REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

2012

Sopra group

Talented Together

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

Sopra group

Société anonyme with share capital of €11,893,486 -326 820 065 RCS Annecy
Registered office: PAE Les Glaisins – 74940 Annecy-le-Vieux – France
Head office: 9 bis, rue de Presbourg – 75116 Paris – France

REGISTRATION DOCUMENT

Annual Financial Report

2012

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French-language version of this Registration Document was registered with the Autorité des Marchés Financiers (AMF) on 23 April 2013 in accordance with Article 212-13 of AMF's General Regulation. The French-language original may be used as a basis for a financial transaction if it is supplemented by a prospectus authorised by the AMF. This document was prepared by the issuer whose authorised signatories assume responsibility for its content.

Copies of this Registration Document may be obtained by submitting a request to Sopra Group, Director of Communications, 9 bis rue de Presbourg, F-75116 Paris, France, *via* our website: *www.sopragroup.com*, or *via* the website of the Autorité des Marchés Financiers: *www.amf-france.org*.

In accordance with Article 28 of Commission Regulation (EC) No. 809/2004 of 29 April 2004, the following information is included with respect to this Registration Document:

1. Relating to financial year 2010:
   - the management report and the consolidated financial statements, in addition to the report of the Statutory Auditors on the consolidated financial statements, included in the Registration Document filed on 8 April 2011 under number D. 11-0261 (pages 53 to 72 and 73 to 123, respectively);
   - the report of the Board of Directors to the General Meeting of 8 June 2011 and the pro forma consolidated financial statements, together with the report of the Statutory Auditors on these financial statements, included in the update to the Registration Document filed on 20 May 2011 under number D. 11-0261R (pages 3 to 8 and 19 to 60, respectively);
   - the individual company financial statements of Sopra Group in addition to the report of the Statutory Auditors on these financial statements included in the Registration Document filed on 27 April 2010 under number D. 11-0261 (pages 125 to 158);
   - the special report of the Statutory Auditors on regulated agreements and commitments included in the Registration Document filed on 27 April 2010 under number D. 11-0261 (pages 146 and 147).
2. Relating to financial year 2011:
   - the management report and the consolidated financial statements, in addition to the report of the Statutory Auditors on the consolidated financial statements, included in the Registration Document filed on 27 April 2012 under number D. 12-0455 (pages 59 to 83 and 85 to 138, respectively);
   - the individual company financial statements of Sopra Group as well as the report of the Statutory Auditors on these financial statements included in the Registration Document filed on 27 April 2012 under number D. 12-0455 (pages 139 to 158);
   - the special report of the Statutory Auditors on regulated agreements and commitments included in the Registration Document filed on 27 April 2012 under number D. 12-0455 (pages 159 and 160).

The information included in both of these Registration Documents and in the update to the 2010 Registration Document other than the information mentioned above, has been replaced and/or updated, as applicable, by the information included in this Registration Document.

This document is a free translation into English of the original French "*Document de référence*", referred to as the "Registration Document". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

Interview with Pierre Pasquier

In an interview at the end of 2012, Pierre Pasquier, who co-founded Sopra Group in 1968 and currently serves as its Chairman, shared his vision for the company and its strategic priorities at this pivotal moment in its history.

A key event of 2012 was the separation of the roles of Chairman, the position you now hold, and Chief Executive Officer, held by Pascal Leroy. How does this new governance approach work in practice?

In the past two years, our Group has taken on a new dimension, a transformation made possible through proactive and accelerated development efforts. At the end of 2010, Sopra Group had a total of 11,650 employees (a figure reflecting the Group's current scope of consolidation, not including its former subsidiary Axway) and posted revenue of €964 million. Today, we have a workforce of nearly 15,000 and revenue in excess of €1.2 billion. In order to manage this growth effectively, we needed to reinforce our governance structure.

There is a very clear division of responsibilities. As Chairman, I steer the Group's strategy, including that relating to acquisitions, and oversee corporate and financial communications. And as a Chairman closely involved in the Group's day-to-day operations, I provide assistance to the Chief Executive Officer on a number of key strategy issues. For example, in 2012-2013 I have been spearheading the launch of our new subsidiary Sopra Banking Software.

As Chief Executive Officer, Pascal Leroy works alongside me to formulate strategy, assures the implementation of all decisions made and heads up the operational management of all of the Group's business activities.

Pascal and I work together closely, although we each take full charge of our specific responsibilities, in a climate of mutual trust. Furthermore, as Chairman and leading shareholder *via* Sopra GMT, I naturally remain an active participant.

What are the key pillars of the Group's vision?

Sopra Group was conceived and built around four fundamental ambitions that continue to guide us and our strategic choices.

The ambition to be independent, which, for an organisation like ours, is underpinned by a leading shareholder fully engaged in the Group's development.

The ambition to generate consistently strong economic performance, thus maintaining a position at the top ranks of our industry.

The ambition to develop a business model with high added-value that is relevant over the long term. This requires constant adaptation to developments in technology while grasping future implications to the greatest extent possible so as not to fall prey to short-lived trends. It is this approach that has allowed us to be the only player in our sector currently active in three complementary business lines: consulting, systems integration and software development.

And finally, the ambition to put in place a collaborative enterprise project, founded upon shared values and a commitment by senior management of course, but also, more broadly, by all the men and women of Sopra Group.

Could you tell us about your strategic milestones?

In order to answer your question, I need to review our history. The creation of Sopra in 1968 was a success. Our aim was to build a great company and to take part in the development of a newly emerging industry: IT services. The following decade saw a flurry of business activities and investments carried out with great enthusiasm, but also with a certain naivety, which led the company into difficult circumstances in 1984 and 1985. This setback prompted a complete overhaul of our business model to rebuild Sopra Group from the ground up.

We bought out a shareholder to ensure our independence, redefined our business lines and our offerings to ensure that we would perform well in any economic environment, changed the governance of the executive team, reconfigured the Group's collective organisation and created a new enterprise project embraced by all staff. By taking this approach, we successfully leveraged what we had already accomplished and saw to it that our growth was being pursued methodically and professionally. It was this reorientation that led us shortly thereafter to a successful initial public offering, completed in 1990.

Another example is the way in which we were able to weather the crisis of the 1990s and seize opportunities created by the ensuing IT revolution. Emerging from this crisis in 1995-1996, we acquired a subsidiary of Société Générale, SG2. This transaction, coupled with the arrival of a major shareholder supporting the Group's strategy, was highly transformative for the Group due to its size and its positioning in the banking sector.

Last but not least, we chose the correct course of action at the dawn of the new economy. After the collapse of the internet bubble – which was absolutely in the air of the times but years ahead of schedule – we were thus able to carry out a proactive and systematic revamping of all our business lines, our vertical markets and our geographies. We completed several acquisitions in France, the United Kingdom, Spain and Italy. We built a strategic plan around the objective of doubling revenue within five years, with the aim of achieving one of the highest margins in the sector. We had already achieved this goal by 2007 when we posted revenue of €1 billion. The successful achievement of this ambition set in motion the Axway spin-off process.

Is your commitment to independence compatible with the size of the Group?

We have never wanted to build a strategy based solely on competing with larger organisations. Instead, we have consistently sought to follow our own convictions and our results prove that we have truly found our place. Our size makes us uniquely equipped to perform well on all fronts, in terms of the quality of our business lines and offerings but also in terms of client satisfaction.

The Group's longevity and independence are also made possible thanks to the solidity and organisational effectiveness of Sopra GMT, the structure that controls Sopra Group's share capital.

The group of shareholders constituting Sopra GMT today holds more than 37% of Sopra Group's share capital. I am the majority shareholder, alongside François Odin and the senior managers. Thanks to the shareholder agreement signed with the Société Générale group, we together control more than 49% of the company. Everything is in place to ensure an easy transition at any time.

What are the broad outlines of your 2015 enterprise project?

Early in 2011, it became clear that the ideal moment had been reached to successfully complete the Axway spin-off and that it was time for this company, which had existed as a subsidiary of Sopra Group for a number of years, to pursue its own growth strategy.

It was also the perfect point at which to give Sopra Group fresh impetus by launching the 2015 enterprise project. This project is shaped by strong convictions, such as the need to expand further in Europe while consolidating our positions in France, to leverage the full breadth of our offerings, especially our expertise in software development, and of course to fully take into account the technological revolution.

With our 2015 enterprise project, we are aiming to drive value creation in carefully targeted business areas, which include banking and finance, energy, telecoms, the public sector, health and social welfare providers, and aerospace. This means that we must stay at the forefront of technology innovation, also maintaining our superior quality of service and the high level of integration across our offerings, from consulting to technology services and software development.

Our 2015 enterprise project is fully in sync with the advances brought about by the technological revolution, which compels us to remain alert in order to effectively manage the required transformations in our profession and in those of our clients. It has the complete backing of the Board of Directors and of the Group's leading shareholder, Sopra GMT.

Of course, we have been working in technology for a very long time. As smartphones have become an essential part of everyday life, their use has opened up a world of possibilities. Across the planet, we are all full-fledged participants in today's technology revolution and everyone has the potential to help shape a new society. Advances in telecommunications and technology are turning us all into the pioneers of a new civilisation.

In this context, Sopra Group has a tremendous role to play, given its positioning, its industry-specific and technology skills base, and its expertise in managing projects to achieve specific results. We are independent, fully responsible for our decisions and enjoy an excellent track record. We are solidly established in France, have positions in Europe and retain very strong ties with our former subsidiary Axway, which has operations on several continents and with whom we can join forces. Our teams are staffed with highly skilled professionals. Our core strengths are huge assets for us.

What makes you the most proud?

Our long-term focus, the quality of service we deliver, the satisfied feedback that we get from our clients and personnel.

We can also take pride in the fact that the Group has never had a loss-making year: in 1993, at the height of the crisis, we were able to post break-even earnings.

We can be especially proud that, since 2003, our organic growth and our earnings have been among the best in our industry.

We are also proud that we have never, in our entire history, been compelled to carry out a staff restructuring plan.

These successes belong to all those who have built and are building Sopra Group. My greatest source of pride is to share it with them.

History of Sopra Group

Founded in January 1968 by Pierre Pasquier, François Odin and Léo Gantelet, Sopra Group is one of Europe's longest-established IT services companies. From the outset, Sopra Group positioned itself in all segments of the value-added IT services sector and soon became a key player in the French market.
The company also built up expertise in software development and set up two specialist companies:
Axway Software (listed on the stock exchange in 2011) and Sopra Banking Software (a wholly-owned subsidiary).

1968 – **Formation of Sopra Group**

1971 – 1st major comprehensive managed banking services agreement

1972 – 1st banking platform

1972 – 1st human resources solution (Pacha)

1982

1986 – 1st major national project with the Ministry of the Interior

1990 – **Sopra Group completes its IPO on NYSE Euronext Paris**

1992

1996 – **Acquisition** SG2 Ingénierie An IT services company serving financial institutions and banks

1996 – **Acquisition** of a human resources software package (Pléiades)

1999

1971 – Development of initial banking expertise

1982 – 1st banking solution (loans)

1992 – 1st bank regulatory reporting solution (BAFI)

1996 – **Acquisition** ProBF Vendor of integrated banking solutions

1999 – **Creation of the Evolan suite**

1982

1992 – **Acquisition** Netsys Vendor of secure data transfer solutions

1997 – **Acquisition** Crédintrans Vendor of secure data transfer solutions

2000

Acquisition
Orga Consultants
Strategic, management and organisational consulting

2001

2003

2004
2005

Development of near and offshore service centres

Acquisitions
Valoris
Strategic consulting and IT services
Newell & Budge
Consulting and IT services
PROFit
IT services

2007

2011

2012

Acquisition
Business & Decision (UK)
Consulting and IT services

2013

Expansion of our range of human resources solutions

Acquisition
HR Access
Vendor of human resources solutions

2003

Acquisition
Inforsud
Vendor of lending and electronic payment solutions

2007

Acquisitions
BAI
Vendor of loan solutions
CIBF
Vendor of payment solutions

2011

1st banking distribution solution

Acquisition
Delta Informatique
Vendor of banking solutions

2012

Formation of Sopra Banking Software subsidiary

Acquisitions
Tieto (UK)
Vendor of loan solutions
Callataÿ & Wouters
Vendor of a universal banking

2001

Formation of the Axway Software subsidiary

2002

Acquisition
Viewlocity
Vendor of computerised data transfer solutions

2006
2008

Acquisition
Cyclone Commerce
Vendor of secure exchange platforms
Actis
Vendor of B2B software
Tumbleweed Communications
Vendor of secure exchange solutions

2011

Axway Software completes its IPO on NYSE Euronext Paris

1 Sopra Group in brief

1. Key figures

1.1. Financial summary

So as to reflect operating performance over three years, financial year 2010 is presented after the Axway spin-off.

(in millions of euros)	2012	2011	2010 IFRS restated
Revenue	1,216.7	1,050.3	964.4
EBITDA	117.8	99.8	88.2
Operating profit on business activity	109.6	92.5	85.7
As % of revenue	*9.0%*	*8.8%*	*8.9%*
Profit from recurring operations	103.2	91.7	84.8
As % of revenue	*8.5%*	*8.7%*	*8.8%*
Operating profit	91.3	97.9	83.7
As % of revenue	*7.5%*	*9.3%*	*8.7%*
Net profit attributable to the Group	55.6	62.9	48.2
As % of revenue	*4.6%*	*6.0%*	*5.0%*
Total assets	1,031.1	770.4	929
Total non-current assets	565.2	366.6	471
Equity – Group share	305.3	273.9	364.5
Minority interests	0	0	0
Number of shares at 31 December	11,893,486	11,893,486	11,853,945
Basic earnings per share *(in euros)*	4.67	5.29	6.35
Fully diluted earnings per share *(in euros)*	4.62	5.29	6.33
Net dividend per share *(in euros)*	1.70*	1.90	0.8
Staff at 31 December	14,310	12,610	11,650

* *Amount proposed to the General Meeting of 13 June 2013.*

1.2. Revenue by business line

(in millions of euros)	2012		2011	
CSSI France *	805.4	66.2%	776.6	73.9%
SSI Europe **	240.0	19.7%	184.5	17.6%
Sopra Banking Software	171.3	14.7%	89.2	8.5%

* *CSSI: Consulting, Systems and Solutions Integration*
** *SSI: Systems and Solutions Integration*

1.3. International revenue

(in millions of euros)	2012		2011	
CSSI France *	50.0	12.9%	35.0	14.6%
SSI Europe	240.0	61.9%	184.5	77.1%
Sopra Banking Software *	97.7	25.2%	19.8	8.3%
TOTAL REVENUE	**387.7**	**100%**	**239.3**	**100%**

* *Export revenue*

International revenue accounted for 31.9% of revenue in 2012, compared with 22.8% in 2011.

1.4. Revenue by economic sector

	2012	2011	2010 IFRS 5 restated
Services (including real estate)	20.1%	21.1%	19.2%
Financial services (including Sopra Banking Software)	32.9%	25.3%	27.7%
Public sector	15.6%	17.6%	17.9%
Manufacturing	15.9%	17.0%	16.7%
Telecom	10.3%	12.1%	11.7%
Retail	5.2%	7.0%	6.8%

1.5. Sopra Banking Software

Sopra Banking Software, our new subsidiary formed by bringing together our four offerings in the field of banking solutions, posted revenue of €171.3 million, representing total growth of 92.0% (down 3.9% on a like-for-like basis).

(in millions of euros)	2012	2011 pro forma	2011 published
Revenue	171.3	178.3	89.2
Total growth (%)	*92.0%*		
Organic growth (%)	*-3.9%*		

To help analyse Sopra Banking Software's performance, the table below shows pro forma revenue within the scope of consolidation at first-quarter 2013, including revenue from Sopra Group Solutions UK.

(in millions of euros)	2012 pro forma	2011 pro forma
Revenue	215.5	218.5
Organic growth (%)	*-1.4%*	

2. History of Sopra Group

See pages 4 and 5 of this document.

3. Sopra Group's businesses

Sopra Group is a **cohesive and independent** European group that provides a comprehensive offering in the fields of **Consulting, Systems and Solutions Integration and Software Development**. Its core competence is to assist its clients in managing the transformation of their businesses and information systems. Sopra Group combines high quality processes, service performance, added value and innovative solutions, and is the benchmark partner for large companies and organisations seeking to make optimum use of digital solutions to secure their competitive positioning and growth.

3.1. An independent European group

Sopra Group, which is majority owned by its founders and managers, is an independent group and a market leader as measured by its economic performance and the value added to its clients.

Sopra Group has achieved this by choosing to operate in targeted markets and pursuing a strategy that is mainly focused on servicing key accounts at a European level. Furthermore, all of the Group's businesses and offerings are focused on its clients' core business needs so as to help them remain competitive and grow. Finally, Sopra Group is the preferred integration provider and partner of Axway Software, whose "AI suite" exchange platforms play an important role in information system renovation.

As well as having a strong presence in France, the Group operates in the United Kingdom, Spain, Italy, Switzerland, Germany and Belgium.

This European presence reinforces the Group's ability to support major transformation programmes for clients not only in France but also in their subsidiaries and establishments located in other European countries.

3.2. A unique offering in three business areas

Sopra Group's business model is unique in the market, based on three complementary business lines: Consulting, Systems and Solutions Integration and Software Development. Each of these three business lines contributes to a continuous chain of added value in addressing clients' transformation challenges: strategic understanding, solution design and provision, solution implementation and operational maintenance. Sopra Group's expertise in these three areas also puts it in a very strong position to learn from experience.

3.2.1. CONSULTING

Sopra Consulting has been Sopra Group's consulting brand since 2010. With more than 40 years' expertise in management and IT consulting, it is one of France's leading providers of transformation consulting. Its mission is to help large companies and public sector organisations break through to the next level in their growth and competitiveness, particularly by helping them use digital solutions more effectively.

Its 600 consultants are experienced in formalising strategies and designing and implementing major transformation projects at both French and European levels. Sopra Consulting's approach is to simultaneously understand business, technological, financial and cultural issues while continuously seeking innovative solutions.

3.2.2 SOFTWARE DEVELOPMENT

Sopra Group is a major vendor of solutions in three areas: banking, property management and human resources management.

a. Banking

In forming its **Sopra Banking Software** subsidiary, Sopra Group has positioned itself as a leading European vendor* of banking software targeting a wide range of clients of all sizes, specialisations, types and locations.

Sopra Banking Software's packaged software solutions are marketed under the name **Sopra Banking Suite**. This comprehensive and functionally rich suite is aimed at retail banks, direct banks and private banks, and can cover all or part of a bank's information systems by offering either a comprehensive integrated solution or key individual business components.

Sopra Banking Software also offers a range of support services to ensure that its solution implementation and maintenance projects are successful: project management, project support, user support, maintenance and training. In addition, Sopra Banking Software is able to supplement its own offering by drawing on other Sopra Group services.

In the face of increasingly demanding consumers, competitive pressure and ever more complex regulation, Sopra Banking Software's innovative solutions help create value for both banks and their customers.

With its 1,600 experts, Sopra Banking Software currently supports more than 500 clients in 70 countries.

b. Property management

Sopra Group is France's leading provider of property management solutions. Its offering enjoys high levels of brand awareness and a very positive image. The Group's solutions cover all market segments: social and private housing, offices, shopping centres

(*) The Sopra Group subsidiary Sopra Banking Software has been assessed alongside market leaders by Gartner ("ability to execute" and "completeness of vision") and Forrester Wave ("strong current offering and a strong strategy").

and warehouses. It offers software applications that cover all areas of rental management and technical asset management. These are available in the form of either packaged software or SaaS (software as a service).

c. Human resources management

Sopra Group's human resources offering, Pléiades, covers payroll, time recording and human resources management. In addition to this line of software solutions, Sopra Group also offers an SaaS (software as a service) payroll solution. The Group's Pléiades solutions are used to process information relating to more than two million employees. Pléiades' rich features and time recording functionality mean that this solution enjoys an enviable position among companies of all sizes with complex payroll needs.

3.2.3. SYSTEMS AND SOLUTIONS INTEGRATION (SSI)

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

- **continuous improvements in the client's existing portfolio of applications.** These are measured with reference to progress in the application services provided to business lines and the often considerable decline in costs associated with these services. To meet these challenges, one of the key competencies we offer relates to the industrialisation of application maintenance, which extends to increasingly broad and substantial areas. Another area for improvement is the rationalisation of functions, applications and technologies within the existing application pool in order to reduce maintenance costs;
- **maximising the value of existing applications.** This typically involves either putting in place innovative solutions to enhance existing applications or implementing a continuous corporate architecture approach in order to gradually increase an information system's efficiency and agility;
- **the restructuring of information systems.** This reflects a need for radical transformation in order to resolve burdensome business challenges: integration of a major acquisition, ensuring the consistency of processes and related processing cycles, completely overhauling processes or modifying the value chain. In this case, the Group helps clients identify and implement solutions without any interruption in service and by making the best possible use of the existing system.

3.3. A growth strategy based on targeted markets

Sopra Group has identified eight markets that have represented its areas of excellence for many years:

- financial services;
- insurance and social welfare;
- public sector;
- telecoms;
- aerospace and defence;
- energy;
- transportation and courier services;
- retail.

In each of these markets, Sopra Group offers solutions designed to support its clients in managing major transformation projects using tried and tested innovative practices that address their development needs, help improve their performance and increase the efficiency of their information systems. The Group's complement of services thus includes pre-project consultancy, large scale project management and the continuous improvement of existing applications.

3.3.1. FINANCIAL SERVICES

The financial sector is Sopra Group's primary market in all the countries in which it operates, notably *via* Sopra Banking Software.

This economic sector is currently facing a number of new constraints:

- tighter and fast-evolving regulation;
- more versatile, multi-bank customers;
- the mass standardisation of production processes;
- consumers who are more influential and more sensitive to technology.

Because of their central role in banking activities, information systems are substantially impacted by these constraints. This means that their architecture needs to change: **distribution**, **production** and **management** systems as well as **data warehouses** and **data exchange tools** all need to be **separated** and overhauled. The process of pooling certain banking activities can thus lead to the creation of new "factories", based on packaged business software (e.g. for loans and payments), which can be powered by outsourced solutions (see section 3.2.2 a).

Banks are looking for comprehensive and scalable solutions. Sopra Group's products and services provide a full and cohesive response to their concerns.

3.3.2. INSURANCE AND SOCIAL WELFARE

Drawing on its long history of working with major insurers (insurance companies, mutual insurers and bancassurers) and social welfare providers (jointly managed institutions, mutual insurers and supplementary pension providers), Sopra Group has decided to accelerate its growth in this market.

3.3.3. PUBLIC SECTOR

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

On behalf of large public sector organisations in France (ministries, health care and social welfare providers, employment and training organisations, regional authorities), Sopra Group offers recognised expertise, tailored to address today's major challenges and encompassing all necessary aspects of procedures (professional, technological, economic).

3.3.4. TELECOM OPERATORS

Sopra Group is a major player in the French telecom and media sectors, with a value proposition focused on innovation and aimed at transforming and improving functions and information systems – its clients' core activities.

Its solutions integration activities are mainly focused on strategic programme development and business line support. As a result of major upheavals linked to the advent of 4G/LTE, a changing competitive environment and a revolution in uses of technology, telecoms operators and media companies find themselves at a crossroads and are seeking agile partners who can provide scalable processing solutions to help them optimise existing services and prepare for the future.

The Group operates throughout the life cycle of operators' customers: sales, convergent multichannel customer relationships, management of the product and service catalogue, activation, user billing and collection, and recovery. It is backed up by strong partnerships with major specialist solution providers in the telecoms and media sectors, and pursues a strategy of investing in innovative research and development.

3.3.5. AEROSPACE AND DEFENCE

Sopra Group helps the aerospace market maximise the value of its IT resources as well as its technical, scientific and embedded data processing capability.

Sopra Group is now a key partner in the defence market, where its core activities encompass operational and command information systems and logistical systems designed to support the full range of changes and transformations that are currently taking place, delivering interoperability, rationalisation and performance improvement.

3.3.6. ENERGY

Sopra Group supports the information systems of leading players in the energy and utilities sectors. The Group provides its entire range of services to these operators, from consulting through to integration, customised to the needs of their main business activities: energy production, nuclear energy, distribution and infrastructure, transmission, marketing, and support functions.

Sopra Group supports the energy sector with major transformation projects and offers innovative vertical solutions.

3.3.7. TRANSPORT AND COURIER SERVICES

Sopra Group is also expanding its presence among leading players in transport and courier services. The Group assists these major clients with their efforts to improve service quality and in creating innovative solutions.

3.3.8. RETAIL

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

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

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

3.4. A robust mass processing strategy

As it has gained market share over the past ten years or more, the Group has managed increasingly ambitious projects and programmes. Project size and complexity have increased and the Group has needed to respond to increasingly specific requirements at a global level, working across disciplines and involving a variety of different business units and production sites. It has also faced constant pricing pressure and the need to improve productivity.

Consequently, one of the main challenges for Sopra Group is to constantly improve the management and standardisation of its production processes, by focusing on five key areas:

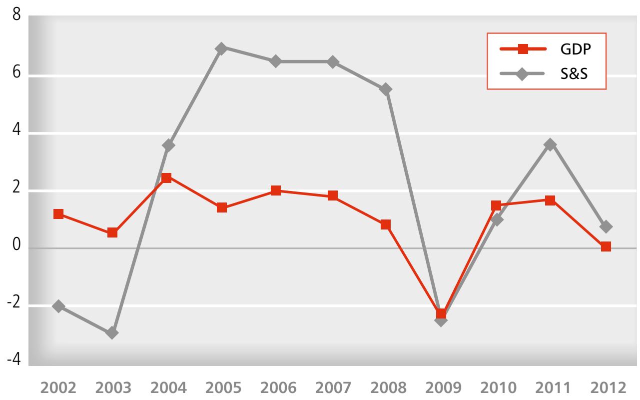
- Sopra Group's **production culture**, built on the transmission of relevant knowledge, skills and attitudes in the field;
- **human resources**, who are at the heart of the company's activities:
  - considerable care is devoted to the **assignment of staff to projects**, making a substantial contribution to project success,
  - training and mentoring actions, in order to **rapidly build staff competencies** so that they are able to assume greater responsibilities in relation to projects;
- **organisation**: the Transformation department and its representatives in all operational business units exist to control production quality and performance, identify and manage risks, support project managers and roll out standardised production processes across all Group entities;
- **tools** consisting of the quality system, methods (including in particular eMedia) and associated software;
- the global delivery model and service centres: for a number of years, Sopra Group has focused efforts on streamlining its production processes. In particular, the Group has developed and rolled out a global delivery model. This model is built around the creation of service centres in all of the Group's key business units and an "Xshore" strategy under which services are delivered from local service centres in the French provinces, nearshore centres staffed by French-speaking agents in Spain, and offshore centres in India.

4. IT services sector: current situation and challenges

4.1. Sector activity in 2012

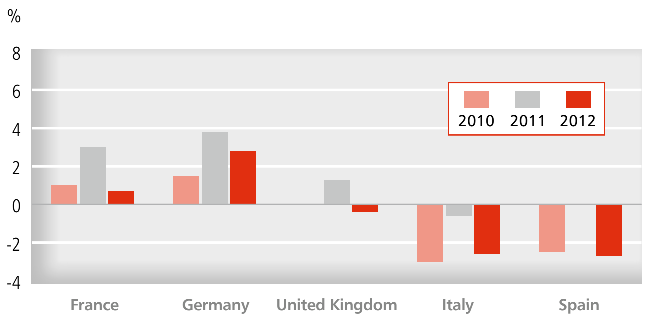
In France, the software and services (S&S) sector posted weak revenue growth of only 0.8% in 2012. The French market was sluggish in the first half of the year. The second half was slightly more dynamic as a result of a slight upturn in IT investment.

Between 2002 and 2012, the growth rate for the sector outpaced that of GDP. The table below shows the sector's growth over this period.



Source: *Syntec Numérique, Insee.*

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



Source: *PAC, Syntec Numérique, EITO.*

Only Germany fared better than France, with 3.6% growth. The United Kingdom (up 0.2%), Spain (down 2.6%) and Italy (down 2.5%) all fell behind.

A number of verticals fuelled this growth…

- utilities and services;
- aerospace and other high-tech industries;
- business services.

… while other verticals saw negative growth:

- automotive;
- banking and insurance (which nevertheless saw a recovery in investments in the second half of the year);
- telecoms.

Moreover, the entire software and IT services industry contended with considerable downward pressure on prices.

Most industry players have carefully assessed their position in relation to offshore business activities. Some have realised that expanding into India is only possible for firms able to use English successfully and comprehensively as a working language. In addition, this type of move works best when focused on certain types of services (long-term applications maintenance, stable and highly specific projects). In 2012, these activities accounted for between 5% and 6% of all application development expenses, mainly in service of key accounts and companies in the technology sector.

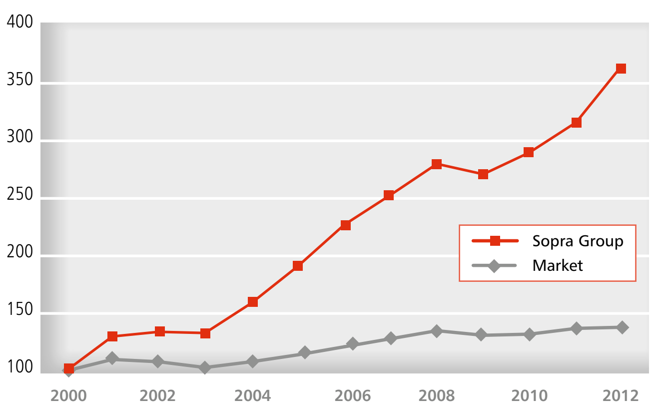
The decrease in the number of service providers able to handle key accounts is increasingly apparent, and thus requires the few with this capacity to take on broader responsibilities and longer-term commitments. As projects increasingly expand in scope and tend very often to be organised around major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

In terms of the industry's various business activities, consulting is currently on the decline. Software development as well as application and infrastructure management services continue to see robust demand. In contrast, fixed-price projects and technical assistance services are holding up less well.

4.2. Outlook for 2013

The situation in 2013 is likely to remain much the same as it was in 2012, with both the French and European economies still sluggish. As such, the software and services market is likely to see little or no growth. The trends seen in recent years are likely to continue. As such, infrastructure projects, cloud computing and mobility are likely to remain the main growth drivers in 2013.

4.3. Sopra Group revenue in comparison to its sector (basis of 100 in 2000)



Source: Syntec - Sopra Group.

The Group is fully aware of the challenges faced by the IT services sector and constantly adapts in order to remain among the sector's best performing companies.

5. Investments during the year

5.1. Main acquisitions

In 2012, Sopra Group carried out three major acquisitions:

5.1.1. ACQUISITION OF TIETO'S "UK FINANCIAL SERVICES" BUSINESS

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

This business was renamed and integrated into the Sopra Banking Software unit in early 2013.

5.1.2. ACQUISITION OF BUSINESS & DECISION'S UK SUBSIDIARY

Business & Decision UK offers consulting and IT services and specialises in business intelligence, CRM (customer relationship management) and e-business. Its clients mainly operate in financial services, retail, the public sector and transport.

5.1.3 ACQUISITION OF CALLATAЎ & WOUTERS (C&W)

This acquisition was completed in two phases. Sopra Group acquired approximately 80% of all shares in C&W in the first half of the year before buying the remaining shares towards the end of the year.

Callataÿ & Wouters provides packaged software and IT services to banks and other financial services providers. The company was established in 1983 and has a highly specialised workforce of 600 staff armed with knowledge of both IT and banking. C&W has successfully provided its packaged software solutions to a number of banks, several of which belong to international groups such as BNP Paribas, Rabobank, Commonwealth Bank of Australia and Crédit Agricole.

The company has developed a strong network of partners and integration providers.

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

C&W employs about 600 staff.

A re-engineering project has been set in motion to combine C&W's Thaler division, the business activities of Delta Informatique and most of Sopra Group's Evolan business. This has led to the creation of new entity fully owned by Sopra Group, offering financial solutions to more than a thousand European institutions. Sopra Group has thus risen to the top tier of banking software vendors*. C&W's founders and management have been closely involved throughout to ensure the project's success.

5.2. Research and development

The Group continued to pursue R&D initiatives over the course of 2012 and set aside €42.2 million, compared with €28.8 million in 2011, to develop, improve and expand its industry-specific solutions. All of these totals are gross amounts and do not take into account funding related to the French R&D tax credit.

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

5.3. Facilities

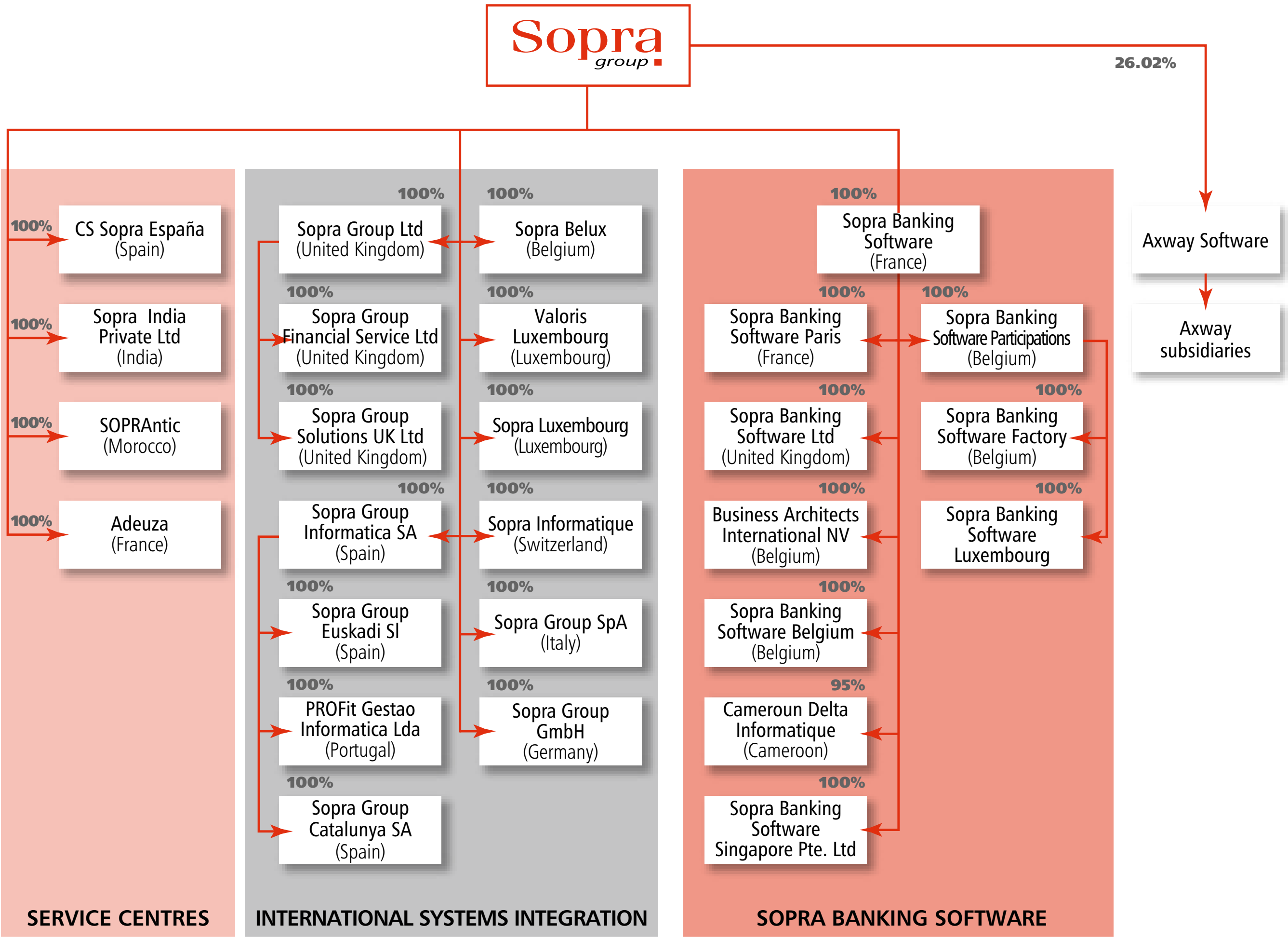
A total of €10.87 million was invested in infrastructure and technical facilities, as against €14.79 million in 2011.

Investment in facilities comprised the following:

- fixtures and office furniture: €5.35 million;
- IT equipment: €5.47 million;
- land and buildings: €0.05 million.

(*) The Sopra Group subsidiary Sopra Banking Software has been assessed alongside market leaders by Gartner ("ability to execute" and "completeness of vision") and Forrester Wave ("strong current offering and a strong strategy").

6. Simplified group structure at 31 December 2012



7. Group organisation

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

This organisational structure is supported by an ongoing operational and functional structure as well as a temporary mission structure for the management of particular businesses and projects.

7.1. Ongoing structure

Sopra Group's ongoing structure is composed of three operational tiers and their associated functional structures.

7.1.1. TIER 1: EXECUTIVE MANAGEMENT

The functions of Chairman and Chief Executive Officer were separated on 20 August 2012. As such, the Chairman:

- manages the Group's strategy, including mergers and acquisitions;
- takes the lead on corporate and financial communication campaigns;
- assists senior management by contributing to certain operational assignments.

The Chief Executive Officer:

- works with the Chairman to define the Group's strategy;
- supervises the implementation of all decisions made;
- has operational responsibility for all Group entities.

Operational oversight is provided by the Executive Committee, chaired by the Chief Executive Officer.

The Executive Committee consists of the Chief Executive Officer and the directors of the Group's major operating entities. The members of the Executive Committee help define the Group's strategy and supervise its organisational development, management systems and major client accounts. Group functions report directly to the Chief Executive Officer.

7.1.2. TIER 2: DIVISIONS AND COUNTRIES

Sopra Group's divisions are market oriented and are organised according to one of the following three criteria:

- business line (Consulting, Systems and Solution Integration, Software Development);
- geographic area;
- economic sector.

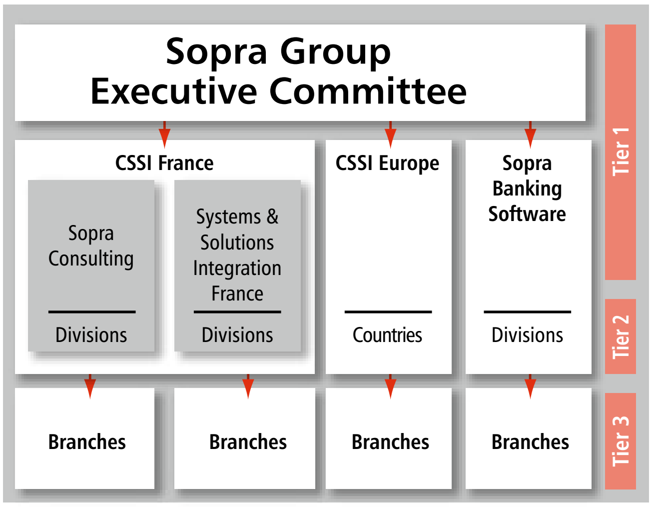
Tier 2 is the core level of the Group's organisational structure. It consists of autonomous branches, each with their own management, sales force and production teams.

7.1.3. TIER 3: BRANCHES

Tier 3 is composed of branches, which constitute subdivisions of Tier 2 entities whose workforce exceeds a certain number of employees, that are fragmented at the geographic level or whose activities require separate management structures.

These branches are the organisation's primary building blocks. They operate as profit centres and enjoy genuine autonomy. They have responsibility for their own budgets, operating statements and results. They invoice their clients and manage debt collection. Steering meetings focusing on sales and marketing strategy and human resources are held weekly, and the income statement and budget are reviewed on a monthly basis.

The diagram below illustrates the three tiers of the ongoing structure:



CSSI: Consulting, Systems and Solutions Integration.

SSI: Systems and Solutions Integration.

7.1.4. OPERATIONAL SUPPORT FUNCTIONS

The operational organisation was reinforced in 2012 with the creation of two central units providing assistance to the agencies and overseeing major transformation projects:

- the Transformation and Performance department, which is responsible for offerings, methods, tools and quality and supervises production in the Group's service centres for all major project commitments. The department is also responsible for IT resources and internal IT;
- the Major Commercial Programmes department, responsible for promoting the Group's "key account" strategy and developing relationships with partners.

7.1.5. FUNCTIONAL STRUCTURES

The functional divisions (Internal Audit, Administration and Finance, Logistics, Human Resources, Corporate Communications, Financial Communications, Sustainable Development and Legal Affairs) are centralised for the entire Group and contribute to overall Group cohesiveness. Functional managers transmit and ensure commitment to the Group's core values, serve the operational entities and report directly to Executive Management. The functional capacity of international subsidiaries is strictly limited to the local business environment.

The Group's functional structures standardise management rules (information system resources, IT systems, financial reporting, etc.) and monitor the application of strategies and rules.

In this manner, they contribute to overall supervision and enable the operational entities to focus on business.

Their direct accountability to Executive Management ensures that the entire Group functions smoothly.

7.2. Temporary mission structures for specific projects

Sopra Group's organisation must retain flexibility in order to adapt to changes in its markets and ensure the successful completion of projects.

Projects are handled by temporary mission teams and are supervised:

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

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

Depending on their particularities (size, area of expertise, geographic area covered) large-scale projects can be managed at the branch, division or Executive Management level. Certain larger projects requiring the resources of several branches may involve the creation of a Tier 2 or Tier 3 profit centre.

2 Corporate governance

Report of the Chairman of the Board of Directors on corporate governance and internal control procedures and risk management

Prepared in application of Article L. 225-37 of the French Commercial Code, the purpose of this report is to inform shareholders as to:

- the composition of the Board of Directors and the implementation of the principle of balanced representation of women and men on it and, pursuant to the guidelines set forth in the Afep-Medef Code, the remuneration of company officers;
- the manner in which the work of the Board of Directors was prepared and organised;
- the internal control and risk management procedures implemented by the Company.

In respect of the special dispositions relating to the participation of shareholders in General Meetings, the main provisions of the Articles of Association referring to General Meetings and to the rights and obligations of shareholders are covered in Chapter 9 of this Registration Document. The same applies to the provisions of the Articles of Association and the article of the Board of Directors' internal rules and regulations addressing the Chief Executive Officer's powers and limitations thereupon.

This report was approved by the Board of Directors in its meeting of 18 April 2013.

1. Composition of the Board of Directors and compensation paid to company officers

1.1. Composition of the Board of Directors

Sopra Group's Board of Directors was reappointed at the General Meeting of 19 June 2012.

It currently has 11 voting members, including 6 who were first appointed on 19 June 2012, and one non-voting member.

Independently of non-voting director Bernard Michel, the members of the Board of Directors considered independent under the definition given in the Afep-Medef Code of Corporate Governance for Listed Companies are:

- Christian Bret;
- Gérard Jean;
- Jean-Luc Placet;
- Hervé Saint-Sauveur.

Of the 11 Board members entitled to a deliberative vote, three are women, which complies with the principle of balanced gender representation.

First name and surname (age) Professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments held
Pierre Pasquier (age 77) **Sopra Group PAE Les Glaisins – BP 238 74942 Annecy-le-Vieux Cedex – France**	108,113 Cf. Chap. 7 section 2	Chairman of the Board of Directors Chairman of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Chairman of Sopra Group** ■ Chairman of Axway Software ■ Chairman and CEO of Sopra GMT ■ Director or company officer of Sopra Group's and Axway Software's foreign subsidiaries (direct and indirect)
Christian Bret (age 72)	10	Member of the Board of Directors Member of the Compensation Committee Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Managing Partner of Eulis** ■ Director of Econocom ■ Director of Altran

First name and surname (age) Professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments held
Kathleen Clark-Bracco (age 45) **Sopra Group 9 bis, rue de Presbourg 75116 Paris France**	5,575	Member of the Board of Directors Member of the Compensation Committee Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Director of Financial Communications, Sopra Group** ■ Director of Axway Software
Gérard Jean (age 65) **Altime Associates 192, av. Charles-de-Gaulle 92200 Neuilly-sur-Seine France**	1	Member of the Board of Directors Chairman of the Compensation Committee Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Chairman of the Management Board, Altime Associates SA** ■ Chairman of the Supervisory Board, Altime Associates Finances et Secteur Public SA ■ Chairman of the Supervisory Board, Altime Associates Industrie et Services SA
Hélène Martel-Massignac (age 50) **Caravelle 6, place des États-Unis 75116 Paris France**	110	Member of the Board of Directors Member of the Audit Committee Member of the Compensation Committee	19/06/2012	2017	■ **Chief Executive Officer and Director of Caravelle** ■ Company officer of Caravelle's subsidiaries and affiliates: • Chairman of the Supervisory Board, Cooper • Chairman of PX Holding • Member of the Supervisory Board, Benalu • Member of the Supervisory Board, Lamberet • Chairman of Hôtel Atmosphères • Member of the Supervisory Board, Arcole Industries • Director of Naturex
Françoise Mercadal-Delasalles (age 50) **Société Générale Tour Société Générale 19, cours Valmy – BP 6 Arche Sud – Quartier Valmy 92972 Paris-La Défense France**	1	Member of the Board of Directors	19/06/2012	2017	■ **Group Head of Corporate Resources and Innovation, Société Générale** ■ Director of Axway Software

First name and surname (age) Professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments held
Bernard Michel (age 64) **Gecina** **14-16, rue des Capucines** **75002 Paris** **France**	101	Advisor	22/06/2010	2015	■ **Chairman and CEO of Gecina SA** ■ Chairman of Fondation d'entreprise Gecina SA ■ Member of the Supervisory Board, Unofi SAS ■ Chairman of the Supervisory Board, Finogest SA ■ Chairman of BM conseil SAS ■ Company officer of subsidiaries of Gecina SA ■ **Other directorships and offices held during the last 5 years:** • CEO of Predica • Chairman of GIE informatique Silca, OPCI Pasteur and Aeprim SAS • Chairman of the Board of Directors, Crédit Agricole Immobilier and Unimo • Chairman of the Supervisory Board, France Capital SAD • Chairman of CA Grands Crus SAS • Vice-Chairman of Pacifica • Vice-Chairman of the Supervisory Board, CP Or Devise • Vice-Chairman of Emporiki Life Insurance • Director of Amundi Immobilier SA, Cholet Dupond SA, Crédit Agricole Reinsurance SA (Luxembourg), Crédit Agricole Risk Insurance SA (Luxembourg), Crédit Agricole Leasing SA, Litho Promotion, OPCI Pasteur Patrimoine, Attica GIE and Sopra Group • Permanent representative of Crédit Agricole SA, member of the Supervisory Board, Systèmes technologiques d'échange et de traitement (STET) • Member of the Supervisory Board, Systèmes Technologiques d'Échange et de Traitement (STET) • Member of the Supervisory Board, Fonds de garantie des dépôts • CEO of Crédit Agricole Assurances; member of the Executive Committee, Crédit Agricole SA; member of Medef • Director of Predica, Pacifica and CAAGIS SAS • Chairman of the Supervisory Board, (STET); permanent representative of Crédit Agricole Assurances; Director of Crédit Agricole Creditor Insurance • Permanent representative of Predica on the Supervisory Board of CAPE SA; Director of La Médicale de France SA • Advisor of Siparex • Member of the Board of Trustees, Fédération Française des Sociétés d'Assurances (FFSA) • Vice-Chairman of Fédération française des sociétés d'assurance mutuelle (FFSAM) and Groupement français de bancassureurs • Chairman of the Provisional Management Commission, Caisse régionale de la Corse • Director of holding company La Sécurité nouvelle SA

First name and surname (age) Professional address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments held
Jean Mounet (age 68) **Sopra Group** **9 bis, rue de Presbourg** **75116 Paris** **France**	7,350	Member of the Board of Directors	19/06/2012	2017	■ **Chairman of Trigone SAS** ■ Director of Econocom ■ Director of AS2M (Malakoff Médéric) ■ President of Observatoire du Numérique ■ Director of Fondation Télécom ■ Director of Pacte PME
François Odin (age 79) **Régence SAS** **Les Avenières** **74350 Cruseilles** **France**	52,742 See Chap. 7 section 2	Member of the Board of Directors Member of the Audit Committee	19/06/2012	2017	■ **Managing Director of Sopra GMT** ■ Chairman of Régence SAS ■ Director or company officer of Sopra Group's foreign subsidiaries (direct and indirect)
Jean-Luc Placet (age 61) **IDRH Consultants** **124-126, rue de Provence** **75008 Paris** **France**	100	Member of the Board of Directors Member of the Compensation Committee Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Chairman and CEO of IDRH Consultants** ■ Member of Conseil Economique et Social and Vice-Chairman of its Labour section ■ Member of Medef's Executive Committee and Chairman of its Human Rights commission ■ Chairman of Fédération Syntec
Hervé Saint-Sauveur (age 68) **LCH Clearnet SA** **18, rue du 4-Septembre** **75002 Paris** **France**	100	Member of the Board of Directors Chairman of the Audit Committee	19/06/2012	2017	■ **Chairman of LCH Clearnet SA** ■ Director of Axway Software ■ Director of Viparis Holding ■ Director of Comexposium ■ Elected member of the Paris Chamber of Commerce and Industry ■ Member of the Strategy Committee, KPMG France
Jean-François Sammarcelli (age 62) **Société Générale** **Tour Société Générale** **19, cours Valmy – BP 6** **Arche Sud –** **Quartier Valmy** **92972 Paris-La Défense** **France**	100	Member of the Board of Directors	19/06/2012	2017	■ **Deputy Chief Executive Officer and Head of Retail Banking – France, Société Générale** ■ Chairman of the Board of Directors, Crédit du Nord ■ Permanent representative of Crédit du Nord on the Supervisory Board of Banque de Rhône-Alpes ■ Permanent representative of Crédit du Nord on the Supervisory Board of Société Marseillaise de Crédit ■ Director of Banque Tarneaud ■ Director of Sogecap ■ Member of the Supervisory Board, Société Générale Marocaine de Banques ■ Member of the Supervisory Board, Fonds de garantie des dépôts ■ Director of Sogeprom ■ Director of Boursorama ■ Advisor of Ortec Expansion ■ Director of Amundi Group ■ **Other directorships and offices held during the last 5 years:** • Permanent representative of SG FSH on the Board of Directors of Franfinance

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

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

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

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

1.2. Compensation paid to company officers

Sopra Group's Board of Directors, convened following the General Meeting held on 19 June 2012, voted unanimously to separate the titles of Chairman and Chief Executive Officer with effect from 20 August 2012, and to confer these titles on Pierre Pasquier and Pascal Leroy, respectively.

Consequently, the company officers occupying a position within the Group who received fixed and variable compensation in respect of financial year 2012 are as follows:

- Pierre Pasquier, Chairman of the Board of Directors;
- Pascal Leroy, Chief Executive Officer.

Like all Executive Committee members, company officers holding a position within the Group received variable compensation in 2012 based on 2011 results and receive such compensation in 2013 based on 2012 results. This variable component may represent up to:

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

	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to become due on the termination of service or change of functions		Indemnities relating to a non-competition clause	
Senior Executive Officer	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Pierre Pasquier Chairman Date of appointment: 2012 End of term: 2018		X		X		X		X
Pascal Leroy Chief Executive Officer Date of appointment: 2012 End of term: 2018	X*			X	X**			X

* *By way of exception to Afep-Medef guidelines, given his seniority in the Group, Pascal Leroy's employment contract was not terminated when he was named Chief Executive Officer. The contract remains in suspension as of his appointment to the position of Managing Director on 29 October 2010.*

** *On 17 October 2012 the Board of Directors voted, on recommendation from the Compensation Committee, to grant Pascal Leroy a guarantee. This guarantee would be triggered only if his company officer status and his employment contract were to be terminated simultaneously, on the Company's initiative, except in the event of gross negligence, wilful misconduct or compulsory retirement. The target amount of this guarantee will be equal to the average variable compensation, assuming fulfilment of targets, over the two financial years immediately preceding the termination of company officer status. The amount effectively paid will be determined by multiplying the target amount by the average level of performance over the preceding two financial years. The average level of performance is defined as the ratio of the average variable compensation effectively paid over the preceding two financial years to the average variable compensation assuming fulfilment of targets. Thus, the payment of the guarantee is conditional upon the fulfilment, and prior recognition thereof by the Board of Directors, of the performance criteria agreed to trigger variable compensation during the benchmark period. Moreover, the amount of the guarantee will be strictly proportional to the performance assessment accepted by the Board of Directors.*
Pursuant to the provisions of the French Commercial Code, this guarantee is subject to approval by a General Meeting.

1.2.1. SUMMARISED STATEMENT OF COMPENSATION PAYABLE AND OPTIONS AND SHARES ALLOCATED TO PIERRE PASQUIER (TABLE 1 UNDER AFEP-MEDEF CODE GUIDELINES)

	2012	2011
Compensation payable in respect of the financial year	€481,449	€560,426
Valuation of options allocated during the financial year	-	-
Valuation of performance-based shares allocated during the financial year	-	-
TOTAL	**€481,449**	**€560,426**

1.2.2. SUMMARY TABLE OF COMPENSATION PAYABLE TO PIERRE PASQUIER (TABLE 2 UNDER AFEP-MEDEF CODE GUIDELINES)

	2012		2011	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€350,000	€350,000	€350,000	€350,000
Variable compensation	€105,000	€192,500	€192,500	€140,000
Exceptional compensation	-	-	-	-
Directors' fees	€19,950	€11,427	€11,427	€10,949
Benefits in kind	€6,499	€6,499	€6,499	€6,499
TOTAL	**€481,449**	**€560,426**	**€560,426**	**€507,448**

As Chairman and CEO of Sopra GMT, the holding company that manages Sopra Group, Pierre Pasquier received fixed compensation in respect of the 2012 financial year from this company in the amount of €60,000.

1.2.3. SUMMARISED STATEMENT OF COMPENSATION PAYABLE AND OPTIONS AND SHARES ALLOCATED TO PASCAL LEROY (TABLE 1 UNDER AFEP-MEDEF CODE GUIDELINES)

	2012	2011
Compensation payable in respect of the financial year	€463,247	€420,835
Valuation of options allocated during the financial year*	-	€767,760
Valuation of performance-based shares allocated during the financial year	-	-
TOTAL	€463,247	**€1,188,595**

* *Fair value of options at the grant date. See Chap. 5, note 25 ("Shareholders' equity") to the consolidated financial statements.*

Pascal Leroy was named Managing Director on 29 October 2010 and subsequently Chief Executive Officer, effective from 20 August 2012.

By way of exception to the guidelines set forth in the Afep-Medef code, the exercise of the 42,000 share subscription options (changed to 44,731 following adjustments for the Axway spin-off) allotted to Pascal Leroy on 29 March 2011 and exercisable as of 30 March 2016 is not conditional on performance. These options were issued with the aim of aligning Pascal Leroy's interests and those of the shareholders. As a condition for this grant, Pascal Leroy agreed, for as long as he remains a Sopra Group company officer, not to sell or transfer more than 5% of the shares resulting from the exercise of these options in any given year. The achievement of performance targets is taken into account when determining Group senior executives' variable compensation.

1.2.4. SUMMARY TABLE OF COMPENSATION PAYABLE TO PASCAL LEROY (TABLE 2 UNDER AFEP-MEDEF CODE GUIDELINES)

	2012		2011	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€341,806	€341,806	€300,000	€300,000
Variable compensation	€102,542	€105,000	€105,000	€7,813
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	€18,899	€18,899	€15,835	€15,835
TOTAL	**€463,247**	**€465,705**	**€420,835**	**€323,648**

Pascal Leroy was named Managing Director of Sopra Group on 29 October 2010 and has served as its Chief Executive Officer since 20 August 2012, the date on which his annual fixed compensation was set at €400,000.

1.2.5. COMPENSATION PAYABLE TO THE MEMBERS OF THE BOARD OF DIRECTORS (TABLE 3 UNDER AFEP-MEDEF CODE GUIDELINES)

DIRECTORS' FEES PAYABLE IN RESPECT OF FINANCIAL YEARS 2012 AND 2011

	2012	2011
Christian Bret (appointed on 19 June 2012)	€12,749	-
Alain Brodelle (term expired on 19 June 2012)	€7,602	€12,041
Kathleen Clark-Bracco (appointed on 19 June 2012)	€9,661	-
Philippe Citerne (term expired on 19 June 2012)	€12,749	€12,654
Delphine Inesta (co-opted to the Board on 13 May 2011; term expired on 19 June 2012)	€10,373	€8,975
Gérard Jean	€22,586	€10,815
Hélène Martel-Massignac (appointed on 19 June 2012)	€17,295	-
Pierre-André Martel (resigned effective 13 May 2011)	-	€8,975
Françoise Mercadal-Delasalles (appointed on 19 June 2012)	€5,975	-
Bernard Michel (Advisor) (appointed on 19 June 2012)	€23,554	€16,486
Jean Mounet (appointed on 19 June 2012)	€8,961	-
François Odin	€27,909	€18,325
Pierre Pasquier	€19,950	€11,427
Jean-Luc Placet (appointed on 19 June 2012)	€12,081	-
Hervé Saint-Sauveur	€38,543	€20,050
Jean-François Sammarcelli	€8,530	€10,202
Gérard Vincent (term expired 19 June 2012)	€11,482	€20,050
TOTAL	**€250,000**	**€150,000**

The total amount of directors' fees to be allocated with respect to the 2012 financial year was €250,000 (eighteenth resolution approved by the General Meeting of 19 June 2012):

Directors fees for 2012 were allocated to participants in meetings of the Board of Directors and its committees (voting and non-voting members), solely on the basis of their participation in those meetings, whether by physical presence or telephone. The participation of chairmen in their respective committees was counted double.

Other compensation paid in 2012

It should be noted that:

- as indicated in section 1.2.1, Pierre Pasquier, Chairman and CEO of Sopra GMT, the holding company that manages Sopra Group, was paid fixed compensation by that company in the amount of €60,000 in respect of his duties over the course of financial year 2012;
- Kathleen Clark-Bracco's total compensation in respect of financial year 2012 was €182,000 (including €130,000 in fixed compensation and €52,000 in variable compensation) on the basis of her status as an employee of Sopra GMT, the holding company that manages Sopra Group;
- Trigone, a company controlled by Jean Mounet, invoiced commercial consulting services totalling €427,500 in 2012 under the terms of a contract signed in 2009.

1.2.6. SHARE SUBSCRIPTION AND PURCHASE OPTIONS ALLOCATED DURING THE YEAR TO EXECUTIVE COMPANY OFFICERS (TABLE 4 UNDER AFEP-MEDEF CODE GUIDELINES)

Name of executive company officer	Number and date of plan	Type of options	Valuation of options via method used in consolidated financial statements	Number of options allocated during the year	Exercise price	Exercise period
-	-	-	-	-	-	-

1.2.7. SHARE SUBSCRIPTION AND PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EXECUTIVE COMPANY OFFICERS (TABLE 5 UNDER AFEP-MEDEF CODE GUIDELINES)

Name of executive company officer	Number and date of plan	Number of options exercised during the year	Exercise price
-	-	-	-

1.2.8. PERFORMANCE-BASED SHARES ALLOCATED TO EXECUTIVE COMPANY OFFICERS (TABLE 6 UNDER AFEP-MEDEF CODE GUIDELINES)

Name of executive company officer	Number and date of plan	Number of shares allocated during the year	Valuation of options via method used in consolidated financial statements	Acquisition date	Vesting date
-	-	-	-	-	-

1.2.9. PERFORMANCE-BASED SHARES ALLOCATED TO EXECUTIVE COMPANY OFFICERS THAT WERE FULLY VESTED DURING THE YEAR (TABLE 7 UNDER AFEP-MEDEF CODE GUIDELINES)

Name of executive company officer	Number and date of plan	Number of options made available during the financial year	Exercise price
-	-	-	-

2. Manner in which the work of the Board of Directors is prepared and organised

The Company bases these items on the Code of Corporate Governance for Listed Companies published in December 2008 by the Afep and the Medef, revised in April 2010. The Code is accessible on the Medef website.

2.1. Regulatory framework governing the Board of Directors, its organisation and its working procedure

The organisation and working procedure of the Board of Directors are governed by law, the Company's Articles of Association, internal rules and regulations, and a charter.

2.1.1. LEGAL PROVISIONS

The working procedure of the Board of Directors is governed by Articles L. 225-17 et seq. of the French Commercial Code. The principal mission of the Board of Directors is to determine the strategic directions to be followed by the Company and to oversee their implementation.

2.1.2. PROVISIONS INCLUDED IN THE ARTICLES OF ASSOCIATION

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

Directors' terms of office remain capped at six years by the Articles of Association for historical reasons. As six new directors joined the Board in 2012, any shortening of this term limit would be untimely.

2.1.3. INTERNAL RULES AND REGULATIONS OF THE BOARD OF DIRECTORS

The internal rules and regulations adopted by the Board of Directors on 19 June 2012 and amended on 18 February 2013 specify the roles of the Board of Directors, the Chairman and the CEO, as well as the conditions for the exercise of their prerogatives.

The internal rules and regulations specify, in terms of number, purposes, composition, and roles, the committees responsible for preparing certain material for the Board of Directors. They also contain specific provisions for the three permanent committees, namely:

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

These rules and regulations also cover the following topics: summary of legal and statutory powers, meetings, information received by the Board of Directors, training of members, committees, conflicts of interest, directors' fees, confidentiality and works council representatives.

2.1.4. BOARD OF DIRECTORS' CHARTER

The Board of Directors' Charter, revised on 18 February 2013, addresses proxies, missions and conditions of service, rights and obligations, individually owned shares, ethical rules pertaining to stock market transactions, transparency, conflicts of interest, meeting attendance and confidentiality.

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

2.2. Meetings of the Board of Directors

2.2.1. NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR AND ATTENDANCE OF MEMBERS OF THE BOARD OF DIRECTORS

In accordance with its internal regulations, the Board of Directors is required to meet at least five times each year.

An annual schedule is drawn up detailing the work of the Board. This schedule may be changed where justified by special events or transactions.

The Board of Directors met six times in 2012. The attendance rate across the year was 88%.

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

2.2.2. ISSUES DISCUSSED

The main issues discussed in 2012 were:

- external growth transactions;
- increase in the share capital by way of the exercise of options to subscribe to shares occurring in 2011;
- approval of the financial statements for the year ended 31 December 2011;
- 2012 budget and major strategies;
- quarterly performance;
- approval of management forecasts and corresponding reports;
- approval of the interim financial statements for the first half of 2012;
- authorisation of regulated agreements;
- preparation of the Combined General Meeting held on 19 June 2012;
- approval of the Chairman's report on corporate governance and on internal control and risk management procedures;
- approval of the recommendations of the Compensation Committee, in particular those relating to the company officers;
- the organisation and procedures of the Board of Directors and its internal rules and regulations;
- composition of the Board of Directors and Board Committees;
- Executive Management operating procedures;
- bonus share allotments to Group employees;
- company policy as regards professional and pay equality.

2.3. Access to information by members of the Board of Directors

2.3.1. DISSEMINATION OF INFORMATION – PREPARATORY MATERIALS

Article 4 of the internal regulations states that:

- *"each member of the Board shall receive all information required in the performance of his or her mission and is authorised to request any documents deemed pertinent;*
- *in advance of each meeting of the Board, a set of preparatory materials shall be addressed to members presenting the items on the agenda requiring special analysis and preliminary reflection, provided that confidentiality guidelines allow the communication of this information;*
- *the members of the Board shall also receive, in the intervals between meetings, all pertinent and critical information concerning significant events or operations. This information shall include copies of all press releases disseminated by the Company."*

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

2.3.2. TRAINING

Article 5 of the internal regulations states that *"any member of the Board may, on the occasion of his or her appointment or at any point during his or her term in office, engage in training sessions he or she feels are required by the performance of his or her duties"*.

2.4. Committees of the Board of Directors

2.4.1. AUDIT COMMITTEE

The Audit Committee is governed by the Board's internal rules and regulations and by its own charter approved by the Board of Directors. Its current members are:

- Hervé Saint-Sauveur, Chairman (independent director);
- Hélène Martel-Massignac;
- Bernard Michel (Advisor);
- François Odin.

By way of exception to the Afep-Medef Code, independent directors make up less than two thirds of the Audit Committee. This is a reflection of the contribution made to the Committee's work by a member of the Board of Directors representing an important shareholder who exerts no controlling influence on the Company, and whose presence also provides the Company with additional technical expertise. It should furthermore be noted that the Audit Committee is chaired by an independent director and that one of the Committee's members is the nonvoting director, who meets all the criteria for independent status as defined in the Afep-Medef Code. Conversely, only one in four of the Committee's members is a representative of the shareholders that exert a controlling influence on the Company.

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

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

- examining the financial statements, especially in order to:
  - review the Company's exposure to risks as well as its off-balance sheet commitments,
  - verify that the procedures for gathering and checking information guarantee its reliability,
  - ensure that accounting policies have been applied consistently and are pertinent;
- promoting the effectiveness of internal control and risk management procedures;
- monitoring the statutory audit of the Group's financial statements by the Statutory Auditors;
- ensuring compliance with the requirement for the independence of Statutory Auditors.

The Audit Committee met five times in 2012. All of these meetings were attended by the Statutory Auditors. The main items of business at these meetings were as follows:

- validation of cash generating units;
- the 2011 impairment tests;
- approval of the financial statements for the year ended 31 December 2011;
- examination of the financial statements for the first half of 2012;
- group financing;
- the organisation and 2012 work programme for the Group's internal audit function;
- risk mapping and the overall scope of audit procedures;
- the Chairman's draft report on corporate governance and on internal control and risk management procedures;
- reappointment of the Statutory Auditors;
- updating the internal audit charter;
- the Committee's procedural compliance with existing best practices;
- self-assessment of the work performed by the Committee.

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

2.4.2. COMPENSATION COMMITTEE

The Compensation Committee is governed by the Board's internal rules and regulations.

Its current members are:

- Gérard Jean, Chairman (independent director);
- Christian Bret (independent director);
- Kathleen Clark-Bracco;
- Hélène Martel-Massignac;
- Jean-Luc Placet (independent director).

This Committee has three main missions:

- determining the fixed and variable components of compensation as well as the benefits in kind to be paid to company officers and to the Company's senior executives;
- verifying the application of rules determined for the calculation of their variable compensation component;
- verifying the quality of the information communicated to shareholders concerning compensation, benefits in kind, options, and fees received by company officers and senior executives.
- to establish the policy for issuing share subscription/purchase options and bonus shares;
- to prepare decisions related to employee savings plans.

The Committee met four times in 2012. Items addressed included:

- its own missions and responsibilities;
- fixed compensation, benefits granted to company officers and their variable compensation: criteria for granting and performance-based recommendations;
- the potential granting of a guarantee to the Chief Executive Officer;
- fixed and variable compensation of senior executives;
- the allocation of directors' fees for 2011.

2.4.3. THE NOMINATION, ETHICS AND GOVERNANCE COMMITTEE

The Nomination, Ethics and Governance Committee was created on 27 April 2004 and was formerly known as the Nomination Committee. It operates based on the internal rules and regulations of the Board of Directors. Its duties were expanded on 19 June 2012. The current members are:

- Pierre Pasquier, Chairman;
- Christian Bret (independent director);
- Kathleen Clark-Bracco;
- Gérard Jean (independent director);
- Jean-Luc Placet (independent director).

Its main missions are as follows:

- propose appointments of members of the Board of Directors and company officers, particularly in the event of an unforeseen vacancy;
- evaluate the Board of Directors, and the Group's corporate governance;
- to ensure that the Group's values are observed, defended and promoted by its officers, executives and employees;
- to verify that governance rules are applied within the company and its subsidiaries;
- to assess whether Board members are independent directors in view of debates by the Board of Directors on this subject;
- to propose and manage changes it deems beneficial or necessary to the operation or composition of the Board of Directors.

The Committee met twice in 2012 and worked on the following:

- the Committee's responsibilities and work schedule;
- separation of the functions of Chairman and Chief Executive Officer;
- plans in the event of unforeseen vacancies in both the Chairman and Chief Executive Officer positions;
- the company's approach to sustainable development and corporate social responsibility;
- gender equality at Sopra Group.

2.5. Divergences from the recommendations of the Afep-Medef code

At its meeting of 31 January 2013, the Nomination, Ethics and Governance Committee identified the following divergences from the recommendations of the Afep-Medef code:

- under the Articles of Association, directors' terms of office are still set at six years for historical reasons. With six new members joining the Board of Directors in 2012, it was not deemed appropriate to shorten their terms of office;
- independent directors account for less than two thirds of the members of the Audit Committee. This situation reflects the contribution to the Committee's work made by a member of the Board of Directors representing a major shareholder not involved in controlling the company. In addition, this directors' involvement in the Committee boosts the Committee's technical expertise. It should also be noted that the Audit Committee is chaired by an independent director and the Committee includes an advisor, who meets all the independence criteria laid down in the Afep-Medef code. Conversely, only one of the four Committee members represents shareholders involved in controlling the company;
- neither the Compensation Committee nor the Nomination, Ethics and Governance Committee has its own rules of procedure. However, the composition and roles of these committees are defined in the rules of procedure of the Board of Directors, and each of them dedicated an agenda item at its first meeting to these issues;

- given Pascal Leroy's length of service within the Group, his employment contract, which has been suspended since he was appointed Managing Director in 2010, has not been terminated;
- the exercise of share subscription options allotted to Pascal Leroy on 29 March 2011 and exercisable with effect from 30 March 2016 is not subject to performance conditions. These options were allotted in order to ensure that Mr Leroy's interests were aligned with those of the shareholders. Mr Leroy has thus undertaken not to sell more than 5% of any shares arising from the exercise of these options in any given year as long as he remains an officer of the company. The performance requirement is only taken into account in respect of the variable component of compensation paid to the Group's executives.

3. Internal control and risk management procedures

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

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

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

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

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

Rules and procedures must be applied in a relevant manner. All Group employees, regardless of their function, are expected to demonstrate good judgement in all circumstances and, in each and every specific instance, to take decisions that best serve the Group and its clients.

This report sets out Sopra Group's internal control system in relation to the reference framework established under the aegis of the AMF in 2007, supplemented in 2010. It provides a specific update on the production of accounting and financial information and identifies the principal operational risks facing the Group.

3.1. Overview of Sopra Group's internal control system

3.1.1. DEFINITION, OBJECTIVES AND COMPONENTS OF INTERNAL CONTROL ACCORDING TO THE AMF

According to the definition of the AMF's reference framework, internal control is *"a system set up by the company, defined and implemented under its responsibility, which aims to ensure:*

- *compliance with laws and regulations;*
- *the application of instructions and guidelines determined by Executive Management;*
- *the proper functioning of the company's internal processes, particularly those intended to safeguard its assets;*
- *the reliability of financial disclosures; and*
- *in a general sense, to contribute to the control of its business activities, to the efficiency of its operations and the effective use of its resources"* although without being able *"to provide an absolute guarantee that the Company's objectives will be attained"*.

According to the AMF, an internal control system must consist of five components:

- an organisation;
- processes for the dissemination of information within the Company;
- a system for identifying, analysing and managing risks;
- control activities;
- processes for the continuous monitoring of the internal control system.

3.1.2. ORGANISATION

This section covers the Group's legal structure and internal organisation and defines the powers and responsibilities, human resources, information system, procedures and best practices and, finally, tools that form the components of the organisational structure as laid down in the AMF's reference framework.

a. Legal structure

The number of legal entities is deliberately kept to a minimum. In principle, the Group has only one company per country and per business area. Temporary situations may, however, exist following acquisitions.

A legal structure chart is set out in Chapter 1, "Sopra Group: our business".

The Group controls all companies within its scope of consolidation. There are no ad hoc entities outside the scope of consolidation. The consolidated Group includes 28 fully consolidated companies.

The Group also has an interest of approximately 26% in Axway Software, formerly a wholly-owned subsidiary, which was listed on NYSE Euronext on 14 June 2011. This interest is recognised using the equity method.

b. Internal organisation

The Group's internal organisation is detailed in section 7, "Group organisation" within of Chapter 1, "Sopra Group: our business". It is characterised by a three-tier operational structure with centralised functions.

c. Definition of powers and responsibilities

Written rules determine the operational powers of heads of branches, divisions and subsidiaries and senior management in respect of sales activities, human resources management and spending commitments. Written rules also assign responsibility for certain decisions to the Group's central functions, and in particular the legal, administration and finance, human resources and logistics departments.

d. Human resources management policy

The Sustainable Development and Social Responsibility Report included in the registration document sets out the Group's policy on human resources and the associated key indicators.

e. Information systems

Information systems are used to cover all of the Group's management needs (in particular, monitoring of operations and revenue, invoicing and receipts, monitoring of commercial transactions, budgeting and economic forecasts, production of accounting and financial information, management of human resources). Steering meetings, which make use of the data produced by information systems or result in data to be entered in these systems, are essential to their proper functioning.

The various individual information systems are under the responsibility of two functional teams supervised by the Transformation and Performance Department. The first of these is the IT Resources and Security Department, responsible for the management of IT resources (including procurement) and security. The second is the Internal Information Systems Department, which selects or develops the application used to serve the Group's internal requirements.

Constantly at work on improving the Group's information systems, these two departments accompany the Group's growth in all its aspects: organic growth, integration of acquisitions, extension of the Group's geographic presence, development of its various business segments.

The objectives of these departments are to adapt the information system in the best possible fashion to the Group's operating requirements, to ensure the physical and logistical security of data to which permanent access must be guaranteed, and finally to maintain the cost of the information system at the lowest possible level while remaining compatible with its service constraints.

The position of Information Systems Security Manager (ISSM), not under the aegis of either of these two departments, provides an external perspective on the choices they make and ensures the development, adaptation and application of the Group's Information Systems Security Policy (ISSP) in collaboration with all operational and functional departments concerned.

f. Procedures

The Group observes rules and procedures encompassing the areas of organisation and steering, internal and accounting management, information systems, human resources, production and quality assurance, sales and marketing, procurement and transport.

Functional managers are responsible for the establishment, maintenance and dissemination, by means of a training programme, of these rules and procedures, and for monitoring compliance, acting under the aegis of Sopra Group's Executive Management.

These procedures are accessible on a permanent basis *via* an intranet portal. They are supplemented by the best practices shared with staff by senior managers and reiterated in the Group's various training and communications materials.

A monthly newsletter sent to all operational and functional managers (about 1,000 recipients) announces or accompanies major changes in procedures or tools. An international version of this newsletter is published each quarter in English, Spanish and Italian.

g. Tools

Due to the centralised nature of the Group's functions, IT equipment and applications are standardised.

The management applications and office automation software designed to standardise the documents produced by the Group are deployed across all Group entities.

3.1.3. INTERNAL DISSEMINATION OF INFORMATION

a. General description of the Information, Guidance and Control System

The Information, Guidance and Control System is designed not only to organise the dissemination of information, ascending to Executive Management and descending to the operational units, but also to direct, control, assist and provide training. This system is structured around steering meetings held at each of the various levels of the Group, including its Executive Committee.

All steering meetings across the Group follow precise and uniform guidelines (schedule, participants, agenda, documentation and deliverables) and make use of an information management system developed in-house.

These meetings are held at regular intervals, corresponding to the various time periods being examined:

- weekly, for the monthly perspective, with emphasis given to the monitoring of sales, production, and human resources;
- monthly, for the annual perspective, supplementing the examinations carried out on a weekly basis with particular attention to economic indicators, including the entity's performance for the previous month, a review of annual forecasts and budget monitoring;
- annually, for the multi-year perspective, focusing on the entity's strategic plan and budget.

b. Deployment of the Information, Guidance and Control System to all Group entities

This system is deployed for all of the Group's entities, both operational and functional. It is generally rapidly implemented in any company acquired. The total coverage of the Group ensured by this system makes it a highly effective vehicle for cohesiveness, the sharing of values and practices throughout the Group, and for control.

3.1.4. SYSTEM FOR THE IDENTIFICATION, ANALYSIS AND MANAGEMENT OF RISKS

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

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

Risk management is overseen by the Group's Executive Management, where all operational, departmental, and control-related information converges.

a. Procedure for the mapping of risks

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

Legal, industrial, environmental, financial, business, client dependency and supplier risk factors, together with the principal insurance policies taken out to cover these risks, are set out in the "Risk factors" section of the chapter entitled "Management report", in accordance with Article L. 225-100 of the French Commercial Code.

b. Specific action plans

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

c. Management of risks in connection with the Information, Guidance and Control System

Each entity's management is responsible for applying the company's business risk management policy, and ensures that exposure to such risk is in line with the Group's overall risk management policy.

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

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

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

Reviews organised by the Management Audit function, by the Transformation and Performance Department, but also by the Internal Audit function, round out this system.

d. Crisis management procedures

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

3.1.5. CONTROL ACTIVITIES

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

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

a. Finance Department (Management Audit)

Management Audit is performed by the Finance Department. This function is currently assured by a seventeen-member team The principal tasks of Management Audit are the consolidation and analysis of monthly results produced by the internal management system, overseeing the consistency of monthly forecasts, supervising the application of Group controls and procedures, assisting operating managers, training management system users, performing reviews of operating units (165 branch reviews conducted in 2012) and performing the reconciliation between the internal management accounts and the financial accounts.

b. Transformation and Performance Department (management of the Quality System)

Quality management requires the day-to-day involvement of operational managers and quality managers, the key actors of the Group's Quality Structure.

Monthly steering meetings facilitate an overview of quality at all levels, the monitoring of annual quality targets established during Executive Management reviews and the determination of the appropriate action plans to continuously improve the quality of Sopra Group's products and services.

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

Sopra Group's Quality Structure is independent of the project management procedure. In this regard, it offers external quality assurance for projects with a view to safeguarding production, verifying production conformity and that the terms of the quality assurance procedure described in the quality scheme for the project are complied with and operate effectively.

An annual review is performed by management to ensure that the Quality System remains pertinent, adequate and effective. This review is based in particular upon an examination of project reviews and internal structural audits performed at all levels of the Company. During this review, the pertinence of the quality policy is evaluated, the annual quality objectives are defined and possible improvements and changes in the Quality System are considered. This review is performed at the level of Executive Management and then at that of division or subsidiary management.

Projects are reviewed on a regular basis, at key phases in their life cycle. Organised by the Transformation and Performance Department, or by the Quality Structure's local representatives, these reviews provide an external perspective on the status and organisation of projects. More than 1,000 reviews of this type are conducted each year.

The effectiveness of actions undertaken as a result of monitoring sessions, audits and reviews is verified by the Transformation and Performance Department. In addition, annual plans for improvement of the Quality System are drafted during the annual review performed by Executive Management.

3.1.6. MONITORING OF THE INTERNAL CONTROL SYSTEM

a. Internal monitoring system

While supervision of the internal control system is a shared responsibility, the Group's executive bodies play a key role in this area.

Senior management

Senior management ensures that internal control and risk management systems are maintained. It initiates whatever corrective action might be necessary to resolve any problems identified and ensure that they remain within the scope of accepted risks. Senior management ensures that appropriate information is communicated to the Board of Directors and the Audit Committee in a timely manner.

It is supported, in particular, by the Internal Audit department.

Internal Audit Department

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

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

The Internal Audit department, which reports directly to the Chairman of the Board of Directors, thus plays a part in supervising the internal control system and reports on its work to both senior management and the Audit Committee.

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

Progress against recommendations is monitored and reported to senior management.

Internal Audit carried out 12 audits in 2012.

Board of Directors (Audit Committee)

The Audit Committee has a responsibility to familiarise itself with the essential characteristics of internal control and risk management systems put in place by senior management to manage risk: organisational structure, roles and functions of key players, processes, risk reporting structure and ongoing monitoring of control mechanisms.

It has an overall understanding of procedures governing the preparation and treatment of accounting and financial information.

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

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

b. External monitoring system

Furthermore, the internal control system is also monitored by the Statutory Auditors and by AFNOR inspectors with respect to the Quality System.

External audit

The ongoing role of the Statutory Auditors is to verify the quality of internal controls and existing procedures.

The Statutory Auditors work within the company throughout the year. Their involvement is not confined to interactions with the Accounts department. To improve their understanding of how the Group's operations and transactions are reflected in the financial statements, the Statutory Auditors regularly meet with operational heads, who are best positioned to explain the company's activities. These meetings with operational staff take place in the context of branch or subsidiary reviews during which the Statutory Auditors review the main current projects, progress and any difficulties encountered by the branch or subsidiary in question.

AFNOR Certification inspectors

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

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

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

3.2. Production of accounting and financial information

3.2.1. COORDINATION OF THE ACCOUNTING AND FINANCIAL FUNCTION

a. Organisation of the accounting and financial function

Limited number of accounting entities

As indicated above, the legal entities, and therefore the accounting entities, are limited in number, which helps limit risks and reduce costs.

Centralisation of the accounting and financial function

As for most functions, the financial and accounting function is predominantly centralised within the Group. The responsibilities of the Finance Department involve mainly maintaining the accounts for the different Group companies and preparing the consolidated financial statements, financial control, tax issues, financing and cash accounting, and participation in financial communication and legal matters.

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

Sopra Banking Software's Finance department is supported by Sopra Group's Finance department in respect of financial accounting, consolidation and cash management.

Supervision of the accounting and financial function by Executive Management and by the Board of Directors

The Finance Department reports to Executive Management. Like all Group entities, it has a part to play in the supervisory arrangements set out above: weekly meetings focus on day-to-day operations, while monthly meetings are held to review figures in detail (both forecasts and actuals), organise the function and monitor major projects.

Executive Management is involved in the planning and supervision process as well as in preparing the accounts close-out.

The Board of Directors is responsible for the oversight of accounting and financial information. It approves the annual accounts and reviews the interim accounts. It relies on the Audit Committee, as described above in this chapter (see 2.4.1).

b. Organisation of the accounting and financial information system

Financial accounting

All Group companies prepare complete quarterly financial statements on which the Group bases its published quarterly sales figures and interim financial statements. All these companies are fully consolidated.

Every month, monthly cash flow forecasts for the full year are prepared for all companies and consolidated at Group level.

Accounting policies and presentation

The accounting policies applied within the Group are presented in the notes to the consolidated financial statements.

At each accounting period-end, the Audit Committee works with the Finance department and the Statutory Auditors to ensure that these policies continue to be applied.

The proper use of the percentage-of-completion method to evaluate projects is monitored on a permanent basis jointly by the Transformation and Performance Department, which validates the commitment remaining on projects, and by the Finance Department (Management Audit).

3.2.2. PREPARATION OF THE PUBLISHED ACCOUNTING AND FINANCIAL INFORMATION

a. Reconciliation with the internal management system accounting data

All Group entities prepare a monthly budget, a monthly operating statement and revised monthly forecasts.

The budget process takes place over a short period in the last quarter of the year. It provides a key opportunity to apply the strategy approved by the Executive Committee, to adapt the organisation to developments in business segments, to market demand and the competition, as well as to assign quantitative and qualitative objectives to all Group entities. A budget file, including detailed monthly operating forecasts, is prepared by each unit on this occasion.

A monthly operating statement closed on the third working day of the following month is prepared by each Group entity.

The third component of the management system is a revised operating statement prepared each month. This statement includes the results of the previous month and a revised forecast for the remaining months of the current year.

The IT applications used are designed to reflect actual performance as closely as possible, and are based upon simple management rules so as to provide for optimum clarity.

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

Sales and marketing activities (prospective clients, contracts in progress, signings, etc.) and cash accounting (client invoicing, receipts) are monitored on a weekly basis in the context of the steering meetings organised by the Information, Guidance and Control System described above.

The results derived from the monthly management reporting documents are verified by financial controllers reporting to the Chief Financial Officer, who also reconcile these data with the quarterly accounting results.

b. Procedures for the preparation of the consolidated financial statements

Each company establishes quarterly financial statements and prepares a consolidation pack.

The Statutory Auditors of each of the Group's companies examine the interim and annual consolidation packs. Once approved, they are used by the Group Finance Department and the consolidated financial statements are examined by the Group's Statutory Auditors.

3.2.3. FINANCIAL STATEMENT SIGN-OFF PROCESS

The interim and annual consolidated financial statements are presented to senior management by the Finance department.

When the accounting year ends on 31 December, the financial statements of Sopra Group and its subsidiaries are audited by the Statutory Auditors in view of their certification.

As part of its responsibility for monitoring the statutory audit process, the Audit Committee keeps abreast of the work and conclusions of the Statutory Auditors as they review the interim and annual financial statements.

The Audit Committee examines the financial statements, particularly with a view to reviewing the Company's exposure to risks and off balance sheet commitments, checking that information gathering and verification procedures are in place to ensure that information is reliable, and ensuring that accounting policies are appropriate and have been applied consistently.

The Group's financial statements are then presented to the Board of Directors for sign-off.

3.2.4. INVESTOR RELATIONS

Investor relations are supervised by the Chairman of the Board of Directors.

The Group issues financial information through various channels, including in particular the following:

- press releases;
- the Registration Document and the various reports and items of information contained in it;
- interim and annual results presentations.

All financial information issued is made available online *via* the Group's website.

The Registration Document is filed with the AMF once it has been checked by the Statutory Auditors.

3.3. Assessment and control of the main risks identified

Irrespective of the strategic risk associated with the Group's competitive positioning and the risk that its business model might lose its relevance, Group senior management decided, after consulting the Executive Committee, that operational risks associated with human resources, production, sales activity and cash management should continue to be the subject of Group action plans in 2012.

3.3.1. HUMAN RESOURCES RISKS

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

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

The organisation, tools and human resources processes contributing to the control of this risk across the Group have been reinforced in recent years.

The capacity to produce a sufficient number of leaders capable of managing large projects which are complex in terms of their volume, client needs, technology and production methods, such as offshore sourcing, affects the potential long-term growth of the Group.

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

For an overall discussion of the Group's human resources policy in this area, see the section entitled "Our corporate social responsibility commitments" of the Group's Sustainable Development and Corporate Social Responsibility Report, included in this Registration Document.

3.3.2. PRODUCTION RISKS

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

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

On another front, the realisation of the growing importance of issues related to the reliability of IT and communications infrastructure led to the role of the Head of Information Systems Security (within the Transformation and Performance department) being extended. This initiative meets a need to spur greater involvement among all stakeholders across the Group in analysing risks associated with information systems and defining action plans in a context of growing interdependence between entities and onshore and offshore production sites.

For further information, see Chapter 1, section 3.4, "A robust mass processing strategy".

3.3.3. COMMERCIAL RISKS

Commercial efficiency depends upon the ability to mobilise all client-related knowledge, where relationships with major clients extend over a number of years, involve numerous employees, often belonging to different units. Mastering this knowledge is a key factor, which permits an understanding of, and an appropriate response to, clients' needs but also allows for better management of the risk of losing a client or a major contract.

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

3.3.4. CASH MANAGEMENT RISKS

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

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

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

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

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

Finally, negotiated bank borrowing facilities help the Group manage its liquidity risk.

Paris, 18 April 2013

Pierre Pasquier

Chairman of the Board of Directors

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

To the Shareholders,

In our capacity as Statutory Auditors of Sopra Group, and in compliance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby present our report on the Report of the Chairman of the Board of Directors, pursuant to the provisions of Article L. 225-37 of the French Commercial Code, in respect of the financial year ended 31 December 2012.

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

It is our responsibility to:

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

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

DISCLOSURES CONCERNING INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

These standards require that we carry out work designed to assess the truth and fairness of the information in the Chairman of the Board of Directors' report on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

In particular, this work involved:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, underlying the information set out in the Chairman's report, as well as existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and existing documentation;
- determining whether any significant deficiencies in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have observed in the context of our mission are properly reported in the Chairman's report.

On the basis of the work that we performed, we have no comment to make on the information on the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information, contained in the Report of the Chairman of the Board of Directors and prepared in compliance with the provisions of Article L. 225-37 of the French Commercial Code.

OTHER INFORMATION

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

Paris and Courbevoie, 19 April 2013

The Statutory Auditors

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

3 Reports of the Board of Directors

to the Combined General Meeting of 13 June 2013

Management report of the Board of Directors

1. Sopra Group's business and key events in 2012

This report includes the summary of the management report as well as the Group's financial statements.

1.1. Business in 2012 – Background

Over the last few years Sopra Group has developed a specific business model based on Consulting, Systems Integration, Application Outsourcing and Software Development for specific industries (banking, human resources and real estate sectors).

The Group has positioned itself, and adopted a successful business model, based not only on technological development but also on outsourcing and business combinations. This novel business model makes it difficult to make a comparison with other companies within the sector which have positioned themselves differently.

The sector saw low growth in 2012, after reporting slightly more significant growth in 2011. Revenue of companies in the Software and Services sector increased by about 0.8% in France (Source: Syntec), compared to 3.6% in 2011.

Sopra Group posted revenue of €1,216.7 million in 2012, representing total growth of 15.8% and organic growth of 2.4%. The Group's growth over the year was buoyed by a fourth-quarter spike in revenue. Orders on high value-added offerings such as major build and application outsourcing projects rose sharply at the end of the year, as did sales of Sopra Banking Software licences.

The strongest revenue growth was achieved in the following verticals: Services, Transport and Utilities (+11%), Manufacturing (+9%) and, to a lesser extent, the Public Sector (+4%).

At 31 December 2012, Sopra Group employed a workforce of 14,303 people, an increase of nearly 1,700 staff compared to 2011, including 690 net recruits and more than 1,000 integrated employees resulting from acquisitions.

1.2. Key events of the year

1.2.1. ACQUISITIONS

Financial year 2012 was marked by the acquisition of Callataÿ & Wouters (C&W), a specialist vendor of banking software, the UK subsidiary of Business & Decisions and Tieto's UK banking software business (see paragraph 5 of this management report).

1.2.2. FORMATION OF SOPRA BANKING SOFTWARE

Financial year 2012 saw the formation of Sopra Banking Software, which houses all of the Group's banking products and solutions businesses.

This new company consists of the following:

- the legacy Evolan business;
- acquisitions in the area of banking products, namely:
  - BAI, consolidated in October 2007,
  - Delta Informatique, consolidated with effect from 1 October 2011,
  - Callataÿ & Wouters, acquired on 1 April 2012.

All these businesses were transferred to Sopra Banking Software in the second half of 2012, with the exception of Callataÿ & Wouters, which was acquired directly by Sopra Banking Software.

Tieto's UK business, acquired on 1 March 2012, was also transferred to Sopra Banking Software in the first half of 2013.

Sopra Banking Software constitutes a cohesive business unit with projected 2013 revenue in excess of €220 million.

2. Consolidated financial statements for the year ended 31 December 2012

2.1. Consolidated income statement

	2012		2011	
	€M	%	€M	%
Revenue	**1,216.7**		**1,050.3**	
Staff costs – Employees	-811.8		-701.4	
Staff costs – Contractors	-100.1		-95.8	
Operating expenses	-178.2		-147.0	
Depreciation, amortisation and provisions	-17.0		-13.6	
Operating profit on business activity	**109.6**	**9.0%**	**92.5**	**8.8%**
Expenses related to stock options and bonus share plans	-2.2		-0.5	
Amortisation of allocated intangible assets	-4.2		-0.3	
Profit from recurring operations	**103.2**	**8.5%**	**91.7**	**8.7%**
Other operating income and expenses	-11.9		6.2	
Operating profit	**91.3**	**7.5%**	**97.9**	**9.3%**
Cost of net financial debt	-7.2		-4.1	
Other financial charges and expense	-1.0		0.6	
Corporate income tax	-33.6		-36.1	
Share of net profit of equity-accounted companies	6.1		6.0	
Net profit before profit or loss from discontinued operations	**55.6**	**4.6%**	**64.3**	**6.1%**
Profit after tax from discontinued operations	-		-1.4	
Net profit	**55.6**	**4.6%**	**62.9**	**6.0%**
Group share	55.6		62.9	
Minority interests	-		-	

Consolidated revenue totalled €1,216.7 million in 2012, representing total growth of 15.8% and organic growth of 2.4%, compared with organic growth of 8.0% in 2011.

The consolidation scope changed between 2011 and 2012: two UK acquisitions were consolidated with effect from 1 March (Business & Decision and Tieto), and Callataÿ & Wouters was consolidated as from 1 April.

The fourth quarter of 2012 saw strong organic growth of 6.3%, broken down into 7.0% in France and 3.5% outside France.

Total staff costs (encompassing both employees and external personnel) represented 74.9% of revenue, down from 75.9% in 2011.

Operating expenses increased relative to 2011, representing an additional expense of €31.2 million and increasing from 14% to 14.6% of revenue.

Depreciation, amortisation and provisions increased by €3.4 million relative to the previous year. This increase mainly arose as a result of investments (in IT equipment and fittings).

Operating profit on business activity totalled €109.6 million or 9.0% of revenue, compared with €92.5 million or 8.8% of revenue in 2011.

Profit from recurring operations totalled €103.2 million or 8.5% of revenue, compared with €91.7 million or 8.7% of revenue in 2011.

Expenses associated with stock options and the bonus share allotment plan (€2.2 million), as well as amortisation of allocated intangible assets (€4.2 million) increased relative to 2011. The former are charged to the bonus share issue carried out on 19 June 2012; the latter are restricted by the business combinations realised over the financial year.

Operating profit totalled €91.3 million or 7.5% of revenue, compared with €97.9 million or 9.3% of revenue in 2011.

Other operating income and expenses totalled a net amount of €11.9 million, mainly consisting of the following:

- €4.9 million in acquisition costs;
- €6.6 million in restructuring costs arising from integrating acquired companies and reorganising the French consulting business;
- €0.4 million to settle a dispute over the withdrawal from Profit's former premises in Madrid.

The cost of net financial debt totalled €7.2 million in 2012, compared with €4.1 million in 2011. This increase was mainly driven by acquisitions completed in late 2011 and the first half of 2012.

The 2012 tax expense totalled €33.6 million, compared with €36.1 million in 2011.

Axway Software posted net profit of €24.7 million in 2012, compared with €21.4 million in 2011. Consequently, 2012 net profit includes the Group's share of Axway Software's profits for the period, amounting to €6.1 million. This brings the Group's net profit to €55.6 million or 4.5% of revenue, compared with €62.9 million or 6.0% of revenue in 2011.

Basic earnings per share (calculated on the basis of the weighted average number of shares outstanding during the financial year) was €4.67, compared with €5.29 in 2011, while diluted earnings per share (taking into account share subscription options not yet exercised following the bonus share distribution in 2012) was €4.62, compared with €5.29 in 2011.

Research and development expenses are set out in Chapter 1, Section 4.2.

PERFORMANCE BY GEOGRAPHIC REGION

SYSTEMS & SOLUTIONS INTEGRATION IN FRANCE

	2012		2011	
	€M	%	€M	%
Revenue	805.4		776.6	
Organic growth		*+3.7%*		
Operating profit on business activity	68.0	8.4%	71.4	9.2%
Profit from recurring operations	66.2	8.2%	71.0	9.1%
Operating profit	64.5	8.0%	63.1	8.1%

In France, revenue totalled €805.4 million, representing organic growth of 3.7%. Operating profit on business activity came in at €68.0 million, representing a margin of 8.4% in the year, compared with 9.2% in 2011. The decline in this margin reflects investment in pre-sales activities on various projects, delays in upgrading the consulting business and a continuing challenging economic environment. The Group nevertheless remains confident in its ability to maintain a satisfactory margin in 2013.

Operating profit totalled €64.5 million or 8.0% of revenue, compared with €63.1 million or 8.1% of revenue in 2011.

SYSTEMS AND SOLUTIONS INTEGRATION IN EUROPE

	2012		2011	
	€M	%	€M	%
Revenue	240.0		184.5	
Organic growth		*+3.0%*		
Operating profit on business activity	17.7	7.4%	9.0	4.9%
Profit from recurring operations	16.4	6.8%	9.0	4.9%
Operating profit	14.4	6.0%	9.0	4.9%

In Europe (excluding France), revenue totalled €240.0 million, up a total of 30.1% (including organic growth of 3.0%). Operating profit on business activity totalled €17.7 million, representing a margin of 7.4% in 2012, compared with 4.9% in 2011. This margin uplift was mainly driven by the Group's performance in the United Kingdom, while its other European subsidiaries maintained their margins in line with the previous year.

Profit from recurring operations was €16.4 million or 6.8% of revenue, up from €9.0 million or 4.9% of revenue in 2011.

Operating profit totalled €14.4 million or 6.0% of revenue, up from €9.0 million or 4.9% of revenue in 2011.

The following table provides a breakdown by country:

	2012		2011	
	€M	%	€M	%
United Kingdom				
Revenue	103.8		58.5	
Organic growth		*-2.9%*		
Operating profit on business activity	10.3	9.9%	1.4	2.4%
Profit from recurring operations	9.2	8.9%	1.4	2.4%
Operating profit	7.6	7.3%	1.4	2.4%
Spain				
Revenue	74.8		70.3	
Organic growth		*+6.4%*		
Operating profit on business activity	4.6	6.1%	4.3	6.1%
Profit from recurring operations	4.4	5.9%	4.3	6.1%
Operating profit	4.0	5.3%	4.3	6.1%
Italy				
Revenue	39.2		35.9	
Organic growth		*+9.2%*		
Operating profit on business activity	1.1	2.8%	2.0	5.6%
Profit from recurring operations	1.1	2.8%	2.0	5.6%
Operating profit	1.1	2.8%	2.0	5.6%
Other countries				
Revenue	22.2		19.8	
Organic growth		*+11.0%*		
Operating profit on business activity	1.7	7.7%	1.3	6.6%
Profit from recurring operations	1.7	7.7%	1.3	6.6%
Operating profit	1.7	7.7%	1.3	6.6%

SOPRA BANKING SOFTWARE

	2012		2011	
	€M	%	€M	%
Revenue	171.3		89.2	
Organic growth		*-3.9%*		
Operating profit on business activity	23.9	14.0%	12.1	13.6%
Profit from recurring operations	20.6	12.0%	11.7	13.1%
Operating profit	19.1	11.2%	11.3	12.7%

Sopra Banking Software, a new subsidiary formed by bringing together the Group's four offerings in the field of banking solutions, posted revenue of €171.3 million, representing total growth of 92.0%.

The subsidiary saw a slight decline in revenue as a result of a slowdown in investment by the banking sector in 2012. As a result, pro forma revenue growth was -3.9%.

The Group nevertheless managed to protect its margins on this business:

- operating profit on business activity totalled €23.9 million or 14.0% of revenue, up from €12.1 million or 13.6% of revenue in 2011;
- operating profit totalled €19.1 million or 11.2% of revenue, compared with €11.3 million or 12.7% of revenue in 2011.

2.2. Balance sheet and capital structure

Non-current assets totalled €565.3 million at 31 December 2012, up from €366.6 million a year earlier. This item mainly consists of the following:

- goodwill (€314.6 million, compared with €190.9 million in 2011);
- intangible assets (€59.2 million, compared with €2.8 million in 2011);
- property, plant and equipment (€39.2 million, compared with €39.6 million in 2011);
- equity-accounted investments totalling €113.8 million (26.02% of Axway Software);
- deferred tax assets (€34.5 million, compared with €20.9 million in 2011).

Trade accounts receivable totalled €384.3 million, compared with €345.0 million in 2011.

Cash and cash equivalents totalled €47.4 million compared with €33.3 million in 2011.

Consolidated equity stood at €305.3 million at 31 December 2012, compared with €273.9 million a year earlier. A detailed analysis of movements in the year can be found in the Statement of changes in equity, which is set out in Chapter 5 of this Registration Document.

Borrowings and financial debt totalled €251.4 million, compared with €79.7 million in 2011, including €167.0 million in medium-term bank borrowing, €44.9 million in short-term bank borrowing, €7.4 million in IT lease finance agreements and €32.0 million in additions to the special employee profit sharing reserve.

Net debt at end 2012 totalled €204.0 million and included the following:

- a total of €22.6 million in cash dividend payments in respect of financial year 2011;
- a total of €182.4 million in payments in respect of the acquisition of Tieto UK, Business & Decision UK and Callataÿ & Wouters.

Net debt bank excluding the employee profit sharing liability totalled €172.0 million. This net debt corresponds to the difference between consolidated net debt and the special employee profit-sharing reserve. A breakdown of the change in net debt can be found in Note 26.2 of the notes to the consolidated financial statements.

Other current liabilities totalled €337.1 million, compared with €304.2 million in 2011, and mainly consisted of the following:

- €172.5 million in employee-related liabilities (personnel and social security);
- €85.2 million in tax liabilities, mainly consisting of value added tax included in trade receivables;
- €76.4 million in accrued income and prepayments (consisting of that portion of revenue already billed but yet to be booked as revenue).

At 31 December 2012, the Group's financial position remained strong, with total equity of €305.3 million and net debt of €204.0 million.

3. 2012 Sopra Group SA company financial statements

Sopra Group SA comprises all of the Systems and Solutions Integration activities in France as well as all the Group's functional services. The company has Systems and Solutions Integration subsidiaries in Europe, includes the banking software publishing subsidiary Sopra Banking Software, and holds an interest in Axway Software, specialising in Business Interaction Networks.

After Sopra Banking Software was restructured as a subsidiary, the Evolan products business, which was included in Sopra Group SA's financial statements in 2011, was no longer included in 2012.

3.1. Income statement

Revenue amounted to €819.2 million in 2012, as against €850.3 million a year earlier.

Operating profit came to €52.1 million, down from €71.1 million a year earlier.

The Group's net financial expense was €2.2 million in 2012, compared to a net financial expense of €21.4 million in 2011.

Pre-tax profit on ordinary activities was €50.0 million, compared to €49.8 million a year earlier.

Exceptional items amounted to an expense of €0.2 million in 2012, as against an income of €161.0 million in 2011.

The discretionary and non-discretionary employee profit sharing expense was €6.5 million, compared to €16.4 million in 2011, and the corporate income tax expense declined from €21.1 million to €8.4 million.

Net profit came to €34.8 million in 2012, as against €173.3 million in 2011.

In accordance with Article 39-4 of the French Tax Code, we bring to your attention the fact that the accounts for the year ended 31 December 2012 include €131,553 in respect of non-deductible expenses.

3.2. Balance sheet

Shareholders' equity was €217.7 million at 31 December 2012, up from €205.4 million a year earlier.

This change was due primarily to the following factors:

- the net profit for the year of €34.8 million;
- payment of dividends in respect of the 2011 financial year amounting to €22.6 million.

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

(in thousands of euros)	Total out-standing amount	Amount not yet due	Amount due in less than 60 days	Amount due in more than 60 days
At 31 December 2011	51,733	51,189	493	59
At 31 December 2012	44,421	43,765	552	104

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

Fixed assets decreased slightly to €383.2 million, from €386.6 million in 2011. These were comprised of €281.6 million in non-current financial assets, €81.0 million in intangible assets and €20.7 million in property and equipment.

3.3. Identity of shareholders

The Group's share ownership structure is described in section 2 ("Current ownership") of Chapter 7 of this Registration Document.

4. Strategy and objectives: recent trends and outlook for 2013

4.1. Key events in 2012

4.1.1. CHANGE IN THE GROUP'S GOVERNANCE STRUCTURE

A key event marking 2012 was the operational transition in Sopra Group's governance structure. In August, Pierre Pasquier was appointed as Chairman and Pascal Leroy was appointed as Chief Executive Officer. This major change is based upon the on-going coordination and long-term collaboration between the Chairman's office and Executive Management.

Following this change, Pierre Pasquier is in charge of steering the Group's strategy, including mergers and acquisitions, corporate communications and financial transactions. He is supported in this role by Pascal Leroy, who participates in the design and implementation of the strategy and spearheads the operational aspects of all of the Group's activities. The Chairman's office also supports Executive Management in a number of operational initiatives, such as the creation of Sopra Banking Software.

4.1.2. SOLID PERFORMANCE

Sopra Group recorded sustained growth in 2012, posting organic growth of 2.4% and improvement in our margin on operating activities to 9%, despite a slowdown in activity in the first half of the year.

All geographic regions contributed to this solid performance, as the subsidiaries outside of France generated close to one-third of the Group's revenue.

On the strength of this growth, Sopra Group maintained recruiting at a high level, providing a steady increase in our staff headcount since 2004. At year-end 2012, the Group had 14,310 employees, a +13% increase in total staff headcount over 2011 and a +109% increase when compared with 2004. The subsidiaries outside of France reported strong growth in their business, with 4,930 employees in 2012. This represented a 439% increase in their headcount since 2004.

4.1.3. CONTINUATION OF THE KEY CLIENTS PROGRAMME

The Group continued to develop its businesses with strategic key clients in 2012. Accordingly, 30 key clients represented 51% of Sopra Group's revenue and organic growth of +6.8% relative to 2011, higher than that posted by the Group.

4.1.4. EUROPEAN EXPANSION AND CONSOLIDATION OF THE BANKING SOLUTIONS OFFERINGS

a. Acquisitions of three European entities

With over thirty years in the banking software publishing market in France offering Evolan solutions, Sopra Group expanded our positioning in the European market in 2011 with the acquisition of Delta Informatique. In 2012, the Group continued our strategic development in the financial sector with the acquisition of three new entities: Callataÿ & Wouters (Belgium), Tieto UK (United Kingdom) and Business & Decision (United Kingdom).

These acquisitions are in line with the Group's global strategy aimed at consolidating the solutions offerings designed for the banking sector in Europe, a market with high growth potential.

b. Creation of Sopra Banking Software

Sopra Group restructured and combined the activities of Evolan, Delta Informatique, Tieto UK and Callataÿ & Wouters to create a subsidiary dedicated to software publishing and solution integration for the banking sector: Sopra Banking Software.

With pro forma revenue of €216 million and organic growth in the fourth quarter of 6.9% in 2012, Sopra Banking Software demonstrated its expertise recognised by the market's top analysts. The subsidiary was ranked among the leaders in the market by Gartner ("ability to execute" and "completeness of vision") and by Forrester Wave ("strong current offering and a strong strategy").

Sopra Banking Software represented 75% of the Group's software publishing business in 2012.

4.2. 2013 strategic direction

4.2.1. POSITIONING OURSELVES AS A VITAL BUSINESS PARTNER

Sopra Group is continuing our transformation and performance in an effort to position ourselves as a vital business partner to major companies and organisations. This strategic direction is in line with the Sopra 2015 project, which aims for revenue of between €1.5 and €2 billion (35% to 40% of which will be outside France) and an operating margin of 10%.

In a constantly changing information technology market, technological advances like the mobile Web, social networking and cloud computing are fostering new practices. This creates opportunities for development and innovation to support the Group's competitive position, not to mention that of our clients. The Group will continue to offer solutions to meet a growing inclination to optimise the maintenance and operating costs of existing systems.

With a constant focus on consistency, independence and economic performance, Sopra Group will intensify our efforts to make our business model even more valuable, with a global offering that includes consulting, technology services and software publishing.

To do this, four areas for strategic development have been defined:

- develop the added value provided to clients, by increasing our proximity to them to better serve their business challenges and improve the Group's capacity to support them throughout their transformation cycle;
- maintain a constant effort to innovate, which will enable us to offer them the best uses of technologies, particularly digital technologies, in order to contribute to their growth and competitiveness;
- improve the positioning of the Group's software publishing business, particularly by industrialising production while ensuring exemplary quality and through the performance of services delivered;
- boost growth in Europe around our enhanced Group culture.

4.2.2. CONSOLIDATING OUR LEADERSHIP POSITION IN FINANCIAL SERVICES

The financial services sector represented approximately one-third of our revenue in 2012. A true growth driver, this sector is of major strategic interest for Sopra Group as we strive to maintain our position as a leader in this segment by:

- offering comprehensive consulting, services and publishing solutions;
- continuing to develop our Sopra Banking Software subsidiary;
- capitalising on our traditional positioning as an integrator;
- boosting our distribution capabilities internationally.

4.2.3. DEVELOPING THE PARTNERSHIP WITH AXWAY SOFTWARE

Sopra Group aims to be the main integrator of Axway Software in France, Spain, the United Kingdom and Italy.

The Group's offering will include solutions built around Axway Software products as a first choice.

4.3. Recent developments

4.3.1. ACQUISITION OF HR ACCESS

Sopra Group's acquisition of HR Access is in line with Project 2015, which aims not only to consolidate our positioning in the Human Resources (HR) management market, but to attain the ambitious objective of earning 30% of our revenue in software publishing as well. The transaction guarantees that HR Access can continue its activities and the possibility of contributing to Sopra Group's global strategy. The Group will be able to offer a complete HR solution, perfectly suited to the human resources market and companies of all sizes.

HR Access solutions meet the needs of public sector and private-sector companies in all industries. It has a stable client base comprised mainly of a number of CAC 40 companies. The transaction will supplement Sopra Group's solutions offerings marketed under the Pléiades brand, widely used in the public and private sectors in France. The solutions offered by HR Access and Sopra Group include functionalities to manage personnel, skills, time, activities and payroll. Each is available in the form of a traditional license or outsourced service. HR Access and Sopra Group have a number of strengths in common: high-quality products, proven Research and Development capacity and in-depth knowledge of the human resources sector.

Sopra Group will oversee the continuity of product development. Clients, whether they have chosen HR Access or Pléiades solutions, will not see their investments compromised in any way.

HR Access will be consolidated starting 1 April 2013. Over a full year, Sopra Group's HR solutions should generate revenue of approximately €100 million.

4.3.2. REVENUE FOR THE FIRST QUARTER OF 2013

1st quarter 2013 *(in millions of euros)*	Q1 2013	Q1 2012 pro forma	Q1 2012 published	Total growth	Organic growth
France	**208.4**	**203.6**	**203.7**	**2.3%**	**2.4%**
Europe (excluding France)	**59.9**	**57.8**	**53.6**	**11.8%**	**3.6%**
■ o/w United Kingdom	21.1	21.8	17.5	20.6%	-3.2%
■ o/w Spain	17.6	19.6	19.6	-10.2%	-10.2%
■ o/w Italy	11.2	10.1	10.1	10.9%	10.9%
■ o/w Switzerland	2.8	2.9	3.0	-6.7%	-3.4%
■ o/w Benelux	3.4	2.6	2.6	30.8%	30.8%
■ o/w Germany	3.8	0.8	0.8	NS	NS
Sopra Banking Software	**53.0**	**52.3**	**30.5**	**73.8%**	**1.3%**
Sopra Group	**321.3**	**313.7**	**287.8**	**11.6%**	**2.4%**

The Group posted revenue of €321.3 million for the first quarter of 2013, representing total growth of 11.6% and organic growth of 2.4%.

In France, business activity for the 1st quarter was robust with revenue of €208.4 million, representing total growth of 2.3% (2.4% in organic growth). However, price pressure persists and margins may be affected by investments made to initiate large-scale projects signed at the end of 2012.

In Europe (excluding France), Sopra Group continues its development and has achieved total growth of 11.8% (3.6% organic growth) with revenue of €59.9 million.

Sopra Banking Software, after a high-quality year in 2012 (+6.9% vs. Q4 2011), continues its swift development. The new subsidiary generated revenue of €53 million after integrating the various companies acquired [1]. The rationalisation of the four banking solutions offerings was met with a positive reception by our clients and market analysts, thus supporting the Group in its development strategy in this high-potential segment.

Sopra Group has announced a recruitment plan that will bring in 2,500 new employees over the course of 2013. In the first quarter, 450 staff joined the Group as new hires and 860 on the acquisition of HR Access. The Group's total workforce now comprises over 15,000 people.

4.3.3. CHANGE IN FINANCIAL POSITION

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

4.4. Outlook for 2013

With the signings of a large number of multi-year contracts in the fourth quarter of 2012, the Group has set an organic growth target of between 2% and 5% for the 2013 financial year.

The Group confirms its intention to reduce its debt over the course of 2013 and announces a net debt target in the range of €150–170 million for the year-end.

(1) Sopra Banking Software's offering now encompasses Evolan, Delta-Bank, Thaler and Tieto Financial Solutions.

5. Subsidiaries and associated entities

5.1. Acquisitions of equity interests in subsidiaries and associated entities

5.1.1. FIRST CONSOLIDATION

Tieto UK Ltd – In February 2012, Sopra Group Ltd, a wholly owned subsidiary of Sopra Group, acquired Tieto Corporation's Financial Services business in the United Kingdom. This business offers solutions aimed at the financial services sector (systems for managing mortgages, savings and lending products, asset finance and collections) to banks, consumer lenders, corporate finance consultants and factoring companies, both in the United Kingdom and in continental Europe. The business generated 2011 revenue of around €22 million.

Tieto UK Ltd adopted the name Sopra Group Solutions UK Ltd and is consolidated as from 1 March 2012.

Business & Decision UK Ltd – In February 2012, Sopra Group Ltd, a wholly owned subsidiary of Sopra Group, acquired the entire share capital of Business & Decision's UK subsidiary. This company offers consulting and IT services and specialises in business intelligence, CRM (customer relationship management) and e-business. Its clients mainly operate in financial services, retail, the public sector and transport. The company generated 2011 revenue of around €26 million.

Business & Decision UK adopted the name Sopra Group Financial Service Ltd and was consolidated as from 1 March 2012.

Callataÿ & Wouters – In March 2012, Sopra Banking Software, a wholly owned subsidiary of Sopra Group, acquired a majority stake of 76.75% in Callataÿ & Wouters (C&W), which develops and supplies IT solutions for retail banks, private banks and online banks. Its flagship product, Thaler, is a powerful banking software suite that can operate either as an integrated solution covering the full range of banking systems or as a modular solution dedicated to specific business areas. Thaler is used by more than 40 banks in 15 countries. Revenue in 2011 was approximately €80 million, with the business employing around 600 people.

The companies in C&W's scope are consolidated in the Group's financial statements as from 1 April 2012.

Sopra Group increased its equity stake in Callataÿ & Wouters Group to 100% in December 2012.

Adeuza – In early June 2012, Sopra Group acquired 100% of the share capital of the company Adeuza, which specialises in mobility and publishes the Movalys® solution. Adeuza's main clients are France Telecom and Numéricable. This acquisition reinforces Sopra Group's positioning in the mobility market, currently enjoying exceptional growth in demand. The company earned revenue of approximately €0.8 million in 2011.

Adeuza is consolidated in the Group's financial statements as from 1 June 2012.

5.1.2. DECONSOLIDATED ENTITIES

No Sopra Group entities were deconsolidated over the course of financial year 2012.

5.1.3. REORGANISATION OF LEGAL ENTITIES

a. Partial transfers of assets

The General Meeting of 19 June 2012 approved the proposed partial transfers by Sopra Group of assets relating to its banking software development and distribution business to the Group's wholly owned subsidiary, Sopra Banking Software, which already houses the Callataÿ & Wouters business.

Following the recent acquisitions of Delta Informatique and Callataÿ & Wouters, Sopra Group has decided to set up a new division bringing together all of its banking software development and distribution activities so as to harness synergies, concentrating all of these operations within a single entity, Sopra Banking Software, able to offer solutions to clients across the entire financial services and banking sector.

From a legal standpoint, the partial merger was finalised on 30 June 2012 during Sopra Banking Software's General Meeting, which decided on these transactions. Sopra Group transferred to Sopra Banking Software all of the assets and liabilities of its banking software development and distribution business:

- the Evolan business unit;
- all shares constituting the issued capital of the Belgian company Business Architects International (BAI);
- all shares constituting the issued capital of the French company Delta Informatique.

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

This operation had no impact on the consolidated financial statements.

b. Mergers

In December 2012, Delta Informatique was merged into Sopra Banking Software, effective retroactively for accounting and tax purposes as at 1 January 2012. This merger had no impact on the consolidated financial statements.

c. Company name change

Sopra Group's Spanish subsidiary, formerly named Valoris Iberia, changed its corporate name to Sopra Group Catalunya SA on 19 January 2012. It is now a subsidiary of Sopra Group Informatica SA.

The Callataÿ & Wouters companies changed their corporate names to versions of the name Sopra Banking Software for each country in which they operate.

5.2. List of consolidated companies

This list is detailed in Chapter 6, section 5.9, “Individual financial statements”.

6. Risk factors

The Group carried out a review of the risks that could have a material adverse effect on our business, financial position or results (or our capacity to achieve our objectives). We believe that we are not exposed to any material risks other than those presented in this Registration Document. We draw the attention of our investors to the fact that the list of risks presented below is not exhaustive. The Group may be exposed to unknown risks or other risks that were not considered as of the date this Registration Document was published and that are liable to have an adverse effect on the Group, our business, our financial condition or the price of the Group’s shares.

The procedures implemented to manage these risks are presented in the Chairman of the Board of Directors’ report on internal control procedures and risk management appearing in Chapter 2 of this Registration Document.

6.1. Legal risks

6.1.1. INTELLECTUAL PROPERTY

a. Brands

Sopra Group and its subsidiaries have trademark protection for the main brand names used in each country.

The brand portfolio is managed by the Group’s Legal Department with assistance from an industrial and intellectual property advisor.

b. Patents

Sopra Banking Software Belgium holds patents concerning technical algorithms used by various components (technological and functional) of the Sopra Banking Platform software suite, designed for banks and financial institutions.

Neither Sopra Group nor any of its subsidiaries have filed patent protection for software.

c. Software licences

Sopra Group and its subsidiaries own exclusive rights to all their software, either through having developed it in-house or by having acquired these rights.

All of the Group’s software is protected by copyright. In some cases, copyright protection has been filed with bodies such as Logitas.

Sopra Group and its subsidiaries only grant non-exclusive, non-transferable user licences for software packages supplied to their clients.

6.1.2. SOFTWARE DISTRIBUTION

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

6.1.3. SPECIFIC REGULATIONS

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

6.1.4. SIGNIFICANT DISPUTES AND FINANCIAL IMPACT ON THE COMPANY

Provisions are recognised in respect of all ongoing disputes, as described in Notes 28 and 37 of the notes to the consolidated financial statements.

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

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

6.2. Industrial and environmental risks

Sopra Group operates exclusively in the field of IT services and is therefore not exposed to any specific industrial or environmental risk.

6.3. Financial risks

These risks are discussed in Note 34 to the consolidated financial statements.

Sopra Group has entered into four syndicated credit facilities with its banks: in the amounts of €200 million in October 2005, €132 million in April 2008, €150 million in June 2011 and €128 million in June 2012. The Group has undertaken to comply with the covenants described in Note 36.4 to the consolidated financial statements.

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

6.4. Risks related to business activities

These risks are described in the Chairman's report on internal control and risk management procedures included in Chapter 2, section 3 of this Registration Document.

6.4.1. RISKS RELATED TO THE NATURE OF CONTRACTS

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

(% of Group's total revenue)	2012	2011
Consulting	6%	5%
Fixed-price projects	15%	16%
Technical assistance	28%	26%
Application outsourcing	30%	39%
Industry application solutions	21%	14%
TOTAL	**100%**	**100%**

Fixed-price revenue includes:

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

About 35% of the Group's total revenue is exposed to the risk inherent in the determination of costs during contractual negotiations. For information, in recent financial years we have not recorded any material fixed price overruns that would affect our ability to generate margins.

6.4.2. DOWNTIME

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

In France, this rate was approximately 6.6% in 2012.

6.5. Risk of client or supplier dependency

6.5.1. RISK OF CLIENT DEPENDENCY

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

In 2011, our number one client accounted for 7.3% of Group revenue; the top five clients represented 23.4% and the top ten represented 37.4%.

In 2012, our number one client accounted for 7.4% of Group revenue; the top five clients represented 24.4% and the top ten represented 34.6%.

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

6.5.2. RISK OF SUPPLIER DEPENDENCY

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

6.6. Insurance and risk coverage

6.6.1. LIABILITY INSURANCE

Sopra Group has taken out liability coverage with Allianz, a policy including business liability insurance, comprehensive general liability insurance, products and services liability insurance and professional liability insurance, both for the parent company and its subsidiaries.

This policy provides worldwide cover with the exception of the United States, Canada and North Korea, depending on the loss involved, for the period from 1 January 2012 to 31 December 2013.

The amounts of the cover and excesses are as follows:

a) Business liability/Comprehensive general liability

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

b) Products and services liability/Professional liability

- All-inclusive (bodily injury, property damage and financial losses, whether consecutive or not): €40,000,000 per year covered, of which:
  - additional expenses: €10,000,000 per year covered,
  - computer viruses: €5,000,000 per year covered.
- Excess: €15,000 for additional expenses and €150,000 for all damage claims except bodily damage.

6.6.2. LIABILITY INSURANCE RELATING TO AEROSPACE PRODUCTS

Sopra Group has taken out a specific insurance policy covering liability arising from aerospace products.

6.6.3. DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

7. Information concerning company officers

The information required pursuant to Article L. 225-102 of the French Commercial Code concerning the list of company officers and their compensation is included in the Registration Document in section 1 of Chapter 2 "Corporate governance".

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

Pursuant to Article 223-26 of the AMF's General Regulation, the transactions referred to in Article L. 621-18-2 of the French Monetary and Financial Code during financial year 2012, relating to Sopra Group shares, were as follows:

Category (1)	Name	Transaction type (2)	Transaction date	Number of securities	Unit price	Transaction amount
a	Sopra GMT (3)	A	26/06/2012	12,350	€40.0000	€494,000
a	Pierre Pasquier, Chairman of Sopra Group	D	26/06/2012	12,350	€40.0000	€494,000
a	SEI (4)	A	28/08/2012	1,200	€39.2000	€47,040
a	SEI	A	11/09/2012	4,750	€39.3500	€186,913
a	SEI	A	21/09/2012	18,694	€38.1000	€712,241
a	Kathleen Clark-Bracco, Director of Sopra Group	A	21/09/2012	181	€38.0000	€6,893
a	SEI	A	25/09/2012	2,400	€37.7500	€90,600
a	SEI	A	25/09/2012	4,790	€37.5000	€179,625
a	SEI	A	26/09/2012	4,178	€37.2500	€155,631
a	SEI	A	28/09/2012	6,500	€36.7600	€238,940
a	SEI	A	02/10/2012	3,000	€36.8000	€110,400

Category (1)	Name	Transaction type (2)	Transaction date	Number of securities	Unit price	Transaction amount
a	SEI	A	14/11/2012	3,100	€37.1500	€115,165
a	SEI	A	16/11/2012	4,000	€36.6000	€146,400
a	SEI	A	26/11/2012	10,301	€38.9325	€401,044
a	SEI	A	30/11/2012	20,000	€39.8500	€797,000
a	SEI	A	04/12/2012	5,752	€39.7000	€228,354
a	SEI	A	14/12/2012	346	€44.4938	€15,395
a	SEI	A	19/12/2012	587	€45.1968	€26,531
a	SEI	A	20/12/2012	194	€45.7136	€8,868
a	SEI	A	21/12/2012	210	€46.0500	€9,671

(1) Category a: Members of the Board of Directors, CEO.

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

(3) Sopra GMT is a financial holding company owned by the Pasquier and Odin family groups together with several of the Group's current and former senior managers. Pierre Pasquier, Chairman of Sopra Group also serves as Chairman of Sopra GMT.

(4) SEI is a French société par actions simplifiée (SAS, simplified joint stock company) with variable capital controlled by several of the Group's current and former senior managers. Pascal Leroy, Chief Executive Officer of Sopra Group, serves as Chairman of SEI.

9. Employee share ownership

Pursuant to the provisions of Article L. 225-102 of the French Commercial Code, we hereby inform you that, at 31 December 2012:

- employees of the Company or its affiliates held 4,857 Sopra Group shares in the form of units in company mutual funds (FCPE) through an employee savings plan;
- no shares in the Company were held at 31 December 2012 by employees or former employees through company mutual funds (FCPE);
- no shares in the Company were held at 31 December 2012 by employees during periods of inalienability provided for in Articles L. 225-194 and L. 225-197 of the French Commercial Code.

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

1° The Company's ownership structure is presented in section 2 ("Current ownership") of Chapter 7 of this Registration Document.

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

- relating to the number of voting rights per share; the General Meeting held on 22 June 2010 approved the elimination of double voting rights (Article 29 of the Articles of Association). Each Sopra Group share is attributed one voting right;
- shares are freely tradable, other than as specified by applicable laws or regulations (Article 11 of the Articles of Association).

The Company has not been informed of any clauses of agreements pursuant to Article L. 233-11 of the French Commercial Code.

3° Any direct or indirect participating interests in the capital of the Company of which the latter has been informed pursuant to Articles L. 233-7 and L. 233-12 are presented in section 2 ("Current ownership") of Chapter 7 of this Registration Document.

4° There are no special controlling rights.

5° There is no control mechanism provided under an employee share ownership scheme.

6° Agreements between shareholders of which the Company is aware and which may give rise to restrictions on share transfers and voting rights are presented in section 2 of Chapter 7 of this Registration Document.

7° The regulations applicable to the appointment and replacement of the members of the Board of Directors are set forth in Article 14 of the Articles of Association. The regulations relating to the amendment of the Company's Articles of Association are contained within Article 33 of the Articles of Association, which states that the Extraordinary General Meeting alone shall be authorised to amend any and all provisions of the Memorandum and Articles of Association.

8° The powers of the Board of Directors are described in Article 17 of the Articles of Association. *"The Board of Directors determines the overall business strategy of the Company and supervises its implementation. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided on by the shareholders in a General Meeting."*

In addition, the Board of Directors has been given delegations of authority by the Combined General Meeting of 19 June 2012 in its resolutions 19 to 32.

9° Agreements concluded by the Company that might be amended or cease to apply in the event of a change in the ownership of the Company mainly concern the syndicated credit facilities concluded in April 2008, June 2011 and June 2012.

10° There are no agreements providing for the payment of compensation to the members of the Board of Directors or to employees upon their resignation or their dismissal without just cause or should their employment contract be terminated due to a public offer, other than those stipulated in the related-party agreements in the Statutory Auditors' special report on said agreements at the end of Chapter 6 of this Registration Document.

11. Sustainable development and corporate social responsibility

This information is provided in Chapter 4 of this Registration Document.

12. Miscellaneous

12.1. Delegations of authority granted to the Board of Directors by past General Meetings

This item is addressed in Chapter 7, section 4.

12.2. Share buyback programme

This item is addressed in Chapter 7, section 2.3.

12.3. Commitments to company officers

This item is addressed in Chapter 2, section 1.2.

13. Summary of resolutions submitted for the approval of shareholders at the General Meeting of 13 June 2013

These items are summarised in Chapter 8, section 1 of this Registration Document.

Paris, 18 April 2013,

The Board of Directors

Annex to the management report of the Board of Directors submitted to the General Meeting of Sopra Group shareholders

Summary of results for the last five financial years for Sopra Group SA (individual financial statements)

(in euros)	2012	2011	2010	2009	2008
Financial position of the Group at the year-end					
■ Share capital	11,893,486	11,893,486	47,415,780	47,010,172	46,819,964
■ Number of shares issued	11,893,486	11,893,486	11,853,945	11,752,543	11,704,991
■ Number of bonds convertible into shares	-	-	-	-	-
Results of operations for the year					
■ Revenue excluding VAT	819,228,076	850,278,131	770,733,208	723,828,915	715,262,937
■ Profit before tax, depreciation, amortisation and provisions	32,010,128	236,531,998	46,353,303	67,567,881	53,160,682
■ Corporate income tax	8,406,288	21,143,182	13,045,706	10,372,243	14,165,356
■ Profit after tax, depreciation, amortisation and provisions	34,841,059	173,287,949	42,557,634	44,462,844	37,058,468
■ Amount of profit distributed as dividends	20,218,926	22,597,623	9,483,156	9,402,034	19,313,235
Earnings per share					
■ Profit after tax but before depreciation, amortisation and provisions	1.98	18.11	2.81	4.87	3.33
■ Profit after tax, depreciation, amortisation and provisions	2.93	14.57	3.59	3.78	3.17
■ Dividend paid per share	1.70	1.90	0.80	0.80	1.65
Employee data					
■ Number of employees	8,395	8,654	7,843	7,596	7,237
■ Total payroll	358,743,374	363,402,201	328,767,823	312,763,163	301,772,567
■ Social and social benefit charges paid (social security, social bodies, etc.)	167,007,884	169,287,774	150,925,734	143,666,230	137,337,953

Report of the Board of Directors on the use of delegations of authority given by the Combined General Meeting of 19 June 2012 in the form of resolutions relating to the issue of securities giving access, whether directly or indirectly, to the share capital

- The authorisation granted to the Board of Directors by the **twentieth resolution**, to cancel the shares that the Company may have repurchased under share repurchase programmes, **was not used**.
- The delegation of powers to the Board of Directors by the **twenty-second resolution** to increase the Company's share capital by up to €3.5 million in par value, maintaining pre-emptive subscription rights, by issuing shares or any other securities entitling access to the Company's share capital **was not used**.
- The delegation of authority given to the Board of Directors by the **twenty-third resolution**, to decide to increase the number of shares or securities giving access to the Company's share capital to be issued pursuant to the delegation of authority provided for

in the twenty-second resolution, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event of excess demand, **was not used**.

- The delegation of authority given to the Board of Directors by the **twenty-fourth resolution**, to decide to increase the share capital through the capitalisation of reserves, the issue of new shares or by increasing the par value of existing shares, **was not used**.
- The delegation of powers to the Board of Directors by the **twenty-fifth resolution** to increase the Company's share capital by up to €3.5 million in par value, eliminating pre-emptive subscription rights, by issuing shares or any other securities entitling access to the Company's share capital as part of a public offering **was not used**.
- The delegation of authority given to the Board of Directors by the **twenty-sixth resolution**, to decide to increase the number of shares or securities giving access to the Company's share capital to be issued pursuant to the authorisation referred to in the twenty-fifth resolution, without pre-emptive subscription rights for existing shareholders, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event that the issue is oversubscribed, **was not used**.
- The delegation of powers to the Board of Directors by the **twenty-seventh resolution** to increase the Company's share capital by up to €3.5 million in par value, eliminating pre-emptive subscription rights, by issuing shares or any other securities entitling access to the Company's share capital as part of an offering reserved for qualified investors or a restricted circle of investors, as provided for in paragraph II of Article 411-2 of the French Monetary and Financial Code, **was not used**.
- The delegation of authority given to the Board of Directors by the **twenty-eighth resolution**, to decide to increase the Company's share capital, without pre-emptive subscription rights for existing shareholders, in consideration of contributions in kind consisting of equity securities or other securities giving access to equity, **was not used**.
- The delegation of authority given to the Board of Directors by the **twenty-ninth resolution**, to decide to increase the Company's share capital in favour of employees of the Company or other companies within the Group that are members of an employee savings plan, **was not used**.

Paris, 18 April 2013,

The Board of Directors

Report of the Board of Directors relating to share subscription options

The Board of Directors did not use the authorisation given by the **thirtieth resolution** of the Combined General Meeting of **19 June 2012** to grant share subscription options to employees.

The Board of Directors did not use the authorisation given by the **tenth resolution** of the Combined General Meeting of **10 May 2011** to grant share subscription options to employees.

The Board of Directors did not use the authorisation given by the **fifteenth resolution** of the Combined General Meeting of **15 May 2008** to grant share subscription options to employees.

Paris, 18 April 2013,

The Board of Directors

Report of the Board of Directors relating to the authorisation given by the General Meeting to issue warrants to subscribe for and/or acquire redeemable shares (BSAAR) to employees and/or officers of the Company or its Group

The Board of Directors did not use the authorisation given by the thirty-first resolution of the Combined General Meeting of 19 June 2012 to issue BSAARs to employees and/or officers of the Company or its Group.

Paris, 18 April 2013,

The Board of Directors

Report of the Board of Directors relating to the authorisation granted by the shareholders in the general meeting to allot bonus shares in favour of employees and officers of the Company or its Group

The Board of Directors used the authorisation granted by the thirty-second resolution at the General Meeting of 19 June 2012 to proceed with an equitable allotment of 15 shares to 11,125 employee grantees, for a total of 166,875 shares.

At 31 December 2012, there were no more than 10,180 employees concerned, for a total of 152,700 shares. This allotment could represent up to approximately 1.28% in maximum theoretical dilution. This maximum theoretical dilution does not take into account the loss of rights of employees leaving the Group during the period from 1 January 2013 to the date after which they will effectively become the owners of the shares (the vesting period lasts between two and four years, depending on the country of employment).

Paris, 18 April 2013,

The Board of Directors

4 2012 Sustainable Development and Corporate Social Responsibility Report

Message from the Chairman and the Chief Executive Officer

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

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

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

These values are:

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

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

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

Since its founding, Sopra Group has been guided by a spirit of excellence, innovation and progress. It is in this same spirit that we have implemented our current Enterprise Project and that we will continue to build relationships with all of our stakeholders.

Pierre Pasquier
Chairman

Pascal Leroy
Chief Executive Officer

1. Sopra Group, a model corporate citizen

1.1. Activities and operations

Sopra Group is a leading European provider of information technology and business consulting services and is also one of Europe's largest software companies. Sopra Group is a vital business partner of large companies and organisations that seek the best uses of digital technologies in order to contribute to their growth and competitiveness.

This subject is discussed in Chapter 1, section 3 of the 2012 Registration Document.

1.2. Governance

Under the impetus of Pierre Pasquier, Chairman of Sopra Group, and in order to firmly support the Group's business strategy, the Board of Directors' tenures were renewed, and Sopra GMT (the founders' holding company), Société Générale and the Group's managers entered into an addendum to the shareholders' agreement.

At the same time, in line with the Group's independence project, the Company changed its corporate governance structure in 2012. As a result of this change, the roles of Chairman and Chief Executive Officer are now separated.

This subject is discussed in Chapter 7, section 1 of the 2012 Registration Document.

1.3. Commitments

Our commitment to sustainability and our approach to corporate social responsibility constitute a natural extension of Sopra Group's values. The concern for rigorous management and respect for these values guide the Group as we conduct our activities consistently with the three pillars of sustainable development: labour, environmental and societal concerns.

The key principles that guide Sopra Group's action on a day-to-day basis are based on compliance with the laws and regulations in effect in the countries where the Group operates our activities and adherence to our commitments to optimally operate our businesses.

Accordingly, Sopra Group's commitments with regard to sustainable development are based on principles that contribute to the Group's economic development by being:

- transparent and fair with our clients, partners and suppliers in our relationships and operating methods;
- respectful of the people that we employ through dignified, non-discriminatory working conditions that provide opportunities for progress for everyone;
- mindful of respect for the environment, in compliance with the national and international standards in effect.

Supported by the Group's management and by all of the employees associated with it, Sopra Group's approach to sustainable development is a continuous improvement process communicated each year to our stakeholders through the annual Corporate and Social Responsibility Report (1) (CSR Report). This approach aims to reconcile economic efficiency, equal employment opportunities and respect for the environment.

1.3.1. LABOUR

Sopra Group is a key employer based on the amount of recruiting carried out each year. The Company pays particular attention to the employability and development of our employees, as demonstrated by the number of training days offered and the percentage of total payroll allocated to employee development. Executive Management has the conviction that the Company's men and women should be managed with a view to the long term and reaffirms that the Human Resources dimension is one of the Group's essential assets.

As a responsible employer, Sopra Group makes a priority of recruiting young workers and giving them the opportunity for their first job and the possibility of developing their skills. For several years, the Company has implemented a successful strategy of hiring trainees and in 2013 seeks to create an even more aggressive policy with respect to offering work-training opportunities.

Sopra Group is committed with regard to all current employee-related issues and has established a permanent structure to put into practice the signed agreements and action plans beyond the legal framework (seniors, gender equality, disabled workers, etc.).

Sopra Group also aims to be a major local player. The Group has been able to create ties with the main economic players of the labour pools where we operate and is committed on a day-to-day basis in long-standing partnerships (schools, universities, unemployment centres, etc.).

1.3.2. ENVIRONMENTAL

The analysis of the environmental impacts of the Group's activities has helped to define opportunities for progress in the areas most affected. Progress plans were therefore carried out in 2012 in order to limit the use of the most polluting forms of transportation for business travel, streamline information technology resources, improve the energy efficiency of the premises Sopra Group manages, implement paperless processes, and develop selective sorting of waste. These plans will be continued in 2013.

Sopra Group is committed to a progress plan that involves the Group's divisions and all of the employees who take part in this initiative in their day-to-day operations.

An organisation is in place in France to boost the Group's progress in the environmental area. It is based on a network of participants who are responsible for implementing the progress plans.

(1) For the sake of simplicity, the term "CSR Report" is used regularly in this Registration Document.

Starting in 2013, the entities outside of France will gradually be integrated into the progress plans by taking into account the actions and plans already initiated in the companies concerned and by focusing on the regulations in effect in each country.

1.3.3. SOCIETAL

Our other commitments with respect to society are mainly focused around the following areas: fairness and transparency with regard to our stakeholders, meeting our clients' expectations, our action in favour of regional development through a sustained recruitment policy, relationships based on proximity with local universities, engineering schools and business schools, high expectations with respect to business ethics, a responsible purchasing programme, and a corporate patronage policy focusing on solidarity, education and the environment.

1.4. Key events

1.4.1. 2012, A YEAR OF TRANSITION IN CONTINUITY

A new Enterprise Project was created in 2012, called "Sopra 2015," built on the Group's industrial fundamentals and on our values in order to respond to developments in the market. This project is consistent with the Group's resolve to maintain strong and sustainable independence.

Based on our three main business lines – consulting, technology services and software publishing – the "Sopra 2015" project comprises four major dimensions:

- expanding the Group's presence in Europe in a consistent manner around a strong Sopra Group culture;
- consolidating the positioning of the software publishing business and, in particular, making Sopra Banking Software a European leader in software publishing for the banking industry;
- developing leadership and added value in the management and transformation of the Information Systems areas;
- addressing the growth and competitiveness challenges of the Group's clients.

1.4.2. CURRENT DEVELOPMENTS IN 2012 WITH POTENTIAL FOR THE GROUP'S GROWTH

Sopra Group quickly deployed our strategy, completing a number of acquisitions that strengthened our positioning in Europe and in software publishing:

- March 2012: Business & Decision (UK subsidiary): consulting and integration;
- March 2012: Tieto UK (UK subsidiary): banking software;
- April 2012: Callataÿ & Wouters (Belgian company): banking software;
- June 2012: Adeuza (French company): consulting and publishing for the mobility market.

The Group also successfully created Sopra Banking Software in mid-2012, a Group subsidiary specialising in software publishing dedicated to the financial market and grouping together:

- Evolan, Sopra Group's traditional banking solutions;
- Delta-Bank and Thaler, the solutions from Delta Informatique and from Callataÿ & Wouters, companies acquired by Sopra Group in 2011 and 2012, respectively.

These solutions were combined within the range of Sopra Banking Suite solutions and were essentially deployed in 2012 in France, the United Kingdom and Belgium. The Group's ambition for this business is to make it a European leader.

1.4.3. SUSTAINABLE DEVELOPMENT AND CSR HIGHLIGHTS (1)

- **February 2012: renewal of Sopra Group's commitment with respect to the United Nations Global Compact.**
- **April 2012: publication of Sopra Group's Corporate and Social Responsibility Report.**

  This is the first report based on the themes from Article 225 of the Grenelle Environment 2 Act.
- **June 2012: launch of the partnership with Green Cross France & Territoires (GCFT).**

  Sopra Group is committed to protecting the environment by providing financial support and expertise to GCFT, the French association of Green Cross International, an NGO created by Mikhail Gorbachev in 1993. Green Cross International's objective is to support programmes associated with protecting the environment.
- **September 2012: creation of a Social Responsibility unit in the Human Resources department.**

  This unit, which works in close collaboration with the Group's Sustainable Development department was created to strengthen the labour component of Sopra Group's approach to sustainable development.
- **October 2012: Sopra Group ranked 3rd in the GAIA Index for CSR (2).**

Gaïa-Index

For the fourth consecutive year, Sopra Group was listed in the Gaïa Index in 2012. Out of a total of 230 participating companies, the Group ranked third, a substantial jump compared to 2011. Sopra Group achieved third place out of the 70 companies listed in the Index, all sectors combined.

(1) CSR: Corporate Social Responsibility, including 3 components: Labour, Environmental and Societal. CSR is the Company's contribution to the challenges of sustainable development.

(2) With regard to the Gaia Index: launched in October 2009 by EthiFinance with the support of MiddleNext and the SFAF, the French association of financial analysts, the Gaia Index measures the commitment of French mid-cap companies to environmental, social and governance (ESG) criteria.

The 2012 Gaïa Index panel is made up of 230 listed companies operating in three representative sectors of the French economy: manufacturing, services and distribution. This panel of 230 companies represents €141 billion in revenue and close to one million employees. The questionnaire and rating system are headed up by an independent committee comprised of investors, listed companies and analysts. The rating methodology of the Gaïa Index ranks these 230 companies and creates an additional index comprised of the 70 companies that score the highest.

Organisation of Sustainable Development

Sopra Group's Sustainable Development programme and initiatives are spearheaded at the highest level of the Company. They are under the responsibility of a member of Executive Management, who oversees the Group's strategy in this area.

Group Sustainable Development department

A dedicated department, the Sustainable Development department, was created at the end of 2010 to roll out the Sopra Group sustainable development policy and to coordinate the progress plan with the departments concerned.

The role of Sopra Group's Sustainable Development department is to lead and coordinate all of the Group's actions in the three areas concerned: labour, environmental and societal.

The Sustainable Development department spearheads matters across all areas of the Company, and in particular regulatory reporting, including the annual Corporate Social Responsibility Report, the assessment of greenhouse gas emissions completed every three years, corporate patronage and solidarity partnerships, the Corporate Social Responsibility assessment of suppliers and service providers, and actions to raise employee awareness about sustainable development.

Until 2012, its role and its activities were focused in France in order to firmly structure and anchor Sopra Group in its approach to sustainable development over the long term. This approach will be rolled out gradually to all of the international entities starting in 2013. The Group's approach will have to integrate the actions and programmes already launched by the international subsidiaries and take into account the specific aspects associated with the regulations in the countries concerned and with the operating methods and management requirements of the international entities.

Sustainable Development Committee

In early 2011, a specific body, the Sustainable Development Committee, was created in France to define areas for improvement with the managers concerned and to track the development of the action plans associated with these areas. This Committee brings together the managers of the key departments involved in the Group's approach (Sustainable Development, Human Resources, Purchasing, Logistics, IT Resources and Security, Legal, Quality, Corporate Communications, Financial Communications, etc.) to work in full coordination to implement their respective programmes. The Committee meets at least every two months and interim meetings are scheduled depending on the requirements of the action programmes.

Social Responsibility unit, Human Resources department

The labour component of Sustainable Development is a major subject in the consulting and information technology services businesses. As such, in order to deal with the key issues of the labour component, a manager from the Group Human Resources department was appointed in 2012 to head up and coordinate the following issues: disabled workers, gender equality, seniors, diversity, work-training opportunities, etc.

Environment unit

Oversight of environmental issues is shared among the Purchasing department (responsible purchasing), the Logistics department (management of business premises), the IT Resources and Security department (management of IT purchases and energy efficiency of IT equipment) and the Human Resources department (in particular, carpooling).

1.5. CSR Reporting

1.5.1. SOPRA GROUP'S ORGANISATION (ORGANISATIONAL CHART OF THE GROUP'S COMPANIES)

This subject is discussed in Chapter 6, section 1 of the Registration Document.

1.5.2. THE APPROACH

In 2011, Sopra Group initiated the preparation of its first CSR reporting protocol for the collection of the required information, in order to begin to integrate the regulations with respect to CSR reporting. This protocol was deployed in France and helped to produce the 2011 CSR Report.

In the second half of 2012, this protocol was revised as a result of a preliminary verification of the CSR reporting by the firm Mazars, one of the Group's Statutory Auditors. The preparation of the 2012 report is based on Sopra Group's CSR reporting protocol.

This CSR report includes a significant amount of information pertaining to Article 225 of the Grenelle Environment 2 Act, in keeping with the general principles of the guidelines of the GRI (Global Reporting Initiative) and complying as closely as possible with the components of ISO 26000. In this regard, a cross-referencing table is provided as an appendix to the report.

Furthermore, in anticipation of the regulations, this year Sopra Group had a selection of the information communicated in its 2012 CSR Report audited by the accounting firm Mazars. The audited indicators, identified by the sign √ (1) in the remainder of this report, are listed below (underlined and in red):

1.5.3. LIST OF AUDITED INDICATORS

Labour-related

Grenelle 2 theme	Grenelle 2 sub-theme	Indicator
Employment	Total workforce and distribution of employees by gender, age and geographic area	■ Average age of employees on permanent contracts ■ Average length of service of employees on permanent contracts ■ Average workforce (FTE) ■ Total workforce ■ Total workforce by type of contract ■ Proportion of management-level employees in total workforce
	Hires and dismissals	■ Hires ■ Staff turnover rate for permanent contracts
Work organisation	Absenteeism	■ Number of lost work days
Health and safety	Workplace accidents, in particular their frequency and severity as well as occupational illnesses	■ Frequency rate ■ Severity rate
Training	Total number of training hours	■ Number of training days ■ Number of training hours ■ Average number of days of training per employee
Equal opportunities	Measures taken in support of the employment and professional integration of the disabled	■ Percentage of disabled employees

Environmental

Grenelle 2 theme	Grenelle 2 sub-theme	Indicator
Pollution and waste management	Measures to prevent, recycle and eliminate wastes	■ Quantities of WEEE
Sustainable use of resources	Energy consumption and measures taken to improve energy efficiency and renewable energy use	■ Number of physical and virtual machines installed ■ "Green" paper purchases
Climate change	Adaptation to the consequences of climate change	■ Number of videoconferencing systems in use
	Greenhouse gas emissions	■ CO_2 emissions from work-related travel

Societal

Grenelle 2 theme	Grenelle 2 sub-theme	Indicator
Impact of the Group's business activities on economic, social and territorial disparities	In terms of employment and regional development	■ Number of work-study contracts per region ■ Regional distribution of recruitments
Stakeholder relations	Partnership or sponsorship actions	■ Partnership or sponsorship actions
Subcontractors and suppliers	Extent of subcontracting and communication of social and environmental responsibility commitments in the context of relations with suppliers and subcontractors	■ Supplier assessment system ■ Proportion of suppliers having completed CSR assessment

(1) √: information verified by an independent third party.

1.5.4. SCOPE OF REPORTING

For the 2012 reporting, Sopra Group covered the companies in France, excluding the new acquisitions in 2012 (Adeuza, Callataÿ & Wouters France) for certain indicators. Our exclusion of these companies is specified for each item of quantitative data.

Our reporting is partial for the companies located outside of France. This is due to the need to stabilise the Sustainable Development-Corporate Social Responsibility approach for the companies in France (which represent two-thirds of the businesses) and our gradual implementation of the CSR regulatory reporting reference framework. Furthermore, several companies (Tieto UK, Callataÿ & Wouters, Business & Decision UK) were acquired during 2012 and had an impact on the organisation of a portion of the Group's companies abroad.

For the Societal component, the reporting covered the companies in France, except for the solidarity actions of the Group's subsidiary in India. This subsidiary's solidarity actions have already been very structured for the last two years and were covered in the 2011 report.

When data relate to the international companies, the information is mentioned in the report.

The consolidated CSR reporting for the Group as a whole will gradually be more extensive starting in 2013.

1.5.5. REPORTING

The three successive stages in the reporting process are as follows:

- identifying the data and preparing to collect them;
- collecting and consolidating the data, controlling for consistency in order to produce the indicators;
- using the indicators for publication in Sopra Group's CSR Report.

The CSR reporting tools include the following:

- **the reporting protocol**, which contains all of the information for collecting the indicators by all of the people contributing to the reporting. It is primarily intended for internal communication within Sopra Group, in particular to prepare the annual reporting;
- **indicator sheets**, which specifically describe the characteristics of the indicators communicated as part of the CSR report. These sheets are also presented as an appendix to the reporting protocol;
- **collection sheets**, which are provided for the contributors to supply the qualitative information and quantitative data;
- **the CSR database**, which is consolidated by the Sustainable Development department from the collection sheets provided by the various contributors.

The combination of the reporting protocol, Indicator sheets, and the quantitative and qualitative data collection sheets provides the information necessary to give a clear understanding of the tasks and constitutes the guide for the contributor.

Other information on the reporting protocol is available on request from the Sopra Group Sustainable Development department.

Each year in early December, the Sustainable Development department schedules a meeting to prepare the plan for the CSR Report with the managers of the various functions concerned and the contributors. This meeting takes place during a Sustainable Development Committee meeting.

Specific calculations for certain indicators

In order to provide a clear understanding of the information communicated, the Sopra Group Sustainable Development department endeavoured to specify, whenever necessary, the definitions or calculation methods for certain reported indicators.

Furthermore, certain prior data have been adjusted. This relates to data for which errors have been detected after the fact, or data that no longer relate to the scope or to the definition initially established. We have identified these adjustments for the reader.

Exclusions

Sopra Group publishes qualitative and quantitative data in its report on all of the labour-related, environmental and societal subjects required by the governmental decree implementing Article 225 of the Grenelle Environment 2 Act. However, a few indicators are not addressed in this report when they are deemed not relevant to Sopra Group's business. This information that is not addressed relates in particular to subjects relating to consumer safety and those related to land use. These exclusions are specified in the cross-referencing table appended to the report.

2. Our responsibility to our employees

Sopra Group is a company that offers over 14,000 employees a dynamic work environment and stimulating career prospects. We are able to provide this vibrant work environment because the Group's activities are based on a broad diversity of professions, regional and international locations and a strong corporate culture. In addition to our major actions with respect to recruitment, since the Company was created Sopra Group has always put an emphasis on retaining our employees, even during periods of profound economic crises.

To support our development over the long term, Sopra Group's strategic orientations are examined and refined in the context of an Enterprise Project.

This Enterprise Project, updated every five years, provides the Group's strategic vision and is based on a system of shared values. These values are communicated on a day-to-day basis across all levels of Sopra Group's organisation, guiding the Group's managers and contributing to our operational performance.

2.1. Sopra Group's Corporate Culture

2.1.1. SHARING OF FUNDAMENTAL PRECEPTS

The Group's system of values and fundamental precepts are shared by our entire workforce. A comprehensive training programme organised by Sopra Academy, the Group's internal training structure, and day-to-day support to the Company's managers help the Group's employees grasp and adopt the Sopra Group culture and fundamental precepts. This knowledge is shared in particular during Integration, Management, Sales, Methods and Behaviour seminars.

2.1.2. INTEGRATION OF NEW EMPLOYEES

The successful integration of new employees is essential to a Group in which the workforce is constantly growing.

Training programmes, comprised of training milestones, conversations with management, and discussions among peers, help to integrate each new employee into the Group.

A three-day training and integration seminar is held for all new employees. The purpose of the seminar is to share the history, plans, values and offerings of the Group as well as our fundamental precepts with regard to Sopra Group's focus on service and quality.

Sopra Group is mindful of integrating our new employees and does so by bringing them together in special sessions after they have worked for the Company for eighteen to twenty-four months. For companies that are acquired, a dedicated integration plan supplements the training programme.

2.2. Employment policy

Sopra Group's growth is based on a policy of proactive talent recruitment and skills development for our employees.

2.2.1. WORKFORCE AND TRENDS

In 2012, 2,617 new employees √ joined the Group's workforce, including 941 new employees outside of France. At the same time, transactions to expand the Group's growth from outside the company integrated over 1,000 new employees in France and abroad. At 31 December 2012, the Group had 14,303 employees, 4,917 of whom were outside France, i.e. 32% more than in 2008 (+23% in France).

SOPRA GROUP WORKFORCE AND PROPORTION OF MANAGEMENT-LEVEL EMPLOYEES

	2012	2011	2010	2009	2008
France	9,386	8,920	8,223	7,742	7,612
International	4,917	3,690	3,426	3,094	3,186
TOTAL	**14,303**√	**12,610**	**11,649**	**10,836**	**10,798**
o/w Management-level*	**13,572**√	**12,106**	**11,171**	**10,348**	**10,247**

** The notion of management-level staff (cadres) is specific to France. The number of management-level employees of the Group's international operations is extrapolated on the basis of the figures for France.*

DISTRIBUTION OF THE WORKFORCE BY TYPE OF CONTRACT IN FRANCE

	2012
Number of fixed-term contracts in France	118√
Number of permanent contracts in France	9,252√
Number of internship contracts in France	16√
TOTAL	**9,386**√

FTE WORKFORCE IN FRANCE

	2012*	2011
Average FTE France	8,932√	8,257

** Excluding Adeuza and Callataÿ & Wouters France.*
Calculation method: total FTE workforce at each month-end of the year divided by 12 months. The number of full-time equivalent employees is calculated on the basis of their participation rate.

Length of service, age and gender

At 31 December 2012, the average length of service of all Sopra Group employees in France was 7.3 years √ and their average age was 35.4 years √. The average age for newly recruited staff is 27.1 years.

At 31 December 2012, the average length of service in France for Sopra Group's productive employees was 6.9 years, thus increasing slightly compared to 2011. The average age of productive employees was 34.8 years at 31 December 2012, thus rising marginally compared to 2011. This increase is the result of a lower staff turnover rate and the acquisitions completed during the year.

In terms of the gender breakdown of employees, men represented 74% of the total workforce and women accounted for 26% at 31 December 2012.

2.2.2. JOINERS AND LEAVERS

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

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

- **the recruitment plan** defines staffing requirements by subsidiary, by level of experience and by operating entity. As part of the annual budget process, each entity evaluates its recruitment needs, in accordance with its objectives as assigned by the Group. In preparing the year's recruitment plan, medium-term staffing requirements are categorised by business line. Each entity's recruitment plan is coordinated with its training programme and its planned practical workshops;
- **the communications plan** includes all actions carried out to ensure CV sourcing capacities. This plan enables the selection of the best applicants, proposing targeted applications to entities corresponding to their needs. It also seeks to raise the profile and increase the attractiveness of Sopra Group's employer brand;
- **the educational partnership plan**, intended to promote the recruitment of graduates from preferred institutions and the selection of promising interns (mostly those able to pre-qualified for permanent positions with the Group) as well as work-study personnel. For many years, Sopra Group has been nurturing partnerships with engineering schools, business schools and universities whose degree programmes correspond to the requirements of its business lines. This plan serves as a guide for all operational units to mobilise local operational staff;
- **the internship and work-study plan**, which sets quotas for the number of interns and work-study personnel to be recruited, organises the listing of offers and their dissemination to educational institutions. This plan is directly tied to each operating entity's budget preparation process. It targets those schools, universities and training programmes where Sopra Group is interested in recruiting interns and work-study personnel.

In order to serve the ambitions of growing and upscaling our businesses, in 2013 Sopra Group will develop our name recognition initiatives and increase our attractiveness with respect to employer branding as well as our presence in professional social networks.

In addition, through our recruitment policy, Sopra Group contributes to regional development with one-third of employees recruited for our locations in the French provinces. This subject is discussed in the social component of this report.

NEW HIRES

	2012*	2011**
No. of new hires in France	1,676 √	1,814
No. of new hires internationally (outside of France)	941 √	

* *Excluding Adeuza and Callataÿ & Wouters France.*

** *Excluding Delta Informatique, acquired in 2011.*

LEAVERS

	2012	2011*
No. of leavers in France	1,236	1,371

* *Excluding Delta Informatique.*

Dismissals represent less than 5% of separations.

Employee turnover trends

In France, employee turnover totalled 9.2% √ of headcount for all employees under permanent employment contracts compared with 12% in 2011.

For the Group as a whole, France and International, this turnover rate declined for productive employees from 12.5% in 2011 to 9.7% in 2012.

2.2.3. TRAINING POLICY

Sopra Academy, Sopra Group's internal training organisation

One of Sopra Group's major objectives in the area of human resources management is to continually enhance the expertise of its employees and anticipate their professional development.

All Sopra employees must share and know the Group's value system and fundamentals in order to promote a common culture and Group cohesion.

To meet its major challenges, the Group relies on its internal training organisation, Sopra Academy, and on its Knowledge Management system.

These mechanisms support Sopra Group's advancement through skills development and knowledge-sharing plans. The objectives of this approach are to:

- serve the strategic vision for the development of the Group's business segments outlined in the Enterprise Project;
- disseminate fundamentals and encourage employees to capitalise on best practices through the Knowledge Management system;
- facilitate the integration of new hires and acquired companies;
- foster the Group's internationalisation;
- meet employee expectations in terms of personal development;
- enhance the talents of Sopra's employees;
- implement regulatory provisions for professional training.

Through its training programmes and knowledge sharing system, Sopra Academy contributes to guaranteeing the level of excellence and adaptability of the Group's employees.

Training offerings and Knowledge Management

Through a broad network of over 460 trainers and speakers, Sopra Academy disseminates a comprehensive offering of training sessions: orientation and integration seminars, training in management, the Group's business areas and offerings, personal development, training in methods and tools, technologies and solutions, among others.

In addition, Knowledge Management supports and supplements these training programmes. It covers the areas of the training plan, facilitates sharing of the Group's fundamentals and capitalising on best practices through its communities organised by business lines, offerings and expertise. With all of the divisions and Community Managers, Sopra Academy coordinates the Group Knowledge Portal, a platform for knowledge sharing, available to all Group employees.

Training programme and talent development

In an effort to support the development of employee talent, Sopra Academy offers training programmes by business line. In 2012, Sopra Academy consequently offered new programmes to managers and salespeople to help them acquire critical knowledge when they take on their duties. In addition, programmes are offered to consultants to help them grasp and adopt the Group's internal methods and tools.

New training modules have been created to meet the challenges of upscaling with respect to technological innovation and new practices.

Development of managerial skills

The ability of Sopra's managers to globally manage the business, motivate and develop their teams and promote a strong entrepreneurial spirit at every level is critical to Sopra Group's success.

Regardless of their business area, manager training aims to develop all of the necessary managerial skills (sales, production, human resources management and finance).

Within its programmes, in 2012 Sopra Academy conducted a residential seminar for all of the Group's managers covering the cultural fundamentals of Sopra Group with respect to management.

NUMBER OF TRAINING HOURS AND DAYS IN FRANCE

	2012*	2011**
Number of training hours provided during the financial year	231,784 √	225,400
Number of training days (1) provided during the financial year	33,112 √	32,200
Average number of training days per person	3.8 √	3.9

* *Excluding Adeuza and Callataÿ & Wouters France.*
** *Excluding Delta Informatique, acquired in 2011.*
(1) One day of training = 7 hours.

2.2.4. TALENT DEVELOPMENT

Anticipating Group needs and adapting human resources are critical to the success of the Sopra Group Enterprise Project while maintaining employee motivation at a high level.

Sopra Group's dynamic Enterprise Project and the diversity of its business segments provides a motivating work environment conducive to the development of a variety of professional careers.

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

Core Competency Reference Guide

The Core Competency Reference Guide describes all of the Group's business lines (Consulting, Technology Services, Software Publishing, Application Outsourcing, Management, Project Management, Sales, support functions). The Guide helps employees grasp the demands of their positions as well as the possible career paths within the different business areas.

The Core Competency Reference Guide is an essential tool that helps managers guide the professional development of their employees based on their aptitudes, their motivations and the Group's priorities. It also provides necessary material to attract new talent in line with Sopra Group's business strategy and to make it easier to integrate employees from acquired companies.

The Core Competency Reference Guide is a major tool used for employee skills assessment and development.

In order to consistently add value in support of the development of the Group's services, the Core Competency Reference Guide is updated on a regular basis to take into account changes in areas regardless of the business line.

A system of continuous assessment to support employee development

Employee assessment is the keystone of the human resources development programme.

Sopra Group uses an assessment and career tracking system that enables the Group to know its staff and regularly monitor their development. This system is based on assignment reviews and annual appraisals.

Employees actively participate in these assessments, which are shared in the Human Resources committee meetings led jointly by management and the Human Resources division and the Transformation and Performance division.

In response to the Group's growth and internationalisation, the role of local managers is essential for monitoring the careers of employees and reinforcing the advancement of their skills. For 2013, Sopra Group will maintain the training effort and active leadership of local managers.

2.2.5. REMUNERATION AND TRENDS

In order to support the Group's growth, Sopra seeks to attract, motivate and retain its employees by providing them with consistent remuneration and equal treatment.

Backed by the employee assessment system, the remuneration policy is individualised and is based on objective criteria.

The process for adjusting remuneration is based on the one hand on the assessment system described above and on the other hand on the HR cycles that are organised each year.

RELATIONSHIP BETWEEN THE LOWEST SALARY AND THE HIGHEST SALARY IN FRANCE (OPEN-ENDED EMPLOYMENT CONTRACTS)

	2012
Ratio of highest to lowest gross annual base salaries	18.2
Ratio of highest to lowest annual base salaries plus variable compensation	28.2
Number of employees whose gross annual salary is less than or equal to €20,000*	5
Number of employees whose gross annual salary is less than or equal to €26,000, i.e. €2,000 x 13 months	88
Average gross annual base salary in €	42,707**

** The lowest gross annual salary amounted to €19,266 and concerned one person.*

*** Excluding Adeuza and Callataÿ & Wouters France.*

2.3. Work organisation

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

In France, when permitted by the services or project concerned, Sopra Group approves employee requests for part-time work. Such requests are generally authorised for renewable terms of between six and twelve months. Part-time employees accounted for 6% of Sopra's workforce at 31 December 2012.

Specific work organisation mechanisms are put in place for employees under contractual commitments entered into with clients. These mechanisms relate to on-call duties and the 24-hour hotline.

PERCENTAGE OF SOPRA'S STAFF WORKING PART-TIME IN FRANCE

	2012	2011
% part-time (open-ended employment contracts)	6%	6%

ABSENTEEISM RATE IN FRANCE

	2012	2011*
% absenteeism	2.14% √	2.08%

Calculation method: ratio between the number of actual days of absence/number of theoretical workdays required. This ratio was calculated on the basis of an average full-time equivalent, taking into account absences for illness, work accidents and travel accidents.

** For 2011, the indicator was recalculated following the calculation rule applied in 2012.*

The absenteeism rate at Sopra Group increased slightly in 2012 (2.14%) relative to 2011 (2.08%). This rate is nevertheless lower than the average for the sector.

2.4. Employee relations

In France, the organisation of Sopra Group's employee representative bodies is structured around a central works council in the context of the existing employee representative body (1) with its former subsidiary Axway Software (in which Sopra Group has a 26.02% equity interest), a local works council, employee representatives at some twenty sites and eleven health, safety and working conditions committees.

In 2012, the central works council met five times, the Sopra Group works council was convened for twelve ordinary meetings and eight extraordinary meetings. The health, safety and working conditions committees met four times in the year to discuss ordinary business and occasionally for extraordinary discussions relating in particular to the layout of the work areas and questionnaires/surveys with regard to draft agreements on stress at work.

Mandatory annual negotiations were held with the employee representative bodies. In this regard, agreements on profit sharing and on the employee savings and incentive plan were renewed in 2012. Negotiations also led to an agreement in favour of hiring the disabled, an agreement on the allotment of shares in connection with the award of bonus shares to all Group employees and a number of agreements on employee representation in anticipation of the professional elections planned in March and April 2013.

As part of a group-wide agreement, the trade unions have the option to send monthly and quarterly notices to all staff *via* the Sopra Group intranet. Similarly, under a provision of the internal rules of the Sopra Group works council, the elected members of this committee may issue monthly information.

In 2013, Sopra Group will hold its professional elections in March and April. At the outcome of these elections, the Sopra Banking Software subsidiary will have its own works council and employee representatives. Sopra Group will retain one works council and several employee representatives.

(1) UES or Unité économique et sociale (economic and social unit).

OVERVIEW OF COLLECTIVE BARGAINING AGREEMENTS IN FRANCE

	2012	2011
Number of agreements signed during the year with union organisations and/or the works council	16	4
Number of active major agreements	20	13

2.5. Non-discrimination principles

Sopra Group's policy with regard to fighting discrimination is consistent with its proactive approach to promoting diversity.

To support these commitments, in September 2012 Sopra Group created a dedicated structure aimed at spearheading and guiding the agreements and action plans relating to corporate social responsibility. These initiatives include in particular the hiring of disabled employees, professional equality between women and men, the integration of young workers, and support to senior employees. Various guidelines, objectives and policies have been defined for these areas and are specified in agreements or action plans.

DISABLED EMPLOYEES

In 2012, Sopra Group signed an agreement to promote the employment of people with disabilities and created Mission Handicap. In accordance with this agreement, Sopra Group structured its actions around five areas of priority:

- recruitment: Sopra established an organisation to search for and track candidates and management tools for job applicants (CV libraries, multiposting, etc.). The Group signed essential partnership agreements (Adapt, Tremplin). In 2012, Sopra Group participated in 14 external events (exhibitions, forums, week-long events dedicated to hiring the disabled);
- employment retention: Sopra implemented an intranet to promote the request process for RQTH, a system that recognises quality concerns for disabled workers, with the use of an anonymous information systems tool;
- training and raising awareness: The Group implemented a dedicated intranet site for employees to be used to communicate the actions of Mission Handicap. In addition, the first training sessions were launched for HR officers in the last quarter of 2012;
- protected workers sector: Sopra continued its development of recourse to the protected workers sector and its partnership with UNEA, the national union for employers adapted to working with the disabled. In 2013, the Group will deploy a procurement process to make it easier to search for, identify and integrate adapted enterprises in requests for proposals from suppliers;
- support to technical development: The Group continued its operational and financial support to the Tadeo (1) project and identified other projects for 2013 such as Aurevi.

Sopra's employment rate of disabled people was 0.87% in France at 31 December 2012. The slight decline in this rate was attributable to the growth in the Group's workforce and acquisitions completed during the year. Mission Handicap and its action programme will help Sopra Group increase the employment rate of disabled workers in 2013.

EMPLOYMENT RATE OF DISABLED WORKERS IN FRANCE

	2012*	2011**
Percentage of disabled workers in the Company's workforce	0.87% √	0.94%

* *Excluding Adeuza and Callataÿ & Wouters France.*

** *Excluding Delta Informatique, acquired in 2011.*

The workforce numbers used are calculated according to the rules defined by AGEFIPH, an organisation that promotes professional integration of the disabled. Not all people benefiting from the employment obligation are accounted for in this calculation.

In 2013 Sopra Group will continue its policy of promoting the hiring of disabled people. Raising employee awareness of this issue is at the heart of its approach. Special training sessions will be available to managers and HR officers and an e-learning module will be deployed.

The progress objectives for 2013 are:

- action on hiring: to reach 65% of the 2012-2014 plan objective;
- job retention: to double the number of recognitions;
- training: to train 100% of HR officers;
- raising awareness: to cover 25% of management;
- protected workers sector: to double revenue;
- support to technical development: to develop a new partnership in this area.

In order to attain these progress objectives, several significant action plans will be implemented, particularly through awareness-raising campaigns among students (operation "TousHanScène" organised by Tremplin), internal awareness initiatives and support to RQTH, and the deployment of e-learning modules, among others.

GENDER EQUALITY

With regard to professional equality between women and men, the Group seeks to reinforce two priority areas: attracting more female employees from engineering schools and being mindful of non-discrimination in women's career paths.

In 2012, Sopra Group continued its involvement in initiatives to raise awareness, such as sponsorship of the EDHEC business school all-female team sailing team competing in the Course Croisière EDHEC.

In terms of training and career management, the proportion of women and men trained is consistent with the gender breakdown of the workforce. The same is true for promotions.

(1) Tadeo is a remote, real-time instantaneous speech transcription and sign language video interpretation service.

Sopra Group offers identical starting salaries to both male and female applicants with identical qualifications, degrees, skills and experience. In 2012, the differences in remuneration reported by employee category between women and men remained within a 3% range.

These differences are analysed during salary assessment and job review cycles.

Furthermore, in accordance with the agreement in effect, Sopra Group ensures that people who have taken maternity or adoption leave benefit from the same conditions for salary increases as all company employees. A parenting guide was distributed *via* the employee intranet to all staff members.

In 2013, Sopra Group will continue to improve the systems in place to monitor equal treatment between women and men during salary assessment cycles. For example, the kit sent to management for salary reviews will be enhanced with comparative information.

SENIORS

The transfer of knowledge and skills is a major component of our policy in favour of older employees for the success of intergenerational management at Sopra Group.

At 31 December 2012, as part of the Senior France plan, over 360 employees had benefited from an interview for the second half of their careers.

In 2013, Sopra Group will be committed to rolling out the Generation Contract, which is aimed at promoting the hiring of young workers while retaining working seniors in jobs.

EMPLOYMENT RATE OF SENIORS IN FRANCE

	2012	2011
Number of seniors (45 years and older)	1,590	1,445
Percentage of employed seniors (45 years and older) in relation to the workforce at 31 December	16.9%	16.6%
Number of seniors (55 years and older)	386	326
Percentage of employed seniors (55 years and older) in relation to the workforce at 31 December	4.1%	3.8%

YOUTH DIVERSITY AND ASSISTING YOUNG WORKERS SEEKING EMPLOYMENT

Sopra Group pursued various initiatives in 2012, particularly through a variety of partnerships with associations. The Group collaborates with "*Nos quartiers ont des talents*" ("Our neighbourhoods have talent", an initiative for recruiting young workers from disadvantaged neighbourhoods) and financially supports the ENSAM engineering school's EcoSail association. This association aims to introduce the engineering profession to young people from disadvantaged neighbourhoods in the city of Lille. As a general rule, Sopra Group also participates in various forums promoting diversity and equal opportunity for access to employment, such as Paris Emploi, JobinLive, Handi2day and others.

2.6. Promoting and complying with the fundamental conventions of the International Labour Organisation (ILO)

Sopra Group adheres to the principles and fundamental rights of the Universal Declaration of Human Rights of the United Nations and the Charter of Fundamental Rights of the European Union.

The Group is committed to:

- complying with European Community and national labour laws and the collective bargaining agreements of each country where Sopra Group operates;
- respecting the exercise of trade union rights in each of the countries in question.

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

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

2.6.1. UPHOLDING THE FREEDOM OF ASSOCIATION

As a participant in the United Nations Global Compact, Sopra Group is committed to upholding the freedom of association and recognising the right to collective bargaining. The Group reaffirmed this commitment in its Ethics Charter published in 2012.

Sopra Group implements non-discrimination policies and procedures with regard to employee representatives.

In countries that do not have an institutional framework governing the recognition of employee representatives, Sopra Group makes an effort to implement measures intended to improve professional relations between the company and our employees.

2.6.2. REPUDIATION OF FORCED CHILD LABOUR

Sopra Group has formally committed to fight against child labour and the exploitation of children, forced labour and all other forms of compulsory labour, particularly through its participation in the United Nations Global Compact.

This commitment is reiterated in the Sopra Group Ethics Charter.

2.7. Health and safety

The information presented in this section relates to Sopra Group's operations in France.

In 2012, Sopra Group continued its rescue and first-aid training programme for all of its operating sites.

Along the lines of this training programme, the Group has installed a number of defibrillators and organised training sessions on how to use them.

In addition, the Group spearheaded an initiative to raise employee awareness about preventing road accidents and rolled out a platform for carpooling.

Sopra Group pursued its policy with regard to providing quality layout of its work areas.

In collaboration with the health, safety and working conditions committees, the Group disseminated questionnaires on workplace wellbeing at some of its operating sites in order to identify psychosocial risk factors and to initiate corrective actions.

RATES OF FREQUENCY AND SEVERITY OF WORKPLACE ACCIDENTS IN FRANCE

	2012	2011
Frequency rate of workplace accidents	0.64 √	0.59
Severity rate of workplace accidents	0.007 √	0.055

OCCUPATIONAL ILLNESSES IN FRANCE

No occupational illnesses were reported in 2011 and 2012.

2.8. Internal communications

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

2.8.1. SYSTEM OF EXCHANGES BETWEEN STAFF MEMBERS

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

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

2.8.2. DISSEMINATION OF INFORMATION

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

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

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

2.8.3. EMPLOYEE PERCEPTION SURVEY

In 2012, Sopra Group surveyed all of the Group's employees in France and abroad to gain insight into their perceptions of the company. In total, 77% of the Group's employees responded to this survey. This extremely high response rate demonstrates the strong level of engagement of Sopra employees and their commitment to the Group.

The results indicated that a large portion of the employees highlighted the Group's values, and in particular, team spirit, as an asset that sets Sopra Group apart from the competition.

The employees identified areas of progress particularly relating to knowledge sharing through the Enterprise Project and the adaptation of tools and resources for the Group's strong development.

Executive Management has committed to communicating the results in the first half of 2013 and will rely on the data from this survey to support its development strategy.

Sopra Group's ambition is to use this survey as a regular focus of discussion to continue to achieve progress over the long term.

3. Our environmental responsibility commitments

Sopra Group's businesses involve travel to a considerable extent, require significant infrastructure and IT equipment and produce many documents. Furthermore, Sopra Group operates some thirty sites in France, which necessitates the management of premises suited to the specific activities pursued at each site. The need to control our environmental impact has therefore become a key factor in our management and production methods, and is covered by a continuous improvement programme involving the relevant functional divisions and their staff.

3.1. Taking into consideration environmental impacts

In France, an eco-responsibility programme involving the active participation of each and every Sopra Group employee ensures that all staff members understand the important role they play in reducing the environmental impact of our operations. At Sopra Group we encourage employee initiatives in the area of environmental protection and promote the avoidance of excess consumption of non-renewable energy resources in our working methods. A guide to eco-friendly behaviours was published and distributed in early 2009 to raise awareness and help employees in their day-to-day activities. Staff are regularly reminded of the existence of this guide as well as the full set of complementary Group initiatives under way. Correspondents at all sites are tasked with ensuring the proper application of the relevant measures.

3.1.1. ORGANISATION TO TAKE INTO CONSIDERATION ENVIRONMENTAL ISSUES

As part of Sopra Group's Sustainable Development programme in France, a number of functional departments have adopted the Group's approach to environmental issues and, along with the Sustainable Development Department and under the responsibility of Executive Management, are defining the company's general environmental policy. This policy is defined each year and summarised in a memorandum that covers all of the major areas of Sopra Group concerned. Each department involved in the environmental policy spearheads its own actions. The environmental programme as a whole is coordinated during meetings of the Sustainable Development Committee.

The following three departments are more particularly involved in the Group's environmental policy and have coordinated to manage their plans for on-going progress:

Logistics

The main participants directly involved in the Group's environmental programme are:

- the Director of the Logistics Department;
- an environmental actions coordination manager for the Logistics department;
- two coordination managers for the sites in the French provinces and in the Paris region;
- one manager responsible for relationships with lessors and service providers;
- a facilities manager responsible for new premises.

The site managers, in charge of managing the buildings under the authority of the head of each entity, are also involved in Sopra Group's approach to environmental issues.

IT Resources and Information Security

The IT Resources and Services Department launched a widespread programme several years ago to improve the environmental footprint of its information technology systems and equipment and how to manage them.

The main participants involved in the Group's environmental programme are:

- the Director of IT Resources and Information Security;
- a workstations services manager, who is responsible for:
  - the equipment policy (PCs, printers, photocopiers, among others),
  - management of the equipment inventory,
  - handling of WEEE [1];
- a manager in charge of relationships with Logistics and the Group's computer rooms;
- a manager responsible for the computer room servers for the entire Group.

Procurement

The participants involved in the Group's environmental programme are:

- the director of the Procurement Department;
- a central purchasing manager, in charge of monitoring the Sopra Group Responsible Purchasing policy;
- a travel management officer;
- a purchasing manager for office supplies and computer consumables.

3.1.2. TRAINING AND INFORMATION ON PROTECTING THE ENVIRONMENT OFFERED TO EMPLOYEES

Sopra Group organises an awareness programme for all employees in France on managing the Group's environmental impact.

The Group's employees take part in the company's approach to eco-responsibility. A guide to eco-friendly behaviours was published and distributed to all employees in 2009 to raise awareness of the major environmental challenges in the Group's various business lines. Sopra Group uses all its internal communication tools (Group newsletter, intranet), on-site communications and a dedicated email address to promote this awareness campaign.

A Sustainable Development series is routinely included in the annual seminars offered to the Group's managers worldwide for the start of each new year.

(1) WEEE: Waste Electrical and Electronic Equipment.

This series was also included in 2012 in an information seminar offered to Sopra Group assistants on the company's sustainable development activity.

In addition, all employees in France are further exposed to the Group's environmental issues through a partnership initiated in 2012 with the French organisation of Green Cross, an international association working for environmental sustainability.

Information on Sopra Group's environmental programme is disseminated in the orientation guide given to all new employees who join the Group in France.

The main objectives for progress in 2013 relate to:

- augmenting the information provided to employees by updating the guide to eco-friendly behaviours along with an information campaign;
- rolling out the environmental responsibility programme at Sopra's international entities, including information on the regulatory environment in each country and the management requirements of the entities concerned.

3.2. Waste management

Various types of waste are sorted and processed by specialised companies: waste electrical and electronic equipment (WEEE), paper, consumable supplies (used ink cartridges and batteries) and beverage cans.

MANAGEMENT OF WEEE

In 2012, Sopra Group worked with two companies to handle the Group's waste electrical and electronic equipment: ATF Gaia for the Group's sites in the French provinces and Tricycle for its sites in the Paris region.

ATF Gaia organises the collection of a major portion of the waste electrical and electronic equipment from Annecy, where the Group stores its computer equipment. IT-related waste from Sopra's sites in Île-de-France is managed by Tricycle, a company that specialises in waste management and selective sorting, particularly for waste electrical and electronic equipment. This WEEE management organisation in two regions enables the Group to limit the transport of inoperable or obsolete equipment.

ATF Gaia, the main service provider for WEEE management, provides a high degree of traceability for IT-related waste and offers several types of recycling:

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

In addition, ATF Gaia securely destroys data disks and magnetic cartridges.

For 2013, the Group's main objective is to continue its IT-related waste management programme with the service providers ATF Gaia and Tricycle and to increase the amount of waste collected.

QUANTITIES OF WEEE IN FRANCE

	2012	2011
Quantities of WEEE in kg (Paris region)	1,554	n.a.
Quantities of WEEE in kg excluding re-use (outside Paris region)	2,956	n.a.
Total quantity of WEEE	4,510 √	n.a.

PAPER WASTE MANAGEMENT

Sopra Group has implemented selective sorting of paper waste at most of its sites in France. The goal of this selective sorting policy is essentially to collect a major portion of the Group's paper waste for recycling. Management of the selective sorting operations is centralised for Sopra Group's Île-de-France sites by our service provider Tricycle. For the sites in France's provinces, the municipalities or service providers hired by Sopra Group directly coordinate the selective sorting of the Group's paper waste.

In 2012, in order to increase the volume of paper waste collected, selective sorting was implemented in every office at a number of sites. Sopra Group will continue this policy of selective sorting by office at new sites in France in 2013.

WASTE MANAGEMENT OF CONSUMABLES

Selective sorting of consumable waste is organised in the same manner as paper waste management.

QUANTITIES OF NON-WEEE WASTE (PARIS REGION)

	2012	2011
Quantity of paper waste (in kg)	19,920	18,090
Quantity of battery waste (in kg)	181	15
Quantity of waste from used ink cartridges (in kg)	4,403	4,089

3.3. Sustainable use of resources

3.3.1. MANAGEMENT OF IT RESOURCES

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

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

Management of energy consumption

In early 2009, Sopra Group decided to implement an improved energy management model, and embarked on harmonising standards applied to all equipment across the Group, in particular by ensuring that all workstation screens enter sleep mode after fifteen minutes and by extending the use of standby mode. This programme has been renewed by the Group and deployed to all subsidiaries. It limits Sopra's energy consumption when employees are not using their computers for extended periods during the day. The Group also raises awareness on a regular basis *via* the intranet to encourage employees to shut down their computers or activate sleep mode when not using their computers for long periods.

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

Virtualisation of IT infrastructure

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

The aims of this approach are reflected in:

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

Management of the installed base of IT equipment

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

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

The quality of information collected ensures effective management of Sopra Group's installed base of equipment. The only pieces of equipment subject to replacement are those that become obsolete or whose use no longer corresponds to Sopra Group's business standards.

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

Life span of IT equipment

Sopra Group used the opportunity presented by Dell's overhaul of its product line to take into account new environmental criteria in the selection of the equipment used by its employees. Desktop and laptop computers in this range offer improved performance and consume less energy. Since 2009, Sopra Group has therefore replaced a major portion of its business computer equipment in favour of more energy-efficient models. At the same time, one of the key principles implemented over the last several years has been to extend the life of the equipment.

Consequently, replacing the IT equipment with more energy-efficient computers and a policy of extending the life of this equipment help to significantly reduce the Group's environmental impact.

IT equipment is inventoried on a regular basis both physically by the Group's technical teams and remotely by data collection from the network, ensuring the company's ability to track the equipment.

LIFE SPAN OF IT EQUIPMENT

	2012	2011
Life span of IT equipment (in France) in number of years	2.89* (LPT (1)) 3.82 (PC (2))	4.25*
Life span of IT equipment (outside France) in number of years	2.91 (LPT) 3.83 (PC)	n.a.

* *A significant portion of the Group's IT equipment was replaced in 2011 and 2012, which explains the marked decline in life span between 2011 and 2012.*

(1) LPT: laptop computer.

(2) PC: desktop personal computer.

CHANGE IN KWH CONSUMPTION OF BUSINESS COMPUTERS

	2012	2011
kWh consumption of laptop business computers (France and international)	54	57
kWh consumption of desktop business computers (France and international)	152	178

Energy consumption of laptop business computers declined from 67 kWh in 2008 to 54 kWh in 2012.
Energy consumption of desktop business computers declined from 235 kWh in 2008 to 152 kWh in 2012.

NUMBER OF PHYSICAL AND VIRTUAL MACHINES INSTALLED

	2012	2011
Number of physical servers installed in Sopra Group premises	144 √	204
Number of virtual servers installed in Sopra Group premises	916 √	562

3.3.2. PAPERLESS PROCESSES

For several years, Sopra Group has encouraged the wider use of paperless processes by deploying tools permitting electronic document management and by frequently urging its employees to avoid printing whenever possible. The Group implements concrete measures to encourage the use of paperless processes and raises awareness among employees to reduce the use of paper and the energy consumed by printing. Paperless processes also help to reduce the physical delivery of documents and, last but not least, less paper used for printing means less waste to be processed.

The Group's paperless processes involve the various internal newsletters published by Sopra Group (Group newsletter and newsletters of the functional and operational divisions distributed *via* the intranet), monthly activity reports produced by each employee; the management of paid leave and absences, IT requests, purchases and travel invoices.

New projects in this area, including offering paperless pay statements and expense accounts, were initiated in 2012 for rollout in 2013. Employees who wish to receive a paperless version of their pay statements may do so *via* a secure Digiposte digital lockbox managed in partnership with the French postal service.

3.3.3. MANAGEMENT OF COMMUTER JOURNEYS AND BUSINESS TRAVEL

Policy on work-related travel

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

Consequently, several years ago the Group introduced an initiative to reduce the amount of travel and its environmental impact by adopting the use of a videoconferencing system and promoting the most environmentally-friendly means of transport (train) whenever possible.

In this regard, and in order to reduce the amount of travel, Sopra Group implemented an action plan on several fronts:

- limiting travel for internal and external meetings through the use of videoconferencing equipment at the majority of the Group's sites;
- encouraging the use of the most eco-friendly means of transport whenever possible, particularly for trips in France or daily commutes to client locations.

An annual memorandum distributed to the entire management team to implement this action plan dictates the principles of the Group's travel policy.

NUMBER OF VIDEOCONFERENCING SYSTEMS IN PLACE

	2012	2011
Number of new videoconferencing systems put in place during the financial year (France)	7 √	7
Total number of videoconferencing systems in place during the financial year (France)	34	27
Number of new videoconferencing systems put in place during the financial year (international)	9 √	3
Total number of videoconferencing systems in place during the financial year (international)	31	22

Monitoring the Group's carbon footprint related to business travel

In order to identify areas in need of improvement, for the last three years Sopra Group has monitored its carbon footprint from employee commuting and business travel by air, train and automobile. This carbon footprint assessment helps to identify ways the Group can limit the use of means of transport that cause the most pollution. This is particularly relevant in France, where train travel to the Group's multiple sites can help to reduce CO_2 emissions.

Centralised travel management

To better manage and centralise the Group's business travel, business trips in France are for the most part managed by two service providers: a travel agency for air and train travel, and a car rental company.

The use of personal vehicles for long-distance business travel in France is limited to the requirements of the department and when train and air travel are not appropriate.

With respect to work-related travel over short distances, the used of taxis and personal vehicles is discouraged when public transport is easily accessible.

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

In 2013, Sopra Group will continue its policy of limiting business travel and will make an effort to optimise the use of videoconferencing systems.

CO_2 EMISSIONS FROM BUSINESS TRAVEL IN FRANCE

(in tonnes of CO_2 equivalent)	2012	2011
Total CO_2 emissions due to train and air travel (AMEX)	4,395,176	4,556,008
Total CO_2 emissions due to train and air travel (SELECTOUR, CARLSON and TOUROMED)	1,233,340	n.a.
Total CO_2 emissions due to business travel (rental cars and personal vehicles used for business)	2,251,259	n.a.
TOTAL CO_2 EMISSIONS FOR ALL BUSINESS TRAVEL IN 2012	**7,877,267** √	

In 2012, the kilometres travelled by department automobiles in France (53 vehicles) were not included.

3.3.4. MANAGEMENT OF BUSINESS PREMISES

At all of its sites in France and, depending on national regulations, for its operations outside France, Sopra Group favours the application of measures for the protection of the environment:

- furnishing of premises with ergonomic workstations enhancing the quality of working conditions for its staff. One way in which this approach has been applied for some thirty years by the Group is to ensure that each workstation has direct access to daylight;
- installation of energy-efficient and environmentally friendly heating and air-conditioning systems whenever these systems require replacement;
- preventive maintenance of installations to conserve energy;
- use of non-toxic and non-hazardous products by the cleaning services;
- installation of water fountains, directly connected to the drinking water distribution network, with the aim of reducing plastic bottle use;
- efforts to raise the awareness of employees as to the importance of applying the best practices contained in the Group's guide to eco-friendly behaviours;
- commitment by site managers to observe and encourage respect for the environment and good practice on a day-to-day basis. In assuming direct day-to-day responsibility for waste separation at sites, these managers promote best practices and communicate information to staff members as necessary. They also verify the gradual installation of low-energy devices as equipment is replaced.

With regard to Sopra Group's strategies concerning new business premises, the company's policy is to favour buildings eligible for the new RT 2012 (2012 thermal regulations), BBC (low energy-consumption buildings) and HQE® (High environmental quality) standards. These choices are made first and foremost to remain consistent with the criteria for advancing the quality of Sopra Group's work environment.

New standards for construction of new sites

In France's Rhône-Alpes region, in the city of Limonest, an 8,000 m² building is being completed that has been HQE® and BBC certified. In mid-2013, the employees of Sopra Group's regional headquarters will move into this new building.

In order to meet the needs of the Group's strong business growth in the Toulouse region, construction will begin in 2013 on a building that will meet the new RT 2012 environmental standards. This new site will house a portion of the employees in Sopra's Midi-Pyrénées region in 2014.

Water consumption

With regard to water consumption, Sopra only uses water from the municipal water system and mainly for sanitary use. The precise assessment of water consumption for all of the Group's operations in France is difficult to obtain, since it depends on the utility management system readings made available by Sopra Group's various lessors. However, Sopra Group intends to intensify its efforts in order to obtain this information.

ANNUAL WATER CONSUMPTION IN FRANCE

	2012
Average consumption of clean water per workstation in the year *(m^3)*	3.20
Average consumption of clean water per square metre in the year (*m^3*)	0.29

Average water consumption calculated on the basis of five sites representative of the Group's business in France.

Energy consumption and action taken

ANNUAL ELECTRICITY CONSUMPTION IN FRANCE

	2012	2011
Electricity consumption per square metre in kWh across 23 sites	178.23	170

Breakdown of actual consumption across 23 out of a total of 30 sites in France.

As regards the sensible use of resources more generally, action is regularly taken to raise employee awareness *via* the guide to eco-friendly behaviours and Group communication tools. Campaigns will continue in 2013 to encourage employees to limit energy consumption in the course of their day-to-day activities.

3.3.5. RESPONSIBLE PURCHASING AND ENVIRONMENTAL INDICATORS

PURCHASES OF "GREEN" PAPER IN FRANCE

	2012	2011
Total number of reams purchased	**25,872***	**28,516**
Of which number of reams of A4/A3 paper purchased (SFI certified)	25,670	28,275
Of which number of reams of A4/A3 paper purchased (SFC/PEFC certified)	142	241
Total weight of paper purchased *(kg)*	**61,187**	**70,167**
Of which weight of SFI certified paper *(kg)*	60,423 √	69,269
Of which weight of SFC/PEFC certified paper *(kg)*	464	898

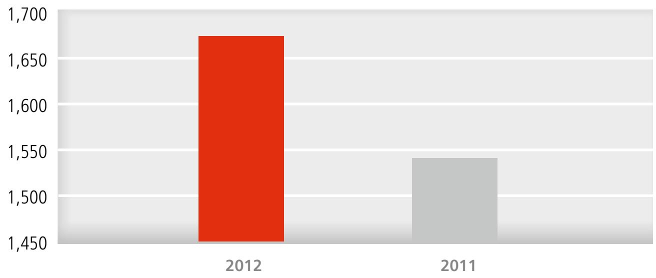
* *Includes 60 uncertified reams.*

From 2011, Sopra Group began to use SFI certified photocopy paper across all its French sites [(1)]. In 2012, purchases of paper were supplemented by other FSC/PEFC certified paper [(2)].

All paper used within the company in France is certified paper produced from sustainably managed forests.

In 2012, regular awareness campaigns to limit printing led to a 10% reduction in paper consumption.

PURCHASES OF REFILLED RECYCLED CARTRIDGES



Number of refilled recycled cartridges purchased in the year

As regards used printer cartridges, the company opted several years ago to purchase recycled cartridges, except in the case of new printers for which recycled cartridges have not yet become available. This policy continued to apply in 2012.

4. Our responsibility to society

4.1. Regional, economic and social impacts

4.1.1. EMPLOYMENT AND REGIONAL DEVELOPMENT IN FRANCE

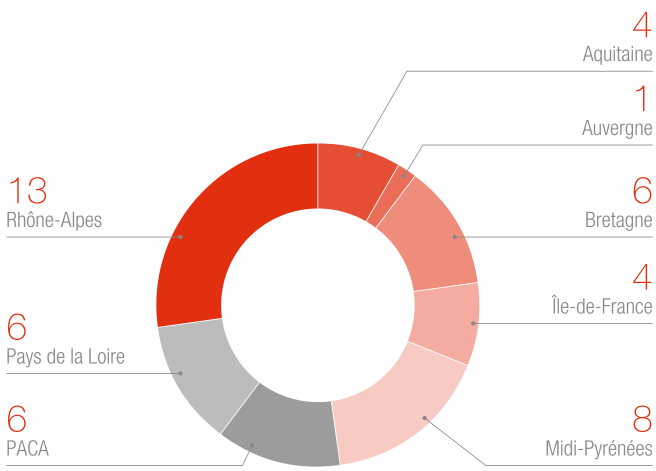
Sopra Group continued to be a major driver of growth in regional employment in 2012, recruiting 1,676 new employees in France, with 1,100 of these in the provinces.

Sopra Group has 9,386 employees in France, two thirds of whom are based at the company's provincial sites.

To serve its clients and meet their needs as effectively as possible, Sopra Group has developed regional service centres and boosted its workforce at its regional sites. This policy has led to the creation of a large number of new positions and the recruitment of significant numbers of new staff into the Group's regional entities.

NUMBER OF WORK/STUDY RECRUITS PER REGION: APPRENTICESHIPS

48 recruits in 2012 √

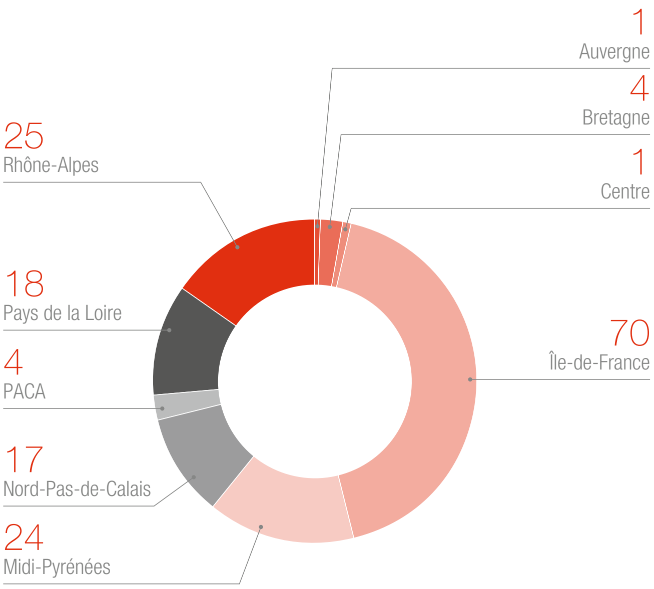


(1) **SFI:** *Sustainable Forestry Initiative is an internationally recognised standard for the sustainable management of North American forests. It is one of the world's most widely-used forestry certification standards.*

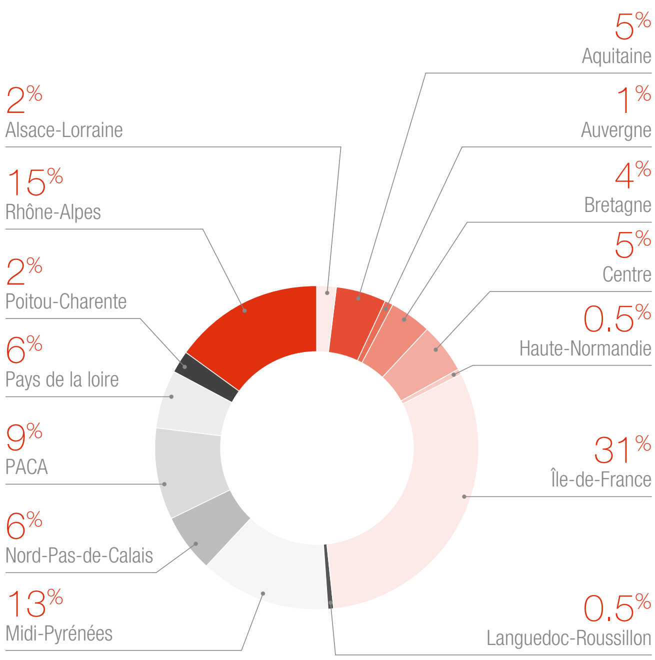
(2) **PEFC** *(Program for the Endorsement of Forest Certification Schemes) and* **FSC** *(Forest Stewardship Council): certifications for products produced from sustainably managed forests.*

NUMBER OF WORK-STUDY PERSONNEL RECRUITED PER REGION: PROFESSIONALIZATION CONTRACTS

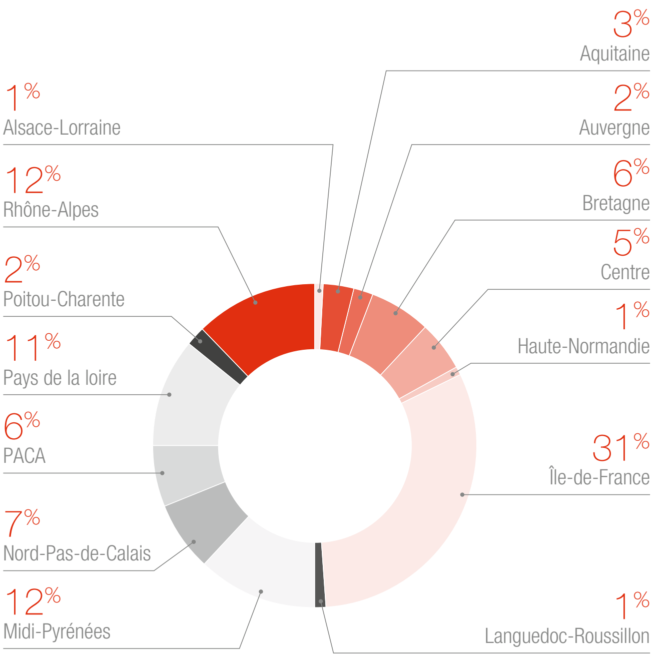
164 recruitments in 2012, down from 198 in 2011 √



PERCENTAGE OF RECRUITMENTS PER REGION: PERMANENT CONTRACTS √



PERCENTAGE OF RECRUITMENTS PER REGION: CONVERSION OF INTERNSHIPS √



4.1.2. RELATIONS WITH LOCAL POPULATIONS IN INDIA

As a responsible company, Sopra Group India (SGI), which employs more than a thousand people in India (in Noida and Bangalore), has for several years been running aid programmes for underprivileged populations and people with disabilities.

The Yogdaan platform, set up by SGI in 2011, is intended to bring together all activities falling within the remit of corporate social responsibility (CSR).

In August 2012, a new recognised body was formed: Sopra Group India Yogdaan Trust. This body, which is funded *via* monthly contributions from more than 900 SGI employees, with support from the company, is now responsible for implementing all of SGI's CSR-related activities.

Furthermore, more than 45 active employees belonging to the Yogdaan team voluntarily took part in Sopra Group India humanitarian initiatives in 2012.

In 2012, Yogdaan's activities were focused around five key areas, which are outlined below:

- **education for the underprivileged.**

  In conjunction with the OM Foundation school, Yogdaan Trust launched a project named "Encouraging education through regular volunteering". The project aims to provide students with help in the areas of arts and crafts, dance, public speaking and sport.

OM Foundation is a registered charity that works to improve living conditions for the underprivileged *via* a range of activities in support of education and employment;

- **IT training.**

  Since 2010, SGI has been involved in a NASSCOM initiative aimed at closing the gap between the business and academic worlds. In 2012, SGI worked with Sharda University and Inderprastha Engineering College in Sahibabad. Between October 2011 and March 2012, a group of 40 students and five lecturers received training in software engineering from SGI employees and managers;

- **donation campaigns.**

  Various donation campaigns were run in 2012 in relation to school supplies and winter clothing. A blood donation drive was also held on SGI's premises;

- **event sponsorship.**

  Sopra Group India continues to support a variety of charitable events in favour of people with disabilities.

  For example, the company sponsored three major local events in 2012:

  - a sports event for blind people,
  - a charity football tournament organised by the French embassy,
  - a corporate citizens' challenge.

  SGI also sponsored pupils in the nine- to ten-year-old class at the OM Foundation's school.

Conscious of its responsibility to local communities, in 2013 Sopra Group India will continue to take part, along with its employees, in humanitarian programmes initiated within the Yogdaan platform.

4.2. Responsible purchasing charter and supplier CSR assessment

4.2.1. RESPONSIBLE PURCHASING CHARTER

Sopra Group is particularly attentive to the issue of purchasing that complies with sustainable development goals. Sopra Group is therefore committed to purchasing responsibly and applying a supplier and service provider selection policy that fully complies with the principles laid down in the United Nations Global Compact, of which Sopra Group is a signatory. Sopra Group defined a formal responsible purchasing policy as long ago as 2010. In 2011, the Group drew up a responsible purchasing charter based on the key principles found in the Global Compact. The charter formalises the Group's values in relation to corporate social responsibility and its commitment to sustainable development in its purchasing processes.

The responsible purchasing charter sets out fundamental principles of fair and transparent purchasing and establishes the roles and responsibilities of the purchasing network.

The charter is sent out to all regular suppliers to gain their buy-in. It formalises the Group's values in terms of sustainable development and draws on the ten principles laid down in the United Nations Global Compact.

4.2.2. SUPPLIER CSR ASSESSMENT √

In 2011, a pilot project was launched in France to assess key suppliers' responsibility in respect of human resources, the environment and society.

In 2012, the guiding principles for assessing responsibility in these areas were approved and the assessment process and resources to be used in that process were finalised.

Sopra Group's responsible purchasing charter and CSR assessment questionnaire were sent to regular French suppliers of the Purchasing and Logistics Department (excluding lessors) and the IT Resources and Security Department.

The CSR assessment questionnaire, which was only sent to tier 1 suppliers [(1)], measures suppliers' level of commitment in three areas: human resources, the environment and society. A scoring system ranks each supplier's answers on a scale of values.

This programme, piloted within the Sustainable Development Department, involves the Purchasing, Logistics, and IT Resources and Security (ITR&S) Departments.

SUPPLIER CSR ASSESSMENT RATES √

	2012			
	Purchasing	**ITR&S**	**Logistics**	**Total**
Tier 1 suppliers *(number)*	13	8	26	47
Tier 1 suppliers assessed *(number)*	8	8	19	35
Tier 1 suppliers assessed *(%)*	62%	100%	73%	74%

Progress targets for 2013 are aimed at assessing all tier 1 suppliers and including lessors within the scope of the assessment programme. An awareness process will also be initiated among those suppliers achieving low CSR scores to encourage them to draw up CSR improvement plans.

As regards subcontracting, a pilot CSR assessment project was launched among a panel of French subcontractors in late 2012. If this pilot progresses satisfactorily, a CSR assessment programme will be rolled out among tier 1 subcontractors from 2013 onwards.

(1) A tier 1 supplier is a supplier that transacts a certain volume of sales with Sopra Group and/or undertakes sensitive activities in the areas of human resources (e.g. temporary recruitment) or the environment (e.g. premises maintenance).

4.3. Fair commercial practices

Sopra Group's main priority in carrying on its day-to-day activities has always been to observe business ethics. This requirement is formalised in Sopra Group's Charter of Ethics, which is aligned with the Group's aim of behaving transparently, equitably and fairly towards all its stakeholders: clients, employees, shareholders, partners, suppliers and players within civil society.

This charter is founded on compliance with legislation and regulations in all countries in which the Group operates, and on the Group's commitments to carry on its business as efficiently and effectively as possible.

In particular, Sopra Group's Charter of Ethics aims to lay down ethical principles that will help the Group pursue fair and transparent economic growth with its clients, partners and suppliers, both in its relationships and in its working practices.

Sopra Group does not tolerate any form of corruption or abuse intended to derive a commercial advantage.

In carrying on its business, Sopra Group is committed to ensuring that the Group and its employees:

- work to prevent all forms of active or passive corruption, whether direct or indirect;
- abide by competition rules;
- maintain the confidentiality of information to which employees have access in the course of their duties and activities within the Group.

Sopra Group is also committed to avoiding personal conflicts of interest that are contrary to the Group's best interests.

The Charter of Ethics is supported by Sopra Group management, which is responsible for ensuring that these rules are observed. The charter applies to all Group employees in France to ensure that they perform their duties effectively.

The charter is set to be rolled out to international entities in 2013, taking into account specific regulations in each country and charters already in force within those entities.

4.4. Quality and client satisfaction

Client satisfaction is closely linked to both the quality of the products and services provided by Sopra Group and the use and continuous improvement of a quality management system.

The quality policy is backed by a high level of commitment from Sopra Group's Executive Committee, with the main focus being on meeting clients' requirements while continuing to deliver the strong performance that ensures that the Group retains the freedom it needs to offer appropriate solutions to its clients.

Sopra Group's Quality System is the embodiment of this quality policy. Its end goal is not only to correct compliance defects or problems as they arise, but to safeguard against such defects and problems and to continuously improve Sopra Group's processes so that they are always efficient, competitive and relevant to clients' expectations.

In order to monitor client needs more closely, Sopra Group plans to periodically conduct targeted satisfaction surveys, starting in 2013.

4.4.1. CLIENT INVOLVEMENT IN PROCESSES

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

4.4.2. QUALITY CERTIFICATION

All Sopra Group entities (in Europe and India) have been certified to ISO 9001 by accredited organisations. This certification demonstrates the Group's desire to increase client satisfaction by taking into account changes in the Group's operating environment and continuously improving Group processes.

4.4.3. DEVELOPING THE QUALITY SYSTEM

Sopra Group updated its multi-location production model in 2012 to better reflect clients' expectations and challenges. The criteria used to apportion work between more than one production site take into account not only project type, project life cycle and financial considerations, but also skills availability and risks.

Some project activities may be carried out in service centres in France, in Europe or outside Europe.

The main goal of a service centre is to optimise projects and the quality of delivery. Such a centre is characterised by a striving for excellence in production and industrialisation and progress for junior production staff.

Overall quality control within a multi-location production environment remains subject to the Group's standard governance rules.

Work to further refine the Group's fundamental principles and their operational application in the form of project procedures will continue in 2013 with the aim of harmonising practices in relation to multi-location projects.

4.4.4. ATTENTIVENESS TO CLIENTS' NEEDS AND MEASUREMENT OF CLIENT SATISFACTION

All information channels are used to ensure client satisfaction:

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

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

4.5. Relations with persons and organisations with a stake in the business

4.5.1. EDUCATIONAL PARTNERSHIP POLICY

Given its recruitment objectives, according to which 70% of the targeted population consists of either engineers or managers taking on their first position of this type or those with less than two years of managerial experience, Sopra Group maintains strong partnerships with educational institutions both in the Paris region and in the French provinces. This policy, pursued under the Group's Educational Partnership plan, is grounded in local action. Its main aims are to:

- raise the profile of Sopra Group, its professions and its values;
- improve the sourcing of interns, work-study personnel and applicants for permanent positions;
- facilitate the recruitment of young graduates.

The Educational Partnership plan allows Sopra Group to take an active part in major events in the life of educational institutions at all levels:

- school management (boards of directors, involvement in foundations and expert panels, sponsorship of classes, etc.);
- teaching staff (corporate chairs, training, feedback, industrial projects, etc.);
- students (success stories, round table discussions, lectures, simulated interviews, graduation ceremonies, forums, company visits, sponsorship of associations, etc.).

In this context, Sopra Group has put in place an organisational structure between the Human Resources Department and the company's operating units that is designed to help them work together more closely and share out activities.

In 2012, Sopra Group undertook more than 350 activities with around 120 partner schools and universities, 70% of which were in the provinces.

Sopra Group partners with the 44th EDHEC Cruising Race

For the sixth consecutive year, Sopra Group sponsored the leading European sports event for students: the EDHEC Cruising Race, held in April 2012 in La Rochelle.

Examples of new activities undertaken with schools in 2012

- Sopra Group financed the Team Voile Centrale Nantes association and the BRIO project, with the aim of supporting students from modest backgrounds by helping them find out about higher education options and cultural projects such as sailing for beginners.
- Sopra Group sponsored Cheer Up, an association that helps young cancer patients with their personal and professional plans. In connection with the EDHEC Cruising Race, the association trained a crew to teach them about the basics of sailing and give them the opportunity to experience a sports competition.

In order to serve Sopra Group's growth and value ambitions, in 2013 the Recruitment Department will maintain the momentum already built up through the school relations policy by:

- strengthening the school stakeholder scheme, particularly in the Ile-de-France region, as is already happening in other regions;
- placing the priority on content-based activities that provide opportunities to explain the Group's business to students.

Sopra Group will also work to develop new work/study curricula to support changes in this area in the Group's partner schools and universities.

These progress targets are included in the annual action plan that underpins Sopra Group's school relations policy. For the 2012-2013 academic year, Sopra Group plans to undertake more than 400 activities with around 140 partner schools and universities.

4.5.2. STAKEHOLDER DIALOGUE

Sopra Group's commitment to the United Nations Global Compact is aligned with the Group's aim of behaving transparently, equitably and fairly towards all its stakeholders: clients, employees, shareholders, subcontractors, suppliers, partners and players within civil society.

It is in this spirit of dialogue and transparency that Sopra Group has, in France, incorporated the sustainable development and corporate social responsibility dimensions into its relationships with its stakeholders. For example, the 2012 Sustainable Development and Corporate Social Responsibility Report was designed to meet this demand for transparency and information in the Group's dealings with its stakeholders. The report, which mainly focuses on the Group's French businesses, will be expanded each year to include reporting information about international entities.

An independent third party was appointed by Sopra Group to check that all information required under Article 225 of the "Grenelle 2" Act (as listed in Article R225-105-1 of the French Commercial Code) was included and to verify a selection of information indicated by the symbol √. The verification report can be found on pages 85 and 86 of this report.

Clients

For many years, Sopra Group has succeeded in building lasting relationships with its clients, whom it supports in their major transformation programmes. In order to achieve this, the Group has developed a set of values backed by a code of professional ethics and relies on established fundamentals that govern the Group's operations and service activities on an ongoing basis.

The values that have shaped the Group's development since its formation, in particular the priority placed on client service, choosing quality and professional excellence, have led it to constantly improve the relevance and quality of its services for the benefit of its clients.

This approach to managing client relationships and responsibilities has enabled Sopra Group to achieve preferred partner status with a number of major organisations that have trusted the Group to help them grow for a number of years and continue to do so.

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

Employees

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

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

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

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

The perception survey conducted by Sopra Group among its employees in 2012 forms an essential component of the Group's range of tools for communicating with staff.

Furthermore, Group employees in France are regularly made aware of issues related to sustainable development and corporate social responsibility and involved in Sopra Group's improvement process and associated actions.

Shareholders

Sopra Group shares have been listed on Segment B of NYSE Euronext Paris since 1990.

This Sustainable Development and Corporate Social Responsibility Report is published within the management report in order to share information about the Group's sustainable development and corporate social responsibility approach and its improvement efforts in France. In accordance with French legislation, Sopra Group is committed to communicating its progress and the relevant performance indicators every year in the three areas in question: human resources, the environment and society.

Sopra Group is constantly working to maintain a relationship of trust and transparency with its shareholders; as such, it regularly issues communications to shareholders, institutional investors and financial analysts. These communications include both financial and non-financial information about the Group.

In accordance with the Group's obligations, recommendations issued by stock exchange authorities and market best practice, the Group's communications with the financial community are punctuated by the release of quarterly, interim and full-year financial information.

Sopra Group has for many years held various types of meetings to share its strategy, financial performance and outlook with this audience. Such meetings include the following:

- Shareholders' General Meetings;
- full-year and interim results announcements.

Sopra Group has also developed a Group finance site (www.finance.sopragroup.com) in French and English to facilitate access to published market information.

Dialogue is also encouraged via a dedicated e-mail address, investors@sopragroup.com.

Subcontractors

Sopra Group's expertise covers consulting, technology services and software vending on the one hand, and associated services (training, organisation, support and maintenance) on the other hand.

Sopra Group may make use of subcontractors in cases where its commitments cover activities or services that fall outside its usual scope of activity, or where specific expertise is needed within a given project.

A procedure within the Quality Procedures Guide describes in detail how Sopra Group draws up subcontractor requirements, chooses subcontractors, enters into subcontracting agreements, manages services delivered by subcontractors, monitors the quality of those services and accepts them. A report on the work performed by subcontractors is then prepared.

Where external skills are used, any subcontractors to whom work is entrusted remain under the responsibility of Sopra Group. Their services are subject to the same level of monitoring and control as services delivered by other members of the Sopra Group team.

In 2012, a pilot project was launched to assess subcontractors' CSR performance, drawing on the supplier assessment programme introduced in France in 2011.

Suppliers

The Procurement Department verifies that its suppliers and service providers share Sopra Group's values in the area of corporate social responsibility. Throughout the selection process and even once the business relationship has been established, this department monitors risk exposure on an ongoing basis.

In order to ensure that its suppliers took into account sustainable development issues, Sopra Group continued with its supplier CSR assessment programme in 2012. Details can be found in section 4.2 of this chapter, "Responsible purchasing charter and supplier CSR assessment".

Partnerships

Sopra Group's partnership strategy involves working with major software developers and publishers to provide the Group's clients with market-leading solutions, whether for their business processes or their information systems. This strategy has resulted in alliances and offerings that create value for the Group's clients. Partnerships are also key to Sopra Group's innovation, training and knowledge management programmes, and play a role in project methodology and management, so as to ensure a high level of service.

The Group's relationship with its partners involves all levels of Group management and sales functions, and permeates its consulting, technology services and software vending businesses in every country in which Sopra Group operates.

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

Civil society

Jean Mounet, a member of Sopra Group's Board of Directors, is Executive Chairman of the Observatoire du numérique (Digital Observatory) and a member of the Strategic Committee for the ICTS industry (1).

Created in late 2011 by the minister with responsibility for the digital economy, the Observatoire du numérique exists to highlight the scale and real impact of the digital sector on the economy as a whole and society at large. The Observatoire du numérique acts as a central repository for all data on the digital economy so that this data can be used by public authorities, economic agents and the public more generally. The Observatoire's Strategic Orientation Committee has formed seven working groups, including an "Employment, Training and CSR" working group.

4.5.3. PARTNERSHIP AND SPONSORSHIP ACTIVITIES

In France, Sopra Group has put in place sponsorship activities focused around two key areas: humanitarian initiatives with Planète Urgence and the environment with Green Cross France & Territoires.

At an international level, the Group's other entities have also implemented a large number of humanitarian initiatives.

As well as information on activities in India set out in section 4.1 of this report, "Regional impact of activities", the Group's 2013 reporting will include information on activities undertaken by other international entities.

Planète Urgence √

The Group's partnership with Planète Urgence, which dates back to 2008, continued in 2012.

As part of this partnership, 11 employees of Sopra Group France used paid leave for humanitarian purposes under the "Congé Solidaire" programme in 2012.

Planète Urgence is a non-governmental organisation (NGO) that has been working for over ten years with local NGOs operating in developing countries, including in particular sub-Saharan Africa, Haiti, Cambodia, Laos and Nepal.

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

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

The humanitarian missions proposed by Sopra Group to its employees directly relate to their professional experience. The company's participation involves the payment of travel expenses, training and administrative fees.

The Congé Solidaire programme is a rewarding new way for employees to put their free time to good use, and Sopra Group is keen to encourage it through its partnership with Planète Urgence.

Following the success of the Planète Urgence programme and the number of in-house applications, Sopra Group is planning to step up its involvement. In 2013, 20 employees will have the opportunity to participate in the programme.

Green Cross France & Territoires √

In 2012, Sopra Group decided to focus its commitment to the environment on major issues, including in particular those linked to water-related issues. The Group therefore decided to support Green Cross France & Territoires (GCFT), an association dedicated to reinforcing the general programmes run by Green Cross International. GCFT also runs various activities including the development of regional and national water-related advocacy programmes. Green Cross works in more than 30 countries, focusing its activities on the relationship between poverty, security and the environment. Green Cross seeks to tackle both the causes and the environmental consequences of wars and conflicts. The ONG carries out environmental analyses and surveys, defends the sustainable management and use of natural resources, and helps inform and educate the public about these issues.

Sopra Group's support takes two forms: a financial donation to the association to help it expand its activities and skills sponsorship in support of internal or external GCFT projects.

In 2012, this Sopra Group/GCFT skills sponsorship formed part of an overall package of advice and support in relation to various internal projects within the association, as well as an external environmental project supported by GCFT. Sopra Group made its consulting expertise available for a large-scale project launched by GCFT in 2012, "Transition towards a sustainable pig sector in Brittany". GCFT is working to revitalise the sector from producers right through to consumers, and has established requirements that provide guarantees in relation to environmental protection and animal welfare and ensure a fair and stable income for breeders.

(1) ICTS: information and communication technologies and services.

In 2012, seven members of Sopra Group management and staff from outside the Sustainable Development Department were involved in skills sponsorship.

In 2013, Sopra Group is repeating its financial sponsorship and continuing with skills sponsorship in connection with the project "Transition towards a sustainable pig sector in Brittany".

4.5.4. HUMANITARIAN INITIATIVES ORGANISED BY EMPLOYEES IN FRANCE

In France, in addition to initiatives managed by the Group, employees have joined forces to undertake humanitarian initiatives. For example, employees were behind two types of initiative in 2012.

Blood donation drives

For several years, employees have been organising blood donation drives, at their own initiative and with the help of Sopra Group. These drives, which take place within the framework of the Group's activities, are an opportunity to encourage other employees to give blood and raise awareness of the vital need for this humanitarian initiative. For example, local employees at the Nantes site organised several blood donation drives in 2012.

Initiatives in favour of people with disabilities

Other humanitarian initiatives were also undertaken in 2012 by Group employees in France. For example, a race was organised in Strasbourg in May 2012 involving runners from the *Association des aveugles et amblyopes d'Alsace et de Lorraine* (Alsace-Lorraine Association for the Blind and Amblyopic/AAAL).

The idea behind the race was to pair up sighted and blind runners in a shared sporting endeavour.

In Annecy, Group employees have for several years taken part in an event organised by the local council, "*Annecy court pour handisport*" ("Annecy runs in support of disabled sports"). The event's partners recognise this fine collective effort by awarding a cash sum to Annecy's disabled sports association.

At an international level, employees of Group entities have also taken part in a large number of humanitarian initiatives. The Group's 2013 reporting will include information about these initiatives.

5. Appendix and reconciliation tables: Grenelle 2, GRI and ISO 26000

OVERVIEW OF SOPRA GROUP'S COMPLIANCE WITH GRENELLE 2 INDICATORS

Policy (labour, environmental and societal)	Grenelle 2	Scope	GRI	ISO 26000
LABOUR COMPONENT				
Actions led and guidelines followed by the company to take into account the labour and environmental consequences of its activity and to meet its societal commitments in favour of sustainable development	2.1 Sopra Group Culture 2.8.3 Employee perception survey 3.1 Taking into consideration environmental impacts	Group		6.2 Organisational governance
a) Employment				
■ Total workforce	2.2.1 Workforce and trends	Group	LA1 Total workforce by employment type, employment contract and region LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	6.4 Labour practices 6.4.3 Employment and employment relationships
■ Breakdown of employees by gender, age and geographic region	2.2.1 but NA for geographic region	Gender and age in France		
■ Hirings and dismissals	2.2.2 Recruitment and separation of employees	Group hirings/ dismissals France only	LA2 Total number and rate of employee turnover by age group, gender, and region	
■ Remuneration and trends	2.2.5 Remuneration	France		

Policy (labour, environmental and societal)	Grenelle 2	Scope	GRI	ISO 26000
b) Work organisation				
■ Organisation of the work schedule	2.3 Work organisation	France		6.4 Labour practices 6.4.7 Health and safety at work
■ Absenteeism	2.3 Work organisation	France	LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region	
c) Employee relations				
■ Organisation of dialogue between employees and management, in particular procedures for informing and consulting with the staff and negotiating with employees	2.4 Employee relations and 2.8 Internal communications	France		6.4 Labour practices 6.4.5 Social dialogue
■ Overview of collective bargaining agreements	2.4 Employee relations	France		
d) Health and safety				
■ Conditions for workplace health and safety	2.7 Health and safety	France		6.4 Labour practices 6.4.7 Health and safety at work
■ Overview of agreements signed with labour organisations or employee representatives with regard to workplace health and safety	No agreements on this subject have been signed			
■ Workplace accidents, particularly their frequency and severity, and occupational illnesses	2.7.1 Workplace accidents	France		
■ Compliance with provisions of the fundamental conventions of the ILO	2.6 Promoting and complying with the fundamental conventions of the ILO			
e) Training				
■ Policies implemented with respect to training	2.2.3 Training policy	Group		6.4 Labour practices 6.4.3 Employment and employment relationships
■ Total number of training hours	2.2.3 Training policy	Group	LA10 Average hours of training per year per employee by employee category	
f) Equal treatment				
■ Measures taken in favour of gender equality	2.5 Non-discrimination principles	France		6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work
■ Measures taken in favour of employment and integration of disabled workers	2.5 Non-discrimination principles	France		
■ Anti-discrimination policy	2.5 Non-discrimination principles	France		
g) Promoting and complying with the fundamental conventions ILO				
■ Upholding the freedom of association and the right to collective bargaining	2.6 Promoting and complying with the fundamental conventions of the ILO	Group		
■ Eliminating discrimination in respect of employment and occupation	2.6 Promoting and complying with the fundamental conventions of the ILO	Group		
■ Eliminating forced or compulsory labour	This subject does not relate to Sopra Group in view of the countries where it operates			
■ Effective abolition of child labour	2.6 Promoting and complying with the fundamental conventions of the ILO	Group		

Policy (labour, environmental and societal)	Grenelle 2	Scope	GRI	ISO 26000
ENVIRONMENTAL COMPONENT				
a) General environmental policy				
■ The company's organisation to take environmental issues into consideration, and where applicable, environmental assessment or certification processes	3.1.1 Organisation to take environmental issues into consideration	France		6.2 Organisational governance
■ Training and information on protecting the environment offered to employees	3.1.2 Training and information on protecting the environment offered to employees	France		
■ Resources dedicated to preventing environmental risks and pollution	This subject does not relate to Sopra Group's activities			
■ Amount of provisions and coverage for environmental risks, provided that such information is not liable to seriously harm the company in any on-going litigation	This subject does not relate to Sopra Group's activities			
b) Pollution and waste management				
■ Measures to prevent, reduce or remedy waste in the air, water and soil that seriously affect the environment	This subject does not relate to Sopra Group's activities			
■ Waste prevention, recycling and elimination measures	3.2 Waste management	France	EN22 Total weight of waste by type and disposal method	6.5.3 Prevention of pollution
■ Taking into consideration noise pollution and any other form of pollution specific to an activity	This subject does not relate to Sopra Group's activities			
c) Sustainable resource use				
■ Water consumption and supply according to local requirements	3.3.4 Management of business premises	France		6.5.4 Sustainable resource use
■ Consumption of raw materials and measures taken to improve efficient use of these resources	3.3.1 Management of information technology resources	Group	EN1 Materials used by weight or volume	
■ Energy consumption, measures taken to improve energy efficiency and use of renewable energies	3.3.1 Management of information technology resources		EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	
	3.3.2 Paperless processes	France		
	3.3.3 Management of travel			
	3.3.4 Management of business premises	France	EN3 Direct energy consumption by primary energy source EN8 Total water withdrawal by source	
■ Land use	This subject does not relate to Sopra Group's activities			

Policy (labour, environmental and societal)	Grenelle 2	Scope	GRI	ISO 26000
d) Climate change				
■ Greenhouse gas emissions	3.3.3 Management of travel		EN16 Total direct and indirect greenhouse gas emissions by weight (tonnes of CO_2 eq.) EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	6.5.5 Climate change mitigation and adaptation
■ Adapting to the consequences of climate change	This subject does not relate to Sopra Group's activities			
e) Protection of biodiversity				
Measures taken to protect or develop biodiversity	This subject does not relate to Sopra Group's activities			
SOCIETAL COMPONENT				
a) Territorial, economic and social impact of the activity				
Employment and regional development matters	4.1.1 Employment and regional development in France	France	EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	6.8 Community involvement and development
With regard to resident and local populations	4.1.2 Relations with local populations in India	India		
b) Relations with persons or organisations having interests in the company's activities				
Conditions of the dialogue with these persons or organisations	4.5 Relations with persons or organisations having interests in the company's activities	France		
Partnerships or sponsorship actions	4.5 Relations with persons or organisations having interests in the company's activities	France		
c) Subcontracting and suppliers				
Taking into account social and environmental challenges in the purchasing policy	3.3.4 Environmentally responsible purchasing indicators and 4.2	France		
Significance of subcontracting and taking into account the social and environmental responsibility of suppliers and subcontractors in relationships with them	4.2.2 CSR assessment of suppliers	France	EC6 Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation	6.6.6 Promoting social responsibility in the value chain
d) Fair trade practices				
Anti-corruption actions	4.3 Fair trade practices	Group		6.6 Fair operating practices
Measures taken to promote consumer health and safety	This subject does not relate to Sopra Group's activities			
e) Other actions initiated in favour of human rights				
	4.4 Quality and client satisfaction	Group	PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	6.7 Consumer issues

Report of one of the Statutory Auditors expressing limited assurance on selected workforce-related, environmental and societal information published in the Group's management report

For the attention of the Executive Management of Sopra Group

As requested and in our capacity as Statutory Auditors of Sopra Group, we hereby present our statement of completeness with regard to the consolidated workforce-related, environmental and societal information included in the Corporate Social Responsibility section of the management report, presented in the Registration Document issued for the financial year ended 31 December 2012, and prepared in application of Article L. 225-102-1 of the French Commercial Code. We also provide our limited assurance report with regard to certain elements of this information selected by the Group and identified by the symbol "√".

RESPONSIBILITY OF THE COMPANY

The Board of Directors is responsible for preparing a management report including the consolidated workforce-related, environmental and societal information provided for in Article R. 225-105-1 of the French Commercial Code (hereinafter the "Information"), prepared in accordance with the reporting criteria used by Sopra Group (the Sopra Group CSR Reporting Protocol) and available from the Group's Sustainable Development Department.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulations, the code of ethics for our profession, and the provisions of Article L. 822-11 of the French Commercial Code. We have also set up a quality control system that includes policies and documented procedures to ensure compliance with rules of ethics, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE STATUTORY AUDITOR

Based on the procedures performed, it is our responsibility to:

- certify that the Information as required has been presented in the management report or, if any such information has been omitted, that an explanation as provided for in the third paragraph of Article R. 225-105 of the French Commercial Code and in Decree 2012-557 of 24 April 2012 has been given (Statement of completeness);
- express an opinion of limited assurance that the indicators selected by the Group and identified by the symbol "√" are fairly presented, in all material respects, in accordance with the Reporting Criteria (Limited assurance report).

We were assisted in our work by our Corporate Social Responsibility and Sustainable Development experts.

Statement of completeness

We conducted the following procedures in accordance with professional standards applicable in France:

- we compared the Information included in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code;
- we verified that the Information covered the entire scope of consolidation, i.e. the Company and its subsidiaries within the meaning of Article L. 233-1 and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, with the limits specified in section 1.6 of the Corporate Social Responsibility portion of the management report, presented in the Registration Document;
- where certain consolidated information was omitted, we verified that explanations were provided in accordance with the provisions of Decree 2012-557 of 24 April 2012.

On the basis of these procedures, we certify that the Information as required has been presented in the management report.

Limited assurance report on selected workforce-related, environmental and societal information, identified by the symbol "√"

Nature and scope of procedures

We conducted our procedures in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and with professional standards applicable in France.

We carried out the procedures described below in order to provide limited assurance that the indicators selected by the Group and identified by the symbol "√" contain no material misstatement that would call into question the assessment that they are fairly presented, in all material respects, in accordance with the Reporting Criteria. A higher level of assurance would have required more extensive work.

Our work consisted in the following:

- we assessed the Reporting Criteria with respect to their relevance, completeness, neutrality, comprehensibility and reliability, taking into account best practices in the industry, if applicable;
- we verified the implementation within the Group of a data collection, compilation, processing and quality control process to ensure the completeness and consistency of the selected indicators. We also reviewed the internal control and risk management procedures involved in the preparation of this information. We conducted interviews with the individuals in charge of workforce-related, environmental and societal reporting;

- we conducted the following procedures with regard to the specific indicators selected [(1)]:
  - we conducted analytical procedures and verified the calculations made as well as the consolidation of these indicators, using sampling techniques,
  - we conducted interviews to verify the proper application of procedures and obtained information allowing us to document our verifications,
  - we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the information provided with the supporting documents.

CONCLUSION

Based on our procedures, we did not identify any material misstatement that would call into question the assessment that the indicators identified by the symbol "√" are fairly presented in accordance with the Reporting Criteria.

Paris-La Défense, 19 April 2013

Mazars

Christine Dubus Partner	Emmanuelle Rigaudias Partner, CSR & Sustainable Development

(1) These indicators are as follows [our verification procedures confirmed a 100% coverage rate for all the indicators]: total workforce, average FTE workforce, total workforce by type of contract, portion of management-level employees in the workforce, average age of employees under permanent contracts, average length of service of these employees, new hires, staff turnover rate for employees under permanent contracts, absenteeism rate, rates of frequency and severity of workplace accidents, number of training days and hours, average number of training days per employee, rate of employment of disabled workers, quantities of WEEE, number of physical and virtual machines installed, purchases of SFI paper, number of new videoconferencing systems implemented during the financial year, CO_2 emissions of all work-related travel, number of work-study recruitments per region, distribution of recruitments by region, partnerships and sponsorship initiatives, supplier assessment system, rate of CSR assessment of suppliers.

5 2012 Consolidated financial statements

Consolidated statement of net income

(in thousands of euros)	Notes	2012	2011	2010 restated under IFRS 5
Revenue	*4*	**1,216,729**	**1,050,260**	**964,406**
Staff costs	*5*	-811,780	-701,383	-652,113
External expenses and purchases	*6*	-271,798	-233,456	-212,738
Taxes and duties		-15,399	-15,616	-11,368
Depreciation, amortisation, provisions and impairment	*7*	-16,958	-13,580	-13,053
Other current operating income and expenses		8,787	6,233	10,551
Operating profit on business activity		**109,581**	**92,458**	**85,685**
as % of revenue excl. VAT		*9.0%*	*8.8%*	*8.9%*
Expenses related to stock options and related items	*8*	-2,196	-444	-197
Amortisation of allocated intangible assets	*9*	-4,213	-335	-655
Profit from recurring operations		**103,172**	**91,679**	**84,833**
as % of revenue excl. VAT		*8.5%*	*8.7%*	*8.8%*
Other operating income and expenses	*10*	-11,880	6,254	-1,090
Operating profit		**91,292**	**97,933**	**83,743**
as % of revenue excl. VAT		*7.5%*	*9.3%*	*8.7%*
Cost of net financial debt	*11*	-7,194	-4,098	-5,624
Other financial charges and expense	*11*	-1,027	602	366
Tax charge	*12*	-33,540	-36,176	-30,312
Net profit from associates	*13*	6,068	5,993	-
Net profit from continuing operations		**55,599**	**64,254**	**48,173**
Net profit from discontinued operations	*14*	-	-1,380	26,596
CONSOLIDATED NET PROFIT		**55,599**	**62,874**	**74,769**
as % of revenue excl. VAT		*4.6%*	*6.0%*	*7.8%*
Minority interests		-1	2	1
Attributable to Group		**55,600**	**62,872**	**74,768**

EARNINGS PER SHARE *(in euros)*	Notes	2012	2011	2010 restated under IFRS 5
Basic earnings per share	*15*	4.67	5.29	6.35
Fully diluted earnings per share	*15*	4.62	5.29	6.33

Consolidated statement of comprehensive income

(in thousands of euros)	Notes	2012	2011	2010 restated under IFRS 5
Consolidated net profit		**55,599**	**62,874**	**74,769**
Other comprehensive income:				
Actuarial gains and losses on pension plans	*27*	-3,412	-1,110	-2,428
Tax impact	*12.3*	1,221	383	836
Subtotal of items not reclassifiable to profit or loss		**-2,191**	**-727**	**-1,592**
Translation differential		740	-10,880	3,604
Change in the value of derivatives	*33.2*	-1,851	-825	1,216
Related to associates		-616	4,065	-
Related to discontinued activities		-	-	11,191
Tax impact	*12.3*	631	465	138
Subtotal of items reclassifiable to profit or loss		**-1,096**	**-7,175**	**16,149**
Other comprehensive income, total net of tax		**-3,287**	**-7,902**	**14,557**
COMPREHENSIVE INCOME		**52,312**	**54,972**	**89,326**
Minority interests		-1	2	1
Attributable to Group		**52,313**	**54,970**	**89,325**

Consolidated statement of financial position

ASSETS *(in thousands of euros)*	Notes	31/12/2012	31/12/2011	31/12/2010
Goodwill	*16*	314,626	190,871	369,914
Intangible assets	*17*	59,152	2,812	23,713
Property and equipment	*18*	39,193	39,585	39,279
Equity-accounted investments in associates	*19*	113,824	109,402	-
Other non-current financial assets	*20*	3,997	2,975	3,763
Deferred tax assets	*21*	34,453	20,952	34,369
Non-current assets		**565,245**	**366,597**	**471,038**
Stocks and work in progress		490	178	797
Trade accounts receivable	*22*	384,262	344,994	368,396
Other current receivables	*23*	33,700	25,332	33,884
Cash and cash equivalents	*24*	47,359	33,267	54,897
Current assets		**465,811**	**403,771**	**457,974**
TOTAL ASSETS		**1,031,056**	**770,368**	**929,012**

LIABILITIES AND EQUITY *(in thousands of euros)*	Notes	31/12/2012	31/12/2011	31/12/2010
Share capital		11,893	11,893	47,416
Capital reserves		9,533	7,951	57,311
Consolidated reserves and other reserves		228,226	191,192	185,056
Profit for the year		55,600	62,872	74,768
Equity – Group share		**305,252**	**273,908**	**364,551**
Minority interests		**1**	**3**	**3**
TOTAL EQUITY	*25*	**305,253**	**273,911**	**364,554**
Financial debt – long-term portion	*26*	178,367	26,382	74,423
Deferred tax liabilities	*21*	17,966	78	9,300
Provision for post-employment benefits	*27*	48,552	40,777	40,934
Non-current provisions	*28*	6,724	5,071	1,905
Other non-current liabilities	*29*	7,979	11,946	13,080
Non-current liabilities		**259,588**	**84,254**	**139,642**
Financial debt – short-term portion	*26*	73,048	53,273	37,629
Trade payables	*30*	56,092	54,768	53,531
Other current liabilities	*31*	337,075	304,162	333,656
Current liabilities		**466,215**	**412,203**	**424,816**
TOTAL LIABILITIES		**725,803**	**496,457**	**564,458**
TOTAL LIABILITIES AND EQUITY		**1,031,056**	**770,368**	**929,012**

Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Treasury shares	Consolidated reserves and retained earnings	Other comprehensive income	Total Group share	Minorities	Total
AT 31/12/2009	**47,010**	**54,277**	**-81**	**211,917**	**-31,436**	**281,687**	**2**	**281,689**
Capital transactions	406	2,174	-	-	-	2,580	-	2,580
Share-based payments	-	841	-	-	-	841	-	841
Transactions in treasury shares	-	-	-508	30	-	-478	-	-478
Ordinary dividends	-	19	-	-9,421	-	-9,402	-	-9,402
Changes in scope	-	-	-	-	-	-	-	-
Other movements	-	-	-	-2	-	-2	-	-2
Shareholder transactions	**406**	**3,034**	**-508**	**-9,393**	**-**	**-6,461**	**-**	**-6,461**
Profit for the year	-	-	-	74,768	-	74,768	1	74,769
Other comprehensive income	-	-	-	-	14,557	14,557	-	14,557
Total comprehensive income for the period	**-**	**-**		**74,768**	**14,557**	**89,325**	**1**	**89,326**
AT 31/12/2010	**47,416**	**57,311**	**-589**	**277,292**	**-16,879**	**364,551**	**3**	**364,554**
Capital transactions	-35,523	-3,255	-	39,969	-	1,191	-	1,191
Share-based payments	-	444	-	-	-	444	-	444
Transactions in treasury shares	-	-	-282	-573	-	-855	-	-855
Ordinary dividends	-	41	-	-9,519	-	-9,478	-	-9,478
Extraordinary dividends	-	-46,590	-	-	-	-46,590	-	-46,590
Consolidated NBV of Axway shares distributed	-	-	-	-88,953	4,823	-84,130	-2	-84,132
Tax impact of distributions	-	-	-	-5,972	-	-5,972	-	-5,972
Other movements	-	-	-	-223	-	-223	-	-223
Shareholder transactions	**-35,523**	**-49,360**	**-282**	**-65,271**	**4,823**	**-145,613**	**-2**	**-145,615**
Profit for the year	-	-	-	62,872	-	62,872	2	62,874
Other comprehensive income	-	-	-	-	-7,902	-7,902	-	-7,902
Comprehensive profit for the year	**-**	**-**	**-**	**62,872**	**-7,902**	**54,970**	**2**	**54,972**
AT 31/12/2011	**11,893**	**7,951**	**-871**	**274,893**	**-19,958**	**273,908**	**3**	**273,911**
Capital transactions	-	-	-	-	-	-	-	-
Share-based payments	-	1,579	-	-	-	1,579	-	1,579
Transactions in treasury shares	-	-	564	112	-	676	-	676
Ordinary dividends	-	3	-	-22,565	-	-22,562	-	-22,562
Changes in scope	-	-	-	-	-	-	-32,550	-32,550
Acquisition of minority interests	-	-	-	-949	-	-949	32,550	31,601
Other movements	-	-	-	192	95	287	-1	286
Shareholder transactions	**-**	**1,582**	**564**	**-23,210**	**95**	**-20,969**	**-1**	**-20,970**
Profit for the year	-	-	-	55,600	-	55,600	-1	55,599
Other comprehensive income	-	-	-	-	-3,287	-3,287	-	-3,287
Comprehensive profit for the year	**-**	**-**	**-**	**55,600**	**-3,287**	**52,313**	**-1**	**52,312**
AT 31/12/2012	**11,893**	**9,533**	**-307**	**307,283**	**-23,150**	**305,252**	**1**	**305,253**

Consolidated cash flow statement

(in thousands of euros)	2012	2011	2010 restated under IFRS 5
Consolidated net profit (including minority interests)	**55,599**	**62,874**	**74,769**
Profit after tax from discontinued operations	-	1,380	-26,596
Net increase in depreciation, amortisation and provisions	20,865	63,609	13,807
Unrealised gains and losses relating to changes in fair value	125	-443	-520
Share-based payment expense	1,579	444	841
Other calculated income and expense	-443	-706	-1,380
Gains and losses on disposal	-164	-60,915	-335
Share of net profit of equity-accounted companies	-6,068	-5,993	-
Cash from operations after cost of net debt and tax	**71,493**	**60,250**	**60,586**
Cost of net financial debt	7,194	4,098	5,624
Income taxes (including deferred tax)	33,540	36,176	30,312
Cash from operations before cost of net debt and tax (A)	**112,227**	**100,524**	**96,522**
Tax paid (B)	-41,820	-38,682	-27,191
Changes in operating working capital requirements (included liabilities related to employee benefits) (C)	-8,604	-1,341	17,441
Net cash from operating activities (D) = (A+B+C)	**61,803**	**60,501**	**86,772**
Purchase of tangible and intangible fixed assets	-6,781	-10,065	-9,835
Proceeds from sale of tangible and intangible fixed assets	3,124	86	937
Purchase of financial assets	-799	-336	-297
Proceeds from sale of financial assets	654	367	197
Impact of changes in scope	-175,459	-29,829	-183
Dividends received (equity-accounted companies, non-consolidated securities)	1,322	-	-
Change in loans and advances granted	-	68,422	8,179
Other cash flow relating to investing activities	-	-16,251	-
Net cash from (used in) investing activities (E)	**-177,939**	**12,394**	**-1,002**
Proceeds on issue of shares	-	-	-
Proceeds on the exercise of stock options	-	1,190	2,580
Purchase and proceeds from disposal of treasury shares	679	-395	-508
Dividends paid during the year			
▪ Dividends paid to shareholders of Sopra Group SA	-22,562	-56,068	-9,402
▪ Dividends paid to minority interests of consolidated companies	-	-	-
Change in borrowings	126,639	-53,392	-76,413
Net interest paid (including finance leases)	-6,847	-3,485	-5,774
Other cash flow relating to financing activities	5,400	3,172	2,351
Net cash from (used in) financing activities (F)	**103,309**	**-108,978**	**-87,166**
Effect of foreign exchange rate changes (G)	-1,359	-362	477
Net cash from (used in) discontinued operations (H)	**-**	**12,980**	**10,988**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G+H)	**-14,186**	**-23,465**	**10,069**
Opening cash position	16,646	53,581	43,512
Cash relating to discontinued operations	-	-13,470	-22,274
Closing cash position	2,460	16,646	31,307

Notes to the consolidated financial statements

Summary of the notes to the consolidated financial statements

Sopra Group and its subsidiaries constitute an IT consulting and services group with an offering ranging from consulting to systems and solutions integration, application portfolio management and software solution sales. Sopra Group is a limited company (*société anonyme*) governed by French law, with registered office at Parc des Glaisins, 3 Rue du Pré-Faucon, 74942 Annecy-le-Vieux, France and head office at 9 bis Rue de Presbourg, 75116 Paris, France.

It is listed on Segment B of NYSE Euronext Paris.

Sopra Group's consolidated financial statements for the year ended 31 December 2012 were approved by the Board of Directors at its meeting held on 18 April 2013.

ACCOUNTING PRINCIPLES AND POLICIES

Note 1 Key accounting policies

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

1.1. Basis of preparation

The consolidated financial statements for the year ended 31 December 2012 were prepared in accordance with:

- IFRS standards as adopted by the European Union. This information is available on the website of the European Commission: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm;
- IFRS as published by the IASB.

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

It should be noted that the Group chose to adopt IFRS for the opening balance sheet as of 1 January 2004:

- to retain its property and equipment at historical cost (and did not therefore undertake any revaluations);
- to apply IAS 32 and 39 relating to financial instruments with effect from 2005 and on a prospective basis;
- to make no retroactive adjustment in respect of business combinations entered into prior to 1 January 2004.

1.2. Application of new standards and interpretations

a. New mandatory standards and interpretations

New standards, amendments to existing standards and interpretations that must be applied for periods starting on or after 1 January 2012 have had no material impact on the Group's financial statements or results.

The principal such standard is IFRS 7, "Disclosures – transfers of financial assets", which aims in particular to improve financial disclosures in relation to securitisation transactions. No such transactions took place in 2012.

b. Standards and interpretations adopted by the European Union and subject to early application

- amendment to IAS 1, "Presentation of items of other comprehensive income", entering into force on 1 July 2013. This amendment requires the statement of comprehensive income to show items that can later be recycled through profit or loss separately from those that cannot be recycled in this way, together with taxes relating to these two categories;
- amendment to IAS 12, "Deferred tax: recovery of underlying assets". This amendment, which relates to investment properties and properties measured using the revaluation model, has no impact on the Group's financial statements;
- revised IAS 19, "Employee benefits". The application of this revised standard with effect from 1 January 2013 will have a limited impact on the Group, which is affected neither by the withdrawal of the "corridor" method nor by the immediate recognition of all past service costs, and which has no defined benefit plan assets;
- IFRS 10, "Consolidated financial statements", together with other standards covering consolidation: IFRS 11, "Partnerships", IFRS 12, "Disclosures of interests in other entities", amended IAS 27, "Separate financial statements", and IAS 28, "Investments in associates and joint ventures". The impact of these standards on the financial statements is currently being analysed in view of their application with effect from 1 January 2014;
- IFRS 13, "Fair value measurement". This standard, which must be applied with effect from 1 January 2013, describes the fair value measurement approach and states the information that must be disclosed to users of financial statements. The impact of applying this standard does not appear to be material for the Group.
- amendments to IFRS 7, "Disclosures – offsetting financial assets and financial liabilities", which add to the information that must be disclosed in the notes to the financial statements, and amendments to IAS 32, "Presentation: offsetting financial assets and financial liabilities", which details the rules governing offsetting. The entry into force of these amendments is not expected to have a material impact on the Group.

The Group has chosen not to opt for the early application of these standards and interpretations, with the exception of the amendment to IAS 1, "Presentation of items of other comprehensive income".

c. Standards and interpretations published by the IASB but not yet adopted by the European Union

The Group has chosen not to opt for the early application of standards and interpretations published by the IASB but not yet adopted by the European Union as at 31 December 2012. These primarily relate to:

- IFRS 9, "Financial instruments", which is intended to replace the former IAS 39, "Financial instruments: recognition and measurement". This standard is scheduled for application with effect from 1 January 2015, subject to its adoption by the European Union;

- amendments to IFRS 1, "Government subsidies";
- annual improvements (2009-2011 cycle) – "Annual improvements to IFRSs";
- amendments to IFRS 10, IFRS 11, IFRS 12 and IAS 27.

d. Format of the financial statements

With regard to the presentation of the consolidated financial statements, Sopra Group has decided to apply Recommendation 2009-R.03 of the Conseil National de la Comptabilité dated 2 July 2009 on the format of the income statement, the cash flow statement and the statement of changes in shareholders' equity.

However, the format of the income statement as presented in previous years has been altered to improve the presentation of the company's performance: a measure known as *operating profit on business activity* has been added before *profit from recurring operations* – this is an indicator used internally by management to assess the company's performance. This indicator corresponds to *operating profit on business activity* adjusted for the following:

- the expense relating to the cost of services rendered by the grantees of stock options and bonus shares;
- additions to amortisation of allocated intangible assets.

1.3. Consolidation methods

Sopra Group is the consolidating company.

The companies over which Sopra Group has full control have been consolidated using the full consolidation method. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists even when the parent owns one-half or less of the voting power of an enterprise when there is:

- power over more than one-half of the voting rights by virtue of an agreement with other investors;
- power to govern the financial and operating policies of the enterprise under a statute or an agreement;
- power to appoint or remove the majority of the members of the board of directors or equivalent governing body, if control over the enterprise is exercised by this board or governing body; or
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body, if control over the enterprise is exercised by this board or governing body.

Investments in companies over which the Group exerts significant influence (associates) are measured using the equity method. Significant influence is deemed to exist whenever a parent company directly or indirectly holds 20% or more of voting rights in the company in which the investment is held. With the exception of Axway Software, Sopra Group does not exert significant influence or joint control over any entity.

Sopra Group does not control any special purpose entity, either directly or indirectly.

Inter-company transactions as well as unrealised balances and profits on operations between Group companies are eliminated.

The accounts of all consolidated companies are prepared as at 31 December. These accounts have, where applicable, been restated to ensure the consistency of accounting and valuation rules applied by the Group.

The scope of consolidation is presented in Note 2.

1.4. Foreign currency translation

a. Functional and presentation currencies

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which each entity operates, i.e. its functional currency.

The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company Sopra Group SA.

b. Translation of the financial statements of foreign subsidiaries

Group subsidiaries' functional currencies are their local currencies in which most of their transactions are denominated. The financial statements of all Group entities whose functional currency differs from the Group's reporting currency are translated into euros as follows:

- assets and liabilities are translated at rates applying at the balance sheet date;
- income, expenses and cash flows are translated at average rates for the period;
- all resulting foreign currency translation differences are recognised as a distinct component of equity under "Translation reserves".

In accordance with IAS 21, translation gains and losses arising from the translation of net investments in foreign operations are recognised as a distinct component of equity under "Translation reserves". Translation gains and losses in respect of inter-company loans are considered an integral part of the Group's net investment in the foreign subsidiaries in question.

When a foreign operation is divested, the applicable accumulated translation difference is transferred to profit or loss as part of the gain or loss arising on disposal.

Goodwill and fair value adjustments arising on acquisition of foreign operations are treated as assets and liabilities of the operation and, as such, are translated at rates applying at the balance sheet date.

The Group does not own any consolidated entities operating in a hyperinflationary economy.

The applicable rates of exchange are presented in Note 39.

c. Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated to entities' functional currencies at rates applying on the transaction dates. The foreign exchange gains and losses arising on settlement, as well as those arising from the adjustment of foreign currency denominated monetary assets and liabilities to rates applying at the balance sheet date, are recognised in profit or loss with the exception of amounts recognised directly in equity in respect of cash flow hedging or hedging of the net investment in foreign operations.

1.5. Significant estimates and accounting judgements

The preparation of financial statements implies the use of estimates and assumptions in measuring certain consolidated assets and liabilities as well as certain income statement items. Management are also required to exercise judgment in the application of the Group's accounting policies.

Such estimates and judgments, which are continually updated, are based both on historical information and on reasonable anticipation of future events according to the circumstances. However, given the uncertainty implicit in assumptions as to future events. the related accounting estimates may differ from the ultimate actual results.

a. Significant assumptions and accounting estimates

The main assumptions and accounting estimates liable to leave scope for material adjustments to the carrying amount of assets and liabilities in subsequent periods are as follows:

- the measurement of goodwill (see Notes 1.7 and 16);
- the measurement of retirement commitments (see Notes 1.18 and 27);
- the recognition of income (see Note 1.21).

b. Significant judgments in the application of accounting policies

With the exception of those policies requiring accounting estimates, no judgment exercised by management has had a material impact on the amounts recognised in the financial statements.

1.6. Business combinations

The Group applies IFRS 3 (revised version) to the identified assets acquired and liabilities assumed as a result of business combinations. The acquisition of an asset or a group of assets that do not constitute a business is recognised under the standards applicable to these assets (IAS 38, IAS 16, IAS 39).

All business combinations are recognised by applying the acquisition method, which consists in:

- the measurement and recognition at fair value of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree (minority interests). The Group identifies and allocates these items on the basis of contractual provisions, economic conditions and its accounting and management principles and procedures;
- the measurement and recognition at the acquisition date of the difference referred to as "goodwill" between:
  - the purchase price for obtaining control of the acquiree plus the amount of any minority interests in the acquiree, and
  - the net amount of the recognised identifiable assets acquired and liabilities assumed.

The acquisition date is the date that the Group effectively obtains control of the acquiree.

The purchase price of the acquiree corresponds to the fair value, at the acquisition date, of the elements of consideration remitted to the seller in exchange for control of the acquiree, to the exclusion of any element serving as consideration for any transaction separate from the attainment of control.

If the initial accounting for a business combination can only be determined provisionally for the reporting period in which the combination was effected, the acquirer recognises the combination using provisional values. The acquirer must then recognise adjustments to these provisional values related to the completion of initial accounting within twelve months of the acquisition date.

1.7. Goodwill

For each business combination, the Group may elect to recognise under its balance sheet assets either a proportionate goodwill (corresponding only to its percentage of ownership interest) or a full goodwill (also including the goodwill corresponding to minority interests).

Should the calculation of goodwill result in a negative difference (in the case of an acquisition conducted under advantageous conditions), the Group recognises the resulting gain as a bargain purchase in profit or loss.

Goodwill is allocated to cash-generating units for the purposes of impairment tests as set out in Note 1.11. Such tests are performed as soon as any indication of impairment is noted. and in any case at the balance sheet date of 31 December.

1.8. Intangible assets

a. Assets acquired separately

These relate to software packages recorded at cost. These assets are amortised using the straight-line method over one to ten years, depending on their estimated useful lives.

b. Assets acquired in connection with business combinations

These relate to software packages, client relationships and distributor relationships measured at fair value as part of an overall process for apportioning the purchase prices of entities acquired in the context of business combinations. These assets are amortised using the straight-line method over three to fifteen years, depending on their estimated useful lives.

c. Assets generated internally

In application of IAS 38 *Intangible assets*:

- all research and development costs are charged to the income statement in the year they are incurred;
- project development costs are capitalised if, and only if, all of the following can be demonstrated:
  - the technical feasibility of completing the intangible asset so that it will be available for use or sale,
  - the intention to complete the intangible asset and use or sell it,
  - the ability to use or sell the intangible asset,
  - the manner in which the intangible asset will generate probable future economic benefits,
  - the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
  - the ability to measure reliably the expenditure attributable to the intangible asset during its development.

None of the development expenses for software and solutions (Banking, Human Resources and Real Estate) have been recognised under intangible assets, since the conditions described above were not satisfied in their entirety.

1.9. Property and equipment

Property and equipment essentially comprises land and buildings, fixtures, office furniture and equipment and IT equipment.

Property and equipment is measured at acquisition cost (excluding any borrowing costs) less accumulated depreciation and any impairment losses. No amounts have been revalued.

Depreciation is based on the straight-line method according to the expected useful economic lives of each fixed asset category as follows:

Buildings	25 years
Fixtures and fittings	10 years
Equipment and tooling	3 to 5 years
Vehicles	5 years
Office furniture and equipment	5 to 10 years

Depreciation is applied against assets' acquisition cost after deduction of any residual value. Assets' residual values and expected useful lives are reviewed at each balance sheet date.

1.10. Leases

a. Finance leases

Leases of tangible fixed assets under which the Group retains substantially all the risks and rewards incidental to ownership of the assets are treated as finance leases. The related assets are recognised at the leased assets' fair value or, if less, at the present value of the minimum payments due under the leases.

Each lease payment is allocated between interest and capital repayment elements in order to reflect a constant periodic rate of return on the outstanding capital balance. The corresponding contractual lease commitments, net of finance costs, are included within *Financial debt*. The corresponding finance costs are recognised in profit or loss, under the caption *Cost of financial debt*, over the period of each lease.

Assets acquired under finance leases are depreciated over their estimated useful lives or, if shorter, over the applicable lease terms:

- property leases: property under finance lease is depreciated on a straight-line basis over twenty-five years;
- plant and property leases covering IT equipment: these are amortised on a straight line basis over four years – the most common duration of the associated leases.

b. Operating leases

Leases under which the lessor retains substantially all the risks and rewards incidental to ownership are treated as operating leases. Payments under such leases are expensed on a straight line basis over the duration of the relevant lease.

1.11. Impairment of assets

a. Impairment of intangible assets

IAS 36, "Impairment of assets", requires that an entity assess at each reporting date whether there is any indication that an asset may be impaired; if so, the asset's recoverable amount must be estimated.

Irrespective of whether there is any indication of impairment, an entity must also:

- test intangible assets with indefinite useful lives annually;
- test the impairment of goodwill acquired in a business combination annually.

In practice, impairment testing is above all relevant to goodwill which comprises the essential portion of Sopra Group's consolidated noncurrent assets.

Impairment testing is performed at the level of the cash-generating units (CGUs) to which assets are allocated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group's segmentation into CGUs is consistent with the operating structure of its businesses, its management and reporting structure and its segment reporting structure. Impairment testing involves comparing CGUs' carrying amounts with their recoverable amounts. A CGU's recoverable amount is the higher of its fair (generally market) value, less costs to sell, and its value in use.

The value in use of a CGU is determined using the present value of future cash flow method:

- cash flows for a plan period of five years, with cash flows for the first year of the plan based on the budget;
- cash flows beyond the five-year plan period used in value-in-use calculations are increased in line with historic long-term growth rates adjusted for inflation.

Cash flow projections for the explicit period are determined by taking into account:

- the general growth rate of the economy;
- the impact of technological advances in the sector;
- transfers of IT functions engendered by the rise of outsourcing benefiting the IT services sector.

The cash flows are discounted using a discount rate equal to:

- the ten-year risk-free money rate;
- supplemented by the market's risk premium multiplied by a sensitivity coefficient (b) specific to the entity.

Impairment losses are recognised to the extent of any excess of a CGU's carrying amount over its recoverable amount. Impairment losses are first allocated against goodwill and are charged to profit or loss as part of *Other operating income and expenses*.

It is forbidden to write back impairment losses on goodwill arising on fully consolidated investments.

The Group's CGU segmentation and the other parameters applied for the purposes of impairment testing are presented in Notes 16.4 and 16.5.

b. Impairment of investments in associates

Equity-accounted shares in a company constitute a single asset and must be tested for impairment in accordance with IAS 36 *Impairment of assets*.

Goodwill on associates is included in the value of equity-accounted shares, the value of which is measured inclusive of goodwill. As such, goodwill on associates is not required to be tested for impairment separately.

At each balance sheet date, where there is an indication of impairment of an investment in an associate, the parent company must carry out an impairment test consisting of comparing the carrying amount of the relevant equity-accounted shares with their recoverable amount.

According to IAS 36, the recoverable amount of an investment in an associate is the higher of its value in use, calculated on the basis of future cash flows, and the fair value of the investment less costs to sell. Where an associate's shares are listed, fair value less costs to sell is equal to market price less costs to sell: in the absence of any firm sale agreement, this is the price at which the shares are currently trading (see IAS 36-26).

Where there is an improvement in the recoverable amount of equity-accounted shares such that the impairment loss may be written back, the full amount of the impairment loss, including the portion relating to goodwill, must be written back.

c. Impairment of financial assets

IAS 39 (see IAS 39, paragraph 58 "Impairment and uncollectibility of financial assets") requires that an entity assess at each reporting date whether there is any objective indication that a financial asset or group of financial assets may be impaired. Where such an indication does exist, the entity in question must apply the provisions of IAS 39 to each category of financial assets to determine the amount of any impairment loss.

1.12. Financial assets

The Group classifies its financial assets into the following categories:

- assets measured at fair value through profit or loss;
- assets held to maturity;
- loans and receivables; and
- assets available for sale.

Classification depends on the purposes for which financial assets were acquired. Management decides on the appropriate classification at the time of initial recognition and performs a reassessment at each interim or annual reporting date.

Financial assets are initially measured at fair value; depending on their classification, they are subsequently measured at either fair value or amortised cost.

a. Assets measured at fair value through profit or loss

This category comprises both financial assets held for trading (i.e. acquired with a view to resale in the near term) and those designated upon initial recognition as at fair value through profit or loss. Changes in the fair value of assets of this category are recognised in profit or loss.

Despite the fact that they are held for trading, the Group's current investments are not accounted for in accordance with IAS 39. Given that they consist of highly liquid investments meeting the definition of cash equivalents set out in IAS 7, they are instead consolidated as part of "cash and cash equivalents" (see Note 1.15).

b. Held to maturity assets

Held to maturity investments are non-derivative financial assets with fixed or determinable payments that the Group has the intention and ability to hold to maturity. If any such asset is disposed of prior to maturity all other assets of the category must obligatorily be reclassified as available for sale. Assets held to maturity are otherwise measured, after initial recognition, at amortised cost.

The Group currently holds no assets classified within this category.

c. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They comprise the financial assets arising when the Group remits funds, or provides goods and services, to an individual or entity. Loans and receivables are initially recognised at fair value then subsequently measured at amortised cost using the effective interest rate method.

The Group has distinguished within this category:

- non-current financial assets comprising receivables associated with non-consolidated investments as well as guarantee deposits for leased property. Impairment losses are recognised for receivables associated with non-consolidated investments whenever their estimated recoverable amounts are lower than their carrying amounts; and
- current trade receivables. Current trade receivables continue to be measured at the nominal amount originally invoiced, which usually equates to the fair value of the consideration to be received. The impact of discounting would be negligible given that the Group's average credit period is of the order of sixty days. If necessary, impairment losses are recognised on an individual basis reflecting any problems of recovery.

d. Available for sale assets

Assets available for sale are those non-derivative financial assets not entering any of the above categories, whether or not the Group intends to dispose of them. Changes in the fair value of these assets are recognised directly in equity with the exception of impairment losses and foreign exchange gains and losses which are recognised in profit or loss.

The Group has included in this category its investments in nonconsolidated entities over which it exercises neither control nor any significant influence.

As such investments comprise equity instruments whose price is not quoted in an active market, and whose fair value cannot otherwise be reliably measured, they are maintained at cost less any impairment losses. Their recoverable amount is estimated based on criteria such as the Group's share of an entity's net assets and its outlook for growth and profitability. An impairment loss recognised cannot subsequently be reversed.

1.13. Deferred tax

Deferred tax is recognised using the balance sheet liability method based on temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

Deferred tax assets and liabilities are measured for each entity or taxable unit on the basis of the tax rates in force, or substantially adopted, at the balance sheet date and expected to apply when assets will be realised or liabilities settled.

Deferred tax assets relating to both temporary differences and tax losses carried forward are recognised only to the extent that it appears probable that the future tax savings they represent will be achieved.

1.14. Derivatives

Derivatives are initially recognised at fair value as at the date on which the contract is entered into. They are subsequently revalued at fair value. The accounting treatment of the associated profit or loss depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the hedged item.

The Group designates certain derivatives as:

- hedges of the fair value of assets or liabilities recognised in the balance sheet, or of firm forward commitments; or
- cash flow hedges of specific risks attaching to assets or liabilities recognised in the balance sheet or highly probable future transactions; or
- hedges of net investments in foreign operations.

The fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is in excess of twelve months and as a current asset or liability if the remaining maturity of the hedged item does not exceed twelve months. Changes in fair value of derivatives that meet the criteria to qualify for hedge accounting are taken to equity.

Derivatives held for trading are classified as current assets or liabilities if they are due to be settled within one year after the balance sheet date. Otherwise they are classified as non-current assets or liabilities. The Group also includes under speculative instruments derivatives not qualifying as designated and effective hedging instruments as defined in IAS 39. Changes in the fair value of such derivatives are recognised in profit or loss under *Other financial income and expenses* (see Note 11.2).

1.15. Cash and cash equivalents

Cash and cash equivalents comprise liquidities, bank demand deposits, other highly liquid investments with maturities not exceeding three months and bank overdrafts. Bank overdrafts are included as part of *Short-term financial debt*.

Under IAS 7 cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Group applies the analysis approach updated by the *Association française de la gestion financière* (AFG), the *Association française des trésoriers d'entreprise* (AFTE) and the *Association française des investisseurs institutionnels* (AF2I), which is recognised as a reasonable basis by the AMF in its position no. 2011-13 on the classification of UCITS as cash equivalents:

- UCITS classified by the AMF as belonging to the money market and short-term money market categories are, for practical purposes, presumed to automatically meet all four quoted eligibility criteria;

- other cash UCITS cannot be presumed to qualify as "cash equivalents": an analysis must be carried out to establish whether or not the four quoted criteria are met.

Cash equivalents are recognised at their fair value; changes in fair value are recognised in the income statement under *Other financial income and expense.*

1.16. Share-based payments

a. Share subscription options

Options to subscribe for Sopra Group shares are allotted to some staff members, subject to their continued employment within the Group at the date on which those options are exercised. The benefit granted under stock option plans constitutes additional compensation and is measured and recognised in accordance with IFRS 2. As allowed for by IFRS 2, the Group will only adjust its financial statements in respect of options granted on or after 7 November 2002 and exercisable after 1 January 2005.

The grantees of the options concerned may exercise their rights five years after options are granted and during a period of three years, i.e. at any time during the sixth to eighth years following attribution.

The fair value of such options as at their allotment date is determined by a specialist institution using a model similar to the Black & Scholes model that takes into account discrete dividends, yield curves and projected financial performance. This value is constant over a plan's duration.

The value attributed to the options is analysed as a cost of services rendered by employees in return for the options and is recognised on a linear basis over the vesting period, i.e. on the basis of one-fifth per year.

This charge is recognised in the income statement under *Stock option plan and similar expenses*, balanced by a credit to an issue premiums account recognised under *Capital reserves* within shareholders' equity. There is thus no net impact on shareholders' equity.

The calculation performed reflects the total number of options held at each balance sheet date by eligible employees taking into account the very high rate of exercise of the options.

Under the regulations governing the various stock option plans, shares resulting from the exercise of options may not be sold or converted into bearer shares during the statutory blocked period.

b. Bonus shares

Under IFRS 2, the expense recognised in connection with a bonus share plan is equal to the fair value of the equity instrument to be awarded to employees, multiplied by the expected number of equity instruments to be awarded to eligible employees at the vesting date (this number of shares is subject to adjustment during the vesting period depending on changes in estimates for the staff turnover rate).

The fair value of bonus shares is determined at the grant date on the basis of the market price of the share, adjusted to take into account the characteristics and conditions for the granting of shares. This amount is not subject to remeasurement in subsequent periods to fair value.

The expense reflecting share-based payments made to employees under bonus share plans is recognised on a straight-line basis in profit or loss over the vesting period, under *Stock option plan and similar expenses.*

1.17. Treasury shares

All of the treasury shares held by Sopra Group are recognised at their acquisition cost, deducted from shareholders' equity.

Gains or losses on the sale of treasury shares are added or deducted net of tax from consolidated reserves.

1.18. Employee benefits

a. Short-term employee benefits and defined contribution post-employment benefits

The Group recognises the amount of short-term employee benefits, as well as the contributions due in respect of mandatory state-sponsored pension plans, under *Staff costs*. As the Group has no commitments beyond these contributions, no provision was recognised for these plans.

b. Defined benefit plans and other long-term employee benefits

These plans relate mainly to France, for the payment of pensions in accordance with collective bargaining agreements, and to a lesser extent Italy, for the payment of legally required post-employment benefits (*Trattamento di Fine Rapporto*).

The defined benefit plans are borne directly by the Group, which provides for the cost of the future benefits based on conditions below.

The Group uses the projected unit credit method to determine the value of its defined benefit obligation: under this method, each period of service gives rise to an additional unit of benefit rights; each unit is measured separately to determine the final amount of the obligation.

The above calculations reflect various actuarial assumptions relating to matters such as the estimated periods of future service of employees, future salary levels, life expectancy and staff turnover.

The resulting benefit obligation is then discounted using an appropriate interest rate for first-rate corporate bonds denominated in the currency of payment of benefits and with a maturity approximating with the estimated average maturity of the benefit obligation.

A change in these estimates and hypotheses may lead to a significant change in the amount of the commitment.

The amount of the provision recognised for retirement and similar commitments corresponds to the present value of the obligation in respect of defined benefits, less unrecognised actuarial differences. Actuarial differences resulting from changes in the value of the discounted obligation in respect of defined benefits include on the one hand, the effects of differences between previous actuarial assumptions and actual data, and on the other hand, the effect of changes in actuarial assumptions.

From the financial year ended 31 December 2007 onwards, actuarial differences are fully recognised in equity, for all of the Group defined benefit plans, in conformity with the SoRIE option introduced by the amendment to IAS 19.

There are no commitments for pensions, healthcare benefits for retired employees, or long-service awards. No new benefits or changes in regime resulting from legal, collective-bargaining or contractual provisions occurred during the financial year.

1.19. Financial debt

Financial debt essentially comprises:

- bank borrowings, which are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently recognised at amortised cost; any difference between the capital amounts borrowed (net of transaction costs) and the amounts repayable is recognised in profit or loss over the duration of the borrowings using the effective interest rate method;
- liabilities on finance lease contracts: finance lease debt recognised at the inception of each lease is based on the present value of future lease payments, discounted using the interest rates implicit in each lease;
- the liability associated with employee profit sharing in frozen current accounts: profit-sharing liabilities are subject to adjustment to take into account the existing variance between the contractual interest rate applied and the applicable regulatory rate ceiling. This differential in respect of any given year is recognised as a financial liability and balanced by an additional staff expense. It is then amortised as a deduction against financial expenses over the following five years;
- current bank overdraft facilities.

Financial debt repayable within twelve months of the balance sheet date is classified within current liabilities.

1.20. Provisions

A provision is recognised when an obligation exists with respect to a third party originating subsequent to the balance sheet date and when the loss or liability is probable and may be reliably estimated.

To the extent that this loss or liability is not probable or may not be reliably estimated, a contingent liability is disclosed by the Group among its commitments given.

1.21. Revenue recognition

The applicable standard is IAS 18 *Revenue*.

a. Systems Integration and Consulting services

Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised when performed, i.e. in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- services already performed but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised as revenue and are included in the balance sheet under the *Accrued income* caption of *Trade accounts receivable*;
- services already billed but not yet entirely performed are deducted from invoiced revenue and included in the balance sheet under the *Deferred revenue* caption of *Other current liabilities*.

Services covered by fixed-price contracts

Under such contracts the group commits itself to a price, a result and a deadline. Services performed under such contracts are recognised as follows using the percentage of completion method:

- revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the group's quality procedures, of the contract's degree of completion. During performance of a project, this assessment is based on 90% of the contract amount with the remaining 10% deferred until completion;
- the amount of revenue recognised at each balance sheet date is based on the difference between 90% of the contract value and the amount required to cover the total number of man-days remaining to be performed. This amount is included in the balance sheet under the *Accrued income* caption of *Trade accounts receivable*. Payments on account received are deducted from the amount of trade account receivables, which are therefore stated in the balance sheet at their net amount.

b. Services relating to the Group's Software and Solutions business

Services provided within the scope of the Group's Software and Solutions (Banking, Real Estate, Human Resources) operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- associated services: installation, configuration, adjustments, training, etc.

In general, separate contracts are concluded with clients for licences and maintenance on the one hand and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

- the licence fee is recognised when delivery takes place, which is reputed to be the case when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are insignificant and not liable to endanger the client's acceptance of goods supplied or services rendered;

- maintenance is generally billed in advance and is recognised on a time basis;
- ancillary services are generally provided on the basis of time spent and are recognised when performed, i.e. in general when invoiced. They are sometimes performed within the scope of lump sum contracts in which case they are recognised using the percentage of completion method described in paragraph 1.21.a.

Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated on a lump sum basis

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, i.e. maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

In fairly rare instances, ancillary services may be considered indispensable to a software package's functioning

This may be the case for very complex projects, the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Transformation and Performance Department. Such projects are accounted for using the percentage of completion method described in paragraph 1.21.a.

1.22. Segment information

Under IFRS 8, segment information is based on internal management data used by the Chief Executive Officer, the company officer with ultimate responsibility for operational decisions.

The Group's organisational structure reflects both its businesses (principal segmentation) and the geographic distribution of its activities (secondary segmentation).

The divisions comprise:

- Consulting and Systems and Solutions Integration carried out in France by Sopra Group;
- Systems Integration carried out in Europe by a combination of subsidiaries;
- the Sopra Banking Software business.

1.23. Earnings per share

Earnings per share as stated in the income statement are calculated on the basis of the Group's share in the net profit as follows:

- basic earnings per share are based on the weighted average number of shares in issue during the financial year, calculated according to the dates when the funds arising from cash share issues were received and, in respect of shares issued for contributions in kind *via* equity, the date on which the corresponding new group companies were consolidated for the first time;
- diluted earnings per share are calculated by adjusting the Group share of net profit and the weighted average number of shares outstanding for the diluting effect of exercising share subscription option plans in force at the end of the financial year. The share buyback method has been applied at the market price, based on the average share price throughout the year.

Note 2 Highlights and consolidation scope

2.1. Newly consolidated companies

- **Tieto UK Ltd** – In February 2012, Sopra Group Ltd, a wholly owned subsidiary of Sopra Group, acquired Tieto Corporation's Financial Services business in the United Kingdom. This business offers solutions aimed at the financial services sector (systems for managing mortgages, savings and lending products, asset finance and collections) to banks, consumer lenders, corporate finance consultants and factoring companies, both in the United Kingdom and in continental Europe. The business generated 2011 revenue of around €22 million.

  Effective 1 March 2012, upon its initial consolidation, Tieto UK Ltd was renamed Sopra Group Solutions UK Ltd.
- **Business & Decision UK Ltd** – In February 2012, Sopra Group Ltd, a wholly owned subsidiary of Sopra Group, acquired the entire share capital of Business & Decision's UK subsidiary. This company offers consulting and IT services and specialises in business intelligence, CRM (customer relationship management) and e-business. Its clients mainly operate in financial services, retail, the public sector and transport. The company generated 2011 revenue of around €26 million.

  Effective 1 March 2012, upon its initial consolidation, Business & Decision UK was renamed Sopra Group Financial Services Ltd.
- **Callataÿ & Wouters** – In March 2012, Sopra Banking Software, a wholly owned subsidiary of Sopra Group, acquired a majority stake of 76.75% in Callataÿ & Wouters (C&W), which develops and supplies IT solutions for retail banks, private banks and online banks. Its flagship product, Thaler, is a powerful banking software suite that can operate either as an integrated solution covering the full range of banking systems or as a modular solution dedicated to specific business areas. Thaler is used by more than 40 banks in 15 countries. Revenue in 2011 was approximately €80 million, with the business employing around 600 people.

  Sopra Banking Software increased its investment in Callataÿ & Wouters Group to 100% in December 2012.

  Companies forming part of the C&W Group are included in the Group's consolidated financial statements with effect from 1 April 2012.
- **Adeuza** – In early June 2012, Sopra Group acquired 100% of the share capital of the company Adeuza, which specialises in mobility and publishes the Movalys® solution. Adeuza's main clients are France Telecom and Numéricable.

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

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

2.2. Deconsolidated entities

No Sopra Group entities were deconsolidated in financial year 2012.

2.3. Legal reorganisations and restructures

a. Partial transfers of assets

Axway Holding SA changed its name to Sopra Banking Software with effect from 26 March 2012. This company was the destination for the partial transfers of assets from the banking software vending business.

The General Meeting of 19 June 2012 approved the proposed partial transfers by Sopra Group of assets relating to its banking software development and distribution business to the Group's wholly owned subsidiary, Sopra Banking Software, which already houses the Callataÿ & Wouters business.

Following the recent acquisitions of Delta Informatique and Callataÿ & Wouters, Sopra Group decided to set up a new division bringing together all of its banking software development and distribution activities so as to harness synergies, concentrating all of these operations within a single entity, Sopra Banking Software, able to offer solutions to clients across the entire financial services and banking sector.

From a legal standpoint, these partial transfers of assets were completed on 30 June 2012, at the General Meeting of Sopra Banking Software shareholders that gave its approval for these transfers. Sopra Group transferred to Sopra Banking Software all of the assets and liabilities of its banking software development and distribution business:

- the Evolan business unit;
- all shares constituting the issued capital of the Belgian company BAI;
- all shares constituting the issued capital of the French company Delta Informatique.

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

This operation had no impact on the consolidated financial statements.

b. Mergers

On 1 December 2012, Delta Informatique was absorbed into Sopra Banking Software, with retroactive effect from 1 January 2012 for accounting and tax purposes. This merger had no impact on the consolidated financial statements.

c. Changes of name

- On 19 January 2012, Sopra Group's Spanish subsidiary, formerly known as Valoris Iberia, changed its name to Sopra Group Catalunya SA.
- Companies forming part of the Callataÿ & Wouters group adopted the name Sopra Banking Software.

2.4. List of consolidated companies in 2012

Company	Country	% Control	% Held	Consolidation method
SYSTEMS AND SOLUTIONS INTEGRATION				
Sopra Group	France	-	-	Parent company
Adeuza	France	100.00%	100.00%	FC
Sopra Group Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Group Financial Service Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Group Solutions UK Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Belux	Belgium	100.00%	100.00%	FC
Sopra Group Luxembourg	Luxembourg	100.00%	100.00%	FC
Valoris Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Group GmbH	Germany	100.00%	100.00%	FC
Sopra Informatique	Switzerland	100.00%	100.00%	FC
Sopra Group SpA	Italy	100.00%	100.00%	FC
Sopra Group Informatica SA	Spain	100.00%	100.00%	FC
Sopra Group Euskadi SL	Spain	100.00%	100.00%	FC
Sopra Group Catalunya SA	Spain	100.00%	100.00%	FC
CS Sopra España	Spain	100.00%	100.00%	FC
PROFit Gestao Informatica Lda	Portugal	100.00%	100.00%	FC
Sopra India Private Ltd	India	100.00%	100.00%	FC
SOPRA BANKING SOFTWARE				
Sopra Banking Software	France	100.00%	100.00%	FC
Sopra Banking Software Paris	France	100.00%	100.00%	FC
Sopra Banking Software Ltd	United Kingdom	100.00%	100.00%	FC
Business Architects International NV	Belgium	100.00%	100.00%	FC
Sopra Banking Software Participations	Belgium	100.00%	100.00%	FC
Sopra Banking Software Belgium	Belgium	100.00%	100.00%	FC
Sopra Banking Software Factory	Belgium	100.00%	100.00%	FC
Sopra Banking Software Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Banking Software Singapore Pte Ltd	Singapore	100.00%	100.00%	FC
SOPRAntic	Morocco	100.00%	100.00%	FC
Cameroun Delta Informatique	Cameroon	95.00%	95.00%	FC
AXWAY GROUP	France	26.02%	26.02%	EM

FC: Fully consolidated.
EM: Equity method.

Note 3 Comparability of financial statements

The individual and combined impact of acquisitions completed in 2012 on the Group's income statement and principal activity indicators falls below the 25% notification threshold laid down in the AMF's General Regulation (Article 222-2) on the preparation of pro forma information.

The principal impacts of these acquisitions on the 2012 financial statements are as follows:

- **Contribution to *Revenue* and *Operating profit on business activity***

(in millions of euros)	31/12/2012 Excluding acquisitions	31/12/2012 Contribution from acquisitions	31/12/2012 Published	31/12/2011 Published
Revenue	1,103.1	113.6	1,216.7	1,050.3
Operating profit on business activity	90.1	19.5	109.6	92.5

- **Impact on *Goodwill***

See Note 16.2.

- **Impact on *Net debt***

See Note 26.2.

NOTES ON THE CONSOLIDATED INCOME STATEMENT

Note 4 Revenue

4.1. Revenue by business line

(in millions of euros)	2012		2011	
CSSI France	805.4	66.2%	776.6	73.9%
SSI Europe	240.0	19.7%	184.5	17.6%
Sopra Banking Software	171.3	14.1%	89.2	8.5%
TOTAL REVENUE	**1,216.7**	**100.0%**	**1,050.3**	**100.0%**

4.2. Revenue by economic sector

	2012	2011
Financial services	32.9%	25.2%
Services/Transport/Utilities	20.1%	21.1%
Public sector	15.6%	17.6%
Manufacturing	15.9%	17.0%
Telecoms & Media	10.3%	12.1%
Retail	5.2%	7.0%
TOTAL	**100.0%**	**100.0%**

4.3. International revenue

(in millions of euros)	2012		2011	
CSSI France *	50.0	4.1%	35.0	3.3%
SSI Europe	240.0	19.7%	184.5	17.6%
Sopra Banking Software *	97.7	8.0%	19.8	1.9%
Total international revenue	**387.7**	**31.9%**	**239.3**	**22.8%**
TOTAL REVENUE	**1,216.7**	**100.0%**	**1,050.3**	**100.0%**

* *Export portion.*

Note 5 Staff costs

5.1. Analysis

(in thousands of euros)	2012	2011	2010 restated under IFRS 5
Salaries	574,342	488,712	456,270
Social charges	229,491	200,574	184,318
Employee profit-sharing and incentive schemes	7,947	12,097	11,525
TOTAL	**811,780**	**701,383**	**652,113**

5.2. Workforce

Workforce at year end	2012	2011	2010 restated under IFRS 5
France	9,380	8,920	8,230
International	4,930	3,690	3,420
TOTAL	**14,310**	**12,610**	**11,650**

Average workforce	2012	2011	2010 restated under IFRS 5
France	9,294	8,906	8,115
International	4,739	3,556	3,235
TOTAL	**14,033**	**12,462**	**11,350**

5.3. Employee profit-sharing and incentive schemes

Employee profit-sharing totalled €5.3 million for Sopra Group and €0.9 million for Sopra Banking Software. Incentive schemes in respect of 2012 totalled €1.6 million for Sopra Group and €0.1 million for Sopra Banking Software.

Note 6 Purchases and external expenses

(in thousands of euros)	2012		2011		2010 restated under IFRS 5	
Project subcontracting purchases	123,810	45.6%	119,470	51.2%	100,344	47.2%
Purchases held in inventory of equipment and supplies	6,438	2.4%	5,642	2.4%	5,409	2.5%
Goods purchases and changes in inventory	7,795	2.9%	6,917	3.0%	7,455	3.5%
Leases and charges	35,310	13.0%	28,737	12.3%	27,652	13.0%
Maintenance and repairs	10,964	4.0%	7,840	3.4%	7,126	3.3%
Subcontracting	5,697	2.1%	1,769	0.8%	1,544	0.7%
Remuneration of intermediaries and fees	8,223	3.0%	5,117	2.2%	6,295	3.0%
Advertising and public relations	3,939	1.4%	2,520	1.1%	2,227	1.0%
Travel and entertainment	53,860	19.8%	42,041	18.0%	40,038	18.8%
Telecommunications	6,560	2.4%	5,767	2.5%	6,321	3.0%
Other expenses	9,202	3.4%	7,636	3.3%	8,327	3.9%
TOTAL	**271,798**	**100%**	**233,456**	**100%**	**212,738**	**100%**

Note 7 Depreciation, amortisation, provisions and impairment

(in thousands of euros)	2012	2012	2010 restated under IFRS 5
Intangible assets	986	547	692
Property and equipment	6,679	5,459	4,910
Assets held under finance lease	3,938	4,206	4,438
Depreciation and amortisation	**11,603**	**10,212**	**10,040**
Impairment of current assets	377	-350	32
Provisions for contingencies and losses	4,978	3,718	2,981
Provisions and impairment	**5,355**	**3,368**	**3,013**
TOTAL	**16,958**	**13,580**	**13,053**

Note 8 Expenses associated with stock options and equivalents

The cost of services rendered by staff in exchange for options received was recognised at €0.2 million in respect of financial year 2012. Information on outstanding share subscription option plans is set out in Note 25.2.

Expenses associated with the bonus share allotment plan implemented in June 2012 totalled €2.0 million in 2012, consisting of the following:

- an employee expense of €1.4 million recognised with effect from the allotment date of the shares, on the basis of:
  - the fair value of the shares at the allotment date and the number of shares that will actually be delivered,
  - an estimate of the number of shares that will actually be delivered, which is reviewed at each balance sheet date to take into account the impact of changes in staff turnover rates;
- a €0.4 million expense corresponding to the social security contribution paid on the estimated value, as at the allotment date, of bonus shares to be distributed;
- €0.2 million in consultancy fees in respect of the implementation of the plan.

Information on the rules of this bonus share allotment plan is set out in Note 25.3.

Note 9 Additions to amortisation of allocated intangible assets

After allocating goodwill on acquisitions, additions to amortisation of allocated intangible assets totalled €4.2 million in respect of 2012, compared with €0.3 million in respect of 2011 (see Note 17).

Note 10 Other operating income and expenses

Other net operating income and expenses totalled (-)€11.9 million in 2012, consisting of the following:

- €4.9 million in acquisition costs;
- €6.6 million in restructuring costs associated with integrating acquired companies and reorganising the French consulting business;
- a €0.4 million expense to settle the Rent Profit dispute (in relation to premises in Spain).

In 2011, this item totalled €6.3 million and included the following:

- a €71.4 million capital gain on Axway Software shares retained, calculated as the difference between their market value at the distribution (€101.4 million) and their historical consolidated value (€30.0 million);
- an €18.0 million impairment loss on equity-accounted Axway Software shares;
- non-recurring expenses related to the project to spin-off Axway's business in the total amount of €1.0 million. These expenses mainly involved fees for external consultants and other costs incurred specifically by Sopra Group in connection with this project;
- a €6.3 million expense in respect of extraordinary profit sharing arising from the reduction in Sopra Group's shareholders' equity relating to the Axway spin-off operations (distribution of shares and cash);
- a €38.0 million goodwill impairment loss split between the following CGUs: United Kingdom (€20 million), Spain (€15 million) and Belgium (€3 million);
- a €1.9 million provisions charge in respect of taxes.

Note 11 Financial income and expenses

11.1. Cost of net financial debt

(in thousands of euros)	2012	2011	2010 restated under IFRS 5
Income from cash and cash equivalents	395	308	15
Interest charges	-5,197	-3,226	-2,965
Net result of hedges (yield spread)	-969	-695	-2,456
Impact of the change in the value of syndicated loans	-1,423	-485	-218
TOTAL	**-7,194**	**-4,098**	**-5,624**

The increase in the net financial expense is mainly due to the increase in debt, with external growth generating a significant financing requirement. Average outstanding borrowings totalled €155 million in 2012, compared with €59 million in 2011.

The average cost of borrowing after hedging was 2.34% in 2012, compared with 3.27% the previous year. Including bank overdrafts, the average cost of financing was 2.09% in 2012, compared with 2.84% in 2011.

11.2. Other financial income and expenses

(in thousands of euros)	2012	2011	2010 restated under IFRS 5
Foreign exchange gains and losses	**-584**	**178**	**-948**
Reversals of provisions	-	10,550	-
Proceeds on the disposal of financial assets sold	2,005	139	-
Other financial income	244	1,000	1,741
Total other financial income	**2,249**	**11,689**	**1,741**
Charges of provisions	-	-	-5
Discounting of retirement commitments	-1,441	-1,401	-1,276
Discounting of employee profit sharing	500	410	379
Change in the value of derivatives	261	564	662
Net carrying amounts of financial assets sold	-1,758	-10,628	-
Other financial expense	-254	-210	-187
Total other financial expense	**-2,692**	**-11,265**	**-427**
TOTAL	**-1,027**	**602**	**366**

Foreign exchange gains and losses mainly relate to commercial transactions denominated in foreign currencies.

Discounting of retirement commitments: see Note 27.

Discounting of employee profit sharing: see Note 26.1.c.

Change in the value of derivatives: see Note 33.2.

Note 12

Tax charge

12.1. Analysis

(in thousands of euros)	2012	2011	2010 restated under IFRS 5
Current tax	33,945	39,117	32,137
Deferred tax	-405	-2,941	-1,825
TOTAL	**33,540**	**36,176**	**30,312**

12.2. Reconciliation of theoretical and effective tax charge

(in thousands of euros)	2012	2011	2010 restated under IFRS 5
Net profit	**55,599**	**62,874**	**74,769**
Neutralisation of the following items:			
Profit after tax from discontinued operations	-	-1,380	26,596
Share of net profit of equity-accounted companies	6,068	5,993	-
Net capital gains on retained Axway shares	-	53,456	-
Impairment of goodwill	-	-37,988	-
Tax charge	-33,540	-36,176	-30,312
Profit before tax	**83,071**	**78,969**	**78,485**
Theoretical tax rate	**36.10%**	**36.10%**	**34.43%**
Theoretical tax charge	**-29,989**	**-28,508**	**-27,022**
Reconciliation			
Permanent differences	-864	-21	61
Impact of non-capitalised losses for the year	-201	-350	-56
Use of non-activated losses carried forward	800	190	666
Capitalisation of previous losses carried forward	512	-	-
Impact of tax credits	2,292	1,313	2,198
CVAE reclassification (net of tax)	-7,554	-7,020	-6,110
Tax rate differences – France/Other countries	2,369	1,089	479
Prior year tax adjustments	-167	-253	96
Other	-738	-2,616	-624
Actual tax charge	**-33,540**	**-36,176**	**-30,312**
Effective tax rate	**40.38%**	**45.81%**	**38.62%**
Effective tax rate excluding CVAE	*30.48%*	*37.05%*	*30.35%*

12.3. Tax impact of other comprehensive income statement items

(in thousands of euros)	2012	2011	2010 restated under IFRS 5
Actuarial gains and losses on pension plans	1,221	383	836
Tax impact on non-classifiable items	**1,221**	**383**	**836**
Translation differential	-61	191	557
Change in the value of derivatives	692	274	-419
Tax impact on reclassifiable items	**631**	**465**	**138**
TOTAL	**1,852**	**848**	**974**

Note 13 Net profit from associates

In 2012, this item included the following:

- the Group's share of the Axway Group's profit for the period (26.02% of €24.7 million): €6.4 million;
- the impact of the dilution of Axway Software's share capital: (-)€0.3 million.

In 2011, the share of the Axway Group's net profit recognised using the equity method with effect from 14 June 2011 was €6.0 million.

Note 14 Net profit from divested operations

In 2011, the Axway Group's net result was shown under "Net profit from divested operations" for the period from 1 January to the date on which Axway was spun off (14 June 2011). This net result was a loss of €1.4 million over this period, given €3.4 million in non-recurring expenses arising from the spin-off.

Note 15 Earnings per share

(in euros)	2012	2011	2010 restated under IFRS 5
Net profit attributable to the Group	55,599,865	62,871,886	74,768,462
Weighted average number of ordinary shares in issue	11,893,486	11,876,503	11,780,090
BASIC EARNINGS PER SHARE	**4.67**	**5.29**	**6.35**

(in euros)	2012	2011	2010 restated under IFRS 5
Net profit attributable to the Group	55,599,865	62,871,886	74,768,462
Weighted average number of ordinary shares in issue	11,893,486	11,876,503	11,780,090
Weighted average number of securities retained in respect of dilutive items	138,450	4,441	29,709
Weighted average number of shares retained for the calculation of diluted net earnings per share	12,031,936	11,880,944	11,809,799
FULLY DILUTED EARNINGS PER SHARE	**4.62**	**5.29**	**6.33**

The method used to calculate earnings per share is set out in Note 1.23. The only diluting instruments are the stock options presented in Note 25.2 and the bonus shares granted under the plan set up on 19 June 2012 (see Note 25.3).

For the calculation of diluted earnings per share, only potential dilutive ordinary shares have been taken into account, except those that have an earnings-enhancing effect. Potential ordinary shares arising from options whose exercise price plus the fair value of services yet to be received from option holders is higher than the average share price over the period (€41.49) have been considered accretive. A breakdown is as follows:

- 50,064 options allotted on 21 December 2006 at an adjusted exercise price of €53.84;
- 31,953 options allotted on 15 April 2010 at an adjusted exercise price of €49.03;
- 52,720 options allotted on 29 March 2011 at an adjusted exercise price of €66.61;
- 5,000 options allotted on 20 October 2011 at an adjusted exercise price of €43.22.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 16 Goodwill

16.1. Changes in goodwill

The principal movements in 2012 were as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2010	**420,784**	**50,870**	**369,914**
Acquisitions			
Delta Informatique	24,126	-	24,126
Impairment			
SSI Spain	-	15,000	-15,000
SSI United Kingdom	-	19,988	-19,988
SSI Belgium	-	3,000	-3,000
Translation differential	**-7,806**	**966**	**-8,772**
Discontinued operations (Axway)	**-165,232**	**-8,823**	**-156,409**
31 December 2011	**271,872**	**81,001**	**190,871**
Acquisitions			
Tieto UK	15,196	-	15,196
Business Decision UK	14,302	-	14,302
Callataÿ & Wouters	101,502	-	101,502
Adeuza	-37	-	-37
Adjustments on business combinations			
Delta Informatique	-8,590	-	-8,590
Impairment	**-**	**-**	**-**
Translation differential	**2,062**	**680**	**1,382**
31 DECEMBER 2012	**396,307**	**81,681**	**314,626**

16.2. Determination of goodwill arising on business combinations in the year

Goodwill recognised in 2012 arises from the acquisition of Tieto UK's financial services business, Business & Decision UK and Belgian group Callataÿ & Wouters.

This goodwill was measured at the date on which these businesses were acquired using the method set out in Note 1.6.

(in thousands of euros)	Tieto UK	Business & Decision UK	Callataÿ & Wouters	Adeuza	Total
Purchase price	29,450	18,745	140,000	1,670	189,865
Present value of earnouts	-	-	-	-	-
Acquisition cost	**29,450**	**18,745**	**140,000**	**1,670**	**189,865**
Fair value of net assets acquired	14,254	4,443	38,498	1,707	58,902
GOODWILL	**15,196**	**14,302**	**101,502**	**-37**	**130,963**

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

(in thousands of euros)	Tieto UK	Business & Decision UK	Callataÿ & Wouters	Adeuza	Total
Intangible assets allocated	10,894	-	35,200	-	46,094
Other intangible assets	-	-	804	835	1,639
Property and equipment	1,074	333	1,176	35	2,618
Deferred tax	-1,767	843	-3,065	1,851	-2,138
Other assets	8,482	7,560	36,450	239	52,731
Cash and cash equivalents	9,409	1	6,549	90	16,049
Financial liabilities	-	-162	-7,647	-	-7,809
Provision for post-employment benefits	-	-	-900	-38	-938
Other liabilities	-13,838	-4,132	-30,069	-1,305	-49,344
FAIR VALUE OF NET ASSETS ACQUIRED	**14,254**	**4,443**	**38,498**	**1,707**	**58,902**

16.3. Adjustments relating to business combinations

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

16.4. Distribution of goodwill by CGU

The Group has adopted a segmentation into cash-generating units (CGUs), consistent with the operational organisation of its business lines, the management control and reporting system and published segment reporting.

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

(in thousands of euros)		31/12/2012	32/12/2011	31/12/2010
CSSI France	France	52,869	96,303	72,571
SSI Europe	United Kingdom	66,172	35,152	54,255
	Spain	51,297	51,297	66,297
	Italy	8,119	8,119	8,119
	Belgium	-	-	3,000
Sopra Banking Software		136,169	-	-
Axway	Axway	-	-	165,672
TOTAL		**314,626**	**190,871**	**369,914**

16.5. Impairment tests

Impairment tests carried out at 31 December 2012 did not give rise to the recognition of any impairment losses.

These tests were performed under the conditions described in Note 1.11 using the following parameters:

	Discount rate			Perpetuity growth rate		
	31/12/2012	31/12/2011	31/12/2010	31/12/2012	31/12/2011	31/12/2010
France	9.3%	9.5%	9.2%	2.3%	2.5%	2.5%
United Kingdom	9.3%	9.5%	9.2%	2.3%	2.5%	2.5%
Spain	9.3%	9.5%	9.2%	2.3%	2.5%	2.5%
Other European countries	9.3%	9.5%	9.2%	2.3%	2.5%	2.5%
Other zones	9.3%	9.5%	9.2%	2.3%	2.5%	2.5%

a. Sensitivity analysis

	Discount rate used in 2012	Increase in the discount rate of 0.5 points
Growth rate used in 2012	-	-8.7%
Decrease in the growth rate of 0.5 points	-6.1%	-13.8%

With the exception of the CGU Systems Integration Spain, declines in value-in-use resulting from these combined changes in assumptions (-13.8%) would not have prompted the recognition of impairment for these CGUs at the balance sheet date.

b. Sensitivity tests

These tests were carried out on all CGUs. Only those pertaining to the most sensitive CGUs (SSI Spain and SSI United Kingdom) are presented below.

	SSI Spain	SSI United Kingdom
Different between value in use and carrying amount *(in millions of euros)*	**4.8**	**19.8**
Threshold values:		
Discount rate	9.8%	11.2%
Growth rate	1.6%	-0.7%
Hypothetical impairment in the event of *(in millions of euros)*:		
Increase in the discount rate of 0.5 points	-0.4	-
Decrease in the perpetuity growth rate of 0.5 points	-	-
Decrease in the operating margin of 0.5 points	-	-
Increase in the discount rate of 0.5 points combined with decrease in the perpetuity growth rate of 0.5 points	-3.7	-

* *The threshold value for an assumption is the value at which the value in use would be equal to the carrying amount.*

16.6. Translation adjustments

The €1.4 million increase in translation adjustments mainly arises from changes in the value of the euro relative to the following currencies:

Change euro/other currencies *(in millions of euros)*	31/12/2012	31/12/2011	31/12/2010
USD	-	-8.8	8.4
GBP	1.5	0.9	1.7
SEK	-	-0.5	2.8
Other currencies	-0.1	-0.4	0.4
TOTAL	**1.4**	**-8.8**	**13.3**

Note 17 Intangible assets

(in thousands of euros)	Gross value	Amortisation	31/12/2012	31/12/2011	31/12/2010
Enterprise software/Technology	70,327	20,414	49,913	1,441	22,223
Client relations	6,700	550	6,150	-	-
Favourable contracts	900	90	810	-	-
Order backlog	490	136	354	-	-
Acquired software	11,292	9,367	1,925	1,371	1,490
TOTAL	**89,709**	**30,557**	**59,152**	**2,812**	**23,713**

This item mainly consists of allocated intangible assets (technologies, client relationships, favourable contracts, etc.) where the acquisition price of a business combination has been apportioned and market software packages used in the course of the Group's day-to-day operations.

No development costs were capitalised in respect of the Group's solutions and software packages, either in 2012 or in previous years.

Changes in intangible assets are set out in the table below:

(in thousands of euros)	Gross value	Amortisation	Net
31 December 2010	**55,118**	**31,405**	**23,713**
Changes in scope	741	728	13
Acquisitions	981	-	981
Disposals	-95	-95	-
Other movements	-	-	-
Amortisation charge	-	1,933	-1,933
Discontinued operations (Axway)	-31,183	-12,732	-18,451
31 December 2011	**23,430**	**20,618**	**2,812**
Changes in scope	7,297	5,657	1,640
Intangible assets allocated	59,194	-	59,194
Acquisitions	446	-	446
Disposals	-889	-889	-
Translation differential	231	-28	259
Amortisation charge	-	5,199	-5,199
31 DECEMBER 2012	**89,709**	**30,557**	**59,152**

Intangible assets allocated in 2012 (€59.2 million) relate to the acquisitions of the following companies:

- Callataÿ & Wouters in the amount of €35.2 million;
- Tieto UK in the amount of €10.9 million;
- Delta Informatique in the amount of €13.1 million.

Note 18 Property and equipment

(in thousands of euros)	Land and buildings	Office furniture, fixtures and sundry equipment	IT equipment	Total
GROSS VALUE				
31 December 2010	**10,989**	**65,719**	**47,859**	**124,567**
Translation differential	-	-216	-771	-987
Acquisitions	153	8,277	6,364	14,794
Disposals	-	-270	-3,954	-4,224
Other movements	-	10	23	33
Changes in scope	11	1,291	1,201	2,503
Discontinued operations (Axway)	-	-6,348	-13,351	-19,699
31 December 2011	**11,153**	**68,463**	**37,371**	**116,987**
Translation differential	-	25	229	254
Acquisitions	51	5,345	5,471	10,867
Disposals	-	-8,937	-5,206	-14,143
Changes in scope	-	4,737	12,409	17,146
31 DECEMBER 2012	**11,204**	**69,633**	**50,274**	**131,111**

(in thousands of euros)	Land and buildings	Office furniture, fixtures and sundry equipment	IT equipment	Total
DEPRECIATION				
31 December 2010	**8,751**	**40,857**	**35,680**	**85,288**
Translation differential	-	-178	-675	-853
Charges	245	4,608	5,566	10,419
Reversals	-	-191	-3,880	-4,071
Other movements	-	-3	-	-3
Changes in scope	9	705	1,090	1,804
Discontinued operations (Axway)	-	-5,585	-9,597	-15,182
31 December 2011	**9,005**	**40,213**	**28,184**	**77,402**
Translation differential	-	38	207	245
Charges	254	5,061	5,303	10,618
Reversals	-	-5,731	-5,159	-10,890
Changes in scope	-	3,515	11,028	14,543
31 DECEMBER 2012	**9,259**	**43,096**	**39,563**	**91,918**
NET VALUE				
31 December 2010	**2,238**	**24,862**	**12,179**	**39,279**
31 December 2011	**2,148**	**28,250**	**9,187**	**39,585**
31 DECEMBER 2012	**1,945**	**26,537**	**10,711**	**39,193**

The Group's investments in property, plant and equipment (€10.9 million) mainly consist of €5.3 million for office equipment in France and abroad and €5.5 million for IT equipment (€4.0 million of which is in the form of finance lease contracts).

Amounts included under disposals in the year (€14.1 million, with depreciation of €10.9 million) mainly consist of the following:

- the one-off sale of office fittings and equipment by the Sopra Group to Axway Software as part of Axway Software's taking over a lease on premises in Puteaux (gross amount: €6.3 million);
- divestment of IT equipment corresponding to expired finance lease contracts (€4.9 million);
- premises for which leases were not renewed, and the scrapping of various assets after inventory.

Land and buildings include the premises of Sopra Group's registered office at Annecy-le-Vieux. Another portion of these premises was acquired as part of a property finance lease arrangement completed in 2003.

These contracts have, since their inception, been restated in the consolidated financial statements and are included in the balance sheets for the following amounts:

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Land	255	255	255
Buildings	3,861	3,861	3,861
Amortisation	-3,801	-3,735	-3,669
NET VALUE	**315**	**381**	**447**

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

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Gross value	24,835	25,689	25,637
Amortisation	-17,030	-18,018	-17,635
NET VALUE	**7,805**	**7,671**	**8,002**

Note 19 Equity-accounted investments in associates

(in thousands of euros)	Gross value	Impairment	Net
1 January 2011	**-**	**-**	**-**
Changes in scope	101,395	-	101,395
Adjustment of recoverable value	-	17,958	-17,958
Capital transactions	16,078	-	16,078
Net profit	5,993	-	5,993
Translation differential	4,064	-	4,064
Changes in shareholding	-151	-21	-130
Other movements	-40	-	-40
31 December 2011	**127,339**	**17,937**	**109,402**
Changes in scope	-	-	-
Capital transactions	559	-	559
Dividends paid	-1,308	-	-1,308
Net profit	6,417	-	6,417
Translation differential	-595	-	-595
Changes in shareholding	-917	-	-917
Other movements	266	-	266
31 DECEMBER 2012	**131,761**	**17,937**	**113,824**

At 31 December 2012, Axway Software shares held by Sopra Group represented 26.02% of Axway Software's total share capital, compared with 26.24% in 2011. The market value of those shares, based on their closing price on 31 December 2012 (€13.60), was €71.9 million. The equity-accounted value of this investment (€113.8 million) is justified by its value in use for the Sopra Group.

(in thousands of euros)	31/12/2012	31/12/2011
Market value	71,916	87,092
Value in use	113,824	109,402
Recoverable amount	**113,824**	**109,402**

Summary financial information relating to Axway group *(in thousands of euros)*	31/12/2012	31/12/2011
Assets	376,989	304,474
Equity	233,951	213,435
Liabilities	143,038	91,039
Revenue	224,320	217,244
Net profit	24,660	21,457

Note 20 Other non-current financial assets

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Assets at fair value through profit and loss	-	-	-
Held to maturity assets	-	-	-
Available for sale assets	68	68	196
Other loans and receivables	3,777	2,907	3,440
Derivatives	152	-	127
TOTAL	**3,997**	**2,975**	**3,763**

20.1. Available for sale assets

(in thousands of euros)	Gross value	Impairment	Net
1 January 2011	**10,007**	**9,811**	**196**
Changes in scope	61	-	61
Increase	-	-	-
Decrease	-9,846	-9,657	-189
Translation differential	4	4	-
31 December 2011	**226**	**158**	**68**
Changes in scope	307	-	307
Increase	-	-	-
Decrease	-369	-62	-307
Translation differential	3	3	-
31 DECEMBER 2012	**167**	**99**	**68**

Available for sale assets are comprised mainly of non-consolidated equity investments in Delta Informatique (net amount of €62 thousand).

20.2. Other loans and receivables

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Receivables from unconsolidated equity interests – gross value	6	6	899
Provisions for receivables from unconsolidated equity interests	-6	-6	-899
Receivables from unconsolidated equity interests – net value	**-**	**-**	**-**
Loans	16	22	23
Deposits and other non-current financial assets	3,761	2,885	3,417
Provisions for loans, deposits and other non-current financial assets	-	-	-
Loans, deposits and other non-current financial assets – net value	**3,777**	**2,907**	**3,440**
TOTAL	**3,777**	**2,907**	**3,440**

Deposits and other non-current financial assets (€3.8 million) consist mainly of guarantees given for leased premises. Non-remunerated deposits are maintained at their nominal value, given that the effect of discounting is not significant.

Note 21 Deferred tax assets and liabilities

21.1. Breakdown by maturity

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Deferred tax assets (DTA)			
■ less than one year	3,752	6,749	5,819
■ more than one year	30,701	14,203	28,550
TOTAL DTA	**34,453**	**20,952**	**34,369**
Deferred tax liabilities (DTL)			
■ less than one year	-33	-57	-
■ more than one year	-17,933	-21	-9,300
TOTAL DTL	**-17,966**	**-78**	**-9,300**
NET DEFERRED TAX	**16,487**	**20,874**	**25,069**

21.2. Change in net deferred tax

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
At 1 January	**20,874**	**25,069**	**15,383**
Changes in scope	-6,648	999	-
Tax – income statement impact	405	2,941	9,099
Tax – equity impact	1,913	653	623
Translation differential	-57	-28	-36
Discontinued operations or assets classified as held for sale (Axway)	-	-8,760	-
AT 31 DECEMBER	**16,487**	**20,874**	**25,069**

21.3. Breakdown of net deferred tax by type

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Differences related to consolidation adjustments			
Actuarial gains and losses on pension plans	4,495	3,606	3,623
Software depreciation and amortisation of revalued software	-	-	4,660
Fair value of amortisable allocated intangible assets	-17,933	-	-6,879
Derivatives	1,090	458	329
Finance leases	51	34	46
Discounting of employee profit sharing	880	972	915
Tax-driven provisions	-	-	-2,304
Bonus share allotment plan	598	-	-
Amortisation of business goodwill	972	-	-
Cancellation of capitalised R&D expenses	3,171	-	-
Deduction for investment	1,538	-	-
Activated tax losses	5,832	-	6,879
Temporary differences based on tax returns			
Provisions for retirement benefits	11,267	9,095	8,941
Provision for employee profit sharing	2,049	5,322	3,426
Provision for Organic tax	546	528	523
Differences in amortisation periods	820	89	140
Expenses related to the acquisition of equity interests	780	-	-
Activated tax losses	-	-	4,505
Other	331	770	265
TOTAL	**16,487**	**20,874**	**25,069**

21.4. Deferred tax assets not recognised by the Group

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Tax losses carried forward	2,922	3,978	52,997
Temporary differences	-	-	536
TOTAL	**2,922**	**3,978**	**53,533**

21.5. Changes in tax losses carried forward

(in thousands of euros)	France	Germany	Spain	United Kingdom	Belgium	Other	Total
31 December 2011	**6**	**4,300**	**3,500**	**1,816**	**4,015**	**15**	**13,652**
Changes in scope	7,533	-	-	2,255	8,613	2,368	20,769
Creation	558	117	5	116	-	427	1,223
Utilisation	-1,823	-	-	-	-3,610	-360	-5,793
Expiration	-	-	-	-	-	-	-
Translation differential	-	-	-	115	-	-	115
31 DECEMBER 2012	**6,274**	**4,417**	**3,505**	**4,302**	**9,018**	**2,450**	**29,966**
Deferred tax basis – activated	6,270	-	-	4,302	6,767	1,388	18,727
Deferred tax basis – not activated	4	4,417	3,505	-	2,251	1,062	11,239
Deferred tax – activated	2,090	-	-	1,053	2,300	389	5,832
Deferred tax – not activated	2	1,104	1,052	-	491	273	2,922

21.6. Maturity of tax losses carried forward

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
N+1	-	-	17,864
N+2	-	-	20,270
N+3	-	-	1,100
N+4	-	-	2,330
N+5 and subsequent years	3,505	3,500	111,884
Tax losses carried forward with a maturity date	**3,505**	**3,500**	**153,448**
Tax losses which may be carried forward indefinitely	**26,461**	**10,152**	**25,332**
TOTAL	**29,966**	**13,652**	**178,780**

As a reminder, the major portion of tax losses carried forward at 31 December 2010 related essentially to subsidiaries of Axway Software.

Note 22 Trade accounts receivable

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Trade accounts receivable – gross value	286,450	268,895	295,549
Accrued income	112,626	91,919	88,072
Accrued credit notes	-11,963	-13,397	-12,680
Amortisation of trade accounts receivable	-2,851	-2,423	-2,545
TOTAL	**384,262**	**344,994**	**368,396**

Net trade accounts receivables, expressed in terms of months of revenue, corresponded to about 2.2 months of revenue at 31 December 2012, compared to 2.4 months at 31 December 2011 and 2.0 months at 31 December 2010 (excluding Axway). This ratio is calculated by comparing Net trade accounts receivable with the revenue generated in the final quarter of the year. Net trade accounts receivable is obtained by stripping out VAT from the Trade accounts receivable balance and subtracting the deferred income balance appearing under liabilities.

Accrued income is comprised essentially of work performed in respect of fixed-price projects recognised using the percentage-of-completion method (see Note 1.21.a). Invoices are generally prepared for these contracts upon completion of the services rendered and the latter are paid over the lifespan of the projects through payments on account.

Note 23 Other current receivables

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Employee data	966	685	1,344
Social security	4,175	3,200	2,323
VAT	10,724	10,433	11,521
Corporate income tax	5,032	2,098	10,513
Other tax receivables	7,518	5,217	2,291
Leased equipment	995	885	406
Other receivables	750	592	1,495
Prepaid expenses	3,540	2,182	3,601
Derivatives	-	40	390
TOTAL	**33,700**	**25,332**	**33,884**

Note 24 Cash and cash equivalents

The cash flow statement is presented on page 92.

24.1. Net cash

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Investment securities	16	1,900	-
Cash and cash equivalents	47,342	31,367	54,897
Cash and cash equivalents	**47,358**	**33,267**	**54,897**
Current bank overdrafts	-44,898	-16,621	-1,316
TOTAL	**2,460**	**16,646**	**53,581**

Net cash and cash equivalents include available liquid funds (cash and positive bank balances), liquid marketable securities that meet the definition of cash equivalents as indicated in Note 1.15, bills of exchange presented for collection and falling due before the balance sheet date and temporary bank overdrafts. This item is closely related to the mobilisation of medium-term loans at the end of the financial year. Net debt, presented in Note 26.1, is more representative of the Group's financial position.

24.2. Investment securities

Category of securities *(in thousands of euros)*	31/12/2012	31/12/2011	31/12/2010
Money market UCITS and short-term money market UCITS	16	1,500	-
Other UCITS	-	400	-
TOTAL	**16**	**1,900**	**-**

Note 25 Shareholders' equity

The consolidated statement of changes in equity is presented on page 91.

25.1. Changes in the share capital

As at 31 December 2012, the Sopra Group had total share capital of €11,893,486 consisting of 11,893,486 fully paid-up shares with a par value of €1 each. There were no changes in 2012.

25.2. Share subscription option plans

Grant date	Number of options allocated initially	Original exercise price	Readjusted number of options following the Axway spin-off	Readjusted exercise price following the Axway spin-off	Beginning of option exercise period	End of option exercise period	Number of options cancelled at 31/12/2012	o/w cancelled in 2012	Number of options exercised at 31/12/2012	o/w options exercised in 2012	Number of options outstanding at 31/12/2012	Fair value of options at the grant date
Plan No. 5 – 2005 stock option plan (General Meeting of 26/05/05): maximum of 321,958 shares												
25/07/2006	30,000	€57.85	-	-	26/07/2011	24/07/2014	30,000	-	-	-	-	€13.10
21/12/2006*	67,000	€58.80	70,423	€53.84	22/12/2011	20/12/2014	20,359	3,196	-	-	50,064	€17.47
08/01/2007	5,000	€60.37	-	-	09/01/2012	07/01/2015	5,000	-	-	-	-	€15.28
18/03/2008*	50,000	€45.30	52,642	€41.16	19/03/2013	17/03/2016	9,500	-	-	-	43,142	€10.98
TOTAL	**152,000**						**64,859**	**3,196**	**-**	**-**	**93,206**	
Plan No. 6 – 2008 stock option plan (General Meeting of 15/05/08): maximum of 350,145 shares												
17/03/2009*	20,000	€27.16	21,302	€24.13	18/03/2014	16/03/2017	-	-	-	-	21,302	€5.85
15/04/2010*	30,000	€53.68	31,953	€49.03	16/04/2015	14/04/2018	-	-	-	-	31,953	€13.64
29/03/2011*	49,500	€72.40	52,720	€66.61	30/03/2016	28/03/2019	-	-	-	-	52,720	€18.28
TOTAL	**99,500**						**-**	**-**	**-**	**-**	**105,975**	
Plan No. 7 – 2011 stock option plan (General Meeting of 10/05/11): maximum of 355,618 shares												
20/10/2011	5,000	€43.22	-	-	21/10/2016	19/10/2019	-	-	-	-	5,000	€9.52
TOTAL	**5,000**						**-**	**-**	**-**	**-**	**5,000**	
Plan No. 8 – 2012 stock option plan (General Meeting of 19/06/12): maximum of 594,674 shares												
-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FOR ALL PLANS							**64,859**	**3,196**			**204,181**	

* *Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions.*

No share subscription options were exercised in 2012.

No more options may be allocated under plans 5, 6, or 7. At the Combined General Meeting held on 19 June 2012, the shareholders authorised the Board of Directors to issue options under plan 8. No shares have yet been allotted under this plan.

Adjustments were made to the exercise price and volume of Sopra Group share subscription options yet to be exercised as at 14 June 2011 to reflect the Axway spin-off and capital increase with pre-emptive rights for existing shareholders. These adjustments are presented in the table above.

Based on these adjustments, the number of Sopra Group shares issuable against outstanding options is 204,181. On 16 June 2012 the General Meeting set a limit of 5% of the share capital for the issue of new shares against subscription options provided for under plan 8, with the qualification that the issue of any subscription and/or purchase warrants for redeemable shares (BSAAR), as well as any bonus share issues, would result in this limit being lowered such that the total value of the securities issued would not exceed 5% of the share capital.

In light of the 166,875 bonus shares issued under the plan authorised by the General Meeting of 19 June 2012 (see Note 25.3), the number of options that could still be issued as of 31 December 2012 under plan 8 was reduced in due proportion, bringing it to 427,799.

This in turn brings the maximum number of Sopra Group shares that may eventually be issued against options to 631,980.

Furthermore, on exercising their options, holders of Sopra Group options as at 14 June 2011 are eligible to receive one free Axway Software share held by the Company for each Sopra Group share originally granted. The total number of Axway Software shares that could thus be distributed *via* the exercise of Sopra Group options totalled 187,000 as at 31 December 2012. The number of Axway Software shares that could be allotted upon the exercise of options under plan 5 is 87,500, while 99,500 shares could be allotted upon the exercise of options under plan 6.

The average price of the Sopra Group share in 2012 was €41.49.

Past service costs recognised in 2012 in respect of stock option holders, using the method set out in Note 1.16 "Share-based payments", totalled €195 thousand.

25.3. Bonus share allotment plans

Following the authorisation granted at the General Meeting held on 19 June 2012, the Board of Directors ratified the bonus share allotment plan for Sopra Group employees on 19 June 2012. This democratic plan, under which 166,875 shares were allocated to employees subject to their being employed by Sopra Group on the maturity date of the plan, will ultimately lead to the creation of some 130,000 shares after taking into consideration staff turnover estimates.

In accordance with IFRS 2, "Share-based payment", the fair value of bonus shares granted, calculated as at the date on which rights are allotted, is recognised in expenses over the vesting period (i.e. two to four years). The corresponding expense in respect of 2012 totalled €1.384 million.

The fair value of the shares was determined by reference to the market price at the date on which the rights were allotted, less the amount of dividends not received by employees over the vesting period. The estimated number of shares that will actually be delivered is reviewed annually in light of employees having left the company in the course of the year in question.

25.4. Capital reserves

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Share issue, merger and contribution premiums	8,343	6,765	52,610
Legal reserve	1,190	1,186	4,701
TOTAL	**9,533**	**7,951**	**57,311**

Movements in 2012 are presented in the statement of changes in equity on page 91.

25.5. Transactions in treasury shares

At 31 December 2012, Sopra Group held 7,600 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €307 thousand, representing an average purchase price of €40.41. Based on the average closing price in December 2012 (€43.83), the valuation of treasury shares came to €333 thousand.

All transactions in treasury shares are taken directly to shareholders' equity. The 2012 impact was €0.676 million.

25.6. Dividends

Sopra Group's General Meeting of 19 June 2012, resolved to distribute an ordinary dividend of €22.598 million in respect of the 2011 financial year, i.e. €1.90 per share. This dividend was payable at 26 June 2012. The dividend paid in respect of the previous financial year totalled €9.483 million, equivalent to €0.80 per share.

Upon approval of the financial statements for the year ended 31 December 2012, the General Meeting is invited to distribute a dividend of €1.70 per share, representing a total of €20.219 million.

25.7. Minority interests

In connection with the acquisition of the Callataÿ & Wouters group, the application of the full goodwill method has the effect of showing minority interests at their fair value of €32.6 million.

The put options granted to minority shareholders during the takeover of the Callataÿ & Wouters group were exercised in December 2012.

25.8. Capital management objectives, policy and procedures

The company's capital is uniquely comprised of the items disclosed in the balance sheet. There are no financial liabilities considered as components of capital and, conversely, there are no equity components not considered to be part of the Company's capital.

The company does not operate under any external capital constraints, with the exception of the covenant contained within the current syndicated loan agreement that its gearing ratio (net debt to equity) must remain below 1 over the entire term of the loan. At 31 December 2012, this ratio was 0.56.

Note 26 Financial debt

26.1. Consolidated net debt

(in thousands of euros)	Current	Non-current	31/12/2012	31/12/2011	31/12/2010
Bank loans	20,206	146,770	166,976	29,222	78,372
Liabilities on finance lease contracts	3,236	4,194	7,430	7,379	7,935
Employee profit sharing	4,687	27,352	32,039	26,401	24,416
Other sundry financial debt	21	51	72	32	13
Current bank overdrafts	44,898	-	44,898	16,621	1,316
FINANCIAL DEBT	**73,048**	**178,367**	**251,415**	**79,655**	**112,052**
Investment securities	-16	-	-16	-1,900	-
Cash and cash equivalents	-47,342	-	-47,342	-31,367	-54,897
NET DEBT	**25,690**	**178,367**	**204,057**	**46,388**	**57,155**

a. Bank loans

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

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

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

(in millions of euros)	Start date	Due date	Notional principal amount	Amount authorised as of 31/12/2012	2013 reductions	Amount authorised as of 31/12/2013
Reducible revolving credit facility	April 2008	April 2014	132	33		33
Revolving credit facility	June 2011	June 2016	150	150		150
Renewable credit facility/term loan	June 2012	June 2017	128	120	16	104
				303	**16**	**287**

The applicable banking conditions are as follows:

- the interest rate is equivalent to Euribor or Libor for the drawdown period concerned, plus a margin adjusted on a half yearly basis as a function of the leverage ratio (net debt to EBITDA). The net financial debt in question does not take into account the employee profit sharing liability but does include liabilities related to earnouts;
- a non-utilisation fee also applies.

Three financial ratios must be met under covenants entered into with partner banking establishments (see Note 36.4).

b. Liabilities on finance lease contracts

The carrying amount of liabilities on finance lease contracts is €7.430 million, and the corresponding future financial expense amounts to €199 thousand, representing a total minimum future payment for finance leases of €7.629 million.

	31/12/2012			31/12/2011	31/12/2010
(in thousands of euros)	Minimum payments for finance leases	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	3,357	121	3,236	3,371	3,825
One to five years	4,272	78	4,194	4,008	4,110
More than five years	-	-	-	-	-
TOTAL	**7,629**	**199**	**7,430**	**7,379**	**7,935**

c. Employee profit sharing

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

In application of IAS 32 and IAS 39, liabilities in respect of profit sharing are subject to restatement, as described in Note 1.19.

26.2. Statement of changes in net debt

(in thousands of euros)	2012	2011	2010 restated under IFRS 5
NET DEBT AT 1 JANUARY (A)	**-46,388**	**-57,155**	**-137,449**
Cash from operations after cost of net debt and tax	**71,493**	**60,250**	**60,586**
Cost of net financial debt	7,194	4,098	5,624
Income taxes (including deferred tax)	33,540	36,176	30,312
Cash from operations before changes in working capital	**112,227**	**100,524**	**96,522**
Income taxes paid	-41,820	-38,682	-27,191
Changes in working capital requirements	-8,604	-1,341	17,441
Net cash from operating activities	**61,803**	**60,501**	**86,772**
Net cash used in investing activities	-7,704	-13,837	-8,898
Net interest paid	-6,847	-3,485	-5,774
Available net cash flow	**47,252**	**43,179**	**72,100**
Impact of changes in scope	-182,383	-29,829	-187
Financial investments	-145	-16,220	-100
Dividends	-22,562	-56,068	-9,402
Dividends collected from equity-accounted associates	1,322	-	-
Capital increase in cash	-	1,190	2,580
Other changes	206	67,345	1,843
Net cash from (used in) discontinued operations (Axway)	-	12,638	12,983
TOTAL NET CHANGE DURING THE YEAR (B)	**-156,310**	**22,235**	**79,817**
Impact of changes in foreign exchange rates (C)	-1,359	-362	477
Net debt of discontinued operations (Axway) (D)	-	-11,106	-20,253
NET DEBT AT 31 DECEMBER (A+B+C+D)	**-204,057**	**-46,388**	**-77,408**

Impact of changes in scope

(in thousands of euros)	2012	2011	2010 restated under IFRS 5
Cost of acquisitions (excluding earnouts)	-190,546	-37,673	-
Net debt/net cash of acquired companies	8,298	7,844	-
Earnouts	-135	-	-187
TOTAL	**-182,383**	**-29,829**	**-187**

Note 27 Provisions for post-employment benefits

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

(in thousands of euros)	01/01/2012	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	Change in actuarial differences	31/12/2012
France	36,592	38	4,285	-617	-25	3,412	43,685
Italy	4,185	-	923	-241	-	-	4,867
TOTAL	**40,777**	**38**	**5,208**	**-858**	**-25**	**3,412**	**48,552**
Impact (net of expenses incurred)							
Profit from recurring operations			3,742		-25		
Financial items			1,466		-		
TOTAL			**5,208**		**-25**		

In France, the defined benefits scheme relates to the payment of retirement benefits. The Group provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement with respect to the retirement scheme modified in 2004 pursuant to the retirement reform measures introduced by the Loi Fillon of 21 August 2003. Provisions for retirement benefits are recognised in accordance with the conditions in Note 1.18.

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

	31/12/2012	31/12/2011	31/12/2010
Benchmark for discounting	Source: Bloomberg	Source: Bloomberg	Source: Bloomberg
Discount rate for commitments	2.60%	3.75%	4.10%
Future salary growth rate	2.50%	2.50%	2.50%
Age at retirement	65 years	65 years	65 years
Mortality table	Insee 2008-2010	Insee 2004-2006	Insee 2004-2006

Assumptions referring to mortality rates are based on published statistical data.

Turnover tables are established for each company concerned by five-year age groups and are updated at each balance sheet date to reflect separation data for the last five years.

Retirement benefit commitments are discounted using a discount rate corresponding to the interest rate of prime corporate bonds (carrying a rating of AA or higher) denominated in the payment currency, the maturity period of which is close to the average estimated length of the retirement obligation concerned.

Since 31 December 2009, the Group uses Bloomberg rates for the euro zone as the benchmark for the discounting of its retirement obligations. A discount rate of 2.60% was used at 31 December 2012.

A ±1.0 point change in the discount rate would have an impact of about (-)€6.2 million/+€7.6 million on the total commitment.

In Italy, the defined benefits scheme relates to the payment of regulatory termination benefits (*Trattamento di Fine Rapporto*). These payments are calculated as a proportion of the employee's gross annual salary and are linked to the price index issued by the Italian National Institute of Statistics (Istat).

Table showing the change in provision for retirement indemnities (France)

(in thousands of euros)	Present value of defined benefit scheme obligations	Taken to the income statement
1 January 2011	**36,492**	**3,381**
Changes in scope	589	-
Past service cost	2,763	2,763
Financial cost	1,595	1,595
Benefits paid to employees	-1,041	-1,041
Change in actuarial differences	1,177	-
Discontinued operations	-4,983	-
31 December 2011	**36,592**	**3,317**
Changes in scope	38	-
Past service cost	2,819	2,819
Financial cost	1,466	1,466
Benefits paid to employees	-617	-617
Gains/losses on hedging assets	-25	-25
Change in actuarial differences	3,412	-
Discontinued operations	-	-
31 DECEMBER 2012	**43,685**	**3,643**

Analysis of the change in recognised actuarial differences

These differences include the effects of changes in actuarial assumptions and the effects of the differences between the actuarial assumptions used and actual experience (experience adjustments detailed below).

The actuarial loss recognised in respect of 2012 (€3.412 million) arises mainly from the following:

- experience impacts on liabilities (downward adjustment in the commitment amounting to €0.168 million);
- the 1.15 point increase in the discount rate used compared to 31 December 2011 (upward adjustment in the commitment amounting to €7.026 million);
- the updating of mortality assumptions, five-year staff turnover rates and assumptions pertaining to retirement arrangements (with the liability reducing by €3.446 million).

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

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Present value of defined benefit scheme obligations	43,685	36,592	36,492
Experience adjustments on scheme liabilities	-168	322	523
as % of commitments	-0.38%	0.88%	1.43%

The breakdown by maturity of the French retirement benefit commitment, discounted to the present value of 2.60%, is as follows:

(in thousands of euros)	31/12/2012
Present value of theoretical benefits to be paid by the employer:	
■ less than 1 year	737
■ 1 to 2 years	257
■ 2 to 3 years	482
■ 3 to 4 years	768
■ 4 to 5 years	1,162
■ 5 to 10 years	8,572
■ 10 to 20 years	18,645
■ more than 20 years	13,062
TOTAL COMMITMENT	**43,685**

Note 28 Non-current provisions

(in thousands of euros)	01/01/2012	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	31/12/2012
Provisions for disputes	986	28	1,114	-626	-128	1,374
Provisions for guarantees	-	-	-	-	-	-
Other provisions for contingencies	-	200	50	-	-	250
Sub-total provisions for contingencies	**986**	**228**	**1,164**	**-626**	**-128**	**1,624**
Provisions for taxes	4,085	700	315	-	-	5,100
Other provisions for losses	-	-	-	-	-	-
Sub-total provisions for losses	**4,085**	**700**	**315**	**-**	**-**	**5,100**
TOTAL	**5,071**	**928**	**1,479**	**-626**	**-128**	**6,724**
Impact (net of expenses incurred)						
Profit from recurring operations			1,164		-128	
Operating profit			-		-	
Financial items			-		-	
Tax charge			315		-	
TOTAL			**1,479**		**-128**	

Provisions for disputes cover, on the one hand, disputes before employment tribunals and severance benefits (€894 thousand), and on the other hand, insurance excesses provisioned in respect of commercial disputes (€480 thousand).

Other provisions for liabilities cover risks in respect of a social security inspection in Belgium.

Provisions for tax are intended to cover the following fiscal risks:

- Sopra Group was the subject of a tax audit relating to financial years 2008 and 2009. The tax authorities notified the Company of a proposed tax reassessment. A provision of €4.085 million was set aside in 2011 to cover a risk mainly relating to the research tax credit and deductions at source by foreign customers. This provision has been adjusted and stood at €4.2 million as at 31 December 2012;
- The UK subsidiary of Callataÿ & Wouters is undergoing a tax inspection. A €700 thousand provision was set aside in 2011 to cover the associated risk. This provision was increased in 2012 and stood at €900 thousand at the year-end.

Note 29 Other non-current liabilities

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Fixed asset liabilities – portion due in more than one year	-	-	-
Employee profit sharing during the year	4,410	11,946	11,198
Contingent advances	600	-	171
Derivatives	2,969	-	1,711
TOTAL	**7,979**	**11,946**	**13,080**

The "Employee profit sharing" item as at 31 December 2012 includes provisions set aside in the year in respect of profit sharing liabilities by Sopra Group (€3.8 million) and Sopra Banking Software (€0.6 million). At 31 December 2011, this item consisted of provisions set aside in respect of profit sharing liabilities by Sopra Group (€11.2 million) and Delta Informatique (€0.7 million). These amounts increase financial debt for the following year as regards Sopra Group and Sopra Banking Software.

Contingent advances relate to subsidies received from OSEO by Adeuza.

Derivatives at 31 December 2012 consisted of interest rate hedging contracts (see Note 34.3.a).

Note 30 Trade and related payables

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Trade accounts payable	56,637	55,119	53,886
Trade accounts payable – advances and payments on account, accrued credit notes	-545	-351	-355
TOTAL	**56,092**	**54,768**	**53,531**

Note 31 Other current liabilities

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Fixed asset liabilities – portion due in less than one year	826	135	1,063
Employee data	84,462	71,011	82,636
Social security	88,078	79,070	77,083
VAT	72,660	68,779	73,609
Corporate income tax	5,999	9,552	3,652
Other tax liabilities	6,487	5,328	4,790
Deferred income	76,350	67,346	90,095
Other liabilities	1,985	1,446	728
Derivatives	228	1,495	-
TOTAL	**337,075**	**304,162**	333,656

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

Derivatives consist of interest rate and foreign exchange hedging contracts.

OTHER INFORMATION

Note 32 Segment information

32.1. Results by division

a. Consulting & SSI – France

(in millions of euros)	2012		2011	
Revenue	805.4		776.6	
Operating profit on business activity	68.0	8.4%	71.4	9.2%
Profit from recurring operations	66.2	8.2%	71.0	9.1%
Operating profit	64.5	8.0%	63.1	8.1%

b. SSI Europe

(in millions of euros)	2012		2011	
Revenue	240.0		184.5	
Operating profit on business activity	17.7	7.4%	9.0	4.9%
Profit from recurring operations	16.4	6.8%	9.0	4.9%
Operating profit	14.4	6.0%	9.0	4.9%

c. Sopra Banking Software

(in millions of euros)	2012		2011	
Revenue	171.3		89.2	
Operating profit on business activity	23.9	14.0%	12.1	13.6%
Profit from recurring operations	20.6	12.0%	11.7	13.1%
Operating profit	19.1	11.2%	11.3	12.7%

d. Not allocated

(in millions of euros)	2012		2011	
Revenue	-		-	
Operating profit on business activity	-		-	
Profit from recurring operations	-		-	
Operating profit	-6.7		14.5	

e. Group

(in millions of euros)	2012		2011	
Revenue	1,216.7		1050.3	
Operating profit on business activity	109.6	9.0%	92.5	8.8%
Profit from recurring operations	103.2	8.5%	91.7	8.7%
Operating profit	91.3	7.5%	97.9	9.3%

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

- transaction costs for acquisitions in the amount of €4.8 million;
- costs arising on the integration of acquisitions in the amount of €1.9 million.

32.2. Revenue by geographic area

(in millions of euros)	France	United Kingdom	Spain	Other European countries	United States	Other zones	Total
2012	**829.0**	**112.6**	**76.5**	**162.0**	**0.2**	**36.4**	**1,216.7**
2011 published	811.0	58.6	71.2	94.1	-	15.4	1,050.3
2010 restated under IFRS 5	745.0	57.9	68.0	83.3	0.1	10.1	964.4

32.3. Main assets by division

(in thousands of euros)	SSI France	SSI Europe	Sopra Banking	Total
Goodwill	52,869	125,588	136,169	314,626
Intangible assets	1,408	10,651	47,093	59,152
Property and equipment	29,996	7,465	1,732	39,193
Trade accounts receivable	253,936	76,342	53,984	384,262

SSI: Systems and Solutions Integration.

32.4. Main assets by geographic area

(in thousands of euros)	France	United Kingdom	Spain	Other European countries	Other zones	Total
Goodwill	72,540	66,172	51,297	122,585	2,032	314,626
Intangible assets	13,525	10,126	15	35,411	75	59,152
Property and equipment	29,283	2,395	5,216	1,445	854	39,193
Trade accounts receivable	282,309	27,247	25,867	45,322	3,517	384,262

Note 33

Financial instruments

33.1. Derivatives reported in the balance sheet

a. At 31 December 2012

(in thousands of euros)	31/12/2012 Balance sheet value	Fair value	Breakdown by class of derivative instrument: Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Non-current financial assets	3,997	3,997	-	68	3,777	-	-21	173
Trade accounts receivable	384,262	384,262	-	-	384,262	-	-	-
Other current receivables	33,700	33,700	-	-	33,700	-	-	-
Cash and cash equivalents	47,359	47,359	47,359	-	-	-	-	-
FINANCIAL ASSETS	**469,318**	**469,318**	**47,359**	**68**	**421,739**	**-**	**-21**	**173**
Financial debt – long-term portion	178,367	178,367	32,539	-	-	145,828	-	-
Other non-current liabilities	7,979	7,979	5,010	-	-	-		2,969
Financial debt – short-term portion	73,048	73,048	54,813	-	-	18,235	-	-
Trade payables	56,092	56,092	-	-	56,092	-	-	-
Other current liabilities	337,075	337,075	-	-	336,847	-	14	214
FINANCIAL LIABILITIES	**652,561**	**652,561**	**92,362**	**-**	**392,939**	**164,063**	**14**	**3,183**

b. At 31 December 2011

(in thousands of euros)	31/12/2011 Balance sheet value	Fair value	Breakdown by class of derivative instrument: Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Non-current financial assets	2,975	2,975	-	68	2,907	-	-	-
Trade accounts receivable	344,994	344,994	-	-	344,994	-	-	-
Other current receivables	25,332	25,332	-	-	25,292	-	40	-
Cash and cash equivalents	33,267	33,267	33,267	-	-	-	-	-
FINANCIAL ASSETS	**406,568**	**406,568**	**33,267**	**68**	**373,193**	**-**	**40**	**-**
Financial debt – long-term portion	26,382	26,382	26,260	-	-	122	-	-
Other non-current liabilities	11,946	11,946	11,946	-	-	-	-	-
Financial debt – short-term portion	53,273	53,273	24,173	-	-	29,100	-	-
Trade payables	54,768	54,768	-	-	54,768	-	-	-
Other current liabilities	304,162	304,162	-	-	302,667	-	329	1,166
FINANCIAL LIABILITIES	**450,531**	**450,531**	**62,379**	**-**	**357,435**	**29,222**	**329**	**1,166**

33.2. Impact of derivatives on profit or loss

The impact on profit or loss of the change in the value of syndicated loans (see Note 11.1) is a negative charge of €1.423 million.

The impact of derivatives on profit or loss is presented in the following table:

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Rate swap	-	40	127
Currency swap	152	-	390
Derivative assets	**152**	**40**	**517**
Rate swap	-2,969	-536	-1,711
Currency swap	-228	-959	-
Derivative liabilities	**-3,197**	**-1,495**	**-1,711**
TOTAL DERIVATIVES	**-3,045**	**-1,455**	**-1,194**
Change in fair value	**-1,590**	**-261**	**1,878**
Impact on equity	-1,851	-825	1,216
Impact on profit	261	564	662

Note 34 Financial risk factors

34.1. Credit risk

a. Aging customer balance

(in thousands of euros)	Carrying value	Of which impaired	Of which: neither impaired nor past due at the balance sheet date	Of which: not impaired at the balance sheet date but past due, with the following breakdown					
				Less than 30 days	Between 30 and 60 days	Between 61 and 90 days	Between 91 and 180 days	Between 181 and 360 days	More than 360 days
Trade receivables	286,450	2,876	189,377	63,820	12,296	5,099	7,416	4,632	934

b. Statement of changes in provisions for trade receivables

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Provisions for trade accounts receivable at 1 January	**2,423**	**2,545**	**2,891**
Charges	524	908	193
Reversals	-768	-1,074	-579
Changes in scope	523	518	-
Reclassification	148	-	-
Translation differential	1	-23	40
Discontinued operations (Axway)	-	-451	-
PROVISIONS FOR TRADE ACCOUNTS RECEIVABLE AT 31 DECEMBER	**2,851**	**2,423**	**2,545**

34.2. Liquidity risk

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

The Group carried out a specific review of its liquidity risk and considers that it is in a position to meet its cash disbursement obligations.

At 31 December 2012, the Group had access to credit facilities in the amount of €303 million (of which €167 million was used) and bank overdrafts in the amount of €71 million (of which €44.9 million was used), making a total of €374 million. The Group also had €47.3 million in cash and cash equivalents.

The following table shows the non-discounted contractual cash flows of consolidated net debt:

(in thousands of euros)	Carrying value	Total contractual flows	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank loans	166,976	170,770	18,530	50,677	17,700	83,817	46	-
Finance lease liabilities	7,430	7,629	3,357	2,427	1,440	405	-	-
Employee profit sharing	32,039	36,142	4,736	6,010	5,075	7,853	12,468	-
Other sundry financial debt	72	72	21	-	-	-	-	51
Current bank overdrafts	44,898	44,898	44,898	-	-	-	-	-
Financial debt	**251,415**	**259,511**	**71,542**	**59,114**	**24,215**	**92,075**	**12,514**	**51**
Investment securities	-16	-16	-16	-	-	-	-	-
Cash and cash equivalents	-47,342	-47,342	-47,342	-	-	-	-	-
CONSOLIDATED NET DEBT	**204,057**	**212,153**	**24,184**	**59,114**	**24,215**	**92,075**	**12,514**	**51**

34.3. Market risk

a. Interest rate risk

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

Hedging of borrowings

Sopra Group entered into hedging contracts in connection with taking out syndicated credit facilities.

The interest rate applicable to these facilities is Euribor: the purpose of the hedging agreements is to protect against the risk of a rise in this rate.

At 31 December 2012, five swap agreements were in force (swapping 3-month Euribor for a fixed rate).

These agreements were put in place in June 2012 when the company took out its new syndicated borrowing facility, and are matched to that facility in terms of their notional amount and maturity (2017).

At 31 December 2012, the valuation of these various hedging agreements was a net expense of €3.0 million (entirely in liabilities), compared with a net expense of €0.5 million at 31 December 2011.

The valuation difference of (-)€2.5 million has an impact on the following:

- the income statement (*Other financial income and expenses*) for agreements not benefiting from the qualification of perfect hedge as defined in IAS 39, i.e. €0.2 million;
- equity for agreements benefiting from the qualification of perfect hedge as defined in IAS 39, i.e. an expense of €2.7 million.

Summary of exposure to interest rate risk

The table below summarises the Group's exposure to interest rate risk on the basis of commitments at 31 December 2012.

	Rate	31/12/2012	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Investment securities	Variable rate	16	16	-	-	-	-	-
Cash and cash equivalents	Fixed rate	47,342	47,342	-	-	-	-	-
Financial assets	**Fixed rate**	**47,342**	**47,342**	**-**	**-**	**-**	**-**	**-**
	Variable rate	**16**	**16**	**-**	**-**	**-**	**-**	**-**
Bank loans	Variable rate	-166,976	-20,206	-50,729	-16,666	-79,334	-41	-
Finance lease liabilities	Fixed rate	-7,430	-3,236	-2,368	-1,422	-404	-	-
Employee profit sharing	Fixed rate	-32,039	-4,687	-5,672	-4,583	-6,787	-10,310	-
Other financial debt	Fixed rate	-72	-21	-	-	-	-	-51
Current bank overdrafts	Variable rate	-44,898	-44,898	-	-	-	-	-
Financial liabilities	**Fixed rate**	**-39,541**	**-7,944**	**-8,040**	**-6,005**	**-7,191**	**-10,310**	**-51**
	Variable rate	**-211,874**	**-65,104**	**-50,729**	**-16,666**	**-79,334**	**-41**	**-**
NET EXPOSURE BEFORE HEDGING	**Fixed rate**	**7,801**	**39,398**	**-8,040**	**-6,005**	**-7,191**	**-10,310**	**-51**
	Variable rate	**-211,858**	**-65,088**	**-50,729**	**-16,666**	**-79,334**	**-41**	**-**
Interest rate hedging instruments	**Fixed rate payer swaps**	**120,000**	**16,000**	**16,000**	**16,000**	**72,000**	**-**	**-**
NET EXPOSURE AFTER HEDGING	**Fixed rate**	**-112,199**	**23,398**	**-24,040**	**-22,005**	**-79,191**	**-10,310**	**-51**
	Variable rate	**-91,858**	**-49,088**	**-34,729**	**-666**	**-7,334**	**-41**	**-**

Analysis of the sensitivity of the cost of net financial debt to changes in interest rates

For the 2012 financial year, on the basis of average outstanding borrowings and current bank accounts, a rise in interest rates of 100 basis points would have had a positive impact of €1.0 million on the Group's cost of net financial debt. In contrast, a fall in interest rates of 100 basis points would have had a negative impact of €0.1 million on the Group's cost of net financial debt.

Analysis of the sensitivity of the portfolio of derivatives to changes in interest rates

(in millions of euros)	Impact on profit	Impact on equity
Impact of a 1% increase in interest rates	-	3.3
Impact of a 1% decrease in interest rates	-	-1.5

b. Foreign exchange risk

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

The exposure to risk arising from trade transactions is limited, since each of the entities involved mainly carries out business in its own country and its own currency. When this is not the case, and for contracts that are significant in nature, the Group makes use of exchange rate hedging instruments to mitigate the associated risk.

At 31 December 2012, these instruments consisted entirely of hedges of the US dollar against the euro. They involve contracts for forward purchases with a term to maturity of less than one year corresponding to a total equivalent value of €6.5 million. The fair value of these various hedging instruments was €0.2 million (current asset). The cumulative gains or losses on the effective portion of these instruments hedging future cash flows, in the amount of €0.3 million, was taken to equity.

Furthermore, as part of its intra-group transactions, the Group is exposed to the risk of currency fluctuations in respect of:

- the invoicing of services provided from centres located in India, Romania and Morocco. In principle, given the regularity of payments, these exchange rate fluctuations have a negligible impact on profit or loss. However, given the large volume of intra-group transactions with India, the Group has put in place forward foreign exchange hedging instruments to minimise the risk. At 31 December 2012, the euro, the US dollar and sterling were hedged against the Indian rupee. This involves contracts for forward purchases with a term to maturity of less than one year corresponding to a total equivalent value of €11.5 million. The fair value of these various hedging instruments was a negative charge of €0.2 million (current liability). The cumulative gains or losses on the effective portion of these instruments hedging future cash flows, in the amount of €0.6 million, was taken to equity;

- the invoicing of head office costs by the Group to subsidiaries operating in a functional currency other than the euro. The impact of these currency fluctuations on profit or loss is not significant;
- borrowings and loans in foreign currencies related to intra-group financings. The impact of these currency fluctuations is taken to equity. These money flows are not systematically hedged. However, the Group contracts specific hedges for all large individual foreign currency transactions.

At 31 December 2012, the net carrying amount of assets and liabilities recognised by Group entities in a currency other than their functional currency was as follows:

Inter-company commercial transactions

(in thousands of euros)	GBP	EUR	CHF	MAD	Other	Total
Assets	1,397	2,566	237	-	69	4,269
Liabilities	263	1,921	46	4	112	2,346
Foreign currency commitments	-	-	-	-	-	-
Net position before hedging	**1,134**	**645**	**191**	**-4**	**-43**	**1,923**
Hedging instruments	726	616	-	-	-	-
NET EXPOSURE AFTER HEDGING	**408**	**29**	**191**	**-4**	**-43**	**1,923**

Sensitivity analysis

(in thousands of euros)	GBP	EUR	CHF	MAD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	
NET IMPACT ON PROFIT	**20**	**1**	**10**	**-**	**-2**	**29**
IMPACT ON EQUITY	**-**	**-**	**-**	**-**	**-**	**-**

Current accounts

(in thousands of euros)	GBP	EUR	CHF	MAD	Other	Total
Assets	30,258	-	-	9	-	30,267
Liabilities	-	838	3,388	-	-	4,226
Foreign currency commitments	-	-	-	-	-	-
Net position before hedging	**30,258**	**-838**	**-3,388**	**9**	**-**	**26,041**
Hedging instruments	-	-	-	-	-	-
NET EXPOSURE AFTER HEDGING	**30,258**	**-838**	**-3,388**	**9**	**-**	**26,041**

Sensitivity analysis

(in thousands of euros)	GBP	EUR	CHF	MAD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	
NET IMPACT ON PROFIT	**-**	**-**	**-**	**-**	**-**	**-**
IMPACT ON EQUITY	**1,513**	**-42**	**-169**	**-**	**-**	**1,302**

c. Equity risk

At 31 December 2012, Sopra Group held 7,600 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €307 thousand, representing an average purchase price of €40.41. Based on the average closing price in December 2012 (€43.83), the valuation of treasury shares came to €333 thousand.

All transactions in treasury shares are taken directly to shareholders' equity. The 2012 impact was €0.676 million (see *Consolidated statement of changes in equity, p. 91*).

Note 35 Related party transactions

35.1. Remuneration of senior management

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Short-term employee benefits	1,175	1,199	880
Post-employment benefits	14	11	22
Other long-term employee benefits	-	-	-
Termination benefits	-	-	652
Equity compensation benefits	171	151	529
TOTAL	**1,360**	**1,361**	**2,083**

The Combined General Meeting of 19 June 2012 set the amount of fees to be apportioned among the Directors at €250,000.

Post-employment benefits correspond to retirement benefits established in accordance with collective bargaining agreements (see Notes 1.18 and 15). There are no commitments in favour of executive managers with respect to post-employment benefits or other long-term employee benefits.

The value of the services rendered by Pascal Leroy that were compensated through the granting of options on 21 December 2006, 18 March 2008 and 29 March 2011 is recorded under *Equity compensation benefits* in the amount of €171 thousand (see Chapter 2 of this Registration Document).

No loans were granted either to directors or to members of Executive Management (nor to any of their close family members).

35.2. Transactions with equity-accounted associates and non consolidated entities

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Transactions between Sopra Group and the Axway group			
Sales of goods and services	4,574	8,191	11,179
Purchases of goods and services	-257	-996	-2,970
Operating receivables	231	490	2,616
Operating payables	-126	-307	-329
Financial income	-	752	1,502
Financial receivables (current account)	-	-	68,432
Transactions between Sopra Group subsidiaries and the Axway group			
Sales of goods and services	3,590	3,200	2,727
Purchases of goods and services	-894	-623	-67
Operating receivables	1,006	470	725
Operating payables	-998	-795	-96
Financial income	-	-	-
Financial receivables (current account)	-	-	-
Transactions between Sopra Group and holding company Sopra GMT			
Sales of goods and services	22	-	-
Purchases of goods and services	-596	-	-
Operating receivables	-	-	-
Operating payables	-9	-	-
Financial income	-	-	-
Financial receivables (current account)	-	-	-

35.3. Subsidiaries and associated entities

Transactions and balances between Sopra Group and its subsidiaries were eliminated in full on consolidation, since all of the subsidiaries are fully consolidated.

Non-consolidated equity investments are included under *Available for sale financial assets* (see Note 20.1).

Note 36 Off balance sheet commitments and contingent liabilities

36.1. Contractual obligations

Contractual obligations *(in thousands of euros)*	Less than one year: Less than one year	Less than one year: One to five years	Less than one year: More than five years	31/12/2012	31/12/2011	31/12/2010
Long-term liabilities	20,206	146,770	-	166,976	29,222	78,372
Finance lease obligations	3,236	4,194	-	7,430	7,379	7,935
Employee profit sharing	4,687	27,352	-	32,039	26,401	24,416
Other sundry financial debt	21	51	-	72	32	13
Current bank overdrafts	44,898	-	-	44,898	16,621	1,316
TOTAL	**73,048**	**178,367**	**-**	**251,415**	**79,655**	**112,052**

Other commercial commitments *(in thousands of euros)*	Amount of commitments per period: Less than one year	One to five years	More than five years	31/12/2012	31/12/2011	31/12/2010
Credit lines	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-
Guarantees	-	3,203	1,203	4,406	4,987	5,129
Purchase obligations	-	-	-	-	-	-
Other commercial commitments	6,442	-	-	6,442	6,287	4,448
TOTAL	**6,442**	**3,203**	**1,203**	**10,848**	**11,274**	**9,577**

36.2. Commitments given related to recurring operations

(in thousands of euros)	31/12/2012	31/12/2011	31/12/2010
Discounted notes not yet due	-	-	-
Bank guarantees/deposits on leased premises	3,203	2,900	3,108
Bank guarantees for effective project completion	6,442	6,287	4,448
Lease guarantees granted to subsidiaries	1,213	2,087	2,021
Collateral, mortgages and sureties	6,500	-	-
Exchange rate hedging instruments	-	-	-

36.3. Collateral

a. Registered shares used as collateral

Name of registered shareholder	Beneficiary	Starting date	Expiry date	Conditions for freeing shares	Number of shares pledged by the issuer	% of capital pledged
Sopra GMT	Lyonnaise de Banque	July 2011	July 2018	Repayment of loan for €40.0 million	1,270,000	10.68%
Sopra Développement	Société Générale	November 2009	August 2015	Repayment of loan for €4.9 million	210,177	1.77%
TOTAL					**1,480,177**	**12.45%**

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

No such assets were pledged in this manner.

36.4. Covenants

Within the framework of the syndicated loans implemented in April 2008, June 2011 and June 2012, Sopra Group assumed the following covenants:

- the ratio of net financial debt to EBITDA is required to be lower than 3 for the entire term of the facility. At 31 December 2012, this ratio was 1.46;
- the ratio of net debt to equity is required to be lower than 1 for the entire term of the facility. At 31 December 2011, this ratio was 0.56;
- 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 2012, this ratio was 17.27.

Net financial debt included in these calculations does not take into account employee profit sharing.

In calculating the cost of net financial debt, the impact of interest on employee profit sharing has been neutralised.

36.5. Collateral given in guarantee

Sopra Banking Software Belgium has made a pledge over its business to financial institutions in the amount of €6.5 million.

36.6. Guarantee granted to a senior executive

On 17 October 2012 the Board of Directors voted, on recommendation from the Compensation Committee, to grant Pascal Leroy a guarantee. This guarantee would be triggered only if his company officer status and his employment contract were to be terminated simultaneously, on the Company's initiative, except in the event of gross negligence, wilful misconduct, or compulsory retirement. The target amount of this guarantee will be equal to Pascal Leroy's average variable compensation, assuming fulfilment of targets, over the two financial years immediately preceding the termination of his company officer status. The amount effectively paid will be determined by multiplying the target amount by his average level of performance over the preceding two financial years. His average level of performance is defined as the ratio of his average variable compensation effectively paid over the preceding two financial years to his average variable compensation assuming fulfilment of targets. Thus, the payment of the guarantee is conditional upon the fulfilment, and prior recognition thereof by the Board of Directors, of the performance criteria agreed on as a basis for releasing variable compensation during the benchmark period. Moreover, the amount of the guarantee will be strictly proportional to the performance assessment validated by the Board of Directors.

36.7. Contingent liabilities

No contingent liabilities need to be taken into account.

Note 37 Exceptional events and legal disputes

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

Note 38 Post balance sheet events

Sopra Group acquired the entire share capital of HR Access, thereby significantly strengthening its position in the development of software solutions for human resources management. This activity will be consolidated with effect from 1 April 2013.

Note 39 Foreign currency conversion rates

	Average rate for the period			Period-end rate		
€1/Currency	**2012**	**2011**	2010	**31/12/2012**	**31/12/2011**	31/12/2010
Swiss franc	1.2053	1.2318	1.3795	1.2072	1.2156	1.2504
Pound sterling	0.8108	0.8675	0.8576	0.8161	0.8353	0.8608
Moroccan dirham	11.1148	11.2803	11.1495	11.1607	11.1346	11.1744
Rupee (India)	68.5871	64.7668	60.5327	72.5689	68.7285	59.7729
Franc CFA	657.8947	-	-	656.1680	-	-
Swedish krona	N/A	N/A	9.5374	N/A	N/A	8.9654
Romanian leu	N/A	N/A	4.2093	N/A	N/A	4.2620
Bulgarian lev	N/A	N/A	1.9558	N/A	N/A	1.9558
US dollar	N/A	N/A	1.3243	N/A	N/A	1.3362
Canadian dollar	N/A	N/A	1.3640	N/A	N/A	1.3322
Australian dollar	N/A	N/A	1.4415	N/A	N/A	1.3136
Hong Kong dollar	N/A	N/A	10.2891	N/A	N/A	10.3853
Singapore dollar	N/A	N/A	1.8040	N/A	N/A	1.7136
Yuan (China)	N/A	N/A	8.9646	N/A	N/A	8.8222
Ringitt (Malaysia)	N/A	N/A	4.2589	N/A	N/A	4.0950
Korean won	N/A	N/A	1,538.4615	N/A	N/A	1,492.5373

N/A: rates not applied for the 2012 consolidated financial statements since they relate to the functional currencies of Axway subsidiaries.

Statutory Auditors' report on the consolidated financial statements

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your General Meetings, we hereby report to you for the year ended 31 December 2012 on:

- the audit of the accompanying consolidated financial statements of Sopra Group SA;
- the justification of our assessments;
- the specific procedures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We performed our audit in accordance with generally accepted French auditing standards. These standards require that we perform our audit in such a way as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit involves the verification, on a test basis or through the use of any other selection methods, of the evidence supporting the amounts and disclosures included in the consolidated financial statements. An audit also includes an assessment of the accounting policies used and significant estimates made by the management, as well as an evaluation of the overall presentation of the financial statements. We believe that the evidence we have been able to gather provides a sufficient and appropriate basis to express our audit opinion.

We certify that the consolidated financial statements are, with respect to IFRS as adopted in the European Union, true and fair and provide a true and fair view of the net worth, financial situation and earnings of the consolidated entity at the end of the financial year under review.

II – JUSTIFICATION OF ASSESSMENTS

In accordance with Article L. 823-9 of the French Commercial Code governing the justification of our assessments, we hereby report on the following matters:

- The Company allocates a provision for its retirement benefit commitments towards its employees based on the projected credit unit method, as indicated in Notes 1.18.b and 27 of the consolidated financial statements. In the course of our assessments, we examined the data used, we assessed the actuarial assumptions retained, verified the overall consistency of these assumptions and the resulting measurements, as well as the appropriateness of the information provided in the note.
- At each balance sheet date, the Company systematically performs an impairment test of goodwill and assets with indefinite useful lives, so as to determine whether there is any indication that investments in equity-accounted companies may be impaired, using the methods described in Notes 1.11 and 16.5 of the consolidated financial statements. In the course of our assessments, we examined the appropriateness of the approach adopted in addition to the implementation methods of this impairment test and the overall consistency of the assumptions used and the resulting assessments.
- The Company recognises deferred tax assets in application of the procedures described in Notes 1.13, 21.2 and 21.3 to the consolidated financial statements. In the course of our assessments, we verified the consistency of all of the data and assumptions that underpin the measurement of deferred tax assets;

These assessments form part of our overall audit approach of the consolidated financial statements and thus contributed to the formulation of our unqualified opinion expressed in the first section of this report.

III – SPECIFIC VERIFICATION

We also performed the specific procedures in accordance with professional standards applicable in France and required by law in relation to the information contained in the Group's management report.

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

Paris and Courbevoie, 19 April 2013

The Statutory Auditors

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

6 2012 Individual company financial statements

Balance sheet

ASSETS *(in thousands of euros)*	**2012**	**2011**
Intangible assets	80,953	87,587
Property and equipment	20,661	23,529
Financial investments	281,568	275,457
Non-current assets	**383,182**	**386,573**
Stocks and work in progress	14	25
Trade accounts receivable	267,665	284,476
Other receivables, prepayments and accrued income	172,444	28,775
Cash and cash equivalents	9,507	11,793
Current assets	**449,630**	**325,069**
TOTAL ASSETS	**832,812**	**711,642**

LIABILITIES AND EQUITY *(in thousands of euros)*	**2012**	**2011**
Share capital	11,894	11,894
Premiums	1,479	1,479
Reserves	169,472	18,745
Net profit for the year	34,841	173,288
Equity	**217,686**	**205,406**
Provisions	**31,981**	**32,082**
Financial debt	236,245	70,648
Trade payables	44,421	51,733
Tax and social charge payables	196,952	221,027
Other liabilities, accruals and deferred income	105,527	130,746
Liabilities	**583,145**	**474,154**
TOTAL LIABILITIES AND EQUITY	**832,812**	**711,642**

Income statement

(In thousands of euros)	2012	2011
Net revenue	819,228	850,278
Other operating income	2,820	2,293
Operating income	**822,048**	**852,571**
Purchases consumed	4,270	4,641
Staff costs	525,751	532,690
Other operating expenses	209,574	210,935
Taxes and duties	22,484	25,537
Depreciation, amortisation, provisions and impairment	7,824	7,631
Operating expenses	**769,903**	**781,434**
Operating profit	**52,145**	**71,137**
Financial income and charges	-2,191	-21,355
Pre-tax profit on ordinary activities	**49,954**	**49,782**
Exceptional income and expenses	-188	161,031
Employee profit-sharing and incentive schemes	-6,519	-16,382
Corporate income tax	-8,406	-21,143
NET PROFIT	**34,841**	**173,288**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

1. Significant events

1.1. Acquisitions of Business & Decision and Tieto

In February 2012, Sopra Group acquired 100% of the shares of the British subsidiaries of Business & Decision and of Tieto through its subsidiary Sopra Group Ltd (United Kingdom). These transactions significantly strengthen Sopra Group's presence in the United Kingdom. They are consistent with the strategy that aims to expand the Group's position in Europe and align the business model of its European subsidiaries with the business model in France (consulting, technology services, software publishing).

1.2. Acquisition of Callataÿ & Wouters (C&W)

In March 2012, Sopra Group acquired 100% of the Callataÿ & Wouters group through its subsidiary Sopra Banking Software. This transaction is in line with the Group's strategy, which aims to be at the forefront of leaders in banking software publishing. The combination of these activities – C&W's Thaler and Sopra Group's Evolan – will create a new entity offering solutions to the entire financial and banking market.

1.3. Acquisition of Adeuza

In June 2012, Sopra Group acquired 100% of the shares of Adeuza, a company based in Nantes, France. Adeuza specialises in mobility solutions and is the publisher of Movalys®. Its main clients are France Télécom and Numericable. This acquisition reinforces Sopra Group's positioning in the mobility market, currently experiencing exceptional growth in demand.

1.4. Partial merger with Sopra Banking Software

After the acquisitions of Delta Informatique in September 2011 and Callataÿ & Wouters in March 2012, Sopra Group announced its plan to create one of Europe's principal players in banking software publishing, with the goal of expanding globally. In the June 2012 Annual General Meetings of Sopra Group and Sopra Banking Software, the shareholders of both companies approved the plan to complete a partial merger of the Evolan branch of business with Sopra Banking Software, effective retroactively as of 1 January 2012. This wholly owned subsidiary of Sopra Group houses all of the software services and solutions of the Evolan range of products. To supplement this banking business area, the partial merger also included the transfer to Sopra Banking Software of the investments in affiliates Delta Informatique and Banking Architects International. Since these assets were merged with a 100% controlled company, they were recognised at their carrying amount.

1.5. Disposal of Sopra Group Catalunya shares

As part of a legal restructuring, in early 2012 Sopra Group sold its Spanish subsidiary Sopra Group Catalunya (new company name Valoris Iberia) to Sopra Group Informatica.

2. Accounting principles and policies

The 2012 individual financial statements were prepared in accordance with French generally accepted accounting principles.

These principles were applied on a prudent basis and in accordance with the following underlying assumptions:

- going concern basis;
- consistency of accounting methods from one year to the next;
- accrual basis;

and in accordance with general guidelines for the preparation and presentation of annual financial statements.

No change has been made in accounting policies during the periods under review.

2.1. Software development expenses

All research and development costs are charged to the income statement in the year they are incurred.

Software and Solutions development costs may be capitalised if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the manner in which the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

None of the development expenses for software and solutions (Human Resources and Real Estate) have been recognised under intangible assets, since the conditions described above were not satisfied in their entirety.

2.2. Acquired software

Software is recognised at its acquisition cost. Straight-line amortisation is applied over one to ten years.

2.3. Business goodwill

Mergers of companies carried out prior to 2000 in connection with internal restructuring operations were conducted the basis of the net assets of the companies. The difference between the value of the securities and the net assets contributed has been allocated to intangible assets.

Mergers of companies carried out in 2000 in connection with a major operation to simplify the legal structures were conducted on the basis of values generally similar to the consolidated net worth. This resulted in items related to the business goodwill and software packages contributed being valued separately in the contribution agreement.

Since 2000, business goodwill is no longer amortised, but if appropriate a provision may be set aside for impairment of business goodwill. Amortisation applied prior to 1 January 2000 has been retained in the balance sheet.

The Company conducts goodwill impairment tests each time that there is an indication of an impairment loss. It writes down the value of an asset if its current value (either the monetary value or the value in use, whichever is highest) is less than its carrying amount.

2.4. Property and equipment

Tangible fixed assets are stated in the balance sheet at their acquisition cost.

Depreciation is calculated using the straight-line method, based on the useful life of the type of fixed asset concerned.

Buildings	25 years
Fixtures and fittings	10 years
Equipment and tooling	3 to 5 years
Vehicles	5 years
Office furniture and equipment	5 to 10 years

2.5. Equity interests

Equity interests are recognised at their acquisition cost.

The asset value of the corresponding securities is determined based on net worth at 31 December of the current year, factoring in the growth prospects of subsidiaries. A provision is recognised when the asset value at the balance sheet date is less than the carrying amount.

2.6. Revenue

2.6.1. SYSTEMS INTEGRATION AND CONSULTING SERVICES

Technical assistance, consulting, training and projects provided on an ongoing contract basis

These services are recognised when performed, i.e. in general at the time of invoicing.

Operations are reviewed at each balance sheet date:

- services already performed but not yet, or only partially, invoiced are measured on the basis of billable time and the contractual billing rates. They are recognised as revenue and are included in the balance sheet under the Accrued income caption of Trade accounts receivable;
- services already billed but not yet entirely performed are deducted from invoiced revenue and included in the balance sheet under the Deferred income caption of Other liabilities.

Services covered by fixed-price contracts

Under such contracts the group commits itself to a price, a result and a deadline. Services performed under such contracts are recognised as follows using the percentage of completion method:

- revenue and profit generated by a contract are recognised on the basis of a technical assessment, in line with the group's quality procedures, of the contract's degree of completion. During performance of a project, this assessment is based on 90% of the contract amount with the remaining 10% deferred until completion;
- the amount of revenue recognised at each balance sheet date is based on the difference between 90% of the contract value and the amount required to cover the total number of man-days remaining to be performed. This amount is included in the balance sheet under the Accrued income caption of Trade accounts receivable. Payments on account received are included under Other liabilities.

2.6.2. SOFTWARE AND SOLUTIONS

Services provided within the scope of the group's Software and Solutions operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- associated services: installation, configuration, adaptation, training, etc.

In general, separate contracts are concluded with clients for licences and maintenance on the one hand and ancillary services on the other hand

In this situation, the various elements comprising contracts are accounted for as follows:

- the licence fee is recognised when delivery takes place, which is reputed to be the case when all contractual obligations have been fulfilled, i.e. when any remaining services to be provided are insignificant and not liable to endanger the client's acceptance of goods supplied or services rendered;
- maintenance is generally billed in advance and is recognised on a time basis;
- ancillary services are generally provided on the basis of time spent and are recognised when performed, i.e. in general when invoiced. They are sometimes performed within the scope of lump sum contracts in which case they are recognised using the percentage of completion method described in the paragraph above.

Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated on a lump sum basis

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, i.e. maintenance and ancillary services. maintenance and associated services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

In fairly rare instances, ancillary services may be considered indispensable to a software package's functioning

This may be the case for very complex projects, the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Transformation and Performance department. Such projects are recognised according to the percentage of completion method described above.

2.7. Receivables

Trade accounts receivable are recognised using the methods specified above.

A separate estimate is carried out for each trade receivable at the end of the financial year and impairment is recognised in the event of a risk of non-recovery linked to collective proceedings. Doubtful debts for which legal proceedings have not been instigated are treated as accrued credit notes.

2.8. Retirement packages

Since 2004, Sopra Group has provided for all of its retirement commitments in accordance with the provisions of the Syntec collective bargaining agreement regarding retirement and pensions.

Sopra Group's overall commitment to its employees is determined on an actuarial basis, using the projected credit method: the employer's discounted obligation is recognised in proportion to the probable length of service of employees, taking into account actuarial assumptions such as the level of future salary, life expectancy and staff turnover. Changes in actuarial assumptions that affect the valuation of the obligation are recognized as actuarial gains and losses.

3. Notes to the balance sheet

3.1. Non-current assets

3.1.1. INTANGIBLE ASSETS

(in thousands of euros)	Concessions, patents, similar rights	Business goodwill	Total
GROSS VALUE			
At 1 January 2012	**17,784**	**142,336**	**160,120**
Changes in scope *	-5,865	-6,844	-12,709
Acquisitions	-	-	-
Disposals	-	-	-
At 31 December 2012	**11,919**	**135,492**	**147,411**
DEPRECIATION			
At 1 January 2012	16,657	55,876	72,533
Changes in scope *	-5,574	-644	-6,218
Charges	143	-	143
Reversals	-	-	-
At 31 December 2012	**11,226**	**55,232**	**66,458**
NET VALUE			
At 1 January 2012	1,127	86,460	87,587
At 31 December 2012	**693**	**80,260**	**80,953**

* *Partial merger of EVOLAN branch into Sopra Banking Software.*

Intangible assets comprise:

- software acquired or contributed;
- business goodwill acquired or contributed during mergers.

Software acquisitions mainly relate to workstation software as well as development and industrialisation tools.

Software development costs, which totalled €13.496 million in 2012, are recorded as expenses (see Note 2.1).

3.1.2. PROPERTY AND EQUIPMENT

(in thousands of euros)	Land	Buildings	Technical installations	Sundry fittings	Vehicles	Furniture and office equipment	Other property and equipment	Total
GROSS VALUE								
At 1 January 2012	**323**	**6,778**	**231**	**34,559**	**82**	**18,742**	**14**	**60,729**
Acquisitions	-	51	37	3,044	-	814	-	3,946
Disposals	-	-	-82	-6,759	-	-1,678	-	-8,519
At 31 December 2012	**323**	**6,829**	**186**	**30,844**	**82**	**17,878**	**14**	**56,156**
DEPRECIATION								
At 1 January 2012	**87**	**5,175**	**173**	**19,414**	**70**	**12,281**	**-**	**37,200**
Charges	10	177	66	2,374	12	1,052	-	3,691
Reversals	-	-	-82	-4,045	-	-1,269	-	-5,396
At 31 December 2012	**97**	**5,352**	**157**	**17,743**	**82**	**12,064**	**-**	**35,495**
NET VALUE								
At 1 January 2012	236	1,603	58	15,145	12	6,461	14	23,529
At 31 December 2012	**226**	**1,477**	**29**	**13,101**	**-**	**5,814**	**14**	**20,661**

Property and equipment consists of:

- *Land* and *buildings*: Sopra Group became the owner of two buildings on the Annecy-le-Vieux site, at the expiration of the corresponding property finance lease contracts. A third wholly owned building was added to this property asset;
- *Furniture and office equipment*: relates to equipment located in premises rented by Sopra Group in the main cities in France.

Computer hardware is for the most part acquired on four-year leases and is not included under property and equipment in the individual accounts.

3.1.3. FINANCIAL INVESTMENTS

(in thousands of euros)	Equity investments and non-current securities	Receivables in respect of equity investments	Loans and other financial investments	Total
GROSS VALUE				
At 1 January 2012	**358,953**	**1,403**	**2,715**	**363,071**
Changes in scope *	-75,339	-	-	-75,339
Acquisitions – Increases	64,565	35	297	64,897
Disposals – Decreases	-18,760	-	-693	-19,453
At 31 December 2012	**329,419**	**1,438**	**2,319**	**333,176**
IMPAIRMENT				
At 1 January 2012	**86,096**	**1,403**	**115**	**87,614**
Changes in scope *	-17,166	-	-	-17,166
Charges	-	35	-	35
Reversals	-18,760	-	-115	-18,875
At 31 December 2012	**50,170**	**1,438**	**-**	**51,608**
NET VALUE				
At 1 January 2012	272,857	-	2,600	275,457
At 31 December 2012	**279,249**	**-**	**2,319**	**281,568**

* *Partial merger of EVOLAN branch into Sopra Banking Software.*

Details concerning equity interests are provided in the "List of subsidiaries and associated entities" presented in Note 5.9.

a. Gross amounts

Movements in 2012 relating to investments in associates break down as follows:

- the positive impact of the Adeuza acquisition in the amount of €1.670 million (see Note 1.3) and Sopra Banking Software shares from the partial merger in the amount of €62.893 million (see Note 1.4);
- the disposal of shares in Delta Informatique and Business Architects International following the partial merger with Sopra Banking Software, for a negative impact of €75.339 million; the sale of Sopra Group Catalunya shares to Sopra Informatica for a total of €18.760 million.

b. Impairment of equity interests

In application of Accounting Regulatory Committee (ARC) regulation no. 2002-10 on the depreciation, amortisation and impairment of fixed assets, no impairment charges were recognised over financial year 2012.

The reversal of provisions for the impairment of investments in associates involves the disposal of Sopra Group Catalunya shares.

3.2. Other assets

3.2.1. TRADE RECEIVABLES

(in thousands of euros)	2012	2011
Non-Group clients	180,208	208,269
Accrued income	85,159	75,016
Group clients	2,273	1,166
Doubtful debtors	205	209
Provision for doubtful debtors	-180	-184
TOTAL	**267,665**	**284,476**

Trade receivables are recognised as assets and are stated at their carrying amount.

Accrued income is comprised essentially of production recognised for fixed-price projects using the percentage-of-completion method. Invoices are generally prepared for these contracts upon completion of the services rendered, which are covered over the lifespan of the projects through payments on account.

The risk of fluctuations relating to commercial transactions denominated in foreign currencies is not very substantial. Sopra Group makes use of forward currency exchange contracts to hedge against this risk. At 31 December, these instruments are hedges of the US dollar against the euro. They consist of three contracts for forward sales with a term to maturity of less than one year corresponding to a total equivalent value of €6.5 million.

3.2.2. OTHER RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

(in thousands of euros)	2012	2011
Staff costs and related payables	52	27
Social security	198	158
State and local authorities		
■ Corporate income tax	631	-
■ VAT	6,847	8,183
■ Other tax	5,607	5,920
Group and associates	153,351	9,379
Impairment of current accounts	-48	-48
Other receivables	3,847	2,895
Impairment of sundry debtors	-33	-33
Prepaid expenses	1,621	1,733
Translation differential – Asset	371	561
TOTAL	**172,444**	**28,775**

The increase in *Group and associates* arises from current account advances granted to Sopra Group Ltd and Sopra Banking Software in connection with the acquisition of British companies Business & Decision and Tieto and Belgian company Callataÿ & Wouters.

3.2.3. IMPAIRMENT OF CURRENT ASSETS

(in thousands of euros)	At 01/01/2012	Charges	Reversals	At 31/12/2012
Impairment of trade receivables	184	77	81	180
Impairment of current accounts	48	-	-	48
Impairment of sundry debtors	33	-	-	33
TOTAL	**265**	**77**	**81**	**261**

3.3. Equity

3.3.1. CHANGE IN SHAREHOLDERS' EQUITY

(in thousands of euros)	Share capital	Issue, merger and contribution premiums	Legal reserve	Free reserves	Discretionary reserves	Retained earnings	Net profit for the year	Total
At 1 January 2012	**11,894**	**1,479**	**1,186**	**-**	**17,554**	**5**	**173,288**	**205,406**
Appropriation of 2011 earnings and dividends	-	-	3	-	150,693	31	-173,288	-22,561
Profit for the year	-	-	-	-	-	-	34,841	34,841
At 31 December 2012	**11,894**	**1,479**	**1,189**	**-**	**168,247**	**36**	**34,841**	**217,686**

The amount of dividends paid in 2012, in respect of 2011 profit, was €1.90 per share, for a total amount of €22.598 million.

3.3.2. SHARE CAPITAL

At 31 December 2012 Sopra Group had share capital of €11,893,486, comprising 11,893,486 fully-paid shares with a nominal value of €1 each.

There were no movements of share capital in 2012.

At 31 December 2012, the number of treasury shares held by the Company was 7,600.

3.3.3. SHARE SUBSCRIPTION OPTION PLANS

Grant date	Number of options allocated initially	Of which company officers	Original exercise price	Readjusted number of options following the Axway spin-off	Readjusted exercise price following the Axway spin-off	Beginning of option exercise period	End of option exercise period	Number of options cancelled at 31/12/2012	o/w cancelled in 2012	Number of options exercised at 31/12/2012	o/w options exercised in 2012	Number of options outstand-ing at 31/12/2012	Of which company officers
Plan No. 5 – 2005 stock option plan (General Meeting of 26/05/05): maximum of 321,958 shares													
25/07/2006	30,000	-	€57.85	-	-	26/07/2011	24/07/2014	30,000	-	-	-	-	-
21/12/2006*	67,000	-	€58.80	70,423	€53.84	22/12/2011	20/12/2014	20,359	3,196	-	-	50,064	-
08/01/2007	5,000	-	€60.37	-	-	09/01/2012	07/01/2015	5,000	-	-	-	-	-
18/03/2008*	50,000	-	€45.30	52,642	€41.16	19/03/2013	17/03/2016	9,500	-	-	-	43,142	-
TOTAL	**152,000**	-						**64,859**	**3,196**	**-**	**-**	**93,206**	**-**
Plan No. 6 – 2008 stock option plan (General Meeting of 15/05/08): maximum of 350,145 shares													
17/03/2009*	20,000	-	€27.16	21,302	€24.13	18/03/2014	16/03/2017	-	-	-	-	21,302	-
15/04/2010*	30,000	-	€53.68	31,953	€49.03	16/04/2015	14/04/2018	-	-	-	-	31,953	-
29/03/2011*	49,500	42,000	€72.40	52,720	€66.61	30/03/2016	28/03/2019	-	-	-	-	52,720	44,731
TOTAL	**99,500**	**42,000**						**-**	**-**	**-**	**-**	**105,975**	**44,731**
Plan No. 7 – 2011 stock option plan (General Meeting of 10/05/11): maximum of 355,618 shares													
20/10/2011	5,000	-	€43.22	-	-	21/10/2016	19/10/2019	-	-	-	-	5,000	-
TOTAL	**5,000**	**-**						**-**	**-**	**-**	**-**	**5,000**	**-**
Plan No. 8 – 2012 stock option plan (General Meeting of 19/06/12): maximum of 594,674 shares													
	-	-						-	-	-	-	-	-
TOTAL FOR ALL PLANS								**64,859**	**3,196**	**-**	**-**	**204,181**	**44,731**

* *Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions.*

No subscription options were exercised in financial year 2012.

No further options may be granted under plan 5, plan 6, or plan 7.

Adjustments were made to the exercise price and volume of Sopra Group share subscription options yet to be exercised as at 14 June 2011 to reflect the Axway spin-off and capital increase with pre-emptive rights for existing shareholders. These adjustments are set out in the table above.

Based on these adjustments, the number of Sopra Group shares issuable against outstanding options is 204,181.

On 16 June 2012 the General Meeting set a limit of 5% of the share capital for the issue of new shares against subscription options provided for under Plan No 8, with the qualification that the issue of any subscription and/or purchase warrants for redeemable shares (BSAAR), as well as any bonus share issues, would result in this limit being lowered such that the total value of the securities issued would not exceed 5% of the share capital.

In light of the 166,875 bonus shares issued under the plan authorised by the General Meeting of 19 June 2012 (see Note 3.3.4), the number of options that could still be issued as of 31 December 2012 under plan 8 was reduced in due proportion, bringing it to 427,799.

This in turn brings the maximum number of Sopra Group shares to be issued in respect of options to be exercised to 631,980.

On exercising their options, holders of Sopra Group options as at 14 June 2011 are eligible to receive one free Axway Software share held by the Company for each Sopra Group share originally granted. The number of Axway shares that could thus be distributed by way of the exercise of Sopra Group options totalled 187,000 as at 31 December 2012. This total is comprised of 87,500 Axway shares that may be allocated upon the exercise of options under plan 5 and 99,500 shares under plan 6.

As of 31 December 2012, the total share value dilution would be 1.72% if all 204,181 outstanding share subscription options were exercised.

3.3.4. BONUS SHARE ALLOTMENT PLAN

Following the authorisation granted by the General Meeting of 19 June 2012, the Board of Directors ratified the plan to allocate bonus shares to Sopra Group employees. No provisions have been recognised, as this plan involves the issue of new shares. This democratic plan, which involves the allocation of 166,875 shares to employees remaining with the company at the cut-off date, will eventually lead to the issue of approximately 130,000 new shares, based on estimated turnover.

3.4. Provisions

(in thousands of euros)	At 01/01/2012	Changes in scope *	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	At 31/12/2012
Provisions for retirement benefits	26,416	-3,873	4,117	597	-	26,063
Provisions for commercial disputes	30	-	450	-	-	480
Provisions for employee disputes	927	-	576	598	100	805
Provisions for foreign exchange losses	561	-	371	561	-	371
Provisions for taxes	4,086	-	114	-	-	4,200
Provisions for risks relating to subsidiaries	62	-	-	-	-	62
TOTAL	**32,082**	**-3,873**	**5,628**	**1,756**	**100**	**31,981**

* *Partial merger of EVOLAN branch into Sopra Banking Software.*

Provisions were recorded chiefly for retirement benefit commitments and risks related to various disputes. Provisions for tax relate to the tax inspection for 2008 and 2009 (see Note 4.4).

3.4.1. PROVISIONS FOR 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 2.8.

Assumptions referring to mortality rates are based on published statistical data.

Turnover tables are established based on five-year age brackets and are updated at each balance sheet date to reflect separation data for the last five years.

Retirement benefit commitments are discounted using a discount rate corresponding to the interest rate of prime corporate bonds (carrying a rating of AA or higher) denominated in the payment currency, the maturity period of which is close to the average estimated length of the retirement obligation concerned.

Since 31 December 2009, the Group uses Bloomberg rates for the euro zone as the benchmark for the discounting of its retirement obligations. A discount rate of 2.60% was used at 31 December 2012.

A ±1.0 point change in the discount rate would have an impact of about (-)€6.2 million/+€7.6 million on the total commitment.

The total commitment for retirement benefits amounted to €36.575 million. The cumulative amount of unrealised actuarial differences on the balance sheet at year-end 2012 was €10.513 million, versus €9.579 million at year-end 2011.

3.5. Payables

3.5.1. FINANCIAL DEBT

(in thousands of euros)	At 01/01/2012	Changes in scope *	Increase	Decrease	At 31/12/2012
Syndicated loan	29,000	-	163,605	29,000	163,605
Employee profit sharing	24,892	-1,854	12,280	7,566	27,752
Other financial debt	16,419	-	28,321	-	44,740
Accrued interest on financial debt	337	-	148	337	148
TOTAL	**70,648**	**-1,854**	**204,354**	**36,903**	**236,245**

* *Partial merger of EVOLAN branch into Sopra Banking Software.*

In June 2012 Sopra Group renegotiated with a pool of partner banks to extend the maturity on its lines of credit.

This resulted in the signing of a new syndicated loan agreement and the early repayment (total or partial) of two pre-existing lines of credit.

At 31 December 2012 Sopra Group thus had the following lines of credit:

(in millions of euros)	Start date	Due date	Notional principal amount	Amount authorised as of 31/12/2012	2013 reductions	Amount authorised as of 31/12/2013
Reducible revolving credit facility	April 2008	April 2014	132	33	-	33
Revolving credit facility	June 2011	June 2016	150	150	-	150
Renewable credit facility/term loan	June 2011	June 2017	128	120	16	104
				303	**16**	**287**

The lending terms are as follows:

- the interest rate is the Euribor or Libor rate for the drawdown period concerned plus a margin adjusted on a half yearly basis as a function of the leverage ratio (net debt to EBITDA). The net financial debt in question does not take into account the employee profit sharing liability but does include liabilities related to earnouts;
- there is a non-utilisation fee on these facilities.

Within the framework of the syndicated loans implemented in April 2008, June 2011 and June 2012, Sopra Group assumed the following covenants:

- the ratio of net financial debt to EBITDA is required to be lower than 3 for the entire term of the facility. At 31 December 2012, this ratio was 1.46;
- the ratio of net debt to equity is required to be lower than 1 for the entire term of the facility. At 31 December 2012, this ratio was 0.56;
- the ratio of operating profit to the cost of net financial debt is required to be greater than 5 for the entire term of the facility. At 31 December 2012, this ratio was 17.27.

Net financial debt included in these calculations does not take into account employee profit sharing. In calculating the cost of net financial debt, the impact of interest on employee profit sharing has been neutralised.

Sopra Group entered into hedging contracts in connection with taking out syndicated credit facilities.

The interest rate applicable to these facilities is Euribor: the purpose of the hedging contracts is to protect against the risk of a rise in this rate.

At 31 December 2012, five swap agreements were in place (3 month Euribor against fixed rate). These were implemented in June 2012 when taking out the new syndicated credit facility, which they match in terms of notional principal amount and maturity (2017).

3.5.2. TRADE ACCOUNTS PAYABLE

(in thousands of euros)	2012	2011
Trade accounts payable and related accounts	24,504	30,057
Accrued expenses	17,144	20,009
Trade accounts payable – Group	2,773	1,667
TOTAL	**44,421**	**51,733**

3.5.3. TAX AND SOCIAL CHARGE PAYABLES

(in thousands of euros)	2012	2011
Staff costs and related payables	63,912	74,085
Social security	72,323	73,824
State and local authorities		
▪ Corporate income tax	-	7,306
▪ VAT	59,327	63,275
▪ Other tax	1,390	2,537
TOTAL	**196,952**	**221,027**

Accrued taxes primarily correspond to value added tax collected from clients: the amount payable in respect of the month of December and the VAT collected on trade accounts receivable.

3.5.4. OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

(in thousands of euros)	2012	2011
Client deposits	228	836
Liabilities in respect of fixed assets	836	135
Group and associates	36,287	56,720
Other liabilities	12,019	16,145
Deferred income	55,148	56,884
Translation differential – Liability	1,009	26
TOTAL	**105,527**	**130,746**

Deferred income comprises the portion of billings issued in advance on fixed-price and maintenance contracts.

4. Notes to the income statement

4.1. Revenue

Revenue breaks down as follows by market:

	2012	2011
Services (including Real Estate)	25.6%	21.5%
Manufacturing	20.4%	18.9%
Public sector	18.9%	17.1%
Finance	15.4%	23.4%
Telecoms & Media	13.5%	12.1%
Retail	6.2%	7.0%
TOTAL	**100.0%**	**100.0%**

Of the €819.2 million in revenue generated in 2012, €32.2 million derived from international operations.

4.2. Compensation allocated to the members of governing bodies

Directors' fees paid in 2012 for financial year 2011 amounted to €150 thousand.

Compensation paid in 2012 to executive management bodies was €1.015 million.

4.3. Financial items

(In thousands of euros)	2012	2011
Dividends received from equity interests	5,161	25,705
Interest on bank borrowings and similar charges	-4,732	-2,899
Interest on employee profit sharing	-1,783	-1,592
Discounting of the pension provision	-1,230	-1,384
Losses on receivables from associated entities	-	-835
Interest received and paid on Group current accounts	1,180	-524
Positive and negative foreign exchange impact (including provision)	-979	-507
Impairment of equity interests	-	-40,266
Other charges to and reversals of financial provisions	80	840
Other financial charges and expense	112	107
FINANCIAL ITEMS	**-2,191**	**-21,355**

The detail of dividends received is listed in the table of subsidiaries and associated entities (see Note 5.9).

4.4. Exceptional items

Exceptional items in 2012 were mainly comprised of capital losses on the sale of property and equipment in the amount of €70 thousand.

Sopra Group was the subject of a tax audit relating to financial years 2008 and 2009. The tax authorities notified the Company of a proposed tax reassessment. In 2011 a provision of €4.086 million was recognised in respect of this audit, essentially to cover the risk relating to R&D tax credits and taxes withheld by foreign clients. This provision was revalued (late fees), increasing its amount by €114 thousand in 2012.

4.5. Employee profit sharing

The reserve for employee profit sharing amounted to €4.899 million. This amount is determined under the conditions laid down by law.

4.6. Incentive programme

Incentives for 2012 were provided for in the amount of €1.600 million.

4.7. Corporate income tax

4.7.1. R&D TAX CREDIT

Sopra Group benefited in 2012 from a research and development tax credit of €4.029 million.

4.7.2. BREAKDOWN OF TAX BETWEEN RECURRING AND EXCEPTIONAL OPERATIONS

Corporate income tax breaks down as follows:

(in thousands of euros)	2012	2011
Tax on recurring operations	12,663	21,205
Tax on exceptional operations	-26	5,496
Research tax credit	-4,029	-4,957
Other tax credits	-202	-601
TOTAL	**8,406**	**21,143**

4.7.3. DEFERRED AND LATENT TAX POSITION

	Basis					
	At 01/01/2012		Change		At 31/12/2012	
(in thousands of euros)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
I. CERTAIN OR CONTINGENT DIFFERENCES						
Tax-driven provisions	-	-	-	-	-	-
Investment subsidies	-	-	-	-	-	-
Temporary non-deductible expenses						
■ To be deducted the following year						
– employee profit sharing	14,005	-	-9,106	-	4,899	-
– Organic tax	1,412	-	-65	-	1,347	-
■ To be deducted thereafter						
– provision for post-employment benefits	26,416	-	-353	-	26,063	-
– other	-	-	-	-	-	-
Temporary non-taxable income						
– short-term capital gains	-	-	-	-	-	-
– capital gains on mergers	-	-	-	-	-	-
– deferred long-term capital gains	-	-	-	-	-	-
Deducted expenses (or taxed income) for tax purposes that has not been recognised						
– deferred charges	-	-	-	-	-	-
TOTAL	**41,833**	**-**	**-9,524**	**-**	**32,309**	**-**
II. ITEMS TO BE OFFSET						
Losses that may be carried forward for tax offset	-	-	-	-	-	-
Long-term capital losses	-	-	-	-	-	-
Other	-	-	-	-	-	-
III. CONTINGENT TAX ITEMS						
Capital gains on non-depreciable assets contributed on merger	-	52,264	-	-5,930	-	46,334
Special reserve for construction profits	-	-	-	-	-	-
Other	-	-	-	-	-	-

5. Other information

5.1. Maturities of receivables and payables at the balance sheet date

5.1.1. RECEIVABLES

(in thousands of euros)	**Gross amount**	**One year or less**	**More than one year**
Non-current assets			
Receivables related to equity investments	1,438	1,438	-
Other non-current financial assets	2,320	307	2,013
Current assets			
Doubtful debts or disputes	205	-	205
Other trade receivables	267,640	267,640	-
Staff costs and related payables	52	52	-
Social security	198	198	-
State and local authorities			
■ Corporate income tax	631	631	-
■ VAT	6,847	6,847	-
■ Other tax	5,607	5,607	-
Group and associates	153,351	153,351	-
Other receivables	3,847	3,847	-
Prepaid expenses	1,621	1,621	-
TOTAL	**443,757**	**441,539**	**2,218**

5.1.2. PAYABLES

(In thousands of euros)	**Gross amount**	**Within one year**	**More than one year and within 5 years**	**More than 5 years**
Bank debt				
■ 2 years maximum at origin	44,837	44,837	-	-
■ More than 2 years at origin	163,605	16,000	147,605	-
Other financial debt	27,803	4,314	23,438	51
Trade payables	44,421	44,421	-	-
Staff costs and related payables	63,912	63,912	-	-
Social security	72,323	72,323	-	-
State and local authorities				
■ Corporate income tax	-	-	-	-
■ VAT	59,327	59,327	-	-
■ Other tax	1,390	1,390	-	-
Liabilities in respect of fixed assets	836	836	-	-
Group and associates	36,287	36,287	-	-
Other liabilities	12,019	12,019	-	-
Deferred income	55,148	55,148	-	-
TOTAL	**581,908**	**410,814**	**171,043**	**51**

5.2. Information concerning related parties

(in thousands of euros)	Related parties
ASSETS	
Advances and payments on account for fixed assets	-
Equity investments	243,156
Receivables related to equity investments	-
Loans	-
Trade receivables	7,043
Other receivables	153,351
Translation differential – Asset	354
LIABILITIES	
Convertible bonds	-
Other bonds	-
Bank debt	-
Other financial debt	-
Liabilities in respect of fixed assets	-
Trade accounts payable	7,415
Other liabilities	36,287
Translation differential – Liability	705
INCOME STATEMENT	
Income from equity investments	5,161
Other financial income	3,025
Financial expense	1,657

5.3. Information on finance leases

5.3.1. FINANCE LEASES

		Amortisation charge		
(in thousands of euros)	Original value	for the period	accumulated	Net value
IT equipment	24,836	3,872	17,030	7,806

5.3.2. FINANCE LEASE COMMITMENTS

	Actual lease payments		Lease payments remaining			
(in thousands of euros)	for the period	accumulated	less than one year	1 to 5 years	Total payable	Residual purchase price
IT equipment	4,239	13,593	3,316	4,154	7,470	159

5.4. Off balance sheet commitments

5.4.1. OFF BALANCE SHEET COMMITMENTS

(in thousands of euros)

Discounted notes not yet due	-
Bank guarantees in lieu of guarantee deposits for leased premises	3,044
Bank guarantees for effective project completion	620
Bank guarantees for the purpose of guaranteeing payment of supplier invoices	92
Post-employment obligations not provisioned (actuarial gains and losses)	10,513
Lease guarantees granted to subsidiaries	1,213
Collateral, mortgages and sureties	None
Interest rate hedging instruments	see § 3.5.1
Exchange rate hedging instruments	see § 3.2.1

5.4.2. INDIVIDUAL TRAINING RIGHTS (DIF)

In 2012, 129,735 DIF hours were acquired and 49,539 used.

At 31 December 2012, the cumulative balance of unused training hours was 406,046.

5.4.3. GUARANTEE

On 17 October 2012 the Board of Directors voted, on recommendation from the Compensation Committee, to grant Pascal Leroy a guarantee. This guarantee would be triggered only if his company officer status and his employment contract were to be terminated simultaneously, on the Company's initiative, except in the event of gross negligence, wilful misconduct, or compulsory retirement. The target amount of this guarantee will be equal to Pascal Leroy's average variable compensation, assuming fulfilment of targets, over the two financial years immediately preceding the termination of his company officer status. The amount effectively paid will be determined by multiplying the target amount by his average level of performance over the preceding two financial years. His average level of performance is defined as the ratio of his average variable compensation effectively paid over the preceding two financial years to his average variable compensation assuming fulfilment of targets. Thus, the payment of the guarantee is conditional upon the fulfilment, and prior recognition thereof by the Board of Directors, of the performance criteria agreed on as a basis for releasing variable compensation during the benchmark period. Moreover, the amount of the guarantee will be strictly proportional to the performance assessment validated by the Board of Directors.

5.5. Accrued income and expenses

(in thousands of euros)

ACCRUED INCOME	
Trade accounts payable – Credit notes to be received	210
Trade accounts receivable	85,159
Tax and social charge receivables	912
Other receivables	57
Cash and cash equivalents	-
TOTAL	**86,338**
ACCRUED EXPENSES	
Accrued interest on financial debt	148
Trade accounts payable	17,144
Trade accounts receivable – Credit notes to be issued	9,066
Tax and social charge payables	78,091
Other liabilities	-
TOTAL	**104,449**

5.6. Workforce

The average workforce for 2012 comprised 8,731 employees, including 8,156 executive-level staff.

The workforce at 31 December 2012 comprised 8,502 employees.

5.7. Exceptional events and legal disputes

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

5.8. Post balance sheet events

On 19 February, Sopra Group announced a plan to acquire 100% of the capital of HR Access, thereby significantly strengthening its position in human resources management solutions.

5.9. List of subsidiaries and associated entities

Companies *(in thousands of euros)*	Share capital	Other share-holders' equity	% of capital held	Carrying amount of shares held Gross	Carrying amount of shares held Net	Loans and advances granted by the company and not yet repaid	Amount of guarantees and securi-ties given by the company	Latest financial year revenue ex. VAT	Latest fiscal year profit or loss	Dividends received by the company during the period
SUBSIDIARIES										
Adeuza (France)	519	-1,127	100.00%	1,670	1,670	600	-	623	-503	-
Sopra Banking Software (France)	62,924	2,226	100.00%	62,930	62,930	111,697	-	109,993	3,087	-
Sopra Group Ltd (United Kingdom)	62,125	-18,961	100.00%	83,955	55,000	30,258	-	54,302	-3,257	-
Sopra Belux (Belgium)	2,638	-2,128	100.00%	3,052	2,000	1,992	-	11,736	250	-
Sopra Luxembourg	100	419	100.00%	100	100	-	-	1,233	163	-
Valoris Luxembourg	894	-2,350	100.00%	1,154	-	-	-	-	-6	-
Sopra Group Gmbh (Germany)	1,200	-1,259	100.00%	5,485	-	2,020	-	8,006	-116	-
Sopra Informatique (Switzerland)	83	5,674	100.00%	58	58	-	-	12,312	1,346	3,747
Sopra Group SpA (Italy)	3,660	-390	100.00%	12,503	12,503	6,160	-	39,440	29	-
Sopra Group Informatica SAU (Spain)	24,000	32,890	100.00%	113,487	100,000	-	-	73,482	2,881	-
CS Sopra España (Spain)	3,260	1,275	100.00%	3,260	3,260	-	-	16,397	448	-
SOPRAntic (Morocco)	269	185	100.00%	267	267	535	-	2,528	83	-
Sopra India (India)	1,516	8,640	100.00%	5,366	5,366	37	-	20,407	1,911	92
EQUITY INVESTMENTS										
Axway Software	40,642	193,308	26.02%	36,086	36,086	-	-	224,320	24,660	1,322

5.10. Consolidated financial statements

Sopra Group is fully consolidated in the consolidated financial statements established by Sopra GMT, PAE les Glaisins, 74940 Annecy-le-Vieux, France (SIREN 348 940 263).

Statutory Auditors' report on the individual financial statements

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your General Meetings, we hereby report to you for the year ended 31 December 2012 on:

- the audit of the accompanying individual financial statements of Sopra Group SA;
- the justification of our assessments;
- specific procedures and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves the verification, on a test basis or through the use of any other selection methods, of the evidence supporting the amounts and disclosures included in the individual financial statements. An audit also includes an assessment of the accounting policies used and significant estimates made by the management, as well as an evaluation of the overall presentation of the financial statements. We believe that the evidence we have been able to gather provides a sufficient and appropriate basis to express our audit opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the company at 31 December 2012 and of the results of operations for the year then ended, in accordance with French accounting regulations.

II – Justification of assessments

In accordance with Article L. 823-9 of the French Commercial Code governing the justification of our assessments, we hereby report on the following matters:

- The assets of Sopra Group SA include equity investments, for which the accounting policies are described in Note 2.5. Our work involved assessing the criteria used to estimate the book value of these securities. In the context of our assessments, we verified the rationale for the approach adopted as well as the consistency of all of the hypotheses used and the resulting valuations.
- The Company allocates a provision for its retirement benefit commitments towards its employees based on the projected credit unit method, as indicated in Note 2.8 and 3.4.1 to the individual financial statements. In the course of our assessments, we examined the data used, we assessed the actuarial assumptions retained, verified the overall consistency of these assumptions and the resulting measurements, as well as the appropriateness of the information provided in the note.

The assessments made in this way form part of our audit approach with respect to the individual financial statements, taken together, and therefore contributed to the formation of our opinion, as expressed in the first section of this report.

III – Specific procedures and disclosures

We also performed the other procedures required by law in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information provided in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information provided in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code on compensation and benefits paid to company officers as well as commitments granted in their favour, we have verified its consistency with the financial statements or with the data used to prepare these financial statements, and, as applicable, with the information collected by your Company from companies controlling or controlled by it. On the basis of this work, we certify the accuracy and truthfulness of this information.

Pursuant to the law, we have verified that the management report contains the applicable disclosures as to the owners of shares and voting rights.

Paris and Courbevoie, 19 April 2013

The Statutory Auditors

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

Special report of the Statutory Auditors on regulated agreements and commitments

To the Shareholders,

As the Statutory Auditors of your Company, we present our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the principal terms and conditions of those agreements and commitments brought to our attention, or that we may have discovered in the course of our audit. We are not required to express an opinion on their usefulness and appropriateness or ascertain whether any other such agreements and commitments exist.

In accordance with the terms of Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the interest of entering into such agreements when they are submitted for your approval.

In addition, it is our responsibility, where applicable, to present to you the disclosures required by Article R. 225-31 of the French Commercial Code relating to the execution, during the year under review, of the agreements and commitments previously approved by the General Meeting.

We have carried out the procedures we deemed necessary in accordance with the professional guidelines of the *Compagnie nationale des Commissaires aux comptes* (CNCC, the French national institute of Statutory Auditors) relating to this engagement. These procedures involved checking whether the information given to us was consistent with the underlying documents from which it was derived.

1. Agreements and commitments subject to the approval of the General Meeting

AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR UNDER REVIEW

In application of Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments previously authorised by your Board of Directors.

Guarantee granted to Pascal Leroy

Individual concerned: Pascal Leroy.

On 17 October 2012 the Board of Directors voted, on recommendation from the Compensation Committee, to grant Pascal Leroy a guarantee.

This guarantee would be triggered only if his company officer status and his employment contract were to be terminated simultaneously, on the Company's initiative, except in the event of gross negligence, wilful misconduct, or compulsory retirement.

The target amount of this guarantee will be equal to Pascal Leroy's average variable compensation, assuming fulfilment of targets, over the two financial years immediately preceding the termination of his company officer status.

The amount effectively paid will be determined by multiplying the target amount by his average level of performance over the preceding two financial years.

His average level of performance is defined as the ratio of his average variable compensation effectively paid over the preceding two financial years to his average variable compensation assuming fulfilment of targets.

Thus, the payment of the guarantee is conditional upon the fulfilment, and prior recognition thereof by the Board of Directors, of the performance criteria agreed on as a basis for releasing variable compensation during the benchmark period. Moreover, the amount of the guarantee will be strictly proportional to the performance assessment validated by the Board of Directors.

This guarantee was not triggered over the 2012 financial year.

Agreements entered into with the Sopra Banking Software subsidiary

Individuals concerned: Pierre Pasquier, Pascal Leroy and Jean Mounet

Assistance provided by functional divisions

The Company provides its Sopra Banking Software subsidiary with services in the following areas: administration and finance, payroll and human resources, purchasing and logistics, legal, corporate communications, IT resources and internal IT systems.

The provision of these services is governed by an agreement entered into on 18 December 2012, with retroactive effect from 1 January 2012, for an initial period expiring on 31 December 2012. Upon expiry of this initial period, the agreement will be tacitly renewed for successive one-year periods.

The services in question are invoiced on the basis of the price terms set out in Appendix 1 to the agreement.

In 2012, the Company recognised income of €1,650,400 excluding taxes under this agreement.

Head office expenses

In its capacity as parent company, the Company provides support and services to its Sopra Banking Software subsidiary.

The provision of these services is governed by an agreement entered into on 18 December 2012, with retroactive effect from 1 January 2012, for an initial period expiring on 31 December 2012. Upon expiry of this initial period, the agreement will be tacitly renewed for successive one-year periods.

The price of these services is calculated by applying a fixed percentage of 0.5% to the "client" revenue figure from Sopra Group's internal profit and loss account.

In 2012, the Company recognised income of €822,073 excluding taxes under this agreement.

Civil liability insurance

The Company took out professional civil liability insurance covering risks arising on its activities and those of its subsidiaries.

In this context, the Company recharges to its Sopra Banking Software subsidiary that portion of the cost of this civil liability insurance that is attributable to Sopra Banking Software, determined on the basis of the latter's revenue.

This recharge arrangement is governed by an agreement entered into on 18 December 2012, with retroactive effect from 1 January 2012, for an initial period expiring on 31 December 2012. Upon expiry of this initial period, the agreement will be tacitly renewed for successive one-year periods.

In 2012, the Company recognised income of €51,075 excluding taxes under this agreement.

Cash management agreements

The Company entered into a cash management agreement with its Sopra Banking Software subsidiary on 24 July 2012, with retroactive effect from 1 January 2012. This agreement was entered into for an unspecified period.

Under the terms of this agreement, the Company pays interest on its subsidiary's inter-company current account debit balances at a fixed rate of 2.5%. It collects interest on its subsidiary's inter-company current account credit balances at a fixed rate of 2.5%.

In 2012, the Company recognised income of €1,513,886 excluding taxes under this agreement.

Sopra Banking Software's inter-company current account showed a debit balance of €111,697,543 in the Company's financial statements as at 31 December 2012.

The four agreements described above took effect retroactively from 1 January 2012 on account of the retroactive effect of the partial merger carried out on 30 June 2012 with Sopra Banking Software.

Lease on premises in Annecy

The Company entered into a commercial lease with Sopra Banking Software under which the Company leases out premises belonging to it located in Annecy. These premises are leased as office space.

The lease runs for nine years, expiring on 9 June 2021.

The total annual rental amounts to €167,380 excluding taxes, payable on a quarterly basis.

In 2012, the Company recognised income of €145,924 excluding taxes under this agreement.

Agreements to sublet premises

The Company has entered into sublease agreements with its subsidiary Sopra Banking Software the use of office space in Paris (Manhattan), Nantes, Rodez and Toulouse Colomiers.

These sublease agreements were entered into on 18 December 2012, with retroactive effect from 1 July 2012, for the remaining duration of the master leases.

In 2012, the Company recognised income of €1,076,285 excluding taxes under these agreements.

Provision of IT resources

The Company provides its Sopra Banking Software subsidiary with IT resources mainly consisting of workstations, central systems and networks.

The provision of these IT resources is governed by an agreement entered into on 18 December 2012, with retroactive effect from 1 July 2012, for an initial period expiring on 31 December 2012. Upon expiry of this initial period, the agreement will be tacitly renewed for successive one-year periods.

The costs invoiced under this provision agreement are based on the annual investment and expenses budget for IT equipment and resources, apportioned among the various user companies as set out in the agreement.

In 2012, the Company recognised income of €683,869 excluding taxes under this agreement.

Provision of personnel

The Company entered into an agreement with its Sopra Banking Software subsidiary governing the provision of personnel between the two companies.

This agreement was entered into on 18 December 2012, with retroactive effect from 1 July 2012, for an initial period expiring on 31 December 2012. Upon expiry of this initial period, the agreement will be tacitly renewed for successive one-year periods.

The cost of personnel made available by each party to the other is invoiced on the basis of the salary expense used within the Group's management system.

In 2012, the Company recognised income of €798,163 excluding taxes under this agreement.

In 2012, the Company recognised expenses of €333,597 excluding taxes under this agreement.

Commercial lease with Axway Software (in which Sopra Group has an equity interest)

Individuals and entities concerned: Pierre Pasquier, Hervé Saint-Sauveur and Sopra GMT.

The Company entered into a commercial lease with Axway Software under which the Company leases out premises belonging to it located in Annecy. These premises are leased as office space.

The lease runs for nine years, expiring on 31 December 2020.

In 2012, the Company recognised income of €267,760 excluding taxes under this agreement.

AGREEMENTS AND COMMITMENTS AUTHORISED SINCE THE FINANCIAL STATEMENT CLOSING DATE

We have been notified of the following agreements and commitments authorised since the closing date of the past financial year which were previously authorised by your Board of Directors.

Framework agreement for assistance entered into between Sopra Group and Sopra GMT, shareholder of your Company

Sopra GMT carries out services for your company relating to strategic decision-making, coordination of the general policy between Sopra Group and Axway Software, and the development of synergies between these two companies and performs various consulting and assistance services particularly with respect to finance and control. The agreement concerning the delivery of these services, described in the section of this report relating to the agreements and commitments already approved at the General Meeting, expires in July 2013. In connection with its renewal, this agreement will be amended with reference to an unspecified term, ending, in the event of termination, with prior notice of 12 months.

2. Agreements and commitments already approved by the General Meeting

AGREEMENTS AND COMMITMENTS APPROVED DURING PREVIOUS YEARS

Agreements and commitments approved during previous years that remained in force during the year

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments approved by the General Meeting in previous financial years remained in force during the year.

Framework agreement for assistance concluded with Sopra GMT, a shareholder in your Company

Under this agreement, Sopra GMT has provided the following services:

- the coordination, between Axway Software and Sopra Group, of general policy and the development of synergies upon the completion of the spin-off;
- support for strategic planning;
- other services relating to strategy development, together with consultancy and assistance services.

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

The corresponding expenses recorded by your Company in respect of 2012 amounted to €565,617.

Agreements concluded between your Company and Axway Software, an equity-accounted associate of your Company

Agreement	Impact on Sopra Group's 2012 financial statements
Provision of premises	€2,750,678 income
Provision of IT resources	€253,500 income

Cash management agreements concluded with the subsidiaries of your Company

Company concerned	Balance of current account held with Sopra Group at 31 December 2012	Expense (-) Income (+)
Sopra Group Ltd	€30,258,406 debit	€645,700
Sopra Belux	€1,992,000 debit	€37,021
Sopra Group GmbH	€2,019,500 debit	€31,248
Sopra Group SpA	€6,160,341 debit	€127,022
SOPRAntic	€533,402 debit	€18,308
Sopra Informatique	-€3,387,844 credit	-€138,453
Sopra Group Informatica	-€30,569,096 credit	-€731,056
Sopra Luxembourg	-€321,753 credit	-€7,388
CS Sopra Espana	-€2,007,815 credit	-€8,388
Sopra BAI	€0 credit	-€309,928

Courbevoie and Paris, 19 April 2013

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

7 Sopra Group and the stock market

1. General information

Sopra Group was listed on the Second Market of the Paris Bourse on 27 March 1990.

The capital of Sopra Group comprises 11,893,486 shares with a nominal value of €1 at 31 December 2012, representing a total amount of €11,893,486.

Sopra Group shares are listed on Compartment B of NYSE Euronext Paris and are eligible for the Deferred Settlement Service (SRD long only).

The Combined General Meeting of 22 June 2010 approved the proposal to eliminate double voting rights attached to Sopra Group shares. This decision was also ratified by the Special General Meeting held the same day attended uniquely by holders of shares entitled to double voting rights.

2. Current ownership

	At 31/12/2012				At 31/12/2011				At 31/12/2010			
Shareholders	**Shares**	**% of capital**	**Votes**	**% voting rights**	**shares**	**% of capital**	**votes**	**% voting rights**	**Shares**	**% of capital**	**Votes**	**% voting rights**
Sopra GMT (1)	3,334,409	28.04%	3,334,409	28.05%	3,322,059	27.93%	3,322,059	27.99%	3,322,059	28.02%	3,322,059	28.05%
Pasquier family	144,515	1.22%	144,515	1.22%	156,865	1.32%	156,865	1.32%	164,495	1.39%	164,495	1.39%
Odin family	242,595	2.04%	242,595	2.04%	242,595	2.04%	242,595	2.04%	242,595	2.05%	242,595	2.05%
Management	564,873	4.75%	564,873	4.75%	476,977	4.01%	476,977	4.02%	455,853	3.85%	455,853	3.85%
of which Sopra Développement (2)	210,177	1.77%	210,177	1.77%	205,792	1.73%	205,792	1.73%	191,615	1.62%	191,615	1.62%
of which SEI (3)	90,002	0.76%	90,002	0.76%								
of which managers (4)	264,694	2.23%	264,694	2.23%	271,185	2.28%	271,185	2.28%	264,238	2.23%	264,238	2.23%
Pact between Sopra GMT, Pasquier and Odin families, and Management	*4,286,392*	*36.04%*	*4,286,392*	*36.06%*	*4,198,496*	*35.30%*	*4,198,496*	*35.37%*	*4,185,002*	*35.30%*	*4,185,002*	*35.34%*
Geninfo (Groupe SG) (5)	1,434,700	12.06%	1,434,700	12.07%	1,434,700	12.06%	1,434,700	12.09%	1,434,700	12.10%	1,434,700	12.11%
Pact between Sopra GMT, Pasquier and Odin families, and Geninfo	*5,156,219*	*43.35%*	*5,156,219*	*43.38%*	*5,156,219*	*43.35%*	*5,156,219*	*43.44%*	*5,163,849*	*43.56%*	*5,163,849*	*43.60%*
Total pacts	**5,721,092**	**48.10%**	**5,721,092**	**48.13%**	**5,633,196**	**47.36%**	**5,633,196**	**47.46%**	**5,619,702**	**47.41%**	**5,619,702**	**47.45%**
Caravelle (6)	2,057,967	17.30%	2,057,967	17.32%	2,057,967	17.30%	2,057,967	17.34%	2,057,967	17.36%	2,057,967	17.38%
Free float	4,106,827	34.53%	4,106,827	34.55%	4,178,823	35.14%	4,178,823	35.20%	4,165,776	35.14%	4,165,776	35.17%
Treasury shares	7,600	0.06%			23,500	0.20%			10,500	0.09%		
TOTAL	**11,893,486**	**100.00%**	**11,885,886**	**100.00%**	**11,893,486**	**100.00%**	**11,869,986**	**100.00%**	**11,853,945**	**100.00%**	**11,843,445**	**100.00%**

(1) Sopra GMT, a French société anonyme, is a holding company for Sopra Group and Axway Software. It holds shares in Sopra Group and Axway Software.

(2) Sopra Développement is a company formed by a group of senior managers to acquire an ownership interest in Sopra Group and in Axway Software.

(3) SEI Sopra Executive Investments is a company formed by managers to take an ownership interest in Sopra Group.

(4) These are the managers or former managers who are individually bound by the shareholders' agreement signed by Sopra GMT, the Pasquier and Odin families and Sopra Développement.

(5) Geninfo is a holding company fully owned by the Société Générale group. It acquired a holding in Sopra Group in 1996 through a share exchange when Sopra Group acquired SG2, the Systems Integration division of Société Générale.

(6) Caravelle is a diversified holding company controlled by the Martel family; Hélène Martel Massignac is a director of Sopra Group.

No individual shareholder owns more than 5% of the capital.

At 31 December 2012, Sopra Group did not own any treasury shares other than those held under the liquidity contract (7,600 shares).

Sopra GMT's ownership structure is as follows:

Sopra GMT's ownership structure	31/12/2012		31/12/2011		31/12/2010	
Shareholders	**Shares**	**% of capital**	**Shares**	**% of capital**	**Shares**	**% of capital**
Pierre Pasquier family group	318,050	67.31%	318,050	67.31%	318,050	67.31%
François Odin family group	132,050	27.95%	132,050	27.95%	132,050	27.95%
Sopra Group management	22,435	4.74%	22,435	4.74%	22,435	4.74%
TOTAL	**472,535**	**100.00%**	**472,535**	**100.00%**	**472,535**	**100.00%**

2.1. Crossing of thresholds

"Any shareholder whose shareholding exceeds the three per cent or four per cent thresholds must inform the Company, in the same conditions and using the same calculation methods as provided by law for larger shareholdings" (Article 29, paragraph 3 of the Articles of Association).

On 16 January 2012, Caisse des Dépôts et Consignations informed the Company that it had exceeded the threshold of 3%. Apart from Sopra GMT, Geninfo (Société Générale group) and Caravelle, no other shareholder informed the Company that it had exceeded these thresholds at 31 December 2012.

2.2. Approximate number of shareholders

At 31 December 2012, Sopra Group had 362 registered shareholders who owned an aggregate total of 8,100,007 registered shares out of a total share capital of 11,893,486 shares.

On the basis of the most recent data in the Company's possession, the total number of Sopra Group shareholders can be estimated at approximately 5,000.

2.3. Trading by Sopra Group in the Company's shares

The Combined General Meeting of 19 June 2012, acting in accordance with the provisions of Article L. 225-209 of the French Commercial Code, authorised the Board of Directors to trade the Company's shares on the stock exchange under a liquidity contract.

At 31 December 2011, Sopra Group held a total of 23,500 treasury shares acquired at an average price of €40.07 managed under an AFEI liquidity contract by an investment services provider.

From 1 January 2012 to 31 December 2011, Sopra Group bought 92,781 of its own shares at an average price of €42.08 and sold 108,681 shares at an average price of €42.13.

At 31 December 2012, Sopra Group owned 7,600 treasury shares purchased at an average price of €40.41.

2.4. Shareholders' agreements notified to the stock market authorities

2.4.1. AGREEMENT BETWEEN SOPRA GMT, PIERRE PASQUIER, FRANÇOIS ODIN AND GENINFO

A shareholders' agreement constituting an action in concert was signed on 4 July 2000 between Sopra GMT, Pierre Pasquier and François Odin on the one hand and Geninfo (Société Générale group) on the other.

This agreement came into effect on 7 July 2000 for an initial period expiring on 30 June 2001. It is automatically renewable for subsequent terms of two years.

Under the terms of this agreement:

- Geninfo is entitled to hold two seats on the Board of Directors of Sopra Group as long as it has a direct or indirect stake in Sopra Group of 10% or more, which is reduced to one seat on the Board if Geninfo's shareholding drops to between 5% and 10%. Geninfo is entitled to hold more than two seats on the Board if its shareholding increases to more than 20%;
- in the case of a proposed sale of Sopra Group shares to a third party, each party has the obligation to inform the other party. In the case of the sale of a block or several blocks of shares by Geninfo (defined as a sale for an amount equal to or in excess of either 5% of Sopra Group's market capitalisation or €7.5 million) to a competitor, Sopra Group's founders (Sopra GMT, family groups of François Odin and Pierre Pasquier) shall have pre-emptive rights with respect to the conditions of the proposal. In such cases, initial notice of the planned deal should contain the details of the potential acquirer as well as the financial terms and conditions for the deal. Sopra Group shall have forty days from the date the notice is served to exercise its pre-emptive rights. After this time, Geninfo is free to sell its holding according to the conditions notified. If Sopra Group exercises its pre-emptive rights, the sale must take place within twenty days from the date of notification of its response to Geninfo.

2.4.2. AGREEMENT BETWEEN SOPRA GMT, THE PASQUIER AND ODIN FAMILY GROUPS, AND SOPRA GROUP SENIOR MANAGERS

A shareholders' agreement was concluded on 7 December 2009, for a period of two years, between the Pasquier and Odin family groups, Sopra GMT, Sopra Développement and a group of senior managers. It is automatically renewable for subsequent terms of two years.

This agreement includes the following main provisions:

- an undertaking by the parties to act in concert so as to implement shared strategies and, in general, to approve any significant decisions;
- an undertaking by the parties to act in concert in connection with the appointment of the members of Sopra Group's management bodies and the renewal of these appointments, by which the senior managers agree to facilitate the appointment of any individuals proposed by the Pasquier and Odin family groups and Sopra GMT;
- an undertaking to act in concert so that the parties shall jointly hold, at all times, a minimum of 30% of the capital and voting rights of Sopra Group;
- an undertaking by the parties to act in concert in connection with any proposed acquisition or disposal corresponding to more than 0.20% of the capital or voting rights of Sopra Group;
- an undertaking by the parties to act in concert in order to adopt a shared strategy in the event of any takeover bid or exchange offer relating to Sopra Group shares;
- a pre-emptive right to the benefit of the Pasquier and Odin family groups and Sopra GMT in the event of any disposal (i) by a senior manager of Sopra Group shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group, right of fourth refusal for Sopra Développement) or (ii) by Sopra Développement of Sopra Group shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group, right of third refusal for the Odin family group). The exercise price for the pre-emptive right shall be equal to (i) the price agreed between the transferor and the transferee in the event of an off-market transfer, (ii) the average share price over the ten trading days preceding the announcement of the disposal in the event of a sale on the market, (iii) the value determined for the shares in the context of the transaction, in all other cases.

The senior managers shall refrain from carrying out any transaction likely to entail the filing of a mandatory takeover bid or exchange offer.

A rider to this agreement was signed on 14 December 2012, extending the agreement to include Sopra Executive Investments (SEI), a company created by a group of Sopra Group senior managers. The main provisions of the agreement remain unchanged, with SEI granted a pre-emptive right having the same ranking as that of Sopra Développement.

2.4.3. CONTROL OF THE SHARE CAPITAL

Although the Company is controlled by its owners, the composition and operating procedures of the Board of Directors and its Committees contribute to ensuring the balance of this control:

- there are 11 directors, including three women, four independent directors and nine Directors who do not belong to the group of founders; the Board of Directors also includes an independent advisor;
- a majority of the members of the Board of Directors serving on its Committees do not belong to the group of founders;
- the two directors representing the group of founders are bound by the same obligations as all other directors in terms of the requirement to protect the Company's interests, to observe rules of good governance as well as the provisions of the Board's charter and its internal regulations;
- the Group has adopted the Afep-Medef Code of Corporate Governance for Listed Companies and has established a system of governance described in Chapter 2 of this Registration Document;
- the Board of Directors periodically reviews its operating procedures.

3. Changes in share capital

Sopra Group had share capital of €11,893,486 comprising 11,893,486 shares with a nominal value of €1 at 31 December 2011. The following changes have been made to the capital over the last several years:

Year	Description	Amount of capital post operation	Nominal value	Number of shares		Created	
				Created	Total	Nominal value	Premiums or reserves
2002	Capital increase through the exercise of options	€40,855,440	€4	36,475	10,213,860	€145,900	€188,165
2003	Capital increase through contributions in kind of shares of companies of Inforsud Ingénierie tendered by Crédit Agricole group	€41,795,440	€4	235,000	10,448,860	€940,000	€7,192,000
2003	Capital increase through the exercise of options	€42,194,100	€4	99,665	10,548,525	€398,660	€1,067,356
2004	Capital increase through the exercise of options	€42,927,800	€4	183,425	10,731,950	€733,700	€2,088,547
2005	Capital increase through contributions in kind of shares of PROfit tendered by IBI	€44,726,000	€4	449,550	11,181,500	€1,798,200	€22,176,302
2005	Capital increase through the exercise of options	€45,776,380	€4	262,595	11,444,095	€1,050,380	€3,047,365
2006	Capital increase through the exercise of options	€45,867,340	€4	22,740	11,466,835	€90,960	€434,074
2007	Capital increase through the exercise of options	€46,686,124	€4	204,696	11,671,531	€818,784	€3,927,276
2008	Capital increase through the exercise of options	€46,819,964	€4	33,460	11,704,991	€133,840	€687,010
2009	Capital increase through the exercise of options	€47,010,172	€4	47,552	11,752,543	€190,208	€1,039,712
2010	Capital increase through the exercise of options	€47,415,780	€4	101,402	11,853,945	€405,608	€2,174,537
2011	Capital increase through the exercise of options	€47,415,780	€4	9,300	11,863,245	€37,200	€265,050
2011	Capital reduction not motivated by losses	€11,863,245	€1	0	11,863,245	- €35,589,735	€35,589,735
2011	Capital increase through the exercise of options	€11,893,486	€1	30,241	11,893,486	€30,241	€962,041
2012	Nil	€11,893,486	€1				

4. Authorisations to issue securities given to the Board of Directors of Sopra Group by the General Meeting of 19 June 2012

4.1. Capital increase

4.1.1. ISSUE WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS

Securities transaction concerned	Resolution	Duration of delegation (Expiry)	Maximum issue amount	Maximum amount of capital increase	Use during the year
Capital increase (ordinary shares and investment securities giving access to the share capital)	22	26 months (August 2014)	Nominal amount of €250 million, if investment securities giving access to the share capital are to be issued	€3.5 million	Not used
Capital increase (ordinary shares and investment securities giving access to the share capital) in the event of oversubscription	23	26 months (August 2014)	15% of the amount of the capital increase under the twenty-second resolution	15% of the amount of the capital increase under the twenty-second resolution	Not used
Capital increase through the capitalisation of reserves or the issue of new shares	24	26 months (August 2014)	All available reserves	All available reserves	Not used

4.1.2. ISSUE WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

Securities transaction concerned	Resolution	Duration of delegation (Expiry)	Maximum issue amount	Maximum amount of capital increase	Use during the year
Capital increase (ordinary shares and investment securities giving access to the share capital)	25	26 months (August 2014)	Nominal amount of €250 million, if investment securities giving access to the share capital are to be issued	€3.5 million	Not used
Capital increase (ordinary shares and investment securities giving access to the share capital) in the event of oversubscription	26	26 months (August 2014)	15% of the amount of the capital increase under the twenty-fifth resolution, capped at €250 million	15% of the amount of the capital increase under the twenty-fifth resolution	Not used
Capital increase by way of an offering provided for under Article L. 411-2 of the French Monetary and Financial Code	27	26 months (August 2014)	Nominal amount of €250 million, if investment securities giving access to the share capital are to be issued	15% of the share capital	Not used
Capital increase as consideration for contributions of securities in the event of a public exchange offer or contributions in kind	28	26 months (August 2014)	Nominal amount of €250 million, if investment securities giving access to the share capital are to be issued	€3.5 million	Not used

4.2. Authorisations for issues reserved for employees and company officers without pre-emptive subscription rights

	Resolution	Expiry date	Authorised percentage	Maximum number of shares	Use during the year
Share subscription options	30	18/08/2015	5%*	594,674*	Not used
BSAAR	31	18/12/2013	5%*	594,674*	Not used
Bonus shares	32	18/08/2015	5%*	594,674*	166,875

* *This upper limit is cumulative for all issues reserved for employees and company officers.*

5. Share subscription options

The different share subscription option plans together with the employee share ownership policy implemented before the Group was floated have enabled employees to acquire, or be potential acquirers of, more than 20% of the Company's shares.

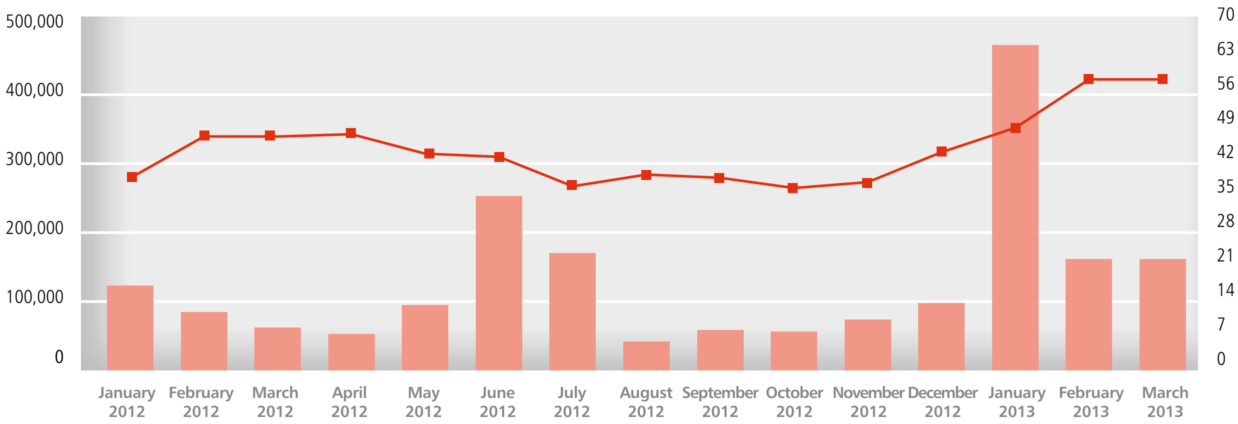
The table and information relative to share subscription options are provided in Chapter 6, section 3.3.3.

INFORMATION CONCERNING SHARE SUBSCRIPTION OR PURCHASE OPTIONS

Options granted to company officers and options exercised by company officers during the year	Number of options granted	Exercise price	Expiry date	Plan	Number of options exercised
Nil					

Ten largest stock option allocations to employees who are not company officers and options exercised by said employees during the year	Number of options granted	Exercise price	Expiry date	Plan	Number of options exercised
Nil					

6. Monthly Sopra Group share prices and trading volumes



Source: NYSE Euronext Paris.

7. Share price performance

Month	Number of trading days	Quoted prices *(in euros)* High	Quoted prices *(in euros)* Low	Average closing price	Trading volumes Number of shares traded	Trading volumes Capital *(in millions of euros)*
January 2012	22	44.25	34.75	38.56	123,015	4.70
February 2012	21	48.55	44.02	47.02	84,277	3.96
March 2012	22	48.25	43.75	47.01	61,903	2.87
April 2012	19	49.90	43.21	47.48	52,570	2.50
May 2012	22	46.25	41.25	43.53	94,639	4.07
June 2012	21	45.90	38.25	42.88	252,778	10.60
July 2012	22	40.48	34.00	36.91	170,156	6.49
August 2012	23	41.24	37.15	39.28	42,031	1.66
September 2012	20	39.75	36.00	38.62	58,153	2.21
October 2012	23	38.25	34.94	36.55	55,960	2.03
November 2012	22	40.00	36.20	37.74	73,696	2.84
December 2012	19	48.87	39.45	43.83	97,729	4.32
January 2013	22	53.55	45.75	48.78	472,057	22.78
February 2013	20	64.93	53.00	58.61	161,121	9.43
March 2013	20	64.90	55.85	58.77	109 207	6.53

8. Earnings per share

Year	Number of shares bearing a dividend	Dividend
2008	11,704,991	€1.65
2009	11,752,543	€0.80
2010	11,853,945	€0.80
2011	11,893,486	€1.90
2012	**11,893,486**	**€1.70***

* *Amount proposed to the General Meeting of 13 June 2013.*

Dividends not collected before the five-year prescription period expires are paid to the French state.

8 Combined General Meeting of 13 June 2013

Meeting agenda

Ladies and Gentlemen,

We have convened this Combined General Meeting to submit the following items of business for your approval:

Requiring the approval of the Ordinary General Meeting

- Approval of the Sopra Group SA individual company financial statements for the year ended 31 December 2012 – Granting of final discharge to the members of the Board of Directors – Approval of non-deductible expenses.
- Approval of Sopra Group's consolidated financial statements for the financial year ended 31 December 2012.
- Appropriation of earnings.
- Approval of a change in the term of the framework agreement for assistance concluded with Sopra GMT.
- Approval of commitments under Article L. 225-42-1 of the French Commercial Code entered into on behalf of Pascal Leroy.
- Approval of agreements governed by Article L. 225-38 et seq. of the French Commercial Code.
- Setting of directors' fees.
- Authorisation given to the Board of Directors to allow Sopra Group to acquire its own shares under Article L. 225-209 of the French Commercial Code.

Requiring the approval of the Extraordinary General Meeting

- Delegation of authority given to the Board of Directors to issue warrants to subscribe to and/or acquire redeemable shares (BSAARs) to employees or officers of the Company or any of its affiliated undertakings, with pre-emptive subscription rights – Conditions for this delegation of authority.
- Delegation of authority given to the Board of Directors to decide to carry out capital increases reserved for employees of the Company or other companies within the Group who are members of an employee savings plan, without pre-emptive subscription rights – Conditions for this delegation of authority.
- Powers required to carry out formalities.

We hereby inform you that the resolutions submitted for the approval of the Extraordinary General Meeting require a quorum representing at least one-quarter of the total voting shares and a majority of two-thirds of the votes of the shareholders present or represented by proxy holders. Those submitted for the approval of the Ordinary General Meeting require a quorum of at least one-fifth of the total voting shares and a majority of the votes of the shareholders present or represented by proxy holders.

1. Summary of resolutions

1.1. Approval of the individual company and consolidated financial statements (first and second resolutions)

The Board of Directors submits for your approval:

- the individual company and consolidated financial statements of Sopra Group for the year ended 31 December 2012 as presented and discussed in the 2012 Registration Document;
- the list of non-deductible expenses totalling €131,553 and the corresponding tax charges. These include lease payments and amortisation charges for company cars granted to 54 of the Company's executives.

You are also asked to give the Board members full and unconditional discharge from their duties for the aforementioned financial year.

1.2. Proposed appropriation of earnings (third resolution)

The Board of Directors proposes that the dividend per share to be paid in respect of the 2012 financial year be set at €1.70, corresponding to a total dividend of €20,218,926.20 and representing 36% of the Company's consolidated net profit.

For information, the following amounts were distributed as dividends in respect of the previous three financial years:

(in euros)	2009	2010	2011
Total dividend	9,402,034.40	9,483,156.00	22,597,623.40
Number of dividend bearing shares	11,752,543	11,853,945	11,893,486
Dividend paid	0.80	0.80	1.90

For individuals whose tax residence is in France and pursuant to applicable tax regulations, this dividend will give rise, on a cumulative basis, excluding shares held in a PEA (*plan d'épargne en actions*, a French personal equity plan), to:

- a 21% withholding tax, which is subject to income tax reporting requirements. This deduction from the gross dividend amount has the status of a provisional payment. The amount for which the taxpayer is ultimately liable will be adjusted when the income tax return for 2013 is filed, depending on the household's other sources of income. Any shareholder whose household has taxable income lower than the threshold (in respect of 2011 income) of €50,000 (single person) or €75,000 (couple filing jointly) may request an exemption from this withholding tax by sending a handwritten affidavit (no later than 31 March 2013 for dividends payable in 2013 in respect of the 2012 financial year);
- social charges of 15.5%, including 5.1% corresponding to the deductible portion of the CSG (*contribution sociale généralisée*, or general social security contribution), also deducted at source.

This dividend would be payable as from 24 June 2013. The ex-dividend date would therefore be 19 June 2013, before the market opens.

1.3. Regulated agreements (fourth, fifth and sixth resolutions)

These agreements are discussed in the special report of the Statutory Auditors included on page 161 of this Registration Document. Your approval is requested on the following points as well as the conclusions of this report:

- a service agreement in force with Sopra GMT, Sopra Group's financial holding company, was renewed for an indefinite period and will thus continue in force until terminated by either Sopra Group or Sopra GMT, subject to a notice period of twelve months;
- upon his appointment as Chief Executive Officer, the guarantee Pascal Leroy enjoyed as Managing Director ceased to apply. The Board of Directors, acting upon the recommendation of its Compensation Committee, decided to grant Pascal Leroy a new guarantee applicable only in the event of the simultaneous termination of his appointment as Chief Executive Officer and his employment contract, on the initiative of the Company, except in cases of gross negligence, wilful misconduct or compulsory retirement. The amount of this guarantee will reflect Pascal Leroy's performance during the two financial years preceding the termination of his appointment as determined by the Board of Directors according to the procedure described on page 22;
- various other agreements remain in force between Group companies, all described in the Statutory Auditors' special report.

1.4. Setting of directors' fees (seventh resolution)

It is proposed that the total amount of directors' fees be set at €250,000 for the 2013 financial year, thus remaining unchanged from the previous year.

1.5. Purchase by Sopra Group of its own shares and trading in these shares (eighth resolution)

The Board of Directors requests that you renew the authorisation granted by the previous General Meeting of 19 June 2012 for a further period of eighteen months. For information, the use made of the previous authorisation is discussed in the management report in Chapter 7, section 2.3, page 167 of this Registration Document. The maximum purchase price would be set at €100 per share. This €100 limit would therefore apply in the context of the liquidity agreement that will remain in force subject to the approval of this resolution by the General Meeting.

1.6. Authorisations requested for the purpose of giving Group employees and/or company officers the opportunity to participate in the share capital through the issue of warrants to subscribe for and/or acquire redeemable shares (BSAAR) (ninth resolution)

The aim of this authorisation is to enable your Board of Directors, where applicable, to grant or issue to employees and officers of the Company or any of its affiliated undertakings, warrants to subscribe for and/or acquire redeemable shares (BSAAR) so as to give them a stake in the share capital and bring their interests in line with those of shareholders.

The authorisation granted by the General Meeting of 19 June 2012 will expire on 18 December 2013. It has not been used. Nevertheless, as such an issue may be of interest at a later point, you are invited to grant the Board of Directors a new authorisation, not to exceed 2% of the share capital, for a period of eighteen months as from the date of this Meeting.

1.7. Delegation of authority to the Board of Directors to carry out a capital increase reserved for employees of the Company or any other affiliated undertakings who are members of a company savings plan, without pre-emptive subscription rights (tenth resolution)

This resolution is submitted to the General Meeting in application of Article L. 225-129-6 of the French Commercial Code.

2. Text of the proposed resolutions

Resolutions submitted for the approval of the Ordinary General Meeting

First resolution

Approval of the Sopra Group SA individual financial statements for the year ended 31 December 2012 and the granting of final discharge to members of the Board of Directors – Approval of non-deductible expenses

The General Meeting, having reviewed the management report of the Board of Directors, the report of the Chairman of the Board of Directors relating to corporate governance and internal control pursuant to Article L. 225-37 of the French Commercial Code and the reports of the Statutory Auditors, approves the individual financial statements for the year ended 31 December 2012, as presented to the Meeting, showing a profit of €34,841,059.00. It also approves the transactions reflected in these financial statements and summarised in the aforementioned reports.

It consequently gives the members of the Board of Directors full and unconditional discharge from their duties for the said financial year.

The General Meeting also approves the expenses incurred during the year that are not deductible for tax purposes, covered by Article 39-4 of the French Tax Code, amounting to €131,553, and the corresponding tax charge of €47,491.

Second resolution

Approval of Sopra Group's consolidated financial statements for the year ended 31 December 2012

The General Meeting, having reviewed the management report of the Board of Directors and the report of the Statutory Auditors, approves the consolidated financial statements for the year ended 31 December 2012, which show a consolidated net profit (Group share) of €55,599,865, as well as the transactions reflected in these financial statements and/or summarised in the aforementioned management report.

Third resolution

Appropriation of earnings

The General Meeting notes that Sopra Group's profit available for distribution, determined as follows, is €34,876,824.50:

Profit for the year	**€34,841,059.00**
Retained earnings: dividends not paid on treasury shares	€35,765,50
TOTAL	**€34,876,824.50**

In consideration of the consolidated net profit (Group share) amounting to €55,599,865 and the legal reserve, now amounting to 10% of the share capital (€1,189,348.60), the General Meeting decides to appropriate the profit available for distribution in the following manner:

Legal reserve	**€0**
Dividend	€20,218,926.20
Discretionary reserves	€14,657,898.30
TOTAL	**€34,876,824.50**

As the number of shares comprising the share capital at 31 December 2012 was 11,893,486, the dividend allocated per share will be €1.70. This dividend will be payable as from 24 June 2013. In accordance with tax regulations in force, this dividend payment entitles individual shareholders with tax residence in France to a 40% reduction in tax liability, in relation to the entire dividend amount, for the calculation of income tax (Article 159-3-2 of the French Tax Code).

Furthermore, for these same individuals having their tax residence in France and pursuant to applicable tax regulations, this dividend will also give rise, on a cumulative basis, excluding shares held in a PEA (*plan d'épargne en actions*, a French personal equity plan), to:

- a 21% withholding tax, which is subject to income tax reporting requirements. This deduction from the gross dividend amount has the status of a provisional payment. The amount for which the taxpayer is ultimately liable will be adjusted when the income tax return for 2013 is filed, depending on the household's other sources of income. Any shareholder whose household has taxable income lower than the threshold (in respect of 2011 income) of €50,000 (single person) or €75,000 (couple filing jointly) may request an exemption from this withholding tax by sending a handwritten affidavit (no later than 31 March 2013 for dividends payable in 2013 in respect of the 2012 financial year);
- social charges of 15.5%, including 5.1% corresponding to the deductible portion of the CSG (*contribution sociale généralisée*, or general social security contribution), also deducted at source.

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

	2009	2010	2011
Total dividend	€9,402,034.40	€9,483,156.00	€22,597,623.40
Number of dividend bearing shares	11,752,543	11,853,945	11,893,486
Dividend paid	€0.80	€0.80	€1.90

Fourth resolution

Approval of the change in the term of the framework agreement for assistance concluded with Sopra GMT

The General Meeting, having reviewed the special report of the Statutory Auditors on agreements covered by Article L. 225-38 of the French Commercial Code and of the proposed change in the term of the framework agreement for assistance concluded with Sopra GMT, approves this change as well as the conclusions of the aforementioned report referring to this agreement.

Fifth resolution

Approval of commitments under Article L. 225-42-1 of the French Commercial Code entered into on behalf of Pascal Leroy

The General Meeting, having reviewed the special report of the Statutory Auditors on agreements covered by Article L. 225-38 of the French Commercial Code, approves, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the agreement relating to commitments entered into on behalf of Pascal Leroy as well as the conclusions of the aforementioned report referring to this agreement.

Sixth resolution

Approval of agreements covered by Article L. 225-38 et seq. of the French Commercial Code

The General Meeting, having reviewed the special report of the Statutory Auditors on agreements covered by Article L. 225-38 of the French Commercial Code, approves in a general manner the conclusions of the aforementioned report as well as the agreements and commitments referred to in this report.

Seventh resolution

Setting of directors' fees

The General Meeting sets at €250,000 the amount of directors' fees to be allocated between the members of the Board of Directors for the current financial year.

Eighth resolution

Authorisation given to the Board of Directors to allow Sopra Group to acquire its own shares under Article L. 225-209 of the French Commercial Code

Pursuant to the provisions of Articles L. 225-209 et seq. of the French Commercial Code and in accordance with Title IV, Book II of the General Regulation of the AMF and its implementing instructions, the General Meeting authorises the Board of Directors, with the option to sub-delegate this authority, to buy back shares in the Company, on one or more occasions and as and when it sees fit, up to a maximum of 10% of the total number of shares representing the Company's share capital – i.e. 1,189,348 shares.

This authorisation is given for a period of eighteen months as from this General Meeting, and terminates the authorisation given to the Board of Directors at the Ordinary General Meeting of 19 June 2012.

The General Meeting decides that shares may be bought back for the following purposes:

- in order to obtain market-making services to be rendered by an investment services provider acting in complete independence under the terms of a liquidity contract concluded in compliance with the Code of Ethics of the Association Française des Entreprises d'Investissement (AFEI) recognised by the AMF;
- to cover share purchase option plans for Group employees or senior executives under the conditions and in accordance with the procedures stipulated by law;
- to retain the shares bought back in order to exchange them or present them as consideration at a later date for a merger, spinoff, contribution of assets and, where applicable, for external growth transactions;

- to cede the shares in the Company, upon the exercise of the rights attached to securities giving access to the Company's share capital through redemption, conversion, exchange, presentation of warrants or any other means;
- to implement any market practice that would come to be accepted by the AMF, and in general, to perform any operation that complies with regulations in force.

The maximum price at which shares may be bought back is set to €100 which, given the current number of shares making up 10% of the Company's share capital, results in a maximum total price of €118,934,800.

Shares may be bought back by any means, such as on the stock market or over the counter, including block purchases or through the use of derivatives, at any time, even when a public tender offer is under way, subject to compliance with regulations in force.

The General Meeting confers all powers upon the Board of Directors, including the option to sub-delegate these powers, in order to implement this authorisation, to determine the conditions and procedures for this implementation, to make the necessary adjustments, to conclude any and all agreements, to carry out all formalities and file all declarations with the AMF, and generally to take any and all other actions required.

Resolutions submitted for the approval of the Extraordinary General Meeting

Ninth resolution

Delegation of authority to the Board of Directors to issue warrants to subscribe for and/or acquire redeemable shares (BSAARs) to employees or officers of the Company or any of its affiliated undertakings, without pre-emptive subscription rights – Definition of the conditions for this delegation of authority

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of Articles L. 228-91 et seq., L. 225-129 et seq. and L. 225-138 of the French Commercial Code:

- delegates the authority to the Board of Directors, with the option to sub-delegate this authority, to decide upon the issue, in one or several stages, of warrants to subscribe for and/or acquire redeemable shares (BSAAR);
- decides that this delegation of authority may not give access to a total number of shares representing more than 2% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that this ceiling shall be increased by any additional number of shares issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides, in accordance with the provisions of Article L. 225-138 of the French Commercial Code, to exclude the pre-emptive right of existing shareholders to subscribe to these warrants (BSAARs) and to reserve this right for any employees and/or officers of the Company or of any of its French and foreign subsidiaries. As such, the General Meeting confers all powers upon the Board of Directors to determine a list of persons authorised to subscribe for BSAARs (hereinafter referred to as the "Beneficiaries") as well as the maximum number of BSAARs that may be subscribed by each;
- confers all powers upon the Board of Directors to:
  - determine all of the characteristics of the BSAAR, in particular their subscription price, which will be calculated, in consultation with an independent expert, on the basis of criteria having an impact on this value, primarily exercise price, holding period, exercise period, trigger threshold and redemption period, interest rate, dividend distribution policy, price and volatility of the company's share, as well as the issue procedures and the terms and conditions of the issue agreement,
  - determine the subscription or acquisition price of shares obtained through the exercise of BSAARs, with the understanding that each BSAAR will confer the entitlement to subscribe for (or acquire) one share in the Company at a price at least equal to 120% of the average closing price for the company's share over the twenty trading days preceding the date on which all of the terms and conditions for the BSAARs and the procedures for their issue are decided;
- takes note that, as required by the last paragraph of Article L. 225-132 of the French Commercial Code, the decision to issue BSAARs will entail the automatic waiver by shareholders – in favour of the beneficiaries of these warrants – of their pre-emptive right to subscribe for the shares to be issued *via* the exercise of BSAARs;
- confers all powers upon the Board of Directors, with the option to sub-delegate these powers as provided by legal and regulatory provisions, to take all measures, conclude all agreements and carry out all formalities required for the issue of these BSAARs, recognise the resulting capital increases, make the consequential amendments to the Articles of Association, and amend, if deemed necessary (subject to the approval of the BSAAR beneficiaries), the issue agreement for the BSAARs;
- in accordance with Article L. 225-138 of the French Commercial Code, the Board of Directors will prepare and submit a supplementary report to the next General Meeting relating the conditions under which this authorisation will have been used;
- decides that this delegation of authority to the Board of Directors shall be valid for a period of eighteen months with effect from the date of this General Meeting;
- formally notes that this delegation of authority supersedes any previous delegation having the same purpose.

Tenth resolution

Delegation of authority to the Board of Directors to carry out a capital increase reserved for employees of the Company or any other affiliated undertakings who are members of a company savings plan, without pre-emptive subscription rights – Definition of the conditions for this delegation of authority

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of Articles L. 3332-18 et seq. of the French Labour Code and Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and in accordance with the provisions of that same code:

- delegates the authority to the Board of Directors, for a period of twenty-six months with effect from the date of this General Meeting, to decide to carry out one or more capital increases, by issuing shares or securities giving access to the Company's share capital, reserved for members of an employee savings plan offered by a French or foreign company affiliated with the

Company under the conditions set out in Article L. 225-180 of the French Commercial Code and Article L. 3332-19 of the French Labour Code;

- decides to exclude, in favour of employees enrolled in an employee savings plan, the pre-emptive right of existing shareholders to subscribe to shares or securities giving access to the Company's share capital such as may be issued under this authorisation;
- decides that this delegation of authority may not give access to a total number of shares representing more than 2% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that this ceiling shall be increased by any additional number of shares issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides to set the maximum discount offered in connection with an employee savings plan, which applies to the subscription price of securities issued pursuant to this authorisation, at 5% of the average opening price of the Company's shares on the Eurolist from Euronext market over the twenty trading days preceding the date of the decision determining the opening date of the subscription period. However, the General Meeting expressly authorises the Board of Directors to reduce the aforementioned discount, within legal and regulatory limits;
- consequently confers all powers upon the Board of Directors, with the option to sub-delegate these powers under the conditions laid down in law, to put this authorisation into effect subject to the limits and conditions set out above, in particular so as to:
  - determine the characteristics of securities to be issued and the proposed amount of any subscriptions and, in particular, determine their issue prices, dates and periods, and the terms and conditions of subscription, payment, delivery and vesting of securities, in accordance with applicable legal and regulatory limits,
  - if applicable, charge any expenses incurred in connection with capital increases against premiums pertaining to those capital increases, and deduct from those premiums any amounts required to bring the legal reserve up to one tenth of the new total amount of share capital resulting from each capital increase,
  - certify the completion of capital increases up to the value of shares actually subscribed or of other securities issued under the terms of this authorisation,
  - enter into any agreements and, either directly or *via* an agent, complete all procedures and formalities, including formalities subsequent to capital increases and consequential amendments to the Articles of Association and, more generally, take all necessary steps;
- in general terms, enter into any agreement, including in particular agreements to ensure that planned issues are successfully completed, take any steps and complete any formalities required for the issuance, listing and financial servicing of securities issued under the terms of this authorisation and for the exercise of any associated rights;
- decides that this delegation of authority to the Board of Directors shall be valid for a period of twenty-six months with effect from the date of this General Meeting;
- formally notes that this delegation of authority supersedes any previous delegation having the same purpose.

Eleventh resolution

Powers required to carry out formalities

The General Meeting gives full authority to the bearer of an original or copy of the minutes of this Meeting to carry out all legally required formalities.

We hope that you accept these proposals and that you vote in favour of the corresponding resolutions.

The Board of Directors

9 Administrative and legal information

1. Sopra Group at a glance

Company name: Sopra Group

Registered office: PAE Les Glaisins, 74940 Annecy-le-Vieux

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

Legal form: *société anonyme*.

Date of incorporation: 5 January 1968, with a term of fifty years as from 25 January 1968, renewed by the General Meeting of 19 June 2012 for a subsequent term of ninety-nine years.

Corporate purpose: "The Company's purpose is:

To engage, in France and elsewhere, in consulting, expertise, research and training with regard to corporate organisation and information processing, in computer analysis and programming and in the performance of customised work.

The design and creation of automation and management systems, including the purchase and assembly of components and equipment, and appropriate software.

The creation or acquisition of and the operation of other businesses or establishments of a similar type.

And, generally, all commercial or financial transactions, movable or immovable, directly or indirectly related to said corporate purpose or in partnership or in association with other companies or persons" (Article 2 of the Articles of Association).

Commercial registration: 326 820 065 RCS Annecy

Place where legal documents may be consulted: registered office.

Financial year: From 1 January to 31 December of each year.

Statutory allocation of profits:

"In respect of profits for the year minus any prior year losses, at least five per cent is allocated to the legal reserve. Said allocation shall no longer be mandatory when this reserve represents one tenth of the capital.

Profit available for distribution comprises the profit for the year less any losses carried forward and amounts allocated to reserves, pursuant to the law and the Articles of Association, plus retained earnings.

The General Meeting may deduct from this profit all amounts that it deems appropriate for allocation to all optional, ordinary or extraordinary reserves, or to retained earnings.

The balance, if any, is apportioned by the General Meeting between all shareholders in proportion to the number of shares that they own" (excerpt from Article 36 of the Articles of Association).

2. Board of Directors

ARTICLE 14 OF THE ARTICLES OF ASSOCIATION – BOARD OF DIRECTORS

The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of eighteen, subject to the exception provided for by law in the event of a merger.

During the life of the Company, Directors are appointed, reappointed or dismissed by the Ordinary General Meeting. They are always eligible for re-election.

The term of office of Directors is six years, expiring at the end of the Ordinary General Meeting convened to approve the accounts for the financial year then ended and held in the year in which their term of office comes to an end.

No one can be appointed a Director if, having exceeded the age of seventy-five years, his appointment results in more than one-third of Board members exceeding this age. Once the age limit is reached, the oldest Director is deemed to have resigned from office.

Directors may be natural persons or legal persons. When a legal person is nominated, the latter appoints a permanent representative who is subject to the same conditions, obligations and liabilities as a natural person Director, without prejudice to the joint and several liability of the legal entity thus represented.

In the event that one or more Directors' positions become vacant, the Board of Directors may, between two General Meetings, carry out temporary appointments in accordance with the conditions set forth in Article L. 225-24 of the French Commercial Code. A Director appointed to replace another Director performs his duties for the remainder of the term of office of the individual previously serving in this position.

An employee of the Company may only be appointed as a Director if his employment contract corresponds to an actual post. The number of Directors tied to the Company by an employment contract cannot exceed one-third of the Directors in office.

Each Director must own at least one share.

ARTICLE 15 OF THE ARTICLES OF ASSOCIATION – ORGANISATION OF THE BOARD OF DIRECTORS

The Board of Directors elects from among its members a Chairman, who must be a natural person in order for the appointment to be valid. The Board determines his remuneration.

The Chairman shall be appointed for a term that may not exceed his term of office as Director. The Chairman may be reappointed. The Board may remove the Chairman from office at any time.

No one over the age of 85 may be appointed Chairman. If the Chairman in office exceeds this age, he shall automatically be deemed to have resigned.

The Board may appoint one or two Vice-Chairmen from among the Directors.

It can also appoint a secretary who need not be a Director or shareholder.

In the event of the Chairman's absence, Board Meetings are chaired by the eldest Vice-Chairman. Failing this, the Meeting shall elect its own Chairman.

ARTICLE 16 OF THE ARTICLES OF ASSOCIATION – DELIBERATIONS OF THE BOARD OF DIRECTORS

The Board of Directors meets as often as the Company's interests require it to do so, at the request of its Chairman. The Chief Executive Officer, or if the Board has not met for more than two months, at least one-third of the Directors, may request the Chairman, who is bound by such request, to convene a Meeting of the Board of Directors on the basis of a predetermined agenda.

Convening notices are issued by any and all means including verbally.

General Meetings shall take place at the registered office or in any other place specified in the convening notice.

The Board can only validly deliberate in the presence of at least half the Directors. Decisions are taken on the basis of a majority of votes of members present or represented.

In the event of a tie in voting, the Chairman has the casting vote.

An attendance sheet is signed by the Directors taking part in the Board Meeting, either in person or by proxy.

Policies and procedures shall be defined.

The policies and procedures may include a provision whereby Directors who participate in the Meeting by videoconference or any other means of telecommunication that enables them to be identified as required by law, shall be considered to be present for the purpose of calculating the quorum and majority.

This provision does not apply should the following decision be adopted:

- the closing of the annual accounts and consolidated accounts and the drafting of the Management Report and Group Management Report.

The deliberations of the Board of Directors are recorded in the minutes, which are prepared in accordance with the legal provisions in force and signed by the Meeting Chairman and at least one Director. In the absence of the Meeting Chairman, it is signed by at least two Directors.

Copies or extracts of these minutes shall be certified by the Chairman of the Board of Directors, the Chief Executive Officer, a Director temporarily appointed to act as Chairman or an agent authorised for such purpose.

ARTICLE 17 OF THE ARTICLES OF ASSOCIATION – POWERS OF THE BOARD OF DIRECTORS

The Board of Directors determines the overall business strategy of the Company and supervises its implementation. It examines any and all matters related to the efficiency and effectiveness of business operations and reaches decisions about any and all issues concerning the Company, within the limits of the corporate purpose and except for those matters which, by law, can only be decided on by the shareholders in a General Meeting.

In its dealings with third parties, the Company is committed even by actions of the Board of Directors falling outside the scope of the corporate purpose, unless it can prove that the third party knew that the action exceeded the corporate purpose or that it could not ignore it in the circumstances, it being excluded that publication of the Memorandum and Articles of Association alone constitutes such proof.

The Board of Directors undertakes all the checks and verifications it deems necessary. Each Director is entitled to receive all the documents and information necessary to carry out his duties.

The Board of Directors may confer on any and all proxy-holders of its choice, any and all delegations of powers within the limits of those defined by the law and the present Memorandum and Articles of Association.

It can decide to set up committees to examine questions submitted to them by it or its Chairman.

ARTICLE 18 OF THE ARTICLES OF ASSOCIATION – POWERS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors organises and directs the work of the Board of Directors, on which he reports to the General Meeting. He ensures the smooth running of the Company's managerial bodies and, in particular, that the Directors are able to carry out their duties.

ARTICLE 20 OF THE ARTICLES OF ASSOCIATION – REMUNERATION OF SENIOR EXECUTIVES

1. The General Meeting may award Directors a fixed annual sum in the form of Directors' fees, which are treated as operating expenses; the amount remains unchanged until further notice. The apportionment of the sum between Directors is determined by the Board of Directors.
2. The Board of Directors determines the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Managing Directors. Such remuneration may be fixed and/or variable.
3. For assignments or mandates entrusted to Directors, the Board of Directors may also award exceptional payments that will be submitted for the approval of the Ordinary General Meeting.

Directors may not receive from the Company remuneration, whether permanent or not, other than that set out in the previous paragraphs, unless they are tied to the Company by an employment contract in conditions authorised by the law.

ARTICLE 21 OF THE ARTICLES OF ASSOCIATION – POSITIONS HELD CONCURRENTLY

A single individual may not serve as a director or supervisory board member of more than five French-based public listed companies (*sociétés anonymes*).

Excluded from the aforementioned provisions are the appointments as director or supervisory board member held by this person in the companies controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the company of which this individual is a director.

In application of the above provisions, the positions of directors of companies whose shares are not traded on a regulated market or are controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the same company only count as one position, provided the number of such positions held does not exceed five.

A single individual may not serve as a chief executive officer, management board member or sole chief executive officer of more than one French-based public listed company (société anonyme). Exceptionally, a second position as chief executive officer or an appointment as a management board member or sole chief executive officer may be held in a company controlled, within the meaning of Article L. 233-16 of the French Commercial Code, by the company of which this individual is Chief Executive Officer. Another position as chief executive officer, management board member or sole chief executive officer can be held in any company, provided such company's shares are not traded on a regulated market.

Any natural person in breach of the provisions in respect of concurrently held mandates must relinquish one of the mandates within three months of his appointment, or the mandate in question within three months of the event that led to the lapse of one of the conditions defined by law in the case of exceptions. On expiry of the three-month period, the person is automatically dismissed and must return the remunerations received, although the validity of the deliberations in which he took part is not called into question.

3. Executive management

ARTICLE 19 OF THE ARTICLES OF ASSOCIATION – EXECUTIVE MANAGEMENT

1. Operating procedures

Responsibility for the Company's executive management is assumed by either the Chairman of the Board of Directors or by another natural person appointed by the Board of Directors and holding the title of Chief Executive Officer.

The Board of Directors chooses one or other of the aforementioned methods of executive management.

The decision of the Board of Directors relating to the choice of management method is taken on the basis of a majority of Directors present or represented. The shareholders and third parties are informed of this choice in the conditions provided for by the regulations in force.

The choice made by the Board of Directors applies for an unlimited period.

2. Executive management

The Chief Executive Officer is a natural person who may or may not be a Director.

The term of office of the Chief Executive Officer is determined by the Board of Directors at the time of his appointment. However, if the Chief Executive Officer is also a Director, his term of office as Chief Executive Officer may not exceed that as Director.

No one over the age of 77 may be appointed as Chief Executive Officer. Once the Chief Executive Officer has reached the age limit, he is deemed to have resigned from office.

The Chief Executive Officer can be dismissed at any time by the Board of Directors. In the event of unfair dismissal, he may be entitled to damages, except when he also performs the function of Chairman of the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He exercises his powers within the limits of the corporate purpose and subject to those expressly granted to General Meetings and the Board of Directors by the law.

He represents the Company in its dealings with third parties. The Company is bound even by the actions of the Chief Executive Officer falling outside the scope of the corporate purpose, unless it can prove that the third party knew that such action exceeded the corporate purpose or that it could not ignore it in the circumstances, it being excluded that publication of the Memorandum and Articles of Association alone constitutes such proof.

3. Managing Directors

On a proposal from the Chief Executive Officer, whether this function is performed by the Chairman of the Board of Directors or by another person, the Board may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Managing Director.

The Board of Directors may appoint as many as five managing directors, who may or may not be selected from among its members.

The age limit is set at sixty-five years. Once a Managing Director has reached this age limit, he is deemed to have resigned from office.

The Managing Directors may be dismissed at any time by the Board of Directors on a proposal from the Chief Executive Officer. In the event of unfair dismissal, the Managing Directors may be entitled to damages.

When the Chief Executive Officer ceases to carry out or is prevented from carrying out his duties, the Managing Directors, unless decided otherwise by the Board of Directors, retain their duties and remits until the appointment of a new Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred on the Managing Directors. In their dealings with third parties, the Managing Directors have the same powers as the Chief Executive Officer.

ARTICLE 3 OF THE BOARD OF DIRECTORS' INTERNAL RULES AND REGULATIONS – ROLE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer has authority over the entire Group. He directs, administers and coordinates all of its operational activities. The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He represents the Company in its dealings with third parties. He chairs the Group's Executive Committee.

The Chief Executive Officer exercises his powers within the limits of the corporate purpose, all applicable laws, the Articles of Association and these internal rules and regulations.

The Chief Executive Officer is also responsible for providing the Board of Directors and all its committees with any information they may require and for implementing all decisions taken by the Board.

Conditions for the exercise of the Chief Executive Officer's prerogative powers

The Chief Executive Officer works closely with the Chairman of the Board of Directors to ensure open lines of communication at all times between the Board of Directors and Executive Management. He also keeps the Chairman informed of the Group's circumstances and any decisions being considered whenever they are likely to have a significant impact on the conduct of business activities.

The types of decisions identified in this section require the prior authorisation of the Board of Directors, or of the Chairman in emergencies or whenever the Board delegates its authority in this respect to the Chairman. The Chairman must report to the Board of Directors on any such authorisations given.

In any event, all of these decisions must be prepared and discussed by the Chief Executive Officer in coordination with the Chairman.

Under the aforementioned conditions, the decisions requiring prior approval by the Board of Directors are those that are highly strategic in nature or that are likely to have a significant impact on the financial position or commitments of the Company or any of its subsidiaries, and in particular decisions falling into three main categories, as listed below:

- decisions relating to strategy implementation:
  - adaptation of the Group's business model,
  - the acquisition or disposal of companies or businesses, with delegation of authority given by the Board to its Chairman for small-scale transactions (under €5 million),
  - entering into strategic alliances;
- decisions relating to organisational matters:
  - the appointment or dismissal of a senior manager (members of the Executive Committee, functional division heads, heads of support entities) with delegation of authority given by the Board to its Chairman,
  - any major change in the Group's organisational procedures or internal operations, with delegation of authority given by the Board to its Chairman;
- decisions relating to financial matters:
  - financial transactions having a significant impact on the individual or consolidated financial statements, or likely to have such an impact at a later date,
  - any commitment in connection with an agreement, transaction or settlement, in the context of a dispute, for an amount greater than €500,000,
  - increase or reduction in the share capital of a subsidiary,
  - any type of guarantee granted by the Company.

4. General Meetings

ARTICLE 25 OF THE ARTICLES OF ASSOCIATION – GENERAL MEETINGS

General Meetings are convened and held in the conditions laid down by the law.

The decisions collectively made by the shareholders shall be taken in General Meetings characterised either as Ordinary General Meetings, Extraordinary General Meetings or Special General Meetings depending on the nature of the decision to be taken.

Special General Meetings are called for the holders of shares of a given category to decide upon any changes to the rights attached to shares in this category.

The decisions taken by General Meetings are binding for all the shareholders, including absentee and dissenting shareholders and those lacking legal capacity.

ARTICLE 26 OF THE ARTICLES OF ASSOCIATION – VENUE AND PROCEDURE FOR CONVENING GENERAL MEETINGS

General Meetings shall be convened by the Management Board. Failing this, they may also be convened by the Statutory Auditors or by a court-appointed agent, in accordance with the law.

General Meetings shall take place at the registered office or in any other place specified in the convening notice.

General Meetings shall be convened by means of a notice published either in a journal authorised to publish legal announcements in the area where the registered office is located, or in the *Bulletin des annonces légales obligatoires* (journal of official legal announcements: BALO), at least two weeks before the General Meeting.

However, if all the shares are registered, these publications are not obligatory, and the General Meeting may be convened by giving notice to each shareholder by registered letter, at the Company's expense.

At least thirty-five days before the date of any General Meeting of shareholders, the Company shall publish, in the BALO, the notice specified in Article R. 225-73 of the French Commercial Code.

Shareholders who have held registered shares for at least one month on the date a convening notice is published shall be invited to attend the General Meeting by ordinary letter.

However, they may give the Company a written authorisation to communicate by electronic mail instead of by letter. In this case, they must communicate their electronic address to the Company. They may, at any time, by registered letter, request the Company to communicate by letter instead.

Shareholders may also ask to be notified of any General Meeting by registered letter if they have forwarded to the Company the amount necessary to cover the cost of sending such a letter.

When a General Meeting has not been able to deliberate due to the lack of the required quorum, a second General Meeting – extended, if necessary – shall be convened with at least six days' notice, in the same way as the first.

The notice and the letters inviting the shareholders to this second General Meeting shall feature the date and agenda of the first General Meeting. If a meeting is postponed by court decision, the court may set an alternative date.

The notice and letters convening the Meeting must contain all the information required by law.

ARTICLE 27 OF THE ARTICLES OF ASSOCIATION – AGENDA

The agenda for the General Meeting is decided by the convening body.

One or more shareholders representing at least the portion of share capital required by law and acting in accordance with legal requirements and time periods, may request that specific items of business or draft resolutions be added to the General Meeting's agenda.

The works council may also request the inclusion of proposed resolutions in the agenda.

The General Meeting shall not deliberate on a matter of business that is not included in its agenda. However, the General Meeting can in all circumstances dismiss and replace one or more Directors.

ARTICLE 28 OF THE ARTICLES OF ASSOCIATION – ACCESS TO GENERAL MEETINGS – POWERS – COMPOSITION

The General Meeting shall be composed of all shareholders, regardless of the number of shares they hold, who attend the meeting either in person or by proxy.

All shareholders have the right to participate in general meetings provided they furnish proof, in accordance with legal requirements, that their shares are registered on accounts in their names or on their behalf in the name of their registered intermediary, pursuant to Article L. 228-1, paragraph 7, of the French Commercial Code, at 00.00 (midnight), Paris time, on the third business day before the meeting, or on the registered share accounts kept by the Company, or on the bearer share accounts kept by an authorised intermediary.

Any shareholder may be represented by his or her spouse, the partner with whom he or she has entered into a *pacte civil de solidarité* (PACS, the French civil union contract), another shareholder or any other private individual or legal entity of his or her choice. If a shareholder does not name a proxy holder in a form of proxy, the chairman of the General Meeting shall vote in favour of proposed resolutions submitted for approval by the Board of Directors, and against any other proposed resolution. For any other vote, the shareholder shall choose a proxy-holder who agrees to vote as directed by the shareholder.

The legal representatives of legally incapable shareholders and the persons representing legal entities that hold shares in the Company may attend General Meetings whether they are shareholders or not.

If so decided by the Board of Directors when convening the Meeting, shareholders may also take part by videoconference or any other means of telecommunication, including the Internet, that permits them to be identified as provided by the law.

Shareholders who participate in a general meeting by videoconference or other means of telecommunications that enables them to be identified in a manner and in accordance with procedures in compliance with statutory and regulatory provisions shall be deemed present for the purposes of calculating the quorum and majority.

All shareholders may vote by correspondence by filling in a form addressed to the Company, under the conditions provided for by the law and the regulations; to be taken into account, this form must reach the Company at least three days before the date of the General Meeting.

Two works council members, appointed by the works council as laid down by law, may attend General Meetings. At their request, they shall be heard during the deliberations of all matters requiring a unanimous vote of the shareholders.

ARTICLE 29 OF THE ARTICLES OF ASSOCIATION – VOTING RIGHTS

The voting right attached to capital-only shares or dividend-bearing shares shall be proportional to the portion of the capital they represent. With the same par value, each share shall entitle the holder to the same number of votes, with a minimum of one vote.

ARTICLE 30 OF THE ARTICLES OF ASSOCIATION – RIGHTS TO SHAREHOLDER INFORMATION – DISCLOSURE OBLIGATIONS

All shareholders are entitled to receive all the information necessary for them to take an informed decision relating to the management and situation of the Company.

The documentation required and its availability to shareholders is laid down by the law.

Any shareholder who holds more than 3% or more than 4% of the Company's capital shall inform the Company in the same manner and based on the same methods of calculation as required with respect to legal thresholds.

ARTICLE 31 OF THE ARTICLES OF ASSOCIATION – ATTENDANCE SHEET – OFFICERS – MINUTES

The attendance sheet, duly initialled by the shareholders present and by proxy-holders and including the names of shareholders attending the meeting *via* a telecommunication channel, accompanied by the authorisations granted to proxy-holders, and, where appropriate, voting forms, shall be certified as accurate by the officers of the General Meeting.

The General Meeting shall be chaired by the Chairman of the Board of Directors or, in the Chairman's absence, by a Vice-Chairman. Failing this, the Meeting shall elect its own Chairman.

The duties of vote-teller shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy-holders.

The officers of the meeting thus appointed shall designate a secretary, who may be a shareholder or not.

The minutes are kept and copies or extracts of these minutes are delivered and certified in accordance with the law.

ARTICLE 32 OF THE ARTICLES OF ASSOCIATION – ORDINARY GENERAL MEETINGS

An Ordinary General Meeting is a meeting called to take decisions which do not amend the Memorandum and Articles of Association.

It shall be held at least once a year, in the conditions provided for by law, to approve the accounts for the financial year then ended.

Decisions are valid only if, when the meeting is convened for the first time, the shareholders attending the meeting or represented by proxy or having voted by mail represent at least one quarter of the total voting rights. No quorum is required for a second meeting.

The Meeting issues decisions by simple majority of the votes of the shareholders present or represented by proxy-holders, including the votes of shareholders who have voted by mail.

ARTICLE 33 OF THE ARTICLES OF ASSOCIATION – EXTRAORDINARY GENERAL MEETINGS

The Extraordinary General Meeting alone shall be authorised to amend the Memorandum and Articles of Association. However, it may not increase shareholders' commitments, subject to transactions arising from any grouping together of shares, duly and properly carried out.

Decisions are valid only if the shareholders attending the meeting or represented by proxy or having voted by mail represent at least one third of the total voting rights, in the case of a first meeting, and one quarter of the total voting rights in the case of a second meeting. In the event of this quorum not being reached, the second meeting may be deferred to a date not more than two months later than the date on which it was originally convened; the quorum of one-fifth is also required for this second meeting.

The Meeting issues decisions by a majority of two-thirds of the votes of the shareholders present or represented by proxy-holders, including the votes of shareholders who have voted by mail, except in the event of a legal derogation.

ARTICLE 34 OF THE ARTICLES OF ASSOCIATION – SPECIAL GENERAL MEETINGS

When there are several categories of shares, no changes may be made to the rights of a given category of shares unless approved by an Extraordinary General Meeting open to all shareholders and also by a Special General Meeting of the holders of the category of shares in question.

Decisions taken by Special General Meetings are valid only if the shareholders attending the meeting or represented by proxy represent at least one-third of the total voting rights, in the case of a first meeting, and one-fifth of the total voting rights in the case of a second meeting.

In all other respects, Special General Meetings are convened and deliberate in the same way as Extraordinary General Meetings.

5. Person responsible for the Registration Document and information on the auditing of the Company's financial statements

5.1. Person responsible for the Registration Document

Name and position of the person responsible for the Registration Document

Pascal Leroy, Chief Executive Officer

5.2. Information relating to the Statutory Auditors

5.2.1. STATUTORY AUDITORS AND ALTERNATE AUDITORS

Statutory Auditors

- Auditeurs et Conseils Associés – 31, rue Henri-Rochefort, 75017 Paris

  Represented by François Mahé

  Term of office expires at the General Meeting convened to approve the 2015 financial statements.

  First appointed: June 1986.

- Cabinet Mazars – 61, rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

  Represented by Christine Dubus

  Term of office expires at the General Meeting convened to approve the 2017 financial statements.

  First appointed: June 2000.

Alternate Auditors

- AEG Finances – 4, rue de Châtillon, 75014 Paris

  Term of office expires at the General Meeting convened to approve the 2015 financial statements.

- Jean-Louis Simon – 61, rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

  Term of office expires at the General Meeting convened to approve the 2017 financial statements.

5.2.2. FEES FOR STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

	Mazars						Auditeurs & Conseils					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
(in thousands of euros)	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
Audit												
Statutory audit, certification, audit of the individual company and consolidated financial statements:												
■ Issuer	214	239	214	36%	44%	26%	163	174	156	42%	67%	45%
■ Fully consolidated subsidiaries	236	140	447	40%	26%	54%	170	58	118	43%	22%	34%
Other services relating directly to the statutory audit assignment:												
■ Issuer	17	117	105	3%	22%	13%	1	2		0%	1%	0%
■ Fully consolidated subsidiaries	92	-	-	16%	0%	0%			55	0%	0%	16%
Subtotal	**559**	**496**	**766**	**95%**	**91%**	**93%**	**334**	**234**	**329**	**85%**	**90%**	**96%**
Other services provided by the firms to fully consolidated subsidiaries:												
Legal, tax, employee-related	32	47	61	5%	9%	7%	58	25		15%	10%	4%
Other	-	-	-	0%	10%	0%			15	0%	0%	0%
Subtotal	**32**	**47**	**61**	**5%**	**9%**	**7%**	**58**	**25**	**15**	**15%**	**10%**	**4%**
TOTAL	**591**	**543**	**827**	**100%**	**100%**	**100%**	**392**	**259**	**344**	**100%**	**100%**	**100%**

6. Provisional reporting timetable

Publication date	Event	SFAF meeting date
1 August 2013 before market opening	Revenue for the first half-year period of 2013	1 August 2013
28 October 2013 after market close	Revenue for the third quarter of 2013	-

The full-year and half-year results are presented at analysts' meetings.

7. Documents on display

The legal documents relating to the Company, in particular its Articles of Association, financial statements and reports presented to its Meetings by the Board of Directors and the Statutory Auditors may be requested from the Director of Communication 9 bis rue de Presbourg, 75116 Paris. All published financial information is available on the Group's website: www.sopragroup.com.

Statement by the person responsible for the Registration Document

I declare, having taken all reasonable care to ensure that such is the case, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and results of operations of the parent company and of all entities included in the scope of consolidation, and that the management report included in this document, on pages 37 to 54, provides a true and fair presentation of the development of the businesses, results of operations and financial positions of the parent company and of all entities included in the scope of consolidation, as well as a description of the main risks and uncertainties to which these companies are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have verified, in accordance with professional standards and doctrine applicable in France, the financial and accounting information provided in this Registration Document and that they have read the document as a whole.

The reports of the Statutory Auditors on the consolidated and individual company financial statements for the year ended 31 December 2012 provided in this Registration Document are included on pages 140 and 160, respectively.

Historical financial information for 2010 and 2011 is included in this Registration Document, excerpted from pages 73 to 144 of the 2010 Registration Document and pages 85 to 157 of the 2011 Registration Document, respectively. The reports of the Statutory Auditors on this historical financial information are included on page 123 of the 2010 Registration Document and on page 138 of the 2011 Registration Document.

The report of the Statutory Auditors on the consolidated financial statements for the year ended 31 December 2010 contains a technical observation relating to changes in accounting methods and the presentation of the financial statements.

The report of the Statutory Auditors on the consolidated financial statements for the year ended 31 December 2011 also contains a technical observation relating to changes in accounting methods and the presentation of the financial statements.

The pro forma financial information presented in the Update to the 2010 Registration Document filed with the *Autorité des marchés financiers* on 20 May 2011 under No. D. 11-0261-A01 was subject to a report by the Statutory Auditors appearing on page 60, which does not contain any observations or qualifications.

Paris, 23 April 2013

Pascal Leroy

Chief Executive Officer

Cross-reference table for the Registration Document

In order to enhance the readability of the Annual Report filed as a Registration Document, the following theme-based table allows the reader to identify the headings required by the Commission Regulation (EC) 809/2004 of 29 April 2004.

Information regarding the Management Report

The present Registration Document includes all items listed in the Management Report and required by legislation and regulations. The table below presents the items listed in Sopra Group's Management Report of 31 December 2012:

Reference texts		Business overview and comments on the financial year	Pages
CCom *	L. 225-100, L. 225-100-2, L. 232-1, L. 233-6 and L. 233-26	Objective, exhaustive analysis of the course of business, performance and financial position of the Company and Group; financial key performance indicators	8-14, 38-45
CCom	L. 225-100 and L. 225-100-2	Non-financial key performance indicators relating specifically to the Company's business, including disclosures on environmental and labour issues	55-84
CCom	L. 233-6	Significant equity interests acquired during the financial year in companies whose registered offices are on French soil	*NA*
CCom	L. 232-1 and L. 233-26	Foreseeable developments in Company and Group affairs; major events occurring between the balance sheet date and the date at which the report was approved for publication	13, 44-45
CCom	L. 225-100 and L. 225-100-2	Description of main risks and uncertainties to which the Company is exposed	47-48
CCom	L. 225-100 and L. 225-100-2	Use of financial instruments by the business: targets and policy pertaining to the management of financial risks and the Company's exposure to price, credit, liquidity, and cash flow risks	48
CCom	L. 225-102-1, L. 225-102-2 and R. 225-104 and 105	Disclosures pertaining to the social and environmental consequences of doing business (including "Seveso" sites), corporate commitments to sustainable development, anti-discrimination efforts and promoting diversity	55-84
CCom	L. 232-1	Research and development activities	14
CGI **	243 bis	Dividends distributed in respect of the past three financial years; amount of earnings distributed in respect of those years that is eligible for the 40% tax exemption	173
Reference texts		**Corporate governance and compensation**	
CCom	L. 225-102-1	List of all corporate offices and positions held in any company by each company officer during the financial year	18-22
CCom	L. 225-102-1	Total compensation and benefits of any type paid during the financial year to each company officer; commitments of any type made by the Company to its company officers, whether in the form of compensation, indemnities or benefits owed or potentially owed in respect of or subsequent to their appointment, termination or reappointment to a different position	23-25
CCom	L. 225-184	Options granted, subscribed for or purchased during the financial year by the company officers and each of the Company's top ten non-officer employees; options granted to all employees, by category	25
CCom	L. 225-185 L. 225-197-1	Conditions for the exercise and holding of options by senior executive officers; conditions for the holding of bonus shares allotted to senior executive officers	23
CMF ***	R. 621-18-2	Transactions by senior executives and related persons involving Company securities	49-50

Reference texts		Disclosures pertaining to the Company and share capital	Pages
CCom	L. 225-100-3	Rules for the appointment and replacement of members of the Board of Directors or Management Board, and for the modification of the Company's Articles of Association; powers of the Board of Directors or Management Board, including the issue and purchase of shares	184-189
CCom	L. 225-211	Breakdown of purchases and sales of treasury shares over the financial year	167
CCom	R. 228-90	Potential adjustments for securities conferring access to the share capital in the event of share buybacks or financial transactions	*NA*
CCom	L. 225-100	Table summarising current delegations of authority granted by a Shareholders' Meeting to the Board of Directors or Management Board, pertaining to an increase in share capital	170-171
CCom	L. 225-100-3 and L. 233-13	Company ownership structure and changes in ownership	166-169
CCom	L. 225-100-3	Restrictions under the Company's Articles of Association on the exercise of voting rights and share transfers, or clauses of agreements brought to the Company's attention	50-51
CCom	L. 225-100-3	Direct or indirect stakes held in the Company's capital and of which the Company is aware	166-169
CCom	L. 225-102	Statement of employee stakes in share capital at financial year-end; portion of capital corresponding to shares held by personnel under a PEE company savings plan and by employees and former employees in FCPE enterprise mutual funds	50
CCom	L. 225-100-3	Control mechanisms planned for a potential employee share ownership programme, when control rights are not exercised by the employees	*NA*
CCom	L. 225-100-3	List of all holders of shares with special control rights, and a description thereof	*NA*
CCom	L. 225-100-3	Shareholders' agreements of which the Company is aware and which may lead to restrictions on the transfer of shares and the exercise of voting rights	50-51
CCom	L. 225-100-3	Agreements entered into by the Company that are modified or terminated in the event of a change in control over the Company, unless this disclosure, where not required by law, would seriously harm the Company's interests	50-51
CCom	L. 225-100-3	Agreements providing for indemnities payable to members of the Board of Directors or Management Board or employees if they resign or are dismissed without just cause or if their position is terminated due to a public offer	50-51
CCom	L. 464-2	Pecuniary sanctions or injunctions for anti-competitive practices	*NA*
Reference texts		**Items relating to the financial statements**	
CCom	R. 225-102	Results of the Company over the past five financial years	52

* *CCom = Code de commerce (French Commercial Code).*

** *CGI = Code général des impôts (French General Tax Code).*

*** *CMF = Code monétaire et financier (French Monetary and Financial Code).*

Cross-reference table for the Annual Financial Report

The present Registration Document includes all items listed in the Annual Financial Report as mentioned in Articles L. 451-1-2 of the French Monetary and Financial Code and required by Article 222-3 of the AMF's General Regulation. The table below restates the items listed in the Annual Financial Report.

PEFC/10-31-1190
FCBA/08-00860A

This document was printed in France by an Imprim'Vert certified printer on recyclable, elementary chlorine free and PEFC certified paper produced from sustainably managed forests.

Design: INCREA

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

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