

Proposed friendly tie-up between Sopra and Steria to create a European leader in digital transformation

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

Paris, 8 April 2014 – Sopra (NYSE Euronext: SOP) and Steria (NYSE Euronext: RIA) announced today their intention to create, by carrying out the proposed tie-up, to create a European leader in digital services with a combined revenue of €3.1bn and operations in 24 countries, combining the talents of over 35,000 professionals.

The proposed tie-up will take the form of a friendly, voluntary *Offre Publique d'Échange* (Public Exchange Offer)¹ initiated by Sopra for all of the shares of Steria on the basis of one (1) Sopra share for four (4) Steria shares (the "Offer"). At 4 April 2014, this Offer represented an exchange value of €22² per Steria share on the basis of the weighted average Sopra share price over a one-month period. This represents a 40% premium with respect to the closing share price and a 49% premium with respect to the weighted average share price over the preceding three-month period.

¹ Sopra and Steria reserve the possibility of completing the tie-up by means of a *fusion statutaire* merger if necessary.

² 2013 Sopra dividend (€1.90 per share) attached.

The Board of Directors of Soderi, the *associé commandité* (general partner) of Steria, as well as the Supervisory Board of Steria and the Board of Directors of Sopra, at their meetings today, approved this proposed tie-up and gave it their support, provided that the transaction remains conditional on the FCPE Groupe Steriactions, which owns 17.45% of the share capital and 20.92% of the voting rights, committing to contribute its shares to Sopra at the latest by 9 April 2014, the completion thereof being itself conditional on the Offer being successful.

Pierre Pasquier, Chairman and founder of Sopra and François Enaud, CEO of Steria, issued the following statement: *“Our respective firms share cultures of independence and growth and a great deal of mutual respect. The idea of combining forces has always looked like it made sense. The accelerating pace of the digital revolution and new modes of consuming services are giving rise to a deep-seated change in our market. In this context our tie-up aims to deliver the best transformation solutions to our clients so that they can adapt to the digital world. The alliance between Sopra and Steria would allow us to put together one of the most complete portfolios of offerings available on the market, from software solutions to business process execution. This industrial project would also benefit our employees who would be able to evolve and acquire new skills, and our shareholders would be able to accompany us in a foundational, value-creating project”*.

For Jean-Bernard Rampini, Chairman of Soderi: *“This tie-up project “between equals” maintains Steria’s human and industrial assets and offers a great, unique opportunity to maintain the values of employee-shareholders within the new group via a new shareholder pact, which was a decisive factor for our support”*.

Jacques Bentz, Chairman of Steria’s Supervisory Board and Eric Hayat, Vice-Chairman of the Supervisory Board and co-founder of Steria, added: *“We chose to back this offer as it is a tie-up which has been accepted by the general partner and represents a substantial source of potential value creation for employees, clients and shareholders”*.

Balanced corporate governance and stable reference shareholder structure

The new group would operate with a balanced corporate governance structure in the framework of a proposed tie-up between equals. Pierre Pasquier would be Chairman of its Board of Directors and François Enaud would be Chief Executive Officer. On the Board of Directors, Sopra and Steria would each be represented by four directors, in addition to independent members and employee representatives.

The share capital of the new combined entity would be structured, on the one hand, around a core block representing the founders and certain managers of Sopra, holding a total of approximately 22% of the share capital, a block owned by Geninfo representing 7% of the share

capital, and finally a c.10% block owned by former and current employees-shareholders of Steria. The above-mentioned blocks together represent 39% of the share capital. This shareholder structure would be materialised by a shareholders' pact between Sopra GMT and Soderi, with the latter representing the former employee-shareholders of Steria.

Very strong complementary fit of business activities and geographic segments

From an industrial perspective, the proposed tie-up between Sopra and Steria is a response to the market changes brought about by the digital revolution and new modes of consuming services. The new group would be able to make the transition from a positioning as “Systems Developer-Integrator” to “Service Creator-Operator”, with a critical mass and the capacity to deliver the best transformation solutions to its clients. The portfolio of offerings would be among the most complete on the market.

The new group would generate 25% of its annual revenue from Solutions and Business Process Services, activities with the highest levels of growth and profitability both for Sopra and Steria. This proportion would develop rapidly, as a result of organic and external growth as well as the synergies related to the tie-up.

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

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

A value-creating transaction drawing upon on a strong set of synergies

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

The ambition is to form a group that is capable of generating strong organic growth with the objective of achieving revenue of over €4bn and progressively improve the operating margin on business activity to approach the 10% mark.

Schedule and conditions of the transaction

The Offer will be subject to the customary terms, notably to a success threshold of at least 66.67% of the share capital and voting rights issued by Steria.

Filing of the Offer could take place in May 2014.

Following the information-consultation of the companies' employee-representing bodies and successful completion of the Offer, a merger of the groups is expected to be carried out.

Presentation and Conference Call

The project will be presented to analysts and investors at a meeting, to be held in French, on Tuesday, 8 April 2014 at 9.30 am at Shangri-La Hotel, 10 avenue d'Iena, Paris.

The presentation will be jointly hosted by Pierre Pasquier, Chairman of Sopra, and François Enaud, CEO of Steria.

This presentation can be followed remotely in French or English. You may register for the [webcast](#) or listen to the presentation by dialling +44 203 367 9454.

The practical information relating to this conference may be consulted on the respective websites of the two groups www.sopra.com and www.steria.com.

Sopra's exclusive financial advisor is Société Générale; its legal advisor is BDGS.

Steria's exclusive financial advisor is BNP Paribas; its legal advisor is Brandford-Griffith & Associés.

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