Change 2011/2010 Restated	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue	**1050.3**	**100.0%**	**964.4**	**100.0%**	**1169.9**	**100.0%**	**85.9**	**8.9%**
Staff costs – Employees	-701.4	-66.8%	-652.1	-67.6%	-783.5	-67.0%	-49.3	7.6%
Staff costs – Contractors	-95.8	-9.1%	-80.5	-8.3%	-84.9	-7.3%	-15.3	19.0%
Operating expenses	-147.0	-14.0%	-133.0	-13.8%	-169.9	-14.5%	-14.0	10.5%
Depreciation, amortisation and provisions	-13.6	-1.3%	-13.1	-1.4%	-14.8	-1.3%	-0.5	3.8%
Operating profit on business activity	**92.5**	**8.8%**	**85.7**	**8.9%**	**116.8**	**10.0%**	**6.8**	**7.9%**
Expenses related to stock options	-0.5	0.0%	-0.2	0.0%	-0.2	0.0%	-0.3	150.0%
Amortisation of allocated intangible assets	-0.3	0.0%	-0.7	-0.1%	-2.6	-0.2%	0.4	-57.1%
Profit from recurring operations	**91.7**	**8.7%**	**84.8**	**8.8%**	**114.0**	**9.7%**	**6.9**	**8.1%**
Other operating income and expenses	6.2	0.6%	-1.1	-0.1%	-4.7	-0.4%	7.3	-663.6%
Operating profit	**97.9**	**9.3%**	**83.7**	**8.7%**	**109.3**	**9.3%**	**14.2**	**17.0%**
Cost of net financial debt	-4.1	-0.4%	-5.6	-0.6%	-5.8	-0.5%	1.5	-26.8%
Other financial charges and expense	0.6	0.1%	0.4	0.0%	-1.4	-0.1%	0.2	50.0%
Corporate income tax	-36.1	-3.4%	-30.3	-3.1%	-27.3	-2.3%	-5.8	19.1%
Share of net profit of equity-accounted companies	6.0	-	-	-	-	-	6.0	-
Net profit before profit or loss from discontinued operations	**64.3**	**6.1%**	**48.2**	**5.0%**	**74.8**	**6.4%**	**16.1**	**33.4%**
Profit after tax from discontinued operations	-1.4	-	26.6	-	-	-	-28.0	-105.3%
Net profit	**62.9**	**6.0%**	**74.8**	**7.8%**	**74.8**	**6.4%**	**-11.9**	**-15.9%**
Group share	62.9	6.0%	74.8	7.8%	74.8	6.4%	-11.9	-15.9%
Minority interests	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%

Consolidated revenue amounted to €1,050.3 million in 2011, representing total growth of 9.2% and organic growth of 8.0%. This compares to negative organic growth of 6.2% in 2010.

The scope of the consolidated group changed between 2010 and 2011 with the deconsolidation of Axway on 14 June 2011 the acquisition of Delta-Informatique on 1 October 2011.

Total staff costs (employees, sub-contractors and external contractors) represented 75.9% of revenue and remained stable compared to the previous year.

Operating expenses were up 0.2% relative to 2010, representing an additional expense of (-)€2.1 million. As a percentage of revenue, they remained more or less stable relative to the previous year.

Amortisation, depreciation and provisions charges were up €0.5 million relative to the previous year. This increase mainly arose as a result of investments (in IT equipment and fittings).

Operating profit on business activity amounted to €92.5 million, corresponding to 8.8% of revenue, compared to €85.7 million and 8.9% of revenue in 2010, a decrease of 0.1%.

Profit from recurring operations amounted to €91.7 million, corresponding to 8.7% of revenue, compared to €84.8 million and 8.8% of revenue in 2010, also decreasing by 0.1%.

Compared with 2010, expenses related to stock options (€0.5 million) and to the amortisation of allocated intangible assets (€0.3 million) remained largely stable.

Operating profit amounted to €97.9 million, corresponding to 9.3% of revenue, compared to €83.7 million and 8.7% of revenue in 2010.

Other operating income and expenses, in the net amount of €6.2 million, were mainly comprised of:

- (-)€1.0 million in respect of a percentage of the costs incurred by the spin-off and separate listing of Axway. These expenses mainly consisted of fees paid to external consultants (banks, legal advisors, Statutory Auditors, valuers, etc.);
- (-)€6.3 million, in respect of the non-recurring portion of employee profit sharing due to the impact on Sopra Group's equity of the Axway spin-off;
- €53.4 million, corresponding to the net capital gains arising on the Axway equity interest retained;
- (-)€38.0 million in impairment losses on goodwill of European subsidiaries:
  - (-)€20.0 million in the United Kingdom,
  - (-)€15.0 million in Spain, and
  - (-)€3.0 million in Belgium.

  These impairment losses were recognised in the interim financial statements as at 30 June; no additional impairment losses were raised as at 31 December 2011.

The cost of net financial debt totalled (-)€4.1 million in 2011, compared with (-)€5.6 million in 2010. This reduction was mainly the result of deleveraging during and 2010 and 2011. For information, net debt was €137.4 million at the beginning of 2010, €57.2 million at end 2010 and €46.4 million at end 2011 after taking into account a net outgoing of €29.8 million in connection with the acquisition of Delta-Informatique.

The average cost of funds was stable at 3.27% in 2011, compared with 3.22% in 2010 and 3.83% in 2009.

The 2011 effective tax rate was equal to 45.8% of pre-tax profits, compared with 38.6% in 2010 (restated).

In 2011, Axway reported net profit of €21.4 million, including other operating income and expenses amounting to (-)€3.3 million (the cost of the spin-off and listing transactions).

This net profit is comprised of the following two components:

- a loss of €1.4 million up to the date of spin-off and listing of Axway, after fully taking into account the cost of the spin-off;
- €22.8 million for the last two weeks of June and the second half of 2011.

Net profit for the second half of 2011 includes the Group's share in Axway's net profit during the period encompassing the spin-off and listing until 31 December 2011: 26.24% of €22.8 million, or €6.0 million.

Net profit before profit from discontinued operations amounted to €64.3 million, corresponding to 6.1% of revenue, compared to €48.2 million and 5.0% of revenue in 2010.

In 2011, profit after tax from discontinued operations includes the full impact of the results of Axway's operations for the period extending from 1 January until the date of the spin-off and listing, which amounted to a loss of €1.4 million.

Restated information for 2010 includes the entirety of Axway's net profit.

As a result of the preceding, the Group's net profit came to €62.9 million in 2011, corresponding to 6.0% of revenue, compared to €74.8 million and 7.8% of revenue in the previous year.

Basic earnings per share (calculated on the basis of the weighted average number of shares outstanding during the financial year) was €5.29 compared to €6.35 in 2010 and diluted earnings per share (taking into account share subscription options already granted but not yet exercised) was €5.29 compared to €6.33 in 2010.

PERFORMANCE BY GEOGRAPHIC REGION

FRANCE

€m	2011		2010 Restated[1]	
Revenue	865.8		788.9	
Organic growth		*+8.6%*		
Operating profit on business activity	83.5	9.6%	78.1	9.9%
Profit from recurring operations	82.7	9.6%	77.2	9.8%
Operating profit	74.4	8.6%	76.6	9.7%

(1) Excluding Axway

Revenue posted by the Group in France came to €865.8 million (including the contribution of Delta Informatique in the 4th quarter, which amounted to €9.3 million), representing total growth of 10.1% and organic growth of 8.6%. Operating profit from CSSI France's business activity came to €83.5 million, corresponding to an operating margin of 9.6% (down from 9.9% in 2010).

EUROPE (WITHOUT FRANCE)

€m	2011		2010 Restated[1]	
Revenue	184.5		175.5	
Organic growth		*+4.9%*		
Operating profit on business activity	9.0	4.9%	7.6	4.3%
Profit from recurring operations	9.0	4.9%	7.6	4.3%
Operating profit	9.0	4.9%	7.6	4.3%

(1) Excluding Axway

Revenue posted in Europe came to €184.5 million, thus representing total growth of 5.2% and organic growth of 4.9%. Operating profit on business activity was €9.0 million (compared to 4.3% in 2010).

Research and Development expenses are presented in Chapter 1 paragraph 4.2.

2.2. Balance sheet and financial structure

Non-current assets were €366.6 million at 31 December 2011, down from €471.0 million the previous year. This item reflects the following movements:

- equity-accounted investments in the amount of €109.4 million (27.6% of Axway);
- the increase in goodwill (€190.9 million vs. €369.9 million in 2010);
- the decrease in intangible assets (€2.8 million vs. €23.7 million in 2010);
- the increase in property and equipment (€39.6 million vs. €39.3 million in 2010);
- the increase in deferred tax assets (€20.9 million vs. €34.4 million in 2010).

Trade accounts receivable amounted to €345.0 million (including VAT) compared to €368.4 million in 2009.

Cash and cash equivalents amounted to €33.3 million compared to €54.9 million in 2010.

At 31 December 2011 consolidated shareholders' equity totalled €273.9 million compared to €364.6 million in 2010. The statement of changes in consolidated shareholders' equity included in Chapter 5 of this Reference Document provides a detailed presentation of the principal movements.

Long-term liabilities and borrowings amounted to €79.7 million versus €112.1 million in 2010 and were essentially comprised of bank loans for €45.8 million. IT lease finance agreements for €7.4 million and additions to the special employee profit sharing reserve for €26.4 million.

Net debt amounted to €46.4 million, down from €57.2 million at 31 December 2010.

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 €304.2 million mainly comprised:

- employee-related liabilities (personnel and social security) for €150.1 million;
- tax liabilities for €74.1 million, essentially corresponding to value added tax included in client receivables;
- accrued income and prepayments for €67.4 million, comprising the portion of billing revenue already issued but yet to be booked as revenue.

At 31 December 2011, the Group's financial position remained strong with equity at €273.9 million and a significant reduction in net debt closing the year at €46.4 million.

2.3. Identity of shareholders

The Group's share ownership structure is described in Part 7 of this Reference Document under Chapter 2 *Current ownership.*

3. 2011 Sopra Group SA company financial statements

Sopra Group SA comprises the Systems and Solutions Integration business in France as well as all the Group's functional services. The Group's subsidiaries consist of Systems and Solutions Integration Europe Consulting and the Group holds an interest in Axway's Software which specialises in Business Interaction Networks.

3.1. Income statement

Revenue increased by 10.3% to €850.3 million versus €770.7 million in 2011.

Operating profit rose to €71.1 million up from €67.7 million a year earlier.

Net financial expense was (-)€1.9 million in 2010, down from (-)€21.4 million in 2011.

Pre-tax profit on ordinary activities was €49.8 million compared to €65.7 million one year earlier.

Exceptional items amounted to €161.0 million in 2011, up from €0.3 million in 2010.

The employee profit sharing expense was (-)€10.4 million compared to (-)€16.4 million in 2010 and the corporate income tax expense went from (-)€13.0 million to (-)€21.1 million.

There was a net profit of €173.3 million versus €42.6 million in 2010.

In accordance with Article 223 *quater* of the Tax Code, we bring to your attention that the accounts for the year ended 31 December 2010 include €147,070 in respect of non-deductible expenses (Article 39-4 of the Tax Code).

3.2. Balance sheet

Shareholders' equity was €205.4 million at 31 December 2011, compared to €307.6 million a year earlier.

This change was due primarily to the following factors:

- the net profit for the year of €173.3 million;
- exercise of share subscription options amounting to €1.2 million;
- payment of dividends in respect of the 2010 financial year amounting to (-)€9.5 million.
- the distribution of Axway shares in the amount of (-)€221.2 million;
- the cash distribution accompanying this distribution of shares for (-)€46.6 million;
- the merger premium for the transaction with Sopra Consulting in the amount of €0.6 million.

Pursuant to the provisions of Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby inform you that the balance of trade accounts payable at 31 December 2011 comprises the following elements:

(in thousands of euros)	Total outstanding amount	Amount not yet due	Amount due in less than 60 days	Amount due in more than 60 days
At 31 December 2010	49,773	47,802	1,327	644
At 31 December 2011	51,733	51,181	493	59

Sopra Group observes the payment terms required by law in France for trade accounts payable: a maximum of 60 days from the issue date of the invoice.

Fixed assets decreased to €386.6 million, from €512.0 million in 2010. These were comprised of €275.5 million in non-current financial assets, €87.6 million in intangible assets and €23.5 million in property and equipment.

4. Strategy and objectives: recent trends and outlook for 2012

4.1. Key events in 2011

4.1.1. An excellent performance

Sopra Group returned to strong growth in 2011: revenue was up 8% on a like-for-like basis in spite of the market slowdown in the second half of the year, with all geographical regions contributing to this performance. This dynamic performance led to high levels of recruitment: around 2,400 people joined the Group in 2011. Total headcount thus increased by almost 1,000 reaching 12,600 employees at the year-end.

The economic crisis that broke out in August, leading some of our clients to defer their decisions, did not prevent Sopra Group from maintaining a high profit margin on operating activities throughout the year, thanks to the high quality and added value represented by its services and strict control over its costs.

4.1.2. The fruit of our Key Clients programme

For several years, Sopra Group has applied a strategy to build its business with several key accounts. In 2011, this strategy was targeted at 23 clients in financial services, the public sector, energy, transport/parcel delivery, retail, telecoms and aerospace. These 23 clients together accounted for 48% of Sopra Group's total revenue. New orders from these key accounts were up 12% relative to 2010. This focused strategy has played a big part in sustaining organic growth and increasing our market share.

4.1.3. Growth in our European businesses

As indicated in section 2.1, at 30 June 2011 Sopra Group recognised a total impairment charge of €38 million in respect of its European CSSI subsidiaries, as a result of a difficult economic environment characterised by a downturn in the IT services market affecting certain countries.

Nevertheless, our European businesses experienced renewed growth in the second half of 2010, and this continued in 2011.

Spain continued to see remarkable growth, particularly in the banking sector, in spite of a highly unfavourable market.

Italy saw very strong growth, especially in the luxury sector.

Our United Kingdom business continued to focus on growing business with a few key clients and embarked on a proactive external growth strategy, which took shape in the first quarter of 2012.

Finally, Belgium experienced commercial success with some its biggest clients in the second half of the year, pointing to renewed momentum in the business.

4.1.4. Development and international expansion of our range of banking solutions

Sopra Group has been active in the French banking software market for more than 30 years. Our Evolan offering includes a range of retail banking solutions in the areas of lending, payments, electronic payment systems, banking distribution and regulatory reporting.

Beyond France, this offering has been opened up Europe-wide to support major French banks rolling out international subsidiaries and to serve new foreign clients, particularly in the United Kingdom and Spain.

In 2011, we acquired Delta Informatique, thus adding a core banking system mainly aimed at small and medium-sized retail banks to our portfolio of solutions, expanded our international presence (Europe and Africa) and improved our ability to assist with geographical expansion projects for major banking networks.

In this way, Sopra Group has moved forward with its strategic plans to become a true leader in the packaged banking software market.

4.1.5. Progress in transformation

In 2011, we continued with our transformation in several areas that form key components of the Group's strategy: quality of delivery, added value, our service continuum and the development of our human capital.

With the aim of ensuring that the Group remains best in market in terms of quality, we significantly increased the proportion of services delivered by shared service centres in France, Europe and India. We also continued to add to and roll out our industrialisation approach.

In particular, our desire to increasingly add value to our clients to support them with their transformation projects led us to restructure our consulting businesses, which now operate under the Sopra Consulting brand. The aim of this restructure is to concentrate the operational strengths of each of our business areas on a sector-by-sector basis, enabling us to expand our partnerships with the Group's priority clients and accelerate the implementation of our service continuum. In a similar vein, we embarked on a new approach in 2011 aimed at more quickly positioning the Group as the global player of choice to help our clients with their business transformation needs, driven by the use of new digital technologies.

Finally, Sopra Group's ongoing transformation would not be possible without paying particular attention to the development of our human resources. In this connection, it is worth emphasising the efforts made in 2011 to accelerate and support employees moving into very senior roles (project director, senior architect, consultant manager, etc.).

4.1.6. Successful spin-off of Axway

The Axway spin-off was successfully completed in the first half of 2011. Its aim was to make it possible for both Axway and Sopra Group to develop their respective businesses independently.

Naturally, the spin-off in no way undermines the collaboration between Sopra Group as an integrator and Axway as a software vendor, with the two companies jointly addressing complex data management issues within the context of their clients' major transformation projects.

4.2. 2012 strategic direction

4.2.1. Further consolidating our position in the French market

France accounts for the bulk of our business, making it a critical pillar that we must continue to strengthen by constantly sharpening our focus. Our actions in this area will focus on two key themes: The first of these is key accounts, since our growth margin among these clients remains very robust, in the Group's priority vertical markets (retail banking, public services, telecoms, etc.) where we have decided to apply and build our know-how and expertise. Secondly, we aim to promote and maintain our continuum of services through our combined capabilities in our three business lines: consulting, integration and software development.

4.2.2. Accelerating our European expansion

In recent years we have placed the emphasis on integrating our European activities into a global Sopra Group operating model based on three key areas of focus:

- the acceleration of our *boost* programme. which seeks to ensure end-to-end geographic coverage of our services provided Sopra Group's expertise to key accounts;
- allocation of competencies to specific sectors in order to better target development opportunities;
- positioning of the Group's offering across our international entities.

Our strong performance in these areas means we are in a position to consider external growth again in Europe in 2012.

4.2.3. An active role in consolidating the application solutions market

The market for packaged banking software has begun to consolidate with this trend accelerating sharply since the end of 2011.

Sopra Group is positioning itself as one of the major players driving this consolidation.

In addition to having acquired Delta Informatique in 2011. Sopra Group will continue to re-engineer itself to become a leading European banking software vendor. To succeed in this strategy Sopra Group will add to its offering of banking solutions in early 2012 and increase its international distribution capacity while seeking out acquisition opportunities and developing strategic partnerships.

4.2.4. A continued focus on performance and transformation

Production quality is one of the main fundamentals behind the Group's performance and the excellent reputation we enjoy in all our markets. We will therefore be continuing with our efforts and investments in this area, in all the countries in which we operate, by rigorously controlling production, developing and rolling out tools and methods across all our operations, extending our network of shared service centres, and managing our service centres in France. Europe and India as a single production system.

We also place a priority on increasing the value we add to our clients. This is essential to continued growth in our market share and ongoing improvements in our economic performance. We will therefore continue to invest in core business offerings that leverage the continuum of services we offer to our clients, drawing on our various business lines: management consulting, IT consulting, software sales, systems integration and application portfolio management. The goal is to increase our capacity to support our clients throughout their transformation cycles and develop an in-depth understanding of their major global projects.

In the same vein, we will step up our investment in incorporating emerging new digital technologies and their uses into our business models, offerings and areas of expertise. These technologies have been developing on the market since the emergence of the mobile internet, social networks, cloud computing, etc.

Finally, to support our focus on performance and transformation, we will continue to develop our human capital at a sustained pace: we will be ambitious in our recruitment activities – with a Group target of almost 2,500 new recruits – while selecting only the best candidates; our hands-on approach to management will enable us to closely monitor employee development; we offer rigorous assessment and career development processes, tailored training paths, etc.

4.3. Recent developments

4.3.1. Acquisition of two companies in the United Kingdom

In the first quarter of 2012, Sopra Group completed two acquisitions intended to significantly strengthen its presence in the United Kingdom. Tieto Corporation's dedicated UK Financial Services business and the UK subsidiary of the Business & Decision group both joined Sopra Group.

The two companies are in the process of being merged into Sopra Group's UK subsidiary, which generated 2011 revenue of approximately €58 million.

The new combined business will offer UK clients expertise and an extended offering that ranges from innovative services in targeted vertical segments to the distribution of solutions aimed at the financial services sector. These acquisitions will also position the Group to be able to offer its services across a wider international scope.

a) Acquisition of Tieto's "Financial Services" business

This business offers solutions aimed at the financial services sector (systems for managing mortgages, savings and lending products, asset finance and collections) to banks, consumer lenders, corporate finance consultants and factoring companies, both in the United Kingdom and in continental Europe. The business generated 2011 revenue of around €22 million.

b) Acquisition of the UK subsidiary of Business & Decision

Business & Decision UK offers consulting and IT services and specialises in business intelligence, CRM (customer relationship management) and e-business. Its clients mainly operate in financial services, retail, the public sector and transport. The company generated 2011 revenue of around €26 million.

c) Strategy

These acquisitions go hand-in-hand with the Group's strategy of consolidating its position in Europe and aligning its subsidiaries' economic models with the model adopted in France (consulting, technology services and sales) so as to create synergies and leverage the Group's expertise. They also offer attractive career opportunities for staff in all three companies at a time when the IT sector is undergoing far-reaching transformation.

d) Financial information

Sopra Group expects these acquisitions to be immediately accretive. Given the high level of complementarity between the businesses, the Group is expecting the resulting synergies to stimulate revenue growth and generate economies of scale.

Pro forma 2011 revenue for Sopra Group's UK subsidiary totalled around €106 million.

4.3.2. Acquisition of Callataÿ & Wouters

Sopra Group has acquired a majority interest in Belgium company Callataÿ & Wouters (C&W), which sells the Thaler bank management software. A re-engineering project will subsequently be undertaken to combine C&W's Thaler business with the bulk of Sopra Group's Evolan business. This will lead to a new combined business, almost 90%-owned by Sopra Group, offering financial solutions to more than a thousand European institutions. This will put Sopra Group in the top tier of banking software vendors. C&W's founders and management will be involved in ensuring that the project succeeds.

C&W was established in Belgium in 1983, and supplies IT solutions for retail banks, private banks and online banks.

Its flagship product, Thaler, is a powerful banking software suite that can operate either as an integrated solution covering the full range of banking systems or as a modular solution dedicated to specific business areas. Thaler is used by more than 40 banks in 15 countries.

Revenue in 2011 was approximately €80 million, with the business employing around 600 people.

This acquisition is perfectly aligned with the Group's strategy of creating a leading European banking software vendor. This strategy provides employees with attractive career opportunities.

Sopra Group expects this acquisition to be immediately accretive. Given the high level of complementarity between the businesses, the Group is expecting the resulting synergies to stimulate revenue growth and generate economies of scale.

Sopra Group's pro forma 2011 revenue for dedicated banking sector solutions was around €200 million.

In the 2012 edition of the *Truffle 100*, Sopra Group ranks third among French software companies following this acquisition, with 2011 revenue from software activities of €275 million on a pro forma basis and nearly 2,000 employees, including 700 persons working on a day-to-day basis on innovation and R&D projects.

4.3.3. Change in financial position

There has not been any significant change in the Group's financial or trading position since the close of the last financial year for which audited financial statements or interim financial statements have been published.

4.4. Outlook for 2012

As of this writing, there are no other known events considered likely to have a material impact on the Group's financial position.

Due to current market conditions, the Group is not in a position to give an accurate estimate of projected 2012 performance. However, the Group remains confident in its strategic choices, business positioning and product range, which it believes should enable it to outperform the market.

5. Subsidiaries and associated entities

5.1. Acquisitions of equity interests in subsidiaries and associated entities

5.1.1. Spin-off and listing of the Axway sub-group

The various steps in this process are described below.

a) Preliminary transactions

Distribution of a dividend by Axway Software

Axway Software distributed dividends in the amount of €7.9 million, together with an exceptional distribution from reserves in the amount of €13.9 million (see Axway Prospectus at 29 April 2011, Note 26.1.1.4), thus a total of €21.8 million received by Sopra Group.

Reduction of Sopra Group's capital

At the Combined General Meeting of 10 May 2011, it was decided to reduce Sopra Group's capital by way of a €3.00 reduction in the par value of each share, from €4.00 to €1.00.

On the basis of a total share capital comprised of 11,863,245 shares at 10 May 2011, a share capital reduction of €35.6 million was recognised to offset the increase in share premiums.

A corresponding reduction in the legal reserve was made for an amount of €3.6 million, with the balancing entry being the creation of a free reserve.

b) Spin-off and listing transactions

At its meeting of 8 June 2011, the General Meeting of Sopra Group shareholders approved the distribution by Sopra Group to its shareholders, in respect of each Sopra Group share eligible for the distribution,

- one Axway Software share with a value of €18.61 validated by an independent expert;
- a payment in the amount of €3.92 to offset the major portion of the French tax impact from this distribution.

Distribution of Axway Software shares and evaluation of the equity interest retained by Sopra Group in Away

Under IAS 27, when control of a subsidiary is lost, all of the remaining ownership interest retained in the subsidiary must be remeasured to fair value at the date on which control is lost. The impact of this revaluation must be taken to profit for the period.

However, IAS 39 regarding financial instruments does not permit the reference value to be applied for measuring the fair value of the remaining ownership interest retained, to the extent that the distribution of Axway Software shares has given rise to a listing of the shares. Measurement must therefore be performed on the basis of the Axway Software share's price on its first day of trading. On the basis of an average share price of €23.94 on 14 June 2011, the total value of Sopra Group's retained ownership interest amounts to €101.4 million and results in capital gains of €71.4 million in relation to the corresponding Group share in previously consolidated equity.

Cash distribution

On the basis of a share capital comprised of 11,885,135 shares at 8 June 2011, an extraordinary dividend was distributed to Sopra Group shareholders in the amount of €46.6 million on 14 June 2011.

Tax

The dividends received by Sopra Group from Axway together with the distribution of Axway shares by Sopra Group generate estimated tax of €5.9 million.

5.1.2. Axway capital increase

Axway Software carried out a capital increase on 18 July 2011; Sopra Group participated in this capital increase to the extent allowed by its shareholding, Sopra Group thus purchased 1,058,844 Axway shares at €15.35 each, for a total of €16,253,255. Following the capital increase, the group owns 26.27% of Axway.

5.1.3. First consolidation

In early October 2011 Sopra Group acquired a 100% interest in Delta-Informatique by way of a cash transaction. The purpose of this acquisition was to bolster Sopra Group's international positioning in financial services. Delta-Informatique publishes markets and implements Delta-Bank, an integrated banking software package used by numerous financial institutions throughout the world. Delta-Informatique and its subsidiary Cameroun Delta-Informatique were consolidated on 1 October 2011.

5.1.4. Deconsolidated entities

There were no significant changes in the Group's scope of consolidation during the first six months of 2011 other than the deconsolidation of the sub-group consisting of Axway Software and its subsidiaries.

The loss of exclusive control over the Axway Group as a result of the spin-off and listing of Axway gave rise to a change in consolidation method. Whereas it was previously fully consolidated. Axway Group has been consolidated using the equity method with effect from 14 June 2011.

5.1.5. Reorganisation of legal entities

On 1 June 2011, Sopra Consulting was dissolved and all its assets transferred to Sopra Group. This operation had no impact on the consolidated financial statements.

5.2. List of direct subsidiaries

This list is detailed in Section 6 – Individual financial statements – Note 5.9.

6. Risk factors

As indicated in Chapter 3, the Group has carried out a review of risks with a potentially material adverse impact on its business, its financial positions or its results and considers that it is not exposed to any material risks other than those presented in this Reference Document.

6.1. Legal risks

6.1.1. 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 any of its subsidiaries have filed patent protection for software.

c) Sofware 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, nontransferable user licences for software packages supplied to their clients.

6.1.2. Software distribution

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

6.1.3. Specific regulations

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

6.1.4. Significant disputes and financial impact on the Company

Provisions are recognised in respect of disputes, as described in Notes 16 and 37 of the notes to the consolidated financial statements.

Risks are recognised in accordance with the method presented in Note 1.20 of the consolidated financial statements.

The Group is not aware of any legal or arbitration proceedings which could have a significant impact other than those reflected in the Group's financial position. As of the publication date of this document, Sopra Group is not aware of any governmental, legal or arbitration proceedings, including any proceedings that may be suspended or threatened which may have or which have had a material impact on the Company's financial position or profitability during the past 12 months.

6.2. 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.

6.3. Financial risks

These risks are discussed in Note 33 of the consolidated financial statements.

Sopra Group has entered into two syndicated credit facilities with its banks, one in the amount of €200 million in October 2005 and another in the amount of €132 million in April 2008. The Group has undertaken to comply with the covenants described in Note 36.4 of the consolidated financial statements.

The Company has conducted a specific review of its exposure to liquidity risk and considers that it is able to meet its future maturities.

6.4. Comments on business activity

These risks are discussed in the Chairman's report on corporate governance and internal control procedures (Cf. Paragraph 4 of Chapter 3).

6.4.1. Risks related to the nature of contracts

The breakdown of revenue according to the nature of contracts is summarised in the table below:

% of Group's total revenue	2011	2010
Consulting	5%	11%
Fixed-price projects	16%	13%
Technical assistance	26%	17%
Application outsourcing	39%	28%
Industry application solutions	14%	13%
Axway	-	18%
TOTAL	**100%**	**100%**

Fixed-price revenue includes:

- 100% of fixed-price projects;
- approximately 50% of application outsourcing;
- approximately 20% of industry application solutions.

About 40% of the Group's total revenue is exposed to the risk inherent in the determination of costs during contractual negotiations. For information: in recent financial years we have not recorded any material fixed price overruns that would affect our ability to generate margins.

6.4.2. Downtime

Downtime is equal to the number of days between two projects (excluding training, illness, paid leave, pre-sales, etc.) divided by the total number of days worked by our active engineers.

This rate was approximately 2.9% in 2011 and 3.0% in 2010.

6.5. Risk of client or supplier dependency

6.5.1. Risk of client dependency

In 2009, our number one client accounted for 6.2% of the Group's total revenue; the top five clients represented 21.2% and the top ten represented 32%.

In 2010, our number one client accounted for 5.8% of the Group's total revenue; the top five clients represented 21.1% and the top ten represented 32.6%.

In 2011, our number one client accounted for 7.3% of the Group's total revenue; the top five clients represented 24.4% and the top ten represented 37.4%.

Our main clients include EADS, Société Générale, France Telecom, Crédit Agricole, EDF, Mulliez-Auchan, and BNP Paribas.

6.5.2. Risk of supplier dependency

The most significant suppliers are the travel agency, the organisation issuing restaurant vouchers for staff members, a few sub-contractors and the owners of premises. There are many other suppliers each representing a low purchase amount. There is no significant risk related to the insolvency of any of our suppliers or sub-contractors.

6.6. Insurance and risk coverage

6.6.1. Civil liability insurance

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

This contract provides worldwide cover with the exception of the United States, Canada and North Korea, depending on the loss involved, for the period from 1 January 2011 to 31 December 2012.

The amounts of the cover and excesses are as follows:

a) Premises and operations liability

- All-inclusive (bodily injury, property damage and financial losses, whether consecutive or not): €40,000,000 per year covered, of which €1,500,000 for accidental environmental damage.
- Excess: €15,000 for all damage claims except bodily damage.

b) Commercial general liability

- All-inclusive (bodily injury, property damage and financial losses, whether consecutive or not): €40,000,000 per year of insurance, of which:
  - additional expenses: €10,000,000 per year covered;
  - computer virus: €5,000,000 per year covered.
- Excess: €150,000 for all damage claims except bodily damage.

6.6.2. Civil liability relating to aeronautic products

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

6.6.3. Directors and officers liability insurance

Sopra Group has also contracted an insurance policy covering senior executives' liability.

7. Information concerning company officers

The information required pursuant to Article L. 225-102 of the French 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.*

8. Information on transactions in securities by directors or persons designated by Article L. 621-18-2 of the French Monetary and Financial Code

Pursuant to Article 223-26 of the general regulations of the AMF, the transactions referred to in Article L. 621-18-2 of the French Monetary and Financial Code during financial year 2010, relating to Sopra Group shares, were as follows:

Category(1)	Name	Function	Transaction type(2)	Transaction date	Number of securities	Unit price *(in euros)*	Transaction amount
a	Eric Pasquier	Related to Pierre Pasquier	D	25/02/2011	4,795	72.1802	346,104.06
a	Eric Pasquier	Related to Pierre Pasquier	D	28/02/2011	1,205	72.1522	86,943.42
a	Yann Metz	Related to Pierre Pasquier	D	01/04/2011	1,583	72.6959	115,043.85
a	Yann Metz	Related to Pierre Pasquier	D	12/12/2011	1,500	36.3616	54,542.35
a	Yann Metz	Related to Pierre Pasquier	D	13/12/2011	500	36	18,000.00

(1) Category:
a: members of the Board of Directors, CEO, Unique CEO, Managing Director.

(2) Type of transaction:
A: Acquisition; D: Disposal; S: Subscription; E: Exchange

9. Employee share ownership

Pursuant to the provisions of Article L. 225-102 of the French Commercial Code, we hereby inform you that, at 31 December 2011, 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 (FCPE);
- employees during periods of inalienability provided for in Articles L. 225-194 and L. 225-197 of the French Commercial Code.

10. Information required by Law 2006-387 of 31 March 2006 relating to public acquisition offers

1° The Company's ownership structure is presented in Section 2 of Chapter 7 of the Reference Document.

2° There are no restrictions in the Articles of Association:

- relating to the number of voting rights per share; the General Meeting held on 22 June 2010 approved the elimination of double voting rights (Article 29 after the Meeting of 22 June 2010). Henceforth, each Sopra Group share will be attributed one voting right;
- 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 French 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 Section 2 of Chapter 7 of this Reference Document.

4° There are no special controlling rights.

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 Section 2 of Chapter 7 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 33 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 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 22 June 2010 in its resolutions 8 to 14.

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 syndicated credit facilities concluded at the end of October 2005, April 2008 and June 2011.

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, other than those stipulated in the related-party agreements mentioned in Chapter 3, Section 3.1.

11. Corporate Social Responsibility

This information is provided in Chapter 2 of this Reference Document.

12. Proposed appropriation of earnings (third resolution)

Sopra Group's profit available for distribution (individual financial statements), determined as follows, is €173,287,949.00:

Profit for the year	€173,287,949.00
Retained earnings: dividends not paid on treasury shares	€4,960.00
TOTAL	**€173,292,909.00**

In consideration of the consolidated net profit amounting to €62,871,886, we propose that shareholders appropriate the profit available for distribution in the following manner:

Legal reserve	€3,024.10
Dividend	€22,597,623.40
Discretionary reserves	€150,692,261.50
TOTAL	**€173,292,909.00**

Thus increasing the legal reserve to €1,189,348.60 10% of the Company's share capital.

Based on the number of shares composing the share capital at 31 December 2011 (11,893,486), the dividend allocated per share would be €1.90. The dividend would be paid as of 26 June 2012.

For individual shareholders resident in France for tax purposes, it should be noted that the entirety of the proposed dividend is eligible for the 40% tax deduction in application of Article 158-3-2 of the French Tax Code, with the exception of any options exercised no later than the date on which the dividend becomes payable, for the withholding tax of 21% provided for under Article 117 *quater* of the French Tax Code, and is subject to social levies and additional contributions at the rate of 13.50% deducted at source by the Company.

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

	2008	2009	2010
Total dividend	€19,313,235.15	€9,402,034.40	€9,483,156.00
Number of dividend bearing shares	11,704,991	11,752,543	11,853,945
Dividend per share paid	€1.65	€0.80	€0.80

13. Regulated agreements (fourth and fifth resolutions)

You are invited to approve the Agreements detailed in the Statutory Auditors' special report.

14. Reappointment of a principal Statutory Auditor and an alternate Statutory Auditor (sixth resolution)

In accordance with Article L. 225-28 of the French Commercial Code, the shareholders are requested to approve the appointment of Statutory Auditors by way of a draft resolution put forward by the Board of Directors.

The terms of office of the following have expired:

- Mazars, principal Statutory Auditors; and
- Mr Jean-Louis Simon, alternate Statutory Auditor.

The Board of Directors thus proposes that the following be reappointed:

- Mazars as principal Statutory Auditors; and
- Mr Jean-Louis Simon as alternate Statutory Auditor.

for a term of six financial years, expiring at the end of the General Meeting held in 2018 to approve the financial statements for the year ending 31 December 2017.

15. Renewal/appointment of members of the Board of Directors (seventh to seventeenth resolutions)

As the terms of office of all members of the Board of Directors are due to expire at the close of the General Meeting to be held on 19 June 2012, you are invited to reappoint or appoint the following individuals, each for a term of six years, which shall thus expire at the close of the General Meeting convened in 2018 to approve the financial statements for the year ending 31 December 2017:

- Christian Bret (new appointment);
- Kathleen Clark-Bracco (new appointment);
- Gérard Jean (reappointment);
- Hélène Martel-Massignac (new appointment);
- Françoise Mercadal-Delasalles (new appointment);
- Jean Mounet (new appointment);
- François Odin (reappointment);
- Pierre Pasquier (reappointment);
- Jean-Luc Placet (new appointment);
- Hervé Saint-Sauveur (reappointment);
- Jean-François Sammarcelli (reappointment).

It is worth noting that, at the close of the General Meeting, the Board of Directors will thus be comprised of eleven members, including three women and four independent directors. Bernard Michel's term of office as Advisor continues until the close of the General Meeting convened in 2016 to approve the financial statements for the year ending 31 December 2015.

Christian Bret, 71, an engineer and graduate of ESCPE-Lyon, has held top-level positions throughout his career with companies in the digital sector. He formerly served as Managing Director of Sligos, then Deputy Chairman and Chief Executive Officer of CISI, before joining France Telecom as Managing Director of its Business-to-Business division. Christian Bret is also Managing Partner of Eulis, a strategy consulting firm he founded in 2003. He is a Director of Econocom and is Founder and Deputy Director of Cercle 01 Innovation-Technologies, an association bringing together 40 chairmen or chief executives of major French companies.

Kathleen Clark-Bracco, 44, was appointed Managing Director of Sopra GMT on 1 January 2012. She also serves as Sopra Group's Director of Financial Communications and is thus responsible for investor relations as a whole. In April 2011, Kathleen Clark-Bracco was appointed to Axway Software's Board of Directors. She holds degrees from the University of California, San José (1989) and the University of California, Irvine (1994) and began her professional career in the United States.

Hélène Martel-Massignac, 50, trained as a chartered accountant. She currently serves as General Manager of Caravelle and has been a member of this company's Board of Directors since its founding in 1995. Caravelle is a diversified holding company and shareholder of both Sopra Group and Axway Software. Hélène Martel-Massignac has also served as Chairman of the Supervisory Board of Cooper SAS since its acquisition by Caravelle in 2000. In addition, she is currently a member of the Supervisory Boards of Arcole Industries and Benalu, and Chairman of Hôtel Sully Saint Germain, all subsidiaries of Caravelle.

Françoise Mercadal-Delasalles, 49, has spent her career to date working for the French Ministry of Finance (Budget Directorate) and in the banking sector. Since February 2009, she has been Société Générale Group's Resources Director and a member of the Group's Executive Committee. In April 2011, she was appointed to Axway Software's Board of Directors. Françoise Mercadal-Delasalles holds degrees in law as well as letters, arts and sciences and is a graduate of the Institut d'Etudes Politiques de Paris and an alumna of the Ecole Nationale d'Administration (class of 1986/1988).

Jean Mounet, 67, is an engineer and graduate of École Supérieure de Chimie de Lyon (now CPE Lyon), holds a doctorate in physics and is a graduate of Stanford University's Graduate School of Business in strategic marketing management. He has spent most of his career with Bull and Sopra Group, where he has served as Managing Director. Jean Mounet is a highly regarded figure in our industry, whose interests he represented as Chairman of Syntec Informatique from 2003 to 2010. Currently, he participates in an advisory capacity in the meetings of Sopra Group's Executive Committee. He serves as one of the eleven personnalités qualifiées (expert advisors) of Pacte PME, a French association helping small and medium-sized enterprises unleash their full potential for growth and innovation. Jean Mounet is also a member of the Executive

Committee of Fondation Télécom and Chairman of the Executive Committee of the Observatoire du Numérique research unit.

Jean-Luc Placet, 60, is a graduate of ESSEC. He began his career in Saint-Gobain's marketing department, then worked for the French monthly business magazine L'Expansion, before joining IDRH in 1981, where he has served as Chairman and Chief Executive Officer since 1992. In 2005, Jean-Luc Placet was named to the Conseil Économique et Social, a consultative body for economic and social policy established by the French Constitution, and became vice-chairman of the Conseil's labour and employment section in 2010. Since 2007, he has been a member of the Executive Committee of MEDEF, the French employers' union, and was named chairman of its "Respect de l'Homme" (human rights) committee in 2010, a position he still occupies today. In 2011, Jean-Luc Placet was appointed Chairman of Fédération Syntec, the umbrella organisation for French professional associations in the IT services, consulting, engineering, market research and public relations sectors. He previously served as Chairman of Syntec Conseil en Management, one of the five professional associations grouped under Syntec Etudes et Conseil, from 2004 to 2010 and as Chairman of FEACO, the European federation of management consultancy associations, from 2006 to 2008. Jean-Luc Placet is Honorary Chairman of ESSEC Alumni. In 2009, he was named a Director of EPIDE, a French government agency that assists under-skilled and disadvantaged young people in finding employment. Since 2001, he has been a Director of the Association du Musée de la Légion d'Honneur and a member of the Institut de l'Entreprise.

Information relating to active members of the Board of Directors whose appointments you are invited to renew is provided in Chapter 3, Section 1.1 of this Reference Document.

16. Setting of Directors' fees (eighteenth resolution)

We propose that directors' fees for the Board of Directors for financial year 2012 be set at €250,000.

17. Authorisation granted to Sopra Group to trade its own shares – cancellation of treasury shares (nineteenth and twentieth resolutions)

The Combined General Meeting of 10 May 2011, acting in accordance with the provisions of Article L. 225-209 of the French Commercial Code, authorised the Board of Directors to trade the Company's shares on the stock exchange under a liquidity contract.

At 31 December 2010 Sopra Group held a total of 10,500 treasury shares acquired at an average price of €55.22 managed under an AFEI liquidity contract by an investment services provider.

During the period between 1 January – 13 June 2011, Sopra Group bought 75,490 of its own shares at an average price of €73.37 and sold 84,190 shares at an average price of €73.46.

At close of business on 13 June 2011 Sopra Group held 1,800 shares at an average price of €84.78 each.

Before start of trading on 14 June 2011. Sopra Group carried out an extraordinary distribution of reserves and premiums representing €3.92 per share and one Axway Software share for every Sopra Group share held.

From 14 June 2011 to 31 December 2011, Sopra Group bought 90,285 of shares at an average price of €48.37 and sold 68,585 shares at an average price of €46.42.

At 31 December 2011, Sopra Group owned 23,500 treasury shares purchased at an average price of €40.07.

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 French Commercial Code, up to limit of 10% of the shares making up the Company's share capital. Thus 1,189,348 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;
- the possible cancellation of the shares acquired, subject to the adoption of the twentieth resolution included on the agenda for the General Meeting of 19 June 2012;
- 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 €100 which, given the current number of shares making up 10% of the Company's share capital, results in a maximum total price of €118,934,800.

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 18 December 2012 inclusive.

In order to give your Board of Directors complete flexibility in the use of the shares bought back, it is requested that the General Meeting of 19 June 2012 supplement this authorisation with the authorisation to cancel all or a portion of the shares acquired in accordance with the provisions of Article L. 225-209 *et seq.* of the French Commercial Code (acquisition authorisation presented above) and up to a limit of 10% of the share capital over a period of 24 months, thus until 18 June 2013 inclusive.

18. Constitution of an economic unit grouping together all of Sopra Group's banking software activities (twenty-first resolution)

In light of the recent acquisitions of Delta-Informatique and Callataÿ & Wouters, Sopra Group has decided to set up a new division bringing together all of its banking software development and distribution activities so as to harness synergies, concentrating all of these operations within a single entity, Sopra Banking Software, able to offer solutions to clients across the entire financial services and banking sector.

These software solutions are currently in use by more than 1,000 financial institutions in over 50 countries. Taken together, the operations involved generated revenue of about €200 million in 2011, on a pro forma basis. Upon completion of the proposed plan, Sopra Banking Software, a wholly owned subsidiary of Sopra Group, would employ more than 1,500 staff.

This plan aims to further raise the profile of Sopra Group, now one of leading players in banking software, in line with the Group's medium-term strategic objectives.

The creation of this new division necessitates preliminary internal restructuring efforts, carried out under the supervision of a special auditor for asset transfers, without any impact on Sopra Group's consolidated financial statements. To this end, you are invited to approve the proposed partial transfers by Sopra Group of assets relating to its banking software development and distribution business to the Group's wholly owned subsidiary, Sopra Banking Software, which already houses the Callataÿ & Wouters business.

From a legal standpoint, these transfers of assets shall enter into force definitively on the date of the General Meeting of Sopra Banking Software held to officially authorise these transfers following their completion, subject to your prior approval. At that date, Sopra Group shall transfer to Sopra Banking Software all of the assets and liabilities of its banking software development and distribution business:

- the Evolan business unit;
- all shares constituting the issued capital of the Belgian company BAI;
- all shares constituting the issued capital of the French company Delta-Informatique.

As consideration for these transfers, Sopra Group shall receive the entirety of the Sopra Banking Software shares issued in exchange.

In order to facilitate the completion of this plan, each of the transfers:

- shall be valued, and consideration shall be determined, on the basis of its net carrying amount;
- shall take effect retrospectively, for accounting and tax purposes, from 1 January 2012, the opening date of the current financial year;
- shall be entitled to deferred taxation in accordance with the preferential tax treatment applying to partial transfers of assets and provided for in Articles 210 A, 210 B, 257 *bis* and 816 of the French Tax Code.

This proposal has been presented to the employee representative bodies.

19. Approval of resolutions granting authority to the Board of Directors to increase the Company's share capital (twenty-second to twenty-ninth resolutions)

The authorisations granted to the Board of Directors on 22 June 2010 to increase the Company's share capital with or without pre-emptive rights for existing shareholders, by any method of its choosing, and to raise finance on the market by issuing securities that give or might give access to the Company's equity, with or without pre-emptive rights for existing shareholders, remain valid until 21 July 2012. However, their statutory validity period expires prior to the date of the next General Meeting.

To ensure that the Board of Directors remains in a position to initiate whichever of these financial operations is best suited to the Company's needs and market opportunities, as appropriate and at the most opportune time, we propose that you vote to renew the authorisations granted in 2010 so that we have the tools needed to implement our strategy.

You are therefore requested to authorise the Board of Directors to increase the Company's share capital and to issue securities on one or more occasions, with or without pre-emptive rights for existing shareholders (twenty-second and twenty-fourth resolutions), for a maximum nominal amount of:

- €3.5 million where the securities issued are Sopra Group shares or their equivalent;
- €250 million where the securities issued are securities that entitle their holder to hold Sopra Group shares in the future (for a nominal amount of €3.5 million).

You are also requested to grant authority to the Board of Directors to attach a gross-up clause to any such capital increase or securities issue. Such a clause would become usable if the Board noted that the demand for securities exceeded the number of securities to be issued, as laid down in Article L. 225-135-1 and R. 225-118 of the French Commercial Code and up to a maximum of the aggregate limits put in place (a nominal amount of €3.5 million, or €250 million for securities giving future access to equity) and up to a maximum of 15% of the amount of the initial offering (twenty-third and twenty-sixth resolutions).

Furthermore, these authorisations could be combined, if the shareholders agreed, with an authorisation enabling the Board of Directors, in the event of a capital increase, to reserve a specific tranche of securities for employees of the Group under the terms of a company or group employee savings plan. Any such tranche would be capped at 10% of the shares issued, within the single limit referred to in paragraph 20 below (twenty-ninth resolution).

For capital increases and autres securities issues without pre-emptive rights for existing shareholders, to enable the Board of Directors to ensure that the Company can take advantage of any opportunities that arise and is in a position to carry out such capital increases and securities issues, you are requested to specify the financial power granted to the Board by authorising it to:

- make use of the authorisation to increase the Company's share capital up to a legal maximum of 10% of its total share capital (the statutory limit) in consideration of asset transfers, in accordance with Article L. 225-147 of the French Commercial Code (twenty-eighth resolution);
- make use of the authorisation to increase the Company's share capital by way of a public offering or an offering open to qualified investors or to a restricted group of investors, in accordance with Article L. 225-136 of the French Commercial Code, including the authorisation to set the issue price, up to a maximum of 10% of the Company's total share capital (the statutory limit) as at the date of this General Meeting. As such, you are nevertheless requested to agree that this price would be at least equal to the weighted average price over the last three trading days, subject to a maximum possible discount of 5%. For capital increases exceeding 10% of the Company's total share capital as at the date of this General Meeting, the issue price shall be equal to the weighted average price over the last three trading days, subject to a maximum possible discount of 5%. Finally, any capital increase open to qualified investors or to a restricted group of investors will, in any event, be limited to a maximum of 15% of the Company's total share capital as at the date of this General Meeting (twenty-seventh resolution).

In conjunction with these authorisations, you are invited to delegate to the Board of Directors the authority to increase the share capital through the incorporation of reserves or issue premiums, either by creating new shares to be distributed to shareholders in proportion to their existing holdings or by raising the par value of existing shares (twenty-fourth resolution).

20. Authorisations requested with the effect of giving employees and/or officers of the group or an interest in its share capital (twenty-ninth to thirty-second resolutions)

You are invited to allow the Board of Directors to perform any of the following, at its discretion but in keeping within a single overall ceiling set at 5% of the share capital:

- to grant or issue to employees and officers of the Company or of any of its affiliated undertakings, with the aim of giving them a stake in the Company's share capital and bringing their interests in line with those of shareholders:
  - options to subscribe to shares (thirtieth resolution),
  - bonus shares (thirty-second resolution),
  - warrants to subscribe to and/or acquire redeemable shares (BSAARs) (thirty-first resolution);
- in the event of a capital increase, to reserve a specific portion of the shares issued for employees enrolled in a company savings plan within the Group (twenty-ninth resolution).

For your information, it should be noted that:

- in the current year, the Board plans to use the thirty-second resolution to allocate 15 shares, or a cash premium in an equivalent amount, to all employees across the Group. This allocation could result in a maximum theoretical dilution of 1.5%, to be deducted from the overall ceiling of 5%. This maximum theoretical dilution does not take into account the loss of rights of employees having left the Group during the vesting period at the end of which their ownership of the shares would be effective (the Group's staff turnover rate was 12.5% in 2011 and the vesting period lasts between two and four years, depending on the country of employment);
- the authorisation given to the Board of Directors by the Combined General Meeting of 10 May 2011 to grant share subscription options to employees and officers of the Company or of any of its affiliated undertakings in an amount corresponding to 3% of the share capital, thus 355,618 shares, valid for a period of thirty-eight months and used to date to grant a total of 5,000 options (0.04% of the share capital), shall be rendered null and void by the adoption of the thirtieth resolution;
- share subscription options already granted and not yet exercised currently represent a maximum theoretical dilution of 1.74%.

21. Extension of the Company's term of existence (thirty-third resolution)

The Company's term of existence is set at 50 years as from 25 January 1968; it shall therefore expire on 25 January 2018. You are invited to extend this term to a period of 99 years as from 19 June 2012, the date of the General Meeting; the new term of existence shall thus expire on 19 June 2111.

22. Extension of the age limit for the Chairman of the Board of Directors (thirty-fifth resolution)

You are invited to extend the age limit associated with the position of Chairman of the Board of Directors to 85 years.

23. Amendments to the Articles of Association to ensure compliance with current legislation (thirty-fourth and thirty-sixth to thirty-eighth resolutions)

You are invited to adapt the wording of the Articles of Association to take into account:

- the fact that the ledger of registered shares is not kept at the Company's registered office, but is maintained by an accredited agent on behalf of the issuer;
- recent changes in legal or regulatory frameworks relating to the disclosure of regulated agreements as well as procedures for General Meeting agendas and admission to General Meetings.

Paris, 26 April 2012,

The Board of Directors

ANNEX TO THE MANAGEMENT REPORT OF THE BOARD OF DIRECTORS SUBMITTED TO THE GENERAL MEETING

Amendments made to the Articles of Association in accordance with the proposed resolutions are presented below.

ARTICLE 5 – TERM (amended by the 33rd resolution)

Wording before amendment	Wording after amendment
5.1. The Company's term is set at 50 years as from 25 January 1968. Therefore, the Company's term shall expire on 25 January 2018 unless the Company is dissolved before such date or its term is extended.	5.1. The Company's term is set ***at 99 years as from 19 June 2012. Therefore, the Company's term shall expire on 19 June 2111 unless the Company is dissolved before such date or its term is extended.***
5.2. At least one year before the expiry date of the Company's term, the Board of Directors shall convene an extraordinary general meeting of the shareholders for the purpose of deciding whether the Company's term should be extended. Failing this, after having unsuccessfully made a demand on the Company, any shareholder may request the Presiding Judge of the Commercial Court with jurisdiction over the registered office, ruling pursuant to an ex parte application, to appoint a judicial representative charged with convening the meeting and reaching the decision described above.	5.2. At least one year before the expiry date of the Company's term, the Board of Directors shall convene an extraordinary general meeting of the shareholders for the purpose of deciding whether the Company's term should be extended. Failing this, after having unsuccessfully made a demand on the Company, any shareholder may request the Presiding Judge of the Commercial Court with jurisdiction over the registered office, ruling pursuant to an ex parte application, to appoint a judicial representative charged with convening the meeting and reaching the decision described above.

ARTICLE 11 – SHARE TRANSFERS – IDENTIFICATION OF SHAREHOLDERS (amended by the 34th resolution)

Wording before amendment	Wording after amendment
Shares shall be registered in an account opened, in accordance with legal provisions, by the issuing company or a financial intermediary approved by the Ministry of Economy and Finance.	Shares shall be registered in an account opened, in accordance with legal provisions, by the issuing company or a financial intermediary approved by the Ministry of Economy and Finance.
The ownership of shares issued in registered form shall be effective upon their registration in the name of the shareholder(s) in the registers kept for such purpose at the *registered office.*	The ownership of shares issued in registered form shall ***be effective upon their entry in the name of the shareholder(s) in ledgers maintained for this purpose by the agent appointed by the Company under the conditions and in accordance with the procedures set forth by law***.
The ownership of bearer shares shall be effective upon their registration in an account maintained by an authorised financial intermediary.	The ownership of bearer shares shall be effective upon their registration in an account maintained by an authorised financial intermediary.
Shares that are required to be in registered form may be traded on the stock market only if they have been previously deposited in an administration account with an authorised intermediary.	Shares that are required to be in registered form may be traded on the stock market only if they have been previously deposited in an administration account with an authorised intermediary.
Shares that are not required to be in registered form may be traded on the stock exchange only if they have been converted into bearer shares.	Shares that are not required to be in registered form may be traded on the stock exchange only if they have been converted into bearer shares.
If the shares have not been paid in full, the transfer order must also be signed by the transferee.	If the shares have not been paid in full, the transfer order must also be signed by the transferee.
Transfers of shares without consideration or by inheritance shall also be made by a transfer from one account to another, upon proof that the conveyance has been carried out in accordance with legal requirements.	Transfers of shares without consideration or by inheritance shall also be made by a transfer from one account to another, upon proof that the conveyance has been carried out in accordance with legal requirements.
Share transfer costs shall be borne by the transferee.	Share transfer costs shall be borne by the transferee.
Shares for which all amounts owed have not been paid in full shall not be eligible for transfer.	Shares for which all amounts owed have not been paid in full shall not be eligible for transfer.

Wording before amendment	Wording after amendment
The Company may at any time, at its own expense, in accordance with the statutory and regulatory requirements in force, request the "central depository" that maintains its securities issue account to provide it with, as applicable, the name or company name, nationality, year of birth or year of incorporation and address of the holders of securities that confer voting rights, immediately or in the future, at its shareholders' meetings, as well as the number of securities held by each one and, if applicable, any restrictions that may be imposed on the securities.	The Company may at any time, at its own expense, in accordance with the statutory and regulatory requirements in force, request the "central depository" that maintains its securities issue account to provide it with, as applicable, the name or company name, nationality, year of birth or year of incorporation and address of the holders of securities that confer voting rights, immediately or in the future, at its shareholders' meetings, as well as the number of securities held by each one and, if applicable, any restrictions that may be imposed on the securities.
Shares shall be freely transferable, unless otherwise provided by statutory or regulatory provisions. Shares are transferred by a transfer from one account to another.	Shares shall be freely transferable, unless otherwise provided by statutory or regulatory provisions. Shares are transferred by a transfer from one account to another.

ARTICLE 15 – ORGANISATION OF THE BOARD (amended by the 35th resolution)

Wording before amendment	Wording after amendment
The Board of Directors shall elect a Chairman from among its members, who must be an individual; otherwise, the appointment shall be void. The Board of Directors shall establish the Chairman's remuneration.	The Board of Directors shall elect a Chairman from among its members, who must be an individual; otherwise, the appointment shall be void. The Board of Directors shall establish the Chairman's remuneration.
The Chairman shall be appointed for a term that may not exceed his term of office as director. The Chairman may be reappointed. The Board may remove the Chairman from office at any time.	The Chairman shall be appointed for a term that may not exceed his term of office as director. The Chairman may be reappointed. The Board may remove the Chairman from office at any time.
No person over the age of 80 may be appointed Chairman. If the Chairman in office exceeds this age, he shall automatically be deemed to have resigned.	No person ***over the age of 85*** may be appointed Chairman. If the Chairman in office exceeds this age, he shall automatically be deemed to have resigned.
The Board may appoint one or two Vice-Chairmen from among the directors.	The Board may appoint one or two Vice-Chairmen from among the directors.
The Board may also appoint a secretary, who is not required to be a director or shareholder.	The Board may also appoint a secretary, who is not required to be a director or shareholder.
In the Chairman's absence, Board meetings shall be chaired by the oldest Vice-Chairman. Failing this, the Board shall appoint a chairman for the meeting from among its members	In the Chairman's absence, Board meetings shall be chaired by the oldest Vice-Chairman. Failing this, the Board shall appoint a chairman for the meeting from among its members.

ARTICLE 22 – REGULATED AGREEMENTS (amended by the 36th resolution)

Wording before amendment	Wording after amendment
All agreements made directly or through an intermediary between the Company and its Chief Executive Officer, an Executive Vice-President, a director, a shareholder holding more than 10% of voting rights or, if the shareholder is a company, with the company controlling such shareholder within the meaning of Article L. 223-3 of the French Commercial Code, shall require the prior approval of the Board of Directors.	All agreements made directly or through an intermediary between the Company and its Chief Executive Officer, an Executive Vice-President, a director, a shareholder holding more than 10% of voting rights or, if the shareholder is a company, with the company controlling such shareholder within the meaning of Article L. 223-3 of the French Commercial Code, shall require the prior approval of the Board of Directors.
The foregoing shall also apply to agreements in which any of the persons described above has an indirect interest and to agreements made between the Company and any enterprise in which the Chief Executive Officer, an Executive Vice-President or a director is the owner, a partner or shareholder with unlimited liability, a manager, director, member of the Supervisory Board, or, generally, a person with management responsibilities in such enterprise.	The foregoing shall also apply to agreements in which any of the persons described above has an indirect interest and to agreements made between the Company and any enterprise in which the Chief Executive Officer, an Executive Vice-President or a director is the owner, a partner or shareholder with unlimited liability, a manager, director, member of the Supervisory Board, or, generally, a person with management responsibilities in such enterprise.

Wording before amendment	Wording after amendment
A person with an interest in such agreements shall inform the Board immediately upon learning of an agreement requiring approval. Such person shall not take part in the vote on the requested authorisation.	A person with an interest in such agreements shall inform the Board immediately upon learning of an agreement requiring approval. Such person shall not take part in the vote on the requested authorisation.
Such agreements shall be submitted to a general meeting of the shareholders for approval, in accordance with legal requirements.	Such agreements shall be submitted to a general meeting of the shareholders for approval, in accordance with legal requirements.
The foregoing provisions shall not apply to agreements concerning the Company's day-to-day operations that are entered into on arm's length terms.	The foregoing provisions shall not apply to agreements concerning the Company's day-to-day operations that are entered into on arm's length terms.
However, a person with an interest in such agreements shall inform the Chairman of the Board of Directors. The Chairman shall provide to the members of the Board of Directors and to the Statutory Auditors the list and subject matter of said agreements no later than the date of the Board meeting convened to vote on the financial statements for the previous financial year. Shareholders may also obtain the list and subject matter of such agreements.	
The information requirement shall not apply to agreements that due to the purpose or financial consequences thereof are not significant for any of the parties.	
Directors who are not legal entities shall be prohibited from obtaining, in any form whatsoever, loans from the Company, current account or other overdraft facilities from the Company, or to have the Company provide a guarantee or pledge securing their undertakings to third parties.	*Directors who are not legal entities shall be prohibited from obtaining, in any form whatsoever, loans from the Company, current account or other overdraft facilities from the Company, or to have the Company provide a guarantee or pledge securing their undertakings to third parties.*
The same prohibition shall apply to the Chief Executive Officer, the Executive Vice-Presidents and to the permanent representatives of directors that are legal entities. The foregoing provision shall also apply to the spouses, ascendants and descendants of the persons referred to in this article, as well as to all intermediaries.	*The same prohibition shall apply to the Chief Executive Officer, the Executive Vice-Presidents and to the permanent representatives of directors that are legal entities. The foregoing provision shall also apply to the spouses, ascendants and descendants of the persons referred to in this article, as well as to all intermediaries.*

ARTICLE 27 – AGENDA (amended by the 37th resolution)

Wording before amendment	Wording after amendment
The agenda for general meetings shall be set by the person who gives notice of the meeting.	The agenda for general meetings shall be set by the person who gives notice of the meeting.
One or more shareholders representing at least 5% of the share capital and acting in accordance with the statutory requirements and time periods may, in a letter sent by recorded delivery (signed for), require that draft resolutions be added to the general meeting's agenda.	One or more shareholders ***representing at least the portion of share capital required by law and acting in accordance with legal requirements and time periods, may request that specific items of business or draft resolutions be added to the general meeting's agenda.***
The works council (comité d'entreprise) may also request that draft resolutions be added to the agenda of general meetings.	The works council (comité d'entreprise) may also request that draft resolutions be added to the agenda of general meetings.
A general meeting shall not deliberate on a matter of business that is not included in the agenda. However, a general meeting can in all circumstances dismiss and replace one or more directors.	A general meeting shall not deliberate on a matter of business that is not included in the agenda. However, a general meeting can in all circumstances dismiss and replace one or more directors.

ARTICLE 28 – ADMISSION TO MEETINGS – POWERS – COMPOSITION (amended by the 38th resolution)

Wording before amendment	Wording after amendment
General meetings shall include all shareholders, regardless of the number of shares they hold, who may participate personally or by proxy.	General meetings shall include all shareholders, regardless of the number of shares they hold, who may participate personally or by proxy.

Wording before amendment	Wording after amendment
All shareholders have the right to participate in general meetings provided they furnish proof, in accordance with legal requirements, that their shares are registered on accounts in their names or on their behalf in the name of their registered intermediary, pursuant to Article L. 228-1, paragraph 7, of the French Commercial Code, at 00.00 (midnight), Paris time, on the third business day before the meeting, or on the registered share accounts kept by the Company, or on the bearer share accounts kept by an authorised intermediary.	All shareholders have the right to participate in general meetings provided they furnish proof, in accordance with legal requirements, that their shares are registered on accounts in their names or on their behalf in the name of their registered intermediary, pursuant to Article L. 228-1, paragraph 7, of the French Commercial Code, at 00.00 (midnight), Paris time, on the third business day before the meeting, or on the registered share accounts kept by the Company, or on the bearer share accounts kept by an authorised intermediary.
Shareholders may be represented only by their spouse or another shareholder. For this purpose, proxies shall furnish proof of their authority to act. In the case of proxies given by a shareholder without specifying the name of the proxy holder, the chairman of the general meeting shall cast a vote in favour of the adoption of draft resolutions submitted or approved by the Board of Directors and a vote against the adoption of all other draft resolutions. To cast any other vote, a shareholder must choose a proxy who agrees to vote as indicated by the principal.	Any shareholder may be represented by his or her spouse, ***the partner with whom he or she has entered into a pacte civil de solidarité (PACS, the French civil union contract), another shareholder or any other private individual or legal entity of his or her choice***. For this purpose, proxies shall furnish proof of their authority to act. In the case of proxies given by a shareholder without specifying the name of the proxy holder, the chairman of the general meeting shall cast a vote in favour of the adoption of draft resolutions submitted or approved by the Board of Directors and a vote against the adoption of all other draft resolutions. To cast any other vote, a shareholder must choose a proxy who agrees to vote as indicated by the principal.
The legal representatives of shareholders who lack legal capacity and individuals representing shareholders that are legal entities may participate in general meetings whether or not they are shareholders.	The legal representatives of shareholders who lack legal capacity and individuals representing shareholders that are legal entities may participate in general meetings whether or not they are shareholders.
If the Board of Directors so decides at the time it convenes a general meeting, shareholders may also participate in said meeting by videoconference or any other means of telecommunications or electronic transmission, including the internet, that meets the conditions prescribed by the laws and regulations applicable at the time of the use thereof.	If the Board of Directors so decides at the time it convenes a general meeting, shareholders may also participate in said meeting by videoconference or any other means of telecommunications or electronic transmission, including the internet, that meets the conditions prescribed by the laws and regulations applicable at the time of the use thereof.
Shareholders who participate in a general meeting by videoconference or other means of telecommunications that enables them to be identified in a manner and in accordance with procedures in compliance with statutory and regulatory provisions shall be deemed present for the purposes of calculating the quorum and majority.	Shareholders who participate in a general meeting by videoconference or other means of telecommunications that enables them to be identified in a manner and in accordance with procedures in compliance with statutory and regulatory provisions shall be deemed present for the purposes of calculating the quorum and majority.
All shareholders may vote by post using the form prepared and sent by the Company in accordance with statutory and regulatory requirements. To be taken into account, such form must be received by the Company at least three days before the date of the meeting.	All shareholders may vote by post using the form prepared and sent by the Company in accordance with statutory and regulatory requirements. To be taken into account, such form must be received by the Company at least three days before the date of the meeting.
Two works council members, appointed by the works council in accordance with legal provisions, may attend general meetings. At their request, they shall be heard during the deliberations of all matters requiring a unanimous vote of the shareholders.	Two works council members, appointed by the works council in accordance with legal provisions, may attend general meetings. At their request, they shall be heard during the deliberations of all matters requiring a unanimous vote of the shareholders.

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

(in euros)	2011	2010	2009	2008	2007
Financial position of the Group at the year-end					
■ Share capital	11,893,486	47,415,780	47,010,172	46,819,964	46,686,124
■ Number of shares issued	11,893,486	11,853,945	11,752,543	11,704,991	11,671,531
■ Number of bonds convertible into shares	-	-	-	-	-
Results of operations for the year					
■ Revenue excluding VAT	850,278,131	770,733,208	723,828,915	715,262,937	616,050,938
■ Profit before tax, depreciation, amortisation and provisions	236,531,998	46,353,303	67,567,881	53,160,682	45,005,874
■ Corporate income tax	21,143,182	13,045,706	10,372,243	14,165,356	13,076,862
■ Profit after tax, depreciation, amortisation and provisions	173,287,949	42,557,634	44,462,844	37,058,468	27,011,997
■ Amount of profit distributed as dividends	22,597,623	9,483,156	9,402,034	19,313,235	19,258,026
Earnings per share					
■ Profit after tax but before depreciation, amortisation and provisions	18.11	2.81	4.87	3.33	2.74
■ Profit after tax, depreciation, amortisation and provisions	14.57	3.59	3.78	3.17	2.31
■ Dividend paid per share	1.90	0.80	0.80	1.65	1.65
Employee data					
■ Number of employees	8,654	7,843	7,596	7,237	6,521
■ Total payroll	363,402,201	328,767,823	312,763,163	301,772,567	272,414,673
■ Social and social benefit charges paid (social security, social bodies, etc.)	169,287,774	150,925,734	143,666,230	137,337,953	123,794,263

REPORT OF THE BOARD OF DIRECTORS ON THE USE OF DELEGATIONS OF AUTHORITY GRANTED BY THE COMBINED GENERAL MEETING OF 22 JUNE 2010

- The delegation of powers to the Board of Directors by the **eighth resolution** to increase the Company's share capital, subject to the limit of €7 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 **ninth resolution** to increase the Company's share capital, subject to the limit of €7 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 delegation of powers to the Board of Directors by the **tenth resolution** to increase the Company's share capital, excluding shareholders' preferential rights to subscribe to shares, as part of an offering provided for in Article L. 411-2, paragraph II of the French Monetary and Financial Code, **was not used.**
- The authorisation granted to the Board of Directors by the **eleventh resolution** in the form of a delegation for the purpose of increasing the amount of an issue by no more than 15% of the original issue amount and at the same price in the event of oversubscription, **was not used.**
- The authorisation granted to the Board of Directors by the **twelfth 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 granted to the Board of Directors by the **thirteenth resolution** as part of the delegation for the purposes of increasing the Company's capital without shareholders' preemptive 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.**
- The authorisation granted to the Board of Directors by the **fourteenth resolution** in the form of a delegation to effect capital increases reserved for employees who are members of the company savings plan, **was not used.**

Paris, 26 April 2012,

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 **fifteenth resolution** of the Combined General Meeting of **15 May 2008** to grant share subscription options in favour of members of personnel, as follows:

- allocation to Group employees of 49,500 options to subscribe to shares on 29 March 2011 at a price of €53.68 per share. Of these 49,500 options, 42,000 were allocated to Dominique Illien, Managing Director of Sopra Group and a member of its Board of Directors. Of the total of 49,500 options allocated, none were cancelled during the year.

The Board of Directors used the authorisation provided by the **tenth resolution** of the Combined General Meeting of **10 May 2011** to grant share subscription options in favour of members of personnel, as follows:

- allocation to Group employees of 5,000 options to subscribe to shares on 20 March 2011 at a price of €43.22 per share. Of the total of 5,000 options allocated, none were cancelled during the year.

Paris, 26 April 2012,

The Board of Directors

REPORT OF THE BOARD OF DIRECTORS RELATING TO THE AUTHORISATION GIVEN BY THE GENERAL MEETING TO ISSUE WARRANTS TO SUBSCRIBE TO AND/OR ACQUIRE REDEEMABLE SHARES (BSAARS) TO EMPLOYEES AND/OR OFFICERS OF THE COMPANY OR OF ANY OF ITS AFFILIATED UNDERTAKINGS

The Board of Directors used the authorisation provided by the eleventh resolution of the Combined General Meeting of 10 May 2011 to issue BSAARs to employees and/or officers of the Company or of any of its affiliated undertakings.

Paris, 26 April 2012,

The Board of Directors

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2011 CONSOLIDATED FINANCIAL STATEMENTS

Statement of financial position

ASSETS *(in thousands of euros)*	*Notes*	**31/12/2011**	**31/12/2010**	**31/12/2009**
Goodwill	*4*	190,871	369,914	356,589
Intangible assets	*5*	2,812	23,713	25,120
Property and equipment	*6*	39,585	39,279	34,888
Equity-accounted investments in associates	*7*	109,402	-	-
Financial assets	*8*	2,975	3,636	3,527
Deferred tax assets	*9*	20,952	34,369	22,556
Other non-current assets		-	127	209
Non-current assets		**366,597**	**471,038**	**442,889**
Stocks and work in progress		178	797	447
Trade accounts receivable	*10*	344,994	368,396	333,865
Other current receivables	*11*	25,332	33,884	44,562
Cash and cash equivalents	*12*	33,267	54,897	43,566
Current assets		**403,771**	**457,974**	**422,440**
TOTAL ASSETS		**770,368**	**929,012**	**865,329**

LIABILITIES AND EQUITY *(in thousands of euros)*	*Notes*	**31/12/2011**	**31/12/2010**	**31/12/2009**
Share capital		11,893	47,416	47,010
Capital reserves		7,951	57,311	54,277
Consolidated reserves		211,150	201,935	184,596
Profit for the year		62,872	74,768	27,240
Losses taken directly to equity		-19,958	-16,879	-31,436
Equity – Group share		**273,908**	**364,551**	**281,687**
Minority interests		**3**	**3**	**2**
TOTAL EQUITY	*13*	**273,911**	**364,554**	**281,689**
Financial debt – long-term portion	*14*	26,382	74,423	146,673
Deferred tax liabilities	*9*	78	9,300	7,173
Provision for post-employment benefits	*15*	40,777	40,934	33,910
Non-current provisions	*16*	5,071	1,905	2,187
Other non-current liabilities	*17*	11,946	13,080	10,659
Non-current liabilities		**84,254**	**139,642**	**200,602**
Financial debt – short-term portion	*14*	53,273	37,629	34,342
Trade payables	*18*	54,768	53,531	45,662
Other current liabilities	*19*	304,162	333,656	303,034
Current liabilities		**412,203**	**424,816**	**383,038**
TOTAL LIABILITIES		**496,457**	**564,458**	**583,640**
TOTAL LIABILITIES AND EQUITY		**770,368**	**929,012**	**865,329**

Statement of net income and gains and losses recognised directly in equity

Income statement

(in thousands of euros)	*Notes*	2011 Amount	2011 %	2010 restated under IFRS 5 Amount	2010 restated under IFRS 5 %	2010 published Amount	2010 published %	2009 restated under IFRS 5 Amount	2009 restated under IFRS 5 %
Revenue	*20*	1,050,260	*100.0%*	964,406	*100.0%*	1,169,893	*100.0%*	912,702	*100.0%*
Purchases consumed	*21*	-132,029	*-12.6%*	-113,208	*-11.7%*	-121,647	*-10.4%*	-105,756	*-11.6%*
Staff costs	*22*	-701,383	*-66.8%*	-652,113	*-67.6%*	-783,463	*-67.0%*	-621,189	*-68.1%*
External expenses	*23*	-101,427	*-9.7%*	-99,530	*-10.3%*	-131,969	*-11.3%*	-91,666	*-10.0%*
Taxes and duties		-15,616	*-1.5%*	-11,368	*-1.2%*	-12,851	*-1.1%*	-19,990	*-2.2%*
Amortisation charge	*24*	-10,212	*-1.0%*	-10,040	*-1.0%*	-11,494	*-1.0%*	-10,486	*-1.1%*
Provisions and impairment	*24*	-3,368	*-0.3%*	-3,013	*-0.3%*	-3,286	*-0.3%*	-3,755	*-0.4%*
Other operating income		7,496	*0.7%*	12,007	*1.2%*	12,832	*1.1%*	6,332	*0.7%*
Other operating expenses		-1,263	*-0.1%*	-1,456	*-0.2%*	-1,245	*-0.1%*	-1,403	*-0.2%*
Operating profit on business activity		**92,458**	***8.8%***	**85,685**	***8.9%***	**116,770**	***10.0%***	**64,789**	***7.1%***
Expenses related to stock options		-444	*0.0%*	-197	*0.0%*	-197	*0.0%*	-306	*0.0%*
Amortisation of allocated intangible assets	*25*	-335	*0.0%*	-655	*-0.1%*	-2,599	*-0.2%*	-769	*-0.1%*
Profit from recurring operations		**91,679**	***8.7%***	**84,833**	***8.8%***	**113,974**	***9.7%***	**63,714**	***7.0%***
Other operating income and expenses	*26*	6,254	*0.6%*	-1,090	*-0.1%*	-4,673	*-0.4%*	-17,191	*-1.9%*
Operating profit		**97,933**	***9.3%***	**83,743**	***8.7%***	**109,301**	***9.3%***	**46,523**	***5.1%***
Income from cash and cash equivalents	*27*	308	*0.0%*	15	*0.0%*	25	*0.0%*	38	*0.0%*
Cost of gross financial debt	*27*	-4,406	*-0.4%*	-5,639	*-0.6%*	-5,862	*-0.5%*	-9,070	*-1.0%*
Cost of net financial debt		**-4,098**	***-0.4%***	**-5,624**	***-0.6%***	**-5,837**	***-0.5%***	**-9,032**	***-1.0%***
Foreign exchange gains and losses	*27*	178	*0.0%*	-948	*-0.1%*	-1,108	*-0.1%*	-308	*0.0%*
Other financial charges and expense	*27*	424	*0.0%*	1,314	*0.1%*	-321	*0.0%*	-257	*0.0%*
Tax charge	*28*	-36,176	*-3.4%*	-30,312	*-3.1%*	-27,266	*-2.3%*	-15,547	*-1.7%*
Share of net profit of equity-accounted companies*	*29*	5,993	*0.6%*	-	-	-	-	-	-
Net profit for the year from continuing operations		**64,254**	***6.1%***	**48,173**	***5.0%***	**74,769**	***6.4%***	**21,379**	***2.3%***
Profit after tax from discontinued operations**	*30*	-1,380	*-0.1%*	26,596	*2.8%*	-	-	5,816	*0.6%*
Net profit		**62,874**	***6.0%***	**74,769**	***7.8%***	**74,769**	***6.4%***	**27,240**	***3.0%***
Attributable to Group		**62,872**	***6.0%***	**74,768**	***7.8%***	**74,768**	***6.4%***	**27,240**	***3.0%***
Minority interests		2	-	1	-	1	-	-	-

* *The impairment charge relating to the equity interest in Axway Software was recognised under Other operating income and expenses.*

** *Capital gains on the retained Axway shares (€71.4 million), calculated as the difference between their market value (€101.4 million) at 14 June 2011 and their historic consolidated value (€30.0 million) was classified under Other operating income and expenses.*

EARNINGS PER SHARE *(in euros)*	*Notes*	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Basic earnings per share	*31*	5.29	6.35	6.35	2.33
Fully diluted earnings per share	*31*	5.29	6.33	6.33	2.33

Gains and losses recognised directly in equity

(in thousands of euros)	**2011**	**2010 restated under IFRS 5**	**2010 published**	**2009 restated under IFRS 5**
Net profit	**62,874**	**74,769**	**74,769**	**27,240**
Translation differential	-10,689	4,161	15,744	4,630
Actuarial gains and losses on pension plans	-727	-1,592	-1,984	-277
Remeasurement of hedging derivative instruments	-551	797	797	818
Gains/(losses) from discontinued operations taken directly to equity	-	11,191	-	-2,116
Share of gains or losses of equity-accounted companies not recognised in the income statement	4,065	-	-	-
Total gains and losses recognised directly in equity	**-7,902**	**14,557**	**14,557**	**3,055**
NET PROFIT AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**54,972**	**89,326**	**89,326**	**30,295**
Attributable to Group	**54,970**	**89,325**	**89,325**	**30,295**
Minority interests	2	1	1	-

Statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Treasury shares	Consolidated reserves and retained earnings	Translation differential	Actuarial gains and losses	Remeasurement of hedging derivative instruments	Total Group share	Minority interests	Total
EQUITY AT 31/12/2008	**46,820**	**52,918**	**-629**	**203,685**	**-26,623**	**-6,036**	**-1,832**	**268,303**	**3**	**268,306**
Capital transactions	190	1,040	-	-	-	-	-	1,230	-	1,230
Share-based payments	-	306	-	-	-	-	-	306	-	306
Transactions in treasury shares	-	-	548	275	-	-	-	823	-	823
Ordinary dividends	-	13	-	-19,283	-	-	-	-19,270	-1	-19,271
Changes in scope	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-	-
Shareholder transactions	**190**	**1,359**	**548**	**-19,008**	**-**	**-**	**-**	**-16,911**	**-1**	**-16,912**
Profit for the year	-	-	-	27,240	-	-	-	27,240	-	27,240
Gains and losses recognised in equity	-	-	-	-	2,412	-175	818	3,055	-	3,055
Comprehensive profit for the year	**-**	**-**		**27,240**	**2,412**	**-175**	**818**	**30,295**	**-**	**30,295**
EQUITY AT 31/12/2009	**47,010**	**54,277**	**-81**	**211,917**	**-24,211**	**-6,211**	**-1,014**	**281,687**	**2**	**281,689**
Capital transactions	406	2,174	-	-	-	-	-	2,580	-	2,580
Share-based payments	-	841	-	-	-	-	-	841	-	841
Transactions in treasury shares	-	-	-508	30	-	-	-	-478	-	-478
Ordinary dividends	-	19	-	-9,421	-	-	-	-9,402	-	-9,402
Changes in scope	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-2	-	-	-	-2	-	-2
Shareholder transactions	**406**	**3,034**	**-508**	**-9,393**	**-**	**-**	**-**	**-6,461**	**-**	**-6,461**
Profit for the year	-	-	-	74,768	-	-	-	74,768	-	74,769
Gains and losses recognised in equity	-	-	-	-	15,744	-1,984	797	14,557	-	14,557
Comprehensive profit for the year	**-**	**-**		**74,768**	**15,744**	**-1,984**	**797**	**89,325**	**1**	**89,326**
EQUITY AT 31/12/2010	**47,416**	**57,311**	**-589**	**277,292**	**-8,467**	**-8,195**	**-217**	**364,551**	**3**	**364,554**
Capital transactions	-35,523	-3,255	-	39,969	-	-	-	1,191	-	1,191
Share-based payments	-	444	-	-	-	-	-	444	-	444
Transactions in treasury shares	-	-	-282	-573	-	-	-	-855	-	-855
Ordinary dividends	-	41	-	-9,519	-	-	-	-9,478	-	-9,478
Extraordinary dividends	-	-46,590	-	-	-	-	-	-46,590	-	-46,590
Consolidated NBV of Axway shares dist.	-	-	-	-88,953	3,935	888	-	-84,130	-2	-84,132
Tax impact of distributions	-	-	-	-5,972	-	-	-	-5,972	-	-5,972
Other movements	-	-	-	-223	-	-	-	-223	-	-223
Shareholder transactions	**-35,523**	**-49,360**	**-282**	**-65,271**	**3,935**	**888**	**-**	**-145,613**	**-2**	**-145,615**
Profit for the year	-	-	-	62,872	-	-	-	62,872	2	62,874
Gains and losses recognised in equity	-	-	-	-	-6,611	-740	-551	-7,902	-	-7,902
Comprehensive profit for the year	**-**	**-**		**62,872**	**-6,611**	**-740**	**-551**	**54,970**	**2**	**54,972**
EQUITY AT 31/12/2011	**11,893**	**7,951**	**-871**	**274,893**	**-11,143**	**-8,047**	**-768**	**273,908**	**3**	**273,911**

Cash flow statement

(in thousands of euros)	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Consolidated net profit (including minority interests)	**62,874**	**74,769**	**74,769**	**27,240**
Profit after tax from discontinued operations	1,380	-26,596	-	-5,861
Net increase in depreciation, amortisation and provisions	63,609	13,807	17,671	31,335
Unrealised gains and losses relating to changes in fair value	-443	-520	-520	695
Share-based payment expense	444	841	841	306
Other calculated income and expense	-706	-1,380	-837	1,089
Gains and losses on disposal	-60,915	-335	-297	492
Share of net profit of equity-accounted companies	-5,993	-	-	-
Cash from operations after cost of net debt and tax	**60,250**	**60,586**	**91,627**	**55,296**
Cost of net financial debt	4,098	5,624	5,837	9,212
Income taxes (including deferred tax)	36,176	30,312	27,266	20,912
Cash from operations before cost of net debt and tax (A)	**100,524**	**96,522**	**124,730**	**94,647**
Tax paid (B)	-38,682	- 27,191	-33,778	-32,176
Changes in operating working capital requirements (included liabilities related to employee benefits) (C)	-1,341	17,441	20,870	50,148
Net cash from operating activities (D) = (A+B+C)	**60,501**	**86,772**	**111,822**	**112,619**
Purchase of tangible and intangible fixed assets	-10,065	-9,835	-12,711	-7,788
Proceeds from sale of tangible and intangible fixed assets	86	937	939	532
Purchase of financial assets	-336	-297	-338	-444
Proceeds from sale of financial assets	367	197	320	323
Impact of changes in scope	-29,829	-183	-187	-8,800
Change in loans and advances granted by the Company	68,422	8,179	-	-
Other cash flow relating to investing activities	-16,251	-	-	-
Net cash from (used in) investing activities (E)	**12,394**	**-1,002**	**-11,977**	**-16,177**
Proceeds on issue of shares	-	-	-	-
Proceeds on the exercise of stock options	1,190	2,580	2,580	1,230
Purchase and proceeds from disposal of treasury shares	-395	- 508	-508	583
Dividends paid during the year				
■ Dividends paid to shareholders of Sopra Group SA	-56,068	-9,402	-9,402	-19,270
■ Dividends paid to minority interests of consolidated companies	-	-	-	-
Change in borrowings	-53,392	-76,413	-76,413	-53,386
Net interest paid (including finance leases)	-3,485	-5,774	-5,987	-9,408
Other cash flow relating to financing activities	3,172	2,351	-165	-152
Net cash from (used in) financing activities (F)	**-108,978**	**-87,166**	**-89,895**	**-80,403**
Effect of foreign exchange rate changes (G)	-362	477	119	458
Net cash from (used in) discontinued operations (H)	**12,980**	**10,988**	**-**	**-**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G+H)	**-23,465**	**10,069**	**10,069**	**16,497**
Opening cash position	53,581	43,512	43,512	-11,286
Cash relating to discontinued operations	-13,470	-22,274	-	-
Closing cash position	16,646	31,307	53,581	32,226

Notes to the consolidated statements

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. On completion of the spin-off and stock market listing of Axway's business activities. Sopra Group held a 26.24% stake in Axway Software, which has a specialised offering in the area of Business Interaction Networks.

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

It is listed on compartment B, NYSE Euronext Paris.

The consolidated financial statements for the year ended 31 December 2011 of Sopra Group were approved by the Board of Directors' meeting of 14 February 2012.

ACCOUNTING PRINCIPLES AND POLICIES

Note 1 I 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 year ended 31 December 2011 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_fr.htm#adopted-commission;
- 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 did not therefore undertake 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. Application of new standards and interpretations

a. New mandatory standards and interpretations

The following standards have been adopted by the European Union and are subject to mandatory application for periods beginning on or after 1 January 2011:

- IAS 24 *"Related Party Disclosures"* (as revised in 2009);
- amendments to IAS 32 Financial Instruments: Presentation, *"Classification of Rights Issues";*
- amendment to IFRS 1, *"Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters";*
- amendments resulting from May 2010 Annual Improvements to IFRSs, affecting IAS 1, IAS 34, IFRS 1, IFRS 3, IFRS 7 and the interpretation IFRIC 13, among other standards and interpretations;
- amendment to IFRIC 14, *"Prepayments of a Minimum Funding Requirement";*
- IFRIC 19 *"Extinguishing Financial Liabilities with Equity Instruments".*

The entry into force of these standards had no impact on the Group's financial statements.

b. Standards and interpretations adopted by the European Union and subject to early application

IFRS 7, *Disclosures – Transfers of financial assets,* entered into force for annual periods beginning on or after 1 July 2011. This amendment has not been applied early.

c. Standards and interpretations published by the IASB but not yet adopted by the European Union

The Group did not opt for early application of any of these standards or interpretations. These primarily relate to:

- IFRS 9 Financial Instruments (Phase 1: *Classification and Measurement of Financial Assets);*
- IFRS 10 Consolidated Financial Statements. together with other standards relating to consolidation: IFRS 11, IFRS 12, IAS 27 (revised) and IAS 28 (revised);
- IAS 1, *"Presentation of items of other comprehensive income";*
- Amendments to IAS 19, *"Employee benefits";*
- IFRS 13 Fair Value Measurement.

d. Comparative periods

Information for the comparative periods 2010 and 2009 complies with IFRS.

e. Format of the financial statements

With regard to the presentation of the consolidated financial statements. Sopra Group has decided to apply Recommendation 2009-R.03, dated 2 July 2009 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.

However, the format of the income statement as presented in previous years has been altered to improve the presentation of the company's performance:

- a measure known as "Operating profit from ordinary activities" has been added before "Profit from ordinary activities": this is an indicator used internally by management to assess the company's performance. This is an indicator used internally by Management to assess the company's performance, corresponding to Profit from recurring operations before expenses related to the cost of services rendered by beneficiaries of share subscription options and before amortisation of the intangible assets concerned;
- foreign exchange gains and losses are now presented on a separate line under Other financial income and expenses.

1.3. Consolidation method

- 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 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.
- Investments in companies over which the Group exerts significant influence (associates) are measured using the equity method. Significant influence is deemed to exist whenever a parent company directly or indirectly holds 20% or more of voting rights in the company in which the investment is held. 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.

1.4. 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 under Translation reserves;
- 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 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 39.

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.

1.5. 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.

a. 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 1.7 and 4);
- the measurement of retirement commitments (see Notes 1.18 and 15);
- the recognition of income (see Note 1.21).

b. Significant judgements in the application of accounting policies

With the exception of judgements involving accounting estimates and judgements relating to accounting policies applied to the Axway spin-off and listing transactions described in §2.1.2, no judgement exercised by Management has had a material impact on the amounts recognised in the financial statements.

1.6. Business combinations

The Group applies IFRS 3 (revised version) to the identified assets acquired and liabilities assumed as a result of business combinations. The acquisition of an asset or a group of assets that do not constitute a business is recognised under the standards applicable to these assets (IAS 38, IAS 16, IAS 39).

All business combinations are recognised by applying the acquisition method, which consists in:

- the measurement and recognition at fair value of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree (minority interests). The Group identifies and allocates these items on the basis of contractual provisions, economic conditions and its accounting and management principles and procedures;
- the measurement and recognition at the acquisition date of the difference referred to as "goodwill" between:
  - the purchase price for obtaining control of the acquiree plus the amount of any minority interests in the acquire,
  - and the net amount of the recognised identifiable assets acquired and liabilities assumed.

The acquisition date is the date on which the Group effectively obtains control of the acquiree.

The purchase price of the acquiree corresponds to the fair value, at the acquisition date, of the elements of consideration remitted to the seller in exchange for control of the acquiree, to the exclusion of any element serving as consideration for any transaction separate from the attainment of control.

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.

1.7. Goodwill

For each business combination, the Group may elect to recognise under its balance sheet assets either a proportionate goodwill (corresponding only to its percentage of ownership interest) or a full goodwill (also including the goodwill corresponding to minority interests).

Should the calculation of goodwill result in a negative difference (in the case of an acquisition conducted under advantageous conditions), the Group recognises the resulting gain as a bargain purchase in profit or loss.

Goodwill is allocated to cash-generating units for the purposes of impairment tests as set out in Note 1.11. Such tests are performed as soon as any indication of impairment is noted. and in any case at the balance sheet date of 31 December.

1.8. Intangible assets

a. Separately-acquiered fixed assets

These relate to software packages recorded at cost as well as software packages, customer relations and distributor relations recognised at fair value in connection with the allocation of the purchase prices of entities acquired in business combinations. These assets are amortised using the straight-line method over three to fifteen 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 (Banking, Human Resources and Real Estate) have been recognised under intangible assets, since the conditions described above were not satisfied in their entirety.

1.9. 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.

1.10. 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 corresponding contractual lease commitments, net of finance costs, are included within Financial debt. The corresponding finance costs are recognised in profit or loss, under the caption Cost of financial debt, 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 leases: Property under finance lease is depreciated on a straight-line basis over 25 years.
- Plant and property leases covering IT equipment: these are amortised on a straight line basis over four years – the most common duration of the associated leases.

b. 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. Payments under such leases are expensed on a straight line basis over the duration of the relevant lease.

1.11. Impairment of assets

a. Impairment of intangible 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 the impairment of 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 income and expenses.*

It is forbidden to write back impairment losses on goodwill arising on fully consolidated investments.

The Group's CGU segmentation and the other parameters applied for the purposes of impairment testing are presented in Notes 4.3 and 4.5.

b. Impairment of investments in associates

Equity-accounted shares in a company constitute a single asset and must be tested for impairment in accordance with IAS 36, "Impairment of assets".

Goodwill on associates is included in the value of equity-accounted shares, the value of which is measured inclusive of goodwill. As such, goodwill on associates is not required to be tested for impairment separately.

At each balance sheet date, where there is an indication of impairment of an investment in an associate, the parent company must carry out an impairment test consisting of comparing the carrying amount of the relevant equity-accounted shares with their recoverable amount.

According to IAS 36, the recoverable amount of an investment in an associate is the higher of the fair value of the investment less costs to sell and its value in use, calculated on the basis of the discounted present value of future cash flows: Where an associate's shares are listed shares, fair value less costs to sell is equal to the market price less costs to sell, since, in the absence of any firm sale agreement, this is the current price at which the shares are trading (see IAS 36-26).

Where there is an improvement in the recoverable amount of equity-accounted shares such that the impairment loss may be written back, the full amount of the impairment loss, including the portion relating to goodwill, must be written back.

c. Impairment of financial assets

IAS 39 (see IAS 39-58*, Impairment and uncollectibility of financial assets*) requires entities to assess at each balance sheet date whether or not there exists an objective indication that a financial asset or group of financial assets is impaired. Where such an indication does exist, the entity in question must apply the provisions of IAS 39 to each category of financial assets to determine the amount of any impairment loss.

1.12. 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 fair value; depending on their classification, they are subsequently measured at either fair value or 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 1.15).

b. Held to maturity assets

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 continue to be measured at the nominal amount originally invoiced, which usually equates to 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. Available for sale assets

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 an entity's net assets and its outlook for growth and profitability. An impairment loss recognised cannot subsequently be reversed.

1.13. 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.

1.14. Derivatives

Derivatives are initially recognised at fair value as at the date on which the contract is entered into. They are subsequently revalued at 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. Changes in fair value of derivatives that meet the criteria to qualify for hedge accounting are taken to equity.

Derivatives held for trading are classified as current assets or liabilities if they are due to be settled within one year after the balance sheet date. Otherwise they are classified as non-current assets or liabilities. The Group also includes under speculative instruments derivatives not qualifying as designated and effective hedging instruments as defined in IAS 39. Changes in the fair value of such derivatives are recognised in profit or loss under "Other financial income and expenses" (see Note 27.3).

1.15. 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 analysis approach updated by the AFG, the AFTE and AF2I and recognised as a reasonable basis by the AMF in its position no. 2011-13 on the classification of UCITS as cash equivalents:

- UCITS classified by the AMF as belonging to the *money market* and *short-term money market* categories are, for practical purposes, presumed to automatically meet all four quoted eligibility criteria;
- other cash UCITS cannot be presumed to be eligible as *cash equivalents:* an analysis must be carried out to establish whether or not the four quoted criteria are met.

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

1.16. 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 such options as at their allotment date is determined by a specialist institution using a model similar to the Black & Scholes model that takes into account discrete dividends, yield curves and projected financial performance. 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.

This charge is recognised in the income statement under Stock option plans and similar expenses, balanced by a credit to an issue premiums account recognised under Capital reserves 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.

1.17. 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.

1.18. 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, under 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 unit 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; each unit is measured separately to determine the final amount of the 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.

1.19. Financial debt

Financial debt essentially comprises:

- bank borrowings: initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently recognised at amortised cost; any difference between the capital amounts borrowed (net of transaction costs) and the amounts repayable is recognised in profit or loss over the duration of the borrowings using the effective interest rate method;
- liabilities on finance lease contracts liabilities on finance lease contracts: 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;

- the liability associated with employee profit-sharing in frozen current accounts: 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. This differential in respect of any given year is recognised as a financial liability and balanced by an additional staff expense. It is then amortised as a deduction against financial expenses 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.

1.20. 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.

1.21. 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 fixed-price 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 stated in the balance sheet at 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;
- associated services: installation, configuration, adjustments, 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 1.21.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. maintenance and associated 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. The project is then examined as a whole and is the focus of specific monitoring by the Industrialisation Department. They are accounted for using the percentage of completion method described in paragraph 1.21.a.

1.22. Segment information

Under this standard, segment information is now based on internal management data used by Executive Management, as opposed to the former standard IAS 14, under which these disclosures were based on the risks and returns of segments.

This change will not have a material impact since the segmentation of business sectors under IAS 14 was already consistent with the internal reporting system used by management. There was no impact as a result of a possible further impairment of goodwill due to changes of allocation to CGU groups. The Group organisational structure reflects both its businesses (principal segmentation) and the geographic distribution of its activities (secondary segmentation).

The divisions comprise:

- Consulting and Systems and Solutions Integration carried out in France by Sopra Group;
- Systems Integration carried out in Europe by a combination of subsidiaries;

1.23. 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:

- basic 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 shavres 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 are calculated by adjusting the Group share of net profit and the weighted average number of shares outstanding for the diluting effect of exercising share subscription option plans in force at the end of the financial year. The share buyback method has been applied at the market price, based on the average share price throughout the year.

Note 2 I Highlights and consolidation scope

2.1. Spin-off and listing of the Axway sub-group

The spin-off and listing of Axway, which was voted and approved by the General Meeting of Sopra Group shareholders held on 8 June 2011, resulted in Axway Software's initial stock market listing on 14 June 2011.

The various steps in this process are described below.

2.1.1. Preliminary transactions

a. Distribution of a dividend by Axway Software

Axway Software paid a total dividend of €7.9 million as well an extraordinary distribution of reserves amounting to €13.9 million (see Axway prospectus, Section 26.1.1.4); Sopra Group thus received a total of €21.8 million.

b. Reduction of Sopra Group's capital

At the Combined General Meeting of 10 May 2011, it was decided to reduce Sopra Group's capital by way of a €3.00 reduction in the par value of each share, from €4.00 to €1.00.

On the basis of a total share capital comprised of 11,863,245 shares at 10 May 2011, a share capital reduction of €35.6 million was recognised to offset the increase in share premiums.

A corresponding reduction in the legal reserve was made for an amount of €3.6 million, with the balancing entry being the creation of a free reserve.

2.1.2. Spin-off and listing transactions

At its meeting of 8 June 2011, the General Meeting of Sopra Group shareholders approved the distribution by Sopra Group to its shareholders, in respect of each Sopra Group share eligible for the distribution, of:

- one Axway Software share; and
- a payment in the amount of €3.92, to offset the major portion of the French tax impact from this distribution.

a. Distribution of Axway Software shares and valuation of the equity interest retained by Sopra Group in Away

The decision to spin off and list Axway Software as a separate company was agreed at the shareholders' general meeting on 8 June 2011 at the proposal of the Board of Directors. In this context, the reference value adopted resulted in a valuation for Axway Software of €18.61 per share, which was confirmed by an independent valuer.

This distribution was recognised directly as a reduction in the Group's equity in the amount of €84.1 million, corresponding to the net carrying amount of the 73.73% stake in Axway, with no impact on the income statement. As the Group had determined that IFRIC 17 did not apply to this distribution transaction, no capital gains arising on this distribution were recognised in the financial statements.

Following this distribution, Sopra Group retained an ownership interest of 26.27% in Axway Software. Under IAS 27, when control of a subsidiary is lost, all of the remaining ownership interest retained in the subsidiary must be remeasured to fair value at the date on which control is lost. The impact of this revaluation must be taken to profit for the period.

Given the availability of listed prices in an active market, IFRS states that the market value must be used to determine the faire value. On this basis, remeasuring the investment held in Axway Software has been determined using the average share price observed on the initial listing date, rather than the reference value resulting from the independent valuation.

On the basis of an average share price of €23.94 on 14 June 2011, the total value of Sopra Group's retained ownership interest amounts to €101.4 million and results in capital gains of €71.4 million in relation to the corresponding Group share in previously consolidated equity.

On the basis of the reference value, capital gains would have amounted to only €48.8 million, for a recoverable investment value of €78.8 million.

b. *Distribution in cash*

On the basis of a share capital comprised of 11,885,135 shares at 8 June 2011, an extraordinary dividend was distributed to Sopra Group shareholders in the amount of €46.6 million on 14 June 2011.

c. *Tax*

The dividends received by Sopra Group from Axway, together with the distribution of Axway shares by Sopra Group, generate estimated tax of €5.9 million.

2.2. Changes in the consolidation scope

a. *Deconsolidations*

There were no significant changes in the Group's scope of consolidation during the first six months of 2011 other than the deconsolidation of the sub-group consisting of Axway Software and its subsidiaries.

The loss of exclusive control over the Axway Group as a result of the spin-off and listing of Axway gave rise to a change in consolidation method. Whereas it was previously fully consolidated, Axway Group has been consolidated using the equity method with effect from 14 June 2011.

b. *Newly consolidated companies*

In early October 2011, Sopra Group acquired a 100% interest in Delta Informatique by way of a cash transaction. The purpose of this acquisition was to bolster Sopra Group's international positioning in financial services. Delta Informatique publishes, markets and implements Delta-Bank, an integrated banking software package used by numerous financial institutions throughout the world. Delta Informatique and its subsidiary Cameroun Delta Informatique were consolidated on 1 October 2011.

2.3. Reorganisation of legal entities

On 1 June 2011, Sopra Consulting was dissolved and all its assets transferred to Sopra Group. This operation had no impact on the consolidated financial statements.

2.4. List of consolidated companies in 2011

Company	Country	% Control	% Held	Consolidation method
Sopra Group	France	-	-	Parent company
Axway Holding SA	France	100.00%	100.00%	FC
Sopra Consulting*	France	100.00%	100.00%	FC
Delta Informatique	France	100.00%	100.00%	FC
Cameroun Delta Informatique	Cameroon	95.00%	95.00%	FC
Sopra Group Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Belux	Belgium	100.00%	100.00%	FC
Business Architects International NV	Belgium	100.00%	100.00%	FC
Sopra Group Luxembourg	Luxembourg	100.00%	100.00%	FC
Valoris 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
Valoris Iberia	Spain	100.00%	100.00%	FC
CS Sopra España	Spain	100.00%	100.00%	FC
PROFit Gestao Informatica Lda	Portugal	100.00%	100.00%	FC
SOPRAntic	Morocco	100.00%	100.00%	FC
Sopra India Private Ltd	India	100.00%	100.00%	FC
Axway sub-group**	France	26.24%	26.24%	FC/EM

FC: Fully consolidated.

EM: Equity method.

* *Company consolidated for a 5-month period.*

** *Fully consolidated until 14 June 2011 and accounted for using the equity method thereafter.*

Note 3 I Comparability of financial statements

The spin-off of Axway group on 14 June 2011 and the recognition of those shares retained (26.24% of Axway's share capital) using the equity method mean that 2011 was an atypical year and comparisons with published financial statements in respect of prior periods are difficult.

As required under IFRS 5, profit from the activities of Axway group for the period preceding the spin-off – *i.e.* from 1 January to 14 June 2011 – is set out in a separate line in the income statement: *Net profit after tax from discontinued operations.*

In the event of the disposal of a business, considered as equivalent to the distribution of the assets of this business resulting in a loss of control, IFRS 5 requires that the income statement information presented for the comparative prior periods be restated, in relation to the financial statements previously published for the years in question, so as to consistently record the contribution of the disposed business on the same separate line of the income statement: *Profit after tax from discontinued operations*.

Accordingly, the comparative income statements for 2010 and 2009 were restated so as to present the annual profit for Axway's operations on the line *Profit after tax from discontinued operations,* thus allowing for comparisons between the income statements for all three financial years.

NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 4 I Goodwill

4.1. Changes in goodwill

The principal movements in 2011 are as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2009	**406,959**	**50,370**	**356,589**
Translation differential	**13,825**	**500**	**13,325**
31 December 2010	**420,784**	**50,870**	**369,914**
Acquisitions			
Delta Informatique	24,126	-	24,126
Impairment			
SSI Spain	-	15,000	-15,000
SSI United Kingdom	-	19,988	-19,988
SSI Belgium	-	3,000	-3,000
Translation differential	**-7,806**	**966**	**-8,772**
Discontinued operations (Axway)	**-165,232**	**-8,823**	**-156,409**
31 DECEMBER 2011	**271,872**	**81,001**	**190,871**

4.2. Determination of goodwill arising on business combinations in the year

Goodwill arising in 2011 related to the acquisition of Delta Informatique. This was measured at the date on which the company was acquired using the method set out in Note 1.6.

Detailed information on Delta Informatique's net assets is shown below:

(in thousands of euros)	Delta Informatique group
Purchase price	37,673
Present value of earnouts	-
Acquisition cost	**37,673**
Net assets acquired, excluding existing goodwill	13,547
Intangible assets allocated	-
Goodwill	**24,126**

A provisional allocation was recognised in respect of Delta Informatique goodwill, since the various intangible assets acquired (software packages, customer relationships, etc.) were still being assessed.

The allocation of goodwill be will definitive within the allocation period of 12 months, *i.e.* by the accounting close at 31 December 2012 at the latest.

The breakdown of the net assets of Delta Informatique is presented below:

(in thousands of euros)	Vendor's book value	Restatements	Fair value
Intangible assets	13	-	13
Property and equipment	700	-	700
Deferred tax assets	-	995	995
Other assets	14,571	-2	14,569
Cash and cash equivalents	7,945	-	7,945
Financial liabilities	-101	-	-101
Provision for post-employment benefits	-	-579	-579
Other liabilities	-9,995	-	-9,995
NET ASSETS ACQUIRED	**13,133**	**414**	**13,547**

4.3. Impairment tests

Poorer than expected performance in a challenging economic environment, characterised by a decline in the IT market in some countries, has led the group's management to consider that there were indicators of impairment in the following CGUs: SSI Spain, SSI Belgium and SSI United Kingdom.

Impairment tests have therefore been carried out based on updated forecasts for the second half of 2011 and future years (assuming a five-year time horizon). The tests completed give rise to an impairment loss of €38.0 million based on estimated value in use, broken down as follows:

- €20.0 million for the United Kingdom (£17.3 million);
- €15.0 million for Spain;
- €3.0 million for Belgium.

Impairment tests carried out at 31 December 2011 did not give rise to the recognition of impairment. These tests were performed under the conditions described in Note 1.11 using the following parameters:

	Discount rate			Perpetuity growth rate		
	31/12/2011	31/12/2010	31/12/2009	**31/12/2011**	31/12/2010	31/12/2009
France	9.5%	9.2%	9.0%	2.5%	2.5%	2.5%
United Kingdom	9.5%	9.2%	9.0%	2.5%	2.5%	2.5%
Spain	9.5%	9.2%	9.0%	2.5%	2.5%	2.5%
Other European countries	9.5%	9.2%	9.0%	2.5%	2.5%	2.5%
Other zones	9.5%	9.2%	9.0%	2.5%	2.5%	2.5%

Analysis of the sensitivity of the recoverable amount to changes in key assumptions for 2011:

	Discount rate used in 2011	Increase in the discount rate of 0.5 points
Growth rate used in 2011	-	-7.4%
Decrease in the growth rate of 0.5 points	-5.1%	-11.7%

With the exception of the CGU Systems Integration Spain and United Kingdom, declines in value-in-use resulting from these combined changes in assumptions (-11.7%) would not have prompted the recognition of impairment for these CGUs at the balance sheet date.

The results of sensitivity analysis carried out for the CGUs CSSI United Kingdom and CSSI Spain were as follows:

- an increase of 0.5 points in the discount rate would have decreased the carrying amount of goodwill for these two CGUs by €2.2 million and €4.5 million, respectively;
- a decrease of 0.5 points in the perpetual growth rate would have decreased the carrying amount of goodwill for these two CGUs by €1.3 million and €3.2 million, respectively;
- a decrease of 0.5 points in the operating margin would have decreased the carrying amount of goodwill for these two CGUs by €1.9 million and €3.0 million, respectively.

Analysis of the sensitivity of the recoverable amount to changes in key assumptions for 2011:

	Discount rate used in 2010	Increase in the discount rate of 0.5 points
Growth rate used in 2010	-	-7.6%
Decrease in the growth rate of 0.5 points	-5.5%	-12.3%

Analysis of the sensitivity of the recoverable amount to changes in key assumptions for 2009:

	Discount rate used in 2009	Increase in the discount rate of 0.5 points
Growth rate used in 2009	-	-8.4%
Decrease in the growth rate of 0.5 points	-6.1%	-13.6%

4.4. Translation differential

The €8.8 million decrease in the translation differential prior to the Axway spin-off arises mainly from changes in the value of the euro against the following currencies:

Change euro/other currencies *(in millions of euros)*	31/12/2011	31/12/2010	31/12/2009
USD (Axway Inc.)	-8.8	8.4	-3.8
GBP (Sopra Group Ltd)	0.9	1.7	3.6
SEK (Axway Nordic AB)	-0.5	2.8	-
Other currencies	-0.4	0.4	1.0
TOTAL	**-8.8**	**13.3**	**0.8**

4.5. Breakdown of goodwill by CGU

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)		31/12/2011	31/12/2010	31/12/2009
Systems and Solutions Integration	France	96,303	72,571	72,244
	United Kingdom	35,152	54,255	52,587
	Spain	51,297	66,297	66,297
	Italy	8,119	8,119	8,119
	Belgium	-	3,000	3,000
Axway	Axway	-	165,672	154,342
TOTAL		**190,871**	**369,914**	**356,589**

Note 5 I Intangible fixed assets

(in thousands of euros)	Gross value	Amortisation	Net
31 December 2009	**52,709**	**27,589**	**25,120**
Changes in scope	-	-	-
Acquisitions	588	-	588
Disposals	-226	-197	-29
Translation differential	2,047	424	1,623
Amortisation charge	-	3,589	-3,589
31 December 2010	**55,118**	**31,405**	**23,713**
Changes in scope	741	728	13
Acquisitions	981	-	981
Disposals	-95	-95	-
Translation differential	-2,132	-621	-1,511
Amortisation charge	-	1,933	-1,933
Discontinued operations (Axway)	-31,183	-12,732	-18,451
31 DECEMBER 2011	**23,430**	**20,618**	**2,812**

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.

No expense was incurred in developing the Group's solutions and software was capitalised, either in 2011 or in previous years.

Note 6 I Property and equipment

(in thousands of euros)	Land and buildings	Office furniture, fixtures and sundry equipment	IT equipment	TOTAL
GROSS VALUE				
31 December 2009	**10,864**	**61,747**	**49,430**	**122,041**
Translation differential	-	393	853	1,246
Acquisitions	125	8,459	6,898	15,482
Disposals	-	-4,880	-9,322	-14,202
31 December 2010	**10,989**	**65,719**	**47,859**	**124,567**
Translation differential	-	-216	-771	-987
Acquisitions	153	8,277	6,364	14,794
Disposals	-	-270	-3,954	-4,224
Other movements	-	10	23	33
Changes in scope	11	1,291	1,201	2,503
Discontinued operations (Axway)	-	-6,348	-13,351	-19,699
31 DECEMBER 2011	**11,153**	**68,463**	**37,371**	**116,987**
DEPRECIATION				
31 December 2009	**8,520**	**40,407**	**38,226**	**87,153**
Translation differential	-	346	775	1,121
Charges	231	4,338	5,935	10,504
Reversals	-	-4,234	-9,256	-13,490
31 December 2010	**8,751**	**40,857**	**35,680**	**85,288**
Translation differential	-	-178	-675	-853
Charges	245	4,608	5,566	10,419
Reversals	-	-191	-3,880	-4,071
Other movements	-	-3	-	-3
Changes in scope	9	705	1,090	1,804
Discontinued operations (Axway)	-	-5,585	-9,597	-15,182
31 DECEMBER 2011	**9,005**	**40,213**	**28,184**	**77,402**
NET VALUE				
31 December 2009	**2,344**	**21,340**	**11,204**	**34,888**
31 December 2010	**2,238**	**24,862**	**12,179**	**39,279**
31 DECEMBER 2011	**2,148**	**28,250**	**9,187**	**39,585**

- Investments made by the Group in property and equipment (€14.8 million) primarily include office equipment in France and abroad, in the amount of €8.3 million and information technology equipment (central systems, work stations, and networks) in the amount of €6.4 million.
- Amounts included under disposals during the year (€4.2 million, depreciated in the amount of €4.0 million) correspond 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. Some of these premises are owned outright. Another 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)	31/12/2011	31/12/2010	31/12/2009
Land	255	255	255
Buildings	3,861	3,861	3,861
Amortisation	-3,735	-3,669	-3,603
NET VALUE	**381**	**447**	**513**

Finance lease contracts relating to IT investments (see Note 1.10) are presented in the balance sheet in the following amounts:

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Gross value	25,689	25,637	27,316
Amortisation	-18,018	-17,635	-18,151
NET VALUE	**7,671**	**8,002**	**9,165**

Note 7 I Equity interests accounted for under the equity method

(in thousands of euros)	Gross value	Impairment	Net
1 January 2011	-	-	-
Changes in scope	101,395	-	101,395
Adjustment of recoverable value	-	17,958	-17,958
Capital transactions	16,078	-	16,078
Net profit	5,993	-	5,993
Translation adjustment	4,064	-	4,064
Changes in shareholding	-151	-21	-130
Other movements	-40	-	-40
31 DECEMBER 2011	**127,339**	**17,937**	**109,402**

The initial valuation of those Axway Software shares retained (26.27%), based on the average price on the first day of listing (€23.94 on 14 June 2011), was €101.4 million (see Note 2.1.2). A €71.4 million gain relative to the proportion of equity previously consolidated has been recognised under *Other operating income and expenses* (see Note 26).

At 30 June 2011, executive management considered that the significant reduction in the share price observed in the first week of the stock market listing represented an indication that this equity interest was impaired. The equity interest was therefore measured in relation to its recoverable amount, which is the higher of the share price less costs to sell and the value in use, corresponding to the present value of future cash flows. Thus, the investment was subject to an estimate on the basis of an average stock market reference of €19.70 (net of disposal costs) as the value in use was deemed to be close to the reference value and thus lower than the market value, leading to the recognition of an impairment loss of €18.0 million. In order to facilitate the clearest understanding of the financial impact of the Axway spin-off and listing, all of these items were recognised under Other operating income and expenses in a net amount of €53.4 million, which breaks down into capital gains on the previously held equity interest in the amount of €71.4 million and an impairment loss of €18.0 million (see Note 26).

At 30 June 2011, Sopra Group subscribed to Axway Software's capital increase in an amount proportional to its shareholding, thus €16.3 million.

At 31 December 2011, the Axway shares held by Sopra Group (5,287,935 shares representing 26.24% of Axway's total share capital) were valued at €109.4 million, corresponding to the value in use of this investment. The market value of the shares (based on the December 2011 average closing price of €16.47) totalled €87.1 million.

Summary financial information relating to Axway group

(in thousands of euros)	31/12/2011
Assets	304,474
Equity	213,435
Liabilities	91,039
Revenue	217,244
Net profit	21,457

Note 8 I Financial assets

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Assets at fair value through profit and loss	-	-	-
Held to maturity assets	-	-	-
Available for sale assets	68	196	196
Other loans and receivables	2,907	3,440	3,331
TOTAL	**2,975**	**3,636**	**3,527**

8.1. Available for sale assets

(in thousands of euros)	Gross value	Impairment	Net
1 January 2010	**23,860**	**23,664**	**196**
Increase	-	-	-
Decrease	-13,856	-13,856	-
Changes in scope	-	-	-
Translation differential	3	3	-
31 December 2010	**10,007**	**9,811**	**196**
Increase	-	-	-
Decrease	-9,846	-9,657	-189
Changes in scope	61	-	61
Translation differential	4	4	-
31 DECEMBER 2011	**226**	**158**	**68**

The subsidiaries Valoris Consulting Europe Ltd, Valoris Europe Ltd and Abram Hawkes Associates Ltd were wound up and removed from the official companies register in March 2011. Having been fully impaired, the corresponding equity interests (totalling €9.4 million) were removed from Sopra Group's assets.

PVAventure and Aventure (members of the Valoris group) were dissolved and struck off the companies register in January 2011. The corresponding fixed investments (€0.4 million), including amortisation and impairment of €0.2 million, were exited from the balance sheet.

8.2. Other loans and receivables

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Receivables from unconsolidated equity interests – gross value	6	899	899
Provisions for receivables from unconsolidated equity interests	-6	-899	-899
Receivables from unconsolidated equity interests – net value	**-**	**-**	**-**
Loans	22	23	23
Deposits and other non-current financial assets	2,885	3,417	3,308
Provisions for loans, deposits and other non-current financial assets	-	-	-
Loans, deposits and other non-current financial assets – net value	**2,907**	**3,440**	**3,331**
TOTAL	**2,907**	**3,440**	**3,331**

Receivables from equity interests arising from unconsolidated subsidiaries of Valoris (PVAventure and Aventure) and totalling €0.9 million were exited from Sopra Group's balance sheet after those companies were struck off the companies register. Those receivables had been fully impaired.

Deposits and other non-current financial assets (€2.9 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 9 I Deferred tax assets and liabilities

9.1. Breakdown by maturity

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Deferred tax assets (DTA)			
■ less than one year	6,749	5,819	3,088
■ more than one year	14,203	28,550	19,468
TOTAL DTA	**20,952**	**34,369**	**22,556**
Deferred tax liabilities (DTL)			
■ less than one year	-57	-	-
■ more than one year	-21	-9,300	-7,173
TOTAL DTL	**-78**	**-9,300**	**-7,173**
NET DEFERRED TAX	**20,874**	**25,069**	**15,383**

9.2. Change in net deferred tax

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
At 1 January	**25,069**	**15,383**	**16,246**
Changes in scope	999	-	-
Tax – income statement impact	2,941	9,099	-662
Tax – equity impact	653	623	-337
Translation differential	-28	-36	136
Discontinued operations or assets classified as held for sale (Axway)	-8,760	-	-
AT 31 DECEMBER	**20,874**	**25,069**	**15,383**

9.3. Breakdown of net deferred tax by type

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Differences related to consolidation adjustments			
Actuarial gains and losses recognised for post-employment obligations	3,606	3,623	2,742
Software depreciation and amortisation of revalued software	-	4,660	-
Fair value of amortisable allocated intangible assets	-	-6,879	-6,967
Derivatives	458	329	927
Finance leases	34	46	37
Discounting of employee profit sharing	972	915	717
Tax-driven provisions	-	-2,304	-206
Activated tax losses	-	6,879	6,967
Temporary differences from tax returns			
Provision for pensions	9,095	8,941	7,616
Provision for employee profit sharing	5,322	3,426	2,581
Provision for Organic tax	528	523	507
Differences in amortisation periods	89	140	209
Activated tax losses	-	4,505	-
Other	770	265	253
TOTAL	20,874	25,069	15,383

9.4. Deferred tax assets not recognised by the Group

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Tax losses carried forward	3,978	52,997	45,560
Temporary differences	-	536	2,464
TOTAL	3,978	53,533	48,024

9.5. Maturity of tax losses carried forward

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
N+1	-	17,864	19,035
N+2	-	20,270	15,534
N+3	-	1,100	19,380
N+4	-	2,330	1,777
N+5 and subsequent years	9,631	111,884	107,140
Tax losses carried forward with a maturity date	**9,631**	**153,448**	**162,866**
Tax losses which may be carried forward indefinitely	**4,021**	**25,332**	**11,471**
TOTAL	13,652	178,780	174,337
Deferred tax basis – activated	-	33,174	19,907
Deferred tax basis – not activated	13,652	145,606	154,430
Deferred tax – activated	-	11,384	6,967
Deferred tax – not activated	3,978	52,997	45,560

At 31 December 2011, deferred tax assets not activated on tax loss carry forwards came to €4.0 million and mainly concerned the following subsidiaries: Sopra Group GmbH in Germany (€1.1 million), Valoris Iberia in Spain (€1.0 million), B.A.I. in Belgium (€1.4 million) and Sopra Group Ltd in the United Kingdom (€0.5 million).

At 31 December 2010, losses available to be carried forward and deferred tax assets not recognised by the Group mainly related to Axway's subsidiaries.

Note 10 I Trade and related receivables

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Trade accounts receivable	268,895	295,549	253,510
Accrued income	91,919	88,072	100,526
Accrued credit notes	-13,397	-12,680	-17,280
Provision for doubtful debtors	-2,423	-2,545	-2,891
TOTAL	**344,994**	**368,396**	**333,865**

Net trade receivables, expressed in terms of months of revenue, corresponded to about 2.4 months of revenue at 31 December 2011, compared to 2.3 months at 31 December 2010 and 2.1 months at 31 December 2010 (excluding Axway). This ratio is calculated by comparing Net trade accounts receivable with the revenue generated in the final quarter of the year. Net trade accounts receivable is obtained by stripping out VAT from the Trade accounts receivable balance and subtracting the deferred income balance appearing under liabilities.

Accrued income is comprised essentially of work performed in respect of fixed-price projects recognised using the percentage-of-completion method (see Note 1.21.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.

Note 11 I Other current receivables

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Staff and social security	3,885	3,667	2,807
Tax receivables (other than corporate income tax)	15,650	20,196	26,472
Corporate income tax	2,098	4,129	8,474
Leased equipment	885	406	713
Other receivables	592	1,495	547
Prepaid expenses	2,182	3,601	5,549
Derivatives	40	390	-
TOTAL	**25,332**	**33,884**	**44,562**

Tax receivables totalling €15.6 million consist of €10.4 million in deductible VAT and a €5.1 million research tax credit.

Note 12 I Cash and cash equivalents

The cash flow statement is presented on page 88.

12.1. Net cash

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Investment securities	1,900	-	-
Cash and cash equivalents	31,367	54,897	43,566
Cash and cash equivalents	**33,267**	**54,897**	**43,566**
Current bank overdrafts	-16,621	-1,316	-54
TOTAL	**16,646**	**53,581**	**43,512**

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 1.15, bills of exchange presented for collection and falling due before the It is closely related to the mobilisation of medium-term loans at the end of the financial period. Net debt, presented in Note 14.1, is more representative of the Group's financial position.

12.2. Investment securities

Category of securities *(in thousands of euros)*	31/12/2011	31/12/2010	31/12/2009
Money market UCITS and short-term money market UCITS	1,500	-	-
Other UCITS	400	-	-
TOTAL	**1,900**	**-**	**-**

Note 13 I Shareholders' equity

The consolidated statement of changes in equity is presented on page 87.

The impact of the Axway spin-off and listing transactions on equity are described in Note 2.1.2.

13.1. Changes in the share capital

At 31 December 2011 Sopra Group had share capital of €11,893,486 compared to €47,415,780 at 31 December 2010, comprising 11,893,486 fully-paid shares with a nominal value of €1 each.

The principal movements in 2011 are as follows:

- a €35,590 thousand reduction in capital agreed at the Combined General Meeting held on 10 May 2011: the share capital was reduced by reducing the par value of each share by €3.00 from €4.00 to €1.00, based on a total of 11,863,245 shares as at 10 May 2011;
- exercise of share subscription options: 39,541 shares were created corresponding to a capital increase of €67 thousand and a share premium of €1,227 thousand, for a total of €1,294 thousand.

13.2. Share subscription option plans

Grant date	Number of options allocated initially	Original exercise price	Readjusted number of options following the Axway spin-off	Readjusted exercise price following the Axway spin-off	Beginning of option exercise period	End of option exercise period	Number of options cancelled at 31/12/2011	o/w cancelled in 2011	Number of options exercised at 31/12/2011	o/w options exercised in 2011	Number of options outstanding at 31/12/2011	Fair value of options at the grant date
Plan No. 4 – 2000 stock option plan (General Meeting of 29/06/00): maximum of 714,774 shares												
29/06/2000	33,900	€73.00	-	-	30/06/2005	29/06/2008	33,900	-	-	-	-	non applicable
22/03/2001	301,500	€61.40	-	-	23/03/2006	22/03/2009	301,500	-	-	-	-	non applicable
19/12/2001	34,600	€61.40	-	-	20/12/2006	19/12/2009	34,600	-	-	-	-	non applicable
24/04/2002	6,000	€61.40	-	-	25/04/2007	23/04/2010	6,000	-	-	-	-	non applicable
16/12/2002	303,200	€22.50	-	-	17/12/2007	15/12/2010	45,750	-	257,450	-	-	€6.36
03/09/2003*	88,000	€32.50	88,173	€29.15	04/09/2008	02/09/2011	18,600	4,800	69,573	30,313	-	€12.15
13/01/2004*	23,000	€35.90	23,228	€32.34	14/01/2009	12/01/2012	4,000	-	19,228	9,228	-	€11.36
TOTAL	**790,200**						**444,350**	**4,800**	**346,251**	**39,541**	**-**	
Plan No. 5 – 2005 stock option plan (General Meeting of 26/05/05): maximum of 321,958 shares												
25/07/2006	30,000	€57.85	-	-	26/07/2011	24/07/2014	30,000	-	-	-	-	€13.10
21/12/2006*	67,000	€58.80	70,423	€53.84	22/12/2011	20/12/2014	17,163	2,663	-	-	53,260	€17.47
08/01/2007	5,000	€60.37	-	-	09/01/2012	07/01/2015	5,000	-	-	-	-	€15.28
18/03/2008*	50,000	€45.30	52,642	€41.16	19/03/2013	17/03/2016	9,500	-	-	-	43,142	€10.98
TOTAL	**152,000**						**61,663**	**2,663**	**-**	**-**	**96,402**	
Plan No. 6 – 2008 stock option plan (General Meeting of 15/05/08): maximum of 350,145 shares												
17/03/2009*	20,000	€27.16	21,302	€24.13	18/03/2014	16/03/2017	-	-	-	-	21,302	€5.85
15/04/2010*	30,000	€53.68	31,953	€49.03	16/04/2015	16/04/2018	-	-	-	-	31,953	€13.64
29/03/2011*	49,500	€72.40	52,720	€66.61	30/03/2016	29/03/2019	-	-	-	-	52,720	€18.28
TOTAL	**99,500**						**-**	**-**	**-**	**-**	**105,975**	
Plan No. 7 – 2011 stock option plan (General Meeting of 10/05/2011): maximum of 355,618 shares												
20/10/2011	5,000	€43.22	-	-	21/10/2016	19/10/2019	-	-	-	-	5,000	€9.52
TOTAL	**5,000**						**-**	**-**	**-**	**-**	**5,000**	
TOTAL FOR ALL PLANS								**7,463**	**346,251**	**39,541**	**207,377**	

* *Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions.*

- 39,541 share subscription options were exercised in the course of 2011 under plan 4.
- No further allotments may be made under plans 4, 5 or 6. In 2011, 49,500 options were allotted under plan 6 and 5,000 under plan 7.
- Adjustments were made to the exercise price and volume of Sopra Group share subscription options yet to be exercised as at 14 June 2011 to reflect the Axway spin-off and capital increase with pre-emptive rights for existing shareholders. These adjustments are set out in the table above.

Based on these adjustments, the total number of options already allocated that may be exercised comes to 207,377, with 350,618 options yet to be allocated as at 31 December 2011, bringing the maximum total number of shares that may be created to 557,995.

Furthermore, on exercising their options, holders of Sopra Group options as at 14 June 2011 are eligible to receive one free Axway Software share held by the Company for each Sopra Group share originally granted. The number of Axway shares that could thus be distributed by way of the exercise of Sopra Group options totalled 190,000 as at 31 December 2011. The number of Axway shares that could be allotted on exercise of options under plan 5 is 90,500, while 99,500 shares could be allotted on exercise of options under plan 6.

The fair value of options granted during the financial year was obtained by means of the Black & Scholes model (see Note 1.16 of the Reference Document) using the following calculation parameters:

Grant date	Number of options allocated initially	Exercise price	Share price at the grant date	Volatility	Fair value of options
29/03/2011	49,500	€72.40	€75.64	23.00%	€18.28
20/10/2011	5,000	€43.22	€44.30	25.00%	€9.52

The average share price in 2011 was €51.51.

Past service costs recognised in 2011 in respect of beneficiaries of stock options, using the method set out in Note 1.16, "Share-based payments", totalled €444 thousand.

13.3. Capital reserves

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Share issue, merger and contribution premiums	6,765	52,610	49,595
Legal reserve	1,186	4,701	4,682
TOTAL	**7,951**	**57,311**	**54,277**

Movements in the first half of 2011 represented in the Statement of changes in equity on page 87.

13.4. Transactions in treasury shares

At 31 December 2011, Sopra Group held 23,500 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €986 thousand, representing an average purchase price of €41.96. Based on the December 2011 average closing price of €37.06, the valuation of treasury shares totalled €871 thousand.

All transactions in treasury shares are taken directly to shareholders' equity. The 2011 impact was (-)€855 thousand.

13.5. Dividends

Sopra Group's General Meeting of 10 May 2011, resolved to distribute a dividend of €9.483 million, *i.e.* €0.80 per share. This dividend was paid on 25 May 2011. The dividend paid in respect of the previous financial year totalled €9.402 million, equating to €0.80 per share.

Upon approval of the financial statements for financial year 2011, the 2012 General Meeting is invited to distribute a dividend of €1.90 per share, representing a total of €22.598 million.

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 2011, this ratio was 0.07.

Note 14 I Financial debt

14.1. Consolidated net debt

(in thousands of euros)	Current	Non-current	31/12/2011	31/12/2010	31/12/2009
Bank loans	29,100	122	29,222	78,372	150,164
Liabilities on finance lease contracts	3,371	4,008	7,379	7,935	9,089
Employee profit sharing	4,159	22,242	26,401	24,416	21,698
Other sundry financial debt	22	10	32	13	10
Current bank overdrafts	16,621	-	16,621	1,316	54
FINANCIAL DEBT	**53,273**	**26,382**	**79,655**	**112,052**	**181,015**
Investment securities	-1,900	-	-1,900	-	-
Cash and cash equivalents	-31,367	-	-31,367	-54,897	-43,566
NET DEBT	**20,006**	**26,382**	**46,388**	**57,155**	**137,449**

a. Bank loans

At 31 December 2011, the Group had access to two reducible, multi-currency revolving credit facilities.

In addition to the two existing credit facilities, which were set up in October 2005 and April 2008, a new credit facility was taken out with a group of partner banks in June 2011.

The first line of credit, in a notional principal amount of €200 million, has a maturity, of seven years and is repayable in half-yearly instalments.

The second line of credit, in a notional principal amount of €132 million, has a maturity, of six years and is repayable in yearly instalments.

The third facility, for a notional principal amount of €150 million, with a term of five years and the option of a two-year extension, may not be reduced.

The total authorised amount as at 31 December 2011 was €311 million. This amount will reduce by €15 million on 21 April 2012, giving a total authorised amount as at the year-end of 2012 €249 million.

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 EBITDA). The net financial debt in question does not take into account the employee profit sharing liability but does include liabilities related to earnouts. The margin may vary between 30 and 65 basis points for the first two credit facilities and between 70 and 140 basis points for the third credit facility. A margin of 30 basis points was applied in 2011.

A non-utilisation fee also applies. A non-utilisation fee also applies, equating to 35% of the margin for the first and third credit facilities and 30% of the margin for the second credit facility.

Finally, a utilisation fee of 15 basis points applies to the third credit facility if the cumulative total amount drawn down exceeds 50% of the total amount committed.

Three financial ratios must be met under covenants entered into with partner banking establishments (see Note 36).

b. Liabilities on finance lease contracts

The carrying amount of liabilities on finance lease contracts is €7,379 million, and the corresponding future financial expense amounts to €220 thousand, representing a total minimum future payment for finance leases of €7,599 million.

(in thousands of euros)	31/12/2011 Minimum payments for finance leases	31/12/2011 Future financial expense	31/12/2011 Present value of future lease payments	31/12/2010 Present value of future lease payments	31/12/2009 Present value of future lease payments
Less than one year	3,507	136	3,371	3,825	3,952
One to five years	4,092	84	4,008	4,110	5,137
More than five years	-	-	-	-	-
TOTAL	**7,599**	**220**	**7,379**	**7,935**	**9,089**

c. Employee profit sharing

As from 2002, profit sharing reserves for Sopra Group, 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). Sopra Consulting's 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)	2011	2010 restated IFRS 5	2010 published	2009 restated IFRS 5
NET DEBT AT 1 JANUARY (A)	**-57,155**	**-137,449**	**-137,449**	**-198,195**
Cash from operations after cost of net debt and tax	**60,250**	**60,586**	**91,627**	**55,296**
Cost of net financial debt	4,098	5,624	5,837	9,032
Income taxes (including deferred tax)	36,176	30,312	27,266	15,547
Cash from operations before changes in working capital	**100,524**	**96,522**	**124,730**	**79,875**
Income taxes paid	-38,682	-27,191	-33,778	-22,483
Changes in working capital requirements	-1,341	17,441	20,870	56,866
Net cash from operating activities	**60,501**	**86,772**	**111,822**	**114,258**
Net cash used in investing activities	-13,837	-8,898	-15,031	-10,039
Net interest paid	-3,485	-5,774	-5,987	-9,228
Available net cash flow	**43,179**	**72,100**	**90,804**	**94,991**
Impact of changes in scope	-29,829	-187	-187	-8,800
Financial investments	-16,220	-100	-18	-30
Dividends	-56,068	-9,402	-9,402	-19,270
Capital increase in cash	1,190	2,580	2,580	1,230
Other changes	67,345	1,843	-3,602	-3,688
Net cash from (used in) discontinued operations (Axway)	12,638	12,983	-	-3,974
TOTAL NET CHANGE DURING THE YEAR (B)	**22,235**	**79,817**	**80,175**	**60,459**
Impact of changes in foreign exchange rates (C)	-362	477	119	287
Net debt of discontinued operations (Axway) (D)	-11,106	-20,253	-	-9,477
NET DEBT AT 31 DECEMBER (A+B+C+D)	**-46,388**	**-77,408**	**-57,155**	**-146,926**

Impact of changes in scope (-)€29.8 million

(in thousands of euros)	2011	2010 restated IFRS 5	2010 published	2009 restated IFRS 5
Cost of acquisitions (excluding earnouts)	-37,673	-	-	-
Portion remunerated in Sopra Group shares	-	-	-	-
Net debt/net cash of acquired companies	7,844	-	-	-
Deferred payments	-	-187	-187	-
Earnouts paid in respect of prior year acquisitions	-	-	-	-8,800
TOTAL	**-29,829**	**-187**	**-187**	**-8,800**

Dividends paid: (-)€56.1 million

This amount consists of the ordinary dividend net of the dividend in respect of treasury shares (€9.5 million) together with the extraordinary cash dividend (€46.6 million), as set out in Notes 13.4 and 13.5.

Other changes: €67.3 million

This item mainly consists of the repayment of the Axway current account, representing a total amount of €68.4 million.

Note 15 I Provisions for post-employment benefits

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

(in thousands of euros)	01/01/2011	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	Change in actuarial differences	Discontinued operations (Axway)	31/12/2011
France	36,492	589	4,362	-1,045	-	1,177	-4,983	36,592
Italy	4,427	-	939	-390	-	-	-791	4,185
Germany	15	-	-	-	-	-	-15	-
TOTAL	**40,934**	**589**	**5,301**	**-1,435**	**-**	**1,177**	**-5,789**	**40,777**
Impact (net of expenses incurred)								
Profit from recurring operations			3,702		-			
Financial items			1,599		-			
TOTAL			**5,301**		**-**			

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 1.18.

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

	31/12/2011	31/12/2010	31/12/2009
Benchmark for discounting	Bloomberg rate	Bloomberg rate	Bloomberg rate
Discount rate for commitments	3.75%	4.10%	4.50%
Future salary growth rate	2.50%	2.50%	2.50%
Age at retirement	65 years	65 years	65 years
Mortality table	Insee 2004-2006	Insee 2004-2006	Insee 2004-2006

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.

Retirement benefit commitments are discounted using a discount rate corresponding to the interest rate of prime corporate bonds (carrying a rating of AA or higher) denominated in the payment currency, the maturity period of which is close to the average estimated length of the retirement obligation concerned.

Since 31 December 2009, the Group uses Bloomberg rates for the euro zone as the benchmark for the discounting of its retirement obligations. A discount rate of 3.75% was used at 31 December 2011.

A ±1.0 point change in the discount rate would have an impact of about (-)€4.9 million/+€6.0 million on the total commitment.

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).

Table showing the change in provision for retirement indemnities (France)

(in thousands of euros)	Present value of defined benefit scheme obligations	Unrecognised actuarial differences	Net commitments recognised in the balance sheet	Taken to the income statement
31 December 2009	**30,085**	**-**	**30,085**	**2,725**
Past service cost	2,278	-	2,278	2,278
Financial cost	1,441	-	1,441	1,441
Benefits paid to employees	-338	-	-338	-338
Change in actuarial differences	3,026	-	3,026	-
31 December 2010	**36,492**	**-**	**36,492**	**3,381**
Changes in scope	589	-	589	-
Past service cost	2,763	-	2,763	2,763
Financial cost	1,595	-	1,595	1,595
Benefits paid to employees	-1,041	-	-1,041	-1,041
Change in actuarial differences	1,177		1,177	-
Discontinued operations	-4,983	-	-4,983	-
31 DECEMBER 2011	**36,592**	**-**	**36,592**	**3,317**

Analysis of the change in recognised actuarial differences

These differences include the effects of changes in actuarial assumptions and the effects of the differences between the actuarial assumptions used and actual experience (experience adjustments detailed below).

The actuarial loss recognised in respect of 2011 excluding the Axway group and changes in scope (€1.111 million) arises mainly from the following:

- experience impacts on liabilities (upward adjustment in the commitment amounting to €0.322 million);
- the 0.35 point increase in the discount rate used compared to 31 December 2010 (upward adjustment in the commitment amounting to €1.791 million);
- updating of five-year workforce attrition rates and assumptions relating to departure procedures (upward adjustment in the commitment amounting to €1.002 million).

Experience adjustments arising on scheme liabilities are presented in the table below:

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Present value of defined benefit scheme obligations	36,592	36,492	30,085
Experience adjustments on scheme liabilities	322	523	-1,685
Experience adjustments on scheme liabilities (as % of obligations)	0.88%	1.43%	-5.60%

The breakdown by maturity of the French retirement benefit commitment, discounted to the present value of 3.75%, is as follows:

(in thousands of euros)	31/12/2011
Present value of theoretical benefits to be paid by the employer:	
less than 1 year	606
1 to 2 years	191
2 to 3 years	356
3 to 4 years	785
4 to 5 years	1,386
5 to 10 years	7,129
10 to 20 years	16,655
more than 20 years	9,484
TOTAL COMMITMENT	**36,592**

Note 16 I Non-current provisions

(in thousands of euros)	01/01/2011	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	Other movements	Discontinued operations	31/12/2011
Provisions for disputes	810	-	564	-295	-2	-	-91	986
Provisions for guarantees	710	-	-	-	-	-	-710	-
Other provisions for contingencies	133	-	-	-	-57	-	-76	-
Sub-total provisions for contingencies	**1,653**	**-**	**564**	**-295**	**-59**	**-**	**-877**	**986**
Provisions for taxes	-	-	4,085	-	-	-	-	4,085
Other provisions for losses	252	-	-	-	-	-102	-150	-
Sub-total provisions for losses	**252**	**-**	**4,085**	**-**	**-**	**-102**	**-150**	**4,085**
TOTAL	**1,905**	**-**	**4,649**	**-295**	**-59**	**-102**	**-1,027**	**5,071**
Impact (net of expenses incurred)								
Profit from recurring operations			564		-59			
Operating profit			1,922		-			
Financial items			-		-			
Tax charge			2,163		-			
TOTAL			**4,649**		**-59**			

Provisions for disputes mainly relate to labour arbitration proceedings, severance pay and a few trade disputes.

Sopra Group's accounts covering the years 2008 and 2009 were audited by the French tax authorities, which issued a reassessment proposal. A provision of €4.085 million was set aside to cover a risk mainly relating to the research tax credit and deductions at source by foreign customers.

Note 17 I Other non-current liabilities

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Fixed asset liabilities – portion due in more than one year	-	-	-
Employee profit sharing during the year	11,946	11,198	7,286
Contingent advances	-	171	336
Derivatives	-	1,711	3,037
TOTAL	**11,946**	**13,080**	**10,659**

- Employee profit-sharing as at 31 December 2011 records provisions set aside in the year in respect of profit-sharing liabilities by Sopra Group (€11.2 million) and Delta Informatique (€0.7 million). At 31 December 2010, this item recorded profit sharing for the companies Sopra Group and Axway. These amounts increase financial debt for the following year.
- Contingent advances relate to subsidies received from OSEO.
- Derivatives at 31 December 2010 consisted of interest rate hedging contracts (see Note 34.3.a).

Note 18 I Trade and related payables

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Trade accounts payable	55,119	53,886	46,038
Trade accounts payable – advances and payments on account, accrued credit notes	-351	-355	-376
TOTAL	**54,768**	**53,531**	**45,662**

Note 19 I Other current liabilities

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Fixed asset liabilities – portion due in less than one year	135	1,063	1,277
Staff cost liabilities	150,081	159,719	142,581
Tax liabilities (excluding corporate income tax)	74,107	78,399	82,102
Corporate income tax	9,552	3,652	3,303
Deferred income	67,346	90,095	72,810
Other liabilities	1,446	728	717
Derivatives	1,495	-	244
TOTAL	**304,162**	**333,656**	**303,034**

- Staff cost liabilities include only amounts owed to social security bodies and employees.
- Accrued taxes primarily correspond to value added tax collected from clients (€68.8 million): the amount payable in respect of the month of June and the VAT collected on trade accounts receivable.
- Deferred income corresponds essentially to services invoiced but not yet performed, based on their stage of completion (see Note 1.21).
- Derivatives consist of interest rate hedging contracts (see Note 34.3.b).

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 20 I Revenue

20.1. Revenue by activity

(in millions of euros)	2011		2010 restated under IFRS 5		2010 published		2009 restated under IFRS 5	
SSI France	865.8	*82.4%*	788.9	*81.8%*	786.1	*67.2%*	742.2	*81.3%*
SSI Europe	184.5	*17.6%*	175.5	*18.2%*	175.4	*15.0%*	170.5	*18.7%*
Axway	-	-	-	-	208.4	*17.8%*	-	-
TOTAL REVENUE	**1,050.3**	***100.0%***	**964.4**	***100.0%***	**1,169.9**	***100.0%***	**912.7**	***100.0%***

20.2. Revenue by business sector

	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Services (including Real Estate)	21.1%	19.2%	19.6%	17.2%
Banking	18.7%	21.1%	21.5%	22.0%
Public sector	17.6%	17.9%	16.3%	17.9%
Manufacturing	17.0%	16.7%	17.2%	17.4%
Telecom	12.1%	11.7%	10.2%	12.6%
Retail	7.0%	6.8%	8.4%	6.3%
Insurance	6.5%	6.6%	6.8%	6.6%
TOTAL	100.0%	100.0%	100.0%	100.0%

20.3. International revenue

(in millions of euros)	2011		2010 restated under IFRS 5		2010 published		2009 restated under IFRS 5	
France	54.8	*5.2%*	43.9	*4.6%*	43.9	*3.8%*	42.3	*4.6%*
International	184.5	*17.6%*	175.4	*18.2%*	175.4	*15.0%*	170.5	*18.7%*
Axway	-	-	-	-	131.3	*11.2%*	-	-
International revenue	**239.3**	*22.8%*	**219.3**	*22.7%*	**350.6**	*30.0%*	**212.8**	*23.3%*
TOTAL REVENUE	1,050.3	*100.0%*	964.4	*100.0%*	1,169.9	*100.0%*	912.7	*100.0%*

Note 21 I Purchases consumed

(in thousands of euros)	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Purchases of subcontracting services	119,470	100,344	108,783	94,345
Purchases held in inventory of equipment and supplies	5,642	5,409	5,409	5,167
Purchases of merchandise and change in stock of merchandise	6,917	7,455	7,455	6,244
TOTAL	132,029	113,208	121,647	105,756

Note 22 I Employee expenses

22.1. Analysis

(in thousands of euros)	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Salaries	488,712	456,270	558,815	436,568
Social charges	200,574	184,318	211,044	177,487
Employee profit-sharing and incentive schemes	12,097	11,525	13,604	7,134
TOTAL	701,383	652,113	783,463	621,189

22.2. Workforce

Workforce at year end	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
France	8,920	8,230	8,825	7,737
International	3,690	3,420	4,485	3,099
TOTAL	**12,610**	**11,650**	**13,310**	**10,836**

Average workforce	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
France	8,906	8,115	8,715	7,839
International	3,556	3,235	4,275	3,133
TOTAL	**12,462**	**11,350**	**12,990**	**10,972**

22.3. Employee profit-sharing and incentive schemes

Pursuant to the application of IAS 32 and 39, liabilities in respect of profit sharing were subject to a restatement described in Notes 1.19 and 14.1.

Employee profit sharing totalled €9.4 million for Sopra Group SA and €0.3 million for Delta Informatique. The total incentive amount for 2011 was €2.4 million for Sopra Group.

Note 23 I External expenses

(in thousands of euros)	2011		2010 restated under IFRS 5		2010 published		2009 restated under IFRS 5	
Leases and charges	28,737	*28.3%*	27,652	*27.8%*	36,935	*28.0%*	26,793	*29.2%*
Maintenance and repairs	7,840	*7.7%*	7,126	*7.2%*	8,340	*6.3%*	6,268	*6.8%*
External structure personnel	1,291	*1.3%*	1,156	*1.2%*	1,521	*1.2%*	1,196	*1.3%*
Remuneration of intermediaries and fees	5,117	*5.0%*	6,295	*6.3%*	8,549	*6.5%*	4,919	*5.4%*
Advertising and public relations	2,520	*2.5%*	2,227	*2.2%*	5,350	*4.1%*	2,495	*2.7%*
Travel and entertainment	42,041	*41.4%*	40,038	*40.2%*	49,679	*37.6%*	37,219	*40.6%*
Telecommunications	5,767	*5.7%*	6,321	*6.4%*	9,130	*6.9%*	5,616	*6.1%*
Sundry	8,114	*8.0%*	8,715	*8.8%*	12,465	*9.4%*	7,160	*7.8%*
TOTAL	**101,427**	***100%***	**99,530**	***100%***	**131,969**	***100%***	**91,666**	***100%***

Note 24 I Amortisation, depreciation, provisions and impairment losses

(in thousands of euros)	**2011**	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Amortisation of intangible assets	547	692	990	939
Depreciation of property and equipment	5,459	4,910	6,066	4,839
Depreciation of assets held under finance lease	4,206	4,438	4,438	4,708
Amortisation charge	**10,212**	**10,040**	**11,494**	**10,486**
Impairment of current assets net of unused reversals	-350	32	-16	331
Provisions for contingencies and losses net of unused reversals	3,718	2,981	3,302	3,424
Provisions and impairment	**3,368**	**3,013**	**3,286**	**3,755**
TOTAL	**13,580**	**13,053**	**14,780**	**14,241**

Note 25 I Amortisation charges in respect of allocated intangible assets

This item corresponds to the amortisation expense, in respect of intangible assets allocated in connection with acquisitions of companies and mainly relates to the companies BAI (€0.2 million) and CIBF (€0.1 million).

Note 26 I Other operating income and expenses

For 2011, this item shows a total of €6.3 million in unusual income and expenses generated by non-recurring events:

- a €71.4 million capital gain on Axway shares retained, calculated as the difference between their market value at the distribution (€101.4 million) and their historical consolidated value (€30.0 million);
- an €18.0 million impairment loss on equity-accounted Axway shares (see Note 7);
- non-recurring expenses related to the project to spin-off Axway's business in the total amount of €1.0 million. These expenses mainly consist of fees for external consultants and other costs incurred specifically by Sopra Group in connection with this planned separation;
- a €6.3 million expense in respect of extraordinary profit sharing arising from the reduction in Sopra Group's shareholders' equity relating to the Axway spin-off operations (distribution of shares and cash);
- a €38.0 million goodwill impairment loss split between the following CGUs: United Kingdom (€20 million), Spain (€15 million) and Belgium (€3 million) (see Note 4.3);
- a €1.9 million provisions charge in respect of taxes (see Note 16).

In 2010, this item had included:

- non-recurring expenses related to the proposed spin-off of Axway's business in the total amount of €4.029 million. These expenses mainly involved fees for external consultants and other costs incurred specifically by Sopra Group in connection with this project;
- non-recurring expenses corresponding to stock options in the amount of €0.644 million. These related to the cost of services rendered by employees benefiting from share subscription options whose right to exercise their options was maintained despite the fact that they left the Group in 2010.

In 2009, this item included non-recurring expenses in the amount of €2.191 million for the Spanish business. This amount comprises redundancy benefits (€1.359 million), adjustments of transactions related to 2008 revenue (€0.832 million) and an impairment charge (€15.000 million) with respect to goodwill for the systems integration business in Spain.

In 2008, this item had included non-recurring expenses (€1.168 million) arising on the acquisition of Tumbleweed in the United States in September 2008: these expenses were provisions for severance pay and the costs of administrative staff leaving the company.

Note 27 I Interest income and expenses

27.1. Cost of net financial debt

(in thousands of euros)	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Income from cash and cash equivalents	308	15	25	38
Interest charges	-3,226	-2,965	-3,188	-4,634
Net result of hedges (yield spread)	-695	-2,456	-2,456	-4,309
Impact of the change in the value of the syndicated loan	-485	-218	-218	-127
TOTAL	**-4,098**	**-5,624**	**-5,837**	**-9,032**

In spite of rising interest rates in 2011, a reduction in the average outstanding amount of borrowings (€59 million, down from €110 million in 2010) and positive performance by interest rate hedges led to a significant improvement in the financial expense relative to 2010.

The average cost of borrowing after hedging was 3.27% in the first half of 2011, compared with 3.22% in the first half of 2010. The average cost of financing including bank overdrafts was 2.84% in financial year of 2011, compared with 2.81% in 2010.

27.2. Foreign exchange gains and losses

Foreign exchange gains and losses mainly relate to commercial transactions denominated in foreign currencies. Foreign exchange gains and losses relating to inter-company loans are considered as an integral part of the Group's net investment in the foreign subsidiaries concerned and are recognised as a distinct component of equity under Translation reserves in application of IAS 21.

27.3. Other financial charges and expense

(in thousands of euros)	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Reversals of provisions	10,550	-	-	-
Proceeds on the disposal of financial assets sold	139	-	-	-
Other financial income	1,000	1,741	296	1,353
Total other financial income	**11,689**	**1,741**	**296**	**1,353**
Charges of provisions	-	-5	-18	-70
Discounting of retirement commitments	-1,401	-1,276	-1,458	-925
Discounting of employee profit sharing	410	379	414	592
Discounting of earnouts in respect of companies acquired	-	-	-	-61
Change in the value of derivatives	443	520	520	-695
Net carrying amounts of financial assets sold	-10,628	-	-	-37
Other financial expense	-89	-45	-75	-414
Total other financial expense	**-11,265**	**-427**	**-617**	**-1,610**
TOTAL	**424**	**1,314**	**-321**	**-257**

Reversals of provisions and carrying amounts of financial assets sold: see Note 8.1.

Discounting *of retirement commitments*: see Note 15.

Discounting of employee profit sharing: see Note 14.1.

Change in the value of derivatives: see Note 34.3.a.

Note 28 I Tax charge

28.1. Analysis

(in thousands of euros)	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Current tax	39,117	32,137	36,365	15,977
Deferred tax	-2,941	-1,825	-9,099	-430
TOTAL	**36,176**	**30,312**	**27,266**	**15,547**

28.2. Reconciliation between the theoretical and effective tax charge

(in thousands of euros)	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Net profit	62,874	74,769	74,769	17,260
Neutralisation of the following items:				
Profit after tax from discontinued operations	-1,380	26,596	-	-
Share of net profit of equity-accounted companies	5,993	-	-	-
Net capital gains on retained Axway shares	53,456	-	-	-
Impairment of goodwill	-37,988	-	-	-18,000
Tax charge	-36,176	-30,312	-27,266	-15,547
Profit before tax	**78,969**	**78,485**	**102,035**	**50,807**
Theoretical tax rate	**36.10%**	**34.43%**	**34.43%**	**34.43%**
Theoretical tax charge	**-28,508**	**-27,022**	**-35,131**	**-17,493**
Reconciliation				
Permanent differences	-21	61	792	878
Impact of non-capitalised losses for the year	-350	-56	-25	-855
Use of non-activated losses carried forward	190	666	5,033	259
Capitalisation of previous losses carried forward	-	-	4,153	-
Impact of tax credits	1,313	2,198	3,909	1,412
CVAE reclassification (net of tax)	-7,020	-6,110	-6,794	-
Tax rate differences – France/Other countries	1,089	479	1,030	665
Prior year tax adjustments	-253	96	96	-18
Other	-2,616	-624	-329	-395
Actual tax charge	**-36,176**	**-30,312**	**-27,266**	**-15,547**
Effective tax rate	**45.81%**	**38.62%**	**26.72%**	**30.60%**

The 2011 Supplementary Finance Act *(Loi de finances rectificative)* introduced an exceptional contribution equal to 5% of corporate income tax payable in France by companies with turnover in excess of €250 million. In light of this measure, the theoretical taxation rate is now 36.10%.

28.3. Total gains and losses recognised directly in equity

	2011			2010 restated under IFRS 5			2009 restated under IFRS 5		
(in thousands of euros)	Gross	Tax impact	Net	Gross	Tax impact	Net	Gross	Tax impact	Net
Translation differential	-10,880	191	-10,689	3,604	557	4,161	4,646	-16	4,630
Actuarial gains and losses on pension plans	-1,110	383	-727	-2,428	836	-1,592	-423	146	-277
Change in the value of derivatives	-825	274	-551	1,216	-419	797	1,247	-429	818
Gains/(losses) from discontinued operations taken directly to equity	-	-	-	11,610	-419	11,191	-2,913	797	-2,116
Share of gains or losses of equity-accounted companies not recognised in the income statement	4,065	-	4,065	-	-	-	-	-	-
TOTAL	**-8,750**	**848**	**-7,902**	**14,002**	**555**	**14,557**	**2,557**	**498**	**3,055**

Note 29 I Share of net profit accounted for under the equity method

For the period from the initial listing date of 14 June 2011 to 31 December 2011, 26.24% of Axway's net profit is recognised using the equity method, corresponding to the percentage holding as at 31 December 2011. The share of Axway's net profit recognised using the equity method is €6.0 million.

Note 30 I Profit after tax from discontinued operations

Pursuant to IFRS 5, Axway's net profit has been recognised under net profit from discontinued operations for the period from 1 January to 14 June 2011, the date on which Axway was spun off and listed as a separate company. This net profit totalled (-)€1.4 million over this period, given €3.4 million in non-recurring expenses arising from the spin-off.

Note 31 I Earnings per share

(in euros)	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Net profit attributable to the Group	62,871,886	74,768,462	74,768,462	27,239,774
Weighted average number of ordinary shares in issue	11,876,503	11,780,090	11,780,090	11,679,079
BASIC EARNINGS PER SHARE	**5.29**	**6.35**	**6.35**	**2.33**

(in euros)	2011	2010 restated under IFRS 5	2010 published	2009 restated under IFRS 5
Net profit attributable to the Group	62,871,886	74,768,462	74,768,462	27,239,774
Weighted average number of ordinary shares in issue	11,876,503	11,780,090	11,780,090	11,679,079
Weighted average number of securities retained in respect of dilutive items	4,441	29,709	29,709	12,079
Weighted average number of shares retained for the calculation of diluted net earnings per share	11,880,944	11,809,799	11,809,799	11,691,158
FULLY DILUTED EARNINGS PER SHARE	**5.29**	**6.33**	**6.33**	**2.33**

The method used to calculate earnings per share is set out in Note 1.23. The only diluting instruments are the stock options presented in Note 13.2.

For the calculation of diluted earnings per share, only potential dilutive ordinary shares have been taken into account, except those that have an earnings-enhancing effect. Potential ordinary shares arising from options whose exercise price is higher than the average share price over the period (€51.51) have been considered accretive. This applies to 53,260 options allotted on 21 December 2006 under plan 5 at an adjusted exercise price of €53.84 and 52,720 options allotted on 29 March 2011 under plan 6 at an adjusted exercise price of €66.61.

OTHER INFORMATION

Note 32 I Segment information

32.1. Results by division

a. Systems and Solutions Integration – France

(in millions of euros)	2011		2010 restated under IFRS 5		2009 restated under IFRS 5	
Revenue	865.8		788.9		742.2	
Operating profit on business activity	83.5	*9.6%*	78.1	*9.9%*	59.6	*8.0%*
Profit from recurring operations	82.7	*9.6%*	77.2	*9.8%*	58.5	*7.9%*
Operating profit	74.4	*8.6%*	76.6	*9.7%*	58.5	*7.9%*

b. Systems and Solutions Integration – Europe

(in millions of euros)	2011		2010 restated under IFRS 5		2009 restated under IFRS 5	
Revenue	184.5		175.5		170.5	
Operating profit on business activity	9.0	*4.9%*	7.6	*4.3%*	5.2	*3.0%*
Profit from recurring operations	9.0	*4.9%*	7.6	*4.3%*	5.2	*3.0%*
Operating profit	9.0	*4.9%*	7.6	*4.3%*	5.2	*3.0%*

c. Not allocated

(in millions of euros)	2011		2010 restated under IFRS 5		2009 restated under IFRS 5	
Revenue	-		-		-	
Operating profit on business activity	-		-		-	
Profit from recurring operations	-		-		-	
Operating profit	14.5		-0.5		-17.2	

d. Group

(in millions of euros)	2011		2010 restated under IFRS 5		2009 restated under IFRS 5	
Revenue	1,050.3		964.4		912.7	
Operating profit on business activity	92.5	*8.8%*	85.7	*8.9%*	64.8	*7.1%*
Profit from recurring operations	91.7	*8.7%*	84.8	*8.8%*	63.7	*7.0%*
Operating profit	97.9	*9.3%*	83.7	*8.7%*	46.5	*5.1%*

2011 operating profit for the unallocated segment may be broken down as follows:

- a €71.4 million capital gain on Axway shares retained;
- an €18.0 million impairment loss on equity-accounted Axway shares;
- non-recurring expenses related to the project to spin-off Axway's business in the total amount of €1.0 million;
- a €38.0 million goodwill impairment loss split between the following CGUs: United Kingdom (€20 million), Spain (€15 million) and Belgium (€3 million).

32.2. Geographical breakdown of revenue

(in millions of euros)	France	United Kingdom	Spain	Other European countries	United States	Other zones	TOTAL
2011	811.0	58.6	71.2	94.1	-	15.4	1,050.3
2010 published	819.3	67.0	72.0	123.6	70.4	17.6	1,169.9
2009 published	768.7	64.8	75.6	110.0	55.8	19.4	1,094.3

32.3. Breakdown of the main assets per division

(in thousands of euros)	SSI France	SSI Europe	TOTAL
Goodwill	96,303	94,568	190,871
Intangible assets	2,366	446	2,812
Property and equipment	32,976	6,609	39,585
Trade accounts receivable	280,149	64,845	344,994

SSI: Systems and Solutions Integration.

32.4. Breakdown of the main assets per division

(in thousands of euros)	France	United Kingdom	Spain	Other European countries	Other zones	TOTAL
Goodwill	80,709	35,152	51,297	21,083	2,630	190,871
Intangible assets	1,127	-	22	1,583	80	2,812
Property and equipment	31,507	618	5,634	1,069	757	39,585
Trade accounts receivable	265,920	11,932	28,522	36,370	2,250	344,994

Note 33 I Financial instruments

33.1. Derivatives reported in the balance sheet

a. At 31 December 2011

	31/12/2011		Breakdown by class of derivative instrument					
(in thousands of euros)	Balance sheet value	Fair value	Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Non-current financial assets other than equity-accounted investments in associates	2,975	2,975	-	68	2,907	-	-	-
Trade accounts receivable	344,994	344,994	-	-	344,994	-	-	-
Other current receivables	25,332	25,332	-	-	25,292	-	40	-
Cash and cash equivalents	33,267	33,267	33,267	-	-	-	-	-
FINANCIAL ASSETS	**406,568**	**406,568**	**33,267**	**68**	**373,193**	**-**	**40**	**-**
Financial debt – long-term portion	26,382	26,382	26,382	-	-	-	-	-
Other non-current liabilities	11,946	11,946	11,946	-	-	-	-	-
Financial debt – short-term portion	53,273	53,273	53,273	-	-	-	-	-
Trade payables	54,768	54,768	-	-	54,768	-	-	-
Other current liabilities	304,162	304,162	-	-	302,667	-	329	1,166
FINANCIAL LIABILITIES	**450,531**	**450,531**	**91,601**	**-**	**357,435**	**-**	**329**	**1,166**

b. At 31 December 2010

	31/12/2011		Breakdown by class of derivative instrument					
(in thousands of euros)	Balance sheet value	Fair value	Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Non-current financial assets	3,636	3,636	-	196	3,440	-	-	-
Non-current derivatives	127	127	-	-	-	-	127	-
Trade accounts receivable	368,396	368,396	-	-	368,396	-	-	-
Other current receivables	33,884	33,884	-	-	33,494	-	-	390
Cash and cash equivalents	54,897	54,897	54,897	-	-	-	-	-
FINANCIAL ASSETS	**460,940**	**460,940**	**54,897**	**196**	**405,330**	**-**	**127**	**390**
Financial debt – long-term portion	74,423	74,423	25,720	-	-	48,703	-	-
Other non-current liabilities	13,080	13,080	11,198	-	171	-	968	743
Financial debt – short-term portion	37,629	37,629	-	-	-	37,629	-	-
Trade payables	53,531	53,531	-	-	53,531	-	-	-
Other current liabilities	333,656	333,656	-	-	333,656	-		
FINANCIAL LIABILITIES	**512,319**	**512,319**	**36,918**	**-**	**387,358**	**86,332**	**968**	**743**

33.2. Impact of derivatives on profit or loss

The impact of the change in value of syndicated borrowing (see Note 27.1) on profit or loss is (-)€485 thousand.

The impact of derivatives on profit or loss is described in Note 34.3.a.

Note 34 I Financial risk factors

34.1. Credit risk

a) Aging customer balance

(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)	268,895	2,449	182,142	57,488	15,750	4,138	3,644	2,004	1,280

b) Statement of changes in provisions for doubtful receivables

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Provisions for trade accounts receivable at 1 January	**2,545**	**2,891**	**3,463**
Charges	908	193	1,180
Reversals	-1,074	-579	-1,778
Changes in scope	518	-	-
Translation differential	-23	40	26
Discontinued operations (Axway)	-451	-	-
PROVISIONS FOR TRADE ACCOUNTS RECEIVABLE AT 31 DECEMBER	**2,423**	**2,545**	**2,891**

34.2. 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 carried out a specific review of its liquidity risk and considers that it is in a position to meet its cash disbursement obligations.

At 31 December 2011, the Group had access to credit facilities in the amount of €311 million (of which €29 million was used) and bank overdrafts in the amount of €70 million (of which €16.6 million was used), making a total of €381 million. The Group also had €33.3 million in cash and cash equivalents.

The following table shows the non-discounted contractual cash flows of consolidated net debt:

(in thousands of euros)	Carrying value	Total contractual flows	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank loans	29,222	29,463	29,339	94	30	-	-	-
Finance lease liabilities	7,379	7,599	3,507	2,313	1,383	396	-	-
Employee profit sharing	26,401	29,533	4,203	5,028	6,401	5,462	8,439	-
Other sundry financial debt	32	32	22	-	-	-	-	10
Current bank overdrafts	16,621	16,621	16,621	-	-	-	-	-
Financial debt	**79,655**	**83,248**	**53,692**	**7,435**	**7,814**	**5,858**	**8,439**	**10**
Investment securities	-1,900	-1,900	-1,900	-	-	-	-	-
Cash and cash equivalents	-31,367	-31,367	-31,367	-	-	-	-	-
CONSOLIDATED NET DEBT	**46,388**	**49,981**	**20,425**	**7,435**	**7,814**	**5,858**	**8,439**	**10**

34.3. Market risk

a. Interest rate risk

Interest rate risk is managed by the Group's Finance Department in collaboration with the main partner banking establishments.

Hedging of borrowings

Sopra Group entered into hedging contracts in connection with taking out reducible, multi-currency, revolving credit facilities.

The interest rate applicable to these facilities is Euribor: the purpose of the hedging contracts is to protect against the risk of a rise in this rate.

At 31 December 2011, four swap agreements were in place. These relate to the first reducible, multi-currency, revolving credit facility (€200 million, October 2005) for a notional amount equal to the amount of the total credit commitment (€29 million at 31 December 2011). They mature in October 2012.

The details are as follows:

- for 2/3 of the notional amount: Euribor 1-month +0.3075% swap against Euribor 12-month post-fixed rate (E12M post) with a ceiling of 3.68% and a floor of 3.00%, if E12M post is less than 1.99%;
- for 1/3 of the notional amount: swap of 1-month Euribor against a fixed rate (4.55%).

At 31 December 2011, the valuation of these various hedging contracts was a net expense of €0.5 million (€0.1 million in assets and €0.6 million in liabilities), versus a net expense of €1.6 million at 31 December 2010.

The difference in valuation of +€1.1 million, impacts:

- the income statement (Other financial income and expense) for agreements not benefiting from the qualification of perfect hedge as defined in IAS 39, *i.e.* €0.5 million;
- equity for agreements benefiting from the qualification of perfect hedge as defined in IAS 39, *i.e.* €0.6 million.

Summary of exposure to interest rate risk

The table below summarises the Group's exposure to interest rate risk on the basis of commitments at 31 December 2011.

	Rate	31/12/2011	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Investment securities	Fixed rate	400	400	-	-	-	-	-
	Variable rate	1,500	1,500	-	-	-	-	-
Cash and cash equivalents	Fixed rate	31,367	31,367	-	-	-	-	-
Financial assets	**Fixed rate**	**31,767**	**31,767**	**-**	**-**	**-**	**-**	**-**
	Variable rate	**1,500**	**1,500**	**-**	**-**	**-**	**-**	**-**
Bank loans	Variable rate	-29,222	-29,222	-	-	-	-	-
Finance lease liabilities	Fixed rate	-7,379	-3,371	-2,252	-1,362	-394	-	-
Employee profit sharing	Fixed rate	-26,401	-4,175	-4,758	-5,777	-4,717	-6,974	-
Other financial debt	Variable rate	-32	-32	-	-	-	-	-
Current bank overdrafts	Variable rate	-16,621	-16,621	-	-	-	-	-
Financial liabilities	**Fixed rate**	**-33,780**	**-7,546**	**-7,010**	**-7,139**	**-5,111**	**-6,974**	**-**
	Variable rate	**-45,875**	**-45,875**	**-**	**-**	**-**	**-**	**-**
Net exposure before hedging	**Fixed rate**	**-2,013**	**24,221**	**-7,010**	**-7,139**	**-5,111**	**-6,974**	**-**
	Variable rate	**-44,375**	**-44,375**	**-**	**-**	**-**	**-**	**-**
Interest rate hedging instruments	**Fixed-rate payer swaps**	**9,862**	**9,862**	**-**	**-**	**-**	**-**	**-**
	Knock-in collar	**19,145**	**19,145**	**-**	**-**	**-**	**-**	**-**
Net exposure after hedging	**Fixed rate**	**-11,875**	**14,359**	**-7,010**	**-7,139**	**-5,111**	**-6,974**	**-**
	Variable rate with cap and floor	**-19,145**	**-19,145**	**-**	**-**	**-**	**-**	**-**
	Variable rate	**-15,368**	**-15,368**	**-**	**-**	**-**	**-**	**-**

Analysis of the sensitivity of the cost of net financial debt to changes in interest rates

For the 2011 financial year, on the basis of average outstanding borrowings and current bank accounts, a rise in interest rates of 100 basis points would have had a positive impact of €0.5 million on the Group's cost of net financial debt. In contrast, a fall in interest rates of 100 basis points would have had a negative impact of €0.1 million on the Group's cost of net financial debt.

Analysis of the sensitivity of the portfolio of derivatives to changes in interest rates

(in millions of euros)	Impact on profit	Impact on equity
Impact of a 1% increase in interest rates	0.1	-
Impact of a 1% decrease in interest rates	0.2	-

b. Foreign exchange risk

Foreign exchange risk arises mainly from currency translation of financial statements for UK- or Indian-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. When this is not the case, and for contracts that are significant in nature, the Group makes use of exchange rate hedging instruments to mitigate the associated risk. At 31 December 2011, these instruments consisted entirely of hedges of the US dollar against the euro. They involve contracts for forward purchases with a term to maturity of less than one year corresponding to a total equivalent value of €5.9 million. The fair value of these various hedging instruments was (-)€0.1 million (current liability). The cumulative gains or losses on the effective portion of these instruments hedging future cash flows, in the amount of (-)€0.5 million, was taken to equity.

Furthermore, as part of its intra-group transactions, the Group is exposed to the risk of currency fluctuations in respect of:

- the invoicing of services provided from centres located in India, Romania and Morocco. The impact of these currency fluctuations on profit or loss is in principle negligible in view of the regularity of settlements; However, given the large volume of intra-group transactions with India, the group has put in place forward foreign exchange hedging instruments to minimise the risk. At 31 December 2011, the euro, the US dollar and sterling were hedged against the Indian rupee. They involve contracts for forward purchases with a term to maturity of less than one year corresponding to a total equivalent value of €17.0 million. The fair value of these various hedging instruments was €0.9 million (current liability). The cumulative gains or losses on the effective portion of these instruments hedging future cash flows, in the amount of €0.9 million, was taken to equity.
- the invoicing of head office costs by the Group to subsidiaries operating in a functional currency other than the euro. The impact of these currency fluctuations on profit or loss is not significant;
- borrowings and loans in foreign currencies related to intra-group financings. The impact of these currency fluctuations is taken to equity. These money flows are not systematically hedged. However, the Group contracts specific hedges for all large individual foreign currency transactions.

At 31 December 2011, the net carrying amount of assets and liabilities recognised by Group entities in a currency other than their functional currency was as follows:

Inter-company commercial transactions

(in thousands of euros)	GBP	EUR	CHF	MAD	Other	Total
Assets	1,023	1,645	137	30	44	2,879
Liabilities	253	563	46	476	54	1,392
Foreign currency commitments	-	-	-	-	-	-
Net position before hedging	**770**	**1,082**	**91**	**-446**	**-10**	**1,487**
Hedging instruments	726	616	-	-	-	-
NET POSITION AFTER HEDGING	**44**	**466**	**91**	**-446**	**-10**	**1,487**

Sensitivity analysis

(in thousands of euros)	GBP	EUR	CHF	MAD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	-
IMPACT ON PROFIT	2	23	5	-22	-1	7
IMPACT ON EQUITY	-	-	-	-	-	-

Current accounts

(in thousands of euros)	GBP	EUR	CHF	MAD	Other	Total
Assets	-	-	-	896	-	896
Liabilities	8,380	6	6,647	-	-	15,033
Foreign currency commitments	-	-	-	-	-	-
Net position before hedging	**-8,380**	**-6**	**-6,647**	**896**	**-**	**-14,137**
Hedging instruments	-	-	-	-	-	-
NET POSITION AFTER HEDGING	-8,380	-6	-6,647	896	-	-14,137

Sensitivity analysis

(in thousands of euros)	GBP	EUR	CHF	MAD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	
IMPACT ON PROFIT	-	-	-	-	-	-
IMPACT ON EQUITY	-419	-	-332	45	-	-706

c. Equity risk

At 31 December 2011, Sopra Group held 23,500 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €985,968, representing an average purchase price of €41.96.

All transactions in treasury shares are taken directly to shareholders' equity. The impact at 31 December 2011 is a deduction of €0.885 million (see Statement of changes in consolidated shareholders' equity).

Note 35 I Related party transactions

35.1. Remuneration of senior management

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Short-term employee benefits	1,199	880	1,049
Post-employment benefits	11	22	12
Other long-term employee benefits	-	-	-
Termination benefits	-	652	151
Equity compensation benefits	151	529	67
TOTAL	**1,361**	**2,083**	**1,279**

The Ordinary General Meeting of 10 May 2011 set the amount of fees to be apportioned among the directors at €150,000.

Post-employment benefits correspond to retirement benefits established in accordance with collective bargaining agreements (see Notes 1.18 and 15). There are no commitments in favour of executive managers with respect to post-employment benefits or other long-term employee benefits.

The Board of Directors decided at its meeting on 29 March 2011 to allot 42,000 share options to Pascal Leroy, Managing Director of Sopra Group.

The value of the services rendered by Dominique Illien that were compensated through the granting of options on 21 December 2006 and 29 March 2011, 18 March 2008, is recorded under Equity compensation benefits in the amount of €151 thousand (see Chapter 3 of this Reference Document).

No loans were granted either to directors or to members of Executive Management (nor to any of their close family members).

35.2. Transactions with the Axway group

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Transactions between Sopra Group and the Axway group			
Sales of goods and services	8,191	11,179	10,139
Purchases of goods and services	-996	-2,970	-1,958
Operating receivables	490	2,616	3,152
Operating payables	-307	-329	-494
Financial income	752	1,502	1,026
Financial receivables (current account)	-	68,432	76,600
Transactions between Sopra Group subsidiaries and the Axway group			
Sales of goods and services	3,200	2,727	2,918
Purchases of goods and services	-623	-67	-254
Operating receivables	470	725	1,243
Operating payables	-795	-96	-128
Financial income	-	-	-
Financial receivables (current account)	-	-	-

35.3. 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 (see Note 18.1).

Note 36 I Off balance sheet commitments and contingent liabilities

36.1. Contractual obligations

Contractual obligations *(in thousands of euros)*	Payments due per period Less than one year	One to five years	More than five years	31/12/2011	31/12/2010	31/12/2009
Long-term liabilities	29,100	122	-	29,222	78,372	150,164
Finance lease obligations	3,371	4,008	-	7,379	7,935	9,089
Employee profit sharing	4,159	22,242	-	26,401	24,416	21,698
Other sundry financial debt	22	-	10	32	13	10
Current bank overdrafts	16,621	-	-	16,621	1,316	54
TOTAL	**53,273**	**26,372**	**10**	**79,655**	**112,052**	**181,015**

Other commercial commitments *(in thousands of euros)*	Amount of commitments per period Less than one year	One to five years	More than five years	31/12/2011	31/12/2010	31/12/2009
Credit lines	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-
Guarantees	-	2,900	2,087	4,987	5,129	3,129
Purchase obligations	-	-	-	-	-	-
Other commercial commitments	6,287	-	-	6,287	4,448	3,593
TOTAL	**6,287**	**2,900**	**2,087**	**11,274**	**9,577**	**6,722**

36.2. Commitments given related to recurring operations

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Discounted notes not yet due	-	-	-
Bank guarantees/deposits on leased premises	2,900	3,108	3,129
Bank guarantees for effective project completion	6,287	4,448	3,593
Lease guarantees granted to subsidiaries	2,087	2,021	-
Collateral, mortgages and sureties	-	-	-
Exchange rate hedging instruments	-	-	-

36.3. 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	July 2011	July 2018	Repayment of loan for €40.0 million	1,350,000	11.35%
Sopra Développement	Société Générale	November 2009	August 2015	Repayment of loan for €4.9 million	205,792	1.73%
TOTAL					**1,555,792**	**13.08%**

b. Assets used as collateral (intangible, tangible or financial)

No such assets were pledged in this manner.

36.4. Covenants

Within the framework of the syndicated loans implemented in October 2005 and April 2008, Sopra Group assumed the following covenants:

- the ratio of net financial debt to EBITDA is required to be lower than 3 for the entire term of the facility. At 31 December 2011 this ratio was 0.20, compared to 0.27 at 31 December 2010;
- the ratio of net financial debt to equity must remain less than one throughout the term of the facility. At 31 December 2011, this ratio was 0.07, compared with 0.09 at 31 December 2010;
- the ratio of operating profit to net financial debt is required to be greater than 5 for the entire term of the facility. At 31 December 2011, this ratio was 23.90 compared to 18.73 at 31 December 2010.

Net financial debt included in these calculations does not take into account employee profit sharing.

Within the framework of the syndicated loan taken up in June 2011, Sopra Group assumed the following covenants:

- the ratio of net financial debt to EBITDA is required to be lower than 3 for the entire term of the facility. At 31 December 2011 this ratio was 0.20;
- the ratio of net debt to equity is required to be lower than 1.2 for the entire term of the facility. At 31 December 2011 this ratio was 0.07;
- the ratio of operating profit to net financial debt is required to be greater than 5 for the entire term of the facility. At 31 December 2011, this ratio was 39.07.

Net financial debt included in these calculations does not take into account employee profit sharing.

In calculating the cost of net financial debt, the impact of interest on employee profit sharing has been neutralised.

36.5. Real collateral given in guarantee

No real collateral was given to guarantee bank financing.

36.6. Contingent liabilities

No contingent liabilities need to be taken into account.

Note 37 I 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 38 I Post balance sheet events

On 13 February 2012, Sopra Group announced two planned acquisitions intended to significantly bolster its presence in the United Kingdom: Tieto Corporation's dedicated "UK Financial Services" business and the UK subsidiary of the Business & Decision group. Both these acquisitions will be consolidated with effect from 1 March 2012.

On 16 February 2012, Sopra Group announced plans to acquire a majority interest in Belgian company Callataÿ & Wouters (C&W), which produces the Thaler bank management software. This investment will be consolidated with effect from 1 April 2012.

Note 39 I Foreign currency conversion rates

	Average rate for the period			Period-end rate		
€1/Currency	**31/12/2011**	31/12/2010	31/12/2009	**31/12/2011**	31/12/2010	31/12/2009
Swiss franc	1.2318	1.3795	1.5075	1.2156	1.2504	1.4836
Pound sterling	0.8675	0.8576	0.8895	0.8353	0.8608	0.8881
Moroccan dirham	11.2803	11.1495	11.2546	11.1346	11.1744	11.3329
Rupee (India)	64.7668	60.5327	67.3164	68.7285	59.7729	67.0400
Swedish krona	N/A	9.5374	10.5766	N/A	8.9654	10.2520
Romanian leu	N/A	4.2093	4.2413	N/A	4.2620	4.2363
Bulgarian lev	N/A	1.9558	1.9558	N/A	1.9558	1.9558
US dollar	N/A	1.3243	1.3923	N/A	1.3362	1.4406
Canadian dollar	N/A	1.3640	1.5809	N/A	1.3322	1.5128
Australian dollar	N/A	1.4415	1.7559	N/A	1.3136	1.6008
Hong Kong dollar	N/A	10.2891	10.7921	N/A	10.3853	11.1709
Singapore dollar	N/A	1.8040	2.0228	N/A	1.7136	2.0194
Yuan (China)	N/A	8.9646	9.5098	N/A	8.8222	9.8350
Ringitt (Malaysia)	N/A	4.2589	4.9057	N/A	4.0950	4.9326
Korean won	N/A	1,538.4615	1,767.3245	N/A	1,492.5373	1,666.9700

N/A: rates not applied for the 2011 consolidated financial statements since they relate to the functional currencies of Axway subsidiaries.

Statutory Auditors' Report on the consolidated financial statements

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your General Meetings, we hereby report to you for the year ended 31 December 2011 on:

- the audit of the accompanying consolidated financial statements of Sopra Group SA;
- the justification of our assessments;
- the specific procedures 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 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 the verification, on a test basis or through the use of any other selection methods, of the evidence supporting the amounts and disclosures included in the consolidated financial statements. An audit also includes an assessment of the accounting policies used and significant estimates made by the management, as well as an evaluation of the overall presentation of the financial statements. We believe that the evidence we have been able to gather provides a sufficient and appropriate basis to express our audit opinion.

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 the above opinion, we would like to draw your attention to Note 1.2.a of the consolidated financial statements, which discusses the impact of the new standards applicable for accounting periods beginning on or after 1 January 2011.

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:

- at each balance sheet date, the company systematically performs an impairment test of goodwill and assets with indefinite useful lives, so as to determine whether there is any indication that investments in equity-accounted companies may be impaired, using the methods described in Notes 1.11, 4.3 and 4.5 of the consolidated financial statements. In the course of our assessments, 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;
- the company recognises deferred tax assets in application of the procedures described in Notes 1.13, 9.2 and 9.3 to the consolidated financial statements. 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;
- the Company allocates a provision for its retirement benefit commitments towards its employees based on the projected credit unit method, as indicated in Notes 1.18.b and 15 of 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.

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 performed the specific procedures in accordance with professional standards applicable in France and required by law in relation to the information contained in the Group's management report.

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

Paris and Courbevoie, 26 April 2012

The Statutory Auditors

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

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2011 INDIVIDUAL FINANCIAL STATEMENTS

Balance sheet

ASSETS *(in thousands of euros)*	**2011**	**2010**
Intangible assets	87,587	55,443
Property and equipment	23,529	20,664
Financial investments	275,457	435,871
Non-current assets	**386,573**	**511,978**
Stocks and work in progress	25	11
Trade accounts receivable	284,476	253,848
Other receivables, prepayments and accrued income	28,775	22,742
Cash and cash equivalents	11,793	14,884
Current assets	**325,069**	**291,485**
TOTAL ASSETS	**711,642**	**803,463**

LIABILITIES AND EQUITY *(in thousands of euros)*	**2011**	**2010**
Share capital	11,894	47,416
Premiums	1,479	96,876
Reserves	18,745	120,705
Net profit for the year	173,288	42,558
Equity	**205,406**	**307,555**
Provisions	**32,082**	**22,582**
Financial debt	70,648	100,174
Trade payables	51,733	49,773
Tax and social charge payables	221,027	188,937
Other liabilities, accruals and deferred income	130,746	134,442
Payables	**474,154**	**473,326**
TOTAL LIABILITIES AND EQUITY	**711,642**	**803,463**

Income statement

(In thousands of euros)	2011	2010
Net revenue	850,278	770,733
Other operating income	2,293	2,587
Operating income	**852,571**	**773,320**
Purchases consumed	4,641	4,024
Staff costs	532,690	479,694
Other operating expenses	210,935	190,743
Taxes and duties	25,537	24,150
Depreciation and provisions	7,631	7,037
Operating expenses	**781,434**	**705,648**
Operating profit	**71,137**	**67,672**
Financial income and charges	-21,355	-1,935
Pre-tax profit on ordinary activities	**49,782**	**65,737**
Exceptional income and expenses	161,031	301
Employee profit-sharing and incentive schemes	-16,382	-10,434
Corporate income tax	-21,143	-13,046
NET PROFIT	**173,288**	**42,558**

Notes to the individual financial statements

1 I Significant events

1.1. Complete transfer of the assets and liabilities of Sopra Consulting

At 1 June 2011, Sopra Consulting was dissolved, by way of the transfer of all of its assets and liabilities to Sopra Group.

1.2. Spin-off and listing of the Axway sub-group

The spin-off and listing of Axway, which was voted and approved by the General Meeting of Sopra Group shareholders held on 8 June 2011, resulted in Axway Software's initial stock market listing on 14 June 2011.

The various steps in this process are described below.

1.2.1. Preliminary transactions

a. Distribution of a dividend by Axway Software

Axway Software proceeded with a dividend distribution in the amount of €7.9 million, as well as an exceptional distribution of reserves in the amount of €13.9 million, thus a total of €21.8 million received by Sopra Group.

b. Reduction of Sopra Group's capital

At the Combined General Meeting of 10 May 2011, it was decided to reduce Sopra Group's capital by way of a €3.00 reduction in the par value of each share, from €4.00 to €1.00.

On the basis of a total share capital comprised of 11,863,245 shares at 10 May 2011, a share capital reduction of €35.6 million was recognised to offset the increase in share premiums.

A corresponding reduction in the legal reserve was made for an amount of €3.6 million, with the balancing entry being the creation of a free reserve.

1.2.2. Spin-off and listing transactions

At its meeting of 8 June 2011, the General Meeting of Sopra Group shareholders approved the distribution by Sopra Group to its shareholders, in respect of each Sopra Group share eligible for the distribution, of:

- one Axway Software share; and
- a payment in the amount of €3.92, to offset the major portion of the French tax impact from this distribution.

a. Distribution in kind

The distribution of Axway Software shares was performed on the basis of a valuation of €300 million for the Axway sub-group, following an assessment by an independent expert. As Sopra Group retained a 26.27% stake in Axway Software, the distribution in kind valued at €221.2 million (73.73%) was deducted from issue, merger and contribution premiums in the amount of €86.1 million and from reserves in the amount of €135.1 million.

As the value for accounting purposes of the distributed shares came to €55.8 million, this transaction generated €165.4 million in capital gains.

b. Cash distribution

On the basis of a share capital comprised of 11,885,135 shares at 8 June 2011, an extraordinary dividend of €3.92 was distributed to Sopra Group shareholders in the total amount of €46.6 million on 14 June 2011.

c. Tax

The dividends received by Sopra Group from Axway, together with the distribution of Axway shares by Sopra Group, generate estimated tax of €5.9 million.

1.2.3. Subsequent transactions

a. Capital increase by Axway Software

At 30 June 2011, Axway Software carried out a capital increase in the amount of €61.9 million by creating new shares. As the entity's main shareholder, Sopra Group subscribed to this capital increase in an amount proportional to its shareholding, thus €16.3 million.

b. Repayment of current account by Axway Software

This capital increase made it possible for Axway Software to repay the entirety of the current account advances it had been granted by Sopra Group, in the amount of €68.4 million.

1.3. Acquisition of Delta Informatique

In early October 2011, Sopra Group acquired 100% of the share capital of Delta Informatique, in a cash transaction. This acquisition was completed with the aim of expanding the Group's presence in the financial services sector beyond France. Delta develops, distributes and implements Delta-Bank, an integrated software solution in use by numerous financial institutions around the world.

2 I Accounting principles and policies

The 2011 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.

2.1. Software development expenses

All research and development costs are charged to the income statement in the year they are incurred.

Software and Solutions 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.

2.2. Acquired software

Software is recognised at its acquisition cost. Straight-line amortisation is applied over 1 to 10 years.

2.3. 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 set aside for impairment of business goodwill. Amortisation applied prior to 1 January 2000 has been retained in the balance sheet.

The Company conducts goodwill impairment tests 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.

2.4. Property and equipment

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

2.5. Equity interests

Equity interests are recognised at their acquisition cost.

The value in use of the securities has been their economic value, calculated using the discounted cash flow approach. An impairment expense 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 five-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%.

2.6. Revenue

2.6.1. 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 fixed-price 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.

2.6.2. 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;
- associated services: installation, configuration, adaptation, training…

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. The project is then examined as a whole and is the focus of specific monitoring by the Industrialisation Department. Such projects are recognised according to the percentage of completion method described above.

2.7. Receivables

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 impairment is recognised 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.

2.8. Age at retirement

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 overall commitment to 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 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.

3 I Notes to the balance sheet

3.1. Non-current assets

3.1.1. Intangible assets

(in thousands of euros)	Concessions, patents, similar rights	Business goodwill	Total
GROSS VALUE			
At 1 January 2011	**17,034**	**57,810**	**74,844**
Mergers*	-	84,526	84,526
Acquisitions	750	-	750
Disposals	-	-	-
At 31 December 2011	**17,784**	**142,336**	**160,120**
DEPRECIATION			
At 1 January 2011	**16,051**	**3,350**	**19,401**
Mergers*	-	52,526	52,526
Charges	606	-	606
Reversals	-	-	-
At 31 December 2011	**16,657**	**55,876**	**72,533**
NET VALUE			
At 1 January 2011	983	54,460	55,443
At 31 December 2011	**1,127**	**86,460**	**87,587**

* *Complete transfer of assets and liabilities of Sopra Consulting.*

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 €28.035 million in 2011, are recorded as expenses (see Note 2.1).

3.1.2. 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 2011	**323**	**6,625**	**195**	**30,449**	**82**	**16,615**	**14**	**54,303**
Acquisitions	-	153	74	4,201	-	2,155	-	6,583
Disposals	-	-	-38	-91	-	-28	-	-157
At 31 December 2011	**323**	**6,778**	**231**	**34,559**	**82**	**18,742**	**14**	**60,729**
DEPRECIATION								
At 1 January 2011	**77**	**5,006**	**158**	**17,074**	**50**	**11,274**	**-**	**33,639**
Charges	10	169	53	2,377	20	1,032	-	3,661
Reversals	-	-	-38	-37	-	-25	-	-100
At 31 December 2011	**87**	**5,175**	**173**	**19,414**	**70**	**12,281**	**-**	**37,200**
NET VALUE								
At 1 January 2011	246	1,619	37	13,375	32	5,341	14	20,664
At 31 December 2011	**236**	**1,603**	**58**	**15,145**	**12**	**6,461**	**14**	**23,529**

Property and equipment consists of:

- Land and 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;
- Furniture and office equipment: relates to equipment located in premises rented by Sopra Group in the main cities in 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.

3.1.3. 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 2011	**455,722**	**70,718**	**2,279**	**528,719**
Mergers*	-85,062	-	1	-85,061
Acquisitions – Increases	53,924	-	553	54,477
Disposals – Decreases	-65,631	-69,315	-118	-135,064
At 31 December 2011	**358,953**	**1,403**	**2,715**	**363,071**
IMPAIRMENT				
At 1 January 2011	**90,549**	**2,296**	**3**	**92,848**
Mergers*	-35,062	-	-	-35,062
Charges	40,266	-	112	40,378
Reversals	-9,657	-893	-	-10,550
At 31 December 2011	**86,096**	**1,403**	**115**	**87,614**
NET VALUE				
At 1 January 2011	365,173	68,422	2,276	435,871
At 31 December 2011	**272,857**	**-**	**2,600**	**275,457**

* *Complete transfer of assets and liabilities of Sopra Consulting.*

Details concerning equity interests are provided in the "Subsidiaries and associated entities" tables presented in Note 5.9.

a. Gross amounts

Movements in 2011 relating to investments in associates break down as follows:

- the positive impact of the Delta Informatique acquisition in the amount of €37.673 million (see Note 1.3) and the Axway Software capital increase in the amount of €16.251 million (see Note 1.2.3);
- the negative impact of the winding up of Valoris subsidiaries in the amount of (-)€9.843 million and the distribution of Axway Software shares in the amount of (-)€55.756 million (see Note 1.2.2).

The reduction in receivables related to investments in associates essentially corresponds to Axway Software's full repayment of current account advances granted by Sopra Group (see Note 1.2.3).

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:

- Business Architects International: €17,167 thousand;
- Sopra Group Ltd: €12,560 thousand;
- Sopra Informatica: €9,487 thousand;
- Sopra Belux : €1,052 thousand.

The reversal of provisions for the impairment of investments in associates involves the disposal of Valoris shares.

3.2. Other assets

3.2.1. Trade receivables

(in thousands of euros)	2011	2010
Non-Group clients	208,269	180,133
Accrued income	75,016	72,552
Group clients	1,166	1,132
Doubtful debtors	209	243
Provision for doubtful debtors	-184	-212
TOTAL	**284,476**	**253,848**

Trade receivables are recognised as assets and are stated net of all client-related debit and credit balances.

Accrued income 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.

The risk of fluctuations relating to commercial transactions denominated in foreign currencies is not very substantial. Sopra Group makes use of forward currency exchange contracts to hedge against this risk. At 31 December, these instruments are hedges of the US dollar against the euro. They consist of contracts for forward sales with a term to maturity of less than one year corresponding to a total equivalent value of €5.9 million.

3.2.2. Other receivables, prepayments and accrued income

(in thousands of euros)	2011	2010
Staff costs and related payables	27	65
Social security	158	158
State and local authorities		
■ Corporate income tax	-	2,170
■ VAT	8,183	7,488
■ Other tax	5,920	1,408
Group and associates	9,379	7,525
Impairment of current accounts	-48	-122
Other receivables	2,895	2,990
Impairment of sundry debtors	-33	-109
Prepaid expenses	1,733	1,167
Translation differential – Asset	561	2
TOTAL	**28,775**	**22,742**

3.2.3. Impairment of current assets

(in thousands of euros)	At 01/01/2011	Charges	Reversals	At 31/12/2011
Impairment of trade receivables	212	44	72	184
Impairment of current accounts	122	3	77	48
Impairment of sundry debtors	109	-	76	33
TOTAL	**443**	**47**	**225**	**265**

3.3. Equity

3.3.1. Change in shareholders' equity

(in thousands of euros)	Share capital	Issue, merger and contribution premiums	Legal reserve	Free reserves	Discretionary reserves	Retained earnings	Net profit for the year	Total
At 1 January 2011	**47,416**	**96,876**	**4,701**	**-**	**116,004**	**-**	**42,558**	**307,555**
Appropriation of 2010 earnings and dividends	-	-	40	-	33,034	5	-42,558	-9,479
Reduction in share capital	-35,590	35,590	-	-	-	-	-	-
Reduction of the legal reserve	-	-	-3,555	3,555	-	-	-	-
Mergers*	-	621	-	-	-	-	-	621
Cash dividends (extraordinary distribution)	-	-46,590	-	-	-	-	-	-46,590
Dividends in kind (Axway shares)	-	-86,141	-	-3,555	-131,484	-	-	-221,180
Exercise of share subscription options	67	1,124	-	-	-	-	-	1,191
Profit for the year	-	-	-	-	-	-	173,288	173,288
At 31 December 2011	**11,893**	**1,480**	**1,186**	**-**	**17,554**	**5**	**173,288**	**205,406**

* *Complete transfer of assets and liabilities of Sopra Consulting.*

The amount of dividends paid in 2011, in respect of 2010 profit, was €0.80 per share, for a total amount of €9.483 million.

The amount of cash dividends (corresponding to an extraordinary distribution) was €3.92 per share, for a total amount of €46.590 million (see Note 1.2.2).

The distribution of Axway shares generated a reduction in equity in the total amount of €221.180 million (see Note 1.2.2).

3.3.2. Share capital

At 31 December 2011 Sopra Group had share capital of €11,893,486 compared to €47,415,780 at 31 December 2010, comprising 11,893,486 fully-paid shares with a nominal value of €1 each.

The principal movements in 2011 are as follows:

- a €35,590 thousand reduction in capital agreed at the Combined General Meeting held on 10 May 2011: the share capital was reduced by reducing the par value of each share by €3.00 from €4.00 to €1.00, based on a total of 11,863,245 shares as at 10 May 2011;
- exercise of share subscription options: 39,541 shares were created corresponding to a capital increase of €67 thousand and a share premium of €1,227 thousand, for a total of €1,294 thousand.

At 31 December 2011, the number of treasury shares held by the Company amounts to 23,500.

3.3.3. Share subscription option plans

Grant date	Number of options allocated initially	Original exercise price	Readjusted number of options following the Axway spin-off	Readjusted exercise price following the Axway spin-off	Beginning of option exercise period	End of option exercise period	Number of options cancelled at 31/12/2011	o/w cancelled in 2011	Number of options exercised at 31/12/2011	o/w options exercised in 2011	Number of options outstanding at 31/12/2011
Plan No. 4 – 2000 stock option plan (General Meeting of 29/06/00): maximum of 714,774 shares											
29/06/2000	33,900	€73.00	-	-	30/06/2005	29/06/2008	33,900	-	-	-	-
22/03/2001	301,500	€61.40	-	-	23/03/2006	22/03/2009	301,500	-	-	-	-
19/12/2001	34,600	€61.40	-	-	20/12/2006	19/12/2009	34,600	-	-	-	-
24/04/2002	6,000	€61.40	-	-	25/04/2007	23/04/2010	6,000	-	-	-	-
16/12/2002	303,200	€22.50	-	-	17/12/2007	15/12/2010	45,750	-	257,450	-	-
03/09/2003*	88,000	€32.50	88,173	€29.15	04/09/2008	02/09/2011	18,600	4,800	69,573	30,313	-
13/01/2004*	23,000	€35.90	23,228	€32.34	14/01/2009	12/01/2012	4,000	-	19,228	9,228	-
TOTAL	**790,200**						**444,350**	**4,800**	**346,251**	**39,541**	**-**
Plan No. 5 – 2005 stock option plan (General Meeting of 26/05/05): maximum of 321,958 shares											
25/07/2006	30,000	€57.85	-	-	26/07/2011	24/07/2014	30,000	-	-	-	-
21/12/2006*	67,000	€58.80	70,423	€53.84	22/12/2011	20/12/2014	17,163	2,663	-	-	53,260
08/01/2007	5,000	€60.37	-	-	09/01/2012	07/01/2015	5,000	-	-	-	-
18/03/2008*	50,000	€45.30	52,642	€41.16	19/03/2013	17/03/2016	9,500	-	-	-	43,142
TOTAL	**152,000**						**61,663**	**2,663**	**-**	**-**	**96,402**
Plan No. 6 – 2008 stock option plan (General Meeting of 15/05/08): maximum of 350,145 shares											
17/03/2009*	20,000	€27.16	21,302	€24.13	18/03/2014	16/03/2017	-	-	-	-	21,302
15/04/2010*	30,000	€53.68	31,953	€49.03	16/04/2015	16/04/2018	-	-	-	-	31,953
29/03/2011*	49,500	€72.40	52,720	€66.61	30/03/2016	29/03/2019	-	-	-	-	52,720
TOTAL	**99,500**						**-**	**-**	**-**	**-**	**105,975**
Plan No. 7 – 2011 stock option plan (General Meeting of 10/05/2011): maximum of 355,618 shares											
20/10/2011	5,000	€43.22	-	-	21/10/2016	19/10/2019	-	-	-	-	5,000
TOTAL	**5,000**						**-**	**-**	**-**	**-**	**5,000**
TOTAL FOR ALL PLANS								**7,463**	**346,251**	**39,541**	**207,377**

* *Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions*

As previously indicated 39,541 share subscription options were exercised in the course of the first half of 2011 under Plan No 4.

No more options may be allocated under Plans No 4, 5 and 6.

49,500 options were granted in financial year 2011 for Plan No 6 and 5,000 options for Plan No 7.

Adjustments were made to the exercise price and volume of Sopra Group share subscription options yet to be exercised as at 14 June 2011 to reflect the Axway spin-off and capital increase with pre-emptive rights for existing shareholders. These adjustments are presented in the table above.

Based on these adjustments, the total number of options already allocated that may be exercised comes to 207,377, with 350,618 options yet to be allocated as at 31 December 2011, bringing the maximum total number of shares that may be created to 557,995.

In addition, all holders of Sopra Group options at 14 June 2011 are entitled, upon the exercise of their options, to receive a bonus allocation of one Axway Software share held by the Company for each Sopra Group option originally granted. At 31 December 2011, a total of 190,000 Axway shares could potentially be distributed as bonus shares upon the exercise of Sopra Group options. This total is comprised of 90,500 Axway shares that may be allocated upon the exercise of options under Plan No 5 and 99,500 shares under Plan No 6.

3.4. Provisions

(in thousands of euros)	At 01/01/2011	Mergers	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	At 31/12/2011
Provisions for retirement benefits	22,222	905	4,288	999	-	26,416
Provisions for commercial disputes	-	-	30	-	-	30
Provisions for employee disputes	311	412	385	181	-	927
Provisions for foreign exchange losses	2	-	561	2	-	561
Provisions for taxes	-	-	4,086	-	-	4,086
Provisions for risks relating to subsidiaries	47	-	15	-	-	62
TOTAL	**22,582**	**1,317**	**9,365**	**1,182**	**-**	**32,082**

* *Sopra Consulting Transmission Universelle de Patrimoine.*

Provisions were recorded chiefly for retirement benefit commitments and risks related to various disputes. Provisions for tax relate to the tax inspection for 2008 and 2009 (cf Note 4.4).

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 2.8.

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.

Retirement benefit commitments are discounted using a discount rate corresponding to the interest rate of prime corporate bonds (carrying a rating of AA or higher) denominated in the payment currency, the maturity period of which is close to the average estimated length of the retirement obligation concerned.

Since 31 December 2009, the Group uses Bloomberg rates for the euro zone as the benchmark for the discounting of its retirement obligations. A discount rate of 3.75% was used at 31 December 2011.

A ±1.0 point change in the discount rate would have an impact of about (-)€4.9 million/+€6.0 million on the total commitment.

The total commitment for retirement benefits amounted to €35.994 million. The cumulative amount of unrealised actuarial differences on the balance sheet at year-end 2011 was €9.579 million, versus €9.128 million at year-end 2010.

3.5. Payables

3.5.1. Financial debt

(in thousands of euros)	At 01/01/2011	Increase	Decrease	At 31/12/2011
Syndicated loan	78,000	-	49,000	29,000
Employee profit sharing	21,100	8,502	4,710	24,892
Contingent advances	171	-	171	-
Other financial debt	523	15,896	-	16,419
Accrued interest on financial debt	380	337	380	337
TOTAL	**100,174**	**24,735**	**54,261**	**70,648**

At 31 December 2011, the Group had access to two reducible, multi-currency revolving credit facilities.

In addition to the two existing credit facilities, which were set up in October 2005 and April 2008, a new credit facility was taken out with a group of partner banks in June 2011.

The first line of credit, in a notional principal amount of €200 million, has a maturity, of seven years and is repayable in half-yearly instalments.

The second line of credit, in a notional principal amount of €200 million, has a maturity, of seven years and is repayable in half-yearly instalments.

The third facility, for a notional principal amount of €150 million, with a term of five years and the option of a two-year extension, may not be reduced.

The total authorised amount as at 31 December 2011 was €311 million. This amount will reduce by €15 million on 21 April 2012, giving a total authorised amount as at the year-end of €249 million.

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 EBITDA). The net financial debt in question does not take into account the employee profit sharing liability but does include liabilities related to earnouts. The margin may vary between 30 and 65 basis points for the first two credit facilities and between 70 and 140 basis points for the third credit facility. The margin applied in 2011 was 30 pbs.

A non-utilisation fee also applies, equating to 35% of the margin for the first and third credit facilities and 30% of the margin for the second credit facility.

Finally, a utilisation fee of 15 basis points applies to the third credit facility if the cumulative total amount drawn down exceeds 50% of the total amount committed.

Within the framework of the syndicated loans implemented in October 2005 and April 2008, Sopra Group assumed the following covenants:

- the ratio of net financial debt to EBITDA is required to be lower than 3 for the entire term of the facility. At 31 December 2011 this ratio was 0.20, compared to 0.27 at 31 December 2010;
- the ratio of net debt to equity is required to be lower than 1 for the entire term of the facility. At 31 December 2011, this ratio was 0.07, down from 0.09 a year earlier;
- the ratio of operating profit to net financial debt is required to be greater than 5 for the entire term of the facility. At 31 December 2011, this ratio was 23.90 compared to 18.73 at 31 December 2010.

Net financial debt included in these calculations does not take into account employee profit sharing.

Within the framework of the syndicated loan taken up in June 2011, Sopra Group assumed the following covenants:

- the ratio of net financial debt to EBITDA is required to be lower than 3 for the entire term of the facility. At 31 December 2011 this ratio was 0.20;
- the ratio of net debt to equity is required to be lower than 1.2 for the entire term of the facility;
- the ratio of operating profit to net financial debt is required to be greater than 5 for the entire term of the facility. At 31 December 2011, this ratio was 39.07.

3.5.2. Trade accounts payable

(in thousands of euros)	2011	2010
Trade accounts payable and related accounts	30,057	25,831
Accrued expenses	20,009	19,819
Trade accounts payable – Group	1,667	4,123
TOTAL	**51,733**	**49,773**

3.5.3. Tax and social charge payables

(in thousands of euros)	2011	2010
Staff costs and related payables	74,085	62,460
Social security	73,824	64,925
State and local authorities		
■ Corporate income tax	7,306	-
■ VAT	63,275	59,738
■ Other tax	2,537	1,814
TOTAL	**221,027**	**188,937**

Accrued taxes primarily correspond to value added tax collected from clients: the amount payable in respect of the month of June and the VAT collected on trade accounts receivable.

3.5.4. Other liabilities, accruals and deferred income

(in thousands of euros)	2011	2010
Client deposits	836	220
Liabilities in respect of fixed assets	135	620
Group and associates	56,720	65,379
Other liabilities	16,145	14,746
Deferred income	56,884	53,464
Translation differential – Liability	26	13
TOTAL	**130,746**	**134,442**

Deferred income comprises the portion of billings issued in advance on fixed-price and maintenance contracts.

4 I Notes to the income statement

4.1. Revenue

Revenue breaks down as follows by market:

	2011	2010
Finance	23.4%	25.3%
Manufacturing	18.9%	19.9%
Services (including Real Estate)	21.5%	18.0%
Public sector	17.1%	17.4%
Telecoms & Media	12.1%	12.3%
Retail	7.0%	7.1%
TOTAL	**100.0%**	**100.0%**

Of the €850.3 million in revenue generated in 2011, €37.7 million derived from international operations.

4.2. Compensation allocated to the members of governing bodies

Directors' fees paid in 2011 for financial year 2010 amounted to €150 thousand.

Compensation paid in 2011 to executive management bodies was €899 thousand.

4.3. Financial items

(In thousands of euros)	2011	2010
Dividends received from equity interests	25,705	4,497
Interest on bank borrowings and similar charges	-2,899	-3,775
Interest on employee profit sharing	-1,592	-1,364
Discounting of the pension provision	-1,384	-1,242
Losses on receivables from associated entities	-835	-
Interest received and paid on Group current accounts	-524	1,391
Positive and negative foreign exchange impact (including provision)	-507	-1,506
Impairment of equity interests	-40,266	-
Other charges to and reversals of financial provisions	840	-6
Other financial charges and expense	107	70
FINANCIAL ITEMS	**-21,355**	**-1,935**

The detail of dividends received is listed in the table of subsidiaries and associated entities (see Note 5.9).

Impairment charges recognised for equity-accounted investments are included under *Non-current financial assets* (see Note 3.1.3).

4.4. Exceptional items

In 2011, exceptional items were mainly comprised of capital gains on the sale of non-current financial assets in the amount of €165.424 million, arising as a result of the Axway Software spin-off and listing transactions (see Note 1.2.2).

Sopra Group was the subject of a tax audit relating to financial years 2008 and 2009. The tax authorities notified the Company of a proposed tax reassessment. A provision of €4.086 million was recognised in respect of this audit, essentially to cover the risk relating to R&D tax credits and taxes withheld by foreign clients.

4.5. Employee profit sharing

The reserve for employee profit sharing amounted to €14.005 million. This amount is determined under the conditions laid down by law.

Of this total amount, €5.384 million corresponds to the impact of the Axway Software spin-off and listing transactions: increase in taxable profit and decrease in equity.

4.6. Incentive

The total incentive amount for 2011 was €2.415 million.

4.7. Corporate income tax

4.7.1. Tax consolidation group

As a result of the complete transfer of Sopra Consulting's assets and liabilities to Sopra Group and the distribution of 73.73% of Axway Software shares, these two entities no longer meet the criteria for inclusion in the Company's tax consolidation group.

With effect from 31 December 2011, Sopra Consulting and Axway Software are no longer consolidated by Sopra Group for tax purposes.

4.7.2. R&D tax credit

Sopra Group benefited in 2011 from a research tax credit of €4.957 million.

4.7.3. Breakdown of tax between recurring and exceptional operations

Corporate income tax breaks down as follows:

(in thousands of euros)	2011	2010
Tax on recurring operations	21,205	19,340
Tax on exceptional operations	5,496	104
Tax reassessment	-	81
Research tax credit	-4,957	-6,384
Other tax credits	-601	-95
TOTAL	**21,143**	**13,046**

4.7.4. Deferred and latent tax position

	Basis					
	At 01/01/2011		Change		At 31/12/2011	
(in thousands of euros)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
I. CERTAIN OR CONTINGENT DIFFERENCES						
Tax-driven provisions	-	-	-	-	-	-
Investment subsidies	-	-	-	-	-	-
Temporary non-deductible expenses						
■ To be deducted the following year						
- employee profit sharing	8,254	-	5,751	-	14,005	-
- Organic tax	1,341	-	71	-	1,412	-
■ To be deducted thereafter						
- provision for post-employment benefits	23,085	-	3,331	-	26,416	-
- other	-	-	-	-	-	-
Temporary non-taxable income						
- short-term capital gains	-	-	-	-	-	-
- capital gains on mergers	-	-	-	-	-	-
- deferred long-term capital gains	-	-	-	-	-	-
Deducted expenses (or taxed income) for tax purposes that has not been recognised						
- deferred charges	-	-	-	-	-	-
TOTAL	**33,935**	**-**	**9,153**	**-**	**41,833**	**-**
II. ITEMS TO BE OFFSET						
Losses that may be carried forward for tax offset	-	-	-	-	-	-
Long-term capital losses	-	-	-	-	-	-
Other	-	-	-	-	-	-
III. CONTINGENT TAX ITEMS						
Capital gains on non-depreciable assets contributed on merger	-	52,264	-	-	-	52,264
Special reserve for construction profits	-	-	-	-	-	-
Other	-	-	-	-	-	-

5 I Other information

5.1. Maturities of receivables and payables at the balance sheet date

5.1.1. Receivables

(in thousands of euros)	Gross amount	One year or less	More than one year
Non-current assets			
Receivables related to equity investments	1,403	1,403	-
Other non-current financial assets	2,716	986	1,730
Current assets			
Doubtful debts or disputes	209	-	209
Other trade receivables	284,450	284,450	-
Staff costs and related payables	28	28	-
Social security	159	159	-
State and local authorities			
■ Corporate income tax	5,920	5,920	-
■ VAT	8,182	8,182	-
■ Other tax	-	-	-
Group and associates	9,379	9,379	-
Other receivables	2,895	2,895	-
Prepaid expenses	1,733	1,733	-
TOTAL	**317,074**	**315,135**	**1,939**

5.1.2. Payables

(In thousands of euros)	Gross amount	Within 1 year	More than 1 year and within 5 years	More than 5 years
Bank debt				
■ 2 years maximum at origin	16,746	16,746	-	-
■ More than 2 years at origin	29,000	29,000	-	-
Other financial debt	24,902	4,135	20,757	10
Trade payables	51,733	51,733	-	-
Staff costs and related payables	74,085	60,080	14,005	-
Social security	73,824	73,824	-	-
State and local authorities				
■ Corporate income tax	7,306	7,306	-	-
■ VAT	63,275	63,275	-	-
■ Other tax	2,537	2,537	-	-
Liabilities in respect of fixed assets	135	135	-	-
Group and associates	56,719	56,719	-	-
Other liabilities	16,145	16,145	-	-
Deferred income	56,884	56,884	-	-
TOTAL	**473,291**	**438,519**	**34,762**	**10**

5.2. Information concerning related parties

(in thousands of euros)	Related parties
ASSETS	
Advances and payments on account for fixed assets	-
Equity investments	274,350
Receivables related to equity investments	1,397
Loans	-
Trade receivables	2,779
Other receivables	9,379
Translation differential – Asset	559
LIABILITIES	
Convertible bonds	-
Other bonds	-
Bank debt	-
Other financial debt	-
Liabilities in respect of fixed assets	-
Trade accounts payable	6,799
Other liabilities	56,719
Translation differential – Liability	1
INCOME STATEMENT	
Income from equity investments	25,705
Other financial income	904
Financial expense	2,000

5.3. Information on finance leases

5.3.1. Finance leases

		Amortisation charge		Net
(in thousands of euros)	Original value	for the period	accumulated	value
IT equipment	25,689	4,140	18,018	7,671

5.3.2. Finance lease commitments

	Actual lease payments		Lease payments remaining			Residual
(in thousands of euros)	for the period	accumulated	Less than 1 year	1 to 5 years	Total payable	purchase price
IT equipment	4,594	14,678	3,465	3,974	7,439	160

5.4. Off-balance sheet commitments

5.4.1. Off-balance sheet commitments

(in thousands of euros)	
Discounted notes not yet due	-
Bank guarantees in lieu of guarantee deposits for leased premises	2,741
Bank guarantees for effective project completion	474
Bank guarantees for the purpose of guaranteeing payment of supplier invoices	82
Post-employment obligations not provisioned (actuarial gains and losses)	9,579
Lease guarantees granted to subsidiaries	2,087
Collateral, mortgages and sureties	Nil
Interest rate hedging instruments	see §3.5.1
Exchange rate hedging instruments	see §3.2.1

5.4.2. Individual training rights (DIF)

In 2011, 136,861 hours were acquired and 56,962 DIF hours were consumed.

At 31 December 2011, the cumulative balance of training that was not consumed amounted to 392,172 hours.

5.5. Accrued income and expenses

(in thousands of euros)	
ACCRUED INCOME	
Trade accounts payable – Credit notes to be received	155
Trade accounts receivable	75,016
Tax and social charge receivables	159
Other receivables	1
Cash and cash equivalents	15
TOTAL	**75,345**
ACCRUED EXPENSES	
Accrued interest on financial debt	338
Trade accounts payable	20,009
Trade accounts receivable – Credit notes to be issued	14,096
Tax and social charge payables	90,622
Other liabilities	-
TOTAL	**125,064**

5.6. Workforce

The average workforce for 2011 comprised 8,654 employees, including 8,340 executive-level staff. The workforce at 31 December 2011 comprised 8,673 employees.

5.7. 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.

5.8. Events subsequent to the financial year closing

On 13 February 2012, Sopra Group announced two proposed acquisitions intended to significantly boost its presence in the United Kingdom: Tieto Corporation's UK financial services product business and the UK subsidiary of Business & Decision.

On 16 February 2012, Sopra Group announced a proposal to acquire a majority stake in the Belgian company Callataÿ & Wouters (C&W), the developer and distributor of the banking management software Thaler.

5.9. List of subsidiaries and associated entities

Company *(in thousands of euros)*	Share capital	Other share-holders' equity	% of capital held	Carrying amount of shares held: Gross	Carrying amount of shares held: Net	Loans and advances granted by the company and not yet repaid	Latest financial year revenue ex. VAT	Latest financial year revenue ex. VAT	Latest fiscal year profit or loss	Dividends received by the company during the period
SUBSIDIARIES										
Delta Informatique*	332	13,038	100.00%	37,673	37,673	-	-	9,122	698	-
Sopra Group Ltd (United Kingdom)	60,697	-15,389	100.00%	83,955	55,000	-	-	60,298	-6,294	-
Sopra Belux (Belgium)	2,638	-2,378	100.00%	3,052	2,000	997	-	8,911	-897	-
Business Architects International NV (Belgium)	11,426	3,269	100.00%	37,667	20,500	-	-	5,255	-66	-
Sopra Luxembourg	100	257	100.00%	100	100	-	-	1,147	174	150
Valoris Luxembourg	894	-2,354	100.00%	1,154	-	1,397	-	-	-4	-
Sopra Group Gmbh (Germany)	1,200	-1,143	100.00%	5,485	-	765	-	2,347	135	-
Sopra Informatique (Switzerland)	82	8,002	100.00%	58	58	-	-	12,237	1,982	3,716
Sopra Group SpA (Italy)	3,660	-271	100.00%	12,502	12,502	6,668	-	36,262	450	-
Sopra Group Informatica SAU (Spain)	24,000	30,008	100.00%	113,487	100,000	-	-	69,075	3,360	-
Valoris Iberia (Spain)	70	-109	100.00%	18,760	-	47	-	-	-3	-
CS Sopra España (Spain)	3,260	827	100.00%	3,260	3,260	-	-	14,830	529	-
SOPRAntic (Morocco)	269	102	100.00%	267	267	902	-	2,887	95	-
Sopra India (India)	2,954	5,956	100.00%	5,366	5,366	-	-	18,254	1,601	55
EQUITY INVESTMENTS										
Axway Software	40,301	120,784	26.24%	36,086	36,086	-	-	134,568	8,627	21,784

* *Portion consolidated over a 3-month period.*

Statutory Auditors' report on the individual financial statements

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your General Meetings, we hereby report to you for the year ended 31 December 2011 on:

- the audit of the accompanying individual 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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves the verification, on a test basis or through the use of any other selection methods, of the evidence supporting the amounts and disclosures included in the individual financial statements. An audit also includes an assessment of the accounting policies used and significant estimates made by the management, as well as an evaluation of the overall presentation of the financial statements. We believe that the evidence we have been able to gather provides a sufficient and appropriate basis to express our audit 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 2011 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 2.5. 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 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.

Concerning the information provided in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code on compensation and benefits in kind paid to company officers as well as commitments granted in their favour, we have verified its consistency with the financial statements or with the data used to prepare these financial statements, and, as applicable, with the information collected by your Company from companies controlling or controlled by it. On the basis of this work, we certify the accuracy and truthfulness of this information.

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, 26 April 2012

The Statutory Auditors

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

Special report of the Statutory Auditors on regulated agreements and commitments

To the Shareholders,

As the Statutory Auditors of your Company, we present our report on regulated agreements and commitments.

It is our responsibility to present to you, on the basis of the information given to us, the main features and conditions of the agreements and commitments about which we have been informed or that we might have discovered in the context of our assignment, without having to express an opinion on their usefulness or appropriateness or determine whether or not any other such agreements or commitments exist.

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.

In addition, it is our responsibility, where applicable, to present to you the disclosures required by Article R. 225-31 of the French Commercial Code relating to the execution, during the year under review, of the agreements and commitments already approved by the General Meeting.

We have carried out the verifications we deemed necessary in accordance with the professional standards and doctrine of the National Auditors' Association (Compagnie Nationale des Commissaires aux Comptes – CNCC) relating to this assignment. The verifications consisted in checking that the information given to us was consistent with the basic documents from which it derives.

1. Agreements and commitments subject to the approval of the General Meeting

1.1 Agreements and commitments authorised during the year under review

Pursuant to Article L. 225-40 of the French Commercial Code, we were informed of the following agreement, which has been granted prior authorisation by your Board of Directors.

Agreement for the recharging of expenses and fees incurred in connection with the listing of Axway Software

Persons concerned: François Odin, Pierre Pasquier and Sopra Group SA, represented by Christophe Bastelica.

Some of the expenses and fees incurred in connection with the listing of Axway Software were recharged by Sopra Group to its former subsidiary. The costs of this transaction were thus apportioned between Sopra Group and Axway Software, with the former assuming 25% of the total and the latter 75%.

The income resulting from these recharged expenses and fees recognised by your Company amounts to €2,496,555.

Framework agreement for assistance concluded with Sopra GMT

Persons concerned: François Odin and Pierre Pasquier.

Under this agreement, Sopra GMT has provided the following services:

- the coordination, between Axway and Sopra Group, of general policy and the development of synergies upon the completion of the spin-off;
- support for strategic planning;
- other services relating to strategy development, together with consultancy and assistance services.

The recharging of these services to Sopra Group and Axway Software is performed on the basis of actual costs plus a margin of 7% (excluding expenses relating to Sopra GMT's administration of its investments, estimated at around 5% of the company's total expenses), divided between Sopra Group and Axway Software in a 70/30 ratio.

The expense resulting from these recharged expenses and fees recognised by your Company amounts to €148,014.

Agreement on removal from tax consolidation group

As a result of the spin-off and listing of Axway, the tax consolidation agreement entered into by your Company and Axway Software on 25 February 2002 was terminated.

This agreement for the removal of Axway Software from the tax consolidation group has no material impact for either company.

2. Agreements and commitments already approved by the General Meeting

2.1. Agreements and commitments approved during previous years, which continued to be executed in the year under review

In application of Article R. 225-30 of the French Commercial Code, we were informed that the execution of the following agreements and commitments, already approved by the General Meeting in prior years, continued in the year under review.

Agreements concluded between your Company and Axway Software

Agreement	Impact on Sopra Group's 2011 financial statements
Provision of premises	€3,326,256 revenue
Provision of IT resources	€771,297 revenue
Assistance and head office expense agreement (functional divisions)	€360,450 revenue

Agreements concluded between your Company and Sopra Consulting

Agreement	Impact on Sopra Group's 2011 financial statements
Provision of premises	€606,022 revenue
Provision of IT resources	€75,045 revenue
Assistance and head office expense agreement (functional divisions)	€218,097 revenue
Commercial support Payment of management fees for commercial support by Sopra Group. These management fees amount to 2% of Sopra Consulting's revenue.	€168,194 revenue

Cash management agreements

Company concerned	Balance of current account held with Sopra Group at 31 Dec. 2011 *(in euros)*	Expense (-) Income (+) *(in euros)*
Axway Software	0	752,029
Sopra Consulting	0	-106,977
Sopra Group Ltd	-8,380,190 credit	-189,849
Sopra Belux	997,000 debit	15,266
Sopra Group GmbH	764,500 debit	19,113
Sopra Group SpA	6,667,963 debit	146,679
SOPRAntic	902,145 debit	41,663
Sopra Informatique	-6,646,771 credit	-193,106
Sopra Group Informatica	-24,801,711 credit	-580,848
Sopra Luxembourg	-271,753 credit	-8,385
BAI	-14,368,917 credit	-346,394
Delta	-2,250,000 credit	-2,466

2.2. Agreements and commitments approved in prior years which were not executed in the year under review

Furthermore, we were informed that the following agreements and commitments, already approved by the General Meeting in prior years, remain in effect but did not give rise to execution during the year under review.

- Guarantee provided to Pascal Leroy in the event of his departure on the initiative of Sopra Group

Person concerned: Pascal Leroy

Your Board of Directors has authorised the granting of a guarantee to Pascal Leroy, in the event of his departure on the initiative of Sopra Group, whereby his appointment as Managing Director and his employment contract would be terminated at the same time, except in cases of serious or gross misconduct and subject to the satisfaction of performance conditions as determined by the Board of Directors.

This guarantee provides for:

- the payment of a separation benefit equivalent to the total gross compensation, comprised of both fixed and variable components, received during the twelve months preceding the notification of termination; and
- the 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 his term of office.

- Commercial support agreement concluded between your Company and Axway Software

  This agreement provides for the payment of management fees for the commercial support offered by your Company to Axway Software. No management fees were invoiced under this agreement in 2011.

Courbevoie and Paris, 26 April 2012

Mazars
represented by
Christine Dubus

Auditeurs & Conseils Associés
represented by
François Mahé

7

Sopra Group
AND THE STOCK MARKET

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 11,893,486 shares with a nominal value of €1 at 31 December 2011, representing a total amount of €11,893,486.

Sopra Group shares are listed on Compartment B of NYSE Euronext Paris and are eligible for the Deferred Settlement Service (SRD).

The Combined General Meeting held on 22 June 2010 approved the proposal to eliminate double voting rights attached to Sopra Group shares. This decision was also ratified by the Special General Meeting held the same day attended uniquely by holders of shares entitled to double voting rights.

2. Current ownership

	At 31/12/2011				At 31/12/2010				At 31/12/2009			
Shareholder	**Shares**	**% of capital**	**Voting rights**	**% of voting rights**	**Shares**	**% of capital**	**Voting rights**	**% of voting rights**	**Shares**	**% of capital**	**Voting rights**	**% of voting rights**
SOPRA GMT(1)	3,322,059	27.93%	3,322,059	27.99%	3,322,059	28.02%	3,322,059	28.05%	3,122,059	26.56%	6,244,118	36.48%
PASQUIER family	156,865	1.32%	156,865	1.32%	164,495	1.39%	164,495	1.39%	164,995	1.40%	285,458	1.67%
ODIN family	242,595	2.04%	242,595	2.04%	242,595	2.05%	242,595	2.05%	242,595	2.06%	314,457	1.84%
Management	476,977	4.01%	476,977	4.02%	455,853	3.85%	455,853	3.85%	421,333	3.58%	627,804	3.67%
of which Sopra Développement(2)	*205,792*	*1.73%*	*205,792*	*1.73%*	*191,615*	*1.62%*	*191,615*	*1.62%*	*155,665*	*1.32%*	*155,665*	*0.91%*
of which managers(3)	*271,185*	*2.28%*	*271,185*	*2.28%*	*264,238*	*2.23%*	*264,238*	*2.23%*	*265,668*	*2.26%*	*472,139*	*2.76%*
Pact between Sopra GMT, Pasquier and Odin families, and Management	*4,198,496*	*35.30%*	*4,198,496*	*35.37%*	*4,185,002*	*35.30%*	*4,185,002*	*35.34%*	*3,950,982*	*33.62%*	*7,471,837*	*43.65%*
GENINFO (Groupe SG)(4)	1,434,700	12.06%	1,434,700	12.09%	1,434,700	12.10%	1,434,700	12.11%	1,434,700	12.21%	2,869,400	16.76%
Pact between Sopra GMT, Pasquier and Odin families, and Geninfo	*5,156,219*	*43.35%*	*5,156,219*	*43.44%*	*5,163,849*	*43.56%*	*5,163,849*	*43.60%*	*4,964,349*	*42.24%*	*9,713,433*	*56.75%*
CARAVELLE(5)	2,057,967	17.30%	2,057,967	17.34%	2,057,967	17.36%	2,057,967	17.38%	1,757,967	14.96%	1,757,967	10.27%
IBI(6)									837,414	7.13%	837,414	4.89%
Groupe Crédit Agricole(7)									117,500	1.00%	235,000	1.37%
Free float	4,178,823	35.14%	4,178,823	35.20%	4,165,776	35.14%	4,165,776	35.17%	3,652,280	31.08%	3,946,138	23.05%
Treasury shares	23,500	0.20%			10,500	0.09%			1,700	0.01%		
TOTAL	**11,893,486**	**100.00%**	**11,869,986**	**100.00%**	**11,853,945**	**100.00%**	**11,843,445**	**100.00%**	**11,752,543**	**100.00%**	**17,117,756**	**100.00%**

(1) Sopra GMT, a French société anonyme, is a financial holding company owning Sopra Group and Axway shares.

(2) Sopra Développement is a company formed by a group of senior managers to acquire an ownership interest in Sopra Group and Axway.

(3) These are the senior managers who are individually bound by the shareholders' agreement signed by Sopra GMT, the Pasquier and Odin family groups and Sopra Développement.

(4) 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.

(5) Caravelle is a diversified holding company controlled by the Martel family which is represented on the Sopra Group board by Delphine Inesta.

(6) IBI is a financial holding company governed by Luxembourg law owned by José Sancho Garcia (director of Sopra Group until 19 April 2010). As of 31 December 2010, in light of the sales generated during the year, most of the share capital and voting rights of IBI are assimilated with the free-float.

(7) Crédit Agricole group became a shareholder of Sopra Group following the Inforsud Ingénierie acquisition in December 2003. As of 31 December 2010, in light of the sales generated during the year, most of the share capital and voting rights of Crédit Agricole are assimilated with the free float.

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

At 31 December 2011, Sopra Group did not own any treasury shares other than those held under the liquidity contract (23,500 shares).

Sopra GMT's ownership structure is as follows:

Sopra GMT's ownership structure	31/12/2011		31/12/2010		31/12/2009	
Shareholders	Shares	% of capital	Shares	% of capital	Shares	% of capital
Pierre Pasquier family group	318,050	67.31%	318,050	67.31%	318,050	67.31%
François Odin family group	132,050	27.95%	132,050	27.95%	132,050	27.95%
Sopra Group management	22,435	4.74%	22,435	4.74%	22,435	4.74%
TOTAL	**472,535**	**100.00%**	**472,535**	**100.00%**	**659,420**	**100.00%**

2.1. Crossing of 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 group) and Caravelle, no other shareholder informed the Company that it had exceeded these thresholds at 31 December 2011. On 16 January 2012, Caisse des Dépôts et Consignations informed the Company that it had exceeded the threshold of 3%.

2.2. Approximate number of shareholders

At 31 December 2011, Sopra Group had 371 registered shareholders who owned an aggregate total of 8,092,908 registered shares out of a total share capital of 11,893,486 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 approximately 5,000.

2.3. Shareholders' agreements notified to the stock market authorities

2.3.1. Pact between Sopra GMT, Pierre Pasquier, François Odin and Geninfo

A shareholders' agreement constituting an action in concert 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 the terms of 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 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 notification of its response to Geninfo.

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. Shareholders' agreement between Sopra GMT, the Pasquier and Odin family groups, Sopra Développement and a group of senior managers

A shareholders' agreement was concluded on 7 December 2009 between the Pasquier and Odin family groups, Sopra GMT, Sopra Développement and a group of senior managers.

This agreement, constituting an action in concert, is valid for two years. It includes the following main provisions:

- an undertaking by the parties to act in concert so as to implement shared strategies and, in general, to approve any significant decisions;
- an undertaking by the parties to act in concert in connection with the appointment of the members of Sopra Group's management bodies and the renewal of these appointments, by which the senior managers agree to facilitate the appointment of any individuals proposed by the Pasquier and Odin family groups and Sopra GMT;
- an undertaking to act in concert so that the parties shall jointly hold, at all times, a minimum of 30% of the capital and voting rights of Sopra Group;
- an undertaking by the parties to act in concert in connection with any proposed acquisition or disposal corresponding to more than 0.20% of the capital or voting rights of Sopra Group;
- an undertaking by the parties to act in concert in order to adopt a shared strategy in the event of any takeover bid or exchange offer relating to Sopra Group shares;
- a pre-emptive right to the benefit of the Pasquier and Odin family groups and Sopra GMT in the event of any disposal (i) by a senior manager of Sopra Group shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group, right of fourth refusal for Sopra Développement) or (ii) by Sopra Développement of Sopra Group shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group). The exercise price for the preemptive right shall be equal to (i) the price agreed between the transferor and the transferee in the event of an off-market transfer, (ii) the average share price over the

ten trading days preceding the announcement of the disposal in the event of a sale on the market, (iii) the value determined for the shares in the context of the transaction, in all other cases.

The senior managers shall refrain from carrying out any transaction likely to entail the filing of a mandatory takeover bid or exchange offer.

2.3.3. Control of the share capital

Although the Company is controlled by its owners, the composition and operating procedures of the Board of Directors and its Committees contribute to ensuring the balance of this control:

- there are 9 directors, including 4 independent directors and 7 directors who do not belong to the group of founders;
- the Board of Directors periodically reviews its operating procedures;
- a majority of the members of the Board of Directors serving on its Committees do not belong to the group of founders;
- the two directors representing the group of founders are bound by the same obligations as all other directors in terms of the requirement to protect the Company's interests, to observe rules of good governance as well as the provisions of the Board's charter and its internal regulations;
- the Group has adopted the AFEP-MEDEF Code of Corporate Governance for Listed Companies and has established a system of governance described in Part 3 of the Reference Document.

3. Changes in share capital

Sopra Group had share capital of €11,893,486 comprising 11,893,486 shares with a nominal value of €1 at 31 December 2011. The following changes have been made to the capital over the last several years:

Year	Description	Amount of capital post operation	Nominal value	Number of shares		Contributions	
				Created	Total	Nominal value	Premiums or reserves
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
2008	Capital increase through the exercise of options	€46,819,964	€4	33,460	11,704,991	€133,840	€687,010
2009	Capital increase through the exercise of options	€47,010,172	€4	47,552	11,752,543	€190,208	€1,039,712
2010	Capital increase through the exercise of options	€47,415,780	€4	101,402	11,853,945	€405,608	€2,174,537
2011	Capital increase through the exercise of options	€47,415,780	€4	9,300	11,863,245	€37,200	€265,050
2011	Capital reduction not motivated by losses	€11,863,245	€4	0	11,863,245	-€35,589,735	€35,589,735
2011	Capital increase through the exercise of options	€11,893,486	€4	30,241	11,893,486	€30,241	€962,041

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

4.1. Capital increase

	Nominal amount	Expiry date	Maximum number of shares
Sopra Group shares	€7 million	21/08/2012	1,750,000
Convertible bonds or equivalent	€150 million	21/08/2012	1,750,000

4.2. Authorisations to issue securities in favour of employees and company officers

	Percentage authorised	Expiry date	Maximum number of shares
BSAAR	3%*	10/11/2012	355,618*
Share subscription options	3%*	10/07/2014	355,618*

* *This upper limit is cumulative for all securities issued in favour of employees and company officers.*

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 2011 granted by Sopra Group to its employees:

Grant date	Number of options allocated initially	Original exercise price	Readjusted number of options following the Axway spin-off	Readjusted exercise price following the Axway spin-off	Beginning of option exercise period	End of option exercise period	Number of options cancelled at 31/12/2011	o/w cancelled in 2011	Number of options exercised at 31/12/2011	o/w options exercised in 2011	Number of options outstanding at 31/12/2011	Fair value of options at the grant date
Plan No. 4 - 2000 stock option plan (General Meeting of 29/06/00): maximum of 714,774 shares												
29/06/2000	33,900	€73.00			30/06/2005	29/06/2008	33,900	-	-	-	-	non applicable
22/03/2001	301,500	€61.40			23/03/2006	22/03/2009	301,500	-	-	-	-	non applicable
19/12/2001	34,600	€61.40			20/12/2006	19/12/2009	34,600	-	-	-	-	non applicable
24/04/2002	6,000	€61.40			25/04/2007	23/04/2010	6,000	-	-	-	-	non applicable
16/12/2002	303,200	€22.50			17/12/2007	15/12/2010	45,750	-	257,450	-	-	€6.36
03/09/2003*	88,000	€32.50	88,173	€29.15	04/09/2008	02/09/2011	18,600	4,800	69,573	30,313	-	€12.15
13/01/2004*	23,000	€35.90	23,228	€32.34	14/01/2009	12/01/2012	4,000	-	19,228	9,228	-	€11.36
Total	**790,200**						**444,350**	**4,800**	**346,251**	**39,541**	**-**	
Plan No. 5 - 2005 stock option plan (General Meeting of 26/05/05): maximum of 321,958 shares												
25/07/2006	30,000	€57.85			26/07/2011	24/07/2014	30,000	-	-	-	-	€13.10
21/12/2006*	67,000	€58.80	70,423	€53.84	22/12/2011	20/12/2014	17,163	2,663	-	-	53,260	€17.47
08/01/2007	5,000	€60.37			09/01/2012	07/01/2015	5,000	-	-	-	-	€15.28
18/03/2008*	50,000	€45.30	52,642	€41.16	19/03/2013	17/03/2016	9,500	-	-	-	43,142	€10.98
Total	**152,000**						**61,663**	**2,663**	**-**	**-**	**96,402**	
Plan No. 6 - 2008 stock option plan (General Meeting of 15/05/08): maximum of 350,145 shares												
17/03/2009*	20,000	€27.16	21,302	€24.13	18/03/2014	16/03/2017	-	-	-	-	21,302	€5.85
15/04/2010*	30,000	€53.68	31,953	€49.03	16/04/2015	16/04/2018	-	-	-	-	31,953	€13.64
29/03/2011*	49,500	€72.40	52,720	€66.61	30/03/2016	29/03/2019	-	-	-	-	52,720	€18.28
Total	**99,500**						**-**	**-**	**-**	**-**	**105,975**	
Plan No. 7 - 2011 stock option plan (General Meeting of 10/05/2011): maximum of 355,618 shares												
20/10/2011	5,000	€43.22			21/10/2016	19/10/2019	-	-	-	-	-	€9.52
Total	**5,000**						**-**	**-**	**-**	**-**	**-**	
TOTAL FOR ALL PLANS									**7,463**	**346,251**	**39,541**	**202,377**

* *Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions.*

39,541 subscription options were exercised in 2011 under Plan No 4.

Options may no longer be granted under Plan No 4, Plan No 5 or Plan No 6. In 2011, 49,500 options were granted under Plan No 6, while 5,000 options were granted under Plan No 7.

Adjustments were made to the exercise price and volume of Sopra Group share subscription options yet to be exercised as at 14 June 2011 to reflect the Axway spin-off and capital increase with pre-emptive rights for existing shareholders These adjustments are shown in the table above.

Based on these adjustments, the total number of options already allocated that may be exercised comes to 207,377, with 350,618 options yet to be allocated as at 31 December 2011, bringing the maximum total number of shares that may be created to 557,995.

In addition, all holders of Sopra Group options at 14 June 2011 are entitled, upon the exercise of their options, to receive a bonus allocation of one Axway Software share held by the Company for each Sopra Group option originally granted. At 31 December 2011, a total of 190,000 Axway shares could potentially be distributed as bonus shares upon the exercise of Sopra Group options. This total is comprised of 90,500 Axway shares that may be allocated upon the exercise of options under Plan No 5 and 99,500 shares under Plan No 6.

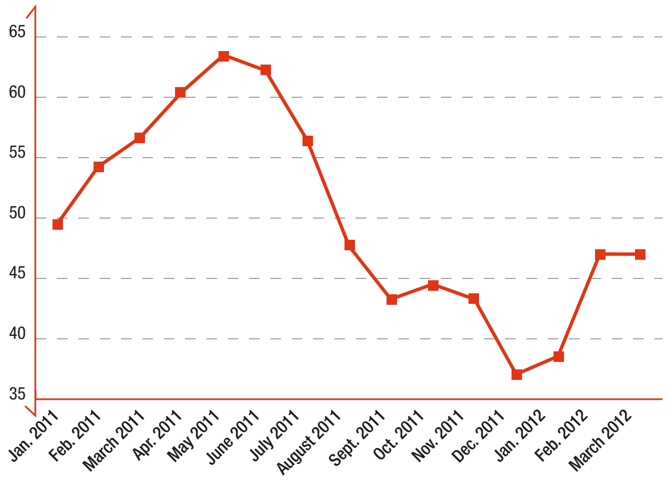
At 31 December 2011, Sopra Group's earnings per share would be diluted by a total of 1.74% if all of the 207,377 outstanding share subscription options were exercised.

Information concerning share subscription or purchase options

Options granted to company officers and options exercised by company officers during the year	Number of options allocated initially	Original exercise price	Readjusted number of options allocated following the Axway spin-off	Readjusted exercise price following the Axway spin-off	Expiry date	Plan	Number of options exercised
Pascal Leroy (allocation)	42,000	72.40	44,731	66.61	29/03/2019	No. 6	-

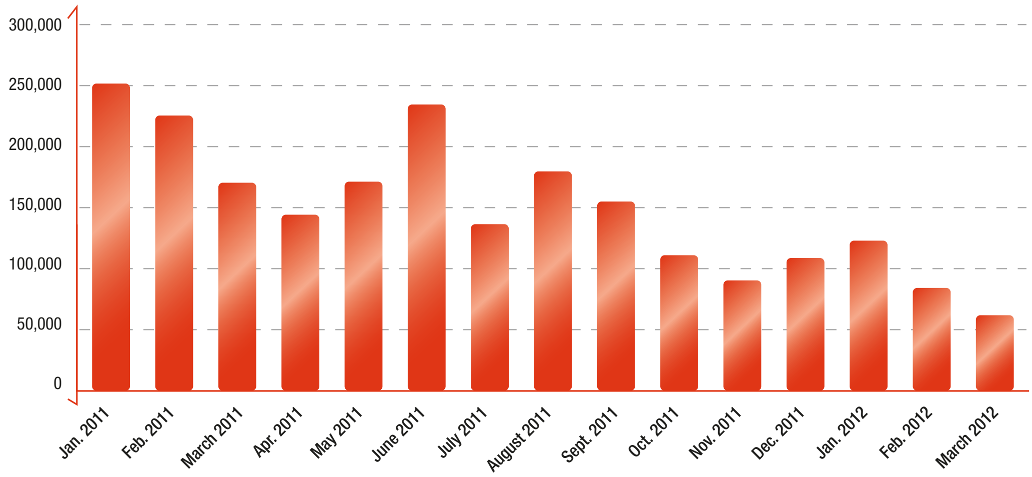
Ten largest stock option allocations to employees who are not company officers and options exercised by said employees during the year	Number of options allocated initially	Original exercise price	Readjusted number of options allocated following the Axway spin-off	Readjusted exercise price following the Axway spin-off	Expiry date	Plan	Number of options exercised
Granted on 29/03/2011	7,500	72.40	7,989	66.61	29/03/2019	No. 6	-
Granted on 20/10/2011	5,000	43.22	5,000	43.22	19/10/2019	No. 7	-
Options exercised from the allocation of 03/09/2003		32.50			02/09/2011	No. 4	13,700
Options exercised from the allocation of 13/01/2004		35.90			12/01/2012	No. 4	5,000
Options exercised from the allocation of 13/01/2004				32.34	12/01/2012	No. 4	3,728

6. Share price



Source: NYSE Euronext Paris.

7. Monthly trading volume



Source: NYSE Euronext Paris.

8. Share price performance

Month	Number of trading days	Price *(in euros)* High	Low	Average closing price	Trading volumes Number of shares traded	Capital *(in millions of euros)*
January 2011	21	53.62	44.88	49.43	251,754	16.11
February 2011	20	57.89	50.12	54.26	225,557	15.81
March 2011	23	59.80	53.53	56.66	170,485	12.41
April 2011	19	62.16	57.93	60.44	144,280	11.18
May 2011	22	65.27	61.55	63.50	171,354	13.93
June 2011	22	67.99	57.00	62.22	234,607	15.85
July 2011	21	60.76	51.36	56.43	136,529	7.72
August 2011	23	53.20	44.01	47.68	179,790	8.63
September 2011	22	48.10	39.10	43.28	155,086	6.77
October 2011	21	46.10	41.75	44.52	111,084	4.92
November 2011	22	45.90	39.57	43.28	90,441	3.96
December 2011	21	40.50	34.28	37.06	108,778	4.07
January 2012	22	44.25	34.75	38.56	123,015	4.70
February 2012	21	48.55	44.02	47.02	84,277	3.96

9. Earnings per share

Year	Number of shares bearing a dividend	Dividend
2007	11,671,531	€1.65
2008	11,704,991	€1.65
2009	11,752,543	€0.80
2010	11,853,945	€0.80
2011*	11,893,486	€1.90

* *Amount proposed to the General Meeting of 19 June 2012.*

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

8

COMBINED GENERAL MEETING OF 19 JUNE 2012

Meeting 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 2011 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 2011.
- Appropriation of earnings.
- Approval of the agreement for the recharging of expenses and fees concluded with Axway Software and the framework agreement for assistance concluded with Sopra GMT, as agreements covered by Article L. 225-38 of the French Commercial Code.
- Approval of the framework agreement for assistance concluded with Sopra GMT also covered by Article L. 225-38 of the French Commercial Code.
- Renewal of the appointments of principal and alternate Statutory Auditors.
- Renewal of Directors appointments and appointment of new Directors.
- Setting of Directors' fees.
- Authorisation given to the Board of Directors to allow Sopra Group to acquire its own shares under Article L. 225-209 of the French Commercial Code.

Requiring the approval of the Extraordinary General Meeting

- Authorisation given to the Board of Directors to retire any shares that the Company may have acquired under the terms of share repurchase programmes and to reduce the share capital accordingly, with all powers conferred upon the Board to carry out these measures.
- Approval of the draft partial asset transfer agreement under which the Company will transfer its banking software activities to the company Sopra Banking Software; Approval for these transfers, the valuation of the assets to be transferred and the consideration to be paid.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, with pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity.
- Delegation of authority to the Board of Directors to decide to increase the number of shares or securities giving access to equity to be issued pursuant to the authorisation referred to in the twenty-second resolution, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event of excess demand.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, with pre-emptive rights for existing shareholders, by capitalising reserves, issuing new shares or increasing the par value of shares.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity, within the context of a public offering.
- Delegation of authority to the Board of Directors to decide to increase the number of shares or securities giving access to equity to be issued pursuant to the authorisation referred to in the twenty-fifth resolution, without pre-emptive rights for existing shareholders, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event of excess demand.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's share capital, within the context of an offering reserved for qualified investors or a limited circle of investors, covered by section II, Article L. 411-2 of the French Monetary and Financial Code.
- Delegation of authority given 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, as consideration for in-kind contributions comprised of shares or securities giving access to the Company's share capital.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, in consideration of contributions in kind consisting of equity securities or other securities giving access to equity.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital in favour of employees of the Company or other companies within the Group that subscribe to an employee savings plan.
- Authorisation given to the Board of Directors to grant options to subscribe to or to purchase shares to employees and officers of the Company or of any of its affiliated undertakings.
- Delegation of authority to the Board of Directors to issue warrants to subscribe to and/or acquire redeemable shares (BSAARs) to employees or officers of the Company or any of its affiliated undertakings, excluding the pre-emptive right of existing shareholders to subscribe to these warrants or to the shares issued *via* the exercise of BSAARs.
- Authorisation for the Board of Directors to allot bonus shares to employees and officers of the Company and the Group.
- Extension of the Company's term of existence and consequential amendment to its Articles of Association.
- Correction to identification of agent responsible for the ledger of registered shares and consequential amendment to the Articles of Association.

- Extension of the age limit associated with the position of Chairman of the Board of Directors and consequential amendment to the Articles of Association.
- Amendment to the Articles of Association affecting the wording of Article 22 ("Regulated agreements"), an adaptation in line with recent changes in the legal framework.
- Amendment to the Articles of Association affecting the wording of Article 27 ("Meeting agendas"), an adaptation in line with recent changes in the legal framework.
- Amendment to the Articles of Association affecting the wording of Article 28 ("Access to meetings – Powers – Membership"), an adaptation in line with recent changes in the legal framework.
- Powers required 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 of at least one-fifth of the total voting shares and a majority of the votes of the shareholders present or represented by proxy holders. Nevertheless, as an exception to the preceding, the twenty-fourth resolution, even though it is submitted for the approval of the Extraordinary General Meeting, shall require a quorum of at least one-fifth of the total voting shares and a 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 Sopra Group SA individual financial statements for the financial year ended 31 December 2011 and the granting of final discharge to members of the Board of Directors

The General Meeting, having reviewed the management report of the Board of Directors, the report of the Chairman of the Board of Directors relating to corporate governance and internal control pursuant to Article L. 225-37 of the French Commercial Code and the reports of the Statutory Auditors, approves the individual financial statements for the year ended 31 December 2011, showing a profit of €173,287,949. It also approves the transactions reflected in those financial statements 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 French Tax Code, incurred during the year amounting to €147,070 and the corresponding tax charge of €53,092.

Second resolution

Approval of Sopra Group's consolidated financial statements for the financial year ended 31 December 2011

The General Meeting, having reviewed the report of the Statutory Auditors, approves the consolidated financial statements for the financial year ended 31 December 2011, which show a consolidated net profit (Group share) of €62,871,886 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 €173,292,909:

Profit for the year	**€173,287,949.00**
Retained earnings: dividends not paid on treasury shares	€4,960.00
TOTAL	**€173,292,909.00**

In consideration of the Group share of consolidated net profit amounting to €62,871,886, we propose that you appropriate the profit available for distribution in the following manner:

Legal reserve	**€3,024.10**
Dividend	€22,597,623.40
Discretionary reserves	€150,692,261.50
TOTAL	**€173,292,909.00**

Thus increasing the legal reserve to €1,189,348.60, 10% of the Company's share capital.

As the number of shares comprising the share capital at 31 December 2011 was 11,893,486, the dividend allocated per share would be €0.90. This dividend will be payable on 26 June 2012.

For individual shareholders resident in France for tax purposes, it should be noted that the entirety of the proposed dividend is eligible for the 40% tax deduction in application of Article 158-3-2° of the French Tax Code, with the exception of any options exercised no later than the date on which the dividend becomes payable, for the withholding tax of 21% provided for under Article 117 *quater* of the French Tax Code, and is subject to social levies and additional contributions at the rate of 13.50% deducted at source by the Company (for a payment date of 1 July 2012).

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

	2008	2009	2010
Total dividend	€19,313,235.15	€9,402,034.40	€9,483,156.00
Number of dividend bearing shares	11,704,991	11,752,543	11,853,945
Dividend paid	€1.65	€0.80	€0.80

Fourth resolution

Approval of the agreement for the recharging of expenses and fees concluded with Axway Software and the termination of the tax consolidation agreement concluded with Axway Sofware, as agreements covered by Article L. 225-38 of the French Commercial Code

The General Meeting, having reviewed the special report of the Statutory Auditors on agreements covered by Article L. 225-38 of the French Commercial Code and the main characteristics of the agreement for the recharging of expenses and fees concluded with Axway Software and of the termination of the tax consolidation agreement with the latter approves said agreements and the conclusions of the aforementioned report relating to these agreements.

Fifth resolution

Approval of the framework agreement for assistance concluded with Sopra GMT covered by Article L. 225-38 of the French Commercial Code

The General Meeting, having reviewed the special report of the Statutory Auditors on agreements covered by Article L. 225-28 of the French Commercial Code, approves the conclusions of said report and the framework agreement for assistance concluded with Sopra GMT, mentioned therein.

Sixth resolution

Reappointment of a principal Statutory Auditor and an alternate Statutory Auditor

The General Meeting, having reviewed the report of the Board of Directors, notes that the terms of office of the principal and alternate Statutory Auditors are due to expire and consequently decides to reappoint:

- Mazars, 61 rue Henri Regnault, 92400 Courbevoie, as principal Statutory Auditor; and
- Mr Jean-Louis Simon, 61 rue Henri Regnault, 92400 Courbevoie, as alternate Statutory Auditor,

for a term of six financial years, expiring at the end of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Seventh resolution

The General Meeting, having reviewed the report of the Board of Directors, takes note that the appointment of Gérard Jean as Director shall expire at the close of this General Meeting and consequently decides to reappoint Gérard Jean as Director for a new term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Eighth resolution

Reappointment of François Odin as Director

The General Meeting, having reviewed the report by the Board of Directors, takes note that the appointment of François Odin as Director shall expire at the close of this General Meeting and consequently decides to reappoint François Odin as Director for a new term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Ninth resolution

Reappointment of Pierre Pasquier as Director

The General Meeting, having reviewed the report of the Board of Directors, takes note that the appointment of Pierre Pasquier as Director shall expire at the close of this General Meeting and consequently decides to reappoint Pierre Pasquier as Director for a new term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Tenth resolution

Reappointment of Hervé Saint-Sauveur as Director

The General Meeting, having reviewed the report of the Board of Directors, takes note that the appointment of Hervé Saint-Sauveur as Director shall expire at the close of this General Meeting and consequently decides to reappoint Hervé Saint-Sauveur as Director for a new term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Eleventh resolution

Reappointment of Jean-François Sammarcelli as Director

The General Meeting, having reviewed the report of the Board of Directors, takes note that the appointment of Jean-François Sammarcelli as Director shall expire at the close of this General Meeting and consequently decides to reappoint Jean-François Sammarcelli as Director for a new term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Twelfth resolution

Appointment of Christian Bret as Director

The General Meeting, having reviewed the report of the Board of Directors, decides to appoint Christian Bret as Director for a term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Thirteenth resolution

Appointment of Kathleen Clark-Bracco as Director

The General Meeting, having reviewed the report of the Board of Directors, decides to appoint Kathleen Clark-Bracco as Director for a term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Fourteenth resolution

Appointment of Hélène Martel-Massignac as Director

The General Meeting, having reviewed the report of the Board of Directors, decides to appoint Hélène Martel-Massignac as Director for a term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Fifteenth resolution

Appointment of Françoise Mercadal-Delasalles as Director

The General Meeting, having reviewed the report of the Board of Directors, decides to appoint Françoise Mercadal-Delasalles as Director for a term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Sixteenth resolution

Appointment of Jean Mounet as Director

The General Meeting, having reviewed the report of the Board of Directors, decides to appoint Jean Mounet as Director for a term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Seventeenth resolution

Appointment of Jean-Luc Placet as Director

The General Meeting, having reviewed the report of the Board of Directors, decides to appoint Jean-Luc Placet as Director for a term of six years, which shall thus expire at the close of the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Eighteenth resolution

Setting of Directors' fees

The General Meeting sets at €250,000 the amount of directors' fees to be allocated between the members of the Board of Directors for the financial year in progress.

Nineteenth resolution

Authorisation given to the Board of Directors to allow Sopra Group to acquire its own shares under Article L. 225-209 of the French Commercial Code

Pursuant to the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code and in accordance with Title IV, Book II of the AMF's general regulation and its implementing instructions, the General Meeting authorises the Board of Directors to buy back shares in the Company, on one or more occasions and as and when it sees fit, up to a maximum of 10% of the total number of shares forming the Company's share capital – *i.e.* 1,189,348 shares. The Board may choose to sub-delegate this authority.

This authorisation is given for a period of eighteen months as from this General Meeting, and terminates the authorisation given to the Board of Directors at the Ordinary General Meeting held on 10 May 2011.

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 recognised by the AMF;
- to cover share purchase option plans for Group employees or senior executives under the conditions and in accordance with the procedures stipulated by law;
- to retain the shares bought back in order to exchange them or present them as consideration at a later date for a merger, spin-off, contribution of assets and, where applicable, for external growth transactions;
- 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 €100 which, given the current number of shares making up 10% of the Company's share capital, results in a maximum total price of €118,934,800.

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 confers all powers upon the Board of Directors, including the option to sub-delegate these powers, 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 approval of the Extraordinary General Meeting

Twentieth resolution

Authorisation given to the Board of Directors to retire any shares that the Company may have acquired under the terms of share repurchase programmes and to reduce the share capital accordingly, with all powers conferred upon the Board to carry out these measures

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors:

- authorises the Board of Directors to retire, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, on one or several occasions, at its sole discretion, all or a portion of the treasury shares held by the Company bought back under the delegation of authority conferred by said Article, up to a limit of 10% of the share capital over each 24-month period;
- decides to reduce the Company's share capital as a consequence of the retirement of these shares, to the extent decided, where applicable, by the Board of Directors under the aforementioned conditions;
- confers all powers upon the Board of Directors in order to perform the transaction(s) authorised under this resolution, and in particular to charge against additional paid-in capital or other distributable reserves of its choosing the difference between the redemption value of the retired shares and their nominal value, amend the Articles of Association accordingly and carry out all legally required formalities.

This authorisation is valid for a period of twenty-four months as from the date of this Meeting.

Twenty-first resolution

Approval of the draft partial asset transfer agreement under which the Company will transfer its banking software business to the company Sopra Banking Software; Approval for these transfers, the valuation of the assets to be transferred and the consideration to be paid

The General Meeting, having reviewed the report by the Board of Directors, the opinion of employee representative bodies, the reports by the demerger auditor appointed by order of the Presiding Judge of the Annecy Commercial Court and the draft transfer agreement and its appendices entered into between the Company and Sopra Banking Software (a *société anonyme* with share capital of €37,000 having its registered office at PAE Les Glaisins, 74940 Annecy-le-Vieux, registered in the Annecy RCS under number 450 792 999, hereinafter referred to as **"Beneficiary Company"**), a wholly-owned subsidiary under the terms of which the Company transfers to Beneficiary Company, by way of a complex transaction designed to create an independent business unit, by means of a partial transfer of assets covered by the legal rules governing demergers, the entire assets and liabilities comprising banking software business for their carrying amount as at 1 January 2012, approves in full the provisions of the aforementioned partial asset transfer agreement and its appendices.

The General Meeting approves in particular the transfers of:

- Sopra Group's complete and autonomous Evolan banking software business unit, which is able to operate independently;
- all shares constituting the issued capital of the Belgian company Business Architects International (BAI);
- all shares constituting the issued capital of the French company Delta-Informatique;
- and consequently approves these transfers in their entirety, the valuation of the various assets and liabilities thus transferred, as well as the consideration offered for these transfers, under the conditions and in accordance with the procedures set out in the aforementioned draft agreement on the partial transfer of assets.

The General Meeting takes note that:

- from a tax standpoint, the proposed contribution is comprised of three distinct partial transfers of assets, namely, on the one hand, the transfer of the complete and autonomous Evolan banking software business unit, and on the other hand, all shares constituting the issued capital of BAI and all shares constituting the issued capital of Delta-Informatique, each of these two transfers of shares duly considered as a partial transfer of assets within the meaning of Article 210 B of the French Tax Code;
- each of these partial transfers of assets shall be entitled to preferential tax treatment, as provided for in Articles 210 A, 210 B, 257 *bis* and 816 of the French Tax Code and shall take effect retrospectively, for tax and accounting purposes, from 1 January 2012;
- the Beneficiary Company shall comply with all the tax obligations necessary to benefit from said preferential tax treatment, and in particular, shall assume all tax obligations of the Company in respect of the assets and liabilities transferred in connection with each of the aforementioned partial transfers of assets.

The Company shall also assume all necessary tax obligations in order to benefit from the aforementioned preferential tax treatment.

The General Meeting confers all powers, as required, upon the Chief Executive Officer and the Managing Director, including the option to sub-delegate these powers, each in his personal capacity, in order to definitively complete all transfer transactions, and consequently:

- to reiterate, if needed and in any form, the transfers carried out by the Company, enter into any and all confirmatory, supplementary or amending instruments that might be necessary, complete any and all formalities required to facilitate the transfer of the Company's assets and liabilities to the Beneficiary Company;
- fulfil any other formalities required, make all filings with the administrative authorities involved, as well as any service of documents or process to any persons whatsoever and in particular, in the event of difficulties, enter into and pursue any and all legal proceedings;
- with regard to all of the above, sign all deeds, registers and any other documents, elect the Company's domicile, assume responsibility and sub-delegate within the limits of the powers conferred, and generally take all necessary steps.

Twenty-second resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, with pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity

The General Meeting, having reviewed the report by the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129-2 and L. 228-92 of the French Commercial Code:

- delegates to the Board of Directors the authority to carry out one or more capital increases by issuing, in France or abroad, in euros, ordinary shares in the Company or other securities giving immediate or future access by any means to ordinary shares in the Company; such securities may also be denominated in any currency or index-linked to more than one currency;
- decides that any such capital increases to be carried out either immediately or in the future may not exceed a nominal total amount of €3.5 million, it being understood that (i) this aggregate limit includes any capital increases that might be carried out pursuant to the authorisations set out in the twenty-third resolution as well as the twenty-fifth and twenty-eighth resolutions below, subject to their adoption at this General Meeting, and (ii) where applicable, an additional number of shares may be added to this limit to account for the additional number of shares to be issued to protect the rights of holders of securities entitling the holder to receive shares, in accordance with legislation (hereinafter referred to as **"Limit 1"**);
- further decides that the nominal value of securities representing claims giving access to equity which may be issued under the terms of this delegated authority may not exceed a nominal total amount of €250 million, it being understood that this aggregate limit includes any capital increases that might be carried out pursuant to the authorisations set out in the twenty-third resolution as well as the twenty-fifth and twenty-eighth resolutions below, subject to their adoption at this General Meeting (hereinafter referred to as **"Limit 2"**);
- formally notes that existing shareholders have pre-emptive rights to subscribe for shares and/or securities issued under the terms of this resolution, in proportion to the total value of their shares;
- decides that, in accordance with the provisions of Article L. 225-134 of the French Commercial Code, where a capital increase as defined above is not fully subscribed by way of subscriptions for new shares as of right on the basis of existing shares as well as, if applicable, subscriptions for excess new shares, the Board of Directors may make use of one or other of the following powers, in whatever order it sees fit:
  - the power to limit the capital increase to the amount of subscriptions received, subject to that amount being equal to at least three quarters of the initially agreed increase,
  - the power to freely distribute some or all of any unsubscribed shares among the shareholders,
  - the power to offer some or all of any unsubscribed shares to the public;
- decides that this authorisation granted to the Board of Directors shall be valid for a period of 26 months with effect from the date of this General Meeting;
- formally notes that this authorisation renders null and void any previous authorisation granted for the same purpose.

Twenty-third resolution

Delegation of authority to the Board of Directors to decide to increase the number of shares or securities giving access to equity to be issued pursuant to the delegation of authority referred to in the twenty-second resolution above, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event of excess demand

The General Meeting, having reviewed the report by the Board of Directors and the Statutory Auditors' special report, delegates authority to the Board of Directors, for a period of 26 months with effect from the date of this General Meeting, to increase the number of shares or securities to be issued where a capital increase carried out pursuant to the twenty-second resolution above gives rise to excess demand, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, up to a maximum of Limit 1 and Limit 2 laid down in that resolution, at the same price as that used for the initial issue, during a period of 30 days with effect from expiry of the subscription period for the initial issue and for a maximum of 15% of the total value of that issue.

Twenty-fourth resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, by capitalising reserves, issuing new shares of increasing the par value of shares

The General Meeting, having reviewed the report by the Board of Directors and in accordance with the provisions of Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

- delegates authority to the Board of Directors to decide to carry out one or more capital increases by capitalising premiums, reserves, earnings or other amounts that may be capitalised under the terms of both legislation and the Articles of Association, either by allotting new shares or by increasing the par value of existing shares;
- decides that fractional rights may not be traded, and must be paid for in cash. The General Meeting confers all powers upon the Board of Directors to implement this ban on trading fractional rights as it sees fit;
- decides that the overall amount of any resulting capital increase, to which shall be added the nominal amount of shares to be issued in order to protect the rights of holders of securities giving access to the share capital in accordance with the law, may not exceed the total of the reserves, issue premiums or unappropriated retained earnings specified above at the date of the capital increase and that this ceiling is to be considered independently of both Limit 1 and Limit 2 (as these terms are defined in the twenty-second resolution above);

- decides that this delegation of authority to the Board of Directors shall be valid for a period of 26 months with effect from the date of this General Meeting;
- formally notes that this delegation of authority supersedes any previous delegation having the same purpose.

Twenty-fifth resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity, within the context of a public offering

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of Articles L. 225-129-2, L. 225-135 and L. 225-136 of the French Commercial Code:

- delegates authority to the Board of Directors to decide to carry out one or more capital increases, without pre-emptive rights for existing shareholders, under the conditions laid down in Article L. 225-136 of the French Commercial Code;
- decides to exclude the pre-emptive right of existing shareholders to subscribe to shares or securities giving access to the Company's share capital to be issued as part of any such capital increase and to make them available for subscription by members of the public only; and further decides to confer all powers upon the Board of Directors to grant existing shareholders priority rights to subscribe to any such capital increase pursuant to the provisions of Article L. 225-135 of the French Commercial Code;
- decides that the issue price shall be equal to the weighted average price on the Eurolist by Euronext market over the last three trading days preceding the date on which the subscription price of the capital increase is set, less a 5% discount, after correcting this average to take account of any difference in vesting dates;
- confers all powers upon the Board of Directors, up to a maximum combined annual amount for any such capital increases not exceeding 10% of the Company's share capital (as at the date of this General Meeting), to set this issue price, which must, in any event, be greater than or equal to the price set out in the above paragraph. The Board of Directors shall be required to prepare an additional report, certified by the Statutory Auditors, setting out the final terms of the issue and including an assessment of its actual impact on shareholders;
- decides, where applicable, that the overall amount of any capital increases that might be carried out under this delegation of authority shall remain within Limit 1 and Limit 2 (as those terms are defined in the twenty-second resolution above);
- decides that this delegation of authority to the Board of Directors shall be valid for a period of 26 months with effect from the date of this General Meeting;
- formally notes that this delegation of authority supersedes any previous delegation having the same purpose.

Twenty-sixth resolution

Delegation of authority to the Board of Directors to decide to increase the number of shares or securities giving access to equity to be issued pursuant to the authorisation referred to in the twenty-fifth resolution above, without pre-emptive rights for existing shareholders, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event of excess demand

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors:

- delegates authority to the Board of Directors to increase the number of shares or securities to be issued where a capital increase carried out pursuant to the twenty-fourth resolution above gives rise to excess demand, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, up to the maximum amounts laid down in that resolution, at the same price as that used for the initial issue, during a period of 30 days with effect from the expiry date of the subscription period for the initial issue and for a maximum of 15% of the total value of that issue;
- decides to exclude the pre-emptive right of existing shareholders to subscribe to shares or securities issued under the terms of this authorisation and make them available for subscription by members of the public only; and further decides to confer all powers upon the Board of Directors to grant existing shareholders priority rights to subscribe to any such capital increase pursuant to the provisions of Article L. 225-135 of the French Commercial Code;
- decides that this delegation of authority to the Board of Directors shall be valid for a period of 26 months with effect from the date of this General Meeting.

Twenty-seventh resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity, within the context of an offering reserved for qualified investors or a limited circle of investors, covered by section II, Article L. 411-2 of the French Monetary and Financial Code

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of Articles L. 225-129-2, L. 225-135 and L. 225-136 of the French Commercial Code and section II, Article L. 411-2 of the French Monetary and Financial Code:

- delegates the authority to the Board of Directors to decide to carry out one or more capital increases, without pre-emptive rights for existing shareholders, under the conditions laid down in Article L. 225-136 of the French Commercial Code;
- decides to exclude the pre-emptive right of existing shareholders to subscribe to shares or securities giving access to the Company's share capital to be issued as part of any such capital increase and to make them available for subscription by qualified investors or a limited circle of investors, as defined in section II, Article L. 411-2 of the French Monetary and Financial Code; and further decides to confer all powers upon the Board of Directors

to grant existing shareholders priority rights to subscribe to any such capital increase pursuant to the provisions of Article L. 225-135 of the French Commercial Code;

- decides that the issue price shall be equal to the weighted average price on the Eurolist by Euronext market over the last three trading days preceding the date on which the subscription price of the capital increase is set, less a 5% discount, after correcting this average to take account of any difference in vesting dates;
- confers all powers upon the Board of Directors, up to a maximum combined annual amount for any such capital increases not exceeding 10% of the Company's share capital (as at the date of this General Meeting), to set this issue price, which must, in any event, be greater than or equal to the price set out in the above paragraph. The Board of Directors shall be required to prepare an additional report, certified by the Statutory Auditors, setting out the final terms of the issue and including an assessment of its actual impact on shareholders;
- decides that any capital increases that might be carried out under this delegation of authority shall not exceed 15% of the Company's total share capital in any one year and that, in any event, the overall amount of such capital increases shall remain within Limit 1 and Limit 2 (as those terms are defined in the twenty-second resolution above);
- decides that this delegation of authority to the Board of Directors shall be valid for a period of 26 months with effect from the date of this General Meeting;
- formally notes that this delegation of authority supersedes any previous delegation having the same purpose.

Twenty-eighth resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, in consideration of contributions in kind consisting of equity securities or other securities giving access to equity

The General Meeting, having reviewed the report by the Board of Directors and pursuant to the provisions of paragraph 6, Article L. 225-147 of the French Commercial Code:

- delegates the authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, as consideration for in-kind contributions comprised of shares or securities giving access to the Company's share capital, by issuing shares or securities giving access to the Company's share capital under the conditions laid down in Article L. 225-147 of the French Commercial Code;
- decides to exclude the pre-emptive right of shareholders to subscribe to shares or securities giving access to the Company's share capital to be issued in connection with this or these capital increase(s) and to accept subscriptions uniquely from individuals consenting to in-kind contributions and receiving consideration in this respect;
- decides that the overall amount of any capital increases that might be carried out under this authorisation shall remain within Limit 1 and Limit 2 (as those terms are defined in the twenty-second resolution above);
- decides that this delegation of authority to the Board of Directors shall be valid for a period of 26 months with effect from the date of this General Meeting;
- formally notes that this delegation of authority supersedes any previous delegation having the same purpose.

Twenty-ninth resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital in favour of employees of the Company or of any of its affiliated undertakings who are members of an employee savings plan

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of Articles L. 3332-18 *et seq.* of the French Labour Code and Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and in accordance with the provisions of that same code:

- delegates the authority to the Board of Directors, for a period of 26 months with effect from the date of this General Meeting, to decide to carry out one or more capital increases, by issuing shares or securities giving access to the Company's share capital, reserved for members of an employee savings plan offered by a French or foreign company related to the Company under the conditions set out in Article L. 225-180 of the French Commercial Code and Article L. 3332-19 of the French Labour Code;
- decides to exclude, in favour of employees enrolled in an employee savings plan, the pre-emptive right of existing shareholders to subscribe to shares or securities giving access to the Company's share capital such as may be issued under this authorisation;
- decides that the exercise of options granted under this authorisation may not give access to a total number of shares representing more than 5% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that (i) any use of the authorisations and delegations of authority provided for in the thirtieth, thirty-first and thirty-second resolutions, subject to their approval by this General Meeting, shall fall within this 5% limit, which is thus understood as an overall ceiling applying to all of these resolutions and (ii) this ceiling shall be increased by any additional number of shares issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides to set the maximum discount offered in connection with an employee savings plan, which applies to the subscription price of securities issued pursuant to this authorisation, at 5% of the average opening price of the Company's shares on the Eurolist from Euronext market over the 20 trading days preceding the day on which the opening date of the subscription period is set. However, the General Meeting expressly authorises the Board of Directors to reduce the aforementioned discount, within the limits allowed for by legislation and regulations;

- consequently confers all powers upon the Board of Directors, which it may choose to sub-delegate under the conditions laid down in law, to put this authorisation into effect subject to the limits and conditions set out above, in particular so as to:
  - determine the characteristics of securities to be issued and the proposed amount of any subscriptions and, in particular, determine their issue prices, dates and periods, and the terms and conditions of subscription, payment, delivery and vesting of securities, in accordance with applicable legal and regulatory limits,
  - if applicable, charge any expenses incurred in connection with capital increases against premiums pertaining to those capital increases, and deduct from those premiums any amounts required to bring the legal reserve up to one tenth of the new total amount of share capital resulting from each capital increase,
  - certify the completion of capital increases up to the value of shares actually subscribed or of other securities issued under the terms of this authorisation,
  - enter into any agreements and, either directly or *via* an agent, complete all procedures and formalities, including formalities subsequent to capital increases and consequential amendments to the Articles of Association and, more generally, take all necessary steps,
- in general terms, enter into any agreement, including in particular agreements to ensure that planned issues are successfully completed, take any steps and complete any formalities required for the issuance, listing and financial servicing of securities issued under the terms of this authorisation and for the exercise of any associated rights;
- decides that this delegation of authority to the Board of Directors shall be valid for a period of 26 months with effect from the date of this General Meeting;
- formally notes that this delegation of authority supersedes any previous delegation having the same purpose.

Thirtieth resolution

Authorisation given to the Board of Directors to grant 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 reviewed the report of the Board of Directors and the special report of the Statutory Auditors:

- authorises the Board of Directors, as provided by Articles L. 225-177 to L. 225-186-1 of the French 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 and in accordance with the seventeenth resolution above, to employees and/or officers of the Company and of any affiliated companies or groups of companies under the conditions set forth in Article L. 225-180 of the French Commercial Code, for a period of thirty-eight months as from the date of this General Meeting;
- decides that the exercise of options granted under this authorisation may not give access to a total number of shares representing more than 5% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that (i) any use of the authorisations and delegations of authority provided for in the thirty-first and thirty-second resolutions, subject to their approval by this General Meeting, shall fall within this 5% limit, which is thus understood as an overall ceiling applying to all of these resolutions and (ii) this ceiling shall be increased by any additional number of shares issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides that, notwithstanding any adjustments that may need to be made in the event of future transactions regulated by law, the subscription price shall 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 French Commercial Code;
- decides that the options granted may be exercised within a maximum period of 8 years following their grant date;
- confers all powers upon the Board of Directors to determine all conditions under which the options are to be granted, including the identities, positions and number of years of service of the beneficiaries and the number of shares to which beneficiaries of the options shall be entitled to subscribe. As these conditions are to be determined in compliance with any legal or regulatory obligations applicable to options granted to executives, particularly in accordance with the provisions of Articles L. 225-185 and L. 225-186-1 of the French Commercial Code, they 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.

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 way of the subscription to these new shares accompanied by statements 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 held by subscribers. The Board of Directors shall carry out any formality required for the listing of the securities thus issued and make the necessary amendments to the Articles of Association.

Thirty-first resolution

Delegation of authority to the Board of Directors to issue warrants to subscribe to and/or acquire redeemable shares (BSAARs) to employees or officers of the Company or any of its affiliated undertakings, excluding the pre-emptive right of existing shareholders to subscribe to these warrants or to the shares issued via the exercise of BSAARs

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of Articles L. 228-91 *et seq.*, L. 225-129 *et seq.* and L. 225-138 of the French Commercial Code:

- delegates the authority to the Board of Directors, which it may choose to sub-delegate, to decide upon the issue, in one or several stages, of warrants to subscribe to and/or acquire redeemable shares **(BSAAR)**;
- decides that the exercise of options granted under this authorisation may not give access to a total number of shares representing more than 5% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that (i) any use of the authorisations and delegations of authority provided for in the twenty-ninth, thirtieth and thirty-second resolutions, subject to their approval by this General Meeting, shall fall within this 5% limit, which is thus understood as an overall ceiling applying to all of these resolutions and (ii) this ceiling shall be increased by any additional number of shares issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides, in accordance with the provisions of Article L. 225-138 of the French Commercial Code, to exclude the pre-emptive right of existing shareholders to subscribe to these warrants (BSAARs) and to reserve this right for any employees and/or officers of the Company or of any of its French and foreign subsidiaries. As such, the General Meeting confers all powers upon the Board of Directors to determine a list of persons authorised to subscribe for BSAARs (hereinafter referred to as the **"Beneficiaries"**) as well as the maximum number of BSAARs that may be subscribed by each;
- confers all powers upon the Board of Directors to:
  - determine all characteristics of BSAARs, including in particular their subscription price, which will be determined taking into account an independent expert opinion and based on parameters influencing their value (mainly including the exercise price, lock-in period, exercise period, trigger point and redemption period, interest rate, dividend policy, price and volatility of shares in the Company), together with procedures governing the issue and the terms and conditions of the issue agreement,
  - determine the subscription or acquisition price of shares obtained through the exercise of BSAARs, 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 BSAARs and the procedures for their issue are decided,
  - takes note that, as required by the last paragraph of Article L. 225-132 of the French Commercial Code, the decision to issue BSAARs 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 BSAARs,
  - confers all powers upon the Board of Directors, which may choose to sub-delegate these powers 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 BSAARs, recognise the resulting capital increases, make the consequential amendments to the Articles of Association, and amend, if deemed necessary (subject to the approval of the BSAAR beneficiaries), the issue agreement for the BSAARs,
  - in accordance with Article L. 225-138 of the French Commercial Code, the Board of Directors will prepare and submit a supplementary report to the next General Meeting relating the conditions under which this authorisation will have been used,
  - decides that this delegation of authority to the Board of Directors shall be valid for a period of 18 months with effect from the date of this General Meeting,
  - formally notes that this delegation of authority supersedes any previous delegation having the same purpose.

Thirty-second resolution

Authorisation given to the Board of Directors to allot bonus shares to employees and officers of the Company and any of its affiliated undertakings

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code:

- authorises the Board of Directors to carry out one more bonus issues, at its discretion, either of existing shares in the Company or of shares to be issued in the future, in favour of eligible employees or officers (as defined in Article L. 225-197-1 II, paragraph 1 of the French Commercial Code) of the Company and any affiliated companies under the conditions laid down in Article L. 225-197-2 of the French Commercial Code, or in favour of certain categories of those employees or officers;
- decides that this authorisation, which supersedes any previous authorisation having the same purpose up to and including any unused amount, shall be valid for a period of 38 months with effect from the date of this General Meeting;
- decides that the total amount of options granted under this authorisation may not confer entitlement to a number of shares representing more than 5% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that (i) this 5% limit constitutes an overall ceiling taking into account any shares that might be granted pursuant to the authorisations and delegations of authority provided for in the twenty-ninth, thirtieth and thirty-first resolutions, subject to their approval by this General Meeting and (ii) this ceiling shall be increased by the amount of any additional shares to be issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides that shares will be definitively allotted to their beneficiaries upon expiry of a vesting period whose duration shall be set by the Board of Directors; this duration may not, however, be less than two years with effect from the date of the Board's decision to allot the shares in question. The beneficiaries shall be required to retain the shares in question for a duration set by the Board of Directors; this lock-in period may not, however, be less than two years with effect from the date on which the aforementioned shares are finally allotted. However, the General Meeting authorises the Board of Directors not to impose any lock-in period for the shares in question where the vesting period in respect of all or part of one or more allotments is not less than four years;

- decides that, where the beneficiary is disabled and falls into the second or third categories set out in Article L. 341-4 of the French Social Security Code, the shares in question shall be definitively allotted to that beneficiary before the remaining term of the vesting period has expired, and shall be immediately transferable;
- formally notes that, with regard to shares to be issued in the future, (i) this authorisation shall result, upon expiry of the vesting period, in a capital increase by way of capitalisation of reserves, earnings or issue premiums in favour of the beneficiaries of those shares, as well as the automatic waiver by shareholders, in favour of the beneficiaries of the shares thus allotted, of their rights to that portion of reserves, earnings and premiums thus capitalised, and (ii) this authorisation shall automatically entail the waiver by shareholders, in favour of the beneficiaries of the aforementioned shares, of their pre-emptive rights. The corresponding capital increase shall be deemed to have been completed upon final allotment of the shares in question to the beneficiaries;
- accordingly, confers all powers upon the Board of Directors, within the limits set out above, to put this resolution into effect and, in particular to:
  - determine the identity of the beneficiaries of shares to be allotted and the number of shares to be allotted to each,
  - rule on the eligibility of company officers in accordance with the final paragraph of section II, Article L. 225-97-1 of the French Commercial Code,
  - set the dates and terms governing the allotment of the shares in question, including in particular the period at the end of which the shares will be finally allotted as well as, where applicable, the required lock-in period for each beneficiary,
  - determine, where applicable, any conditions linked to the performance of the Company, the Group or any of its entities as well as, where applicable, any criteria governing the allotment of shares,
  - determine whether bonus shares to be allotted are existing shares or shares to be issued in the future and, where new shares are to be issued, to increase the Company's share capital by capitalising reserves, earnings or premiums, to determine the type and amount of any reserves, earnings or premiums to be capitalised in consideration of the aforementioned shares, to certify the completion of capital increases, to amend the Articles of Association accordingly and, more generally, to take all necessary steps to ensure that procedures are successfully completed,
  - allow the option, where applicable, during the vesting period, to adjust the number of bonus shares allotted in accordance with any transactions affecting the Company's equity, so as to protect the rights of beneficiaries; any shares allotted pursuant to such adjustments shall, however, be deemed to have been allotted on the same date as the initially allotted shares, and
  - more generally, make all necessary arrangements and enter into any agreements required to ensure the successful conclusion of the planned share allotments; this requirement may be sub-delegated.

Thirty-third resolution

Extension of the Company's term of existence and consequential amendment to its Articles of Association

The General Meeting, having reviewed the report by the Board of Directors, decides to extend the term of the Company's existence and to set its new term to *ninety-nine* years, and to amend paragraph 5.1 of Article 5 ("Term of existence") of the Articles of Association accordingly, so that it henceforth reads as follows: "*The term of the Company's existence is set at ninety-nine years with effect from 19 June 2012; it will therefore expire on 19 June 2111 unless it is dissolved before that date or its term is extended.*"

The remaining paragraphs of Article 5 remain unchanged.

Thirty-fourth resolution

Correction to identification of agent responsible for the ledger of registered shares and consequential amendment to the Articles of Association

The General Meeting, having reviewed the report of the Board of Directors, decides to specify that the ledger of shares delivered in registered form is not kept at the Company's registered office, but by an accredited agent on behalf of the issuer and thus amends the second paragraph of Article 11 ("Transfer of shares – Identification of holders") of the Articles of Associations to read as follows: *"Title to shares delivered in registered form results from their entry in the name of the holder(s) in ledgers maintained for this purpose by the agent appointed by the Company under the conditions and in accordance with the procedures set forth by law".*

The remaining paragraphs of Article 11 remain unchanged.

Thirty-fifth resolution

Extension of the age limit associated with the position of Chairman of the Board of Directors and consequential amendment to the Articles of Association

The General Meeting, having reviewed the report by the Board of Directors, decides to set the age limit associated with the position of Chairman of the Board of Directors to 85 years of age and to amend the third paragraph of Article 15 ("Organisation of the Board") of the Articles of Association accordingly, so that it henceforth reads as follows: *"No one over the age of eighty-five can be appointed Chairman. If the Chairman in office has reached this age, he is deemed to have resigned from office."*

The remaining paragraphs of Article 15 remain unchanged.

Thirty-sixth resolution

Adaptation of the wording of Article 22 ("Regulated agreements") in line with recent changes to the legal framework and consequential amendment to the Articles of Association

The General Meeting, having reviewed the report by the Board of Directors from the perspective of new applicable legal provisions, decides to delete the sixth and seventh paragraphs of Article 22 ("Regulated agreements") of the Articles of Association.

The remaining paragraphs of Article 22 remain unchanged.

Thirty-seventh resolution

Adaptation of the wording of Article 27 ("Meeting agendas") in line with recent changes to the legal framework and consequential amendment of the Articles of Association

The General Meeting, having reviewed the report of the Board of Directors and to ensure compliance with new legal provisions, decides to amend the second paragraph of Article 27 ("Meeting agendas") of the Articles of Association to read as follows: *"A shareholder or group of shareholders, representing at least the portion of share capital required by law and acting under the conditions and within the time periods determined by the law, can request that specific items of business or proposed resolutions be included on the agenda for the meeting."*

The remaining paragraphs of Article 27 remain unchanged.

Thirty-eighth resolution

Amendment to the Articles of Association affecting the wording of Article 28 ("Access to meetings – Powers – Membership"), an adaptation in line with recent changes in the legal framework

The General Meeting, having reviewed the report of the Board of Directors and to ensure compliance with new legal provisions, decides to amend the third paragraph of Article 28 ("Access to meetings – Powers – Membership") of the Articles of Association to read as follows: "*Any shareholder can be represented in a valid manner at a General Meeting by his or her spouse, the partner with whom the shareholder has entered in a* pacte civil de solidarité *(PACS, the French civil union contract), another shareholder or any other other private individual or legal entity of his or her choice. Should this be the case, the proxy holder must provide proof of his or her entitlement to represent the shareholder in question. Whenever proxy forms are sent to the Company without indicating the name of the appointed proxy holder, the Chairman of the General Meeting shall vote on behalf of this shareholder in favour of proposed resolutions submitted or approved by the Board of Directors and against any other proposed resolutions. To vote in any other way, the shareholder must name a proxy holder who agrees to vote as directed by the shareholder."*

The remaining paragraphs of Article 28 remain unchanged.

Thirty-nineth resolution

Powers required to carry out 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

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ADMINISTRATIVE AND LEGAL INFORMATION

1. Sopra Group at a glance

Company name: Sopra Group

Registered office: PAE Les Glaisins, FR 74940 Annecy-le-Vieux

Head office: Sopra Group, 9 *bis* rue de Presbourg, F-75116 Paris, France.

Legal form: *société anonyme.*

Date of incorporation: 5 January 1968, with a term of 50 years as from 25 January 1968.

Corporate purpose: "The company's purpose is:

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."

Registre de Commerce: 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. Board of Directors

Article 14 – Board of Directors

The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of eighteen, subject to the exception provided for by law in the event of a merger.

During the life of the Company, the directors are appointed, reappointed or dismissed by the Ordinary General Meeting. They are always eligible for re-election.

The term of office of directors is six years, expiring at the end of the Ordinary General Meeting convened to approve the accounts for the financial year then ended and held in the year in which their term of office comes to an end.

No-one can be appointed a director if, having exceeded the age of seventy-five years, his/her appointment results in more than one third of Board members exceeding this age. Once the age limit is reached, the oldest director is deemed to have resigned from office.

Directors may be natural persons or legal persons. When a legal person is nominated, he appoints a permanent representative who is subject to the same conditions, obligations and liabilities as a natural person director, without prejudice to the joint and several liability of the legal entity he represents.

In the event of one or more directors' positions becoming vacant, the Board of Directors may, between two General Meetings, carry out temporary appointments in accordance with the conditions set forth in Article L. 225-24 of the French Commercial Code. The director appointed to replace another performs his duties for the remainder of his predecessor's term of office.

An employee of the Company may only be appointed as a director if his employment contract corresponds to an actual post. The number of directors tied to the Company by an employment contract cannot exceed one third of the directors in office.

Each director must own one share.

Article 15 – Organisation of the Board of Directors

The Board of Directors elects from among its members a Chairman, who must be a natural person in order for the appointment to be valid. The Board determines his remuneration.

The Chairman is appointed for a duration that cannot exceed his term of office as a director. He is eligible for re-election. The Board of Directors can dismiss him at any time.

No-one over the age of eighty can be appointed Chairman. If the Chairman in office has reached this age, he is deemed to have resigned from office.

The Board of Directors may appoint one or two Vice-Chairmen from among the directors.

It can also appoint a secretary who need not be a director or shareholder.

In the event of the Chairman's absence, Board Meetings are chaired by the eldest Vice-Chairman. Failing this, the Meeting shall elect its own Chairman.

Article 16 – Deliberations of the Board of Directors

The Board of Directors meets as often as the Company's interests require it to do so, at the request of its Chairman. The Chief Executive Officer, or if the Board has not met for more than two months, at least one third of the directors, may request the Chairman, who is bound by such request, to convene a Meeting of the Board of Directors on the basis of a predetermined agenda.

Convening notices are issued by any and all means including verbally.

General Meetings shall take place at the registered office or in any other place specified in the convening notice.

The Board can only validly deliberate in the presence of at least half the directors. Decisions are taken on the basis of a majority of votes of members present or represented.

In the event of a tie in voting, the Chairman has the casting vote.

An attendance sheet is signed by the directors taking part in the Board Meeting, either in person or by proxy.

Policies and procedures shall be defined.

The policies and procedures may include a provision whereby directors who participate in the Meeting by 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.

This provision does not apply should the following decision be adopted:

- the closing of the annual accounts and consolidated accounts and the drafting of the Management Report and Group Management Report.

The deliberations of the Board of Directors are recorded in the minutes, which are prepared in accordance with the legal provisions in force and signed by the Meeting Chairman and at least one director. In the absence of the Meeting Chairman, it is signed by at least two directors.

Copies or extracts of these minutes shall be certified by the Chairman of the Board of Directors, the Chief Executive Officer, a Director temporarily appointed to act as Chairman or an agent authorised for such purpose.

Article 17 – Powers of the Board of Directors

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 its dealings with third parties, the Company is committed even by actions of the Board of Directors falling outside the scope of the corporate purpose, unless it can prove that the third party knew that the action exceeded the corporate purpose or that it could not ignore it in the circumstances, it being excluded that publication of the Memorandum and Articles of Association alone constitutes such proof.

The Board of Directors undertakes all the checks and verifications it deems necessary. Each director is entitled to receive all the documents and information necessary to carry out his duties.

The Board of Directors may confer on any and all proxy-holders of its choice, any and all delegations of powers within the limits of those defined by the law and the present Memorandum and Articles of Association.

It can decide to set up committees to examine questions submitted to them by it or its Chairman.

Article 18 – Powers of the Chairman of the Board of Directors

The Chairman of the Board of Directors organises and directs the work of the Board of Directors, on which he reports to the General Meeting. He ensures the smooth running of the Company's managerial bodies and, in particular, that the directors are able to carry out their duties.

Article 19 – Execution management

1. Operating procedures

Responsibility for the Company's executive management is assumed by either the Chairman of the Board of Directors or by another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer.

The Board of Directors chooses one or other of the aforementioned methods of executive management.

The decision of the Board of Directors relating to the choice of management method is taken on the basis of a majority of directors present or represented. The shareholders and third parties are informed of this choice in the conditions provided for by the regulations in force.

The choice made by the Board of Directors applies for an unlimited period.

2. Executive management

The Chief Executive Officer is a natural person who may or may not be a director.

The term of office of the Chief Executive Officer is determined by the Board of Directors at the time of his appointment. However, if the Chief Executive Officer is also a director, his term of office cannot exceed that of his directorship.

No-one over the age of seventy-seven years may be appointed as Chief Executive Officer. Once the Chief Executive Officer has reached the age limit, he or she is deemed to have resigned from office.

The Chief Executive Officer can be dismissed at any time by the Board of Directors. In the event of unfair dismissal, he may be entitled to damages, except when he also performs the function of Chairman of the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He exercises his powers within the limits of the corporate purpose and subject to those expressly granted to Shareholders' Meetings and the Board of Directors by the law.

He represents the Company in its dealings with third parties. The Company is committed even by the actions of the Chief Executive Officer falling outside the scope of the corporate purpose, unless it can prove that the third party knew that such action exceeded the corporate purpose or that it could not ignore it in the circumstances, it being excluded that publication of the Memorandum and Articles of Association alone constitutes such proof.

3. Managing Directors

On a proposal from the Chief Executive Officer, whether this function is performed by the Chairman of the Board of Directors or by another person, the Board may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Managing Director.

The Board of Directors may or may not choose the Managing Directors from among the directors up to a maximum of five.

The age limit is set at sixty-five years. Once a Managing Director has reached this age limit, he or she is deemed to have resigned from office.

The Managing Directors may be dismissed at any time by the Board of Directors on a proposal from the Chief Executive Officer. In the event of unfair dismissal, the Managing Directors may be entitled to damages.

When the Chief Executive Officer ceases to carry out or is prevented from carrying out his duties, the Managing Directors, unless decided otherwise by the Board of Directors, retain their duties and remits until the appointment of a new Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred on the Managing Directors. In their dealings with third parties, the Managing Directors have the same powers as the Chief Executive Officer.

Article 20 – Remuneration of senior executives

1. The General Meeting may award directors a fixed annual sum in the form of directors' fees, which are treated as operating expenses; the amount remains unchanged until further notice. The apportionment of the sum between directors is determined by the Board of Directors.
2. The Board of Directors determines the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Managing Directors. Such remuneration may be fixed and/or variable.
3. For assignments or mandates entrusted to directors, the Board of Directors may also award exceptional payments that will be submitted for the approval of the Ordinary General Meeting.

The directors may not receive from the Company remuneration, whether permanent or not, other than that set out in the previous paragraphs, unless they are tied to the Company by an employment contract in conditions authorised by the law.

Article 21 – Concurrently held mandates

A single individual may not serve as a director or supervisory board member of more than five French-based public listed companies *(sociétés anonymes).*

Excluded from the aforementioned provisions are the mandates of director or supervisory board member held by this person in the companies controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the Company of which he is a director.

In application of the above provisions, the mandates of directors of companies whose shares are not traded on a regulated market or are controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the same company only count as one mandate, provided the number of such mandates held does not exceed five.

A single individual may not serve as a Chief Executive Officer, Management Board member or sole Chief Executive Officer of more than one French-based public listed companies *(sociétés anonymes).* Exceptionally, a second mandate of Chief Executive Officer or a mandate of Management Board member or sole Chief Executive Officer may be held in a company controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the Company of which he is Chief Executive Officer. Another mandate of Chief Executive Officer, Management Board member or sole Chief Executive Officer can be held in one company, provided such company's shares are not traded on a regulated market.

Any natural person in breach of the provisions in respect of concurrently held mandates must relinquish one of the mandates within three months of his appointment, or the mandate in question within three months of the event that led to the lapse of one of the conditions defined by law in the case of exceptions. On expiry of the three-month period, the person is automatically dismissed and must return the remunerations received, although the validity of the deliberations in which he took part is not called into question.

3. General Meetings

Article 25 – 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 26 – 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 BALO, the notice specified in Article R. 225-73 of the French 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 27 – 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 28 – 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 French 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.

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 29 – 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.

Article 30 – 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 31 – 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 Board of Directors 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 32 – 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 33 – 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 34 – 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.

4. Preparation and supervision of the Reference Document and the information contained therein

Name and position of the person responsible for the Reference Document

Pierre Pasquier, Chairman and Chief Executive Officer

Information Officer

Céline Dojwa, Director of Communication

Persons responsible for auditing the financial statements

Statutory Auditors

- Auditeurs et Conseils Associés – 31, rue Henri Rochefort, F-75017 Paris

  Represented by: Mr François MAHE

  Term of office expires at the General Meeting convened to approve the 2015 financial statements.

  First appointed: June 1986.

- Cabinet Mazars – 61, rue Henri-Regnault, 92400 Courbevoie

  Represented by: Mrs Christine DUBUS

  Term of office expires at the General Meeting convened 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 convened to approve the 2015 financial statements.

- Jean-Louis Simon – 61, rue Henri-Regnault, 92400 Courbevoie

  Term of office expires at the General Meeting convened to approve the 2011 financial statements.

5. Provisional reporting timetable

Publication date	Event	SFAF meeting date
3 May 2012 after market close	Revenue for the first quarter of 2012	-
1 August 2012 after market close	Results for the first half-year period of 2012	2 August 2012

The full-year and half-year results are presented at analysts' meetings.

6. Documents on display

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 9 bis rue de Presbourg, 75116 Paris. All published financial information is available on the Group's website: www.sopragroup.com.

ATTESTATION OF 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 my 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 position 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, on pages 59 to 83, 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 reports of the Statutory Auditors on the consolidated and individual company financial statements for the year ended 31 December 2011 provided in this Reference Document are included on pages 138 and 158, respectively.

Historical financial information for 2009 and 2010 is included in this Reference Document, excerpted from pages 65 to 134 of the 2009 Reference Document and pages 73 to 144 of the 2010 Reference Document, respectively. The reports of the Statutory Auditors on this historical financial information are included on page 114 of the 2009 Reference Document and on page 123 of the 2010 Reference Document. The report of the Statutory Auditors on the consolidated financial statements for the year ended 31 December 2009 contains a technical observation relating to changes in accounting methods and the presentation of the financial statements.

The report of the Statutory Auditors on the consolidated financial statements for the year ended 31 December 2010 also contains a technical observation relating to changes in accounting methods and the presentation of the financial statements.

The report of the Statutory Auditors on the consolidated financial statements for the year ended 31 December 2011 also contains a technical observation relating to changes in accounting methods and the presentation of the financial statements.

The pro forma financial information presented in the Updated Reference Document filed with the *Autorité des marchés financiers* on 20 May 2011 under No. D. 11-0261-A01 was subject to a report by the Statutory Auditors appearing on page 60, which does not contain any observations or qualifications.

Paris, 27 April 2012

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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