Sopra group

Interim financial report for the six-month period ended 30 June 2009

TALENTED TOGETHER

Contents

Sopra Group

Interim financial report for the six-month period ended 30 June 2009

This document is a free translation into English of the original French “Rapport financier semestriel au 30 juin 2009”, hereafter referred to as the “Interim financial report for the six-month period ended 30 June 2009”. 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 €46,819,964
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. Interim consolidated financial statements

Statement of financial position

ASSETS *(in thousands of euros)*	*Notes*	**30/06/2009**	**30/06/2008**	**31/12/2008**
Goodwill	4	377,552	299,692	372,686
Intangible assets	5	27,089	7,070	28,891
Property and equipment	6	35,143	33,687	35,091
Financial assets	7	3,493	3,052	3,430
Deferred tax assets	8	14,128	11,957	16,459
Non-current assets		**457,405**	**355,458**	**456,557**
Inventories		464	320	404
Trade accounts receivable	9	358,022	385,866	401,539
Other current receivables	10	45,637	34,855	32,614
Derivatives	11	234	3,911	286
Cash and cash equivalents	12	25,417	25,740	33,009
Current assets		**429,774**	**450,692**	**467,852**
TOTAL ASSETS		**887,179**	**806,150**	**924,409**

LIABILITIES AND EQUITY *(in thousands of euros)*	*Notes*	**30/06/2009**	**30/06/2008**	**31/12/2008**
Share capital		46,820	46,686	46,820
Capital reserves		53,084	52,317	52,918
Consolidated reserves		183,670	146,527	144,858
Profit for the period		10,774	24,746	58,198
Gains and losses taken directly to equity		-28,518	-24,307	-34,491
Equity – Group share		**265,830**	**245,969**	**268,303**
Minority interests		**2**	**2**	**3**
TOTAL EQUITY	13	**265,832**	**245,971**	**268,306**
Financial debt – long-term portion	14	176,929	122,400	189,969
Deferred tax liabilities	15	177	2,428	213
Provisions for post-employment benefits	16	31,982	26,567	30,220
Non-current provisions	17	2,878	4,119	3,012
Other non-current liabilities	18	1,422	3,350	9,955
Non-current liabilities		**213,388**	**158,864**	**233,369**
Financial debt – short-term portion	14	44,504	59,912	41,234
Trade accounts payable	19	44,218	46,422	59,620
Other current liabilities	20	314,749	294,055	317,904
Derivatives	21	4,488	926	3,976
Current liabilities		**407,959**	**401,315**	**422,734**
TOTAL LIABILITIES		**621,347**	**560,179**	**656,103**
TOTAL LIABILITIES AND EQUITY		**887,179**	**806,150**	**924,409**

Statement of comprehensive income

Pursuant to CNC Recommendation 2009-R-03 of 2 July 2009, this statement is presented as two separate tables:

Income statement

(in thousands of euros)	*Notes*	First-half 2009		First-half 2008		Financial year 2008	
		Amount	%	Amount	%	Amount	%
Revenue	22	544,752	100.0%	549,593	100.0%	1,129,477	100.0%
Purchases consumed	23	-63,665	-11.7%	-67,944	-12.4%	-143,788	-12.7%
Staff costs	24	-374,608	-68.8%	-360,776	-65.6%	-721,825	-63.9%
External expenses	25	-63,598	-11.7%	-63,063	-11.5%	-129,606	-11.5%
Taxes and duties		-11,059	-2.0%	-10,771	-2.0%	-22,780	-2.0%
Depreciation and amortisation	26	-5,904	-1.1%	-5,617	-1.0%	-11,747	-1.0%
Provisions and impairment	26	-2,110	-0.4%	-2,044	-0.4%	-2,230	-0.2%
Other operating income and expenses from recurring operations		2,654	0.5%	1,423	0.3%	4,821	0.4%
Profit from recurring operations		**26,462**	**4.9%**	**40,801**	**7.4%**	**102,322**	**9.1%**
Amortisation of allocated intangible assets	27	-1,380	-0.3%	-403	0.0%	-1,409	-0.1%
Other operating income and expenses	27	-2,191	-0.4%	-	-	-1,168	-0.1%
Operating profit		**22,891**	**4.2%**	**40,398**	**7.4%**	**99,745**	**8.8%**
Income from cash and cash equivalents	28	31	0.0%	70	0.0%	165	0.0%
Cost of gross financial debt	28	-4,953	-0.9%	-4,206	-0.8%	-10,094	-0.9%
Cost of net financial debt		**-4,922**	**-0.9%**	**-4,136**	**-0.8%**	**-9,929**	**-0.9%**
Other financial income and expense	28	-933	-0.2%	268	0.0%	-3,279	-0.3%
Tax charge	29	-6,262	-1.1%	-11,784	-2.1%	-28,338	-2.5%
Net profit for the year from continuing operations		**10,774**	**2.0%**	**24,746**	**4.5%**	**58,199**	**5.2%**
Net profit for the year from discontinued operations or operations being discontinued		-	-	-	-	-	-
NET PROFIT		**10,774**	**2.0%**	**24,746**	**4.5%**	**58,199**	**5.2%**
Attributable to Group		**10,774**	**2.0%**	**24,746**	**4.5%**	**58,198**	**5.2%**
Minority interests		-	-	-	-	1	-

EARNINGS PER SHARE *(in euros)*	*Notes*	First-half 2009	First-half 2008	Financial year 2008
Basic earnings per share	30	0.92	2.12	4.98
Fully diluted earnings per share	30	0.92	2.11	4.96

Gains and losses recognised directly in equity

(in thousands of euros)	First-half 2009	First-half 2008	Financial year 2008
Net profit	**10,774**	**24,746**	**58,199**
Translation differential	5,805	-9,209	-16,198
Actuarial gains and losses on pension plans	3	335	-1,028
Change in the value of derivatives	165	-	-1,832
Total gains and losses recognised directly in equity	**5,973**	**-8,874**	**-19,058**
NET GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**16,747**	**15,872**	**39,141**
o/w Group share	**16,747**	**15,872**	**39,140**
Minority interests	-	-	1

Statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Consolidated reserves	Profit for the period	Translation reserves	Actuarial gains and losses on pension plans	Change in the fair value of derivatives	Total Group	Minority interests	Total
EQUITY AT 31 DECEMBER 2007	**46,686**	**51,681**	**110,774**	**55,097**	**-10,425**	**-5,008**	**-**	**248,805**	**2**	**248,807**
Net profit for the period	-	-	-	24,746	-	-	-	24,746	-	24,746
Other items included in total profit	-	-	-	-	-9,209	335	-	-8,874	-	-8,874
Total profit for the period	**-**	**-**	**-**	**24,746**	**-9,209**	**335**	**-**	**15,872**	**-**	**15,872**
Capital transactions	-	411	-	-	-	-	-	411	-	411
Share-based payments	-	143	-	-	-	-	-	143	-	143
Treasury share transactions	-	-	-7	-	-	-	-	-7	-	-7
Appropriation of profit	-	82	35,760	-55,097	-	-	-	-19,255	-	-19,255
Changes in consolidation scope	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30 JUNE 2008	**46,686**	**52,317**	**146,527**	**24,746**	**-19,634**	**-4,673**	**-**	**245,969**	**2**	**245,971**
Net profit for the period	-	-	-	33,452	-	-	-	33,452	1	33,453
Other items included in total profit	-	-	-	-	-6,989	-1,363	-1,832	-10,184	-	-10,184
Total profit for the period	**-**	**-**	**-**	**33,452**	**-6,989**	**-1,363**	**-1,832**	**23,268**	**1**	**23,269**
Capital transactions	134	276	-	-	-	-	-	410	-	410
Share-based payments	-	42	-	-	-	-	-	42	-	42
Treasury share transactions	-	-	-629	-	-	-	-	-629	-	-629
Appropriation of profit	-	283	-283	-	-	-	-	-	-	-
Changes in consolidation scope	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-757	-	-	-	-	-757	-	-757
EQUITY AT 31 DECEMBER 2008	**46,820**	**52,918**	**144,858**	**58,198**	**-26,623**	**-6,036**	**-1,832**	**268,303**	**3**	**268,306**
Net profit for the period	-	-	-	10,774	-	-	-	10,774	-	10,774
Other items included in total profit	-	-	-	-	5,805	3	165	5,973	-	5,973
Total profit for the period	**-**	**-**	**-**	**10,774**	**5,805**	**3**	**165**	**16,747**	**-**	**16,747**
Capital transactions	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	153	-	-	-	-	-	153	-	153
Treasury share transactions	-	-	-104	-	-	-	-	-104	-	-104
Appropriation of profit	-	13	38,916	-58,198	-	-	-	-19,269	-1	-19,270
Changes in consolidation scope	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
EQUITY AT 30 JUNE 2009	**46,820**	**53,084**	**183,670**	**10,774**	**-20,818**	**-6,033**	**-1,667**	**265,830**	**2**	**265,832**

Cash flow statement

(in thousands of euros)	First-half 2009	First-half 2008	Financial year 2008
Consolidated net profit (including minority interests)	**10,774**	**24,746**	**58,199**
Net increase in depreciation, amortisation and provisions	8,912	6,743	14,342
Unrealised gains and losses related to changes in fair value	794	-786	3,000
Calculated income and expenses related to stock options and similar derivatives	153	143	185
Other calculated income and expenses	528	-4,888	-5,763
Gains and losses on disposal	-4	108	202
Cash from operations before changes in working capital	**21,157**	**26,066**	**70,165**
Cost of net financial debt	4,922	4,136	9,929
Income tax expense (including deferred tax)	6,262	11,784	28,338
Net cash from operating activities before changes in working capital (A)	**32,341**	**41,986**	**108,432**
Tax paid (B)	-12,865	-10,145	-29,302
Changes in operating working capital requirements (including liabilities related to employee benefits) (C)	26,440	-12,757	-2,835
Net cash from operating activities (D) = (A+B+C)	**45,916**	**19,084**	**76,295**
Purchase of tangible and intangible fixed assets	-4,096	-3,400	-8,620
Proceeds from sale of tangible and intangible fixed assets	40	-	44
Purchase of financial assets	-253	-200	-359
Proceeds from sale of financial assets	194	960	1,222
Impact of changes in consolidation scope	-8,800	-15,209	-101,392
Net cash from (used in) investing activities (E)	**-12,915**	**-17,849**	**-109,105**
Proceeds on issue of shares	-	-	-
Proceeds on the exercise of stock options	-	411	821
Purchase and proceeds from disposal of treasury shares	-104	-3	-637
Dividends paid during the period			
■ Dividends paid to shareholders of Sopra Group SA	-19,270	-19,255	-19,255
■ Dividends paid to minority interests of consolidated companies	-	-	-
Change in borrowings	-20,058	-6,581	73,521
Net interest paid (including finance leases)	-5,015	-4,145	-10,728
Other cash flow items relating to financing activities	-152	35	35
Net cash from (used in) financing activities (F)	**-44,599**	**-29,538**	**43,757**
Effect of foreign exchange rate changes (G)	844	-490	-691
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G)	**-10,754**	**-28,793**	**10,256**
Opening cash position	27,015	16,759	16,759
Closing cash position	16,261	-12,034	27,015

Notes to the financial statements

ACCOUNTING PRINCIPLES AND POLICIES

NOTES TO THE BALANCE SHEET

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OTHER INFORMATION

Notes to the financial statements

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

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

It is listed on compartment B, Euronext Paris.

The consolidated financial statements of Sopra Group for the six-month period ended 30 June 2009 were approved by the Board of Directors' meeting of 27 August 2009.

ACCOUNTING PRINCIPLES AND POLICIES

Note 1 | Summary of the main accounting policies

1.1. Basis of preparation of the financial statements

The consolidated financial statements for the six-month period ended 30 June 2009 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 six-month period ended 30 June 2009 are consistent with the provisions of *IAS 34 – Interim Financial Reporting*. They correspond to summary interim financial statements and do not include all of the information necessary for annual financial statements. They should be read in conjunction with the 2008 Reference Document, which was filed with the AMF on 20 April 2009 under no. D.09-0277 and is available on the www.sopragroup.com website.

The main accounting policies applied by the Group in the consolidated financial statements for the six-month period ended 30 June 2009 are identical to those applied in the consolidated financial statements published for the year ended 31 December 2008.

Various expense accounts such as annual bonuses, employee profit sharing and corporate 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

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 2009:

- *IAS 1 Presentation of Financial Statements (as revised in September 2007);*
- *Amendment to IAS 23 Borrowing Costs;*
- *Amendments to IAS 32 and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation;*
- *Amendments to IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate;*
- *Amendment to IFRS 2 Vesting Conditions and Cancellations;*
- *IFRS 8 Operating Segments;*
- *IFRIC 11 (IFRS 2) Group and Treasury Share Transactions;*
- *IFRIC 13 Customer Loyalty Programmes;*
- *IFRIC 14 (IAS 19) The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction;*

The main effects of the application of these standards and interpretations are as follows:

Under the option provided by IAS 1, the Group has chosen to present its income and expenses using a two-statement approach: an income statement together with a statement of recognised income and expense (or statement of comprehensive income). This new approach does not involve any changes in presentation as only the titles of financial statements and the names of certain consolidated items have been modified.

The Group applied IFRS 8 for the first time as at 30 June 2009. The application of IFRS 8 did not involve any change in the presentation of the Group's operating segments from the segment information as presented under IAS 14, which already reflected the approach used within the Group's internal reporting system. The only modification relates to the activities of Business Architects International and the Group's activities in Luxembourg, both of which were reclassified from the SSI Europe operating segment to the SSI France operating segment.

The entry into force of the other standards listed above had no impact on the Group's financial statements.

b. Standards and interpretations subject to early application

The financial statements do not take into account standards and interpretations published by the IASB and adopted by the European Union but which are applicable to periods beginning after 30 June 2009. This group of standards and interpretations includes in particular:

- *IAS 27 Consolidated and Separate Financial Statements* (as revised in January 2008), adopted in the European Union on 12 June 2009 and applicable for periods beginning on or after 1 July 2009;
- *IFRS 3 Business Combinations* (as revised in January 2008), adopted in the European Union on 12 June 2009 and applicable for periods beginning on or after 1 July 2009;
- *IFRIC 12 Service Concession Agreements*, adopted on 26 March 2009 and applicable as from 29 March 2009;
- *IFRIC 16 Hedges of a Net Investment in a Foreign Operation*, adopted on 5 June 2009 and applicable as from 30 June 2009.

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, which are listed below:

- Amendments to *IAS 39* and *IFRS 7 Reclassification of Financial Assets* (updated version published by the IASB in November 2008);
- *IFRS 1* (revised version with improved structure);
- Amendments to *IFRIC 9* and *IAS 39 Embedded Derivatives*;
- *IFRIC 15 Agreements for the Construction of Real Estate*;
- *IFRIC 17 Distributions of Non-Cash Assets to Owners*;
- *IFRIC 18 Transfers of Assets from Customers.*

Note 2 | Scope of consolidation

2.1. Changes in the scope of consolidation

There were no changes in the Group's scope of consolidation during the first half of 2009.

At 31 December 2008, Axway Inc. had absorbed Tumbleweed Communications Corp. in the United States and Axway UK Ltd had absorbed Tumbleweed Communications Ltd in the United Kingdom. The subsidiaries Tumbleweed Communications Pte Ltd in Singapore and Tumbleweed Communications Pty Ltd in Australia are in the process of liquidation.

2.2. List of consolidated companies in the first half of 2009

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

FC: fully consolidated.

Note 3 | Comparability of the accounts

There were no additions to the scope of consolidation in the first half of 2009.

NOTES TO THE BALANCE SHEET

Note 4 | Goodwill

4.1. Changes in goodwill

Movements in the first half of 2009 are as follows:

(in thousands of euros)	Gross value	Impairment	Net
1 January 2009	**404,436**	**31,750**	**372,686**
Adjustments relating to business combinations			
Tumbleweed Corporation	737	-	737
Translation differential	**4,981**	**852**	**4,129**
30 JUNE 2009	**410,154**	**32,602**	**377,552**

4.2. Adjustments relating to business combinations recognised in prior years

Tumbleweed Corporation – The adjustment in the amount of €737 thousand corresponds to a correction made to Tumbleweed's accounts at the date of first consolidation.

Furthermore, a study of the consequence of US tax regulations is in progress and may lead to the recognition of deferred tax assets on tax loss carryforwards as well as the recognition of deferred tax liabilities related to amortisable intangible assets.

The final allocation of the acquisition cost will be completed for inclusion in the Group's financial statements for the year ending 31 December 2009.

4.3. Translation differential

The €4.1 million relating to foreign exchange variations is essentially attributable to the evolution of the euro with respect to:

the US dollar (USD): Axway Inc. and Tumbleweed	-€1.7 million
the pound sterling (GBP): Sopra Group Ltd	€5.7 million
other currencies:	€0.1 million
TOTAL	**€4.1 million**

4.4. 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)		30/06/2009	30/06/2008	31/12/2008
Consulting	France - Orga Consultants	3,876	3,876	3,876
Systems & Solutions Integration	France	68,346	68,324	68,288
	United Kingdom	54,809	58,950	49,032
	Spain	81,297	81,297	81,297
	Italy	8,119	8,119	8,119
	Belgium - Sopra Belux	3,000	3,000	3,000
	Spain - Valoris Iberia	3,000	3,000	3,000
Axway	Axway	155,105	73,126	156,074
TOTAL		**377,552**	**299,692**	**372,686**

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. Following this review, the Group decided to implement impairment tests at SSI Europe entities, which have been hit harder by the overall deterioration in the economic environment than other Group companies. These tests were performed using the same methodology as that used for the year ended 31 December 2008.

The impairment tests performed did not result in the recognition of any impairment losses in these interim financial statements.

However, developments in the economic situations of the various countries where Sopra Group maintains operations or changes in market conditions might require the re-evaluation of these conclusions at a later date.

Note 5 | Intangible assets

(in thousands of euros)	Gross	Amortisation	Net
1 January 2009	**61,664**	**32,773**	**28,891**
Changes in scope	-	-	-
Acquisitions	589	-	589
Disposals	-8,985	-8,985	-
Translation differential	-10	277	-287
Amortisation	-	2,104	-2,104
30 JUNE 2009	**53,258**	**26,169**	**27,089**

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

No expense incurred in developing the Group's solutions and software was capitalised, either in 2009 or in previous years.

Disposals in the amount of €8.985 million correspond to the disposal of fully amortised intangible assets following the merger of Axway Inc. and Tumbleweed Communications Corp.

Note 6 | Property and equipment

(in thousands of euros)	Land and buildings	Furniture, fixtures and fittings	IT equipment	TOTAL
GROSS VALUE				
1 January 2009	**10,853**	**57,986**	**45,932**	**114,771**
Translation differential	-	99	360	459
Acquisitions	-	1,759	3,485	5,244
Disposals	-	-530	-2,134	-2,664
Other movements	-	382	394	776
Changes in scope	-	-	-17	-17
30 JUNE 2009	**10,853**	**59,696**	**48,020**	**118,569**
DEPRECIATION				
1 January 2009	**8,293**	**36,824**	**34,563**	**79,680**
Translation differential	-	102	320	422
Charges	113	1,902	3,165	5,180
Reversals	-	-495	-2,120	-2,615
Other movements	-	496	280	776
Changes in scope	-	-	-17	-17
30 JUNE 2009	**8,406**	**38,829**	**36,191**	**83,426**
NET VALUE				
1 January 2009	**2,560**	**21,162**	**11,369**	**35,091**
30 JUNE 2009	**2,447**	**20,867**	**11,829**	**35,143**

- Investments made by the Group in property and equipment (€5.2 million) primarily include office equipment in France and abroad, in the amount of €1.7 million and information technology equipment (central systems, work stations and networks) in the amount of €3.5 million.
- Amounts included under disposals during the period (€2.7 million, virtually fully depreciated) correspond primarily to the scrapping of computer equipment each year after taking inventory, and premises for which leases were not renewed that the Group no longer occupies.
- Land and buildings include Sopra Group's registered office at Annecy-le-Vieux. A portion of these premises was acquired as part of a property finance lease arrangement completed in 2003. These contracts have, since their inception, been restated in the consolidated financial statements and are included in the balance sheets for the following amounts:

(in thousands of euros)	**30/06/2009**	30/06/2008	31/12/2008
Land	255	255	255
Buildings	3,861	3,861	3,861
Depreciation	-3,570	-3,504	-3,537
NET VALUE	**546**	**612**	**579**

- Finance lease contracts relating to IT investments (see Note 1.10 of the 2008 Reference Document) are presented in the balance sheet in the following amounts:

(in thousands of euros)	**30/06/2009**	30/06/2008	31/12/2008
Gross value	25,398	23,458	24,742
Depreciation	-15,837	-13,298	-15,629
NET VALUE	**9,561**	**10,160**	**9,113**

Note 7 | Financial assets

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

(in thousands of euros)	**30/06/2009**	30/06/2008	31/12/2008
Assets at fair value through profit and loss	-	-	-
Held to maturity assets	-	-	-
Available for sale assets	195	195	195
Loans and receivables	3,298	2,857	3,235
TOTAL	**3,493**	**3,052**	**3,430**

7.1. Available for sale assets

(in thousands of euros)	Gross	Impairment	Net
1 January 2009	**23,852**	**23,657**	**195**
Increase	-	-	-
Decrease	-	-	-
Changes in scope	-	-	-
Translation differential	12	12	-
30 JUNE 2009	**23,864**	**23,669**	**195**

Available for sale financial assets, as defined by IAS 39, mainly comprise non-consolidated equity investments in Valoris' subsidiaries that were in the process of being wound up or divested at the date that Valoris was acquired by Sopra Group, in the amount of €23.714 million, in respect of which a provision for impairment has been set aside of €23.523 million.

7.2. Loans and receivables

(in thousands of euros)	**30/06/2009**	30/06/2008	31/12/2008
Receivables from unconsolidated equity interests – gross value	899	4,731	967
Impairment of receivables from unconsolidated equity interests	-899	-4,731	-967
Receivables from unconsolidated equity interests – net value	**-**	**-**	**-**
Loans	42	46	44
Deposits and other non-current financial assets	3,273	2,828	3,208
Impairment of loans, deposits and other non-current financial assets	-17	-17	-17
Loans, deposits and other non-current financial assets – net value	**3,298**	**2,857**	**3,235**
TOTAL	**3,298**	**2,857**	**3,235**

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

Deposits and other non-current financial assets (€3.273 million) consist mainly of guarantees given for the leased offices. Non-remunerated deposits are maintained at their nominal value, given that the effect of discounting is not significant.

Note 8 | Deferred tax assets

8.1. Breakdown by maturity

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Deferred tax assets (DTA)			
- less than one year	601	1,570	3,426
- more than one year	13,527	10,387	13,033
TOTAL DTA	**14,128**	**11,957**	**16,459**
Deferred tax liabilities (DTL)			
- less than one year	-	-	-
- more than one year	-177	-2,428	-213
TOTAL DTL	**-177**	**-2,428**	**-213**
NET DEFERRED TAX	**13,951**	**9,529**	**16,246**

8.2. Change in net deferred tax

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Beginning of period	**16,246**	**12,119**	**12,119**
Changes in scope	-	538	534
Tax – income statement impact	-2,267	-2,908	2,954
Tax – equity impact	-88	-176	745
Translation differential	60	-44	-106
END OF PERIOD	**13,951**	**9,529**	**16,246**

8.3. Breakdown of net deferred tax by type

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Differences related to consolidation adjustments			
Actuarial gains and losses recognised for post-employment obligations	2,746	2,201	2,844
Amortisation of re-valued software	149	446	298
Derivatives	1,465	-995	1,270
Finance leases	21	-8	2
Discounting of employee profit sharing	588	539	687
Tax-driven provisions	-177	-234	-213
Foreign exchange differences recognised in equity	-	-1,198	-
Activated tax losses	-	-	-
Temporary differences from tax returns			
Provision for pensions	7,050	5,916	6,484
Provision for employee profit sharing	344	1,027	2,954
Provision for Organic tax	257	575	472
Differences in depreciation periods	266	355	238
Provision for investments	-	740	-
Tax reassessment: reintegrated provisions not taxable in future periods	992	-	992
Activated tax losses	-	-	-
Other	250	165	218
TOTAL	**13,951**	**9,529**	**16,246**

8.4. Deferred tax assets not recognised by the Group

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Tax losses carried forward	53,825	13,514	48,175
Temporary differences	-	-	-
TOTAL	**53,825**	**13,514**	**48,175**

8.5. Maturity of tax losses carried forward

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
N+1	6,580	2,752	11,169
N+2	7,456	5,402	8,358
N+3	6,772	2,174	7,471
N+4	7,515	1,513	7,250
N+5 and subsequent years	119,474	16,196	92,197
Tax losses carried forward with a specific maturity date	**147,797**	**28,037**	**126,445**
Tax losses which may be carried forward indefinitely	**10,874**	**16,974**	**15,400**
TOTAL	**158,671**	**45,011**	**141,845**
Deferred tax basis – activated	-	-	-
Deferred tax basis – not activated	158,671	44,352	141,845
Deferred tax – activated	-	-	-
Deferred tax – not activated	53,825	13,514	48,175

Note 9 | Trade accounts receivable

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Trade accounts receivable	221,367	253,690	300,572
Accrued income	148,412	145,379	114,021
Doubtful debtors	4,125	4,641	4,034
Accrued credit notes	-12,330	-13,913	-13,625
Provision for doubtful debtors	-3,552	-3,931	-3,463
TOTAL	**358,022**	**385,866**	**401,539**

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 of the 2008 Reference Document). Invoices are generally prepared for these contracts upon completion of the services rendered and the latter are paid over the lifespan of the projects through payments on account.

Working capital requirements (WCR)-Trade accounts receivable at 30 June 2009 represents about 2.3 months, compared to 2.7 at 30 June 2008 and 2.5 at 31 December 2008. This ratio is calculated by comparing the WCR with the revenue generated in the final quarter of the period. The WCR is obtained by stripping out VAT from the *Trade accounts receivable* balance and subtracting the *Deferred income* balance appearing under liabilities. At 30 June 2009, the Group assigned trade accounts receivable without recourse in the amount of €16 million.

Note 10 | Other current receivables

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Staff and social security	4,055	3,377	2,420
Tax receivables other than corporate income tax	18,795	17,866	18,353
Corporate income tax	12,567	5,388	3,614
Leased equipment	1,283	608	1,438
Other receivables	555	809	616
Prepaid expenses	8,382	6,807	6,173
TOTAL	**45,637**	**34,855**	**32,614**

Tax receivables of €18.795 million relate mainly to deductible VAT (of €17.737 million).

Note 11 | Derivatives included under assets

Derivatives included under assets are presented along with derivatives included under liabilities in Note 21.

Note 12 | Cash and cash equivalents

The cash flow statement is presented on page 6.

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Investment securities	2,722	719	1,190
Cash	22,695	25,021	31,819
Cash and cash equivalents	**25,417**	**25,740**	**33,009**
Overdrafts	-9,156	-37,774	-5,994
TOTAL	**16,261**	**-12,034**	**27,015**

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 of the 2008 Reference Document, bills of exchange presented for collection and temporary bank overdrafts. 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.

Note 13 | Consolidated equity

The consolidated statement of changes in equity is presented on page 5.

13.1. Changes in share capital

At 30 June 2009 Sopra Group had share capital of €46,819,964 comprising 11,704,991 fully-paid shares with a nominal value of €4 each.

13.2. Share subscription option plans

Grant date	Number of options allocated initially	Beginning of option exercise period	End of exercise period	Exercise price	Number of options cancelled at 30/06/2009	o/w cancelled in 2009	Number of options exercised at 30/06/2009	o/w options exercised in 2009	Number of options outstand-ing at 30/06/2009	Fair value of options at the grant date
Plan No. 3 - 1998 stock option plan (General Meeting of 07/01/1998): maximum of 721,250 shares										
13/01/1998	614,000	01/10/2002	12/01/2006	€15.37	70,175	-	543,825	-	-	Not applicable
04/12/1998	25,000	25/02/2003	24/08/2006	€46.86	25,000	-	-	-	-	Not applicable
03/03/1999	20,000	04/03/2004	02/03/2007	€48.50	10,000	-	10,000	-	-	Not applicable
12/10/1999	51,750	13/10/2004	12/10/2007	€46.20	49,000	-	2,750	-	-	Not applicable
16/12/2002	129,250	17/12/2007	15/12/2010	€22.50	40,250	-	81,950	-	7,050	€6.36
TOTAL	**840,000**				**194,425**	**-**	**638,525**	**0**	**7,050**	
Plan No. 4 - 2000 stock option plan (General Meeting of 29/06/2000): maximum of 714,774 shares										
29/06/2000	33,900	30/06/2005	29/06/2008	€73.00	33,900	100	-	-	-	Not applicable
22/03/2001	301,500	23/03/2006	22/03/2009	€61.40	283,500	-	-	-	18,000	Not applicable
19/12/2001	34,600	20/12/2006	19/12/2009	€61.40	34,600	-	-	-	-	Not applicable
24/04/2002	6,000	25/04/2007	23/04/2010	€61.40	3,000	-	-	-	3,000	Not applicable
16/12/2002	303,200	17/12/2007	15/12/2010	€22.50	48,550	100	156,026	20	98,624	€6.36
03/09/2003	88,000	04/09/2008	02/09/2011	€32.50	13,800	1,000	6,800	-	67,400	€12.15
13/01/2004	23,000	14/01/2009	12/01/2012	€35.90	4,000	-	-	-	19,000	€11.36
TOTAL	**790,200**				**421,350**	**1,200**	**162,826**	**20**	**206,024**	
Plan No. 5 - 2005 stock option plan (General Meeting of 26/05/2005): maximum of 321,958 shares										
25/07/2006	30,000	26/07/2011	24/07/2014	€57.85	30,000	-	-	-	-	€13.10
21/12/2006	67,000	22/12/2011	20/12/2014	€58.80	11,500	-	-	-	55,500	€17.47
08/01/2007	5,000	09/01/2012	07/01/2015	€60.37	5,000	-	-	-	-	€15.28
18/03/2008	50,000	19/03/2013	17/03/2016	€45.30	9,500	-	-	-	40,500	€10.98
TOTAL	**152,000**				**56,000**	**-**	**-**	**-**	**96,000**	
Plan No. 6 - 2008 stock option plan (General Meeting of 15/05/2008): maximum of 350,145 shares										
17/03/2009	20,000	18/03/2014	16/03/2017	€27.16					20,000	€5.85
TOTAL FOR PLANS						**1,200**		**20**	**329,074**	

- 20 share subscription options were exercised during the first half of 2009 under Plan No. 4.
- A total of 1,200 options were cancelled, their beneficiaries having left the Company before completing their vesting period.
- 20,000 share subscription options were allocated in the first half of 2009 under Plan No. 6, at an issue price of €27.16.
- Options may no longer be allocated under Plan No. 3, Plan No. 4 or Plan No. 5.
- The number of shares that may be created by exercising options already allocated amounts to 329,074, with the number of options that may still be awarded at 30 June 2009 totalling 330,145, representing a maximum total number of shares that may be created of 659,219 shares.
- The fair value of options granted during the financial period was obtained by means of the Black & Scholes model (Note 1.16 of the 2008 Reference Document) using the following calculation parameters:

Grant date	Number of options granted initially	Exercise price	Share price at the grant date	Volatility for a 5-year maturity	Volatility for an 8-year maturity	5-year interest rate	8-year interest rate	Value of options for a 5-year maturity	Value of options for an 8-year maturity	Average value of options
17/03/2009	20,000	€27.16	€24.23	39.00%	39.00%	2.81%	3.30%	€5.27	€6.42	€5.85

The average share price in the first half of 2009 was €27.80.

The amount recognised for the first half of 2009, in accordance with the method indicated in Note 1.16 of the 2008 Reference Document, *Share-based payments*, is €0.153 million.

13.3. Capital reserves

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Share issue, merger and contribution premiums	48,402	47,648	48,249
Legal reserve	4,682	4,669	4,669
TOTAL	**53,084**	**52,317**	**52,918**

The following movements occurred in the first half of 2009:

- value of past services related to share subscription options: €0.153 million;
- appropriation of Sopra Group's 2008 net profit to the legal reserve: €13 thousand.

13.4. Dividends

Sopra Group's General Meeting of 7 May 2009 resolved to distribute a dividend of €19.313 million, i.e. €1.65 per share. This dividend was paid on 20 May 2009. The dividend paid the previous financial year totalled €19.258 million, i.e. €1.65 per share.

Note 14 | Financial debt

14.1. Net debt

(in thousands of euros)	Current	Non-current	30/06/2009	30/06/2008	31/12/2008
Bank loans	29,093	152,000	181,093	116,906	198,767
Liabilities on finance lease contracts	4,066	5,410	9,476	10,027	9,049
Employee profit sharing	2,189	19,509	21,698	17,474	17,285
Other financial debt	-	10	10	131	109
Bank overdrafts	9,156	-	9,156	37,774	5,994
FINANCIAL DEBT	**44,504**	**176,929**	**221,433**	**182,312**	**231,204**
Investment securities	-2,722	-	-2,722	-719	-1,190
Cash and equivalents	-22,695	-	-22,695	-25,021	-31,819
NET DEBT	**19,087**	**176,929**	**196,016**	**156,572**	**198,195**

Bank loans

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

A second loan of €132 million over 6 years, and extendable for a further year, was contracted on the same terms in April 2008.

The authorised amount is €233 million at 30 June 2009 and €218 million at 31 December 2009.

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 debt in question does not take into account the employee profit sharing liability but does include liabilities related to earnouts. The margin may range from 0.30% to 0.65%. The margin applied for the first half of 2009 was 0.40%. A non-use fee equivalent to 0.35% of the margin is also applicable.

Three financial ratios must be met:

- the leverage ratio (net debt to EBITDA) must be less than 3;
- the gearing ratio (net debt to equity) must be less than 1;
- the debt service coverage ratio (operating profit to net borrowing cost) must be greater than 5.

At 30 June 2009, these targets were achieved since the three ratios came to 1.99, 0.71 and 7.67, respectively.

Liabilities on finance lease contracts

The carrying amount of liabilities on finance lease contracts is €9.476 million, and the corresponding future financial expense amounts to €0.499 million, representing a total minimum future payment for finance leases of €9.975 million.

(in thousands of euros)	30/06/2009			30/06/2008	31/12/2008
	Minimum lease payments	Future financial expense	Present value of future lease payments	Present value of future lease payments	Present value of future lease payments
Less than one year	4,363	297	4,066	4,197	3,972
One to five years	5,612	202	5,410	5,830	5,077
More than five years	-	-	-	-	-
TOTAL	**9,975**	**499**	**9,476**	**10,027**	**9,049**

Employee profit sharing

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

Orga Consultants' profit sharing reserves are fully invested in such company mutual funds.

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

14.2. Statement of changes in net debt

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
NET DEBT AT BEGINNING OF PERIOD (A)	**198,195**	**130,271**	**130,271**
Cash from operations after cost of net debt and tax	**21,157**	**26,066**	**70,165**
Cost of net financial debt	4,922	4,136	9,929
Income taxes (including deferred tax)	6,262	11,784	28,338
Cash from operations before changes in working capital	**32,341**	**41,986**	**108,432**
Taxes paid	-12,865	-10,145	-29,302
Changes in working capital requirements	26,440	-12,757	-2,835
Net cash from operating activities	**45,916**	**19,084**	**76,295**
Change related to investing activity	-6,847	-6,234	-12,732
Net interest paid	-5,015	-4,145	-10,728
Available net cash flow	**34,054**	**8,705**	**52,835**
Impact of changes in scope	-8,800	-15,424	-101,607
Financial investments	-59	760	863
Dividends	-19,270	-19,255	-19,255
Capital increase in cash	-	411	821
Employee profit sharing	-4,412	-1,174	-985
Other changes	-178	166	95
TOTAL NET CHANGE DURING THE PERIOD (B)	**1,335**	**-25,811**	**-67,233**
Impact of changes in foreign exchange rates	844	-490	-691
NET DEBT AT END OF PERIOD (A-B)	**196,016**	**156,572**	**198,195**

Impact of changes in the scope of consolidation: -€8.800 million

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Cost of acquisitions (excluding earnouts)	-	7,459	109,744
Portion remunerated in Sopra Group shares	-	-	-
Net debt/net cash of acquired companies	-	-35	-16,637
Deferred payments	-	-	-
Earnouts paid in respect of prior year acquisitions	8,800	8,000	8,500
TOTAL	8,800	15,424	101,607

This corresponds to earnouts in respect of financial year 2008 for PROFit, CIBF and G2i for a total amount of €8.800 million.

Employee profit sharing: -€4.412 million

This amount corresponds mainly to the difference between the profit sharing for 2008 transferred to reserves in 2009 and the profit sharing for 2003 released in 2009.

Note 15 | Deferred tax liabilities

See Note 8.

Note 16 | Provisions for post-employment benefits

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

(in thousands of euros)	01/01/2009	Change in scope	Charge for the period	Recovery for the period (provision used)	Recovery for the period (provision not used)	Other movements	Change in actuarial differences	30/06/2009
France	27,093	-	1,563	-201	-	-	-4	28,451
Italy	3,098	-	611	-207	-	-	-	3,502
Germany	29	-	-	-	-	-	-	29
TOTAL	30,220	-	2,174	-408	-	-	-4	31,982
Impact (net of expenses incurred)								
Profit from recurring operations			1,648		-			
Financial items			526		-			
TOTAL			2,174		-			

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 of the 2008 Reference Document.

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

	30/06/2009	30/06/2008	31/12/2008
Discount rate of commitments	4.00%	5.00%	3.70%
Future salary growth rate	2.50%	2.50%	2.50%
Retirement age	65 years	65 years	65 years
Mortality table	Insee 2004-2006	Insee 2000-2002	Insee 2004-2006

Assumptions referring to mortality rates are based on published statistical data. The mortality table used was updated in 2008 but did not have a significant impact. 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.

As in previous years, the discount rate used at 30 June 2009 was the 10-year OAT rate +0.25%, recognised at period-end. A ±1.0 point change in the discount rate would have an impact of about ±€4.2 million on the total commitment.

Change in provision for retirement indemnities (France)

(in thousands of euros)	Present value of the obligation not financed	Unrecognised actuarial differences	Net commitments (balance sheet)	Recognised in the income statement
1 January 2009	**27,093**	**-**	**27,093**	**2,584**
Changes in scope	-	-	-	-
Past service cost	1,037	-	1,037	1,037
Financial cost	526	-	526	526
Benefits paid to employees	-201	-	-201	-201
Change in actuarial differences	-4	-	-4	-
30 JUNE 2009	**28,451**	**-**	**28,451**	**1,362**

Analysis of the change in recognised actuarial differences

Actuarial differences result solely from the changes in present value of the obligation, in the absence of scheme assets.

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 gain recognised as at 30 June 2009 (€4 thousand) arises mainly from:

- experience impacts on liabilities (downward adjustment in the commitment amounting to €660 thousand);
- the 0.30 point increase in the discount rate used compared to 2008 (downward adjustment in the commitment amounting to €1.302 million);
- updating of five-year workforce attrition rates (upward adjustment in the commitment amounting to €1.958 million).

Experience adjustments arising on scheme liabilities are presented in the table below:

(in thousands of euros)	30/06/2009	31/12/2008
Present value of defined benefit obligations	28,451	27,093
Experience adjustments on scheme liabilities	-660	-241
Experience adjustments on scheme liabilities *(as % of obligations)*	-2.32%	-0.89%

In Italy, the defined benefits scheme relates to the payment of regulatory termination benefits (*Trattamento di Fine Rapporto*). These payments are calculated as a proportion of the employee's gross annual salary and are linked to the price index issued by the Italian Institute of Statistics (ISTAT). The method used to determine the Group's commitments in respect of these termination payments differs from the projected unit credit method since it is based on acquired rather than projected entitlements. The variance between the two methods is not material.

Note 17 | Non-current provisions

(in thousands of euros)	01/01/2009	Change in scope	Charge for the period	Recovery for the period (provision used)	Recovery for the period (provision not used)	Other movements	30/06/2009
Provisions for disputes	940	-	340	-443	48	-	885
Provisions for guarantees	610	-	-	-	-	-	610
Provisions for contingencies – Non-consolidated subsidiaries	82	-	-	-35	-47	-	-
Other provisions for contingencies	123	-	-	-	-	-	123
Sub-total provisions for contingencies	**1,755**	**-**	**340**	**-478**	**1**	**-**	**1,618**
Other provisions for losses	1,257	-	-	-	-	3	1,260
Sub-total provisions for losses	**1,257**	**-**	**-**	**-**	**-**	**3**	**1,260**
TOTAL	**3,012**	**-**	**340**	**-478**	**1**	**3**	**2,878**
Impact (net of expenses incurred)							
Profit from recurring operations			340		24		
Financial items			-		-25		
TOTAL			**340**		**-1**		

Provisions for disputes mainly relate to labour arbitration proceedings, severance pay and a few trade disputes.

Note 18 | Other non-current liabilities

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Employee profit sharing during the period	1,086	2,862	9,467
Conditional advances	336	488	488
TOTAL	**1,422**	**3,350**	**9,955**

- Employee profit sharing represents amounts booked to staff costs for the period by Sopra Group. These amounts increase financial debt for the following period.
- Conditional advances correspond to subsidies received from OSEO by Acanthis, which was acquired by Sopra Group in January 2005 and merged in 2005, and conditional advances from CIBF acquired by Sopra Group in January 2008.

Note 19 | Trade accounts payable

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Trade accounts payable	44,513	46,533	59,737
Trade accounts payable – advances and payments on account, accrued credit notes	-295	-111	-117
TOTAL	**44,218**	**46,422**	**59,620**

Note 20 | Other current liabilities

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Fixed asset liabilities – portion due in less than one year	401	10,198	9,603
Staff cost liabilities	132,678	129,091	144,781
Tax liabilities (excluding corporate income tax)	81,630	78,002	85,021
Corporate income tax	6,081	4,748	5,576
Deferred income	92,853	71,214	71,496
Other liabilities	1,106	802	1,427
TOTAL	**314,749**	**294,055**	**317,904**

Fixed asset liabilities include the portion due in more than one year of amounts that the Group estimates it will need to pay under the earnout clauses included in the acquisition agreements (there are no more liabilities of this category at 30 June 2009, since all earnouts related to acquisitions had already been paid).

Staff cost liabilities include only amounts owed to social security bodies and employees and profit sharing for employees of Orga Consultants, which was transferred to a management body the following period.

Tax liabilities correspond essentially to value added tax collected from clients: the amount payable in respect of the month of June, and the amount included in trade accounts receivable.

Deferred income corresponds essentially to services invoiced but not yet performed, based on their stage of completion (see Note 1.21 of the 2008 Reference Document).

Note 21 | Derivatives included under liabilities

(in thousands of euros)	30/06/2009	30/06/2008	31/12/2008
Asset derivatives	234	3,911	286
Liability derivatives	-4,488	-926	-3,976
NET AMOUNT	**-4,254**	**2,985**	**-3,690**

Derivatives consist of interest-rate hedge agreements.

These agreements were set up when the two reducible, multi-currency, revolving credit facilities were arranged. The interest rate applicable to these facilities is Euribor, the objective being to hedge against the risks of rises in Euribor.

At 30 June 2009, eight swap agreements were in place for a total of €181 million with maturities ranging from 4 to 40 months:

- five agreements 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 (€101 million at 30 June 2009). They mature in October 2010 or October 2012. The details are as follows:
  - for 1/3 of the notional amount up to maturity in October 2012: Euribor 1-month swap against a fixed rate of 4.55%,
  - for 2/3 of the notional amount:
    - up to maturity in October 2010: Euribor 1-month +0.34% 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%,
    - from October 2010 up to maturity in October 2012: Euribor 6-month swap against E12M post with a ceiling of 3.68% and a floor of 3.00%, if E12M post is less than 1.99%;
- three agreements relate to the second reducible, multi-currency, revolving credit facility (€132 million, April 2008) for a notional amount of €80 million. They mature in October 2009 and entail swapping Euribor 1-month against a fixed rate of 4.04%.

At 30 June 2009, the net valuation of these derivatives was negative in the amount of €4.3 million, i.e. €0.2 million in assets and €4.5 million in liabilities.

The difference in valuation compared with 31 December 2008, i.e. (-)€0.6 million, impacts:

- the income statement (in *Other financial income and expenses*) for agreements not benefiting from the qualification of perfect hedge as defined in IAS 39, i.e. (-)€0.8 million;
- equity capital for agreements benefiting from the qualification of perfect hedge as defined in *IAS 39*, i.e. €0.2 million.

NOTES TO THE INCOME STATEMENT

Note 22 | Revenue

22.1. Revenue by activity

(in millions of euros)	First-half 2009		First-half 2008		Financial year 2008	
Consulting	19.0	3.5%	24.7	4.5%	44.8	4.0%
SSI France	353.2	64.8%	343.6	62.5%	702.8	62.2%
SSI Europe	89.5	16.4%	109.0	19.8%	210.7	18.7%
Axway	83.1	15.3%	72.3	13.2%	171.2	15.1%
TOTAL	544.8	100.0%	549.6	100.0%	1,129.5	100.0%

SSI: Systems & Solutions Integration.

22.2. Revenue by business sector

	First-half 2009	Financial year 2008
Banking	22.4%	24.0%
Manufacturing	18.2%	19.7%
Services (including real estate)	17.8%	18.0%
Public sector	15.9%	13.6%
Telecom	12.1%	12.0%
Retail	7.0%	6.3%
Insurance	6.6%	6.4%
TOTAL	100.0%	100.0%

22.3. International revenue

(in millions of euros)	First-half 2009		First-half 2008		Financial year 2008	
Systems Integration – European subsidiaries	89.5	16.4%	109.0	19.8%	210.7	18.7%
Systems Integration – excluding European subsidiaries	19.9	3.7%	26.1	4.7%	48.0	4.2%
Axway	52.1	9.6%	41.0	7.4%	103.9	9.2%
International revenue	**161.5**	**29.6%**	**176.1**	**32.0%**	**362.6**	**32.1%**
TOTAL REVENUE	544.8	100.0%	549.6	100.0%	1,129.5	100.0%

Note 23 | Purchases consumed

(in thousands of euros)	First-half 2009		First-half 2008		Financial year 2008	
Purchases of subcontracting services	56,866	10.4%	58,829	10.7%	123,201	10.9%
Purchases of equipment and supplies not held in inventory	2,394	0.4%	3,311	0.6%	8,986	0.8%
Purchases of merchandise and change in the inventory of merchandise	4,405	0.8%	5,804	1.1%	11,601	1.0%
TOTAL	63,665	11.7%	67,944	12.4%	143,788	12.7%

Note 24 | Staff costs

24.1. Analysis

(in thousands of euros)	First-half 2009	First-half 2008	Financial year 2008
Salaries	270,174	259,461	516,260
Social charges	103,333	98,069	196,086
Employee profit sharing	1,101	3,246	9,479
TOTAL	**374,608**	**360,776**	**721,825**

24.2. Workforce

Workforce at period-end	30/06/2009	30/06/2008	31/12/2008
France	8,590	8,220	8,210
International	4,160	3,890	4,240
TOTAL	**12,750**	**12,110**	**12,450**

24.3. Employee profit sharing

Pursuant to the application of *IAS 32* and *IAS 39*, liabilities in respect of profit sharing were subject to a restatement described in Note 14.1.

Employee profit sharing totalled €1.085 million for Sopra Group SA and €16 thousand for Orga Consultants.

24.4. Share subscription options

The cost of services rendered by staff in exchange for options received was booked to staff costs, in the amount of €0.153 million for first-half 2009 (see *Statement of changes in equity*).

Note 25 | External expenses

(in thousands of euros)	First-half 2009		First-half 2008		Financial year 2008	
Leases and charges	16,722	26.3%	14,753	23.4%	30,990	23.9%
Maintenance and repairs	3,666	5.8%	3,190	5.1%	6,834	5.3%
External structure personnel	703	1.1%	1,088	1.7%	2,287	1.8%
Remuneration of intermediaries and fees	4,192	6.6%	4,526	7.2%	10,599	8.2%
Advertising and public relations	2,696	4.2%	2,732	4.3%	6,246	4.8%
Travel and entertainment	25,351	39.9%	26,736	42.4%	52,257	40.3%
Telecommunications	3,683	5.8%	3,134	5.0%	6,684	5.2%
Sundry	6,585	10.4%	6,904	10.9%	13,709	10.6%
TOTAL	**63,598**	**100%**	**63,063**	**100%**	**129,606**	**100%**

Total external expenses compared with revenue are stable: they came to 11.7% at 30 June 2009, 11.5% at 30 June 2008 and 11.5% at 31 December 2008.

Note 26 | Depreciation, amortisation and provisions

(in thousands of euros)	First-half 2009	First-half 2008	Financial year 2008
Amortisation of intangible assets	724	576	1,344
Depreciation of property and equipment	2,818	2,558	5,556
Depreciation of assets held under finance lease	2,362	2,483	4,847
Depreciation and amortisation	**5,904**	**5,617**	**11,747**
Impairment of current assets net of unused reversals	146	661	527
Provisions for contingencies and losses net of unused reversals	1,964	1,383	1,703
Provisions and impairment	**2,110**	**2,044**	**2,230**
TOTAL	**8,014**	**7,661**	**13,977**

Note 27 | Amortisation of intangible assets acquired and other operating income and expenses

27.1. Amortisation of intangible assets acquired

This item corresponds to the amortisation expense in respect of intangible assets acquired as part of business combinations for a total of €1.380 million. The allocation of the acquisition price of Tumbleweed and the amortisation periods used will be finalised when the accounts for the year ended 31 December 2009 are finalised.

27.2. Other operating income and expenses

In 2009, this item includes non-recurring expenses (€2.191 million) relating to Spain: this represented redundancy compensation (€1.359 million) and operating adjustments related to 2008 activity (€0.832 million).

The 2008 financial year had recorded non-recurring expenses (€1.168 million) related to the September 2008 acquisition of Tumbleweed in the United States: provisions for redundancy compensation for administrative staff leaving the company.

Note 28 | Financial income and expense

28.1. Cost of net financial debt

(in thousands of euros)	First-half 2009	First-half 2008	Financial year 2008
Income from cash and cash equivalents	31	70	165
Interest charges	-4,914	-4,326	-10,196
Impact of the change in the value of the syndicated loan	-39	120	102
TOTAL	**-4,922**	**-4,136**	**-9,929**

The change in the net financial expense is mainly due to the increase in debt occasioned by the various acquisitions during the period.

28.2. Other financial charges and expense

(in thousands of euros)	First-half 2009	First-half 2008	Financial year 2008
Charges and reversals of provisions	-68	116	-258
Discounting of retirement commitments	-526	-573	-1,131
Discounting of employee profit sharing	416	344	550
Discounting of earnouts in respect of companies acquired	-61	-187	-310
Change in the value of derivatives	-794	93	-3,000
Foreign exchange gains and losses	-33	36	-109
Other financial charges and expense	133	439	979
TOTAL	**-933**	**268**	**-3,279**

Discounting of retirement commitments: see Note 16.

Discounting of employee profit sharing: see Note 14.1.

Discounting of earnouts in respect of companies acquired: see Note 20.

Change in the value of derivatives: the difference in valuation of the various hedge agreements (as described in Note 21) compared to 31 December 2008 is (-)€0.8 million.

The *Foreign exchange gains and losses* in 2008 mainly relate to intra-group current accounts with US- and UK-based companies.

Executive Management reviewed with respect to financial year 2008 the qualification of some intra-group loans hitherto considered as repayable in the medium term. Such loans are now considered an integral part of the Group's net investment in the foreign subsidiaries concerned and repayment of them is neither planned nor likely to take place in the foreseeable future.

In application of IAS 21, currency translation differences arising on these intra-group loans are treated as a distinct component of equity capital at 31 December 2008.

Note 29 | Tax charge

29.1. Analysis

(in thousands of euros)	First-half 2009	First-half 2008	Financial year 2008
Current tax	3,995	8,876	31,292
Deferred tax	2,267	2,908	-2,954
TOTAL	**6,262**	**11,784**	**28,338**

29.2. Reconciliation between the theoretical and effective tax charge

(in thousands of euros)	First-half 2009	First-half 2008	Financial year 2008
Net profit	10,774	24,746	58,199
Tax charge	-6,262	-11,784	-28,338
Profit before tax	17,036	36,530	86,537
Theoretical tax rate	**34.43%**	**34.43%**	**34.43%**
Theoretical tax charge	**-5,865**	**-12,577**	**-29,795**
Reconciliation			
Permanent differences	-325	-84	-407
Impact of non-activated losses for the period	-1,311	-334	-3,330
Use of non-activated losses carried forward	107	544	2,922
Impact of research tax credits	775	344	1,627
Tax rate differences – France/Other countries	275	370	1,282
Prior year tax adjustments	-18	-49	-49
Other	100	2	-588
Actual tax charge	**-6,262**	**-11,784**	**-28,338**
Effective tax rate	**36.76%**	**32.26%**	**32.75%**

29.3. Tax reassessments

The tax examinations of Sopra Group for 2005 and 2006, and of Axway Software for 2005, have been finalised and closed and do not have an impact on 2009 since all amounts were provisioned in the 2008 financial statements.

Note 30 | Earnings per share

(in euros)	First-half 2009	First-half 2008	Financial year 2008
Net profit – Group share	10,773,910	24,745,409	58,197,823
Weighted average number of ordinary shares in issue	11,704,991	11,671,531	11,691,044
BASIC EARNINGS PER SHARE	**0.92**	**2.12**	**4.98**

(in euros)	First-half 2009	First-half 2008	Financial year 2008
Net profit – Group share	10,773,910	24,745,409	58,197,823
Weighted average number of ordinary shares in issue	11,704,991	11,671,531	11,691,044
Weighted average number of securities retained in respect of dilutive items	9,597	50,144	52,007
Weighted average number of shares retained for the calculation of diluted net earnings per share	11,714,588	11,721,675	11,743,051
FULLY DILUTED EARNINGS PER SHARE	**0.92**	**2.11**	**4.96**

The methods of calculating earnings per share are described in Note 1.23 of the 2008 Reference Document.

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. Shares considered to have an enhancing effect are potential ordinary shares resulting from share subscription options with an exercise price above the average price of the share (€27.80) during the financial period (see Note 13.2).

OTHER INFORMATION

Note 31 | Segment information

31.1. Results by division

a. Systems & Solutions Integration - France

(in millions of euros)	First-half 2009		First-half 2008		Financial year 2008	
Revenue	353.2		343.6		702.8	
Profit from recurring operations	23.2	*6.6%*	28.7	*8.4%*	62.7	*8.9%*
Operating profit	22.8	*6.5%*	28.4	*8.3%*	62.0	*8.8%*

b. Consulting

(in millions of euros)	First-half 2009		First-half 2008		Financial year 2008	
Revenue	19.0		24.7		44.8	
Profit from recurring operations	0.8	*4.2%*	2.5	*10.1%*	2.3	*5.1%*
Operating profit	0.8	*4.2%*	2.5	*10.1%*	2.3	*5.1%*

c. Systems & Solutions Integration - Europe

(in millions of euros)	First-half 2009		First-half 2008		Financial year 2008	
Revenue	89.5		109.0		210.7	
Profit from recurring operations	2.4	*2.7%*	7.2	*6.6%*	17.1	*8.1%*
Operating profit	0.2	*0.2%*	7.2	*6.6%*	17.1	*8.1%*

d. Axway

(in millions of euros)	First-half 2009		First-half 2008		Financial year 2008	
Revenue	83.1		72.3		171.2	
Profit from recurring operations	0.1	*0.1%*	2.4	*3.3%*	20.2	*11.8%*
Operating profit	-0.9	*-1.1%*	2.3	*3.2%*	18.3	*10.7%*

e. Group

(in millions of euros)	First-half 2009		First-half 2008		Financial year 2008	
Revenue	544.8		549.6		1,129.5	
Profit from recurring operations	26.5	*4.9%*	40.8	*7.4%*	102.3	*9.1%*
Operating profit	22.9	*4.2%*	40.4	*7.4%*	99.7	*8.8%*

31.2. Geographical breakdown of revenue

(in millions of euros)	France	United Kingdom	Spain	Other European countries	United States	Other zones	TOTAL
Revenue	383.3	33.5	39.4	52.4	26.6	9.6	**544.8**

31.3. Breakdown of the main assets per division

(in thousands of euros)	Consulting	SSI France	SSI Europe	Axway	TOTAL
Goodwill	3,876	68,346	150,225	155,105	**377,552**
Intangible assets	-	4,025	260	22,495	**26,780**
Property and equipment	-	29,272	3,805	2,066	**35,143**
Trade accounts receivable	12,973	231,007	66,680	47,362	**358,022**

SSI: Systems & Solutions Integration.

31.4. Geographical breakdown of the main assets

(in thousands of euros)	France	United Kingdom	Spain	Other European countries	United States	Other zones	TOTAL
Goodwill	56,887	54,809	84,297	68,515	109,388	3,656	**377,552**
Intangible assets	2,263	76	89	2,695	21,569	88	**26,780**
Property and equipment	28,307	592	2,954	1,190	1,230	870	**35,143**
Trade accounts receivable	251,767	14,046	33,113	47,088	10,699	1,309	**358,022**

Note 32 | Financial risk factors

32.1. Credit risk

(in thousands of euros)	Carrying value	Of which: impaired	Of which: neither impaired nor past due at the balance sheet date	Of which: not impaired at the balance sheet date but past due, with the following breakdown					
				Less than 30 days	Between 30 and 60 days	Between 61 and 90 days	Between 91 and 180 days	Between 181 and 360 days	More than 360 days
Receivables (including doubtful debtors)	225,492	3,553	143,835	34,539	21,326	9,104	11,100	1,860	175

32.2. Liquidity risk

According to the definition given by the Autorité des Marchés Financiers, liquidity risk arises when assets are longer term than liabilities. This can result in an inability to repay short-term debt if the company is unable to sell the asset in question or obtain bank credit lines.

The Group considers that it is not exposed to this type of risk in view of its overall financial structure, the level and structure of current assets and debt (see Note 14), and its capacity to mobilise additional financing if necessary. At 30 June 2009, the Group had access to credit facilities in the amount of €233 million (of which €181 million was used) and authorised bank overdrafts in the amount of €86 million (of which €9.2 million was used), making a total of €319 million. The Group also had €25.4 million in liquidities.

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	181,093	188,665	31,373	30,992	30,601	29,173	66,526	-
Finance lease liabilities	9,476	9,975	4,363	3,216	1,803	593	-	-
Employee profit sharing	21,698	26,286	2,263	3,052	5,228	6,460	8,139	1,144
Other sundry financial debt	10	10	-	-	-	-	-	10
Current bank overdrafts	9,156	9,156	9,156	-	-	-	-	-
Financial debt	**221,433**	**234,092**	**47,155**	**37,260**	**37,632**	**36,226**	**74,665**	**1,154**
Investment securities	-2,722	-2,722	-2,722	-	-	-	-	-
Cash and cash equivalents	-22,695	-22,695	-22,695	-	-	-	-	-
CONSOLIDATED NET DEBT	**196,016**	**208,675**	**21,738**	**37,260**	**37,632**	**36,226**	**74,665**	**1,154**

32.3. Market risk

a. Interest rate risk

Interest rate risk is managed by the Group's Finance Department in collaboration with the Group's main partner banking establishments.

The analysis of financial assets and liabilities by type of interest rate (fixed or variable) is provided in the following table:

(in thousands of euros)	30/06/2009	Rate	Interest/exchange rate hedges
Bank loans	181,093	Variable	Swaps
Finance lease liabilities	9,476	Fixed	Nil
Employee profit sharing	21,698	Fixed	Nil
Other sundry financial debt	10	Fixed	Nil
Current bank overdrafts	9,156	Variable	Nil
Financial debt	**221,433**		
Investment securities	-2,722	Variable	Nil
Cash and cash equivalents	-22,695	Variable	Nil
CONSOLIDATED NET DEBT	**196,016**		

Interest rate hedges were contracted according to the conditions indicated in Note 21.

The hedges contracted limit the rate of interest (excluding margin) to a maximum of 3.88% for bank credit facilities up to €181 million until 21 October 2009, and a maximum of 3.74% for bank credit facilities up to €86 million until 31 December 2009.

The interest rate (excluding margin) applied to unhedged credit facilities, i.e. €52 million up to 21 October 2009 then €132 million up to 31 December 2009, is Euribor. The interest rate (excluding margin) applied to bank overdrafts is Eonia.

b. Foreign exchange risk

Foreign exchange risk arises mainly from currency translation of financial statements for UK- or US-based companies. No specific hedge has been arranged for this type of risk.

The exposure to risk arising from trade transactions is limited, since each of the entities involved mainly carries out business in its own country and its own currency.

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;
- the invoicing of licence fees 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 financial flows are not systematically hedged. However, the Group contracts specific hedges for all large individual foreign currency transactions.

The breakdown of consolidated net debt by currency is presented in the following table:

(in thousands of euros)	Euro	Pound sterling	Swiss franc	Swedish krona	Indian rupee	US dollar	Other	TOTAL
Bank loans	181,093	-	-	-	-	-	-	181,093
Finance lease liabilities	9,476	-	-	-	-	-	-	9,476
Employee profit sharing	21,698	-	-	-	-	-	-	21,698
Other sundry financial debt	10	-	-	-	-	-	-	10
Current bank overdrafts	9,107	-	-	-	-	49	-	9,156
Financial debt	**221,384**	**-**	**-**	**-**	**-**	**49**	**-**	**221,433**
Investment securities	-56	-	-	-	-2,666	-	-	-2,722
Cash and cash equivalents	-11,814	-5,413	-490	-715	-584	-1,731	-1,948	-22,695
CONSOLIDATED NET DEBT	**209,514**	**-5,413**	**-490**	**-715**	**-3,250**	**-1,682**	**-1,948**	**196,016**

c. Equity risk

At 30 June 2009, Sopra Group held 30,050 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €840,728, representing an average purchase price of €27.98.

All transactions in treasury shares are taken directly to shareholders' equity. The impact on the six-month period ended 30 June 2009 is a deduction of €104 thousand (see *Statement of changes in consolidated shareholders' equity*).

Note 33 | Off balance sheet commitments and contingent liabilities

33.1. Collateral, guarantees and surety

a. Registered shares used as collateral

Name of registered shareholder	Beneficiary	Starting date	Expiry date	Conditions for freeing shares	Number of shares pledged by the issuer	% of capital pledged
Sopra GMT	Lyonnaise de Banque	October 2008	October 2009	Repayment of loan for €6 million	220,000	1.88%
Sopra GMT	Natixis	March 2007	March 2010	Repayment of loan for €5 million	120,000	1.03%
Sopra GMT	BNP Paribas	September 2008	September 2010	Repayment of loan for €3 million	228,600	1.95%
TOTAL					**568,600**	**4.86%**

b. Assets used as collateral (intangible, tangible or financial)

No such assets were pledged in this manner.

33.2. Real collateral given in guarantee

No real collateral was given to guarantee bank financing.

33.3. 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 debt to EBITDA is required to be lower than 3.5 until 31 December 2005 and lower than 3 as from this date and for the entire term of the facility. At 31 December 2008 this ratio was 1.72 and at 30 June 2009 it was 1.998;
- the ratio of net debt to equity is required to be lower than 1 for the entire term of the facility. At 31 December 2008 this ratio was 0.71 and at 30 June 2009 it was 0.715;
- the ratio of operating profit to net borrowing cost is required to be greater than 5 for the entire term of the facility. At 31 December 2008 this ratio was 10.0 and at 30 June 2009 it was 7.675.

Net financial debt applied in these calculations includes the earnouts relating to the acquisitions recognised under fixed asset liabilities and does not include employee profit sharing.

33.4. Contingent liabilities

No contingent liabilities need to be taken into account.

Note 34 | 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 35 | Post balance sheet events

No material events have occurred since the balance sheet date.

Note 36 | Rates of conversion of foreign currencies

€1/currency	Average rate for the period			Period-end rate		
	First-half 2009	First-half 2008	Financial year 2008	30/06/2009	30/06/2008	31/12/2008
Swiss franc	1.5052	1.6024	1.5769	1.5265	1.6056	1.4850
Pound sterling	0.8894	0.7791	0.7999	0.8521	0.7923	0.9525
Swedish krona	10.8550	9.4029	9.6637	10.8125	9.4703	10.8696
Romanian leu	4.2375	3.6866	3.6963	4.2072	3.6415	4.0225
Bulgarian lev	1.9558	-	1.9558	1.9558	-	1.9558
Moroccan dirham	11.1628	11.4495	11.3456	11.2615	11.4917	11.2778
US dollar	1.3355	1.5436	1.4646	1.4134	1.5764	1.3917
Canadian dollar	1.6012	1.5480	1.5635	1.6275	1.5942	1.6998
Australian dollar	1.8672	1.6565	1.7389	1.7359	1.6371	2.0274
Hong Kong dollar	10.3529	12.0308	11.3960	10.9540	12.2943	10.7863
Singapore dollar	1.9916	2.1303	2.0686	2.0441	2.1446	2.0040
Yuan (China)	9.1246	10.8284	10.1348	9.6545	10.8051	9.4958
Rupee (India)	65.7123	63.0517	64.3915	67.5180	67.8916	69.0608
Ringgit (Malaysia)	4.7918	4.9635	4.8893	4.9681	5.1509	4.8047
Korean won	1,803.8522	1,538.4615	1,612.9032	1,802.4300	1,652.2200	1,851.8519

2. Business review for the period ended 30 June 2009

General environment

Following a good year in 2008, at the end of which the first effects of the current crisis on our industry became apparent, the IT services market experienced an abrupt slowdown in growth in the first half of 2009. The impact of the crisis on our business environment varies widely:

- by geographic region: among western European countries, France seems stable, the situation in Spain is deteriorating significantly and the other countries are showing marginally negative growth;
- by business line: consulting is being hit hard, outsourcing is maintaining a solid growth rate and systems integration remains stable;
- by client segment: although the automotive and steel industries have significantly reduced their investments, the public sector and companies in the energy and utilities verticals continue to invest massively in the modernisation of their information systems, while business activity remains high with clients in the retail banking sector.

It is worth noting that, in contrast to other crises, the volume of pre-sales remains strong with many tender offers, although decision-making cycles are lengthening with orders often being postponed. In addition, we still note considerable downward pressure on prices.

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

2.1.1 Significant events

There were no events of this kind in the first half of 2009.

2.1.2. First-half 2009 business performance

The Group achieved a resilient performance in the first half of 2009, with:

- revenue virtually stable, shedding just 0.9%;
- a current operating margin of 4.9%;
- a significant improvement in free cash flow.

	30/06/2009	30/06/2008	31/12/2008
Key income statement items			
Revenue	€544.8m	€549.6m	€1,129.5m
Profit from recurring operations	€26.5m	€40.8m	€102.3m
as % of revenue	*4.9%*	*7.4%*	*9.1%*
Operating profit	€22.9m	€40.4m	€99.7m
as % of revenue	*4.2%*	*7.4%*	*8.8%*
Net profit	€10.8m	€24.7m	€58.2m
as % of revenue	*2.0%*	*4.5%*	*5.2%*
Net earnings per share			
Basic net earnings per share	€0.92	€2.12	€4.98
Key balance sheet items			
Free cash flow	€34.1m	€8.7m	€52.9m
Net debt	€196.0m	€156.6m	€198.2m
Equity (Group share)	€265.8m	€246.0m	€268.3m
Net debt/Equity	74%	64%	+74%

Sopra Group posted revenue of €544.8 million in the first half of 2009, slightly lower than the same period in 2008. Total growth was -0.9% and organic growth was -4.3%. Profit from recurring operations amounted to €26.5 million, corresponding to a current operating margin of 4.9%.

Given the difficult economic environment, this is a good performance which demonstrates the success of the Group's strategic decisions as well as the relevance of the choices made in terms of its portfolio of businesses, the markets where the Group is active and its delivery organisation.

Performance by division

(€m/%)	First-half 2009					First-half 2008		
		Growth						
	Revenue	Total	Organic	Profit from recurring operations	% Margin	Revenue	Profit from recurring operations	% Margin
Management Consulting	19.0	-23.1%	-23.1%	0.8	4.2%	24.7	2.5	10.1%
Systems and Solutions Integration France	353.2	+2.8%	+2.8%	23.2	6.6%	343.6	28.7	8.4%
Systems and Solutions Integration Europe	89.5	-17.9%	-14.3%	2.4	2.7%	109.0	7.2	6.6%
Axway	83.1	+14.9%	-14.0%	0.1	0.1%	72.3	2.4	3.3%
TOTAL GROUP	**544.8**	**-0.9%**	**-4.3%**	**26.5**	**4.9%**	**549.6**	**40.8**	**7.4%**

Management Consulting (Orga Consultants): Revenue for this division was €19.0 million, representing a 23.1% decrease compared to the year earlier period. This decline, in line with the performance of management consulting firms across Europe, also reflects a negative calendar shift. The Group managed, in part, to protect the current operating margin for this division, which came to 4.2% at 30 June 2009. Revenue for the second half of 2009 is expected to move back onto a more stable track, accompanied by an improvement in the operating margin.

SSI France: Revenue for this division amounted to €353.2 million, representing organic growth of 2.8%. The current operating margin for these activities was 6.6%. For the period ended 30 June 2009, performance in France by the Group's core activities was excellent given the economic context. In particular, these results are attributable to strong order intake in the public sector, utilities and with major clients, in addition to the Group's highly reputed capacity in major integration and application outsourcing projects. The full-year outlook targets slight organic growth and an operating margin maintained at a level close to that achieved in 2008.

SSI Europe: Revenue for the Group's core activities in Europe came to €89.5 million in the first half of 2009, representing a decline of 14.3%. The current operating margin for this division was 2.7%. As the impact of the current economic crisis is more severe outside France, the Group expects this division to post a similar decrease for the year as a whole. A rigorous programme of margin protection measures has been implemented for all countries where the Group is active.

- In the United Kingdom, revenue came to €29.4 million, down 14.3% at constant exchange rates. At 30 June 2009, the current operating margin was 5.1%, representing a 2 percentage point improvement compared to the same period in 2008. The Group's activities in the United Kingdom may return to growth as early as the fourth quarter of 2009 and, thanks to measures already under way, continued improvement in the operating margin is expected in the second half of the year.
- Spain is being hit especially hard by the current economic crisis, prompting long-standing major clients to make drastic cutbacks in their IT budgets and their orders for the supply of contract IT staff, which has constituted the principal activity for the Group's Spanish subsidiary. Against this difficult backdrop, revenue amounted to €37.1 million, representing a 12.7% decrease. Profit from recurring operations came to €2.4 million, corresponding to a current operating margin of 6.5% before taking into account restructuring costs of €2.2 million. Negative revenue growth of about 15% is expected for the year as a whole.

Axway: Revenue for this division was €83.1 million, with positive total growth of 14.9% and negative organic growth of 14.0%. Profit from recurring operations was slightly positive, as is usually the case in the first half of the year. The impact of the economic crisis is clear: clients' decision-making cycles are lengthening, with the result being that orders are often postponed or broken up into smaller parts. Nevertheless, continuing interest generated by the division's Synchrony™ offering is reflected in a promising volume of sales for the second half. Operating margin resilience, despite a fall in licence sales, confirms the company's ability to successfully control costs. Axway currently anticipates second half revenue on a level comparable to pro forma revenue achieved in the same period in 2008. For the full-year 2009, the current operating margin is expected to be in the range of 7% to 10%.

Change in the Group's total workforce

At 30 June 2009, the Group had a total workforce of 12,750, a rise of 300 staff compared to 31 December 2008. The average number of sub-contractors was reduced by 16% over the period and amounted to 30% at 30 June 2009.

The Group's financial position

The Group significantly improved its free cash flow to €34.1 million, particularly as a result of better management of trade receivables. After payment of the dividend and the final earnouts related to recent acquisitions, net debt came to €196.0 million. Equity amounted to €265.8 million.

At 30 June 2009, the Group's financial position is sound, with respect to both debt maturity and compliance with banking covenants:

- the gearing ratio (net debt to equity) was 73.7%;
- the leverage ratio (net debt to EBITDA) was lower than 2;
- the debt service coverage ratio (operating profit to net borrowing cost) came to 7.7.

In addition, Sopra Group has access to a total of €150 million in undrawn confirmed credit lines.

2.1.3. Management's comments on the key financial data

The performance achieved in the first half of 2009 is respectable during a period of severe economic crisis, exacerbated by a negative calendar shift and further compounded for Sopra Group by a particularly unfavourable basis for comparison due to the excellent performance recorded in 2008 (12.3% growth in the first half). Continued progress on major transformation projects, combined with the specific measures taken at the end of 2008 in response to the crisis, helped to protect the Group's results. This performance, coupled with the outlook for the second half of 2009, confirm the Group's ability to withstand the current economic downturn and meet its long-term objectives.

The Group has reaffirmed its strategic focus on systems integration and services related to vertical market applications. It is continuing to execute multiple growth-driving transformation initiatives:

- combining the consulting activities, currently spread over several business units, in order to reinforce Sopra Group's reputation as an indispensable player in major transformation projects;
- increasing investment in the banking sector software offering in order to ensure better coverage of a market undergoing profound changes, including in Europe;
- pursuing the industrialisation programme in order to continually enhance the level of control over client-specific needs in the area of major integration and application outsourcing projects;
- aligning the Group's European subsidiaries with its global offering in integration and application outsourcing;
- continuing Axway's European-American project and leveraging benefits of the acquisitions completed in terms of margin, business portfolio and client base.

2.2. Description of the principal risks and contingencies for the remaining six months of the financial 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 licence contracts, which often represent an investment for clients, are more significant in the second half of the year, and as a result, may lead to more or less favourable impacts on the end-of-year performance.

The actual sequence of events or results may differ from those described in this document in light of a certain number of risks and uncertainties which are described in the 2008 Reference Document, which was filed with the Autorité des Marchés Financiers (AMF) on 20 April 2009.

As of this writing, there are no elements likely to have a material impact on the issuer's financial position or performance.

The nature and level of risks to which the Company is currently exposed are still those presented in its most recent Reference Document.

2.3. Principal related party transactions

2.3.1. Transactions between related parties which occurred during the first six months of the current financial year and which significantly influenced the financial position or results of the issuer during this period

No transactions between related parties significantly influenced the financial position or results of the Group during the first six months of the current financial year.

2.3.2. Modifications affecting transactions between related parties described in the most recent annual report, which could significantly influence the financial position or results of the issuer during the first six months of the current financial year

No modifications between related parties significantly influenced the financial position or results of the Group during the first six months of the current financial year.

2.4. Updates to forecasts and objectives

On the basis of currently-available information, no known event for the period is likely to have a significant impact on the Group's financial position.

Current market conditions remain difficult despite some signs of recovery. However, the Group is confident in its ability to adapt as well as possible to the current situation in order to protect its revenue and margins.

The Group expects to achieve slight organic growth in its businesses in France (65% of revenue). Taking all of its businesses together, the Group forecasts slight total growth and a dip in organic growth contained within the 3-4% range. As of this publication, Sopra Group is targeting a current operating margin above 7%.

3. Statement 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 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, 28 August 2009

Pierre Pasquier

Chairman and Chief Executive Officer

4. Statutory auditors' report on the interim consolidated financial statements

To the shareholders,

In compliance with the assignment entrusted to us by the Shareholders' Meeting and in accordance with the requirements of the Article L.451-1-2 III of the *Code monétaire et financier*, we have performed the following procedures:

- a limited review of the consolidated financial statements of Sopra Group for the six-month period from 1 January to 30 June 2009, which precede this report;
- the verification of the information provided in the report of the Board of Directors for the six-month period ended 30 June 2009.

These interim 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.

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 summary interim financial statements with IAS 34 – IFRS standard, as adopted in the European Union – relating to interim financial information.

Without qualifying the conclusion expressed above, we would like to draw your attention to Note 1.2.a above relating to new mandatory standards and interpretations, in particular IFRS 8.

Specific verification

We have also examined, in accordance with French professional standards, the information contained in the Business review for the period ended 30 June 2009 commenting on the summary consolidated interim financial statements submitted to our limited review.

We have nothing to report with respect to the fairness of such information and its consistency with the interim consolidated financial statements.

Paris and Courbevoie, 28 August 2009

The Statutory Auditors

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