Interim financial report for the six-month period ended 30 June 2012

TALENTED TOGETHER

Contents

page

This document is a free translation into English of the original French "Rapport financier semestriel au 30 juin 2012", hereafter referred to as the "Interim financial report for the six-month period ended 30 June 2012". 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.

Sopra group

Société anonyme

with share capital of €11,893,486

326 820 065 RCS Annecy

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

Head office: 9 bis, rue de Presbourg – FR 75116 Paris

1 BUSINESS REVIEW FOR THE PERIOD ENDED 30 JUNE 2012

General environment

After making a slight recovery in 2011, in the first quarter of 2012 the IT services market continued to perform in line with 2011, with business growing at similar levels. From April onwards, some sectors of the market experienced a slowdown, reflected in lengthy investment decision-making processes and sometimes delayed investments in spite of continuing sustained sales activity and a constant pipeline of deals in progress.

This slowdown was mainly caused by a significant deterioration in the current economic crisis in Europe, and in particular:

- a lack of decisions on the Greek crisis;
- a fragile debt and activity situation in Spain and Italy.

Banks are at the forefront of the crisis, with their balance sheets weakened as a result of having to set aside provisions for sovereign debt and their future surrounded by questions (over an increase in prudential ratios, the separation of retail and investment banking, etc.). They have naturally significantly cut back on their investments.

In France, for completely different reasons, the slowdown is also affecting telecommunications operators, who have had to sacrifice some of their sales and margins in order to deal with the successful entrance of the operator "Free" onto the mobile market. This obviously has a significant impact on their investments in general and their IT investments in particular.

The French public sector cut back order volumes as it awaited new leadership, with the outcome of the French elections uncertain.

The automotive sector also had a hard time, with the number of vehicle registrations declining substantially.

Conversely, some sectors – such as aerospace, insurance and welfare protection – continued to invest at comparable levels to those seen in the previous two years.

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

1.1. Significant events

1.1.1. Acquisitions

Sopra Group acquired the UK subsidiaries of Business & Decision (renamed Sopra Group Financial Services Ltd) and Tieto (renamed Sopra Group Solutions UK Ltd). Both of these acquisitions were cash transactions. Both companies were consolidated in the Group's financial statements with effect from 1 March 2012.

It also acquired almost 80% of Callataÿ & Wouters (C&W). C&W was consolidated in the Group's financial statements with effect from 1 April 2012.

Tieto's UK financial services

This business offers solutions to the financial services sector (mortgage, savings, credit, asset finance and debt collection systems) to clients comprising banks, consumer and corporate finance companies and factoring agencies in the UK and continental Europe. It generated revenue of approximately €22 million in financial year 2011.

Business & Decision's UK subsidiary

Business & Decision UK provides consulting and IT services specialising in business intelligence (BI) and customer relationship management (CRM) and e-business for clients in the financial services, retail, public sector and transport verticals, among others. It generated revenue of approximately €26 million in financial year 2011.

Callataÿ & Wouters

Founded in 1983 in Belgium, C&W provides IT solutions to retail banks, private banks and online banks. Its star product, Thaler, is a powerful banking software package that functions as an integrated solution capable of covering all banking systems as well as a modular solution dedicated to specific banking activities. Thaler is used by over 40 banks in 15 countries.

C&W's revenue was in the region of €80 million for financial year 2011, with a workforce of 600 people.

This acquisition dovetails with the strategy of the Group which aims to be among the principal leaders in banking software publishing. Grouping these activities together – C&W's Thaler and Sopra Group's Evolan – will enable a new entity to be formed, proposing solutions to the entire financial services and banking market. Over 1,000 establishments in more than 50 countries already use these solutions.

In the figures below, this activity is attached to France, via the subsidiary Sopra Banking Software (§ 1.1.2).

1.1.2. Sopra Banking Software

The General Meeting of 19 June 2012 approved the partial asset contribution relating to the publishing activity of banking software by Sopra Group, in favour of its wholly-owned subsidiary, Sopra

Banking Software, the entity which already holds the Callataÿ & Wouters shares.

In light of the 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.

More than 700 clients in over 70 countries already use the software concerned and on a pro forma basis, 2011 revenue generated by this combined entity amounted to around €200 million. Sopra Banking Software, a wholly owned subsidiary of Sopra Group, will employ more than 1,500 staff.

This plan aims to further raise the profile of Sopra Group, now one of the leading players in banking software, in line with the Group's strategic objectives.

From a legal point of view, the contributions were definitively completed on 30 June 2012 during the course of the General Meeting of Sopra Banking Software which validated these contribution operations. Sopra Group transferred to Sopra Banking Software all of the items, assets and liabilities, comprising its banking software publishing division:

- the complete autonomous Evolan branch;
- the securities comprising the share capital of the Belgian company Business Architects International (BAI);
- all shares constituting the issued capital of the French company Delta Informatique.

As consideration for these transfers, Sopra Group received the entirety of the Sopra Banking Software shares issued in exchange.

In order to facilitate the completion of this plan, each of the transfers:

- was valued, and remunerated, on the basis of its net carrying amount;
- took effect retrospectively, for accounting and tax purposes, from 1 January 2012, the opening date of the current financial year;
- is entitled to deferred taxation provided by 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.

1.1.3. Sopra Group bonus share plan

At the General Meeting on 19 June 2012, shareholders approved Resolution 32 authorising the Board of Directors to allot bonus shares to employees of the Group. The Board decided to undertake a *pari passu* allotment of 15 shares, or a cash bonus of an equivalent amount, to each Group employee working for the Group as at 31 March 2012 within a company that was already part of the Group as at 14 June 2011.

This allotment gives rise to a maximum theoretical dilution of 1.4% (with a total of 166,875 rights to Sopra Group shares being allotted).

This maximum theoretical dilution does not take into account any loss of rights by employees leaving the Group during the vesting period at the end of which they would have secured ownership of their shares. The vesting period ranges from two to four years, depending on the country in which the beneficiary resides.

1.1.4. Renewal of the Board of Directors

At the General Meeting on 19 June 2012, shareholders voted to appoint the next Board of Directors 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:

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

The Board of Directors thus comprises eleven members, including three women and four independent members.

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.

In certain areas, discussions by the Board of Directors are prepared by specialised committees comprised of members of the Board of Directors appointed by this body. These committees do not have decision-making authority but examine issues falling within their purview and submit their opinions and proposals to the Board of Directors.

There are three permanent committees:

- the Audit Committee;
- the Compensation Committee;
- the Nomination, Ethics and Governance Committee.

Membership of the Audit Committee

The Audit Committee is chaired by Hervé Saint-Sauveur, who satisfies the criteria to be considered as independent.

The other Audit Committee members are Hélène Martel-Massignac, Bernard Michel (advisor) and François Odin.

Membership of the Compensation Committee

The Compensation Committee is chaired by Gérard Jean, who satisfies the criteria to be considered as independent.

The other members of the Compensation Committee are Kathleen Clark-Bracco, Hélène Martel-Massignac, Christian Bret and Jean-Luc Placet, the last two of whom satisfy the criteria to be considered as independent.

Membership of the Nomination, Ethics and Governance Committee

The Nomination, Ethics and Governance Committee is chaired by Pierre Pasquier.

Kathleen Clark-Bracco, Christian Bret, Gérard Jean and Jean-Luc Placet, the last three of whom satisfy the criteria to be considered as independent, are members of the Nomination, Ethics and Governance Committee.

1.1.5. Decision to separate the functions of Chairman and CEO as of 20 August 2012

At its first meeting following the close of the General Meeting held on 19 June 2012, Sopra Group's new Board of Directors voted unanimously to separate the functions of Chairman and CEO as of 20 August 2012 and to entrust the roles to Pierre Pasquier and Pascal Leroy, respectively.

Pierre Pasquier shall continue to serve as Chairman and Chief Executive Officer and Pascal Leroy as Managing Director until 20 August 2012.

1.2. Business activity during the first six months of 2012

In a difficult market environment since mid-March, the Group achieved a good performance for the first half of the year, with:

- 11.3% total revenue growth and 1.0% organic growth;
- stable Group operating margin on business activity of 8.1%;
- improved operating margin in Europe at 5.8%;
- annual growth and margin targets confirmed.

Sopra Group was able to harness its capacity for innovation and its competencies in managing major projects to support clients' transformation projects in France and Europe. Clients continue to appreciate the quality of the services the Group provides in its three business areas (consulting, systems integration and software publishing) and the long-term partnership spirit in which they are delivered. The companies that recently joined the Group have themselves developed this high added value service culture, which facilitates their integration and allows them immediately to make a major contribution to achieving ambitious objectives in line with the Group's strategy.

Revenue for first-half 2012 amounted to €589.6 million, with total growth of 11.3% and organic growth of 1.0%.

Operating profit on business activity was €47.6 million, generating a margin of 8.1%.

Profit from recurring operations was €45.2 million, representing a margin of 7.7%. This was calculated after taking into account items including expenses relating to the amortisation of allocated intangible assets and the implementation of a bonus share plan for Group employees for a total of (-)€2.4 million.

Operating profit totalled €38.4 million, a 6.5% margin after deducting acquisition-related costs (mainly fees and commissions) and restructuring expenses (consulting and companies acquired) for a total amount of (-)€6.8 million. As a reminder, first-half 2011 included a net amount of other operating income and expenses of (+)€11.5 million, mainly relating to the Axway spin-off and listing transaction.

The net financial expense was (-)€2.9 million. The total tax expense amounted to (-)€14.7 million, corresponding to an effective tax rate of 42%, stable compared to the previous year. Net profit thus amounted to €20.6 million with a net margin of 3.5%.

Consolidated income statement

	First-half 2012		First-half 2011		2011	
	€m	%	€m	%	€m	%
Revenue	**589.6**		**529.7**		**1,050.3**	
Staff costs – Employees	-396.6		-357.3		-701.4	
Staff costs – Contractors	-49.7		-51.5		-95.8	
Operating expenses	-87.8		-71.2		-147.0	
Depreciation, amortisation and provisions	-7.9		-6.8		-13.6	
Operating profit on business activity	**47.6**	***8.1%***	**42.9**	***8.1%***	**92.5**	***8.8%***
Expenses related to stock options	-0.7		-0.2		-0.5	
Amortisation of allocated intangible assets	-1.7		-0.2		-0.3	
Profit from recurring operations	**45.2**	***7.7%***	**42.5**	***8.0%***	**91.7**	***8.7%***
Other operating income and expenses	-6.8		11.5		6.2	
Operating profit	**38.4**	***6.5%***	**54.0**	***10.2%***	**97.9**	***9.3%***
Cost of net financial debt	-2.9		-1.8		-4.1	
Other financial income and expenses	-0.5		0.7		0.6	
Income tax expense	-14.7		-16.3		-36.1	
Share of net profit from equity-accounted companies	0.3		1.1		6.0	
Net profit before profit from discontinued operations	**20.6**	***3.5%***	**37.7**	***7.1%***	**64.3**	***6.1%***
Profit net of tax from discontinued operations*	-		-1.4		-1.4	
Net profit	**20.6**	***3.5%***	**36.3**	***6.9%***	**62.9**	***6.0%***
Group share	20.5		36.3		62.9	
Minority interests	0.1		-		-	

* *In order to ensure the comparability of the accounts, all of the items contributing to the operating profit of Axway have been grouped together in a single line item "Profit net of tax from discontinued operations" which is presented before the line "Net profit" in the income statement.*

In France, revenue was €473.2 million, representing total growth of 8.7% and organic growth of 0.4%. Operating profit on business activity came to €40.9 million, representing a margin of 8.6% (compared to 9.0% in the first half of 2011, which benefited from particularly strong licence sales). Performance in France varied between different vertical markets and clients. The Group saw a slowdown in financial services and a wait-and-see attitude in the public sector. On the other hand, the aerospace industry, utilities and transport, as well as numerous major client accounts in manufacturing and services provided robust demand.

In Europe, revenue amounted to €116.4 million, representing total growth of 23.6% and organic growth of 3.3%. Operating profit on business activity came to €6.7 million, representing a margin of 5.8% (compared to 3.9% in the first half of 2011). This improvement was due among other factors to the contribution of companies acquired in the United Kingdom where the operating margin on business activity came to 8.2% (compared to 1.3% in the first half of 2011) and growth in Spain significantly outperforming the market with a stable margin compared to the same period last year.

	Revenue first-half 2012	Margin first-half 2012	Organic growth
	€m	%	%
France	**473.2**	**8.6%**	**0.4%**
United Kingdom	47.5	8.2%	-2.7%
Spain	38.4	4.4%	5.8%
Italy	19.7	2.0%	13.2%
Benelux	5.1	0.0%	23.9%
Switzerland	5.7	14.0%	-5.0%
Total Europe (excluding France)	**116.4**	**5.8%**	**3.3%**
TOTAL GROUP	**589.6**	**8.1%**	**1.0%**

At 30 June 2012, the Group's workforce totalled 14,170 people. 990 employees joined the Group via acquisitions and 1,500 were recruited. The net increase in the workforce was 1,560 compared with 31 December 2011.

	First-half 2012	2011
Workforce at the start of the period	12,610	11,650
Integration of acquired companies	990	280
Net additions to workforce	570	680
WORKFORCE AT THE END OF THE PERIOD	**14,170**	**12,610**
Workforce – France	9,410	8,920
Workforce – International	4,760	3,690

The Group's revenue breakdown by industry segment changed as follows:

	First-half 2012	2011
Financial services	31%	25%
Services/ Transport/ Utilities	20%	21%
Public sector	16%	18%
Manufacturing	16%	17%
Telecoms & Media	11%	12%
Retail	6%	7%
TOTAL	**100%**	**100%**

By geographic region, revenue broke down as follows:

	First-half 2012	2011
France	70%	77%
Europe and Rest of the world	30%	23%
TOTAL	**100%**	**100%**

By offering, revenue broke down as follows:

	First-half 2012	2011
Consulting	5%	5%
Systems Integration	77%	81%
Software publishing	18%	14%
TOTAL	**100%**	**100%**

Group's financial position

Equity amounted to €273.4 million. Net debt at end-June 2012 was €281.3 million, taking into account an acquisition option for the minority interests of Callataÿ & Wouters that may be exercised in 2014 and the employee profit sharing liability. Consequently, net bank debt came to €215.5 million. The net debt to equity ratio determined excluding employee profit sharing for the calculation of bank covenants came to 91%.

A new €128 million syndicated loan agreement was set up in June 2012. At 30 June, the Group had available credit lines of €311.0 million.

At 30 June 2012, the financial position remained robust, both as far as the debt maturity is concerned as well as compliance with banking covenants.

1.3. Strategy

Sopra Group's strategy, announced on 15 February 2012 aims to reinforce its positioning in its businesses and centres around three axes:

- extending the Group's leading position in the French market;
- developing a robust positioning in Europe;
- expanding its solutions portfolio, primarily for the banking sector.

The acquisitions carried out since September 2011 as part of the deployment of this ambitious strategy contributed positively to the Group's performance. The staff integration process is continuing successfully in France and Europe.

The extension strategy for the portfolio of solutions was implemented on a priority basis in financial services where Sopra Group has recognised expertise, where the objective is to create a leading software developer specialised in application solutions for the financial services market. This is the context in which the Group created a subsidiary, Sopra Banking Software, to which it contributed all of its Evolan activities and Delta-Informatique and Callataÿ & Wouters joined this new subsidiary. Its business portfolio, which will from now on be marketed under the Sopra Banking Suite brand, thus groups together the Evolan, Thaler and Delta-Bank solutions. Revenue generated in the first half of 2012 by Delta-Informatique and Callataÿ & Wouters is, at this stage, consolidated in France (since 1 September 2011 for Delta and 1 April 2012 for Callataÿ & Wouters) and amounts to €38.2 million. More detailed information on the performance of this subsidiary will be published with the Group's annual results.

In parallel with this, the Group is implementing a European strategy which aims to broaden its presence in France's main neighbouring countries. The UK subsidiaries of Business & Decision and Tieto joined the Group in line with this strategy. Their consolidated revenue as from 1 March 2012 amounted to €20.4 million. Reinforcing the Group's presence in the United Kingdom helps reaffirm the confidence of major clients in its capacity to support them in their transformation projects.

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

This document contains forecasts in respect of which there are risks and uncertainties concerning the Group's future growth and profitability. The Group highlights the fact that a higher proportion of licence agreements, which often represent investments for clients, are generally signed in the second half of the year, and thus may have a more or less favourable impact on the end-of-year performance.

The outcome of events or actual results may differ from those described in this document as a result of various risks and uncertainties set out in the 2011 Reference Document submitted to the *Autorité des marchés financiers* (AMF) on 27 April 2012.

As of this writing, there are no elements likely to have a material impact on Sopra Group's financial position and performance.

The nature and level of risks to which the Group is currently exposed are still those presented in Sopra Group's most recent Reference Document.

3. Main related-party transactions

3.1. Transactions between related parties having taken place during the six-month period ended 30 June 2012 and which had a material impact on the issuer's financial position or the results of its operations during this period

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

3.2. Changes affecting related-party transactions described in the latest Reference Document with a potentially material impact on the issuer's financial position or the results of its operations during the six-month period ended 30 June 2012

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

4. Updated forecasts and targets

Sopra Group confirms its target of slight sales growth, in spite of a challenging economic environment and a high comparison base effect.

The Group also confirms that it expects margins to improve very slightly, provided that market conditions do not deteriorate in the latter part of the year.

The Group is targeting year-end net debt of approximately €220 million and net bank debt of around €155 million.

2

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Income statement – Gains and losses recognised directly in equity

Income statement

		First-half 2012		First-half 2011		2011	
(in thousands of euros)	*Notes*	Amount	%	Amount	%	Amount	%
Revenue	*4*	589,638	*100.0%*	529,673	*100.0%*	1,050,260	*100.0%*
Purchases consumed		-69,802	*-11.8%*	-68,607	*-13.0%*	-132,029	*-12.6%*
Staff costs	*5*	-396,568	*-67.3%*	-357,268	*-67.5%*	-701,383	*-66.8%*
External expenses		-63,902	*-10.8%*	-51,474	*-9.7%*	-101,427	*-9.7%*
Taxes and duties		-7,166	*-1.2%*	-6,442	*-1.2%*	-15,616	*-1.5%*
Depreciation and amortisation		-5,473	*-0.9%*	-5,058	*-1.0%*	-10,212	*-1.0%*
Provisions and impairment		-2,394	*-0.4%*	-1,781	*-0.3%*	-3,368	*-0.3%*
Other operating income from recurring operations		4,196	*0.7%*	3,997	*0.8%*	7,496	*0.7%*
Other operating expenses from recurring operations		-935	*-0.2%*	-152	*0.0%*	-1,263	*-0.1%*
Operating profit on business activity		**47,594**	***8.1%***	**42,888**	***8.1%***	**92,458**	***8.8%***
Expenses related to stock options		-716	*-0.1%*	-185	*0.0%*	-444	*0.0%*
Amortisation of allocated intangible assets		-1,684	*-0.3%*	-218	*0.0%*	-335	*0.0%*
Profit from recurring operations		**45,194**	***7.7%***	**42,485**	***8.0%***	**91,679**	***8.7%***
Other operating income and expenses	*6*	-6,804	*-1.2%*	11,519	*2.2%*	6,254	*0.6%*
Operating profit		**38,390**	***6.5%***	**54,004**	***10.2%***	**97,933**	***9.3%***
Income from cash and cash equivalents	*7*	175	*0.0%*	5	*0.0%*	308	*0.0%*
Cost of gross financial debt	*7*	-3,060	*-0.5%*	-1,810	*-0.3%*	-4,406	*-0.4%*
Cost of net financial debt		**-2,885**	***-0.5%***	**-1,805**	***-0.3%***	**-4,098**	***-0.4%***
Foreign exchange gains and losses	*7*	-208	*0.0%*	49	*0.0%*	178	*0.0%*
Other financial income and expenses	*7*	-332	*-0.1%*	687	*0.1%*	424	*0.0%*
Tax charge	*8*	-14,669	*-2.5%*	-16,383	*-3.1%*	-36,176	*-3.4%*
Share of net profit from equity-accounted companies	*9*	315	*0.1%*	1,133	*0.2%*	5,993	*0.6%*
Net profit for the period from continuing operations		**20,611**	***3.5%***	**37,685**	***7.1%***	**64,254**	***6.1%***
Profit after tax from discontinued operations	*10*	-	-	-1,380	*-0.3%*	-1,380	*-0.1%*
Net profit		**20,611**	***3.5%***	**36,305**	***6.9%***	**62,874**	***6.0%***
Attributable to Group		**20,479**	***3.5%***	**36,305**	***6.9%***	**62,872**	***6.0%***
Minority interests		132	*0.0%*	-	-	2	*0.0%*

EARNINGS PER SHARE *(in euros)*	*Notes*	First-half 2012	First-half 2011	2011
Basic earnings per share	*11*	1.72	3.06	5.29
Fully diluted earnings per share	*11*	1.70	3.05	5.29

Gains and losses recognised directly in equity

(in thousands of euros)	First-half 2012	First-half 2011	2011
Net profit	**20,611**	**36,305**	**62,874**
Translation differential	1,978	-3,282	-10,689
Actuarial gains and losses on pension plans	-577	-724	-727
Change in the value of derivatives	-697	394	-551
Gains/(losses) from discontinued operations taken directly to equity	-	-10,454	-
Income and expenses not recognised in income of equity-accounted companies	1,031	-	4,065
Total gains and losses recognised directly in equity	**1,735**	**-14,066**	**-7,902**
NET PROFIT AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**22,346**	**22,239**	**54,972**
Attributable to Group	**22,214**	**22,239**	**54,970**
Minority interests	132	-	2

Statement of financial position

ASSETS *(in thousands of euros)*	*Notes*	**30/06/2012**	**30/06/2011**	**31/12/2011**
Goodwill	*13*	313,852	164,107	190,871
Intangible assets		62,379	2,418	2,812
Property and equipment		43,017	39,448	39,585
Equity interests accounted for under the equity method	*14*	109,634	83,437	109,402
Financial assets		3,890	63,015	2,975
Deferred tax assets		31,282	15,835	20,952
Other non-current assets		-	133	-
Non-current assets		**564,054**	**368,393**	**366,597**
Inventories		421	152	178
Trade accounts receivable	*15*	391,963	336,046	344,994
Other current receivables		47,218	20,521	25,332
Cash and cash equivalents		28,754	21,018	33,267
Current assets		**468,356**	**377,737**	**403,771**
TOTAL ASSETS		**1,032,410**	**746,130**	**770,368**

LIABILITIES AND EQUITY *(in thousands of euros)*	*Notes*	**30/06/2012**	**30/06/2011**	**31/12/2011**
Share capital		11,893	11,863	11,893
Capital reserves		8,141	7,629	7,951
Consolidated reserves		250,997	211,945	211,150
Profit for the period		20,479	36,305	62,872
Gains and losses recognised directly in equity		-18,223	-24,474	-19,958
Equity – Group share		**273,287**	**243,268**	**273,908**
Minority interests		**130**	**-**	**3**
TOTAL EQUITY	*16*	**273,417**	**243,268**	**273,911**
Financial debt – long-term portion	*17*	251,687	70,542	26,382
Deferred tax liabilities		19,073	78	78
Provision for post-employment benefits	*18*	43,616	38,813	40,777
Non-current provisions		6,086	872	5,071
Other non-current liabilities		2,132	5,969	11,946
Non-current liabilities		**322,594**	**116,274**	**84,254**
Financial debt – short-term portion	*17*	58,404	70,240	53,273
Trade accounts payable		56,040	48,662	54,768
Other current liabilities		321,955	267,686	304,162
Current liabilities		**436,399**	**386,588**	**412,203**
TOTAL LIABILITIES		**758,993**	**502,862**	**496,457**
TOTAL LIABILITIES AND EQUITY		**1,032,410**	**746,130**	**770,368**

Statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Treasury shares	Reserves and consolidated results	Translation differential	Actuarial gains and losses	Remeasurement of hedging derivatives	Total Group share	Minority interests	Total
EQUITY AT 31/12/2010	**47,416**	**57,311**	**-589**	**277,292**	**-8,467**	**-8,195**	**-217**	**364,551**	**3**	**364,554**
Capital transactions	-35,553	-3,319	-	39,969	-	-	-	1,097	-	1,097
Share-based payments	-	186	-	-	-	-	-	186	-	186
Treasury share transactions	-	-	-8	-250	-	-	-	-258	-	-258
Ordinary dividends	-	41	-	-9,519	-	-	-	-9,478	-	-9,478
Extraordinary dividends	-	-46,590	-	-	-	-	-	-46,590	-	-46,590
Consolidated carrying amount of Axway shares distributed	-	-	-	-90,601	5,266	1,205	-	-84,130	-2	-84,132
Tax impact related to distributions	-	-	-	-3,220	-	-	-	-3,220	-	-3,220
Other movements	-	-	-	-1,129	-	-	-	-1,129	-1	-1,130
Transactions with shareholders	**-35,553**	**-49,682**	**-8**	**-64,750**	**5,266**	**1,205**	**-**	**-143,522**	**-3**	**-143,525**
Profit for the period	-	-	-	36,305	-	-	-	36,305	,	36,305
Gains and losses recognised directly in equity	-	-	-	-	-13,736	-724	394	-14,066	-	-14,066
Total comprehensive profit for the period	**-**	**-**	**-**	**36,305**	**-13,736**	**-724**	**394**	**22,239**	**-**	**22,239**
EQUITY AT 30/06/2011	**11,863**	**7,629**	**-597**	**248,847**	**-16,937**	**-7,714**	**177**	**243,268**	**-**	**243,268**
Capital transactions	30	64	-	-	-	-	-	94	-	94
Share-based payments	-	258	-	-	-	-	-	258	-	258
Treasury share transactions	-	-	-274	-323	-	-	-	-597	-	-597
Tax impact related to distributions	-	-	-	-2,752	-	-	-	-2,752	-	-2,752
Reclassifications	-	-	-	1,648	-1,331	-317	-	-	-	-
Other movements	-	-	-	906	-	-	-	906	1	907
Transactions with shareholders	**30**	**322**	**-274**	**-521**	**-1,331**	**-317**	**-**	**-2,091**	**1**	**-2,090**
Profit for the period	-	-	-	26,567	-	-	-	26,567	2	26,569
Gains and losses recognised directly in equity	-	-	-	-	7,125	-16	-945	6,164	-	6,164
Total comprehensive profit for the period	**-**	**-**	**-**	**26,567**	**7,125**	**-16**	**-945**	**32,731**	**2**	**32,733**
EQUITY AT 31/12/2011	**11,893**	**7,951**	**-871**	**274,893**	**-11,143**	**-8,047**	**-768**	**273,908**	**3**	**273,911**
Capital transactions	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	187	-	-	-	-	-	187	-	187
Treasury share transactions	-	-	22	109	-	-	-	131	-	131
Ordinary dividends	-	3	-	-22,565	-	-	-	-22,562	-	-22,562
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	32,550	32,550
Put option in respect of minority interests	-	-	-	-739	-	-	-	-739	-32,550	-33,289
Other movements	-	-	-	148	-	-	-	148	-5	143
Transactions with shareholders	**-**	**190**	**22**	**-23,047**	**-**	**-**	**-**	**-22,835**	**-5**	**-22,840**
Profit for the period	-	-	-	20,479	-	-	-	20,479	132	20,611
Gains and losses recognised directly in equity	-	-	-	-	3,006	-574	-697	1,735	-	1,735
Total comprehensive profit for the period	**-**	**-**	**-**	**20,479**	**3,006**	**-574**	**-697**	**22,214**	**132**	**22,346**
EQUITY AT 30/06/2012	**11,893**	**8,141**	**-849**	**272,325**	**-8,137**	**-8,621**	**-1,465**	**273,287**	**130**	**273,417**

Cash flow statement

(in thousands of euros)	First-half 2012	First-half 2011	2011
Consolidated net profit (including minority interests)	**20,611**	**36,305**	**62,874**
Profit after tax from discontinued operations	-	1,380	1,380
Net increase in depreciation, amortisation and provisions	9,174	45,351	63,609
Unrealised gains and losses related to changes in fair value	-112	-421	-443
Calculated income and expenses related to stock options and similar derivatives	187	185	444
Other calculated income and expense	-1,579	51	-706
Gains and losses on disposal	12	-53,307	-60,915
Share of profit related to equity-accounted associates	-315	-1,133	-5,993
Cash from operations after cost of net debt and tax	**27,978**	**28,411**	**60,250**
Cost of net financial debt	2,885	1,805	4,098
Income taxes (including deferred tax)	14,669	16,383	36,176
Cash from operations before cost of net debt and tax (A)	**45,532**	**46,599**	**100,524**
Tax paid (B)	-29,324	-19,018	-38,682
Changes in operating working capital requirements (including liabilities related to employee benefits) (C)	-37,879	-25,692	-1,341
Net cash from operating activities (D) = (A+B+C)	**-21,671**	**1,889**	**60,501**
Purchase of tangible and intangible fixed assets	-3,985	-6,074	-10,065
Proceeds from sale of tangible and intangible fixed assets	193	12	86
Purchase of financial assets	-451	-111	-336
Proceeds from sale of financial assets	38	48	367
Impact of changes in scope	-142,064	-	-29,829
Dividends received (equity-accounted companies, non-consolidated securities)	1,322	-	-
Changes in loans and advances granted	-	-	68,422
Other cash flow relating to investing activities	-	-	-16,251
Net cash from (used in) investing activities (E)	**-144,947**	**-6,125**	**12,394**
Proceeds on issue of shares	-	-	-
Proceeds on the exercise of stock options	-	1,097	1,190
Purchase and proceeds from disposal of treasury shares	114	-7	-395
Dividends paid during the period:			
■ Dividends paid to shareholders of Sopra Group SA	-22,562	-56,068	-56,068
■ Dividends paid to minority interests of consolidated expenses	-	-	-
Change in borrowings	172,938	-7,286	-53,392
Net interest paid (including finance leases)	-2,188	-1,876	-3,485
Other cash flow relating to financing activities	5,047	4,115	3,172
Net cash from (used in) financing activities (F)	**153,349**	**-60,025**	**-108,978**
Effect of foreign exchange rate changes (G)	-474	-437	-362
Net cash from (used in) discontinued operations (H)	**-**	**12,980**	**12,980**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G+H)	**-13,743**	**-51,718**	**-23,465**
Opening cash position	16,646	53,581	53,581
Cash relating to discontinued operations	-	-13,470	-13,470
Closing cash position	2,903	-11,607	16,646

Notes to the condensed consolidated financial statements

ACCOUNTING PRINCIPLES AND POLICIES

NOTES TO THE CONSOLIDATED INCOME STATEMENT

NOTES TO THE CONSOLIDATED BALANCE SHEET

OTHER INFORMATION

Notes to the condensed 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. 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.

Sopra Group's consolidated financial statements for the six-month period ended 30 June 2012 were approved by the Board of Directors at its meeting on 31 July 2012.

ACCOUNTING PRINCIPLES AND POLICIES

Note 1 | Summary of main accounting principles

The main accounting policies applied for the preparation of the consolidated financial statements are presented below. They have been applied consistently for all of the financial years presented.

1.1. Basis of preparation

The consolidated financial statements for the six months ended 30 June 2012 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/index_en.htm;
- IFRS as published by the IASB.

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

The consolidated financial statements for the period ended 30 June 2012 were prepared pursuant to the provisions of IAS 34 *Interim Financial Reporting,* as amended in May 2010. They are condensed interim financial statements and do not include all of the information required for annual financial statements. They must be read in conjunction with Sopra Group's 2011 Reference Document, which was filed with the AMF on 27 April 2012 under number D.12-0455 and is available for download from the Group's website (www.sopragroup.com).

The accounting policies applied by the Group in preparing the consolidated financial statements for the period ended 30 June 2012 are identical to those applied in the published consolidated financial statements for the period ended 31 December 2011.

Values for various expense items such as annual bonuses, employee profit sharing and corporation income tax are subject to an annual estimate and are recognised during the half-year period in an amount proportional to the forecast operating results.

1.2. Application of new standards and interpretations

New standards, amendments to existing standards and interpretations that must be applied for periods starting on or after 1 July 2011 (mainly IFRS 7) have had no material impact on the Group's financial statements or results.

The Group has not opted for the early application of standards and interpretations not yet adopted by the European Union for periods starting on or after 1 January 2012 – namely, amendments to IAS 1, IFRS 12, amendments to IFRS 1, amendments to IAS 19, amendments to IFRS 7 and interpretation IFRIC 20.

Note 2 | Key events and scope of consolidation

2.1. First consolidation

- **Tieto UK Ltd –** in February 2011, Sopra Group Ltd, a wholly-owned Sopra Group subsidiary, acquired Tieto Corporation's UK financial services product business. This business offers solutions to the financial services sector (mortgage, savings, credit, asset finance and debt collection systems) to clients comprising banks, consumer and corporate finance companies and factoring agencies in the UK and continental Europe. It generated revenue of approximately €22 million in financial year 2011.

  Tieto UK Ltd was renamed Sopra Group Solutions UK Ltd and has been consolidated with effect from 1 March 2012.

- **Business & Decision UK Ltd –** in February 2011, Sopra Group Ltd, a wholly-owned Sopra Group subsidiary, acquired the entire share capital of Business & Decision's UK subsidiary. This company provides consulting and IT services specialising in business intelligence (BI) and customer relationship management (CRM) and e-business for clients in the financial services, retail, public sector and transport verticals, among others. It generated revenue of approximately €26 million in financial year 2011.

  Business & Decision UK was renamed Sopra Group Financial Services Ltd and has been consolidated with effect from 1 March 2012.

- **Callataÿ & Wouters –** Sopra Group acquired a 76.75% majority interest in Callataÿ & Wouters (C&W), which publishes the banking software Thaler. C&W provides IT solutions to retail banks, private banks and online banks. Its star product, Thaler, is a powerful banking software package that functions as an integrated solution capable of covering all banking systems as well as a modular solution dedicated to precise banking activities. Thaler is used by over 40 banks in 15 countries. C&W's revenue was in the region of €80 million for financial year 2011, with a workforce of around 600 people.

  The companies in the C&W entity were consolidated in the Group's financial statements with effect from 1 April 2012.

- **Adeuza –** At the beginning of June 2012, Sopra Group acquired 100% ownership of Nantes-based company Adeuza, mobility specialist and vendor of the Movalys® solution, whose main customers are France Télécom and Numéricable.

  This acquisition bolsters Sopra Group's position on the mobility market, where demand is currently growing strongly. The company generated revenue of approximately €0.8 million in 2011.

  Adeuza was consolidated in the Group's financial statements with effect from 1 June 2012.

2.2. Deconsolidated entities

No Sopra Group entities were deconsolidated during the first half of 2012.

2.3. Reorganisation of legal entities

- On 19 January 2012, Sopra Group's Spanish subsidiary, formerly known as Valoris Iberia, changed its name to Sopra Group Catalunya SA.
- Axway Holding SA changed its name to Sopra Banking Software with effect from 26 March 2012.

2.4. List of companies consolidated in the first half of 2012

Company	Country	% control	% held	Consolidation method
Sopra Group	France	-	-	Parent company
Sopra Banking Software	France	100.00%	100.00%	FC
Delta Informatique	France	100.00%	100.00%	FC
Callataÿ & Wouters France	France	76.75%	76.75%	FC
Adeuza	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 Group Financial Service Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Group Solutions UK Ltd	United Kingdom	100.00%	100.00%	FC
Callataÿ & Wouters Limited	United Kingdom	76.75%	76.75%	FC
Sopra Belux	Belgium	100.00%	100.00%	FC
Business Architects International NV	Belgium	100.00%	100.00%	FC
Financière Callataÿ & Wouters	Belgium	76.75%	76.75%	FC
Callataÿ & Wouters Association d'Ingénieurs Conseils	Belgium	76.75%	76.75%	FC
Callataÿ & Wouters Software Factory	Belgium	76.75%	76.75%	FC
Sopra Group Luxembourg	Luxembourg	100.00%	100.00%	FC
Valoris Luxembourg	Luxembourg	100.00%	100.00%	FC
Callataÿ & Wouters PSF	Luxembourg	76.75%	76.75%	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
Sopra Group Catalunya SA	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
Callataÿ & Wouters Pte Ltd	Singapore	76.75%	76.75%	FC
Groupe Axway	France	26.02%	26.02%	EM

FC: Fully consolidated.
EM: Equity method.

Note 3 | Comparability of the accounts

The acquisitions carried out in the first half of 2012 had an individual and cumulative impact on the income statement and the Group's main business indicators which is lower than the materiality threshold (25%) required by the General Regulation of the AMF (art.222-2) for the preparation of pro forma information.

The main impacts of these acquisitions on the financial statements for the first half of 2012 are as follows:

- **Contribution of companies acquired to revenue and operating profit on business activity**

(in millions of euros)	30/06/2012 Excluding acquisitions	30/06/2012 Contribution of acquisitions	30/06/2012 Reported	30/06/2011 Reported
Revenue	531.0	58.6	**589.6**	**529.7**
Operating profit on business activity	39.6	8.0	**47.6**	**42.9**

- **Impact of 2012 acquisitions on goodwill**

Cf. Note 13.

- **Impact of changes in the scope of consolidation on net debt**

(in thousands of euros)	30/06/2012	31/12/2011
Cost of acquisitions (excluding earnouts)	-157,152	-37,673
Put options in respect of minority interests	-33,289	-
Net debt/Net cash of acquired companies	8,307	7,844
Earnouts	-135	-
TOTAL	**-182,269**	**-29,829**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 4 | Revenue

4.1. Revenue by activity

(in millions of euros)	First-half 2012		First-half 2011	
SSI France	473.2	80.3%	435.5	82.2%
SSI Europe	116.4	19.7%	94.2	17.8%
TOTAL REVENUE	**589.6**	**100.0%**	**529.7**	**100.0%**

4.2. Revenue by business sector

	First-half 2012	First-half 2011
Services (including real estate)	20.4%	21.0%
Banking	25.8%	19.4%
Public sector	15.9%	17.5%
Manufacturing	16.0%	16.9%
Telecom	10.6%	12.2%
Retail	5.6%	7.0%
Insurance	5.7%	6.0%
TOTAL	**100.0%**	**100.0%**

4.3. International revenue

(in millions of euros)	First-half 2012		First-half 2011	
SSI France: Export	60.7	10.3%	22.1	4.2%
SSI Europe	116.4	19.7%	94.2	17.8%
International revenue	**177.1**	**30.0%**	**116.3**	**22.0%**
TOTAL REVENUE	**589.6**	**100.0%**	**529.7**	**100.0%**

Note 5 | Staff costs

5.1. Analysis

(in thousands of euros)	First-half 2012	First-half 2011
Salaries	282,669	250,548
Social charges	112,321	102,121
Employee profit-sharing and incentive schemes	1,578	4,599
TOTAL	**396,568**	**357,268**

5.2. Number of employees

Workforce at the end of the period	First-half 2012	First-half 2011
France	9,410	8,800
International	4,760	3,480
TOTAL	**14,170**	**12,280**

Average workforce	First-half 2012	First-half 2011
France	9,242	8,625
International	4,688	3,441
TOTAL	**13,930**	**12,066**

Note 6 | Other operating income and expenses

In the first half of 2012, this line item had a balance of (-)€6.8 million of non-recurring losses generated by exceptional events:

- (-)€5.2 million in acquisitions-related expenses (mainly fees and commissions);
- (-)€1.6 million in restructuring costs.

Note 7 | Financial income and expense

7.1. Cost of net financial debt

(in thousands of euros)	First-half 2012	First-half 2011
Income from cash and cash equivalents	175	5
Interest charges	-3,127	-1,409
Net result of hedges (yield spread)	-323	-398
Impact of the change in the value of syndicated loans	624	-3
Discounting of put options on minority interests	-234	-
TOTAL	**-2,885**	**-1,805**

The increase in financial expenses relative to 2011 is due to an increase in average outstanding borrowings over the first half of 2012 (€111 million, compared with €61 million in the first half of 2011) linked to acquisitions.

The average cost of borrowing after hedging was 2.16% in the first half of 2012, compared with 2.80% in the first half of 2011. The average cost of financing including bank overdrafts was 1.93% in the first half of 2012, compared with 2.54% in 2011.

7.2. 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.

7.3. Other financial income and expenses

(in thousands of euros)	First-half 2012	First-half 2011
Reversals of provisions	-	9,453
Proceeds on the disposal of financial assets sold	-	-
Other financial income	104	891
Total other financial income	**104**	**10,344**
Charges of provisions	-	-
Discounting of retirement commitments	-733	-699
Discounting of employee profit sharing	226	192
Discounting of earnouts on companies acquired	-	-
Change in the value of derivatives	112	422
Net carrying amounts of financial assets sold	-	-9,453
Other financial expense	-41	-119
Total other financial expense	**-436**	**-9,657**
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**-332**	**687**

Note 8 | Tax expense

(in thousands of euros)	First-half 2012	First-half 2011
Current tax	10,998	15,680
Deferred tax	3,671	703
TOTAL	**14,669**	**16,383**

Note 9 | Share of net profit accounted for under the equity method

Profit for the first half of 2012 includes the following:

- the Group's share of Axway's profit for the period (26.02% of €2.6 million): €0.7 million;
- the impact of the dilution of Axway's share capital: (-)€0.4 million.

Note 10 | Profit after tax of discontinued operations

In 2011, in accordance with IFRS 5, Axway's net profit between 1 January and the spin-off on 14 June 2011 was included in this heading. This net profit represented (-)€1.4 million for this period, given (-)€3.4 million in non-recurring costs relating to the spin-off.

Note 11 | Earnings per share

(in euros)	First-half 2012	First-half 2011
Net profit – Group share	20,479,016	36,305,262
Weighted average number of ordinary shares in issue	11,893,486	11,858,868
BASIC EARNINGS PER SHARE	**1.72**	**3.06**

(in euros)	First-half 2012	First-half 2011
Net profit – Group share	20,479,016	36,305,262
Weighted average number of ordinary shares in issue	11,893,486	11,858,868
Weighted average number of securities retained in respect of dilutive items	146,105	30,940
Weighted average number of shares retained for the calculation of diluted net earnings per share	12,039,591	11,889,808
FULLY DILUTED EARNINGS PER SHARE	**1.70**	**3.05**

The methods for calculating earnings per share are described in Note 1.23 of the 2011 Reference Document. The only dilutive instruments are the stock options referred to in Note 13.2 of the 2011 Reference Document and the bonus shares granted under the award plan dated 19 June 2012 (cf. Note 16.3).

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. The shares considered to have an enhancing effect are potential ordinary shares resulting from share subscription options with an exercise price augmented by the fair value of the services remaining to be received by option holders is higher than the average share price (€44.33) during the period.

Note 12 | Segment information

12.1. Results by division

a. Systems and Solutions Integration – France

(in millions of euros)	First-half 2012		First-half 2011	
Revenue	473.2		435.5	
Operating profit on business activity	40.9	*8.6%*	39.2	*9.0%*
Profit from recurring operations	38.9	*8.2%*	38.8	*8.9%*
Operating profit	37.9	*8.0%*	35.9	*8.2%*

b. Systems and Solutions Integration – Europe

(in millions of euros)	First-half 2012		First-half 2011	
Revenue	116.4		94.2	
Operating profit on business activity	6.7	*5.8%*	3.7	*3.9%*
Profit from recurring operations	6.3	*5.4%*	3.7	*3.9%*
Operating profit	6.1	*5.2%*	3.7	*3.9%*

c. Not allocated

(in millions of euros)	First-half 2012		First-half 2011	
Revenue	-		-	
Operating profit on business activity	-		-	
Profit from recurring operations	-		-	
Operating profit	-5.6		14.4	

d. Group

(in millions of euros)	First-half 2012		First-half 2011	
Revenue	589.6		529.7	
Operating profit on business activity	47.6	*8.1%*	42.9	*8.1%*
Profit from recurring operations	45.2	*7.7%*	42.5	*8.0%*
Operating profit	38.4	*6.5%*	54.0	*10.2%*

Operating profit for the unallocated segment may be broken down as follows:

- (-)€5.2 million in external acquisition-related costs;
- (-)€0.4 million in restructuring costs.

12.2. Geographical breakdown of revenue

(in millions of euros)	France	United Kingdom	Spain	Other European countries	Other zones	TOTAL
First-half 2012	412.5	50.2	38.9	69.3	18.7	**589.6**

NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 13 | Goodwill

13.1. Changes in goodwill

The movements in the first half of 2012 were as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2011	**271,872**	**81,001**	**190,871**
Acquisitions			
Tieto UK	15,196	-	15,196
Business Decision UK	14,302	-	14,302
Callataÿ & Wouters	99,878	-	99,878
Adeuza	-37	-	-37
Adjustments relating to business combinations			
Delta Informatique	-8,590	-	-8,590
Impairment	**-**	**-**	**-**
Translation differential	**3,254**	**1,022**	**2,232**
30 JUNE 2012	**395,875**	**82,023**	**313,852**

13.2. Determination of goodwill recognised in respect of business combinations during the period

Goodwill recognised in the first half of 2012 arises from the acquisition of 100% of Tieto's UK Financial Services business, 100% of Business & Decision UK and 76.75% of Belgian group Callataÿ & Wouters. This goodwill was measured at the date on which these businesses were acquired using the method set out in Note 1.6 in the 2011 Reference Document.

As regards the acquisition of the Callataÿ & Wouters group, the full goodwill method was used.

(in thousands of euros)	Tieto UK	Business & Decision UK	Callataÿ & Wouters	Adeuza	TOTAL
Acquisition price	29,450	18,850	140,000	1,670	189,970
Present value of earnouts	-	-	-	-	-
Acquisition cost	**29,450**	**18,850**	**140,000**	**1,670**	**189,970**
Fair value of net assets acquired	14,254	4,548	40,122	1,707	60,631
GOODWILL	**15,196**	**14,302**	**99,878**	**- 37**	**129,339**

Provisional goodwill was recognised in respect of these acquisitions, since the various intangible assets acquired (software packages, client relationships, etc.) were still being assessed.

Goodwill will be permanently recognised within the 12-month allocation period, i.e. no later than the date on which the financial statements for the year ended 31 December 2012 are approved.

A detailed breakdown of the fair value of the net assets of acquired businesses is set out below:

(in thousands of euros)	Tieto's UK financial services	Business & Decision UK	Callataÿ & Wouters	Adeuza	TOTAL
Allocated intangible assets	10,894	-	35,200	-	46,094
Other intangible assets	-	-	804	835	1,639
Property and equipment	1,074	333	1,176	35	2,618
Deferred tax	-1,767	1,164	-2,094	1,851	-846
Other assets	8,482	7,664	36,450	239	52,835
Cash and cash equivalents	9,409	1	6,549	90	16,049
Financial liabilities	-	-162	-7,647	-	-7,809
Provision for post-employment benefits	-	-	-900	-38	-938
Other liabilities	-13,838	-4,452	-29,416	-1,305	-49,011
FAIR VALUE OF NET ASSETS ACQUIRED	**14,254**	**4,548**	**40,122**	**1,707**	**60,631**

13.3. Adjustments relating to business combinations

A portion of the goodwill arising on the acquisition of Delta Informatique in 2011 was assigned to intangible assets for a total amount of €13.1 million (€10.3 million in technologies, €1.9 million in client relationships and €0.9 million in favourable contracts). A deferred tax liability was recognised in the amount of €4.5 million.

13.4. 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)		30/06/2012	31/12/2011
Systems and Solutions Integration	France	187,502	96,303
	United Kingdom	66,934	35,152
	Spain	51,297	51,297
	Italy	8,119	8,119
TOTAL		**313,852**	**190,871**

13.5. Impairment tests

The Group conducted a review of its material intangible assets to determine whether there were indications that these assets might be impaired and therefore would require the implementation of impairment tests. Since no indications were noted, it was not necessary to carry out these tests. Therefore, no impairment expense was recognised.

Note 14 | Equity interests accounted for under the equity method

(in thousands of euros)	Gross value	Impairment	Net
1 January 2012	**127 339**	**17 937**	**109 402**
Capital transactions	564	-	564
Dividends paid	-1,319	-	-1,319
Net profit	677	-	677
Translation differential	1,099	-	1,099
Change in percentage interest	-921	-	-921
Other movements	132	-	132
30 JUNE 2012	**127,571**	**17,937**	**109,634**

At 30 June 2012, the Axway shares held by Sopra Group (5,287,935 shares representing 26.02% of the share capital) were valued at €109.6 million, corresponding to the value in use of the investment. The market value of the shares (based on the average share price in June 2012 of €14.19) was €75 million.

Note 15 | Trade accounts receivable

(in thousands of euros)	30/06/2012	31/12/2011
Trade accounts receivable	255 451	268 895
Accrued income	150 916	91 919
Accrued credit notes	-11 710	-13 397
Provision for doubtful debtors	-2 694	-2 423
TOTAL	**391 963**	**344 994**

Net trade receivables, expressed in terms of months of revenue at 30 June 2012 corresponded to about 2.5 months of revenue, compared to 2.4 at 31 December 2011 and 2.5 at 30 June 2011 (excluding Axway).

Note 16 | Equity

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

16.1. Changes in the share capital

There were no changes in the first half of 2012.

Sopra Group's share capital was €11,893,486 at 30 June 2012, comprising 11,893,486 fully-paid shares with a nominal value of €1 each.

16.2. Share subscription option plans

No subscription options were exercised in the first half of 2012; 3,196 options were cancelled, their beneficiaries having left the company before the end of the vesting period of their rights.

No options were allocated in the first half of 2012.

The number of shares that may be creating by exercising options already allocated totalled 204,181, with the number of shares that could still be allocated at 30 June 2012 being 350,618, representing a total number of shares to be created of 554,927 shares.

16.3. Bonus share plans

Following the authorisation granted by the General Meeting of 19 June 2012, on 19 June 2012 the Board of Directors validated the plan to award bonus shares to group employees of Sopra Group. This plan will ultimately lead to the creation of about 134,000 shares.

In accordance with the terms of IFRS 2 *Share-based Payment,* the fair value of bonus shares granted calculated at the attribution date is recognised under expenses over the vesting period of these rights, i.e. between two and four years. This fair value was determined with reference to a stock market price at the attribution date, deducting the amount of dividends not received by employees over the vesting period.

16.4. Transactions in treasury shares

At 30 June 2012, Sopra Group held 19,800 of its own shares, acquired under the framework of the repurchase programmes authorised by the General Meeting, for a total amount of 0.872 million, representing an average purchase price of €44.04. The valuation of treasury shares owned at the average closing share price in June 2012 (€42.88) amounted to €0.849 million.

These shares represented 0.16% of the total number of shares in circulation at 30 June 2012.

All transactions in treasury shares are taken directly to shareholders' equity. The impact in the first half of 2012 was €0.131 million.

16.5. Dividends

The Combined General Meeting of Sopra Group convened on 19 June 2012 decided to distribute an ordinary dividend of €22.598 million in respect of financial year 2011, representing €1.90 per share. This dividend was paid on 26 June 2012. The dividend paid the previous financial year totalled €9.483 million, i. e. €0.80 per share.

16.6. Minority interests

- Within the framework of the acquisition of Callataÿ & Wouters, the application of the full goodwill method had the effect of presenting minority interests at their fair value, i.e. €32.6 million.
- A put option was granted by the Group to the minority interests of Callataÿ & Wouters, implying a contractual obligation for the Group to repurchase these equity instruments. The counterparty of the debt in respect of the put option for the minority interests (see Note 17.4) was recognised under equity for an amount of €33.3 million, as follows:
  - as a deduction from minority interests to the extent of their carrying amount, i.e. €32.6 million;
  - as a deduction from equity – Group share for the balance, i.e. €0.7 million.

Note 17 | Loans and financial liabilities – Net debt

(in thousands of euros)	Current	Non-current	30/06/2012	31/12/2011
Bank loans	24,257	186,010	210,267	29,222
Liabilities on finance lease contracts	3,469	4,483	7,952	7,379
Employee profit sharing	4,708	27,621	32,329	26,401
Other sundry financial liabilities	119	33,573	33,692	32
Overdrafts	25,851	-	25,851	16,621
LOANS AND FINANCIAL LIABILITIES	**58,404**	**251,687**	**310,091**	**79,655**
Investment securities	-867	-	-867	-1,900
Cash and cash equivalents	-27,887	-	-27,887	-31,367
NET DEBT	**29,650**	**251,687**	**281,337**	**46,388**

17.1. Bank loans

In June 2012, the Group renegotiated its borrowing facilities with a syndicate of partner banks in order to extend their maturity.

This resulted in the signing of a new syndicated loan agreement and the partial or full early repayment of two existing borrowing facilities.

This left the Group with the following borrowing facilities at end June 2012:

- a first syndicated loan of €33 million (revolving loan) obtained in April 2008 (for an original notional amount of €132 million) and maturing in April 2014;
- a second syndicated loan of €150 million (revolving loan) obtained in June 2011 and maturing in June 2016;
- a third syndicated loan of €128 million (a €64 million term loan and a €64 million renewable loan) obtained in June 2012 and maturing in June 2017.

The total authorised amount at 30 June 2012 was €311 million. This amount will reduce by €8 million in December 2012, giving a total authorised amount at the year-end of €303 million.

The applicable bank conditions are as follows:

- 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 financial 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 average margin applied during the first half of 2012 was 44 bps;
- these facilities are subject to a non-utilisation fee;
- a utilisation commission also applies (subject to conditions) for the second and third line;
- the Group must meet three financial ratios under the terms of bank covenants. On the basis of the financial statements for the period ended 30 June 2012, they are lower than the limits fixed by the bank agreements.

17.2. Hedging of borrowings

Sopra Group entered into hedging contracts at the time it took out syndicated loan 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 30 June 2012, nine swap agreements were in force for a total amount of €142 million, with maturities ranging from 4 to 57 months:

- five of these agreements relate to the third syndicated loan facility (€128 million, June 2012) for a notional amount equal to the amount of the total credit commitment (€128 million, at 30 June 2012). They mature in March 2017. This consists of a swap of 3-month Euribor against a fixed rate (1.2152%);
- four of these agreements (initially linked to the €200 million syndicated loan facility taken out in October 2005 and repaid early in full in June 2012) for a notional amount of €14 million maturing in October 2012.

  The details are as follows:

  - for €9.6 million: 1-month Euribor +0.3075% swap against 12-month Euribor 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 €4.4 million: 1-month Euribor swap against a fixed rate of 4.55%.

At 30 June 2012, the valuation of these various hedging agreements was a net expense of €1.7 million (entirely in liabilities), versus a net expense of €0.5 million at 31 December 2011.

The difference in valuation of (-)€1.2 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. €0.1 million;
- equity for agreements benefiting from the qualification of perfect hedge as defined in IAS 39, i.e. (-)€1.3 million.

17.3. Summary of exposure to interest rate risk

	Rate	30/06/2012	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	Variable rate	867	867	-	-	-	-	-
Cash and cash equivalents	Fixed rate	27,887	27,887	-	-	-	-	-
Financial assets	**Fixed rate**	**27,887**	**27,887**	**-**	**-**	**-**	**-**	**-**
	Variable rate	**867**	**867**	**-**	**-**	**-**	**-**	**-**
Bank loans	Variable rate	-210,267	-24,257	-51,777	-17,375	-116,735	-123	-
Finance lease liabilities	Fixed rate	-7,951	-3,469	-2,394	-1,508	-581	-	-
Employee profit sharing	Fixed rate	-32,329	-4,708	-5,703	-4,631	-6,858	-10,429	-
Other financial liabilities	Fixed rate	-33,693	-119	-33,522	-	-	-	-51
Overdrafts	Variable rate	-25,851	-25,851	-	-	-	-	-
Financial liabilities	**Fixed rate**	**-73,973**	**-8,296**	**-41,619**	**-6,139**	**-7,439**	**-10,429**	**-51**
	Variable rate	**-236,118**	**-50,108**	**-51,777**	**-17,375**	**-116,735**	**-123**	**-**
Net exposure before hedging	**Fixed rate**	**-46,086**	**19,591**	**-41,619**	**-6,139**	**-7,439**	**-10,429**	**-51**
	Variable rate	**-235,251**	**-49,241**	**-51,777**	**-17,375**	**-116,735**	**-123**	**-**
Interest rate hedging instruments	**Fixed-rate payer swaps**	**132,429**	**20,429**	**16,000**	**16,000**	**32,000**	**48,000**	**-**
	Knock-in collar	**9,571**	**9,571**	**-**	**-**	**-**	**-**	**-**
Net exposure after hedging	**Fixed rate**	**-178,515**	**-838**	**-57,619**	**-22,139**	**-39,439**	**-58,429**	**-51**
	Variable rate with cap and floor	**-9,571**	**-9,571**	**-**	**-**	**-**	**-**	**-**
	Variable rate	**-93,251**	**-19,241**	**-35,777**	**-1,375**	**-84,735**	**47,877**	**-**

17.4. Other sundry financial liabilities

The shareholders' agreement entered into between Sopra Group SA and Callataÿ & Wouters SA on 16 February 2012 granted two put options to minority shareholders in Callataÿ & Wouters, maturing in 2014 and 2017. These puts give rise to an obligation upon Sopra Group, during a predefined period, to buy the shares held by minority shareholders at a strike price specified in the agreement as soon as the minority shareholders exercise their option to sell.

A financial liability of €33.5 million, corresponding to the present value at 30 June 2012 of the strike price agreed in respect of the first put option, has been recognised as follows:

- against shareholders' equity for the present value of the put at the date on which control was gained: €33.3 million;
- in the income statement in respect of the expense arising from unwinding the discount on the liability: €0.2 million (see Note 7.1);

Note 18 | Provision for post-employment benefits

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

(in thousands of euros)	01/01/2012	Change in scope	Charge for the period	Recovery for the period (provision used)	Recovery for the period (provision not used)	Change in actuarial differences	30/06/2012
France	36,592	30	2,144	-494	-	881	39,153
Italy	4,185	-	451	-173	-	-	4,463
TOTAL	**40,777**	**30**	**2,595**	**-667**	**-**	**881**	**43,616**
Impact (net of expenses incurred)							
Profit from recurring operations			1,862		-		
Financial items			733		-		
TOTAL			**2,595**		**-**		

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 law dated 21 August 2003. Provisions for retirement benefits are measured in accordance with the actuarial method in accordance with the conditions in Note 1.18 of the 2011 Reference Document.

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).

Change in the provision for retirement benefits (France)

(in thousands of euros)	Present value of defined benefit obligations	Recognised in the income statement
31 December 2011	**36,592**	
Changes in scope	30	-
Past service cost	1,411	1,411
Financial cost	733	733
Benefits paid to employees	-494	-494
Yield on hedging assets	-	-
Change in actuarial differences	881	-
Discontinued operations	-	-
30 JUNE 2012	**39,153**	**1,650**

The main actuarial assumptions retained in respect of this regime are the following for the periods under review:

	30/06/2012	30/06/2011	31/12/2011
Benchmark for discounting	Bloomberg rate	Bloomberg rate	Bloomberg rate
Discount rate of commitments	2.80%	4.20%	3.75%
Future salary growth rate	2.50%	2.50%	2.50%
Retirement date	65 years	65 years	65 years
Mortality table	Insee 2004-2006	Insee 2004-2006	Insee 2004-2006

OTHER INFORMATION

Note 19 | Related party transactions

Agreements entered into with parties related to Sopra Group were identified in the 2011 Sopra Reference Document, filed with the AMF on 27 April 2012, in Note 35, “Related party transactions”.

Other than those set out in the 2011 Reference Document, no new agreements were entered into with parties related to Sopra Group during the first half of 2012.

Note 20 | Off balance sheet commitments and contingent liabilities

The Group’s off balance sheet commitments are those granted or received by Sopra Group and its subsidiaries. They were not subject to any material variation relative to 31 December 2011, with the exception of the following items:

- collateral on business goodwill was granted by the Callataÿ & Wouters group to banks for an amount of €6.5 million;
- shares held by minority shareholders in Callataÿ & Wouters were given as security to Sopra Banking Software.

As regards existing syndicated loans, the Group complies with its covenants and commitments as set out in the relevant agreements.

Note 21 | Exceptional events and legal disputes

To the Company’s knowledge, there are no exceptional events or legal disputes that may have a material effect on its financial position, revenue, business assets, or net profit, or those of the Group as a whole.

Note 22 | Post balance sheet events

In June 2012, shareholders voted at the Sopra Group and Sopra Banking Software general meetings to approve the planned partial transfer of assets of the Evolan business to Sopra Banking Software. With effect from 1 July, this wholly-owned subsidiary of Sopra Group houses all packaged software services and solutions in the Evolan range.

This operation had no impact on the consolidated financial statements.

Certification by the Company Officer responsible for the interim financial report

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

Paris, 2 August 2012

Pierre Pasquier

Chairman and Chief Executive Officer

Statutory Auditors’ report on the Group’s interim financial information

To the Shareholders,

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

- a limited review of Sopra Group’s condensed consolidated interim financial statements for the six-month period from 1 January to 30 June 2012, which precede this report;
- the verification of the information provided in the Business Review for the six-month period ended 30 June 2012.

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

I. Conclusion on the financial statements

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

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

Based on our limited review, we have not identified any significant anomalies which would cast doubt on the compliance of the condensed interim consolidated financial statements with IAS 34 – IFRS standard, as adopted in the European Union – relating to interim financial information.

II. Specific verification

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

We have no comments on the sincerity and consistency with the condensed interim consolidated financial statements.

Paris and Courbevoie, 2 August 2012

The Statutory Auditors

Auditeurs & Conseils Associés	Mazars
François Mahé	Christine Dubus

Designed & published by Labrador +33 (0)1 53 06 30 80

Head Office
9bis, rue de Presbourg
FR 75116 Paris
Tel.: +33 (0)1 40 67 29 29
Fax: +33 (0)1 40 67 29 30
accueil@sopragroup.com
www.sopragroup.com

Sopra group