REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

2013

Talented Together

Items with the symbol AFR appearing next to them form part of the Annual Financial Report. AFR

Société anonyme with share capital of €11,919,583 – 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

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The original French-language version of this Registration Document was registered with the Autorité des Marchés Financiers (AMF) on 29 April 2014 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 alone assume responsibility for its content.

Copies of this Registration Document may be obtained by submitting a request to Sopra, 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 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 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).
2. Relating to financial year 2012:
   - 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 23 April 2013 under number D. 13-0410 (pages 37 to 54 and 87 to 140, respectively);
   - the individual company financial statements of Sopra as well as the report of the Statutory Auditors on these financial statements included in the Registration Document filed on 23 April 2013 under number D. 13-0410 (pages 141 to 160);
   - the special report of the Statutory Auditors on regulated agreements and commitments included in the Registration Document filed on 23 April 2013 under number D. 13-0410 (pages 161 to 164).

The information included in both of these Registration Documents 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.

A WORD FROM THE CHAIRMAN

PIERRE PASQUIER

Sopra has strong forward momentum: this has been the case for several years now, and 2013 was no exception. As the pace of change everywhere increases yet again, today's fresh wave of digital innovation and disruptive technologies is clearly having a profound impact on our everyday lives. Governments are gradually reshaping their interactions with individuals; people are connecting and communicating differently; in the business world, companies' entire processes are evolving. I firmly believe that, throughout this process of technological transformation, we as a company should constantly be rethinking our business model so as to remain proactive contributors to long-term progress, and to seize the extraordinary opportunities offered by the new digital revolution.

At Sopra, we began our own transformation years ago, thanks to a familiarity with cloud computing, social networks, big data, digital mobility and other trending technologies – not to mention our clear vision of the challenges ahead and the decisions that would enable us to deal with them.

The Axway spin-off and listing in 2011 was one element of our transformation process. The steps taken to position Sopra as a *fully-integrated provider* of digital products and services were another. They have enabled us to move forward through a resolute policy of growth and a strategy of building high value-added offerings around our three business lines: Consulting, Services, and Solutions.

We continue to evolve, with a constant eye toward maintaining our business performance – year after year, we remain among the best in our field in terms of both growth and profitability.

Our transformation process takes into account the interests of every stakeholder in Sopra's ecosystem, including clients, employees and shareholders. It is in keeping with the values and commitments that shape the way we do business.

Our results for 2013 should be read in light of this proactive, responsible approach to long-term value creation.

Sopra has strong forward momentum

The figures show strong performance against a complex economic backdrop. Over this past year we experienced substantial organic growth while also generating an operating profit margin of more than 8%. We were joined by nearly 2,000 new employees, and all the Group's business lines evolved in significant ways:

- consulting was reorganised to develop close synergies with software publishing and systems integration;
- systems Integration launched several major projects aimed at making even more progress in controlling its performance on an industrial scale;
- software publishing remained a high strategic priority.

Our commitment to products and solutions was reflected notably in the continuation of our investment policy, which we first implemented in 2012. As such, during the first quarter of 2014, our subsidiary Sopra Banking Software received a boost from the acquisition of German group COR&FJA's banking solutions subsidiary. And the acquisition of HR Access further reinforced our Pléiades offering in the field of human resources management.

The process of strategic analysis that began three years ago, and has since spread widely throughout the Group, continued this year. It focused on the central goal of value creation, which will keep on driving decision-making about strategy in 2014 and for the years to come.

The key for Sopra is to be able to satisfy the growing number of clients who want a fully-integrated provider, one that can take on entire swathes of their IT systems at a time. This means pursuing a policy of sustained growth, both organic and external, in France and across the rest of Europe.

And grow we will – all the while staying true to ourselves, looking out for the needs of our clients, and giving our own employees pride of place in Sopra's plans for the future.

Pierre Pasquier

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 digital 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 Ingéniering: An IT services company serving financial institutions and banks

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

1999

sopra BANKING SOFTWARE

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**

axway business. in motion.

1982 – 1st EAI platform (Règle du jeu)

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

2014
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 solutions

2014
Acquisition
COR&FJA Banking Solutions GmbH (Germany)
Vendor of banking solutions

2001
Formation of the Axway Software subsidiary

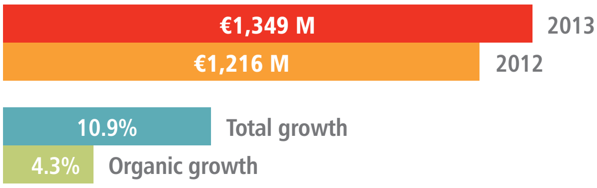
2002
Acquisition
Viewlocity
Vendor of computerised data transfer solutions

2006 / **2008**
Acquisition
Cyclone Commerce
Vendor of secure exchange platforms
Actis
Vendor of B2B software
Tumbleweed Communications
Vendor of secure exchange solutions

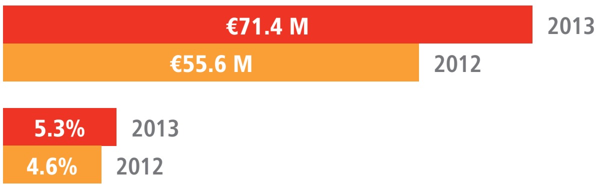
2011
Axway Software completes its IPO on NYSE Euronext Paris

2013 HIGH QUALITY DELIVERED

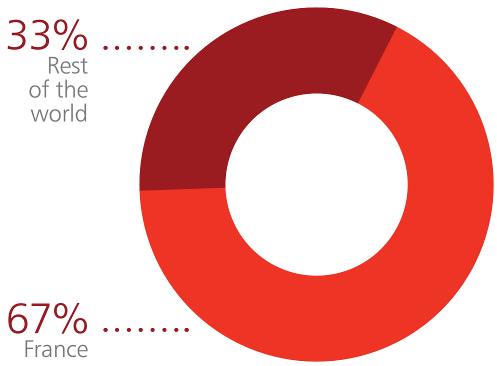
REVENUE AND GROWTH



NET PROFIT - GROUP SHARE



REVENUE BY GEOGRAPHIC AREA



FAMILIARITY AND EXPERTISE WITH OUR CLIENTS AND THEIR INDUSTRIES

through more than 45 years of constant engagement in:

CONSULTING

Sopra Consulting is one of France's leading providers of transformation consulting, in both management and technology. It is backed by forty years of experience in advising large companies and public-sector organisations, whom it helps grow by expanding and boosting competitiveness. Its 650 consultants first take action on the strategic level, then design and implement major transformation projects at both the French and European levels. Sopra Consulting analyses the professional, technological, economic and cultural aspects of a project, then proposes truly innovative solutions, taking full advantage of the ongoing digital revolution.

SYSTEMS AND SOLUTIONS INTEGRATION

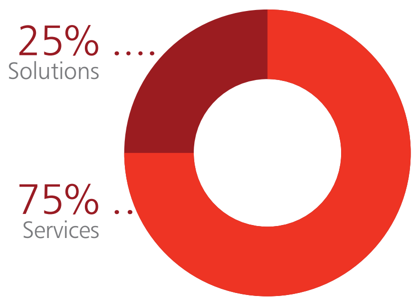
This is Sopra's traditional core business, impacting the entire life cycle of systems and major transformation programmes.

3 main missions:
continuously **improving** existing IT capability
leveraging that IT capability
restructuring information systems

Sopra sometimes operates all or part of an information system on its client's behalf, while maintaining operational conditions, before handling the gradual change of applications and their infrastructure.

Sopra is also the preferred partner of Axway Software, whose "Axway 5 Suite" exchange platforms play an important role in information system renovation.

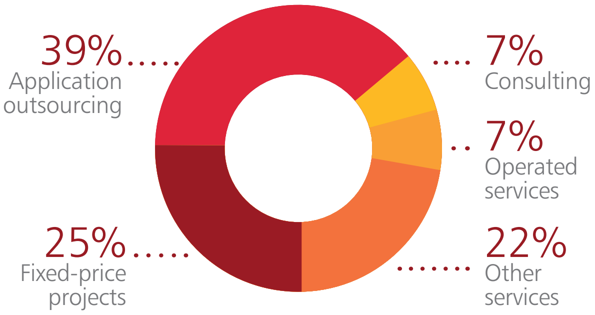
REVENUE **BY BUSINESS LINE**



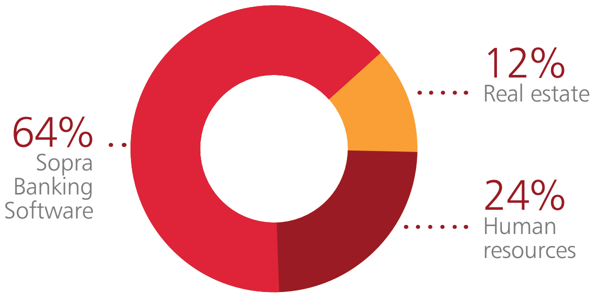
A HANDS-ON **COMMITMENT TO OUR CLIENTS' TRANSFORMATION** PROCESSES

with published solutions for three industries...

SERVICES REVENUE



SOLUTIONS REVENUE



SOFTWARE DEVELOPMENT FOR BANKING:

Sopra Banking Software (a Sopra subsidiary) is a European banking software developer. Its offerings cover all banking operations. They help establishments increase their speed, agility, productivity and efficiency. Alongside its product offering, Sopra Banking Software provides a range of services including implementation, support and training.

Solutions: Sopra Banking Software's offerings are universal. They may be used by clients in retail banking, online banking and private banking. The company's Sopra Banking Suite provides a comprehensive response to client requirements by offering integrated systems. But this suite also fills more specific needs, in areas such as lending services, payment operations, bank card management, banking distribution, bank account management, cash flow management and regulatory compliance.

Services: Sopra Banking Software offers a range of services to support clients throughout their project life cycles. Upstream services include identifying changes entailed by bank strategy and measuring their impact on information systems. Downstream services facilitate the flexible, controlled and successful integration of Sopra Banking Suite. Finally, user training, change management support and live technical support ensure optimum use of these solutions.

> *Sopra Banking Software runs more than 700 installations for over 500 clients in 70 countries.*

SOLUTIONS FOR HUMAN RESOURCES MANAGEMENT

In 2013, the acquisition of HR Access strengthened our position in human resources management. Based on the **Pléides** and **HR Access** product lines, the Group is developing a high value-added service offering for large private and public-sector organisations. Solutions can be provided on either an insource or an outsourced basis. Clients have access to a very broad range of functions (including payroll, administration, time and activity management, talent management, reporting and performance dashboards). Our offerings, available in both localised and international versions, are based on the most innovative business practices encompassing the new digital revolution, mobility and paperless processing.

The division is made up of 1,000 staff serving over 850 clients in 54 countries. It manages HR administration for more than 12 million client employees.

PROPERTY MANAGEMENT SOLUTIONS

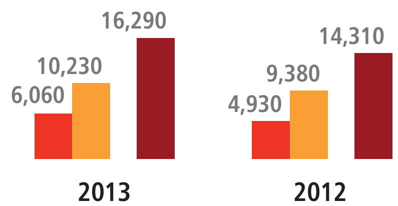
Sopra is France's leading developer of property management solutions. It enjoys a strong history and reputation, and its expertise is widely recognised among the real estate sector's leading players. Its offering is positioned on all the market segments of social and private real estate, including offices, shopping centres and warehouses. It offers software applications that cover all areas of rental management and technical asset management. These are marketed through fully-integrated solutions: products, innovative technological services (mobility, extranet, web) and support services.

The top provider in France, with 310 staff working for the real estate industry in France and across Europe.

AN ENTERPRISE PROJECT THAT **CREATES VALUE**

OUR HUMAN COMMITMENT

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

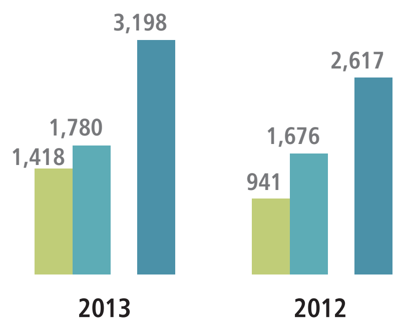


CHANGES IN THE **WORKFORCE**

- International
- France
- Total

331,930

Number of training hours provided in 2013



CHANGES IN **HIRING VOLUMES**

- International
- France
- Total

456

Number of teams in the Company-wide Innovation Awards

The Innovation Awards are open to all Group employees in all countries, and are intended to develop creativity and promote future uses of digital technology.

OUR VISION OF THE MARKETS WORKING FOR TRANSFORMATION

The financial sector is Sopra's primary market in all the countries in which it operates, notably through its subsidiary Sopra Banking Software. The new digital revolution is giving rise to digital banking. Regulation is evolving and becoming increasingly strict. Clients are increasingly multi-banked and versatile. Back office banking processes need to be rationalised. Consumers have more influence and are more technologically aware.

Because of their central role in banking activities, information systems are impacted by these constraints. Changes in their architecture must bear in mind the requirements of their various sub-systems: distribution, production, data warehouses and management systems (as well as the exchange systems central to this type of restructuring). Some banking groups encourage the pooling of activities within or between banks to create new "factories". Others aim to enhance their agility and shorten time to market, and are thus interested in more flexible and responsive applications. Banks are all looking for companies ready to commit to supporting them throughout their entire transformation process. Sopra's offerings in consulting, software development and integration provide a full and cohesive response to their concerns.

Political and regulatory trends always influence the insurance sector to a considerable extent and are especially important today, with solvency requirements increasing pressure on margins.

Faced with new expectations from citizens and the need to optimise expenses, the public sector has committed to vastly transforming its activities and organisation.

Sopra plays a leading role in the French telecoms and media sectors. Today, the Group's ambitions are focused beyond its domestic borders, in service of major European operators based in the United Kingdom, Spain, Belgium and Germany.

The aerospace market is seeing strong growth. In this sector, which accounts for 10% of its business, Sopra is positioned as a major European player offering solutions in critical fields such as on-board data processing, the management of technical data or the supply chain.

In the defence market, Sopra has become a key partner positioned at the very core of the business.

Sopra helps major European energy suppliers transform by responding to economic, technical and regulatory challenges. Sopra works with the leading companies in transport and courier services. The Group assists them in their efforts to improve quality and create innovative solutions. It helps them take full advantage of digital technologies, particularly in the fields of ticketing, check-in, production (transport plans), asset management and support services.

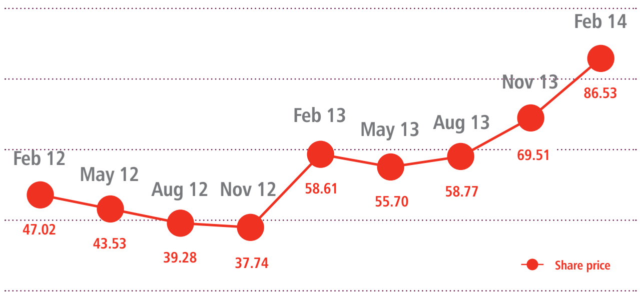
The retail vertical is confronted with challenges such as building loyalty and developing business with an increasingly well-informed and demanding client base, optimising purchasing and procurement performance, and innovating via multi-channel sales and marketing concepts that set our clients apart from their international competitors. Sopra serves and supports major mass-market and specialised distributors and retailers faced with these business challenges.

The Group has built up a genuinely high level of expertise in the retail vertical 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.

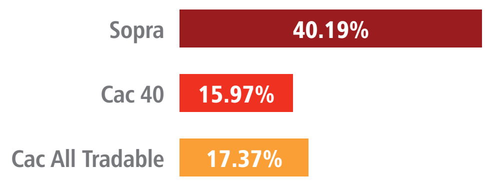
AN ENTERPRISE PROJECT THAT **CREATES VALUE**

OUR STOCK MARKET PERFORMANCE

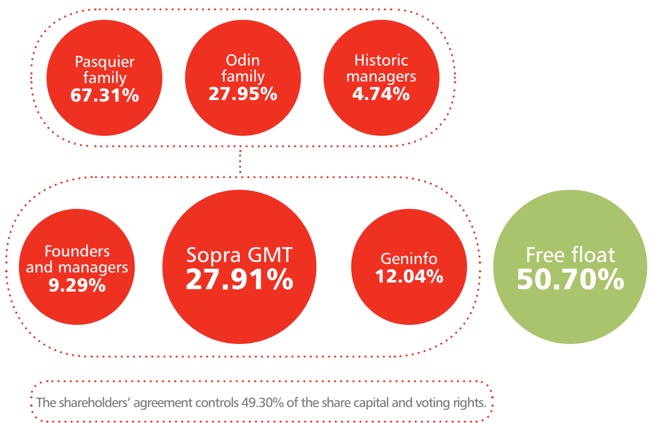
Sopra was listed on the Second Market of the Paris Bourse on 27 March 1990. At 31 December 2013, Sopra had share capital of €11,919,583 comprising 11,919,583 shares with a nominal value of €1. Sopra shares are listed on Compartment B of NYSE Euronext Paris and are eligible for the Deferred Settlement Service (SRD long only).



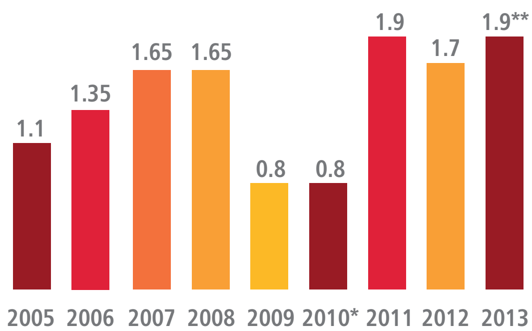
2-YEAR SOPRA SHARE PERFORMANCE



1-YEAR PERFORMANCE



OWNERSHIP STRUCTURE **AT 31.12.2013**



Net dividend in euros / * On 8 June 2011, Sopra Group's General Meeting approved an exceptional distribution of premiums and reserves in the form of €3.92 cash and one Axway Software share per Sopra Group share, in recognition of Axway Software's spin-off and public listing.
** Amount proposed to the 2014 General Meeting.

DIVIDEND **HISTORY**

1 Sopra in brief

1. Key figures

1.1. Financial summary

(in millions of euros)	2013	2012	2011
Revenue	1,349.0	1,216.7	1,050.3
EBITDA	113.2	117.8	99.8
Operating profit on business activity	108.9	109.6	92.5
As % of revenue	*8.1%*	*9.0%*	*8.8%*
Profit from recurring operations	101.1	103.2	91.7
As % of revenue	*7.5%*	*8.5%*	*8.7%*
Operating profit	103.9	91.3	97.9
As % of revenue	*7.7%*	*7.5%*	*9.3%*
Net profit attributable to the Group	71.4	55.6	62.9
As % of revenue	*5.3%*	*4.6%*	*6.0%*
Total assets	1,178.5	1,031.1	770.4
Total non-current assets	570.0	565.2	366.6
Equity – Group share	357.9	305.3	273.9
Minority interests	-	-	-
Number of shares at 31 December	11,919,583	11,893,486	11,893,486
Basic earnings per share *(in euros)*	6.00	4.67	5.29
Fully diluted earnings per share *(in euros)*	5.92	4.62	5.29
Net dividend per share *(in euros)*	1.90*	1.70	1.90
Staff at 31 December	16,290	14,310	12,610

* *Amount proposed to the General Meeting of 27 June 2014.*

1.2. Revenue by activity

(in millions of euros)	2013		2012		2011	
CSSI* France	828.0	*61.4%*	795.8	*65.4%*	776.6	*73.9%*
SSI** Europe	247.6	*18.3%*	225.4	*18.5%*	184.5	*17.6%*
Sopra Banking Software	217.3	*16.1%*	195.5	*16.1%*	89.2	*8.5%*
HR Access	56.1	*4.2%*	-	-	-	-
TOTAL REVENUE	**1,349.0**	***100.0%***	**1,216.7**	***100.0%***	**1,050.3**	***100.0%***

* *CSSI: Consulting, Services and Solutions Integration.*

** *SSI: Services and Solutions Integration.*

1.3. International revenue

(in millions of euros)	2013		2012		2011	
CSSI France*	35.5	*2.6%*	50.0	*4.1%*	35.0	*3.3%*
SSI Europe	247.6	*18.4%*	240.0	*19.7%*	184.5	*17.6%*
Sopra Banking Software	142.3	*10.5%*	97.7	*8.0%*	19.8	*1.9%*
HR Access	18.9	*1.4%*	-	-	-	-
Total international revenue	**444.3**	***32.9%***	**387.7**	***31.9%***	**239.3**	***22.8%***
TOTAL REVENUE	**1,349.0**	***100.0%***	**1,216.7**	***100.0%***	**1,050.3**	***100.0%***

* *Export revenue.*

International revenue accounted for 32.9% of Group revenue, compared with 31.9% in 2012 and 22.8% in 2011.

1.4. Revenue by economic sector

	2013	2012	2011
Banking	*28.0%*	*26.5%*	*18.7%*
Services (including Real Estate)	*20.5%*	*20.1%*	*21.1%*
Public Sector	*16.6%*	*15.6%*	*17.6%*
Manufacturing	*15.7%*	*15.9%*	*17.0%*
Telecoms	*9.2%*	*10.3%*	*12.1%*
Insurance	*5.4%*	*6.4%*	*6.5%*
Retail	*4.6%*	*5.2%*	*7.0%*
TOTAL	***100.0%***	***100.0%***	***100.0%***

1.5. Revenue for Sopra Banking Software and HR Access

(in millions of euros)	2013	2012	Total growth	Organic growth
Sopra Banking Software	217.3	195.5	*11.2%*	*-0.3%*
HR Access	56.1	-		*2.4%*

2. History of Sopra

See pages 4 and 5 of this document.

3. Sopra's businesses

3.1. A cohesive, independent European group

Sopra is a global player in IT services, with operations in consulting, software development and integration. The Group offers a combination of industrial-scale quality, performance, added value and innovation, making it the benchmark partner for large organisations in need of transformational support. Sopra answers its clients' requirements by focusing on the issues that matter most to their work. By optimising the way they utilise digital technology, Sopra also helps them develop faster and become more competitive.

Sopra is firmly positioned on eight carefully targeted markets, and has deployed a strategy whose main focus is key accounts in Europe. As well as maintaining a strong presence in France, the Group operates in the United Kingdom, Spain, Italy, Switzerland, Germany and Belgium. This international positioning enables Sopra to assist Europe's largest companies in carrying out their major IT projects. The Group has implemented an industrial-scale production approach to support its ambitions.

Sopra is the preferred partner of Axway Software, whose "Axway 5 Suite" exchange platforms play an important role in IT renovations. Majority-owned by its founders and managers, Sopra is an independent group. It is considered a benchmark in terms of not only its own performance, but also the added value it brings to clients.

3.2. A continuous chain of added value based on three business lines

Sopra's business model is unique in the IT services market, based on three **complementary** business lines: Consulting, Integration and Software vending. The group offers a continuous chain of **added value**, providing end-to-end solutions to clients' business challenges and supporting clients throughout their transformation: understanding **strategy**; **scoping** transformation programmes; **designing** and building solutions; and **implementing**, **upgrading** and **maintaining** those solutions. Having operated under this business model for many years, Sopra has a wealth of experience on which to draw. The Group fosters **close relationships with its clients** and is **constantly innovating** to ensure that its offerings always respond to the **genuine strategic challenges** of the moment.

3.2.1. CONSULTING

Sopra Consulting has been Sopra's consulting brand since 2010. It is one of France's leading providers of transformation consulting, in both **management** and **technology**. Sopra Consulting is backed by forty years of experience in advising large companies and public-sector organisations, whom it helps grow by **expanding** and boosting **competitiveness**. Its 650 consultants first take action on the **strategic** level, then design and implement **major transformation projects** at both the French and European levels. Sopra Consulting analyses the professional, technological, economic and cultural aspects of a project, then proposes truly innovative solutions, taking full advantage of the ongoing **digital revolution**.

3.2.2. SYSTEMS AND SOLUTIONS INTEGRATION (SSI)

Sopra's traditional core business of systems and solutions integration affects the entire life cycle of systems and major transformation programmes. Sopra works on three types of assignments for its clients:

- **continuously improving existing IT capability:** this first type of assignment aims to **improve** and **lower the cost** of IT services provided to business areas. In this area, **standardised** maintenance procedures are a key factor that is constantly evolving. Cost reduction is achieved by **rationalising functions, applications and technologies**;
- **leveraging that IT capability:** this is achieved by implementing innovative solutions that **enhance** existing applications. It also leads to the implementation of a continuing **enterprise architecture** approach, which gradually increases the information system's efficiency and agility;
- **restructuring information systems:** required in the case of a radical transformation in order to resolve **burdensome business challenges** (integration of a major acquisition, ensuring the consistency of processes and processing cycles, completely overhauling processes or modifying the value chain). It involves implementing the best solutions, without any interruption in service, and making the **best possible use of the existing system**.

Sopra sometimes **operates** all or part of an information system **on its client's behalf**, while maintaining operational conditions, before handling the gradual change of applications and their infrastructure.

3.2.3. SOFTWARE DEVELOPMENT

Sopra Group is a **high-powered vendor of solutions** in three areas: banking, human resources management and property management.

Software development for banking: Sopra Banking Software

Sopra Banking Software (a Sopra subsidiary) is a European **banking software** developer. Its offerings cover **every aspect of banking**. They help financial establishments increase their speed, agility, productivity and efficiency. Alongside these solutions, Sopra Banking Software provides a range of services, including implementation, support and training. As of 2014, Sopra Banking Software has a global footprint of more than 700 installations, with 500 clients in 70 countries.

- **Solutions:** Sopra Banking Software's offerings are **universal**. They may be used by clients in retail banking, online banking and private banking. The company's Sopra Banking Suite provides a comprehensive response to client requirements by offering integrated systems. But this suite also fills more specific needs, in areas such as lending services, payment operations, bank card management, banking distribution, bank account management, cash flow management and regulatory compliance.
- **Services:** Sopra Banking Software offers a range of services to **support** clients throughout their project life cycles. Upstream services include identifying **changes** entailed by bank strategy and measuring their impact on information systems. Downstream services facilitate the flexible, controlled and successful **integration** of Sopra Banking Suite. Finally, user **training**, change management support and live technical support ensure optimum **use** of these solutions.

Human resources management software

Sopra also sells **software** in the **human resources** field. In 2013, the Group bolstered its position by acquiring HR Access. Based on the "Pléiades" and "HR Access" product lines, the Group is developing a high added value service offering for large private and public sector organisations. Solutions can be provided on either an insourced or an outsourced basis. Clients have access to a **very broad range of functions** (including payroll, administration, time and activity management, talent management, reporting and performance dashboards). Our offerings, available in both localised and international versions, are based on the most innovative business practices encompassing the new digital revolution, mobility and paperless processing. In 2014, the division has 1,000 employees and more than 850 clients in 54 countries. Its solutions are used to manage HR administration for more than 12 million client employees.

Software development for property management

Lastly, Sopra is France's leading developer of **property management solutions**. It benefits from its strong history and reputation, and its expertise is widely recognised among the real estate sector's leading players. Its offering is positioned on all the market segments of social and private real estate, including offices, shopping centres and warehouses. It offers software applications that cover **all areas of real estate-related professions**, in terms of both rental management and technical management. They are marketed through fully-integrated solutions: products, innovative technological services (mobility, extranet, web) and support services.

3.3. High added value, targeting eight markets

Sopra has selected **eight major verticals** that make up its fields of excellence. In each of these eight fields, the Group supports its clients using tried and tested innovative practices. It covers pre-project consultancy, large scale project management and the continuous improvement of existing applications. It meets the challenges of major organisations' information systems: development, improved performance and efficiency. The Group's actions concerning these eight verticals are detailed below.

3.3.1. FINANCIAL SERVICES

The **financial sector** is Sopra's primary market in the countries in which it operates, notably through its subsidiary Sopra Banking Software. This economic sector is subject to significant constraints. The new digital revolution is giving rise to digital banking. Regulation is evolving and becoming increasingly strict. Clients are increasingly multi-banked and versatile. Back office banking processes need to be rationalised. Consumers have more influence and are more technologically aware.

Because of their central role in banking activities, information systems are impacted by these constraints. Changes in their **architecture** must bear in mind the requirements of their various sub-systems: distribution, production, data warehouses and management systems (as well as the exchange systems central to this type of restructuring). Some banking groups encourage the pooling of activities within or between banks to create new "factories". Others aim to enhance their agility and shorten time to market, and are thus interested in more flexible and responsive applications. Banks are all looking for companies ready to commit to supporting them throughout their **entire transformation process**. Sopra's offerings in consulting, software development and integration provide a full and cohesive response to their concerns.

3.3.2. INSURANCE AND SOCIAL WELFARE

Political and regulatory trends always influence the **insurance** sector to a considerable extent and are especially important today, with solvency requirements increasing **pressure** on margins. The **social welfare** sector continues to undergo **concentration** at a rapid pace due to several factors (demographics, decreasing proportion of the population reporting good health status, growing numbers of patients affected by long-term illness). Both of these sectors face major challenges: a continually changing world, fuelled by innovation and heightened competition, accompanied by the appearance of new growth drivers.

Sopra has decided to **step up** its expansion efforts in the insurance and social welfare markets. These activities are now managed by a single organisation. All Sopra's offerings are brought together to meet the needs of major insurers such as insurance companies, mutual insurers and bancassurers, as well as those of social welfare providers such as jointly managed institutions, mutual insurers and supplementary pension providers. Sopra provides a cohesive response with **local teams** at its service centres in Paris, Niort, Le Mans and Orléans.

3.3.3. PUBLIC SECTOR

Faced with new expectations from citizens and the need to optimise expenses, the **public sector** has committed to vastly transforming its activities and organisation. Sopra has proved itself as a true **long-term** partner, supporting the public sector from the pre-project consultancy stage to implementing adapted solutions, and contributing to the **State's modernisation plan** addressing performance, user relations, regulations, paperless processes, mobility and interoperability.

On behalf of large public sector organisations (ministries, health care and social welfare providers, employment and training organisations, regional authorities), Sopra offers recognised expertise, tailored to address today's major challenges and encompassing all necessary aspects of procedures (professional, technological, economic). This know-how is reflected in **dedicated offerings** for the public sector (facilitating collaboration between public services, satisfying regulatory requirements, optimising performance, diversifying channels of communication, modernising legacy systems, and placing citizens right at the heart of relations with the public sector as true users).

3.3.4. TELECOMS OPERATORS

The telecommunications ecosystem is complex in nature, including operators, over-the-top (OTT) service providers, equipment manufacturers and content providers. At the forefront of challenges raised by the roll-out of 4G/LTE, **telecoms operators** and **media companies** must respond to changes in uses of technology and in their sector's competitive environment. They are looking for agile partners of sufficient size armed with the necessary expertise to help them optimise their legacy systems and prepare for the future.

Sopra plays a leading role in the French telecoms and media sectors. Today, the Group's ambitions are focused beyond its domestic borders, in service of major **European** operators based in the United Kingdom, Spain, Belgium and Germany. Sopra's solutions and services meet the full range of operator requirements over the entire client life cycle (marketing of innovative offers and services; convergent, multi-channel and digital client relations; management of product and service catalogues; sales; service activation; collection of communications; user billing, payments and collection). The Group has forged strong partnerships with leading **specialist software companies** serving this sector. Sopra also pursues a long-term strategy of continued **investment** in research and development. The Group operates a research laboratory whose personnel explore uses of technology in its solutions, differentiating services and the management of operations, constantly pushing forward with innovations to make its offerings more digital and mobile, while also adding more advanced real-time capabilities.

3.3.5. AEROSPACE AND DEFENCE

The **aerospace** market is seeing strong growth. In this sector, which accounts for 10% of its business, Sopra is positioned as a major European player offering solutions in critical fields such as on-board data processing, the management of technical data or the supply chain. The Group's approach emphasises **technology innovation** and **business-specific know-how**. Sopra fully aims to become Europe's leading player in this market by 2016.

In the **defence** market, Sopra has become a key partner positioned at the very **core of the business**. The Group is mainly involved in 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, performance improvement and cyber-defence.

3.3.6. ENERGY

The European **energy** sector is faced with a high level of economic, technical and regulatory **uncertainty**. It also faces the challenge of stagnating demand. At the same time, a **high level of investment** is required to adapt infrastructure (in production, transmission and distribution), develop energy-related services and establish positions in those geographical regions where demand for energy is growing.

Sopra helps major European energy suppliers transform by responding to these **challenges**. The Group helps boost their **performance**, providing services from consulting to integration across all key areas of operation: exploration, production (including planning, operating and maintaining nuclear and hydro-electric production facilities), transmission and distribution (advanced metering, supervision of infrastructure, etc.), and marketing and services (digital client relationships, energy-based services, etc.).

3.3.7. TRANSPORT AND COURIER SERVICES

Sopra is works with the leading companies in **transport** and **courier services**. The Group assists them in their efforts to improve **quality** and create **innovative solutions**. It helps them take full advantage of digital technologies, particularly in the fields of ticketing, check-in, production (transport plans), asset management and support services.

3.3.8. RETAIL

The **retail** vertical is confronted with challenges such as building loyalty and developing business with an increasingly well-informed and demanding client base, optimising purchasing and procurement performance, and innovating via multi-channel sales and marketing concepts that set our clients apart from their international competitors. Sopra serves and supports major mass-market and specialised distributors and retailers faced with these **business challenges**.

The Group has built up a genuinely high level of **expertise in the retail vertical** 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.

3.4. A robust, ambitious mass processing strategy

Sopra handles **project management** for increasingly **ambitious** projects and programmes. The size and complexity of projects are increasing. Commitments have been strengthened and globalised. Disciplines have become more diverse. Multiple production sites may be involved. Ever more substantial productivity gains must be achieved at extremely competitive costs. These challenges have led Sopra to implement an **industrial production approach**, based on **five key areas:**

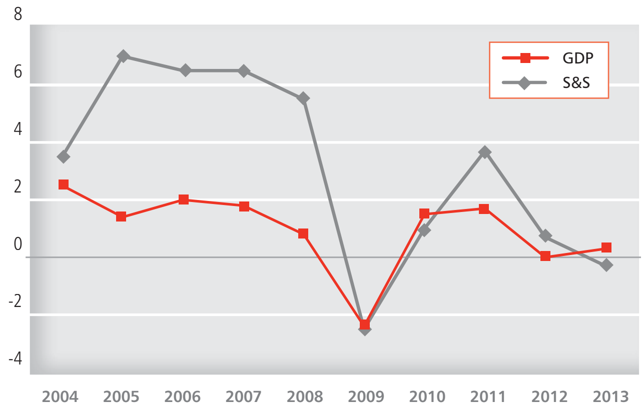
- **Production culture:** built on the **transmission** of relevant knowledge, skills and attitudes in the **field**;
- **Human resources:** at the heart of the company's activities, supported by the careful attention given to the **choice of staff** for each assignment. This area ensures that the most experienced employees provide others with training and support, helping them gain skills and take on expanded responsibilities;
- **Organisation:** the **Industrialisation Department** (and its representatives in all operational business units) controls production quality and performance, identifies and manages risks, supports project managers and rolls out standardised production processes;
- **Tools:** consisting of the **Quality System**, methods (including in particular "eMedia") and associated software;
- **Global Delivery Model:** aims to **rationalise production** and is based on the pooling of resources and know-how within **service centres**. It locates services according to each client's needs (Xshore): local services in France, nearshore services in Spain or offshore services in India.

4. Digital services sector: current situation and challenges

4.1. Sector activity in 2013

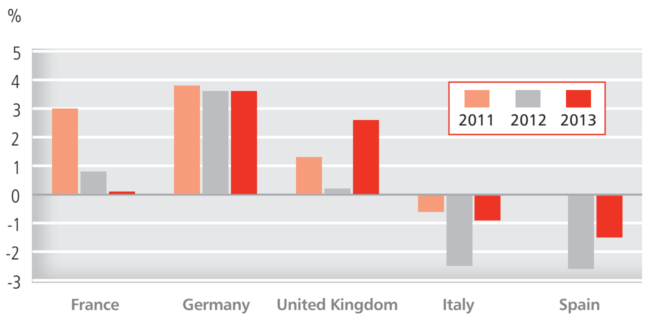
In France, the software and services (S&S) sector (including technology consulting) posted slightly negative revenue growth in 2013, shrinking by 0.2%. The French market was sluggish in the first half of the year. The second half was slightly more dynamic as a result of a slight upturn in IT investment.

Between 2002 and 2013, 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.

In the United Kingdom, IT investments truly took off during the year under review, with 2.8% growth compared to 0.2% the previous year. Germany maintained strong growth, at 3.4%. Spain (-1.6%), Italy (-1.7%) and France (0.1%) all fell behind.

Certain verticals fuelled this growth:

- utilities and transport;
- sales and retail;
- banking and insurance;
- the transformation industry;
- the aerospace and defence industry;

...while other verticals saw negative growth:

- non-financial services;
- the manufacturing industry;
- health and the public sector;
- telecoms and media;
- the automotive industry.

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

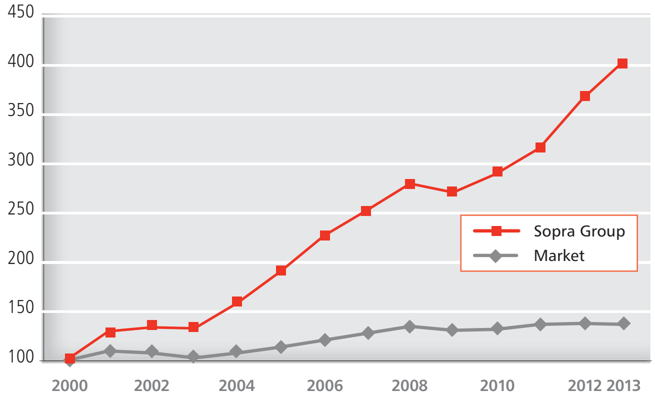
Most industry players have carefully assessed their position in relation to offshore business activities. Some have realised that expanding into India is only possible for firms able to use English successfully and comprehensively as a working language. In addition, this type of move works best when focused on certain types of services (long-term applications maintenance, stable and highly specific projects). In 2013, 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. Growth was around 2% in 2013.

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.

4.2. Outlook for 2014

2014 should be a year of renewed growth, which Syntec Numérique estimates at around 1% in France. As such, infrastructure projects, cloud computing, mobility and big data are likely to remain the main growth drivers in 2014.

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



Source: Syntec – Sopra.

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

5. Investments during the year

5.1. Main acquisition: HR Access

Sopra's acquisition of HR Access in 2013 is in line with its strategy, 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. Sopra is 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- and private-sector companies in all industries. It has a stable client base comprised mainly of a number of CAC 40 companies. The transaction supplements Sopra'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 include functionalities to manage personnel, skills, time, activities and payroll. Each is available in the form of a traditional licence or outsourced service. HR Access and Sopra 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 is overseeing 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 has been consolidated since 1 April 2013. Over a full year, Sopra's HR solutions generated revenue of approximately €100 million.

5.2. Research and development

The Group stepped up its pursuit of R&D initiatives over the course of 2013 and set aside €76.7 million, compared with €42.2 million in 2012, 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, have been recognised in full as operating expenses.

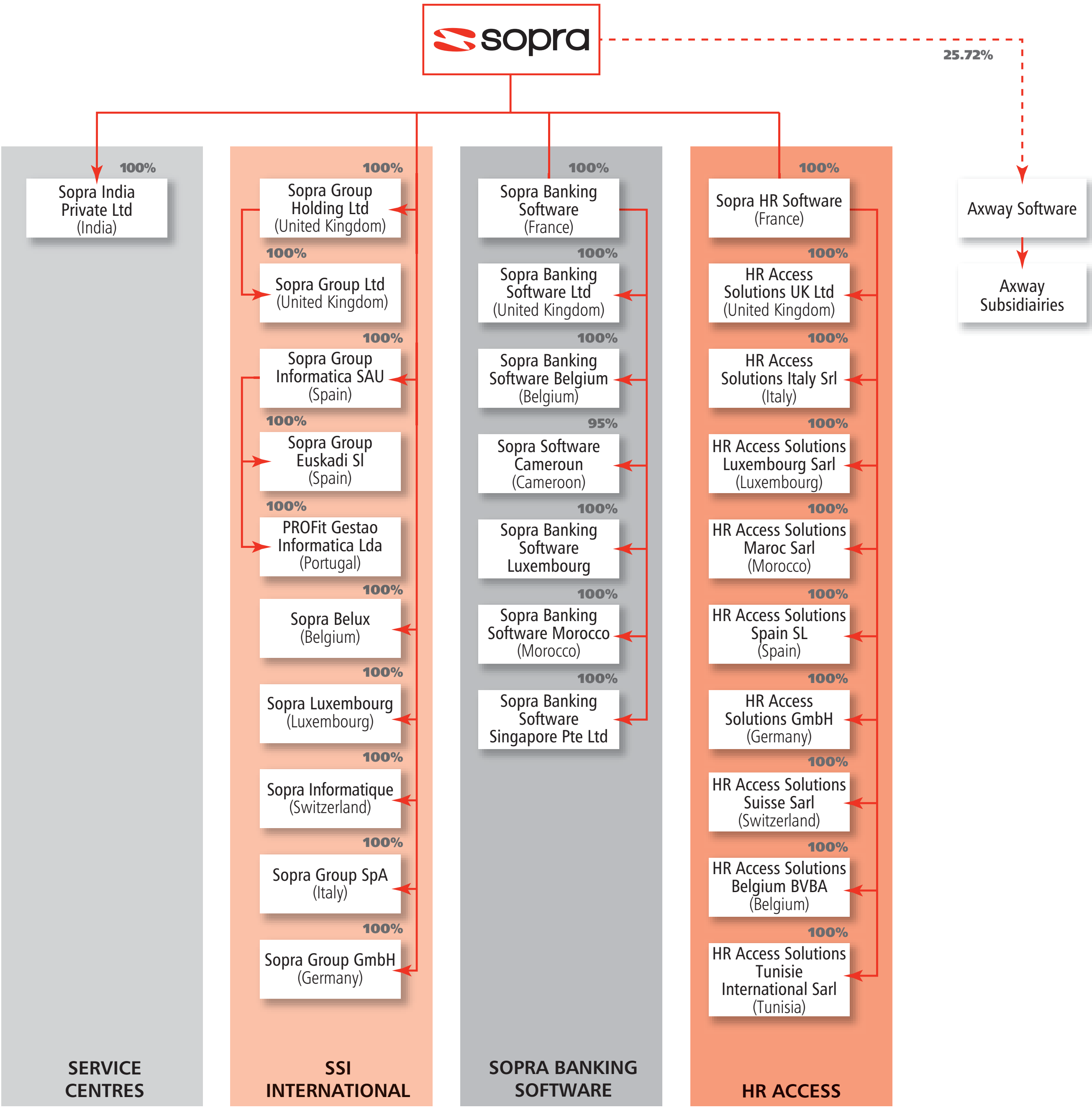
5.3. Facilities

A total of €19.67 million was invested in infrastructure and technical facilities, as against €10.87 million in 2012.

Investment in facilities comprised the following:

- fixtures and fittings: €12.56 million;
- IT equipment: €7.11 million.

6. Simplified group structure at 31 December 2013



7. Group organisation

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

Since 16 January 2014, Vincent Paris has been Deputy CEO of Sopra.

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 a result, the Chairman:

- drives the Group's strategy, including transactions related to mergers and acquisitions;
- leads corporate and financial communication operations;
- assists executive management by contributing to certain operational assignments.

The Chief Executive Officer:

- works with the Chairman to define the Group's strategy;
- oversees the implementation of decisions adopted;
- ensures the operational management of all Group entities.

The Deputy CEO:

- supports the Chief Executive Officer in running the Group's operations;
- directs the Group's activities in France;
- leads the transformation and industrialisation process.

Remuneration of senior executives and other company officers is described in Chapter 3, Section 7.

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

Entities at this level are market-oriented and are organised around one of the following three parameters:

- business line (Consulting, Systems and Solutions Integration, Software Development);
- geography;
- economic sector.

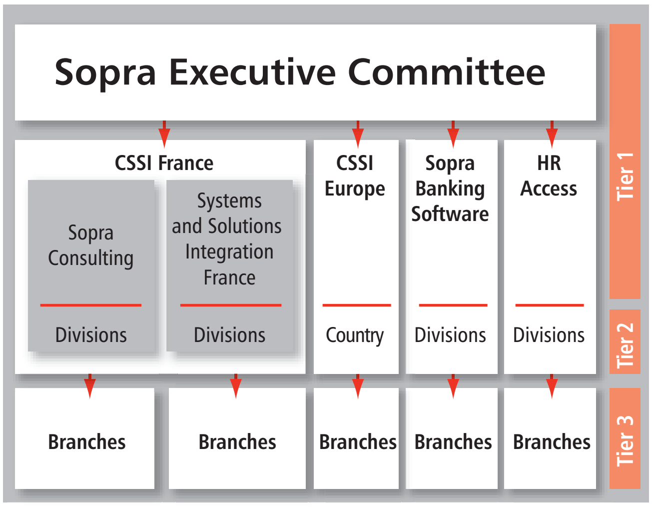
Tier 2 is the core level of the Group's organisational structure. It consists of autonomous branches, each with their own management, sales force and production teams.

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

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

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

- the composition of the Board of Directors and the application of the principle of balanced gender representation within it;
- the manner in which the work of the Board of Directors was prepared and organised;
- the role of company officers;
- the guidelines set forth in the AFEP-MEDEF Code that have been disregarded or partially implemented;
- the internal control and risk management procedures implemented by the Company.

Regarding specific procedures relating to the participation of shareholders in General Meetings, the main provisions of the Articles of Association relating to General Meetings and the rights and obligations of shareholders are included in Chapter 9 of this Registration Document.

This report was approved by the Board of Directors in its meeting of 23 April 2014.

1. Members of the Board of Directors

The mandate of the Board of Directors of Sopra was renewed at the General Meeting of 19 June 2012.

It currently consists of ten members with voting rights, five of whom were appointed for the first time on 19 June 2012, and one Advisor.

The Board of Directors includes four Directors and one Advisor who are considered independent under the definition provided by the AFEP-MEDEF Code of Corporate Governance for Listed Companies.

The Board of Directors includes two female Directors among the ten members with voting rights, in compliance with Article L. 225-17 of the French Commercial Code.

First and last name (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 (78 years) **Sopra Group** **PAE Les Glaisins – BP 238** **74942 Annecy-le-Vieux** **Cedex – France**	108,113 See 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 the foreign subsidiaries (direct and indirect) of Sopra and Axway Software
Christian Bret (73 years)	10	Member of the Board of Directors **Independent Director** Member of the Compensation Committee Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Managing Partner of Eulis** ■ Director, Econocom Group ∆ ■ Director, Altran Technologies ∆

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

∆ *Current directorship at a listed company.*

First and last name (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 (46 years) **Sopra 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 Communication, Sopra** ■ Vice-Chairman, Axway Software ∆
Gérard Jean (66 years) **Altime Associates 192, avenue Charles-de-Gaulle 92200 Neuilly-sur-Seine France**	1	Member of the Board of Directors **Independent Director** 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**
Françoise Mercadal-Delasalles (51 years) **Société Générale 75886 Paris Cedex 18 France**	1	Member of the Board of Directors	19/06/2012	2017	■ **Director of Resources and Innovation, Société Générale Group** ■ Director, Axway Software ∆

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

∆ *Current directorship at a listed company.*

First and last name (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 (66 years) **Gecina** **14-16, rue des Capucines** **75002 Paris – France**	101	Advisor	22/06/2010	2015	■ **Chairman of Gecina SA ∆** ■ Chairman of the Gecina Foundation ■ Member of the Supervisory Board of Unofi SAS ■ Chairman of the Supervisory Board of Finogest SA ■ Chairman of BM Conseil SAS ■ **Other directorships and offices held during the last 5 years:** • CEO of Gecina SA; • CEO of Predica; • CEO of Crédit Agricole Assurances; • Chairman of GIE Informatique Silca, OPCI Pasteur, Aeprim SAS; • Chairman of the Board of Directors of Crédit Agricole Immobilier, Unimo; • Chairman of the Supervisory Board of France Capital SAD; • Chairman of CA Grands Crus SAS; • Vice Chairman, Director, Pacifica; • Vice Chairman of the Supervisory Board of CP Or Devise; • Vice Chairman, Emporiki Life (Greece); • Director of Amundi Immobilier SA, Cholet Dupond SA, Crédit Agricole Reinsurance SA (Luxembourg), Crédit Agricole Risk Insurance SA (Luxembourg), Crédit Agricole Leasing SA, Litho Promotion, OPCI Pasteur Patrimoine, Attica GIE, Sopra; • Permanent representative of Crédit Agricole SA, member of the Supervisory Board of Systèmes Technologiques d'Échange et de Traitement (STET); • Member of the Supervisory Board of Fonds de Garantie des Dépôts; • Member of the Executive Committee of Crédit Agricole SA, member of Medef; • Director: Predica, Pacifica, CAAGIS SAS; • Chairman of the Supervisory Board of STET, permanent representative of Crédit Agricole Assurances, Director of Crédit Agricole Creditor Insurance; • Permanent representative of Predica at Supervisory Board of CAPE SA, Director of La Médicale de France SA; • Advisor of Siparex; • Member of office of the Fédération Française des Sociétés d'Assurances (FFSA); • Vice Chairman: Fédération Française des Sociétés d'Assurance Mutuelle (FFSAM), Groupement Français des Bancassureurs; • Chairman of the provisional management commission of Caisse Régionale de la Corse; • Director of the holding company La Sécurité Nouvelle SA. ■ Company officer of subsidiaries of Gecina SA

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

∆ *Current directorship at a listed company.*

First and last name (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 (69 years) **Sopra** **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, Econocom Group Δ ■ Director, AS2M (Malakoff Médéric) ■ Chairman of the Observatoire du Numérique ■ Director, Fondation Télécom ■ Director of the Pacte PME association
François Odin (80 years) **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, Régence SAS ■ Director or company officer of Sopra's foreign subsidiaries (direct and indirect)
Jean-Luc Placet (62 years) **IDRH Consultants** **124-126, rue de Provence** **75008 Paris – France**	100	Member of the Board of Directors **Independent Director** Member of the Compensation Committee Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Chairman and Chief Executive Officer IDRH Consultants** ■ Member of the Conseil Économique et Social, Vice Chairman of its Labour and Employment Section ■ Member of the MEDEF Executive Committee and Finance Committee ■ Chairman of Fédération Syntec
Hervé Saint-Sauveur (69 years)	100	Member of the Board of Directors **Independent Director** Chairman of the Audit Committee	19/06/2012	2017	■ **Director, LCH Clearnet SA** ■ Director, Axway Software Δ ■ Director, Viparis Holding ■ Director, Comexposium ■ Elected member, Paris Chamber of Commerce and Industry
Jean-François Sammarcelli (63 years) **Société Générale** **75886 Paris Cedex 18** **France**	100	Member of the Board of Directors	19/06/2012	2017	■ **Managing Director of Société Générale group and Director of Retail Banking networks, France** ■ Chairman of the Board of Directors of 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, Banque Tarneaud ■ Director, Sogécap ■ Member of the Supervisory Board of Société Générale Marocaine de Banques ■ Member of the Supervisory Board of Fonds de Garantie des Dépôts ■ Director, Sogeprom ■ Director, Boursorama Δ ■ Advisor, Ortec Expansion ■ Director, Amundi Group ■ **Other directorships and offices held during the last 5 years:** • Permanent representative of SG FSH on the Board of Directors of Franfinance.

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

Δ *Current directorship at a listed company.*

Changes in the composition of the Board of Directors during the year under review

Appointments	Nil
Resignations	Hélène Martel-Massignac, on 22 May 2013 (see Sopra press release of 31 May 2013)
Co-optations	Nil

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.

2. Preparation and organisation of the work of the Board of Directors

The Company applies the recommendations of the Code of Corporate Governance for Listed Companies published in December 2008 by AFEP and MEDEF and updated in June 2013. This document may be viewed on the MEDEF website.

For historical reasons, the term of office of Directors remains limited to six years under the terms of the Articles of Association. In 2012, six new members joined the Board of Directors; it was not deemed necessary to shorten the term of office.

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, "Additional information".

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 updated on 18 February 2013 define the role of the Board of Directors, its Chairman and its Chief Executive Officer, and specify the conditions for the exercise of their prerogatives.

These rules and regulations establish the number, purpose, composition and role of the committees tasked with preparing certain matters for the Board of Directors, and in particular specify the provisions relating to the three permanent committees, namely:

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

The internal rules and regulations also relate to the following issues: summary of legal and statutory powers, meetings, information received by the Board of Directors, training of members, conflicts of interest, travel expenses, directors' fees, confidentiality and works council representatives.

2.1.4. BOARD OF DIRECTORS' CHARTER

The Charter, which was revised on 18 February 2013, addresses proxies, assignments 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 Corporate 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 deals.

The Board of Directors met eight times in 2013. The attendance rate across the year was 86%.

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

2.2.2. ISSUES DISCUSSED

The main issues discussed in 2013 were:

- approval of the financial statements for the year ended 31 December 2012;
- 2013 budget and major strategies;
- quarterly performance;
- approval of management forecasts and corresponding reports;
- approval of the interim financial statements for the first half of 2013;
- authorisation of regulated agreements;
- preparation of the Combined General Meeting of 13 June 2013;
- approval of the Chairman's report on corporate governance and internal control and risk management procedures;
- approval of the recommendations of the Compensation Committee, in particular those relating to the compensation of company officers;
- the Group's strategy;
- external growth transactions;
- working procedures of the Board of Directors, its internal rules and regulations, and the charter of its members;
- company policy as regards professional and pay equality.

2.3. Committees of the Board of Directors

2.3.1. AUDIT COMMITTEE

The Audit Committee's organisation and procedures are governed by the Board of Directors' internal rules and regulations and by a charter approved by the Board of Directors. Its current members are:

- Hervé Saint-Sauveur, Chairman (Independent Director);
- Bernard Michel (Advisor);
- François Odin.

By way of exception to AFEP-MEDEF guidelines, independent Directors make up less than two-thirds of the members of the Audit Committee, but the proportion of independent members is reached if the Advisor's belonging to this Committee is taken into account.

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 auditing and statutory audits. The Audit Committee therefore has the following main responsibilities:

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

It was convened five times in 2013 in the presence of the Statutory Auditors. The main items of business at these meetings were as follows:

- validation of cash-generating units;
- the 2012 impairment tests;
- approval of the financial statements for the year ended 31 December 2012;
- examination of the financial statements for the first half of 2013;
- group financing;
- the organisation and 2013 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 internal control procedures;
- continuous improvement of internal control;
- integration of acquisitions;
- significant changes in the Company's legal environment;

- assignments, intervention programme and budget of the Statutory Auditors;
- updating the internal audit charter;
- evaluating the Committee.

The Statutory Auditors appeared before the Committee in the absence of senior executives. The same was true of the Director of Internal Audit.

2.3.2. COMPENSATION COMMITTEE

The Compensation Committee's organisation and procedures are governed by the Board's internal rules and regulations and by a charter approved by the Board of Directors. Its current members are:

- Gérard Jean, Chairman (Independent Director);
- Christian Bret (Independent Director);
- Kathleen Clark-Bracco;
- Jean-Luc Placet (Independent Director).

Its main missions are as follows:

- proposing the fixed and variable components of compensation as well as the benefits in kind to be paid to company officers and, where applicable, making recommendations regarding the compensation and benefits paid to the Company's principal Directors;
- verifying the application of rules determined for the calculation of their variable compensation component;
- preparing the Board of Directors' decisions regarding directors' fees and their apportionment;
- verifying the quality of the information communicated to shareholders concerning compensation, benefits in kind, options, and fees received by company officers and principal Directors;
- obtaining an understanding of the salary policy and ensuring that this policy is in line with the Company's interests and enables it to reach its objectives;
- preparing the policy for allocating share subscription or purchase options and bonus shares;
- preparing decisions related to employee savings plans.

The Committee met three times in 2013 and notably worked on:

- the Group's salary policy;
- fixed compensation, benefits in kind to be paid to company officers and their variable compensation: award criteria and recommendations based on performance;
- the fixed and variable compensation of the Company's principal Directors;
- allocation of directors' fees;
- the Committee's operational charter.

2.3.3. NOMINATION, ETHICS AND GOVERNANCE COMMITTEE

The Nomination, Ethics and Governance Committee's organisation and procedures are governed by the Board's internal rules and regulations and by a charter approved by the Board of Directors. Its 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:

- to propose appointments of members of the Board of Directors and company officers, particularly in the event of an unforeseen vacancy;
- to evaluate the Board of Directors and the working procedures of 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.

Finally, the Committee also monitors the corporate social responsibility policy and ensures that is aligned with the company's objectives.

The Committee met three times in 2013 and worked on:

- the operations of governance;
- the plan in the event of an unforeseen vacancy of the Chairman and Chief Executive Officer;
- evaluating the Board of Directors and its operations;
- preventing insider misconduct;
- updating the internal rules and regulations and the charter of members of the Board of Directors;
- verifying the Company's compliance with the AFEP-MEDEF Code;
- the qualification of independent Directors;
- examining the Chairman's report on corporate governance and the operations of the Board of Directors;
- reviewing the application of the Group's ethics charter;
- gender equality at Sopra.

2.4. Operations and evaluation of the Board of Directors

2.4.1. ACCESS TO INFORMATION BY MEMBERS OF THE BOARD OF DIRECTORS

Dissemination of information – Preparatory materials

Article 4 of the internal rules and 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 share performance. This report describes and analyses developments in the share price and trading volumes, putting them into perspective by highlighting main trends in macroeconomic data and financial markets.

Training

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

2.4.2. INDEPENDENT DIRECTOR

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

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

Concerning Hervé Saint-Sauveur, having consulted the Nomination, Ethics and Governance Committee, the Board of Directors considers that Mr Saint-Sauveur's belonging to the Board of Directors of Axway Software, which like Sopra is consolidated in the financial statements of Sopra Group, does not call into question his status as an independent Director. Indeed, it was precisely his independence and expertise as Chairman of the Audit Committee that led the Board of Directors of Sopra to propose that Axway's General Meeting appoint him to the Board of Directors of Axway Software in preparation for the latter being spun off in June 2011.

Furthermore, advisory Board member Bernard Michel meets all the independence criteria set out in the AFEP-MEDEF Code.

2.4.3. PREVENTING CONFLICTS OF INTEREST

Members of the Board of Directors inform the Board of any current or potential conflicts of interest in which they could be directly or indirectly involved.

Any member of the Board of Directors in a situation of conflict of interest, even potentially, may not participate in the vote on the corresponding issue.

The Chairman may suggest that the member in question not attend the discussion.

2.4.4. EVALUATION OF THE BOARD OF DIRECTORS

Diversity objectives

The Board of Directors has not defined any specific objectives regarding diversity.

The Board of Directors includes two female Directors among the ten members with voting rights, in accordance with the principle of balanced gender representation set forth in Article L. 225-17 of the French Commercial Code.

It contains one non-French member. Moreover, several French Board members have international experience. The Group achieves 33% of its revenue outside France, mainly in Europe.

Evaluation of the Board of Directors

Once a year, the Board of Directors deliberates and seeks ways to improve its operating procedures.

In 2013, the Board of Directors carried out a formal review of its operating procedures. This review was carried out by the Nomination, Ethics and Governance Committee and led to a discussion at the meeting of the Board of Directors of 18 April 2013.

3. Role of company officers

At its meeting following the close of the General Meeting of Shareholders held on 19 June 2012, Sopra's Board of Directors unanimously voted to separate the duties of Chairman and Chief Executive Officer, and to appoint Pierre Pasquier as Chairman and Pascal Leroy as Chief Executive Officer. On 16 January 2014, the Board of Directors appointed Vincent Paris as Deputy CEO.

The Chairman:

- drives the Group's strategy and external growth transactions;
- leads corporate and financial communication operations;
- assists executive management by contributing to certain operational assignments.

For more details on the Chairman's responsibilities and the conditions for the exercise of his prerogatives, please refer to Chapter 9.

The Chief Executive Officer:

- heads the Group's executive management;
- takes part in defining its strategy;
- oversees the implementation of strategic decisions adopted by the Board of Directors.

For more details on the Chief Executive Officer's responsibilities and the conditions for the exercise of his prerogatives, please refer to Chapter 9.

The Deputy CEO:

- supports the Chief Executive Officer in running the Group's operations;
- directs the Group's businesses in France;
- leads the transformation and industrialisation process.

Remuneration of senior executives and other company officers is described in Chapter 3, Section 7.

4. Discrepancies with the guidelines set forth in the AFEP-MEDEF Code

At its meeting of 30 January 2014, the Nomination, Ethics and Governance Committee noted the following discrepancies with the guidelines set forth in the AFEP-MEDEF Code:

- for historical reasons, the term of office of Directors remains limited to six years under the terms of the Articles of Association. In 2012, six new members joined the Board of Directors; it was not deemed necessary to shorten the term of office;
- independent Directors make up less than two-thirds of the members of the Audit Committee, but the proportion of independent members is reached if the Advisor's belonging to this Committee is taken into account. Moreover, the Chairman of the Audit Committee is an independent Director;
- the Board's rules of procedure make no provision for an annual meeting of non-executive Directors excluding executive or internal Directors to assess the performance of the Chairman, the Chief Executive and any Deputy Chief Executives and to periodically review the company's future management arrangements. This review process now falls to the Compensation Committee, which includes three of the four independent Directors. The other Directors, who do not hold any executive or other internal positions, represent a shareholder acting in concert with the controlling interest.

Recommendations regarding the status and compensation of company officers:

- the variable compensation system for executive Directors is aligned with that applicable to all members of the Executive Committee. This means that, by exception to the recommendations set out in the AFEP-MEDEF Code, which states that "where qualitative criteria are used, a limit must be applied to the qualitative component", the qualitative criteria do not give access to a proportion of variable compensation but instead trigger an upward or downward adjustment in the amount calculated on the basis of the key profitability objective shared by all executives and Executive Committee members;
- given Pascal Leroy's length of service within the Group (22 years), his employment contract, which has been suspended since his appointment as Deputy CEO in 2010, has not been ended;
- 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 allotted in order to ensure that Mr Leroy's interests were aligned with those of the shareholders. As a condition for this grant, Pascal Leroy agreed, for as long as he remains a Sopra 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 performance requirement is only taken into account in respect of the variable component of compensation paid to the Group's executives. The exercise price of these options was set at the average market price of the 20 days preceding the allocation, without a discount, in accordance with Group rules.

5. 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 describes Sopra's internal control system in relation to the reference framework on which it is based, which was established under the aegis of the AMF. A specific review addresses the production of accounting and financial information. Lastly, the report identifies the main operational risks with which the Group is confronted.

Sopra's internal control system applies throughout the parent company and all subsidiaries, without exception. As set out below, one of the fundamental components of this system, and one that is unique to the Group, is the Information, Guidance and Control System (IGCS). This system draws on a database supported by standardised documentation and an internal IT system. It is used both to communicate information internally and to identify and manage risks. The system's various processes are designed to enable information to be shared consistently and simultaneously between all relevant stakeholders, as well as facilitating decision-making and action plan monitoring.

As set out in the dedicated section on control activities, these activities mainly rely on the following:

- the Industrialisation Department, which verifies that the Group's Quality System and production methods are appropriate and are properly applied, thus ensuring that production activities are efficient;
- Management Audit, which checks that the internal management system – a key component in the production of accounting and financial information – is working properly.

Internal Audit is tasked with helping monitor and assess the Group's internal control system. When auditing Group entities, the first checks carried out are those concerning GCS operating conditions and control activities.

5.1. Presentation of Sopra's internal control system

5.1.1. 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.

Risk management aims to:

- create and preserve the Company's value, assets and reputation;
- secure the Company's decision-making and processes to help it attain its objectives;
- favour consistency between the Company's actions and its values;
- mobilise the Company's employees around a shared vision of the main risks.

According to the AMF, the internal control system is based on:

- organisation;
- internal dissemination of information;
- a risk identification and management process;
- control activities;
- permanent supervision of the system.

5.1.2. ORGANISATION

This section refers to the Group's legal and internal organisation, the definition of powers and responsibilities, the Human Resources function, the information system, procedures and best practices, and lastly the tools that make up the components of the organisation according to the AMF's reference framework.

Legal organisational structure

The Group has chosen to limit the number of its legal structures. In principle, the Group only has one company per country and per business. However, temporary situations may exist following acquisitions.

A legal organisational structure is presented in Chapter 1, Section 6, "Presentation of Sopra".

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

The Group also holds an approximate 26% stake in the capital of Axway Software, which was previously a wholly owned subsidiary of the Group and since 14 June 2011 has been listed on NYSE Euronext. This equity investment is consolidated using the equity method.

The Group's internal organisation

The Group's internal organisation is described in Chapter 1, Section 7 "Group organisation". It is characterised by an operational organisation based on three levels and by the centralisation of functions.

Definition of powers and responsibilities

Written rules demarcate the operational powers held by managers of agencies, divisions or subsidiaries and executive management in the fields of sales and marketing, human resource management and resource commitments, and govern certain decisions taken by central Group functions, particularly the Legal, Finance, Human Resources and Logistics Departments.

Human resource management policy

The Sustainable Development and Corporate Social Responsibility Report included in the Registration Document presents the Group's human resources policy and the main indicators related to it.

Information system

A dedicated information system is used to cover all the Group's management needs, notably including the monitoring of operations and revenue, invoicing and receipts, monitoring commercial transactions, budgeting and economic forecasts, production of accounting and financial information, and human resource management. It is used during steering meetings, which use the indicators and summaries provided by the information system but may also aim to approve the data to be entered (notably forecasts).

The various individual information systems used within the Group are under the responsibility of two functional departments: the IT Resources and Services Department takes charge of IT infrastructure, security and procurement; the Internal Information Systems Department develops or selects the applications to be used to meet the Group's internal needs (with the exception of production tools, which are designed or selected by the Industrialisation Department).

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), outside these two departments, ensures the development, adaptation and application of the Group's Information Systems Security Policy (ISSP) in collaboration with all operational and functional departments concerned.

Procedures

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

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

These procedures are accessible via an intranet portal. They are complemented by best practices disseminated by the management and reinforced through the Group's various training and communication procedures.

A monthly bulletin addressed to the entire operational and functional structure (around 1,200 recipients) announces or accompanies major changes in terms of procedures or tools. An international version of this newsletter is published each quarter in English, Spanish and Italian.

The Group considers that its principal operational risks relate to human resources and production.

Concerning human resources, a set of procedures covers the fundamental principles, including personnel management, recruitment, performance measurement and career management, compensation, training and knowledge management.

Concerning production, Sopra's engineering methodology defines all production, management and quality assurance processes needed to successfully manage projects, with the primary aim of effectively contributing to the delivery of professional quality IT systems that meet clients' requirements on time and within budget.

This methodology defines project management practices and processes suited to various different environments and different levels of management and supervision, as well as software engineering practices and processes.

The basic principles of the Quality System are described in a Quality Manual supplemented by Guides to Procedures and Operating Manuals.

The legal control of commitments entered into with clients is grounded in the obligation that the Legal Department review all contracts before they are signed (excluding the application of contracts to the Group standard). A procedure is in place to organise the validation circuit for these contracts.

Tools

The centralisation of functions mentioned in the sections of this document addressing the Group's organisation and its information system entails the standardisation of IT equipment and applications.

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

The production tools used or developed by the Group make it possible to standardise project implementation by improving the quality of deliverables. They naturally follow the processes that make up the Group's production methodology. Proactive monitoring is carried out to identify new developments on the market and alternatives to the tools used.

Constant effort is made to spread best practice in connection with Group tools through project support and training.

5.1.3. INTERNAL INFORMATION COMMUNICATION SYSTEM

General description of the Information, Guidance and Control System

The Information, Guidance and Control System (IGCS) 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. It is based on steering meetings held at each of the different organisational levels, including the Group Executive Committee.

These meetings are governed by specific standards (regarding the schedule, participants, agenda, documents to be presented at the beginning and end of the meeting) which are the same throughout the whole Group and are supported by a software tool developed in-house.

Its regular meetings are adjusted according to the different perspectives considered:

- weekly, for the month in progress: priority is accorded to the monitoring of sales, production, and human resources;
- monthly, for the year in progress: apart from the issues handled on a weekly basis, additional emphasis is placed on economic indicators: entity performance for the previous month, review of annual forecasts, budget monitoring;
- yearly, for the years to come: the budget process is part of the entity's strategic plan.

Application of the Information, Guidance and Control System to all Group entities

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

5.1.4. RISK IDENTIFICATION AND MANAGEMENT PROCESS

The operation of the risk identification and management process is under the supervision of Executive Management, which receives information on risks from operational, functional and audit staff. This process aims to anticipate risks or deal with them as quickly as possible 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 personnel since most of them are engineers, already impregnated with a culture of project management, which is an important part of risk management.

Risk mapping procedure

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 and business risk factors, as well as the risk of client or supplier dependency and the main insurance taken out for risk coverage are all discussed in Section 6 "Risk factors" of Chapter 3 "Management Report of the Board of Directors", in accordance with Article L. 225-100 of the French Commercial Code.

Specific action plans

As an extension of its risk mapping procedure, the Company has identified four main areas (risks related to human resources, production, sales and marketing activities, cash management) requiring long-term or permanent actions 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.

Risk management through the Information, Guidance and Control System (IGCS)

Each entity's management ensures the application of the company's policy regarding the management of risks related to the business they oversee, and checks that the level of exposure to these risks is in line with Group policy.

The relaying of information relating to identified operational and functional risks is structured by the rules governing the Information, Guidance and Control System (IGCS) 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 until the appropriate action plan has been completed. The Group's decentralised organisation generally allows for decisions to be taken swiftly, addressing concerns at the level of action, accompanied if necessary by approval from the next reporting level. When a decision is required at the Group level, the procedures for the handling of risks (person in charge, time limit granted for the implementation of action plans) are usually determined by the Executive Committee during its meetings.

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

The process also involves reviews organised by the Management Audit team, the Industrialisation Department and Internal Audit personnel.

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.

To prepare for major incidents that could affect the Group's operations, executive management has opted to set up a Group crisis management unit to manage crisis-related situations.

This crisis management unit, which consists of executive management, the Directors of the main functional and support departments, and the Group Information Systems Security Manager, can be activated by executive management at any time.

The crisis management unit is activated via an escalation process communicated to all managers within the Group. In particular, this process stipulates the following:

- the composition of the Group crisis management unit;
- the escalation process (local/branch, entity/site or Group) and each person's role within it;
- how the impact of incidents should be assessed.

The crisis management plan to be adopted in such situations is managed directly by the crisis management unit, which coordinates action by all relevant Group departments until the crisis is resolved and normal operations have resumed.

5.1.5. 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 Industrialisation Department is responsible for control procedures relating to the management of its Quality System.

Finance Department (Management Audit)

Management Audit is performed by the Finance Department. It currently involves twenty-two people divided among three specialised teams: consulting and solutions integration in France, systems and solutions integration in Europe, and software development within the scope of Sopra Banking Software. 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 (166 branch reviews conducted in 2013) and performing the reconciliation between the internal management accounts and the financial accounts.

As part of its control activities, Management Audit identifies and measures risks specific to each branch. In particular, it ensures that revenue-generating projects are contractually secure. It reviews projects for which an alert has been raised (due to technical, commercial or legal difficulties). It checks that revenue is recognised in line with Group rules as well as analysing any commercial concessions granted and verifying their treatment in the branch's accounts. It ensures that the branch's costs are properly recognised.

Particular attention is paid to cash management: Management Audit identifies any risk of non-recovery and checks billings and the payment of milestone payments for fixed-price projects.

It monitors unbilled revenue and ensures that invoices issued are paid.

It checks any credit notes to be issued and works with the branch manager to trigger recovery actions managed directly by the Chief Operating Office.

Management Audit assesses branches' organisation and administrative operation. It polices compliance with rules, procedures and deadlines. It is involved in assessing the performance of internal management system operators.

Industrialisation Department (Quality System Management)

Quality management relies upon the day to day involvement between the operating structure and the quality structure.

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

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

Sopra'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 Industrialisation Department, or by the quality structure's local representatives, these reviews provide an external perspective on the status and organisation of projects. More than 1,500 pre-sale or project reviews of this type were conducted in 2013.

These reviews are carried out by professionals designated by the quality structure for their skills. The pool of potential reviewers is made up of more than 500 people.

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

5.1.6. SUPERVISION OF THE INTERNAL CONTROL SYSTEM

Internal supervision system

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

Executive management

Executive management ensures the continuing effectiveness of internal control and risk management procedures. It takes any action required to correct the organisational problems it identifies and remain within the scope of acceptable risks. Executive management ensures that all appropriate information is communicated in a timely manner to the Board of Directors and the Audit Committee.

It is mainly supported 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 operates under the direct authority of the Chairman of the Board of Directors, is responsible for internal control and monitors the system in place. It submits its findings to Executive Management and the Audit Committee.

The Chairman of the Board of Directors validates the audit plan, notably on the basis of risk information obtained using the risk mapping procedure and the priorities he has adopted for the year.

This plan is presented to the Audit Committee for review and feedback.

Recommendations are monitored and compiled in a report provided to Executive Management.

Internal audit carried out 11 assignments in 2013.

Board of Directors (Audit Committee)

The Audit Committee obtains an understanding of the main features of the internal control and risk management procedures selected and implemented by Executive Management to manage risks: the organisation, the roles and functions of the main actors, the procedure, and the structure for reporting risks and monitoring the operations of control systems.

It oversees all the procedures relating to the preparation and processing of accounting and financial information.

The Audit Committee performs an annual review of the Group's risk mapping procedure and follows the activity of the Internal Audit Department by proceeding with:

- the approval of the annual internal audit plan;
- meetings with its Director twice a year, which are also attended by the Statutory Auditors, without management being present;
- the biannual review of the results of internal audit assignments and recommendation monitoring.

External supervision system

Furthermore, the internal control system is also monitored by the Statutory Auditors and by AFNOR Certification inspectors regarding the Quality System.

Statutory Auditors

The Statutory Auditors are tasked with the ongoing mission of ensuring the quality of internal control and the procedures in place.

The Statutory Auditors are involved within the company throughout the entire year. Their involvement is not limited to interactions with the accounting department. To gain a more in-depth understanding of how operations and transactions are represented in the accounts, the Statutory Auditors are in regular contact with operational managers, who are best placed to explain the Company's business activity. These meetings with operational staff are structured around agency or subsidiary reviews, during which the Statutory Auditors proceed with a review of the main ongoing projects, progress made and any difficulties encountered by the agency or subsidiary.

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.

5.1.7. EVALUATION AND CONTINUOUS IMPROVEMENT PROCESS

Evaluation of internal control

In 2006, executive management initiated an internal control improvement process. From the outset, this process was aligned with the approach promoted by the AMF reference framework, published that same year.

The Group's internal control arrangements were assessed in light of the implementation guide on internal control for accounting and financial disclosures as soon as that guide was published, as well as in light of questionnaires on internal control for accounting, finance and risk management.

As part of every audit, checks are carried out to ensure that the Group entities or business areas being audited have appropriate internal control systems in place.

To date, no serious defects or shortfalls in internal control have been identified.

Improvement processes

The internal control system and its operation are subject to internal and external assessments to identify areas for improvement, giving rise to action plans aimed at tightening internal control. Such plans are sometimes implemented under the direct control of the Audit Committee.

For example, during a number of its meetings in 2013, the Audit Committee monitored the implementation of a 17-point action plan aimed at tightening internal control within the Finance Department, in particular by leveraging improvements in the information system.

This action plan was drawn up on the basis of the Finance Department's plans, findings and recommendations by the statutory auditors, and the work of Internal Audit.

5.2. Production of accounting and financial information

5.2.1. COORDINATION OF THE ACCOUNTING AND FINANCIAL FUNCTION

Organisation of the accounting and financial function

Limited number of accounting entities

As indicated in Section 5.1.2, the legal entities, and therefore the accounting entities, are limited in number, providing reductions in operating costs and curtailing risks inherent in the function.

Centralisation of the accounting and financial function

As for most functions, the financial and accounting function is predominantly centralised within the Group. The responsibilities of the Finance Department mainly involve 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.

Since it was created, Sopra Banking Software has had its own Finance Department, which nevertheless depends on support from the Group's Finance Department in matters concerning general accounting, consolidation and cash management.

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

The Finance Department reports to the Group's Executive Management. As with all other entities, it participates in the monitoring and guidance system described above: weekly meetings dealing with ongoing business, monthly meetings devoted to a detailed examination of figures (achieved and forecast), the organisation of the function, and the monitoring of large-scale 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 in Section 2.3.1 of this chapter.

Organisation of the accounting information system

Financial accounting

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

Monthly cash flow forecasts for the entire 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 balance sheet date, the Audit Committee ensures that these policies and presentation have been applied by the Finance Department and the Statutory Auditors.

The proper use of the percentage-of-completion method to evaluate projects is monitored on a permanent basis jointly by the Industrialisation Department, which validates the commitment remaining on projects, and by the Finance Department (Management Audit). Given the increasing complexity of projects, an ongoing effort has been made to update the procedure by providing additional information and clarifications on the rules for initialising and monitoring projects, with the aim of disseminating this information to all operators concerned.

5.2.2. PREPARATION OF THE PUBLISHED ACCOUNTING AND FINANCIAL INFORMATION

Reconciliation with the internal management system accounting data

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

The budget process, which is short in duration and takes place in the last quarter of the year, is a key event. It is the opportunity to apply the strategy approved by the Executive Committee, to adapt the organisation to developments in business segments and market demand, and lastly to assign quantitative and qualitative objectives to all Group entities. Budgets, including detailed monthly operating forecasts, are prepared by each unit at this event.

Each Group entity prepares a monthly operating statement closed on the third working day of the following month.

Lastly, a revised operating statement prepared each month includes the results of the previous month and a revised forecast for the remaining months of the current year.

The IT applications in use have been designed to reflect actual performance as closely as possible, and are based upon simple management rules which provide for optimum clarity.

All documents produced are combined with numerous management indicators, related to the economy (labour force participation rate, selling prices, average salary), human resources, invoicing, and receipts, among others.

Commercial activities (prospective clients, contracts in progress, signings, etc.) and cash accounting (client invoicing, receipts) are monitored on a weekly basis at steering meetings organised by the aforementioned Information, Guidance and Control System (IGCS).

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

Procedures for the preparation of the consolidated financial statements

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

Each Group company's Statutory Auditors 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.

Procedure for validating the financial statements

The interim and annual consolidated financial statements are presented to Executive Management by the Finance Department.

As part of their annual accounts close-out of 31 December, the financial statements of Sopra and its subsidiaries undergo a legal audit by the Statutory Auditors in order to be certified.

As part of its assignment to monitor the legal control of the financial statements, the Audit Committee takes note of the Statutory Auditors' work and conclusions during the review of the interim and annual financial statements.

The Audit Committee examines the financial statements, especially in order to review the Company's exposure to risks, verify that the procedures for gathering and checking information guarantee its reliability, and ensure that accounting policies have been applied consistently and are pertinent. It gathers comments from the Statutory Auditors.

The Group's financial statements are then presented to and approved by the Board of Directors.

Financial communication

Financial communication is supervised by the Chairman of the Board of Directors.

The Group communicates financial information via several different means, notably:

- press releases;
- the Registration Document and the various reports and information that it contains;
- the presentation of the interim and annual financial statements.

All of this information is made available online on the Group's website.

The Registration Document is registered with the AMF after being audited by the Statutory Auditors.

5.3. Assessment and control of the main operational risks identified

The main operational risks identified are described in Chapter 3, Section 6.1.

This report was approved by the Board of Directors in its meeting of 23 April 2014.

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 2013.

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.

Our role is 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
- 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.

INFORMATION ON 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, 24 April 2014

The Statutory Auditors

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

3 Reports of the Board of Directors

to the Combined General Meeting of 27 June 2014

Management report of the Board of Directors

1. Sopra's business and key events in 2013

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

1.1. Business in 2013 – Background

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

The Group has positioned itself and adopted a successful model based not only on increasingly rapid technological and digital 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 slightly negative growth in 2013, after reporting very weak growth in 2012. Revenue of companies in the Software and Services sector decreased by about 0.2% in France, compared to an increase of 0.8% in 2012 (Source: Syntec).

Sopra posted revenue of €1,349.0 million in 2013, representing total growth of 10.9% and organic growth of 4.3%.

At 31 December 2013, the Group employed a workforce of 16,284 people, an increase of nearly 2,000 staff compared to 2012, including 1,080 net recruits and around 900 integrated employees resulting from acquisitions.

1.2. Key events of the year

1.2.1. ACQUISITION OF HR ACCESS

Sopra's acquisition of HR Access is in line with its strategy, 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 the Group's global strategy. Sopra is 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- and private-sector companies in all industries. It has a stable client base comprised mainly of a number of CAC 40 companies. The transaction supplements Sopra'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 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 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 is overseeing 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 has been consolidated since 1 April 2013. Over a full year, Sopra's HR solutions generated revenue of approximately €100 million.

2. Consolidated financial statements

2.1. Consolidated income statement

(in millions of euros)	2013 Amount	2013 %	2012 Amount	2012 %
Revenue	**1,349.0**		**1,216.7**	
Staff costs – Employees	-911.9		-811.8	
Staff costs – Contractors	-105.6		-100.1	
Operating expenses	-201.3		-178.2	
Depreciation, amortisation and provisions	-21.3		-17.0	
Operating profit on business activity	**108.9**	***8.1%***	**109.6**	***9.0%***
Expenses related to stock options and bonus share allotment plans	-3.0		-2.2	
Amortisation of allocated intangible assets	-4.8		-4.2	
Profit from recurring operations	**101.1**	***7.5%***	**103.2**	***8.5%***
Other operating income and expenses	2.8		-11.9	
Operating profit	**103.9**	***7.7%***	**91.3**	***7.5%***
Cost of net financial debt	-7.0		-7.2	
Other financial charges and expense	-1.4		-1.0	
Tax charge	-32.5		-33.6	
Share of net profit of equity-accounted companies	8.4		6.1	
Net profit before profit or loss from discontinued operations	**71.4**	***5.3%***	**55.6**	***4.6%***
Profit after tax from discontinued operations	-		-	
Net profit	**71.4**	***5.3%***	**55.6**	***4.6%***
Group share	71.4	*5.3%*	55.6	*4.6%*
Minority interests	-	-	-	-

Consolidated revenue amounted to €1,349.0 million in 2013, representing organic growth (calculated at constant exchange rates and comparable consolidation scope) of 4.3% compared to the previous year. This growth varied by country and business activity:

Revenue *(in millions of euros)*	2013	2012 Published	Total growth	Organic growth
France	**828.0**	**795.8**	***4.0%***	***4.1%***
Europe (without France)	**247.6**	**225.4**	***9.8%***	***9.6%***
■ United Kingdom	83.9	81.6	*2.8%*	*1.8%*
■ Spain	75.9	74.8	*1.5%*	*1.5%*
■ Italy	44.0	39.2	*12.2%*	*12.2%*
■ Switzerland	10.6	11.3	*-6.2%*	*-3.6%*
■ Benelux	13.7	11.0	*24.5%*	*24.5%*
■ Germany	19.5	7.5	NS	NS
Sopra Banking Software	**217.3**	**195.5**	***11.2%***	***-0.3%***
HR Access (9 months)	**56.1**			***2.4%***
SOPRA	**1,349.0**	**1,216.7**	***10.9%***	***4.3%***

France	2013		2012	
	Amount	%	Amount	%
Revenue	828.0		795.8	
Organic growth		*+4.1%*		
Operating profit on business activity	68.4	*8.3%*	68.2	*8.6%*
Profit from recurring operations	66.2	*8.0%*	66.3	*8.3%*
Operating profit	64.2	*7.8%*	64.6	*8.1%*

In France, revenue totalled €828.0 million, representing organic growth of 4.1%. This solid growth was backed by the transport, utilities and public service sectors, as well as financial services to a lesser extent. Operating profit on business activity came in at €68.4 million, representing a margin of 8.3% in the year, compared with 8.6% in 2012. Despite persistent price pressures and investments that weighed on profitability, business activity was robust in 2013. The year saw numerous contract signings, in particular for fixed-price projects and application management services, and there was a considerable rise in requests relating to mobility, cloud services and architecture. The Group's performance in France was also buoyed by the gradual turnaround achieved by the consulting business, which returned to growth and profitability over the course of the year.

Europe (without France)	2013		2012	
	Amount	%	Amount	%
Revenue	247.6		225.4	
Organic growth		*+9.6%*		
Operating profit on business activity	12.6	*5.1%*	13.2	*5.9%*
Profit from recurring operations	12.0	*4.8%*	13.0	*5.8%*
Operating profit	10.8	*4.4%*	11.3	*5.0%*

In Europe (excluding France), revenue totalled €247.6 million, up a total of 9.8% (including organic growth of 9.6%). Operating profit on business activity totalled €12.6 million, representing a margin of 5.1% in 2013, compared with 5.9% in 2012.

PERFORMANCE IN EUROPE (EXCLUDING FRANCE)

	2013		2012	
	Amount	%	Amount	%
United Kingdom				
Revenue	83.9		81.6	
Organic growth		*+1.8%*		
Operating profit on business activity	6.2	*7.4%*	5.3	*6.5%*
Profit from recurring operations	6.2	*7.4%*	5.3	*6.5%*
Operating profit	5.7	*6.8%*	4.0	*4.9%*
Spain				
Revenue	75.9		74.8	
Organic growth		*+1.5%*		
Operating profit on business activity	4.7	*6.2%*	4.6	*6.1%*
Profit from recurring operations	4.3	*5.7%*	4.4	*5.9%*
Operating profit	3.6	*4.7%*	4.0	*5.3%*
Italy				
Revenue	44.0		39.2	
Organic growth		*+12.2%*		
Operating profit on business activity	1.7	*3.9%*	1.1	*2.8%*
Profit from recurring operations	1.6	*3.6%*	1.1	*2.8%*
Operating profit	1.6	*3.6%*	1.1	*2.8%*
Switzerland				
Revenue	10.6		11.3	
Organic growth		*-3.6%*		
Operating profit on business activity	1.1	*10.4%*	1.4	*12.4%*
Profit from recurring operations	1.1	*10.4%*	1.4	*12.4%*
Operating profit	1.1	*10.4%*	1.4	*12.4%*
Belgium				
Revenue	13.7		11.0	
Organic growth		*+24.5%*		
Operating profit on business activity	0.4	*2.9%*	0.3	*2.7%*
Profit from recurring operations	0.3	*2.2%*	0.3	*2.7%*
Operating profit	0.3	*2.2%*	0.3	*2.7%*
Germany				
Revenue	19.5		7.5	
Organic growth		*NS*		
Operating profit on business activity	-1.5	*-7.7%*	0.5	*6.7%*
Profit from recurring operations	-1.5	*-7.7%*	0.5	*6.7%*
Operating profit	-1.5	*-7.7%*	0.5	*6.7%*

In the United Kingdom and Spain, growth remained moderate but profitability stabilised at altogether appropriate levels, while in Germany the investments made in support of the aerospace sector impacted short-term profitability.

	2013		2012	
	Amount	%	Amount	%
Sopra Banking Software				
Revenue	217.3		195.5	
Organic growth		*-0.3%*		
Operating profit on business activity	23.6	*10.9%*	28.2	*14.4%*
Profit from recurring operations	18.6	*8.6%*	23.9	*12.2%*
Operating profit	15.4	*7.1%*	22.1	*11.3%*

Sopra Banking Software continued to focus on building up its comprehensive offering. This subsidiary posted revenue of €217.3 million in 2013, representing positive total growth of 11.2% and negative organic growth of 0.3%. Although the rationalisation of its business model requires time and investments, the level of business activity in France, the United Kingdom, the Middle East and Africa generated a satisfactory operating profit on business activity of €23.6 million, corresponding to 10.9% of revenue (*vs* 14.4% in 2012).

	2013		2012	
	Amount	**%**	**Amount**	**%**
HR Access (9 months)				
Revenue	56.1		-	
Organic growth		*+2.4%*	-	
Operating profit on business activity	4.3	*7.7%*	-	
Profit from recurring operations	4.3	*7.7%*	-	
Operating profit	13.5	*24.1%*	-	

With regard to HR Access, the entity's integration programme has been successful and its strategic plan built around services was well received by the market. Nine-month revenue came to €56.1 million, corresponding to organic growth of 2.4%. The year ended on a high note, with licence signings coming in strong. The subsidiary's profit from recurring operations was €4.3 million, corresponding to a margin of 7.7%, well above the Group's announced targets.

At Group level, total staff costs for employees, sub-contractors and external contractors represented 75.4% of revenue, compared to 74.9% in 2012.

At the end of December 2013, the year-end workforce totalled 16,284 people, compared to 14,303 people at the end of December 2012. This workforce growth is linked to:

- external growth which led to the integration of around 900 new employees;
- an increase in the number of employees (recruitments net of departures) amounting to 1,080 people.

Operating expenses as a percentage of revenue increased slightly, totalling 14.9% (i.e. €201.3 million) compared to 14.6% (i.e. €178.2 million) in 2012. They take into account the French R&D tax credit in the amount of €10.8 million in 2013, versus €6.1 million in 2012.

Depreciation, amortisation and provisions, which came to 1.6% of revenue in 2013, increased by 0.2% relative to the previous year, mainly as a result of the structure of HR Access being taken into account.

Operating profit on business activity totalled €108.9 million or 8.1% of revenue, compared with €109.6 million or 9.0% of revenue in 2012.

Profit from recurring operations amounted to €101.1 million, corresponding to 7.5% of revenue, compared to €103.2 million and 8.5% of revenue in 2012, decreasing by 1%.

Expenses related to stock options (€0.2 million) remained stable in 2013 compared to 2012.

Expenses associated with the bonus share allotment plan implemented in June 2012 totalled €2.6 million in 2013, compared to €2.0 million in 2012.

After allocating goodwill on acquisitions, additions to amortisation of allocated intangible assets totalled €4.8 million in respect of 2013, compared with €4.2 million in respect of 2012.

Operating profit totalled €103.9 million or 7.7% of revenue, compared with €91.3 million or 7.5% of revenue in 2012.

Other operating income and expenses amounted to net income of €2.8 million, compared to a net expense of €11.9 million in 2012.

The cost of net financial debt totalled €7.0 million in 2013, compared with €7.2 million in 2012. Net financial expense, including hedging impact, came to €6.6 million in 2013, versus €5.8 million in 2012. This interest expense takes into account contributions to the blocked profit-sharing reserve, amounting to €2.0 million in 2013 and €1.9 million in 2012.

Other financial income and expense amounted to an expense of €1.4 million in 2013, as against an expense of €1.0 million a year earlier.

The 2013 tax expense totalled €32.5 million, compared with €33.6 million in 2012.

In 2013, profit from equity-accounted associates included the following:

- the Group's share in Axway's profit for the period (25.97% of €35.6 million): €9.1 million;
- the impact of the dilution of Axway's share capital: (-)€0.7 million.

The Group's net profit came to €71.4 million in 2013, corresponding to 5.3% of revenue, compared to €55.6 million and 4.6% of revenue in the previous year.

Basic earnings per share (calculated on the basis of the weighted average number of shares outstanding during the financial year) was €6.00 compared to €4.67 in 2012, and diluted earnings per share (taking into account share subscription options already granted but not yet exercised) was €5.92 compared to €4.62 a year earlier.

2.2. Balance sheet and financial structure

Non-current assets were €570.0 million at 31 December 2013, up from €565.3 million the previous year. This item mainly reflects the following movements:

- the increase in goodwill (€317.5 million *vs* €314.6 million in 2012);
- the decrease in intangible assets (€54.0 million *vs* €59.2 million in 2012);
- the increase in property and equipment (€49.2 million *vs* €39.2 million in 2012);
- the increase in equity-accounted investments (Axway Software) (€118.8 million *vs* €113.8 million in 2012);
- the decrease in deferred tax assets (€25.6 million *vs* €34.5 million in 2012).

Trade accounts receivable totalled €442.4 million, compared with €384.3 million in 2012.

Cash and cash equivalents amounted to €102.2 million compared to €47.4 million in 2012.

At 31 December 2013, consolidated shareholders' equity totalled €357.9 million compared to €305.3 million in 2012. The statement of changes in consolidated shareholders' equity included in Chapter 5 of this Registration Document provides a detailed presentation of the principal movements.

Borrowings and financial debt totalled €256.8 million, compared with €251.4 million in 2012, including €106.8 million in long-term bank borrowing, €61.0 million in current bank borrowing, €7.6 million in IT lease finance agreements and €29.8 million in additions to the special employee profit-sharing reserve.

Net debt at end-2013 totalled €154.6 million.

Net bank debt, excluding the employee profit-sharing liability, totalled €124.8 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 to the consolidated financial statements, in Chapter 5 of this Registration Document.

Other current liabilities, which totalled €416.4 million in 2013 compared to €337.1 million in 2012, mainly comprised:

- employee-related liabilities (personnel and social security) for €199.8 million;
- tax liabilities for €112.3 million, essentially corresponding to value added tax included in client receivables;
- accrued income and prepayments for €100.1 million, comprising the portion of billing revenue already issued but yet to be booked as revenue.

At 31 December 2013, the Group's financial position remained strong, with total equity of €357.9 million and net debt of €154.6 million.

3. Sopra Group SA company financial statements

Sopra Group SA comprises all of the Consulting, Systems Integration and Solutions Development activities in France except for HR Access and Sopra Banking Software, 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 a 25.72% interest in Axway Software, a global software developer and market leader in governing data streams.

3.1. Income statement

Revenue amounted to €853.3 million in 2013, as against €819.2 million a year earlier.

Operating profit came to €51.5 million, down from €52.1 million a year earlier.

The Group's net financial income was €1.3 million in 2013, compared to a net financial expense of €2.2 million in 2012.

Pre-tax profit on ordinary activities was €52.9 million, compared to €50.0 million a year earlier.

Exceptional items amounted to an expense of €1.4 million in 2013, as against an expense of €0.2 million in 2012.

The discretionary and non-discretionary employee profit-sharing expense was €5.2 million, compared to €6.5 million in 2011, and the corporate income tax expense declined from €8.4 million to €5.3 million.

Net profit came to €40.9 million in 2013, as against €34.8 million in 2012.

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 2013 include €131,190 in respect of non-deductible expenses.

3.2. Balance sheet

Shareholders' equity was €239.2 million at 31 December 2013, compared to €217.7 million a year earlier.

This change was due primarily to the following factors:

- the net profit for the year of €40.9 million;
- payment of dividends in respect of the 2012 financial year amounting to (-)€20.2 million;
- the capital increase related to the exercise of stock options for €0.8 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 2013 comprises the following elements:

(in thousands of euros)	Total outstanding amount	Amount not yet due	Amount due in less than 60 days	Amount due in more than 60 days
At 31 December 2012	44,421	43,765	552	104
At 31 December 2013	43,896	43,409	478	9

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

Fixed assets decreased to €479.8 million, from €383.2 million in 2012. These were comprised of €369.6 million in non-current financial assets, €83.1 million in intangible assets and €27.1 million in property and equipment.

3.3. Identity of shareholders

Sopra 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 2014

4.1. Key events in 2013

4.1.1. TARGETS COMFORTABLY ACHIEVED THANKS TO SUSTAINED GROWTH

Sopra delivered sustained growth in 2013, enabling it to exceed the targets set in 2012. Total Group revenue grew by 10.9% to €1.349 billion in 2013. With organic growth of 4.3% and a margin on operating activities of 8.1%, Sopra significantly outperformed comparable companies, particularly in the French market, which alone accounted for two-thirds of total revenue. The Group also cut its debt by almost 25% in 2013.

Sopra's workforce totalled 16,284 employees at end 2013, an increase of 14% on 2012. This growth was the result both of net recruitment across the Group's various sites and of employees added to the Group via acquisitions.

4.1.2. GROWTH IN THE SOFTWARE VENDING BUSINESS

In 2013, Sopra confirmed its status as a major vendor of business solutions, in particular thanks to the acquisition of HR Access and stable performance at the Sopra Banking Software subsidiary. Solutions vending now represents a quarter of the Group's total revenue, split equally between France and other countries (Europe and Rest of World).

While Sopra Banking Software alone generates two-thirds of software vending revenue, revenue from dedicated human resources solutions almost tripled in one year. These results are perfectly aligned with the Sopra 2015 project, which aims in particular to strengthen the Group's positioning not only in software vending but also in the human resources management market.

4.1.3. CONSOLIDATION OF THE KEY CLIENTS PROGRAMME

Sopra continued to develop its businesses with strategic key clients in 2013. As a result, 30 major clients in industry, finance, the public sector, transport, retail and telecoms/media accounted for 53% of the Group's total revenue in 2013. This concentration strategy continues to bear fruit and drive growth, with revenue generated from these key accounts up 13% relative to 2012.

The increase in the proportion of fixed-price projects, up from 19% of services revenue in 2012 to 25% in 2013, together with the reduction in technical assistance services, also demonstrates the Group's ability to focus on major projects that deliver high added value to clients.

The Group also achieved growth of 18% in the public sector in 2013, driven in particular by a number of large projects in the defence sector.

4.2. Strategic priorities in 2014

In 2014, Sopra will continue its strategic planning under what was previously referred to as the "Sopra 2015" project, now given fresh impetus as the "Sopra 2016" project. This project aims above all to create value for the Group's clients, but also its shareholders and employees, in order to secure their engagement, thus bringing their own long-term goals and ambitions in line with those of the Group.

This ambitious project, which has set 2015 targets for revenue between €1.5 billion and €2 billion (with operations outside France accounting for 35-40% of the total) and an operating margin on business activity of around 10%, has four main strategic thrusts:

- moving up the value chain so as to better serve the business-related and competitiveness challenges faced by the Group's clients;
- expansion in Europe;
- the development of solutions able to precisely meet client requirements;
- innovation, so as to ensure that the Group's clients are able to fully benefit from the opportunities offered by the latest digital and technology advances.

4.2.1. CONFIRMING THE GROUP'S INNOVATION AND TRANSFORMATION EFFORTS

The Group's core activity is to understand its clients' businesses in order to help them overcome their key challenges and boost their competitiveness. To maintain its positioning as a preferred strategic partner that provides its clients with a high level of added value, supports their development and optimises their operating costs, the Group needs to continue to focus on and invest in delivering an offering that is both innovative and differentiating.

Growth in the digital market is characterised by an increasing number of technological developments in the digital arena (the cloud, big data, social networks, mobility, etc.). While these developments give rise to tremendous opportunities for innovation and growth, they require Sopra to be proactive and to constantly question its business model. The Group needs to embrace emerging technologies so that it can then advise its clients on the best way to use those technologies to meet their needs.

4.2.2. STRENGTHENING THE GROUP'S POSITION AS A SOLUTIONS VENDOR

Solution vending is a key area of development in which Sopra will continue to invest. Within the framework of the Group's strategic plan, the aim is to enhance Sopra's sector-specific offerings while expanding its geographical coverage and ensuring the quality and performance of the services it delivers.

Concerning human resources management solutions, one of the projects for 2014 will be to combine HR Access and Pléiades in order to be able to offer clients an end-to-end HR management solution and consolidate the Group's position in this market.

4.2.3. STEPPING UP GROWTH IN THE EUROPEAN MARKET

The Group's European subsidiaries (excluding France) grew by 9.6% in 2013, sometimes in economically challenging markets.

In 2014, Sopra will continue to expand its European presence on the basis of a stronger Group culture, with the aim of generating 40% of total revenue from its European subsidiaries.

4.2.4. CONTINUING WITH THE EXTERNAL GROWTH STRATEGY

By acquiring HR Access, the Group demonstrated its ability to integrate the offerings and expertise of external companies, not only technically but also culturally. The most recent acquisitions have significantly boosted overall growth and helped strengthen Sopra's position in its various markets.

In 2014, the Group will continue with its aggressive external growth strategy, which will help achieve its targets in terms not only of results but also of strategic positioning and geographical coverage.

4.3. Recent developments

4.3.1. PROPOSED FRIENDLY TIE-UP BETWEEN SOPRA AND STERIA TO CREATE A EUROPEAN LEADER IN DIGITAL TRANSFORMATION

On 8 April 2014, Sopra and Steria announced their intention to create, by carrying out the proposed tie-up, a European leader in digital services with combined revenue of €3.1bn and operations in 24 countries, harnessing the talents of over 35,000 professionals.

This tie-up would enable the new group to meet the following targets:

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

The proposed tie-up will take the form of a friendly, voluntary *Offre Publique d'Echange* [(1)] (Public Exchange Offer) initiated by Sopra for all of the shares of Steria on the basis of one (1) Sopra share for four (4) Steria shares (the "Offer").

The Board of Directors of Soderi, the *associé commandité* (general partner) of Steria, as well as the Supervisory Board of Steria and the Board of Directors of Sopra approved this proposed tie-up and gave it their support.

The two firms share cultures of independence and growth and a great deal of mutual respect, making the idea of combining forces a natural decision. The accelerating pace of the digital revolution and new modes of consuming services are giving rise to a deep-seated change in the market. In this context the tie-up aims to deliver the best transformation solutions to clients so that they can adapt to the digital world. The alliance between Sopra and Steria would allow the two firms to put together one of the most complete portfolios of offerings available on the market, from software solutions to business process execution. This industrial project would also benefit the employees of both entities, who would be able to evolve and acquire new skills, and shareholders, who would be able to accompany Sopra and Steria in a foundational, value-creating project.

Balanced corporate governance and stable reference shareholder structure

The new group would operate with a balanced corporate governance structure in the framework of a proposed tie-up between equals.

Pierre Pasquier would be Chairman of its Board of Directors and François Enaud would be Chief Executive Officer. On the Board of Directors, Sopra and Steria would each be represented by four directors, in addition to independent members and employee representatives.

The share capital of the new combined entity would be structured, on the one hand, around a core block representing the founders and certain managers of Sopra, holding a total of approximately 22% of the share capital, a block owned by Geninfo representing 7% of the share capital, and finally a c.10% block owned by former and current employees-shareholders of Steria. The above-mentioned blocks together represent 39% of the share capital. This shareholder structure would be materialised by a shareholders' pact between Sopra GMT and Soderi, with the latter representing the former employee-shareholders of Steria.

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

Very strong complementary fit of business activities and geographic segments

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

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

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

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

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

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

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

Schedule and conditions of the transaction

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

Filing of the Offer could take place in May 2014.

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

4.3.2. CHANGES IN SOPRA'S SENIOR LEADERSHIP

In connection with the proposed friendly tie-up between Sopra and Steria, Sopra's Board of Directors, convened on 15 April 2014, approved the appointment of Vincent Paris as the Group's Chief Executive Officer, replacing Pascal Leroy. This appointment will be effective from 1 May.

Pascal Leroy, who has served as Deputy CEO and then Chief Executive Officer of Sopra over the last four years, will continue to oversee the Group's operations and functions until 30 April.

Vincent Paris, who has been Deputy CEO of Sopra since January 2014, will be responsible for the day-to-day management of Sopra's operations until the effective completion of the friendly tie-up with Steria, planned for this summer.

As announced publicly and subject to the successful completion of the proposed tie-up, Pierre Pasquier will serve as Chairman of the Board of Directors of the new entity, Sopra Steria Group, with François Enaud as its Chief Executive Officer and Vincent Paris as Deputy CEO.

4.3.3. ACQUISITION OF COR&FJA BANKING SOLUTIONS GMBH

The acquisition of German company COR&FJA Banking Solutions GmbH was announced in November 2013 and completed in February 2014. This acquisition will boost Sopra Banking Software's international presence and enable this subsidiary to offer a new range of sector-specific services to a broader client portfolio.

4.3.4. PROPOSED ACQUISITION OF THE HR ACCESS SERVICE BUSINESS OF IBM FRANCE

On 24 April 2014, Sopra announced its intention to acquire the HR Access Service business, which was owned until that date by IBM France, via its subsidiary Sopra HR Software. This acquisition would significantly increase the pace at which Sopra deploys its strategy for human resources solutions.

The proposed acquisition, if completed, would further Sopra's strategic plan, which targets a strong presence in software solutions and associated services. It would bring the Group closer to clients, enhance its solutions oriented approach and provide recognised expertise on the human resources market. The HR Access Service business would join Sopra HR Software in making Sopra's HR solutions offering a market standard. The transaction would take the form of a partial transfer of business (*cession partielle fonds de commerce*). The acquisition price has not been made public. The proposal has been approved by Sopra's Board of Directors. The transaction, subject to the usual conditions precedent including consultation with employee representative bodies, is expected to be finalised in July 2014. With this acquisition, the annual pro forma revenue of Sopra's HR solutions offerings would be approximately €150m in 2014.

4.3.5. REVENUE FOR THE FIRST QUARTER OF 2014

1ST QUARTER 2014

(in millions of euros)	Q1 2014	Q1 2013 Pro forma	Q1 2013 Reported	Total growth	Organic growth(1)
France	**197.8**	**193.5**	**192.1**	**3.0%**	**2.2%**
Europe (excluding France)	**63.8**	**60.5**	**59.9**	**6.5%**	**5.5%**
of which United Kingdom	22.3	21.7	21.1	5.7%	2.8%
of which Spain	20.8	17.6	17.6	18.2%	18.2%
of which Italy	10.3	11.2	11.2	-8.0%	-8.0%
of which Switzerland	2.9	2.8	2.8	3.6%	3.6%
of which Benelux	4.3	3.4	3.4	26.5%	26.5%
of which Germany	3.2	3.8	3.8	-15.8%	-15.8%
Sopra Banking Software	**60.7**	**58.3**	**53.0**	**14.5%**	**4.1%**
Other Solutions	**36.1**	**31.0**	**16.3**	**NS**	**16.5%**
SOPRA GROUP	**358.4**	**343.3**	**321.3**	**11.5%**	**4.4%**

(1) At constant consolidation scope and exchange rates.

The Group posted revenue of €358.4 million for the first quarter of 2014, representing total growth of 11.5% and organic growth of 4.4%. Amid a slight market upturn, Sopra once again demonstrated its ability to outperform.

In France, business activity remained robust, continuing the trend noted at the end of last year, with the Group turning in a solid performance. Revenue for the quarter came to €197.8 million, representing total growth of 3.0% and organic growth of 2.2%. Sopra capitalized on its strong positioning among major clients, with numerous contract signings. In addition, some of the large contracts signed at the end of 2012 have hit their stride and are now attaining the profitability targets set for them.

In its other European markets, the Group's business activity also experienced growth. Sopra posted revenue in Europe (excluding France) of €63.8 million, achieving total growth of 6.5% and organic growth of 5.5%. Spain and the Benelux countries had an excellent start to the year with organic growth well over 15%, while adverse economic conditions affecting certain projects in Germany and Italy weighed on the Group's performance there. Sopra's performance in other European markets was in line with expectations.

Sopra Banking Software recorded revenue of €60.7 million for the quarter, representing total growth of 14.5% and organic growth of 4.1%. The subsidiary continued to develop, in particular by building up offshore teams in India and enhancing its industrialisation process to handle current large-scale projects. The period saw a significant (8%) rise in licence signings, and sales synergies with COR&FJA Banking Solutions, the Group's most recently completed acquisition (consolidated since 1 January), began to materialise, with the signing of the first cross-sold contract.

The Group's other solutions, for human resources and real estate, saw strong growth. Real estate solutions posted organic growth of more than 7%, while human resources solutions exceeded 20%. The remainder of the year is expected to offer excellent opportunities for this business segment, which enjoys a promising order book.

Sopra also announced the proposed acquisition, by its subsidiary Sopra HR Software, of HR Access Service Line, currently owned by IBM France (see press release dated 24th April). If completed, this transaction would position Sopra even more strongly to deliver on its software solutions strategy, expectedly resulting in pro forma 2014 revenue of over €150 million for the Group's Human Resources Solutions business as a whole.

In the first quarter, 430 staff joined the Group as new hires and 115 on the acquisition of COR&FJA Banking Solutions. The total workforce now comprises 16,835 people.

Sopra maintains a 25.66% stake in its former subsidiary Axway Software. For first quarter 2014, Axway reported an encouraging revenue performance of €52.0 million, representing organic growth of 6.1%. This momentum has enabled the company to confirm its targets for the year, which include significant organic and external growth and an operating margin on business activity at least equal to that achieved in 2013 (15.8%).

4.3.6. 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 2014

For the 2014 financial year Sopra is aiming for organic growth of between 3% and 5%, as well as an improvement in its operating margin on business activity.

If the proposed acquisition of HR Access Service comes to fruition, the Group's pro forma revenue will be approximately €1.5bn for the financial year, representing total growth of approximately 11% and the net debt target for the end of the financial year will be between €120 million and €140 million.

5. Subsidiaries and associated entities

5.1. Acquisitions of equity interests in subsidiaries and associated entities

5.1.1. NEWLY CONSOLIDATED COMPANIES

- **HR Access** – At the beginning of April 2013, Sopra acquired 100% of the share capital of the HR Access group. HR Access offers a complete range of global and integrated HR solutions, designed to meet the needs of a vast set of companies across all business sectors. The solutions offered are dedicated to managing personnel, time and activities, skills and payroll. HR Access serves more than 625 clients in 54 countries, and generated 2012 revenue of €75 million. It has nearly 900 employees in France, Spain and Tunisia. All HR Access businesses have been consolidated since 1 April 2013.
- **Altime** – In October 2013, Sopra Banking Software acquired two consulting companies which underwent a simplified merger with Sopra Banking Software with effect from 31 December 2013. Over three months, these two entities contributed €1.2 million in revenue with 24 employees.

5.1.2. DECONSOLIDATED ENTITIES

No Sopra Group entities were deconsolidated in financial year 2013.

5.2. Legal reorganisations and restructurings

Following the 2012 acquisitions, a legal entity rationalisation process gave rise to the transactions listed below, none of which had any impact on the consolidated financial statements:

- Adeuza was wound up by way of a complete transfer of assets and liabilities (*transmission universelle de patrimoine*, TUP) to Sopra Group on 29 June 2013;
- Sopra Group Ltd's business was transferred to Sopra Group Financial Services Ltd effective 1 January 2013. The corporate name of Sopra Group Ltd was changed to Sopra Group Holding Ltd and that of Sopra Group Financial Services Ltd was changed to Sopra Group C&SI Ltd;
- all shares constituting the issued capital of Sopra Group Solutions UK Ltd were transferred to Sopra Banking Software SA by Sopra Group Holding Ltd on 28 June 2013, the two first two companies being wholly owned subsidiaries of Sopra Group. On 30 September 2013, Sopra Banking Software Ltd's business was contributed to Sopra Group Solutions UK Ltd. Sopra Group Solutions UK Ltd was renamed Sopra Banking Software Ltd effective 8 October 2013 (the previously existing entity under the name Sopra Banking Software Ltd was renamed SBS123 Ltd);
- the Spanish company CS Sopra España was merged with Sopra Group Informatica at the end of June 2013 (effective retroactively for accounting purposes from 1 January 2013);
- Sopra Banking Paris was wound up without liquidation by way of a complete transfer of assets and liabilities (TUP) to Sopra Banking Software on 29 June 2013;
- the business of the Belgian company Business Architects International was transferred to Sopra Banking Software Belgium effective 1 January 2013, after which this entity was merged by way of a cross-border transaction with Sopra Banking Software in France on 30 June 2013, effective retroactively for accounting purposes from 1 April 2013;
- the Belgian company Sopra Banking Software Participations was merged by way of a cross-border transaction between this entity and Sopra Banking Software in France on 31 May 2013, effective retroactively for accounting purposes from 1 January 2013;
- Sopra Banking Software Factory's business was transferred to Sopra Banking Software Belgium, a wholly owned subsidiary of Sopra Group, on 1 January 2013;
- all shares constituting the issued capital of SOPRAntic were transferred to Sopra Group by Sopra Banking Software on 28 June 2013. The corporate name of SOPRAntic was changed to Sopra Banking Software Morocco.

A legal entity rationalisation process was also applied to the new HR Access sub-group, without any impact on the consolidated financial statements:

- HR Access Netherlands CV was dissolved on 30 June 2013;
- HR Access Solutions BV was merged by way of a cross-border transaction between this entity and Sopra HR Software in France, effective retroactively for accounting purposes from 1 July 2013;
- HR Access Solutions SAS was merged using the simplified procedure with Sopra HR Software on 31 December 2013, effective retroactively for accounting purposes from 1 July 2013.

5.2. List of consolidated companies

This list is detailed in Chapter 6, Section 5.9, "Individual financial statements".

6. Risk factors

The procedures implemented to control and manage these risks are presented in the Chairman of the Board of Directors' report in Chapter 2 of this Registration Document.

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.

This document contains forecasts in respect of which there are risks and uncertainties concerning the Group's future growth and profitability. Readers are reminded that licence agreements, which often represent investments for our clients, are generally more significant in the second half of the year, and may therefore have a more or less favourable impact on full-year performance.

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 and production constituted the Group's main risks, as well as risks related to business relations with key clients and cash management. As such, these risks are the subject of ongoing action plans.

Provisions are recognised in respect of all ongoing disputes, as described in Notes 28 and 37 to the consolidated financial statements, in Chapter 5 of this document.

Risks are recognised in accordance with the method presented in Note 1.20 to the consolidated financial statements, in Chapter 5 of this document.

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.

6.1. Main operational risks

6.1.1. HUMAN RESOURCES (HR) RISKS

In a service business, which also faces certain skill shortages, human resources risks are naturally critical. The performance of the recruitment process, skill and career 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, as described below.

The HR vision supporting the Enterprise Project over the next three years is updated annually and broken down to individual business unit level. With this in mind, the company's HR requirements are expressed in terms of headcount, changes in the Group's business lines and skills development requirements in line with the key challenges faced.

Within this framework, the Group's performance measurement and career management system aims to share employees' specialist knowledge and draw up individual and collective HR development plans aligned with the company's needs as well as with employees' capabilities and career goals.

This system is based around the following components. Employee performance is assessed by project managers on a project-by-project basis. These assessments feed into annual career interviews with line managers. Human Resources Committees, made up of management and all line managers in each business unit, meet twice a year to assess and review employees' roles, performance and future development. In particular, they are intended to share employees' knowledge, assess their skills, performance and development potential from a cross-functional perspective, and draw up associated development plans. These Human Resources Committees, which exist at each level of decision-making (branch, division, country and Group), serve to ensure that performance is assessed consistently and fairly and that career management is aligned with the objectives embodied in the strategic HR vision. Action plans are then rolled out and managed throughout the year within each entity.

The Human Resources Department works with Heads of HR in each division to support management by coordinating these various systems.

In response to growth in operating entities, the network of line managers within each branch, to whom branch managers may delegate responsibility for employee career management, has been strengthened.

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.

Section 2, "Our responsibility to our employees", of the Group's Sustainable Development and Corporate Social Responsibility Report (Chapter 4) provides an overview of the human resources policy.

6.1.2. 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 *Xshore* 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 Industrialisation 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.

6.1.3. RISKS RELATED TO BUSINESS RELATIONS WITH KEY CLIENTS

Commercial efficiency depends upon the ability to mobilise all client-related knowledge, where relationships with major clients extend over a number of years and 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.

6.1.4. 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, which manages the provisional financing plan, alongside 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.

6.2. Other risks

6.2.1. LEGAL RISKS

a. Intellectual property

Brands

Sopra 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.

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 nor any of its subsidiaries have filed for or hold other patents for software.

Software licences

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

b. Software distribution

Software developed by Sopra 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.

c. Specific regulations

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

6.2.2. 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.

6.2.3. FINANCIAL RISKS

Financial risks are discussed in Note 34 to the consolidated financial statements, in Chapter 5 of this document.

Negotiated bank borrowing facilities help the Group manage its liquidity risk. The Group's policy concerning this matter is to have borrowing facilities at its disposal which are much more extensive than its needs. Sopra has entered into three syndicated credit facilities with its banks: in the amounts of €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, in Chapter 5 of this document.

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

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

6.2.4. RISK OF CLIENT OR SUPPLIER DEPENDENCY

a. Risk of client dependency

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 23.4% and the top ten represented 34.6%.

In 2013, our number one client accounted for 7.6% of Group revenue; the top five clients represented 24.0% and the top ten represented 35.6%.

Our main clients include BNP Paribas, CNAM/CPAM, Crédit Agricole, Airbus Group, EDF, Orange, Mulliez-Auchan, SFR and Société Générale.

b. Risk of supplier dependency

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

6.2.5. 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	2013	2012
Consulting	*5%*	*6%*
Fixed-price projects	*19%*	*15%*
Technical assistance	*22%*	*28%*
Application outsourcing	*29%*	*30%*
Industry application solutions	*25%*	*21%*
TOTAL	***100%***	***100%***

The revenue items exposed to the risk inherent in the determination of costs are:

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

About 38% 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.

6.2.6. RISKS RELATED TO 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.

This rate was approximately 5.0% in 2013 and 6.6% in 2012.

6.2.7. INSURANCE AND RISK COVERAGE

a. Civil liability insurance

Sopra 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, North Korea and, in particular, as part of the Group's business in and to the entire world, with the exception of Sudan and South Sudan, depending on the loss involved, for the period from 1 January 2013 to 31 December 2013.

The amounts of the cover and excesses are as follows:

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.

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.

b. Civil liability relating to aeronautic products

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

c. Directors' and officers' liability insurance

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

7. Information concerning company officers

7.1. Corporate offices and positions held by each company officer during the financial year

This information is provided in Chapter 2, Section 3 of this Registration Document.

7.2. Details of compensation paid to company officers

The company officers occupying a position within the Group who received fixed and variable compensation in respect of financial year 2013 are as follows:

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

The Chairman's role justifies the fact that part of his compensation is conditional upon the achievement of targets set at the beginning of the year.

Like all Executive Committee members, company officers holding a position within the Group received variable compensation in 2013 based on 2012 results and receive such compensation in 2014 based on 2013 results. This variable component may represent up to:

- 40% of fixed annual compensation where the Group's profitability target as well as individual targets are met;
- 60% of fixed annual compensation for very strong performance.

As a result of the alignment of the variable remuneration system applicable to executive company officers with that of all Executive Committee members, the Group departs from the recommendations of the AFEP-MEDEF Code of corporate governance, which states that "when qualitative criteria are used, a limit must be determined for the qualitative portion". For the Group, qualitative criteria do not entitle the beneficiary to receive variable remuneration but serve instead to determine the upward or downward adjustment in the amount calculated in respect of the main profitability target shared by all senior executives and Executive Committee members.

Due to the fact that these targets are not announced publicly, they may be determined without giving consideration to any factors other than the interests of the Group.

7.2.1. SUMMARISED STATEMENT OF COMPENSATION PAYABLE AND OPTIONS AND SHARES ALLOCATED TO PIERRE PASQUIER (TABLE 1 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2013	2012
Compensation payable in respect of the financial year	€479,955	€481,449
Valuation of multi-year variable compensation allocated during the financial year	-	-
Valuation of options allocated during the financial year	-	-
Valuation of performance-based shares allocated during the financial year	-	-
TOTAL	**€479,955**	**€481,449**

7.2.2. SUMMARISED STATEMENT OF COMPENSATION PAID TO PIERRE PASQUIER (TABLE 2 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2013		2012	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€350,000	€350,000	€350,000	€350,000
Annual variable compensation	€105,000	€105,000	€105,000	€192,500
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	€20,622	€19,950	€19,950	€11,427
Benefits in kind	€4,333	€6,499	€6,499	€6,499
TOTAL	**€479,955**	**€481,449**	**€481,449**	**€560,426**

As Chairman and CEO of Sopra GMT, the holding company that manages Sopra, Pierre Pasquier received fixed compensation in respect of the 2013 financial year from that company in the amount of €60,000. As Chairman of Axway Software, as indicated in its registration document, he also received fixed compensation from the latter company in the amount of €120,000.

7.2.3. SUMMARISED STATEMENT OF COMPENSATION PAYABLE AND OPTIONS AND SHARES ALLOCATED TO PASCAL LEROY (TABLE 1 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2013	2012
Compensation payable in respect of the financial year	€498,322	€463,247
Valuation of multi-year variable compensation allocated during the financial year	-	-
Valuation of options allocated during the financial year	-	-
Valuation of performance-based shares allocated during the financial year	-	-
TOTAL	**€498,322**	**€463,247**

Pascal Leroy was named Deputy CEO 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 allotted in order to ensure that Mr Leroy's interests were aligned with 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 performance requirement is only taken into account in respect of the variable component of compensation paid to the Group's executives. The exercise price of these options was set at the average market price of the 20 days preceding the allocation, without a discount, in accordance with Group rules.

7.2.4. SUMMARISED STATEMENT OF COMPENSATION PAYABLE TO PASCAL LEROY (TABLE 2 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2013		2012	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€400,000	€400,000	€341,806	€341,806
Annual variable compensation	€80,000	€102,542	€102,542	€105,000
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	€18,322	€18,322	€18,899	€18,899
TOTAL	**€498,322**	**€520,864**	**€463,247**	**€465,705**

7.2.5. COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS (TABLE 3 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

STATEMENT OF DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE COMPANY OFFICERS

	2013	2012
Christian Bret (appointed on 19 June 2012)		
Directors' fees	€22,951	€12,749
Other compensation	-	-
Alain Brodelle (term expired on 19 June 2012)		
Directors' fees	-	€7,602
Other compensation	-	-
Kathleen Clark-Bracco (appointed on 19 June 2012)		
Directors' fees	€22,951	€9,661
Other compensation	-	-
Philippe Citerne (term expired on 19 June 2012)		
Directors' fees	-	€12,749
Other compensation	-	-
Delphine Inesta (term expired on 19 June 2012)		
Directors' fees	-	€10,373
Other compensation	-	-
Gérard Jean	€27,362	€22,586
Directors' fees		
Other compensation	-	-
Hélène Martel-Massignac (resigned effective 22 May 2013)	€15,931	€17,295
Directors' fees		
Other compensation	-	-
Françoise Mercadal-Delasalles (appointed on 19 June 2012)	€14,399	€5,975
Directors' fees		
Other compensation	-	-
Bernard Michel (Advisor) (appointed on 19 June 2012)		
Directors' fees	€19,809	€23,554
Other compensation	-	-
Jean Mounet (appointed on 19 June 2012)		
Directors' fees	€14,399	€8,961
Other compensation	-	-
François Odin		
Directors' fees	€22,190	€27,909
Other compensation	-	-
Jean-Luc Placet (appointed on 19 June 2012)		
Directors' fees	€20,894	€12,081
Other compensation	-	-
Hervé Saint-Sauveur		
Directors' fees	€40,264	€38,543
Other compensation	-	-
Jean-François Sammarcelli		
Directors' fees	€8,228	€8,530
Other compensation	-	-
Gérard Vincent (term expired 19 June 2012)		
Directors' fees	-	€11,482
Other compensation	-	-
TOTAL	**€229,378**	**€230,050**

The total amount of directors' fees to be allocated with respect to the 2013 financial year was €250,000 (the seventh resolution approved by the General Meeting of 13 June 2013): The directors' fees allocated to Pierre Pasquier with respect to 2013, totalling €20,622, are presented in the table found in Section 7.2.2.

Directors' fees are allocated to participants in meetings of the Board of Directors and its committees (voting and non-voting members), solely on the basis of their effective 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 2013

It should be noted that:

- Kathleen Clark-Bracco's compensation in respect of financial year 2013 was €204,750 on the basis of her status as an employee of Sopra GMT, the holding company that manages Sopra;
- Trigone, a company controlled by Jean Mounet, invoiced commercial consulting services totalling €366,250 in 2013 under the terms of a contract signed in 2009.

7.2.6. SHARE SUBSCRIPTION AND PURCHASE OPTIONS ALLOCATED DURING THE YEAR TO EXECUTIVE OFFICERS (TABLE 4 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

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
-	-	-	-	-	-	-

7.2.7. SHARE SUBSCRIPTION AND PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EXECUTIVE OFFICERS (TABLE 5 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

Name of executive company officer	Number and date of plan	Number of options exercised during the year	Exercise price
Pascal Leroy	Plan no. 5 (26/05/2005)	5,326	€53.84

The options exercised had been allocated to Pascal Leroy on 21 December 2006, prior to his appointment as a company officer.

7.2.8. BONUS SHARES ALLOCATED TO COMPANY OFFICERS (TABLE 6 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

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	Conditions for freeing shares
-	-	-	-	-	-	

7.2.9. BONUS SHARES ALLOCATED TO COMPANY OFFICERS THAT WERE FULLY VESTED DURING THE YEAR (TABLE 7 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

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

7.2.10. TIMELINE OF SHARE SUBSCRIPTION AND PURCHASE OPTION ALLOCATIONS (TABLE 8 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

Date of General Meeting	Plan No. 5 – GM of 26 May 2005				Plan No. 6 – GM of 15 May 2008			Plan No. 7 – GM of 10 May 2011	Total
Date of Board of Directors or Executive Board meeting	25/07/2006	21/12/2006*	08/01/2007	18/03/2008*	17/03/2009*	15/04/2010*	29/03/2011*	20/11/2011	
Total number of shares that may be subscribed or purchased	30,000	67,000	5,000	50,000	20,000	30,000	49,500	5,000	256,500
Of which: number of shares held by Pascal Leroy as a company officer							42,000		42,000
Exercise price	57.85	58.80	60.37	45.30	27.16	53.68	72.00	43.22	
Number of shares initially allocated or readjusted following the Axway spin-off	30,000	70,423	5,000	52,642	21,302	31,953	52,720	5,000	269,040
Initial or readjusted exercise price following the Axway spin-off		53.84		41.16	24.13	49.03	66.61		
Of which: number of shares held by Pascal Leroy as a company officer							44,731		44,731
Date at which options may be exercised	26/07/2011	22/12/2011	09/01/2012	19/03/2013	18/03/2014	16/04/2015	30/03/2016	21/10/2016	
Expiration date	24/07/2014	20/12/2014	07/01/2015	17/03/2016	16/03/2017	14/04/2018	28/03/2019	19/10/2019	
Subscription or purchase price	57.85	53.84	60.37	41.16	24.13	49.03	66.61	43.22	
Operating procedures	NA	NA	NA	NA	NA	NA	NA	NA	
Number of shares subscribed at 31/12/2013	0	22,901	0	3,196					26,097
Cumulative number of share subscription or purchase options cancelled or lapsed	30,000	20,359	5,000	9,500					64,859
Share subscription or purchase options remaining at 31/12/2013	0	27,163	0	39,946	21,302	31,953	52,720	5,000	178,084

* *Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions.*

NA: not applicable.

A total of 26,097 subscription options were exercised in 2013 under Plan 5.

No further options may be granted under Plan 5, Plan 6, or Plan 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 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 shares issuable against outstanding options is 178,084.

On 19 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 of Chapter 5 of this document), the number of options that could still be issued as of 31 December 2013 under Plan 8 was 427,799.

This in turn brings the maximum number of Sopra shares to be issued in respect of options to be exercised to 605,883.

On exercising their options, holders of Sopra options as at 14 June 2011 are eligible to receive one free Axway Software share held by the Company for each Sopra option originally granted. The number of Axway Software shares that could thus be distributed by way of the exercise of Sopra Group options totalled 162,500 as at 31 December 2013.

7.2.11. TEN LARGEST STOCK OPTION ALLOCATIONS TO EMPLOYEES WHO ARE NOT COMPANY OFFICERS AND OPTIONS EXERCISED BY SAID EMPLOYEES DURING THE YEAR (TABLE 9 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

Ten largest stock option allocations to employees who are not company officers and options exercised by said employees during the year	**Number of options allocated/ number of shares subscribed or purchased**	**Weighted average price**	**Plan 5**	**Plan 6**	**Plan 7**
Ten largest stock option allocations during the year by the Company, and by any other Group entities able to grant options, to employees of the Company and of any other Group entities able to grant options (summary information)	0	-	0	0	0
Stock options granted by the Company and by the aforementioned entities exercised during the year by the ten employees of the Company and these entities having thus exercised the largest number of stock options (summary information)	20,771	€51.89	20,771	0	0

7.2.12. TIMELINE OF BONUS SHARE ALLOTMENTS (TABLE 10 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

Date of General Meeting	**Plan 1 of 19 June 2012**
Date of Board of Directors meeting	19/06/2012
Total number of bonus shares allotted	166,875
of which company officers	0
Share acquisition date	01/07/2014
Holding period end date	30/06/2016
Number of shares subscribed at 31 March 2014	0
Cumulative number of shares cancelled or lapsed	28,200
Number of allocated bonus shares remaining at end of period	138,675

7.2.13. EMPLOYMENT CONTRACTS, SUPPLEMENTARY PENSION PLANS, COMMITMENTS DUE ON THE TERMINATION OF SERVICE OR CHANGE OF FUNCTIONS, NON-COMPETITION CLAUSES (TABLE 11 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	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: indefinite	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 Deputy CEO 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 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.*

Pursuant to the provisions of the French Commercial Code, this guarantee was submitted for approval by the General Meeting of 13 June 2013 (fifth resolution).

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

Pursuant to Article 223-26 of the general regulations of the AMF, the transactions referred to in Article L. 621-18-2 of the French Monetary and Financial Code during financial year 2013, relating to Sopra shares, were as follows:

Category (1)	Name	Function	Transaction type (2)	Transaction date	Number of securities	Unit price	Transaction amount
a	SEI (3)	Chief Executive Officer	A	02/01/2013	826	€47.9013	€39,566
a	SEI	Chief Executive Officer	A	04/01/2013	77,000	€47.9985	€3,695,885
a	SEI	Chief Executive Officer	A	08/01/2013	37,700	€48.0000	€1,809,600
a	SEI	Chief Executive Officer	A	09/01/2013	12,300	€47.9973	€590,367
a	Françoise Mercadal-Delasalles	Director	A	15/03/2013	1	€56.7500	€57
a	SEI	Chief Executive Officer	A	16/09/2013	1,355	€67.8851	€91,984
a	SEI	Chief Executive Officer	A	17/09/2013	843	€67.9107	€57,249
a	SEI	Chief Executive Officer	A	18/09/2013	51	€67.9400	€3,465
a	SEI	Chief Executive Officer	A	23/09/2013	20,766	€69.0192	€1,433,253
a	SEI	Chief Executive Officer	A	24/09/2013	1,985	€68.5000	€135,973
a	SEI	Chief Executive Officer	A	30/09/2013	500	€65.0000	€32,500
a	SEI	Chief Executive Officer	A	01/10/2013	3,500	€64.2293	€224,803
a	Pascal Leroy	Chief Executive Officer	SO	04/10/2013	5,326	€53.8400	€286,752
a	Pascal Leroy	Chief Executive Officer	G	04/10/2013	5,326	€0.0000	€0
a	SEI	Chief Executive Officer	A	06/12/2013	12,000	€72.3663	€868,396

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

(2) Type of transaction: A: Acquisition; D: Disposal; S: Subscription; E: Exchange; G: Gift; SO: Exercise of stock options.

(3) 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, serves as Chairman of SEI.

In addition, the following declarations of threshold crossings by registered intermediaries or fund managers were filed with the AMF in 2013:

Date at which threshold(s) crossed	AMF declaration number	Shareholder(s) having crossed the threshold(s)	Crossing of threshold(s) in capital and voting rights	Type	Number of shares	% of voting rights
04/12/2013	213C1877	FMR LLC	*5%*	Increase	603,728	*5.07%* (1)
01/10/2013	213C1510	Caravelle SA	*5%*	Decrease	-	-

(1) On the basis of share capital composed of 11,914,789 shares representing the same number of voting rights.

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 2013:

- employees of the Company or its affiliates held 12,153 Sopra 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 2013 by employees or former employees through company mutual funds (FCPE);
- no shares in the Company were held at 31 December 2013 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 Chapter 7, Section 2 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 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 Chapter 7, Section 2 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 Chapter 7, Section 2 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 the nineteenth to the thirty-second resolutions.

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. Regulated agreements

12.3.1. COMMITMENTS TO COMPANY OFFICERS

This item is addressed in Chapter 2, Section 1.2.

12.3.2. OTHER REGULATED AGREEMENTS

Please refer to the special report of the Statutory Auditors.

12.3.3. RECLASSIFICATION OF REGULATED AGREEMENTS

At its meeting of 17 February 2014, in order to rationalise and efficiently manage the monitoring of inter-company agreements, the Board of Directors decided to exclude agreements concerning routine operations concluded under normal terms between Sopra and its fully-owned subsidiaries from the scope of the regulated agreement scheme. Such agreements include the following:

- Cash management agreements concluded with the subsidiaries (Sopra Group Ltd, Sopra Group GmbH, Sopra Belux, Sopra Group SpA, SOPRAntic, Sopra Informatique, Sopra Group Informatica, Sopra Luxembourg).
- Agreements entered into with Sopra Banking Software:
  - Assistance provided by functional divisions,
  - Head office expenses,
  - Civil liability insurance,
  - Cash management agreements,
  - Lease on premises in Annecy,
  - Agreements to sublet premises,
  - Provision of IT resources,
  - Provision of personnel.
- Tax consolidation agreements concluded by Sopra, the Group's parent company, and each of its consolidated subsidiaries, namely:
  - Sopra Banking Software, and
  - Sopra HR Software.
- Sale of shares in SOPRAntic to Sopra Banking Software.

As a result, these agreements will no longer be mentioned in the Statutory Auditors' special report on regulated agreements and commitments, approved by the Annual General Meeting of Shareholders. Nevertheless, the application of these agreements will continue to be presented in documentation on transfer prices drawn up for each financial year, pursuant to the Company's obligations. This documentation is reviewed by the Statutory Auditors and transmitted to the Audit Committee on an annual basis.

13. Summary of resolutions submitted for the approval of shareholders at the General Meeting of 27 June 2014

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

Paris, 23 April 2014,

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)	2013	2012	2011	2010	2009
Financial position of the Group at the year-end					
■ Share capital	11,919,583	11,893,486	11,893,486	47,415,780	47,010,172
■ Number of shares issued	11,919,583	11,893,486	11,893,486	11,853,945	11,752,543
■ Number of bonds convertible into shares	-	-	-	-	-
Results of operations for the year					
■ Revenue excluding VAT	853,281,417	819,228,076	850,278,131	770,733,208	723,828,915
■ Profit before tax, depreciation, amortisation and provisions	56,398,937	32,010,128	236,531,998	46,353,303	9,483,156
■ Corporate income tax	5,312,553	8,406,288	21,143,182	13,045,706	10,372,243
■ Profit after tax, depreciation, amortisation and provisions	40,946,527	34,841,059	173,287,949	42,557,634	44,462,844
■ Amount of profit distributed as dividends	22,647,208	20,218,926	22,597,623	9,483,156	9,402,034
Earnings per share					
■ Profit after tax but before depreciation, amortisation and provisions	4.29	1.98	18.11	2.81	4.87
■ Profit after tax, depreciation, amortisation and provisions	3.44	2.93	14.57	3.59	3.78
■ Dividend paid per share	1.90*	1.70	1.90	0.80	0.80
Employee data					
■ Number of employees	8,901	8,395	8,654	7,843	7,596
■ Total payroll	382,986,738	358,743,374	363,402,201	328,767,823	312,763,163
■ Social and social benefit charges paid (social security, social bodies, etc.)	170,862,230	167,007,884	169,287,774	150,925,734	143,666,230

* *Subject to approval by the General Meeting of 27 June 2014.*

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, 23 April 2014,

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.

Paris, 23 April 2014,

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.

The Board of Directors **did not use** the authorisation given by **the ninth resolution** of the Combined General Meeting of 13 June 2013 to issue BSAARs to employees and/or officers of the Company or its Group.

Paris, 23 April 2014,

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 2013, there were no more than 9,245 employees concerned, for a total of 138,675 shares. This allotment could represent up to approximately 1.16% 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 2014 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, 23 April 2014,

The Board of Directors

4 2013 Sustainable Development and Corporate Social Responsibility Report

Message from the Chairman and the Chief Executive Officer

In the past three years, our Group has taken on a new dimension, a transformation made possible through proactive and accelerated development efforts. From 11,650 employees in 2010, Sopra has grown to more than 16,000 employees in 2013.

Our size enables us to perform well on all fronts, in terms of the quality of our business lines and offerings but also in terms of client satisfaction. This performance is backed not only by our expertise but also of course by the quality of our employees and the work culture that unites the Group during its strong growth.

For forty-five years, we have been building our Group's reputation around solid and lasting fundamentals and a set of ethical principles and core values that define us.

WE SUPPORT

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 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 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 Sustainable Development and 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.

More than ever, with the accelerated development of Sopra in a continually changing environment, our sustainable development policy and social responsibility contribute fully to the development and cohesion of the Group. It is important for us to continue to grow, while ensuring that we share our values and our Enterprise Project with our employees and all our stakeholders.

Pierre Pasquier	**Pascal Leroy**
Chairman	Chief Executive Officer

1. Sopra, a model corporate citizen

1.1. Activities and operations

Sopra is an independent European group that provides a fully-integrated IT services offering in the fields of consulting, technology services and software development. Sopra combines industrial-scale quality, high-performance services, added value and innovative solutions, and excels in guiding its clients through their major transformation projects. The 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 further detail in Chapter 1, Section 3 of the 2013 Registration Document.

1.2. Governance

Sopra is a *société anonyme* with a Board of Directors.

The Board of Directors currently consists of 10 members, of which four are independent directors, and one Advisor. Where appropriate, its work is prepared by an Audit Committee; a Nomination, Ethics and Governance Committee; and a Compensation Committee.

The functions of Chairman and Chief Executive Officer are separate. Executive Management is led by the Chief Executive Officer, assisted by a Deputy CEO since January 2014.

The Company's internal organisation is based on a three-tiered operational structure headed by the Executive Committee and by functional structures that report directly to Executive Management.

This subject is discussed in further detail in Chapter 1, Section 7 and Chapter 2, Section 1 of the 2013 Registration Document.

1.3. Commitments

The aim that has always successfully guided Sopra is to be able to take controlled risks and promote an entrepreneurial spirit. That is what both motivates the Group's employees, and guarantees maximum quality for its clients.

Our commitment to sustainability and our approach to corporate social responsibility constitute a natural extension of Sopra'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: workforce, environmental and societal concerns.

The key principles that guide Sopra'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, and adherence to our commitments to optimally operate our businesses.

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

Three key principles guide our sustainable development commitments: fairness, respect and transparency.

Our commitments

Commitments to our employees	Treating our employees fairly and respectfully through dignified, non discriminatory working conditions that provide opportunities for progress for everyone
Environmental performance	Showing respect and consideration for the environment, in compliance with the national and international standards in effect
Our commitments to society	Treating clients, partners and suppliers transparently and fairly through the Group's relationships and working methods

1.3.1. OUR COMMITMENTS TO OUR EMPLOYEES

Sopra is an employer of choice, recognised for its proactive hiring policy in favour of young graduates.

The Company pays particular attention to the employability and development of its employees, as demonstrated by its emphasis on training, reflected in the number of training days offered, and by the percentage of total payroll devoted to employee development. Sopra believes strongly that the Company's men and women should be managed with a view to the long term, and consistently reiterates that the Human Resources dimension is one of the Group's essential assets.

As a responsible employer, Sopra 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 2014 seeks to build on the groundwork laid for work-training opportunities.

Sopra 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, which go above and beyond the legal requirements (seniors, gender equality, disabled workers and diversity).

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

This commitment is oriented toward the needs and well-being of both employees and civil society, notably through humanitarian initiatives and responsible partnerships. As a major participant in the local economy, Sopra has been able to create ties with other institutions and organisations that draw from the same labour pools, and is committed on a day-to-day basis to long-standing partnerships (schools, universities, unemployment centres, etc.).

1.3.2. OUR COMMITMENTS TO THE ENVIRONMENT

Sopra is committed to a progress plan that involves Executive, Central and Entity Management and all of the employees who take part in this initiative in their day-to-day operations.

In 2013, monitoring the environmental impacts of the Group's activities helped pinpoint opportunities for progress in the most relevant areas. The progress plans carried out in 2013 for the departments concerned will be reinforced in 2014. Their main aims are limiting the use of the most polluting forms of transportation for business travel, streamlining information technology resources, improving the energy efficiency of the premises Sopra manages, continuing to implement paperless internal and external processes, and boosting selective sorting of waste.

Since 2013, the entities outside France have been gradually integrated into the progress plans, taking into account the actions and plans already initiated there, and by focusing on the regulations in effect in each country. In 2014 the Group will continue developing an Environmental Management System aimed at reducing its environmental impact during the performance of its daily activities. In particular, Sopra will continue its efforts to optimise travel and improve the energy efficiency of its sites.

In addition, Sopra has decided to strengthen its commitment to the environment by taking topics related to water more fully into account, and in 2014 it will step up its action regarding this key environmental issue.

1.3.3. OUR COMMITMENTS TO SOCIETY

Corporate social responsibility covers actions of very different kinds.

In conducting its business, Sopra endeavours to promote ethical principles to combat corruption, and comply with competition and confidentiality rules.

To meet its own requirements, the Group has introduced a programme to assess the social responsibility of its main suppliers, to ensure that they apply the standards required by Sopra. In its relations with them, Sopra respects the principles of transparency and equity and gives priority to the quality of the services and products proposed, in line with the Group's constraints regarding functional and economic efficiency.

The sponsorship and partnership policy is based on solidarity, education and the environment. In particular, in connection with its environmental and humanitarian approach, in 2012 Sopra introduced sponsorship based on water issues with Green Cross France et Territoires, the French wing of Green Cross International, created in 1993 by Mikhail Gorbachev. This commitment, based on key themes related to water, will be strengthened in 2014. This social approach is completed by other actions at the Group level and by local solidarity initiatives at entities in France and abroad.

Finally, dialogue and transparency with stakeholders are an integral part of the Group's social approach.

In 2014 Sopra will continue its approach to achieving progress in these various areas of social action, and will progressively introduce the approach in its international entities. In a Group that has been expanding rapidly for several years and has an ambitious development plan, Sopra's social approach will contribute to the overall cohesion and engagement of teams.

1.4. Key events

1.4.1. SOPRA

Continuation of the Group's Enterprise Project

The "Sopra 2016" project launched in 2012 aims to make the Group one of the market leaders in France and Europe for consulting, systems integration, outsourcing and developing business solutions.

The positioning it has chosen within the market is that of a local player offering high added value, a leading partner for large companies and organisations looking for the best use of digital services to ensure their development and competitiveness.

The aim of the plan is also to achieve high economic performance, required to ensure the independent development of the Group in the long term. To meet these goals, joint action and investment are devoted primarily to:

- increasing the Group's presence in the software publishing business, with the key aims of: making Sopra Banking Software a European leader for banking solutions, and making the Group one of the leading integrator-publishers of HR solutions in Europe;
- improving its leading position and added value for chosen markets, key accounts and business sectors, by acting as a fully-integrated provider of offers based on our clients' strategic challenges, and new service models expanding the Group's commitments;
- developing Sopra in Europe in a coherent manner, based on a reinforced Group culture;
- increased industrialisation and optimising of operations, to ensure a high level of quality, competitiveness and performance in the long term.

The Sopra Project provides opportunities for everyone. It is ambitious and therefore demanding both for management and for all of the Group's teams. That is why special attention and efforts have been made to develop our human capital, focussing on recruitment, management, careers and improving the skills of employees.

This must enable each person, according to their hopes and abilities, to progress within the Group's entities and contribute as much as possible to the Group's success.

Value creation as a development priority

In 2013 Sopra continued its expansion strategy with two ambitious acquisitions that strengthened its position in Europe and in software publishing: HR Access and COR&FA Banking Solutions GmbH.

The acquisition of HR Access in April 2013 was intended to strengthen Sopra's position in the human resources management market. HR Access solutions meet the needs of public sector and private-sector companies in all industries. HR Access and Sopra share several strengths: quality products, a proven capacity in R&D and a deep understanding of the human resources sector. All of the activities of HR Access have been consolidated since 1 April 2013.

In October 2013, Sopra introduced a plan to acquire COR&FJA Banking Solutions GmbH in Germany (to be finalised in 2014) to enable Sopra Banking Software to further its international strategy by establishing itself in the German market. The current products of COR&FJA Banking Solutions, combined with the recognised expertise of Sopra Banking Software, will make it possible to propose a new industry-specific offering to a larger portfolio of clients.

First internal challenge: Innovation Awards

In 2013, Executive Management launched the first internal challenge, the Group's Innovation Awards.

Digital innovation lies at the heart of all the Group's activities. It offers tremendous performance and development opportunities for our clients. It is promoted by the expertise of each of our employees, their creativity, and the ability of Sopra to share and exchange knowledge.

The Innovation Awards are open to all Group employees in all countries, and are intended to develop creativity and promote future uses of digital technology.

They have shown the richness and ability of the Group to innovate for its clients and within its own organisation.

Of the 456 teams that took part in the challenge, 14 were nominated and presented their work and prototypes to the Innovation Awards Selection Committee. In January 2014, six teams from various Group entities in France and abroad were selected as the winners of this first challenge.

1.4.2. SUSTAINABLE DEVELOPMENT AND CSR (1)

- Renewal of Sopra's commitment with respect to the United Nations Global Compact.
- Publication of the Sopra Sustainable Development and CSR Report, verified by an independent third party.
- Strengthening of Sopra's environmental and humanitarian commitment to water issues, in partnership with Green Cross France & Territoires (GCFT), and signing of the Paris Appeal for the High Seas.
- Sopra has been included in France for the fourth consecutive year on the GAIA Index for CSR, which lists the 70 companies with the best CSR ratings out of a sample group of 230 companies.

- Sopra was awarded the Ecovadis Gold Level.

Ecovadis is a platform for rating the management system put in place to deal with the social, environmental and ethical issues facing the company concerned.

- Over 4,000 new employees have joined the Group.
- Launch of the disability awareness programme "Change our Attitude". This programme concerned all employees in France.
- Distribution to all employees and externally of "Unique Attitude", the document that shares Sopra's values and principles.
- Launch of a Group Sustainable Development and CSR community in the entities outside France.

1.5. Organisation of Sustainable Development

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

1.5.1. ORGANISATION OF SUSTAINABLE DEVELOPMENT AT GROUP LEVEL AND IN FRANCE

Group Sustainable Development department

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

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

The role of Sopra's Sustainable Development department is to lead and coordinate all of the Group's actions in the three areas of workforce, environmental and societal issues. It spearheads and directly manages matters across all areas of the Company, in particular regulatory reporting, including the annual Sustainable Development and Corporate Social Responsibility Report, the assessment of greenhouse gas emissions, the Corporate Social Responsibility assessment of suppliers and service providers, the Company's main corporate patronage and solidarity partnerships, and actions to raise employee awareness about sustainable development.

Until 2012, its role and activities were focused in France in order to firmly structure and anchor Sopra in its approach to sustainable development over the long term. In 2013, the Sustainable Development department together with the Group's central departments introduced a programme to deploy the sustainable development and CSR approach at its international entities. The sustainable development and CSR community launched in 2013 will gradually be extended to all entities abroad.

Sustainable Development Committee

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

In order to coordinate sustainable development and CSR-related issues with the entities outside France, the committee will focus more specifically on these entities' progress plans in 2014.

Social Responsibility unit, Human Resources Department

The workforce component of Sustainable Development is a major subject in the consulting and information technology services businesses. A manager from the Group Human Resources Department was appointed in 2012 to head up and coordinate the action programme and key issues of the workforce component, including disabled workers, gender equality, seniors, diversity and work-training opportunities. This manager works with the entities outside France to ensure that the different countries' social responsibility approaches reflect that of the Group.

Environment unit

Oversight of environmental issues is shared among the Real Estate and Purchasing department (site management and responsible purchasing), the IT Resources and Security department (management of IT purchases and energy efficiency of IT equipment) and the Sustainable Development department (carbon footprint, carpooling, Group environmental management system, eco-friendly behaviour policy).

1.5.2. ORGANISATION OF SUSTAINABLE DEVELOPMENT IN SPAIN

A CSR Manager, supervised by Executive Management, was appointed in 2013. In particular, this manager is responsible for implementing a solidarity and sponsorship programme. Workforce-related measures are managed by Sopra's Human Resources Department in Spain, in coordination with the Group Human Resources Department.

Environmental initiatives are managed by the Logistics Manager.

1.5.3. ORGANISATION OF SUSTAINABLE DEVELOPMENT IN INDIA

The Yogdaan platform, set up in India in 2009, is intended to bring together all activities falling within the remit of sustainable development and corporate social responsibility for Sopra Group India (SGI).

In 2012, a new recognised body was formed: Sopra Group India Yogdaan Trust. Sopra Group India Yogdaan Trust is led by members of SGI's Executive Management.

SGI's Human Resources Department leads workforce-related initiatives in coordination with the Group Human Resources Department.

1.6. SD-CSR reporting

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

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

1.6.2. APPROACH

The method of collecting the information required to draw up this report is based on a reporting procedure introduced in 2011. This procedure is reviewed each year and includes the changes in the Group's reporting approach. Based on current regulations and taking into account the distinctive nature of its activities, Sopra has identified 36 themes from the Grenelle Environment Forum applicable to organising its reporting. Monitoring these themes provides a suitable measure of the Group's progress in the three aspects of sustainable development: workforce, environmental and societal concerns.

This SD-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 accordance with paragraph 7 of Article L. 225-102.1 of the French Commercial Code, Sopra appointed Mazars, an independent third-party body, to verify the presence, truth and fairness of the information published as provided for by Article R. 225-105-1 of the French Commercial Code.

a. List of main indicators subject to tests of details

Workforce component

Grenelle 2 theme	Grenelle 2 sub-theme	Indicator	Test scope	Publication scope
Employment	Total workforce and distribution of employees by gender, age and geographic area	Average age of employees on permanent contracts	France India Spain	Group International (excluding France) France India Spain
		Average length of service of employees on permanent contracts	France India Spain	Group International (excluding France) France India Spain
		Total workforce	France India Spain	Group International (excluding France) France India Spain
		Total workforce by type of contract	France India Spain	Group International (excluding France) France India Spain
		Workforce in average FTE	France: Sopra, Sopra Banking Software	France: Sopra, Sopra Banking Software
		Proportion of management-level employees in total workforce	France	Group France
	Hires and dismissals	Hires	France India Spain	Group International France India Spain
		Staff turnover rate for *permanent* contracts	France India Spain	Group International France India Spain
Work organisation	Absenteeism	Absenteeism rate	France: Sopra, Sopra Banking Software	France: Sopra, Sopra Banking Software
Health and safety	Workplace accidents, in particular their frequency and severity as well as occupational illnesses	Frequency rate of workplace accidents	France: Sopra, Sopra Banking Software	France: Sopra, Sopra Banking Software
		Severity rate of workplace accidents	France: Sopra, Sopra Banking Software	France: Sopra, Sopra Banking Software
Training	Total number of training hours	Number of training hours provided during the financial year	France: Sopra, Sopra Banking Software India Spain	France: Sopra, Sopra Banking Software India Spain
		Average number of days of training per employee	France: Sopra, Sopra Banking Software India Spain	France: Sopra, Sopra Banking Software India Spain
Equal treatment	Measures taken in support of the employment and professional integration of the disabled	Percentage of disabled employees	France: Sopra	France: Sopra

Environmental component

Grenelle 2 theme	Grenelle 2 sub-theme	Indicator	Test scope	Publication scope
Pollution and waste management	Waste prevention, recycling and elimination measures	Quantities of WEEE	France	France India Spain
Sustainable use of resources	Energy consumption and measures taken to improve energy efficiency and renewable energy use	Number of new physical and virtual machines installed	France India Spain	France India Spain
		"Green" paper purchases	France Spain	France Spain
Climate change	Adaptation to the consequences of climate change	Number of videoconferencing systems put in place during the financial year	France India Spain	Group France India Spain
	Greenhouse gas emissions	CO_2 emissions from work-related travel	France India Spain	France India Spain

Societal component

Grenelle 2 theme	Grenelle 2 sub-theme	Indicator	Test scope	Publication scope
Impact of the Group's business activities on economic, social and territorial disparities	Employment and regional development matters	Number of work-study contracts per region	France	France
		Regional distribution of recruitments	France Spain	France Spain
Stakeholder relations	Partnership or sponsorship action	Partnership or sponsorship action	France India Spain	France India Spain
Subcontractors and suppliers	Significance of subcontracting and taking into account the social and environmental responsibility of suppliers and subcontractors in relationships with them	Taking into account the social and environmental responsibility of suppliers in relationships with them	France	France
		CSR assessment rate for tier 1 suppliers	France	France

List of other reporting indicators

Workforce component

Grenelle 2 theme	Grenelle 2 sub-theme	Indicator	Publication scope
Employment	Remuneration and trends	Ratio of highest to lowest salary	France: Sopra, Sopra Banking Software
	Other employment indicators published	Skill management (GRI and ISO 26000)	France: Sopra, Sopra Banking Software
	Hires and dismissals	Recruitment policy	France: Sopra
		Leavers	Group France India Spain
Work organisation	Organisation of the work schedule	Organisation of the work schedule	France: Sopra, Sopra Banking Software
		% part-time (permanent contracts)	Group France International (excluding France)
Employee relations	Overview of collective bargaining agreements	Overview of collective bargaining agreements	France: Sopra, Sopra Banking Software
	Organisation of dialogue between employees and management, in particular procedures for informing and consulting with the staff and negotiating with employees	Organisation of dialogue between employees and management	France: Sopra, Sopra Banking Software
Health and safety	Overview of agreements signed with labour organisations or employee representatives with regard to workplace health and safety	Overview of health and safety agreements	France: Sopra, Sopra Banking Software
	Health and safety conditions	Health and safety conditions	France: Sopra, Sopra Banking Software
Training	Policies implemented with respect to training	Training policies	France International (excluding France)
	Other training indicators published	Number of employees trained	France: Sopra, Sopra Banking Software
		Number of trainers	France: Sopra, Sopra Banking Software
Equal treatment	Measures taken in support of the employment and professional integration of the disabled	Measures in favour of the employment of people with disabilities	France: Sopra, Sopra Banking Software
	Measures taken in favour of gender equality	Gender pay gap	France: Sopra, Sopra Banking Software
		Measures promoting gender equality	France International (excluding France)
	Anti-discrimination policy	Anti-discrimination policy	France
Promoting and complying with the fundamental conventions of the ILO	Eliminating discrimination in respect of employment and occupation	Eliminating discrimination in respect of employment and occupation	France
	Upholding the freedom of association and the right to collective bargaining	Upholding the freedom of association and the right to collective bargaining	France

Environmental component

Grenelle 2 theme	Grenelle 2 sub-theme	Indicator	Publication scope
General environmental policy	Training and information on protecting the environment offered to employees	Environmental information action	Group France India Spain
	The Company's organisation to take environmental issues into consideration, and where applicable, environmental assessment or certification processes	Organisation of Sustainable Development	France India Spain
Pollution and waste management	Measures to prevent, recycle and eliminate wastes	Waste management policy	France India Spain
		Quantities of non-WEEE waste sorted	France India Spain
		Waste paper recycling rate	France
Sustainable use of resources	Water consumption and supply according to local requirements	Consumption of clean water per sq.m	France
	Energy consumption and measures taken to improve energy efficiency and renewable energy use	Measures taken to optimise energy consumption	France
		Electricity consumption per sq.m	France
		Lifespan of IT equipment	Group France India Spain
		Energy consumption of business computers (kWh)	Group France India Spain
		Purchases of refilled recycled cartridges	France
Climate change	Adaptation to the consequences of climate change	General travel and commuting policy	France

Societal component

Grenelle 2 theme	Grenelle 2 sub-theme	Indicator	Publication scope
Impact of the Group's business activities on economic, social and territorial disparities	With regard to resident or local populations	Local development action	France India Spain
Stakeholder relations	Conditions of dialogue with persons or organisations with a stake in the Company's business	Educational partnership policy	France
		Stakeholder dialogue	France
Subcontractors and suppliers	Extent of subcontracting and communication of social and environmental responsibility commitments in the context of relations with suppliers and subcontractors	Subcontractor CSR assessment rates	France
		Lessor CSR assessment rates	France
	Taking into account social and environmental challenges in the purchasing policy	Responsible purchasing policy	France
Fair operating practices	Anti-corruption action	Fair operating practices	Group
Other indicators	Quality and client satisfaction: GRI (PR5) and ISO 26000 (6.6.6)	Quality and client satisfaction	Group France India Spain

1.6.3. SCOPE

Sopra is gradually introducing reports for each country in its Annual Report. In 2013, special attention was given to India and Spain each time information was available. The scope of reporting for each theme of the Grenelle Environment Forum is specified in the tables shown above. The acquisitions that took place in 2013, HR Access (HRA) and Altime, were not taken into account for some of the indicators. However, when data concerning these acquisitions is included in the reports, this is specified if necessary.

The number of HRA employees included in the Group's workforce at the end of 2013 was 803, including 304 in France and 106 in Spain.

The number of Altime employees included in the Group's workforce at the end of 2013 was 24 in France.

1.6.4. 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's CSR Report.

The reporting tools include the following:

- **the reporting protocol** contains the information needed for contributors to collect indicators. It is primarily intended for internal communication within Sopra;
- **indicator definition sheets** specifically describe the characteristics of the indicators communicated as part of the SD-CSR report;
- **indicator collection sheets** allow contributors to supply the qualitative information and quantitative data;
- **the SD/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 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, Sopra has endeavoured to specify, whenever necessary in the report, the definitions or calculation methods for certain reported indicators.

Furthermore, if certain prior data have been adjusted, these adjustments are identified and explained to the reader.

Exclusions

Sopra publishes qualitative and quantitative data in its report on all of the workforce-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 touching on 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 is a company that offers over 16,000 employees a dynamic work environment and stimulating career prospects. These opportunities are made possible within a Group whose businesses involve a wide variety of professions, with operations in France and abroad, and a strong company culture. In addition to our major actions with respect to recruitment, since the Company was created, Sopra has always put an emphasis on retaining our employees.

Sopra's labour responsibility policy is in line with its continuous improvement process, which aims to reconcile economic efficiency with social fairness.

Sopra is committed to fostering equal opportunities with regard to current employee-related issues and has established a permanent structure to put into practice the signed agreements and action plans (for young people, seniors, gender equality, disabled workers and diversity). The aim is to move beyond a purely legal vision of these subjects and to harmoniously integrate them into the corporate environment.

To support our development over the long term, Sopra'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's organisation, guiding the Group's managers and contributing to our operational performance.

2.1. Sopra'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. Day-to-day support from the Company's managers and a comprehensive training programme organised by Sopra Academy, the Group's internal training structure, help employees grasp and adopt the Sopra 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's focus on service and quality.

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

2.2.1. WORKFORCE AND TRENDS

In 2013, Sopra maintained a robust level of workforce growth amidst an economic environment that remained strained.

A total of 3,198 new employees joined the Group's workforce, including 1,418 new employees outside France (figures excluding acquisitions).

At the same time, transactions to expand the Group's growth from outside the company integrated over 900 new employees in France and abroad.

At 31 December 2013, Sopra had 16,284 employees (up 50% compared with 2009), including 6,065 outside France (up 32% compared with 2009).

There was also a steady increase in the workforce in Spain and India in 2013 (up 21% in Spain and 18% in India compared with 2012).

At 31 December 2013, over 98% of Sopra's employees had permanent contracts [(1)]. This high proportion of permanent contracts, which has not changed for several years, shows the Group's commitment to offering stable jobs. Temporary contracts [(2)] are mainly work-linked training contracts in France. These are proposed to young future engineers who thereby benefit from a tutorship system within the company, financing of their studies and recruitment opportunities.

SOPRA WORKFORCE AND PROPORTION OF MANAGEMENT-LEVEL EMPLOYEES

	2013	2012	2011	2010	2009
France	10,219	9,386	8,920	8,223	7,742
International (excluding France)	6,065	4,917	3,690	3,426	3,094
o/w Spain	2,042	1,689	1,569	1,525	-
o/w India	1,181	999	932	725	-
TOTAL	**16,284**	**14,303**	**12,610**	**11,649**	**10,836**
o/w Management-level*	**15,474**	**13,572**	**12,106**	**11,171**	**10,348**

** 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 (9,747 management-level employees in France).*

(1) Permanent contract (CDI): full-time or part-time employment contract signed with the employee for an unlimited period.

(2) Fixed-term contract (CDD): full-time or part-time employment contract signed with the employee that expires at the end of a specific period or on completion of a specific task lasting an estimated period.

DISTRIBUTION OF THE WORKFORCE BY TYPE OF CONTRACT

	2013			2012		
	Permanent contracts*	Fixed-term contracts**	Interns	Permanent contracts*	Fixed-term contracts**	Interns
France	98.4%	1.5%	0.1%	98.5%	1.3%	0.2%
International (excluding France)	95.5%	1.9%	0.7%	98.1%	1.5%	0.3%
o/w Spain	95.4%	4.4%	0.2%	96.4%	3.6%	0%
o/w India	99.7%	0%	0.3%	99.6%	0%	0.4%
TOTAL	**98.1%**	**1.6%**	**0.3%**	**98.4%**	**1.3%**	**0.2%**

* *Permanent contract (CDI): full-time or part-time employment contract signed with the employee for an unlimited period.*

** *Fixed-term contract (CDD): full-time or part-time employment contract signed with the employee that expires at the end of a specific period or on completion of a specific task lasting an estimated period.*

FTE WORKFORCE IN FRANCE

	2013*	2012**	2011
Average FTE in France	9,460	8,932	8,257

* *Excluding companies acquired in 2013.*

** *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

For the Group as a whole, the average age and length of service of employees on permanent contracts has risen noticeably since 2012. This increase is the result of the acquisitions completed during the period and a lower staff turnover rate.

	2013		2012	
	Average length of service of employees on permanent contracts	Average age of employees on permanent contracts	Average length of service of employees on permanent contracts	Average age of employees on permanent contracts
France	7.5	35.6	7.3	35.4
International (excluding France)	5.4	35.3	5.4	35.3
o/w Spain	6.0	37.1	6.1	37
o/w India	2.7	28.6	2.7	28.6
TOTAL	**6.7**	**35.4**	**6.6**	**35.3**

In France, the average age for newly recruited staff is 27.3 years (Group: 28.4 years).

In terms of the gender breakdown of employees, men represented 73.5% of the workforce in France (Group: 73.4%) and women accounted for 26.6% in France (Group: 26.6%) at 31 December 2013. This gender breakdown is nearly stable compared to 2012 (France: 26% women, 74% men).

2.2.2. JOINERS AND LEAVERS

The Group's recruitment policy places a deliberate priority on the hiring of young people who have 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, level of experience and 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 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's employer brand;
- **the educational partnership plan** intends to promote the recruitment of graduates from preferred institutions and the selection of promising interns (mostly those able to pre-qualify for permanent positions with the Group) as well as work-study personnel. For many years, Sopra 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 engage local operational structures;
- **the internship and work-study plan** 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 is interested in recruiting interns and work-study personnel.

In 2013, to serve the ambition of growing and upscaling its businesses, Sopra strengthened its involvement in social and workforce-related issues along three main lines:

- increasing its attractiveness with respect to employer branding;
- developing partnerships with schools targeted by the Group;
- contributing to regional development.

Net recruitment was well into positive figures for the Group as a whole, with almost 1,000 appointments (including over 450 in France, over 200 in Spain and almost 200 in India).

There was a 22% increase in appointments between 2012 and 2013. International appointments contributed greatly (up 50% compared with 2012). Spain and India alone accounted for over 60% of international appointments.

Sopra increased its presence on professional social networks (Work With Us on LinkedIn, Social Job Sharing on Facebook, etc.) and continued to be heavily involved in schools, enabling it to increase the number of work-linked training contracts and trainees.

In addition, in France Sopra was awarded the Happy Trainees label. This involves a survey of over 14,000 students, and rewards the most outstanding companies in terms of the conditions for welcoming students and conducting placements.

In 2014 Sopra will continue its determined approach in favour of integrating young people into the world of work, in particular for its target schools. Its aim is to gradually extend its best practices regarding recruitment, help with job seeking for young people and promoting diversity to all countries and human resources teams.

HIRES

	2013*	2012**	2011
France	1,780	1,676	1,814
International (excluding France)	1,418	941	-
o/w Spain	458	302	
o/w India	420	254	
TOTAL	**3,198**	**2,617**	

* *Excluding companies acquired in 2013.*
** *Excluding Delta Informatique, acquired in 2011.*

LEAVERS

	2013	2012	2011*
France	1,310	1,236	1,371
International (excluding France)	839	664	-
o/w Spain	224	188	-
o/w India	237	182	-
TOTAL	**2,149**	**1,900**	-

* *Excluding Delta Informatique, acquired in 2011.*

Dismissals represent less than 5% of separations in France.

Change in the turnover of permanent contracts

For the Group as a whole, turnover fell by 0.5% during the year (1% in France). This was due to employee loyalty and the effects of a quiet market.

	2013	2012	2011
France	*8.3%*	*9.2%*	*12%*
International (excluding France)	*11.1%*	*10.6%*	-
o/w Spain	*7.6%*	*8.4%*	-
o/w India	*17.8%*	*15.2%*	-
TOTAL	***9.4%***	***9.7%***	***12.5%***

2.2.3. TRAINING POLICY

Sopra Academy, Sopra's internal training organisation

One of Sopra's major objectives in the area of human resources management is to continually enhance the expertise of its employees and give them a head start on 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'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 480 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 2013, Sopra Academy expanded the programmes dedicated to managers and salespeople to help them acquire critical knowledge when they take on their duties. Programmes are also 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'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 2013 Sopra Academy conducted a residential seminar for all of the Group's managers covering the cultural fundamentals of Sopra with respect to management.

In 2014 the training courses will be enhanced to support the Enterprise Project, for all managers responsible for deploying it. In particular, the aims are to continually increase the value of our services for our clients, share the Group's culture and best practices, and develop skills in all our sectors for the business lines, technologies and innovation required.

NUMBER OF TRAINING HOURS AND DAYS IN FRANCE

	2013*	2012**	2011***
Number of training hours provided during the financial year			
France	229,887	231,784	225,400
Spain	33,977		
India	68,066		
Number of training days (1) provided during the financial year			
France	32,841	33,112	32,200
Spain	4,247		
India	8,368		
Average number of training days per person			
France	3.5	3.8	3.9
Spain	2.4		
India	7.8		

** Excluding companies acquired in 2013.*
*** Excluding Adeuza and Callataÿ & Wouters France.*
**** Excluding Delta Informatique, acquired in 2011.*
(1) In France, one day of training = 7 hours.
In Spain and India, one day of training = 8 hours.

2.2.4. TALENT DEVELOPMENT

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

Sopra'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'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 continuous assessment system

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

Sopra 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, the Human Resources Department and the Transformation, Supply and Marketing department.

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 2014, Sopra will maintain its 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.

RATIO OF HIGHEST TO LOWEST SALARY IN FRANCE (PERMANENT EMPLOYMENT CONTRACTS)

	2013***	2012**
Ratio of highest to lowest gross annual base salaries	13.0	13.0
Ratio of highest to lowest annual base salaries plus variable compensation	16.7	16.1
Number of employees whose gross annual salary is less than or equal to €20,000	0	2
Number of employees whose gross annual salary is less than or equal to €26,000, i.e. €2,000 x 13 months	41	54
Average gross annual base salary in €	€44,243	€43,929

* *The lowest gross annual salary amounted to €19,266 in 2012 and €20,251 in 2013 and only concerned one person.*

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

*** *Excluding companies acquired in 2013.*

In 2012, the data was recalculated excluding company officers and the same workforce basis was applied for all the indicators above (employees on permanent contracts present the entire year).

2.3. Work organisation

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

In France, Sopra approves employee requests for part-time work when they are compatible with the requirements of the departments or projects concerned. Such requests are generally authorised for renewable terms of between six and twelve months. Part-time employees accounted for 6% of Sopra's workforce in France at 31 December 2013.

Specific work organisation mechanisms are put in place for employees under contractual commitments entered into with clients.

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

	2013	2012	2011
% part-time (permanent contracts)	6%	6%	6%

ABSENTEEISM RATE IN FRANCE

The absenteeism rate has increased since 2011.

	2013**	2012	2011*
% absenteeism	*2.24%*	*2.14%*	*2.08%*

Calculation method: ratio between the number of actual calendar 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.*

** *Excluding companies acquired in 2013.*

2.4. Employee relations

The information presented in this section relates exclusively to Sopra's operations in France (excluding HRA and Altime).

The organisation of Sopra's employee representative bodies is structured around a central Works Council in the context of the existing UES [(1)] with its former subsidiary Axway Software (in which Sopra has a 25.72% equity interest) and its wholly owned subsidiary Sopra Banking Software.

Sopra Banking Software has a Works Council, employee representatives at 6 sites and 6 health, safety and working conditions committees.

Sopra has a Works Council, employee representatives at 20 sites and 16 health, safety and working conditions committees.

In 2013, the central Works Council met 5 times and the Sopra Works Council was convened for 12 ordinary meetings and 6 extraordinary meetings. The health, safety and working conditions committees met 4 times in the year to discuss ordinary business and occasionally for extraordinary discussions relating in particular to the layout of work areas, changes to internal regulations and the IT charter.

Sopra Banking Software's Works Council and employee representatives were named for the first time in April 2013, and the health, safety and working conditions committees were named in June 2013. Sopra Banking Software's Works Council was convened for 9 ordinary meetings and 4 extraordinary meetings.

Mandatory annual negotiations were held with the employee representative bodies.

In 2013 collective bargaining resulted in the signing of:

- an amendment to the incentive agreement covering Sopra and Sopra Banking Software;
- an amendment to the profit-sharing agreement and an agreement regarding the early release of profit-sharing both within Sopra and within Sopra Banking Software;
- an agreement regarding the profit-sharing bonus within Sopra;
- an agreement in favour of jobs for young people and over-fifties, and support for the transmission of knowledge and skills relating to the cross-generational contract *(contrat de génération)* and an agreement on gender equality at work within Sopra Banking Software.

As part of a Group-wide agreement, trade unions have the option to send monthly and quarterly notices to all staff via the Sopra 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 2014, Sopra Group and Sopra Banking will continue to take part in the labour-management dialogue, with a considerable number of negotiations scheduled.

OVERVIEW OF COLLECTIVE BARGAINING AGREEMENTS IN FRANCE

	2013	2012	2011
Number of agreements signed during the year with union organisations and/or the Works Council	4 (Sopra) 5 (Sopra Banking Software)	16	4
Number of collective bargaining agreements active	15 (Sopra) 15 (Sopra Banking Software)	20	13

2.5. Health and safety

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

In 2013, Sopra continued its rescue and first-aid training programme for all of its operating sites. To this end, both refresher courses and initial training programmes were offered. All sites are equipped with defibrillators.

Employees have access to a carpooling platform. Sopra pursued its policy with regard to providing quality layout of its work areas.

For 2014, as part of the action plan in favour of employment for young workers and seniors and in support of the transfer of knowledge and skills, Sopra will implement awareness-raising sessions on topics such as "movements and postures" and "working with display screen equipment", with the help of occupational health specialists.

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

RATES OF FREQUENCY AND SEVERITY OF WORKPLACE ACCIDENTS IN FRANCE

	2013**	2012	2011
Frequency rate of workplace accidents	0.81	0.64	0.59
Severity rate of workplace accidents*	0.01	0.007	0.055

Calculation method for frequency rate: (Number of work-related accidents with leave 1,000,000) / Total number of hours worked by total workforce over the year.*
*Calculation method for severity rate: (Number of calendar days on leave from work (following a work-related accident) *1000) / Total number of hours worked by total workforce over the year.*
* *Extensions of leave for work-related accidents that took place during year Y-1 are not recognised.*
** *Excluding companies acquired in 2013.*

OCCUPATIONAL ILLNESSES IN FRANCE

Since 2011, no occupational illnesses have been recognised.

2.6. Non-discrimination principles

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

To support these commitments, Sopra has 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.

2.6.1. DISABLED EMPLOYEES (FRANCE)

The main aim of the "Handicap Mission" is to promote long-term employment for disabled workers.

In line with 2012 (when the Handicap Mission was launched), in 2013 it was possible to step up the initiatives introduced in the five main areas of disability policy (recruitment, continuation in employment, training and awareness, relations with special-needs employers, support for technical development).

Achieving our recruitment targets is partly linked to our ability to innovate and offer high quality meetings in a friendly setting. For that purpose, specific recruitment days were organised in seven large catchment areas. These events made it possible firstly to raise the awareness of managers, as well as to recruit experienced candidates and young graduates who are disabled, unemployed or seeking vocational retraining. These young people were offered a programme of specific training courses suited to our businesses.

A large-scale training programme regarding disability was introduced for all human resources teams. Furthermore, to meet the aim of raising the awareness of all employees, and in particular those on assignments at client premises, original and varied content (viral videos, accounts by experts and employees, quizzes etc.) have been featured on the company's portal. This has had a big impact on employees and led to almost 10,000 views during the week of the event.

The awareness campaigns made it possible to encourage disabled employees to apply for Recognition of Handicapped Worker Status (RQTH) and to adapt their workstation to the needs of their disability.

Moreover, the partnership with UNEA (1) and improvements in the process for finding special-needs employers made it possible to revitalise purchasing policy within the Group. One consequence was the signing of contracts that made it possible to create 10 subcontracted positions for disabled people with special-needs employers.

The AUREVI project was launched in partnership with the Ecole des Mines d'Ales engineering school and an ophthalmology school. The objective was to develop a system to increase the mobility of partially sighted people. In addition, support was maintained for the technical development of the TADEO project (services platform for hearing-impaired people).

The employment rate of disabled people by Sopra in France was 1.23% at 31 December 2013. The improvement in the employment rate is due both to the increase in the rate of direct employment of disabled people, and the increase in subcontracting to special-needs employers.

PERCENTAGE OF DISABLED EMPLOYEES IN FRANCE

	2013***	2012*	2011**
Percentage of disabled workers in the Company's workforce	*1.23%*	*0.87%*	*0.94%*

Calculation method: Number of employees with disabilities recognised within the company (Disabled Worker unit) increased by 50% on the basis of rules determined by AGEFIPH + number of qualifying units from subcontracting to firms employing disabled persons in specially adapted and protected work environments, divided by the relevant workforce.
* *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.
*** *Excluding companies acquired in 2013 and Sopra Banking Software.*

In 2014, Sopra will continue working to achieve all its targets related to the 2012-2014 triennial company-wide agreement, while focusing on social commitments and innovative projects.

(1) UNEA: Union Nationale des Entreprises Adaptées, a French association that represents disabled workers and adapted companies.

2.6.2. GENDER EQUALITY

With regard to professional equality between women and men, the Group remains committed to three priority areas: promoting gender diversity in scientific career paths, attracting more female employees from engineering schools and being mindful of non-discrimination in women's careers.

In 2013, in connection with the EDHEC Boat Cup, sponsorship of all-female crews was renewed for EDHEC and Centrale Paris. A pilot project was also launched with a local association in the Rhône-Alpes region to promote IT careers among female schoolchildren and secondary school students through accounts by female employees at Sopra. Furthermore, for International Women's Day an awareness campaign was organised by involving a female co-option campaign.

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.

Sopra offers identical starting salaries to both male and female applicants with identical qualifications, degrees, skills and experience. In 2013, the differences in remuneration reported by employee category between women and men remained within a 3% range. These differences are carefully analysed during salary assessment and job review cycles.

In addition, Sopra 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 is available to all staff members on the employee intranet.

In 2014, the Group will launch an overall review of the issue of female leadership in order to understand and remove any possible obstacles linked to the promotion of women.

Lastly, the Group will maintain its internal awareness-raising initiatives and expand its operations promoting the engineering profession among female high school students to other regions in France.

The International Human Resources community's goal is to share and enrich best practices and experiences with regard to this issue.

2.6.3. SENIORS

In 2013, Sopra promoted the transfer of knowledge and skills, which is a major component of our policy in favour of older employees for the success of intergenerational management.

In 2014, Sopra intends to roll out the programmes resulting from its action plan in favour of employment for young workers and seniors and in support of the transfer of knowledge and skills. This programme is aimed at promoting the hiring of young workers while retaining working seniors in jobs. The Group also plans to pursue initiatives to anticipate requirements for career development and provide information to employees affected by end-of-career adjustments and the transition from working life to retirement.

PROPORTION OF OLDER EMPLOYEES IN FRANCE

	2013	2012	2011
Number of seniors (45 years and older)	1,828	1,590	1,445
Percentage of employed seniors (45 years and older) in relation to the workforce at 31 December	*17.9%*	*16.9%*	*16.6%*
Number of seniors (55 years and older)	450	386	326
Percentage of employed seniors (55 years and older) in relation to the workforce at 31 December	*4.4%*	*4.1%*	*3.8%*

2.6.4. YOUTH DIVERSITY AND ASSISTING YOUNG WORKERS SEEKING EMPLOYMENT (FRANCE)

Access to education for all and integrating young graduates into the world of work is central to the Sopra CSR policy.

In 2013, campaigns were carried out among engineering and university students to promote social diversity (regarding disability, gender equality etc.). As a result, Sopra renewed its commitment to the association "Nos Quartiers ont des Talents". A dozen young graduates from problem areas are sponsored by volunteer employees of the company to help them find a job. Furthermore, to favour integration into the world of work of young graduates from sectors other than IT, an IT Careers Open Day was organised for the first time and proved a real success, resulting in new appointments.

In addition, the Group helped disabled students choose the right sector and financed the adapting of equipment to the requirements of their disability in an educational environment. It also promoted an original programme of educational support for young disabled secondary school students (the Sopra Group Handitutorat programme).

In 2014, Sopra will continue the initiatives carried out for students and strengthen its partnership with "Nos Quartiers ont des Talents", launching with it the first VIP Sponsors Club (to increase the effectiveness of job seeking support for young graduates from difficult areas).

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

Sopra adheres to the principles and fundamental entitlements 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 it operates;
- respecting the exercise of trade union rights in each of the countries in question.

Sopra 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 remains particularly attentive at all times to ensuring 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.

2.7.1. UPHOLDING THE FREEDOM OF ASSOCIATION

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

Sopra 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 makes an effort to implement measures intended to improve professional relations between the company and our employees.

2.7.2. REPUDIATION OF FORCED CHILD LABOUR

Sopra 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 Ethics Charter.

3. Our environmental responsibility commitments

Compared with heavy industry, Sopra's software development, service and consultancy activities have a limited impact on the environment. However, with their international locations the Group's businesses involve travel to a considerable extent, require significant infrastructure and IT equipment, and produce many documents. In order to provide its major clients with a relevant local presence, the Group also has a number of sites both in France and abroad, which requires its business premises to be managed according to environmental constraints.

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 departments and their staff.

In addition, in 2013 Sopra decided to reinforce its commitment to the environment by taking more fully into account themes related to water in its broadest sense: access to water, sanitation, prevention and fight against pollution. Together with food, water is essential for daily life. Almost a billion people do not have access to drinking water. Over 2.6 billion people do not have access to sanitation services. Lastly, water has no borders. Sharing it leads to tension and conflicts between states. As such, in 2013 Sopra increased its support for the NGO Green Cross, which it has sponsored in France since 2012. More details regarding this point are provided in Section 4.1.4 of this report.

In 2014, the two main lines of the Group's continuous improvement process are therefore to reduce the environmental impact of its activities and to contribute more to improving access to and protection of water.

This environmental approach will gradually be extended to international entities and the companies acquired recently.

3.1. Taking environmental impacts into consideration

In France, an eco-responsibility programme involving the active participation of each and every Sopra employee ensures that all staff members understand the important role they play in reducing the environmental impact of our operations. At Sopra 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 2009 and updated in 2013 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 ENVIRONMENTAL ISSUES INTO CONSIDERATION

As part of the Group's Sustainable Development programme, 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 Group's environmental policy. This policy is defined each year and summarised in a memorandum that covers all of the major relevant fields of action for Sopra. Each department involved in the environmental policy spearheads its own action. The environmental programme as a whole is coordinated during meetings of the Sustainable Development Committee.

The following two departments are more particularly involved in the Group's environmental policy and have coordinated to manage their plans for ongoing progress:

Real Estate and Purchasing

The main participants directly involved in the Group's environmental programme are:

- the Director of Real Estate and Purchasing;
- a manager in charge of the real estate policy and choice of buildings (complying with environmental standards);
- an environmental coordination and monitoring manager for sites in France;
- a central purchasing manager, in charge of monitoring the Sopra Responsible Purchasing policy in France;
- a travel management officer for each entity/country;
- a purchasing manager for office supplies and computer consumables for each entity/country;
- site managers (excluding France, under the authority of country management).

IT Resources and Security

The IT Resources and Security department manages all the Group's IT resources.

The main participants involved in the Group's environmental programme are:

- the Director of IT Resources and Security;
- an environmental coordination manager for ITR&S. It also handles relations with the Real Estate and Purchasing department (computer rooms, site extensions and renovation);
- 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)].

Regarding deployment in different countries, and for aspects such as selective sorting except for WEEE, management of travel and purchasing, management is carried out by the local entities.

In India and Spain, an SD-CSR manager for each country coordinates the environmental initiatives of the entities concerned.

3.1.2. INITIATIVES IN FAVOUR OF THE ENVIRONMENT

Throughout the Group, initiatives in favour of the environment are on the increase.

Moving to new premises or renovating existing sites always provides a good opportunity for revitalising our environmental policy and rethinking eco-friendly behaviours. Offices that comply with the latest standards, where lighting, heating and air-conditioning are programmed to turn off at the weekend, bike parking facilities, development of selective sorting, and new-generation coffee machines that reduce waste from cups, all help to limit the Group's environmental footprint.

Many employees support the Group's environmental approach and are involved in introducing local initiatives: orders for eco-friendly paper, collection of used bulbs and batteries introduced at Group sites and even for clients etc.

In France, the company's environmental approach is mainly based at central level on initiatives by the Real Estate and Purchasing department, the IT Resources and Security department and the Sustainable Development department. At the local level, the approach is also based on initiatives by site managements.

The initiatives in place or introduced in France in 2013 include: the introduction of bike courier systems between nearby sites, development of car sharing, distribution of the eco-friendly behaviour guide and printing and PC charters, improvement of selective sorting of paper by providing special containers in each office at several sites, reducing printing by default printing on both sides.

An environmental programme has been progressively introduced in France since 2011. It groups together the specific initiatives introduced by the departments involved in reducing the Group's environmental impact. In 2014 the creation of an Environmental Management System (EMS) will be continued in France to reinforce our action in favour of the environment.

In 2013 an initiative to obtain ISO 14001 certification was introduced at one of the sites in the Aquitaine region (Colomiers). Other certification procedures for sites will be studied in 2014 based on this pilot project.

In Spain, Sopra introduced a continuous improvement programme in 2013 involving the functional departments concerned as well as all of the employees.

The CSR Manager, supervised by Executive Management, defines an environmental policy in coordination with the Real Estate and Purchasing department, the IT Resources and Security department and the Communications department.

This continuous improvement programme is based on an Environmental Management System (EMS) drawn up in accordance with UNE-EN ISO 14001. The main aims of the EMS concern:

- training of employees in connection with energy efficiency measures;
- better waste management by introducing a system of selective sorting;
- involvement of suppliers in the Group's environmental approach.

As a result, Sopra Group Spain has ISO 14001 certification for two sites: Seville and part of the Manoteras site.

As a responsible company, Sopra Group India (SGI) which has over 1,200 employees in India (Noida and Bangalore) introduced

(1) WEEE: Waste Electrical and Electronic Equipment.

a programme of initiatives for better environmental management several years ago. This programme managed by Yogdaan (the approved body Sopra Group India Yogdaan Trust) concerns:

- managing IT resources: this point is explained in Section 3.3.1;
- raising awareness and the involvement of employees in environmental issues and eco-friendly behaviours;
- introduction of selective sorting of paper.

One of the initiatives introduced by SGI in 2013 was to support an association that manufactures and sells products using recycled materials.

3.1.3. TRAINING AND INFORMATION ON PROTECTING THE ENVIRONMENT OFFERED TO EMPLOYEES

In 2013, Sopra organised an awareness programme for all employees in France, Spain and India on managing the Group's environmental impact.

The Group's employees take part in the company's approach to eco-responsibility. An informative guide to eco-friendly behaviours is regularly published and distributed to all employees in France, Spain and India to raise awareness of the major environmental challenges in the Group's various business lines. Sopra uses all its internal communication tools (Group newsletter, intranet) and on-site communications to promote this awareness campaign. Each country has put in place its own information and awareness-raising arrangements via memos, the intranet and dedicated newsletters.

For example, in France, a dedicated e-mail address enables employees to send their questions and suggestions to the Sustainable Development department, which passes on the information to the relevant departments.

Information on Sopra's environmental programme is disseminated through the eco-friendly behaviour guide as well as the orientation guide and information given to all new employees who join the Group in France.

In 2014, induction seminars for new recruits in France will include an awareness-raising component.

Finally, all employees are made aware of environmental issues through partnership and humanitarian activities carried out by the entities to which they belong.

In France, Sopra sponsors Green Cross France et Territoires (GCFT) and works with this international environmental association on water-related issues.

In 2013, the Group began a programme to raise awareness within key international entities by targeting the relevant business unit heads, with the aim of gradually rolling out to the entire Group the environmental approach initiated in France.

The main progress targets for 2014 relate to the Group-wide distribution of materials on sustainable development and awareness of environmental issues relating to the Group's activities. Access to Group tools and employee awareness-raising will be delivered through the Corporate Collaborative Network and, at country level, through induction seminars.

Work to build a Group Environmental Management System is set to continue in 2014. The priority focus will be on France, gradually extending to international entities in line with progress on their own programmes (Spain).

3.2. Waste management

Two types of waste are mainly sorted and processed by specialised companies:

- waste electrical and electronic equipment (WEEE);
- other waste, which covers paper, used ink cartridges and batteries.

At several sites, cans are also recycled but the quantities concerned are not recognised in the tables presented in this document.

3.2.1. WEEE MANAGEMENT

France

In 2013, Sopra worked with two specialised companies to handle the Group's waste electrical and electronic equipment: ATF Gaia for the Group's sites in the French provinces and Tricycle Environnement for its sites in the Paris region and in Tours.

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. The company employs disabled workers.

This WEEE management organisation in two regions enables the Group to limit the transport of inoperable or obsolete equipment.

The two service providers organise the collection of waste electrical and electronic equipment and ensure a high degree of traceability for IT-related waste, offering several types of recycling:

- full recycling of equipment;
- recycling of spare parts;
- recycling of computer components;
- secure data destruction of disks and magnetic cartridges.

Spain

In 2013, Sopra worked with Cuadrado to handle its IT-related waste. Cuadrado offers the same level of traceability and recycling as the providers used in France.

India

Sopra Group India launched the "Go green" initiative to improve the sustainability of its IT infrastructure and the efficiency of its equipment. In 2013, SGI worked with New Delhi-based company Greenscape to handle its IT-related waste (particularly PCs). Meanwhile, used but reusable IT equipment was donated to associations and schools.

For 2014, the Group's main objective is to continue its IT-related waste management programme.

To ensure that the handling of IT-related waste for the Group's various entities is managed effectively, the programme is managed and coordinated centrally in conjunction with entities in each country.

QUANTITIES OF WEEE

(in kg)	2013	2012	2011
France	11,809	4,510	n.a.
Spain	653	n.a. (1)	n.a.
India	368	n.a.	n.a.

(1) n.a.: not available.

France: excluding companies acquired in 2013.

Spain: including HRA.

For the sake of clarity, figures have been rounded to the nearest unit.

For India, the figure stated in this table relates to PCs.

WEEE volumes may vary substantially from one year to the next depending on whether IT hardware within acquired companies is replaced. For example, in 2013, almost six tonnes of WEEE were collected from the Tours site (belonging to Delta Informatique, which was acquired in 2012).

3.2.2. MANAGEMENT OF PAPER WASTE AND CONSUMABLES

France

Selective sorting at most sites in France is handled in two ways:

- by specialist companies managed directly by the Group, which closely monitor quantities disposed of;
- by local councils or service providers not managed by the Group (for multi-tenant properties).

In 2013, a policy of in-office selective sorting of paper waste was introduced at a number of sites in France. This policy, which should significantly increase the volume of paper waste collected, will be rolled out to more sites in 2014.

The 2014 progress plan aims to accurately monitor sorted quantities and extend the system of in-office selective sorting to more sites in the Paris region and the provinces. To this end, Sopra has a policy of directly managing selective sorting by working with specialist companies who ensure better traceability by providing waste tracking documents.

India

As part of its approach to corporate social responsibility, Sopra Group India has introduced an aggressive policy of recycling paper waste. Eighty-five percent of the company's paper waste is recycled, representing almost two tonnes of paper in 2013.

In 2013, SGI worked with New Delhi-based company Green O Tech to handle its paper waste.

The policy will continue to apply under the 2014 progress plan.

Spain

For the management of its paper waste, Sopra Group Spain works with specialist provider DCD (Destrucción Confidencial de Documentación). Bins for used paper are installed close to printers. Empty printer and toner cartridges are also recycled by specialist provider Grupo Colombia. Organic waste, plastic and packaging is also sorted and processed by local councils.

Progress will focus on two areas in 2014:

- an internal communication campaign on selective sorting (including posters in canteens and the distribution of a recycling guide);
- gradual introduction of selective sorting in all offices.

WASTE QUANTITIES EXCLUDING WEEE (PAPER, USED CARTRIDGES, BATTERIES, ETC.)

	2013			2012			2011		
(in kg)	Paper	Cartridges	Batteries	Paper	Cartridges	Batteries	Paper	Cartridges	Batteries
France	27,001	4,112	89	19,920	4,403	181	18,090	4,089	15
Spain	11,090	170	n.a.	20,490	145	n.a.	n.a.	n.a.	n.a.
India	1,982	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

France: excluding companies acquired in 2013

For the sake of clarity, figures have been rounded to the nearest unit.

The data for France only concerns data provided by service providers directly managed by the Group. In 2012, the quantities for France only concerned the Paris region. In 2013, the data concerned the Paris region and the rest of France.

In Spain, moving to the Manoteras site enabled a large quantity of old papers to be sorted.

3.3. Sustainable use of resources

3.3.1. MANAGEMENT OF IT RESOURCES

IT resources are managed centrally by the IT Resources and Security 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 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 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

For several years, Sopra has relied on an optimised energy management model and standardised its IT equipment in favour of more energy-efficient models. A number of initiatives have also been taken, such as programming monitors to switch off after fifteen minutes and activating hibernation 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.

In addition, the desktop computers, laptops and servers selected by Sopra comply with manufacturer standards (Energy Star 5.0) and favour low energy consumption. Laptops are also equipped with three-cell batteries, which recharge quickly.

With regard to photocopiers and printers, Sopra 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 also function as both printers and scanners (scan to email). In 2013, nearly 90% of the Group's photocopiers were networked and offered double-sided printing.

The year 2014 will witness the implementation of a plan for better printing management, notably featuring black-and-white, double-sided printing by default.

Virtualisation of IT infrastructure

For several years, Sopra has opted for the virtualisation of its IT infrastructure. This technology allows IT centres to pool and optimise the use of their equipment resources.

The aims of this approach are reflected in:

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

In 2014, the Group will maintain its server virtualisation policy in all the countries where it operates, which helps reduce the impact of its businesses on the environment.

Management of the installed base of IT equipment

Sopra 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 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 lifespans and to ensure proper recycling when equipment reaches its end of life.

The quality of information collected ensures effective management of Sopra's installed base of equipment, and enables the identification and replacement of equipment that becomes obsolete or whose use no longer corresponds to Sopra's business standards.

Even once an item of equipment has been removed and recycled, Sopra 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 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.

Lifespan of IT equipment

Since 2009, Sopra has replaced a major portion of its business computer equipment in favour of more energy-efficient models. Manufacturers continue to develop their offerings, featuring computer product ranges with enhanced environmental performance, which gives the Group further room for progress the next time it replaces its equipment.

At the same time, one of the key principles implemented over the last several years has been to extend the life of the equipment as much as possible while taking into consideration the technology required to carry out our businesses.

Consequently, regularly 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.

The objective for 2014 is to switch to a range of Hewlett-Packard laptop models equipped with more energy-efficient new generation Intel processors. These models meet the Energy Star 5.2 standard. Plans are also in place to complete the mass migration of desktop and laptop computers from Windows XP, for which support is to be withdrawn, to Windows 7, which has more efficient power management functionality. This migration will entail the replacement of part of the PC portfolio, thus helping reduce its average age.

LIFESPAN OF IT EQUIPMENT

<table>
<tr><th></th><th colspan="2">2013</th><th colspan="2">2012</th><th colspan="2">2011</th></tr>
<tr><th>(number of years)</th><th>LPT</th><th>PC</th><th>LPT</th><th>PC</th><th>LPT</th><th>PC</th></tr>
<tr><td>France</td><td>2.37</td><td>3.38</td><td>2.89</td><td>3.82</td><td colspan="2">4.25</td></tr>
<tr><td>Spain</td><td>2.15</td><td>2.95</td><td colspan="2">n.a.</td><td colspan="2">n.a.</td></tr>
<tr><td>India</td><td>2.05</td><td>3.35</td><td colspan="2">n.a.</td><td colspan="2">n.a.</td></tr>
<tr><td>Group</td><td>2.29</td><td>3.27</td><td>2.91</td><td>3.83</td><td colspan="2">n.a.</td></tr>
</table>

France and Spain: including companies acquired in 2013.
LPT: laptop computer.
PC: desktop personal computer.
The gradual replacement of material as part of the migration toward Windows 7 explains the renewal of the Group's desktop and laptop computers observed in 2013.

ANNUAL ELECTRICITY CONSUMPTION OF BUSINESS COMPUTERS

<table>
<tr><th></th><th colspan="2">2013</th><th colspan="2">2012</th><th colspan="2">2011</th></tr>
<tr><th>(in kWh)</th><th>LPT</th><th>PC</th><th>LPT</th><th>PC</th><th>LPT</th><th>PC</th></tr>
<tr><td>France</td><td rowspan="4">54</td><td rowspan="4">152</td><td>54</td><td>152</td><td>57</td><td>178</td></tr>
<tr><td>Spain</td><td colspan="2" rowspan="3">n.a.</td><td colspan="2" rowspan="3">n.a.</td></tr>
<tr><td>India</td></tr>
<tr><td>Group</td></tr>
</table>

France and Spain: including companies acquired in 2013.
LPT: laptop computer.
PC: desktop personal computer.
The annual consumption of business computers (both laptops and desktops) did not change compared to 2012 since the range of computers was not changed in 2013.

NUMBER OF PHYSICAL AND VIRTUAL SERVERS INSTALLED

	2013		2012		2011	
(number of servers)	Physical servers	Virtual servers	Physical servers	Virtual servers	Physical servers	Virtual servers
France						
New servers	143	1,101	144	916	204	562
Spain						
New servers	4	21	n.a.		n.a.	
India						
New servers	7	46	n.a.		n.a.	

France and Spain: Excluding companies acquired in 2013 for physical servers.
The servers accounted for are those installed on the Group's premises.

3.3.2. PAPERLESS PROCESSES

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. In addition, paperless processes help to limit the physical delivery of documents. 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 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.

In France, new projects in this area were rolled out in 2013, including offering paperless pay statements and expense accounts.

Regarding pay statements, 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.

Concerning the management of expenses claims, the Expense application has been rolled out to all employees in France. Given the size of the Group in France, this new application, accessed via the intranet, generates substantial savings on the costs incurred by printing expense claims, transferring documents between Group sites in France and archiving documents.

The Group plans to extend this paperless expense claims process to other countries in 2014.

Sopra has also begun to introduce e-invoicing in France for certain clients. Following a successful pilot project with a major client, this approach will gradually be extended to other clients from 2014 onwards.

3.3.3. MANAGEMENT OF COMMUTER JOURNEYS AND BUSINESS TRAVEL

Travel and commuting policy

Sopra 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 has also developed offshore Service Centres in Spain, Morocco and India, and managing their businesses requires travel. These locations thus generate business travel by air, train and automobile, which have 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 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.

In 2013, Executive Management renewed the guidelines for business travel with management for the whole Group.

NUMBER OF NEW VIDEOCONFERENCING SYSTEMS IN PLACE

	2013		2012		2011	
(number of videoconferences)	New	All	New	All	New	All
France	6	40	7	34	7	27
Spain	1	6	0	5	1	5
India	0	9	5	9	1	4
Group	9	74	16	65	10	49

Excluding companies acquired in 2013.

For 2014, the aim is to have at least one videoconferencing system at each of the Group's French sites.

In Spain, plans are in place to install a new videoconferencing system at the Madrid Manoteras site.

In India, two new videoconferencing systems are planned for the second Noida site.

Monitoring the Group's carbon footprint from business travel

In order to identify areas in need of improvement, for over three years Sopra has been monitoring 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.

The carbon footprint related to business travel, notably by air and train, will be gradually integrated into each Group country's monitoring system.

Centralised travel management

France

To better manage and centralise the Group's business travel, most business trips in France are 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 Group intranet and apply to all staff.

Spain

In Spain, trips by air and by rail are managed by a single travel agency.

India

Business trips only concern air travel. They are managed by three travel agencies.

In 2014, the Group will continue its policy of limiting business travel and will make an effort to optimise the use of videoconferencing systems by all entities in France and abroad.

CO_2 EMISSIONS FROM WORK-RELATED TRAVEL

(in metric tons of CO_2 equivalent)	2013 Air and rail	2013 Passenger and hire cars	2012 Air and rail	2012 Passenger and hire cars
France	6,487	2,272	5,629	2,251
Spain	332	94		n.a.
India	961 (air travel)	n.a.		n.a.

France: Excluding companies acquired in 2013.

For the sake of clarity, figures have been rounded to the nearest unit.

CO_2 emissions from passenger cars only concerned business travel. Company cars are not taken into account in the calculations.

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 favours the application of measures for the protection of the environment:

- furnishing of premises with ergonomic workstations enhancing the quality of working conditions for its staff;
- installation of energy-efficient and environmentally friendly heating and air-conditioning systems whenever these systems require replacement;
- preventive maintenance of installations to conserve energy;
- use of non-toxic and non-hazardous products by the cleaning services;
- installation of water fountains, directly connected to the drinking water distribution network, with the aim of reducing plastic bottle use;
- 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 best practices 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'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's work environment.

New sites built to new environmental standards

In June 2013, Sopra opened its new Rhône-Alpes regional headquarters in Limonest near Lyon. The site, covering more than 8,000 square metres, can house more than 800 workers, and brings together all Group employees in the Lyon region. It was designed with a desire to provide employees with a high-quality working environment meeting the most stringent environmental standards. It is certified both BBC (low energy consumption) and HQE® (high environmental quality).

In 2013, Sopra began construction on a new building in Colomiers near Toulouse. The site, covering almost 4,000 square metres, will be able to house around 400 workers. It is scheduled to open in the fourth quarter of 2014. The site meets the new RT 2012 (2012 thermal regulations) standards and will be certified HQE® (high environmental quality), with regulatory energy consumption 30% below the maximum level stipulated in the RT 2012 regulations.

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 is difficult to obtain, since it depends on the utility management system readings made available by the Group's various lessors. However, Sopra intends to step up its efforts to obtain this information.

ANNUAL CONSUMPTION OF CLEAN WATER PER SQ.M IN FRANCE

(in cubic meters per sq.m)	2013	2012	2011
France	0.30	0.29	n.a.

Average water consumption calculated on the basis of five sites representative of the Group's business in France.

Energy consumption and action taken

As regards the sensible use of resources in France 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 2014 to encourage employees to limit energy consumption in the course of their day-to-day activities.

Actions were taken in 2013 to optimise operations at Sopra's locations in Spain:

- installation of water fountains, directly connected to the drinking water distribution network, with the aim of reducing plastic bottle use;
- installation of faucets equipped with motion sensors in order to avoid wasting water at the Madrid Manoteras site;
- installation of automatic, fast-drying hand dryers at the Madrid Alcalá site.

ANNUAL ELECTRICITY CONSUMPTION PER SQ.M IN FRANCE

(in kWh per sq.m)	2013	2012	2011
France	167.6	178.23	170

Breakdown of actual consumption at 23 out of a total of 38 sites in France.

3.3.5. RESPONSIBLE PURCHASING AND THE ENVIRONMENT

France

From 2011, Sopra began to use SFI-certified photocopy paper across all its French sites. In 2012, purchases of paper were supplemented by other FSC/PEFC/Blue Angel-certified paper.

Since 2012, all paper used within the company in France is certified paper produced from sustainably managed forests.

In 2013, regular awareness campaigns to limit printing combined with the gradual shift toward double-sided printing at sites enabled the Group to continue its reduction of paper consumption begun in 2011.

Spain

Since 2012, Sopra Group Spain has operated an environmentally friendly paper purchasing policy. Under this policy, Sopra uses "green" paper produced using environmentally friendly processes (compliant with ISO 14001). In 2013, Sopra supplemented its range of "green" paper, adding a new paper with the European "Blauer Engel" (Blue Angel) eco-label.

India

Sopra Group India is considering the possibility of using "green" paper for printing. Sopra Group India uses recycled paper for non-printing purposes.

For 2014, SGI is looking into the possibility of using "green" printer paper compatible with its hardware.

The Group's entities in France and Spain use "green" paper with the following eco-labels:

- SFI (Sustainable Forestry Initiative), PEFC (Programme for the Endorsement of Forest Certification) and FSC (Forest Stewardship Council): certified paper produced from sustainably managed forests;
- Blue Angel label: paper produced using environmentally friendly processes;
- ISO 14001 paper (chlorine-free).

CERTIFIED "GREEN" PAPER PURCHASES

(in kg)	2013	2012	2011
France	60,716	61,187	70,167
Spain	4,378	5,401	n.a.

France and Spain: Excluding companies acquired in 2013.
For the sake of clarity, figures have been rounded to the nearest unit.

Number of refilled recycled cartridges purchased in the year

As regards used printer cartridges, for several years the Company has opted to purchase recycled cartridges for its operations in France. This policy continued to apply in 2013. Purchases of refilled recycled cartridges were down in 2013, due to the gradual replacement of printers (which use this type of recycled cartridge) with networked multi-function photocopiers, for which the ink cartridges are handled directly by the service provider.

PURCHASES OF REFILLED RECYCLED CARTRIDGES IN FRANCE

(number of cartridges)	2013	2012	2011
France	1,366	1,674	1,541

Excluding companies acquired in 2013.

4. Our responsibility to society

4.1. Territorial, economic and social impact of the activity

4.1.1. EMPLOYMENT AND REGIONAL DEVELOPMENT IN FRANCE

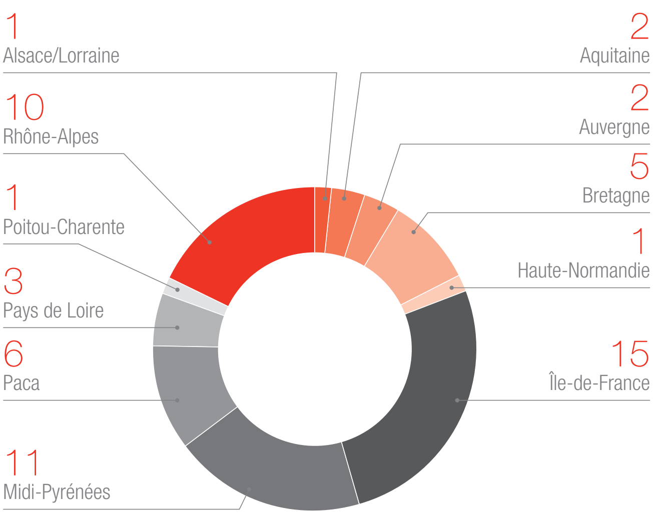
Sopra continued to be a major driver of growth in regional employment in 2013, recruiting 1,780 new employees in France, with nearly 70% of these in the provinces.

Sopra has 10,219 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 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.

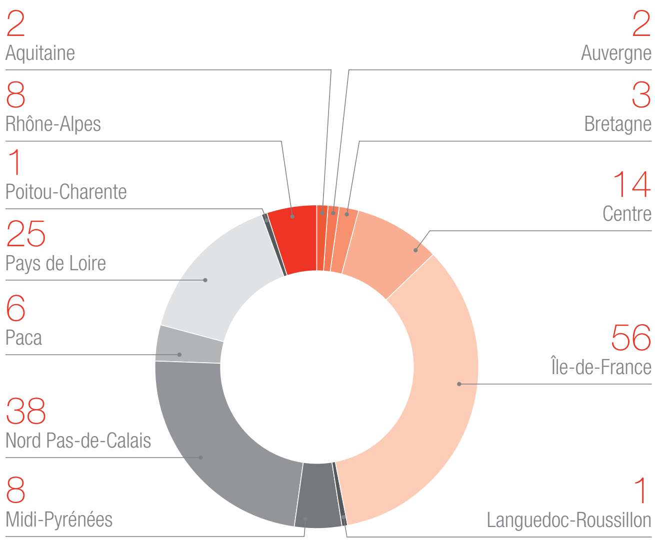
NUMBER OF WORK-STUDY PERSONNEL RECRUITED PER REGION: APPRENTICESHIPS

57 recruits in 2013

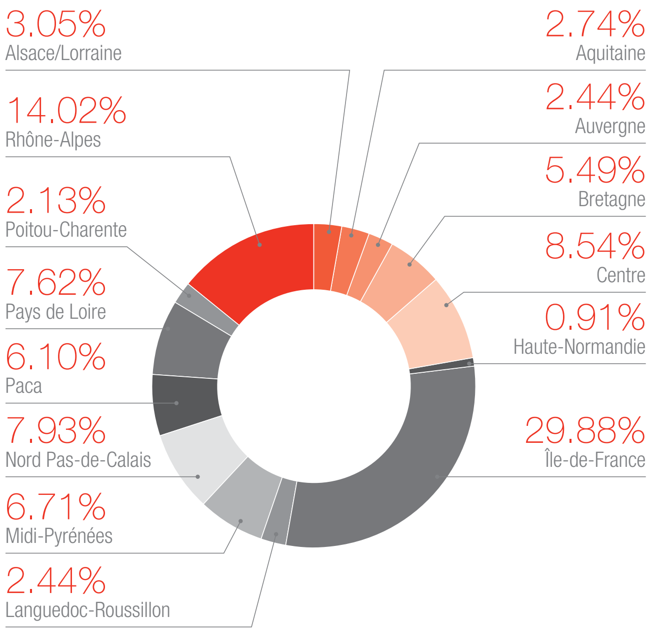


NUMBER OF WORK-STUDY PERSONNEL RECRUITED PER REGION: PROFESSIONALISATION CONTRACTS

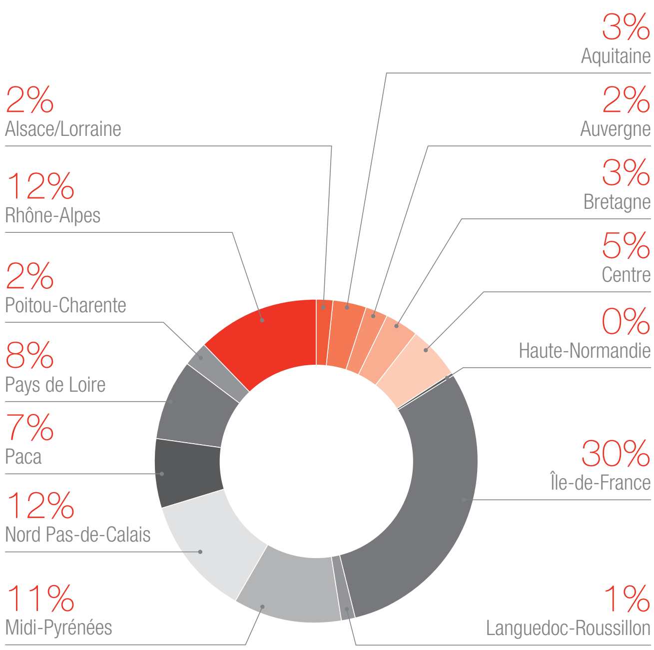
164 recruitments in 2013, same as in 2012



PERCENTAGE OF RECRUITMENTS PER REGION: CONVERSION OF INTERNSHIPS



PERCENTAGE OF RECRUITMENTS PER REGION: PERMANENT CONTRACTS

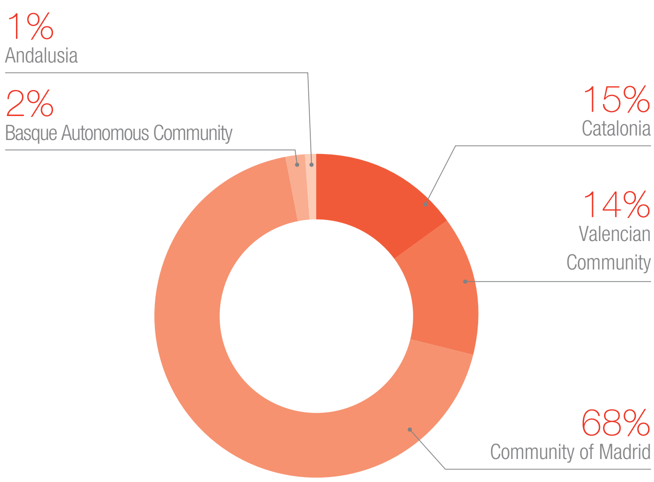


4.1.2. EMPLOYMENT AND REGIONAL DEVELOPMENT IN SPAIN

Sopra is strengthening its positioning as a major provider of regional employment in Spain. Recruitment across the country, already high in 2012, increased significantly in 2013 (up 51% year on year).

Recruitment is strong in struggling regions such as Andalusia and the Valencian Community, areas where unemployment has reached record levels within the European Union, especially among under-25s (more than 50% of whom are unemployed).

PERCENTAGE OF RECRUITMENTS PER REGION: PERMANENT CONTRACTS



4.1.3. RELATIONS WITH LOCAL POPULATIONS

Sopra's efforts to help local populations in geographical areas in which the Group is established are guided by two key aims:

- to promote education and employment for young people;
- to support humanitarian activities and encourage employee involvement.

Promoting education and employment for young people

Sopra and its employees have organised a wide range of activities to promote employment for young people.

In France, Sopra has continued its partnership with the association "Nos Quartiers ont des Talents" ("Our neighbourhoods have talent"), through which young graduates from underprivileged neighbourhoods are sponsored by employees as they seek employment. IT careers days held in 2013 in conjunction with universities and other higher education institutions in France, India and Spain enabled Sopra to present career opportunities to students in disciplines other than IT.

Sopra Group Spain also organised a conference on how to prepare for recruitment interviews as part of the 3U Employment Forum organised by Complutense University of Madrid, the Technical University of Madrid and the National University of Distance Education.

As a responsible company, Sopra Group India, which employs more than 1,200 people in India (in Noida and Bangalore), has for several years been running aid programmes for underprivileged populations and people with disabilities. In 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 responsible for implementing all of SGI's CSR-related activities.

Yogdaan
Sopra India CSR initiative

SGI is involved in an initiative run by NASSCOM (National Association of Software and Services Companies) intended to bridge the gap between industry and academia. Employee volunteers gave lectures on technical and behavioural skills to dozens of students at the IPEC and ITS universities.

In 2014, Sopra is keen to consolidate and expand its training and employment activities, and particularly those aimed at young people, by focusing on the following:

- working more closely with public agencies managing job seekers (the equivalent of the "Pôle Emploi" job centres in France);
- helping young graduates seeking employment (by offering simulated recruitment interviews in Spain, and continuing to sponsor the association "Nos Quartiers ont des Talents" and forming the first VIP sponsors' club in France);
- strengthening the internship and work-study programmes offered by the Group.

Supporting humanitarian activities

Sopra's policy in support of humanitarian activities also covers employees who take part in activities initiated by the Group or who initiate such activities themselves.

In India, some fifty employees belonging to Sopra Group India's Yogdaan team voluntarily took part in SGI's humanitarian initiatives in 2013.

Giving blood

One particular focus of humanitarian activity has been one-off and recurring blood donation drives at some Sopra sites. Blood donation drives provide an opportunity to raise awareness among employees and encourage them to be involved in humanitarian activities. Blood donation drives have been held at the Group's French sites for a number of years. In 2013, a number of such drives were held at the Colomiers, Annecy, Albi, Nantes and Rodez sites. Sopra Group Spain and Sopra Group India also held blood donation drives at their sites.

Collection of food and first aid products

In November 2013, Sopra Group Spain encouraged all its employees to take part in the first "Operation Kilo", during which food was collected at the Manoteras and Alcalá sites for the Madrid food bank. All products collected were given to people in difficulty (people with physical and mental disabilities, elderly people, disadvantaged children, marginalised families, former drug addicts, etc.).

In January 2013, Sopra Group India organised a winter clothing collection. Woollen blankets and clothes were donated to the Gyan Shakti Vidyalaya school for underprivileged children. Sopra Group India also carried out humanitarian activities to support the population of Uttarakhand, a mountainous state in northern India hit by flooding. In June 2013, heavy rain caused devastating floods and landslides in this state, damaging homes, pilgrimage sites and standing plantations. Thousands of people were displaced and lost loved ones. Sopra Group India organised a collection to raise funds and supply first aid equipment to the Goonj and Uday foundations, which work in the affected areas.

Promoting recycling

In 2013, Sopra Group India supported the non-government organisation Trash to Cash, which employs people with disabilities to make products from environmental waste. Sales of products made by the association from recycled materials were organised at Sopra Group India's premises. Similarly, in France, laptop computers refurbished by the Group were donated to schools in the Albi area in 2013.

Humanitarian activities in support of people with disabilities

Finally, some Sopra entities have undertaken humanitarian activities aimed at establishing links with people with disabilities. In 2013, Sopra Group India sponsored one of the Indian Association for the Blind's football teams. Similarly, Sopra Group Spain sponsored the Rangers Club of Valencia, which brings together a team of wheelchair basketball players. The club's chairman is a reduced mobility employee of Sopra in Valencia.

In 2014, Sopra is keen to continue these humanitarian activities involving employees and promote humanitarian initiatives across all Group sites.

4.1.4. PARTNERSHIP AND SPONSORSHIP ACTIVITIES

France

In France, Sopra has put in place sponsorship activities focused more specifically on solidarity, humanitarian initiatives and the environment.

Planète Urgence

The Group's partnership with Planète Urgence continued in 2013, with eight initiatives carried out by Group employees in France.

Planète Urgence supports "capacity-building" activities for adults; Sopra has chosen to focus its activities in this area. The aim is not to duplicate the work done by local organisations. It is these local organisations that define the needs and goals towards which Planète Urgence and its partners work via the "Congé Solidaire" programme, under which volunteer employees use paid leave to provide assistance in various developing countries.

Projects undertaken by Group employees under the "Congé Solidaire" programme have mainly involved delivering training in the use of office IT applications and implementing management systems. The programme covers countries in Africa (Cameroon, Madagascar, etc.) and Asia (Indonesia, India, Nepal, etc.), as well as Haiti.

Planète Urgence operates in stable countries where there are no conflicts or ongoing crises. These developing countries are not faced with immediate emergencies but rather with an ongoing need to manage shortages that place severe constraints on their populations. Through its teams in France and in the field, and thanks to its network of national and international contacts, the association monitors political, institutional and security-related developments in the countries in which it operates. It adjusts its operations in line with any change or credible threat of change in a given situation.

However, Sopra decided to temporarily call a halt to its activities in two destinations that are very popular with volunteers, Madagascar and Benin, in response to geopolitical events (elections in Madagascar and instability in countries bordering on Benin). Although Planète Urgence believed the associated risks to be very limited, Sopra opted to temporarily suspend its "Congé Solidaire" programme in these two regions and wait for all alerts, however minor, to be lifted. This led to a reduction in the number of "Congé Solidaire" projects completed in 2013. Both destinations are now once again open to Group employees, and applications are expected to return to a more sustained pace in 2014: across the Group's various French entities, 20 employees will have an opportunity to take part in the programme.

Communication activities will be rolled out to reinforce the "Congé Solidaire" programme, including in particular stories from Group volunteers and a campaign to raise awareness among new recruits.

Green Cross France & Territoires

Under the banner of its environmental and humanitarian activities, in 2012 Sopra became a sponsor of Green Cross France et Territoires (GCFT), the French arm of Green Cross International, established in 1993 by Mikhail Gorbachev. Since its formation, Green Cross has been committed to water rights, a key area on which Sopra has decided to focus. The aim is to encourage greater awareness of water-related issues in the broadest sense (access, drainage and the prevention and reduction of pollution). Along with food, water is one of the basic essentials of life. Almost a billion people have no access to drinking water. Sopra's support takes 2 forms: a financial donation to the Association to help it expand its activities and skills sponsorship in support of water-related GCFT projects.

In 2013, Sopra supported GCFT in connection with a project aimed at reducing the proliferation of green algae in Brittany. The project involves putting in place a prototype designed to demonstrate the economic viability of sustainable pig breeding under conditions that protect groundwater.

Seven Sopra employees (including a senior consultant and a director) got involved in this project with GCFT. For 2014, Sopra has decided to confirm its commitment to CGFT by stepping up its financial support and continuing with its skills sponsorship programme. Sopra has opted to make this a long-term partnership by positioning itself as a major sponsor of the association.

Sopra also signed the Appel pour la Haute Mer (Appeal for the High Seas) in June 2013.

The open sea belongs to no one. Today, it has in some areas become a lawless place. But there are solutions. The open sea must be managed in the general interest, as a "common good". Players from civil society and nations are beginning to take action. The international conference of the Appeal for the High Seas, held on 11 April at the Conseil Économique, Social et Environnemental in Paris, resulted in the drafting of the Paris Appeal for the High Seas, which marks a new turning point in the campaign to take action. The appeal, which was signed by a number of politicians and economists as well as companies and major organisations, aims to mobilise stakeholders from across civil society to lobby governments, economic partners and networks to open negotiations with the aim of concluding an ambitious agreement at the General Assembly of the United Nations in 2014.

Furthermore, Sopra organised a lecture at the Musée de la Marine (marine museum) on 26 November 2013 to raise awareness of water-related issues among clients. Leaders from Green Cross set out the world's key water-related challenges, focusing on three areas: oceans, the poles and cross-border geopolitical tensions.

Finally, Paris will host the 21st Conference of the Parties on the climate in December 2015. This essential milestone will provide an opportunity not only to determine the post-2015 action plan for adapting to climate change but also to streamline the approach to challenges relating to the climate, water, energy, biodiversity and human development. This action plan requires a coordinated effort by civil society. As such, Sopra will support GCFT in its water-related advocacy and awareness-raising activities ahead of the 2015 World Water Forum in Korea. In particular, this will include working on a booklet titled "Water: key actions" to raise awareness among opinion leaders and decision-makers. In 2014, Sopra will help draft this booklet, focusing on the "Challenges" section.

Team Jolokia

Team Jolokia is the first sailing team consisting of both able-bodied and disabled sportspeople to hold an oceanic record, having sailed from Lorient to Mauritius in just over 68 days.

Part of the mostly volunteer crew is replaced each year via a demanding recruitment process based on a combination of sporting performance and diversity. The crew includes able-bodied and disabled men and women of various nationalities and all ages, from all social backgrounds.

Sopra decided to support the human adventure that is *Team Jolokia* by becoming a sponsor of the association for at least two years, starting at the beginning of 2013. As well as including financial support, this sponsorship programme provides senior crew members with opportunities to give talks to students on the theme of diversity as a catalyst for performance.

In 2013, students had the opportunity to sail on board *Team Jolokia's* yacht (a VOR 60, well known to the public) and thus share in the association's adventure at the Course Croisière Edhec race.

Rallye Aicha des Gazelles

Sopra's Aeroline and Sopra Banking Software divisions sponsored a team during the 2013 Rallye Aicha des Gazelles. This ten-day rally across the Moroccan desert is open exclusively to women, who must complete the shortest distance between checkpoints using only a compass and maps.

One Sopra employee travelled more than 2,500 kilometres across the desert to the city of Essaouira, the finish line of this mythical race. The crew flew the flag of the association Les Enfants de la Terre, which supports large numbers of children, and distributed medical equipment in villages along the rally route.

India

In 2013, Sopra Group India (SGI) partnered with and sponsored a number of associations and non-governmental organisations, including the OM Foundation, the Ramakrishna Vivekananda Mission, Crèches Nomades and Inde Alphabétisation.

OM Foundation

OM Foundation is a registered charity that works to improve living conditions for the underprivileged through activities in support of education and employment. The foundation, established in 2002, seeks to open up opportunities for disadvantaged sections of the population by providing them with free, high-quality education, food and health services.

The OM Foundation's school – the flagship initiative of its education programme – opened with only 20 pupils from the disadvantaged class; it now has more than 300 pupils from remote regions.

In conjunction with the OM Foundation school, Sopra Group India thus launched a project named "Encouraging education through regular volunteering". In 2013, volunteers from Sopra Group India regularly tutored OM Foundation pupils in activities as wide-ranging as public speaking, dance, and arts and crafts.

Ramakrishna Vivekananda Mission

Sopra Group India funded work to renovate the mission's living areas and employed a teacher/tutor to help children and students complete their homework and prepare for monthly and yearly exams. Volunteers from Sopra Group India also gave IT lessons to pupils from the mission.

Crèches Nomades

Sopra Group India partners with Crèches Nomades, an NGO that runs day nurseries for children from marginalised and nomadic populations, mostly consisting of construction workers.

Inde Alphabétisation

SGI worked with Inde Alphabétisation to supply solar lanterns to a village in the Indian state of Haryana. The lanterns were sourced by Sway Techno Solutions and given to families with no access to electricity in their villages.

In 2014, Sopra Group India will continue to support the OM Foundation, the Ramakrishna Vivekananda Mission and Crèches Nomades. SGI also plans to step up its involvement with NGOs working in areas related to education, the environment and local development.

Spain

In 2013, Sopra Group Spain adopted a new social responsibility approach that includes humanitarian activities. A number of areas were identified for inclusion in a partnership and sponsorship plan. The first concrete action was to form a partnership with Fundtrafic, an association that provides help to accident victims. This association is registered with the Spanish Ministry of Health, Social Services and Equality. At the same time, under the banner of "preventing workplace risks", an initial awareness-raising session on the prevention of road risks took place at the end of 2013.

Finally, drawing on the Group's approach in France, Sopra Group Spain established contact with Green Cross Spain, which it hopes to sponsor in 2014. This sponsorship programme would aim to strengthen the company's environmental commitment with regard to water-related issues.

Two key areas of cooperation have been identified for inclusion in the sponsorship programme:

- sponsorship of a water-related event: an international discussion titled "Water rights as an instrument for peace and development";
- organisation of debates on sustainable development under the banner "Sopra Environmental Forum", involving current and potential Sopra clients and key figures from the environmental sector.

4.2. Responsible purchasing charter and supplier CSR assessment

4.2.1. RESPONSIBLE PURCHASING CHARTER

As part of its Sustainable Development approach, Sopra is particularly attentive to the issue of responsible purchasing. In 2011, the Group therefore launched a supplier and service provider selection policy in France that fully complies with the principles laid down by the United Nations Global Compact, of which Sopra is a signatory. A responsible purchasing charter based on the key principles found in the Global Compact was gradually deployed to the Group's main suppliers in France.

Starting in 2014, this charter will be gradually deployed to entities outside France.

The responsible purchasing charter sets out fundamental principles of fair and transparent purchasing and establishes the roles and responsibilities of the purchasing network.

This charter will be disseminated as an annex to contracts with regular suppliers to gain their buy-in (both new and renewed contracts).

4.2.2. CSR ASSESSMENT OF SUPPLIERS

In 2013, Sopra continued work assessing its suppliers based on the process developed in 2012. Sopra's responsible purchasing charter and CSR assessment questionnaire were sent to French tier 1 suppliers of the Real Estate and Purchasing department and the IT Resources and Security department. A tier 1 supplier is a supplier that transacts a certain volume of sales with Sopra and/or undertakes sensitive activities in the areas of human resources (e.g. temporary recruitment) or the environment (e.g. premises maintenance). The CSR assessment questionnaire measures tier 1 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 is led by the Group's Sustainable Development department.

SUPPLIER CSR ASSESSMENT RATES IN FRANCE

(number and % of suppliers)	2013				2012			
	Purchasing	ITR&S	Logistics	Total	Purchasing	ITR&S	Logistics	Total
Tier 1 suppliers *(number)*	15	8	26	49	13	8	26	47
Tier 1 suppliers assessed *(number)*	12	8	22	42	8	8	19	35
Tier 1 suppliers assessed *(%)*	*80%*	*100%*	*85%*	*86%*	*62%*	*100%*	*73%*	*74%*

At 31 December 2013, 86% of all tier 1 suppliers had been assessed by Sopra. This represents two thirds of revenue generated with all regular suppliers.

At the same time, an awareness-raising campaign was launched for low-CSR suppliers. This initiative was accompanied by the implementation of a personalised monitoring system.

In 2014, the Group's target is to maintain a high proportion of assessed tier 1 suppliers.

4.2.3. CSR ASSESSMENT OF SUBCONTRACTORS (PROJECTS) AND LESSORS

As regards subcontracting, a pilot CSR assessment project was launched among a panel of French subcontractors in late 2012. In 2013, the results obtained enabled the Group to more effectively screen tier 1 contractors and adjust assessment procedures for these types of suppliers. Plans are in place to extend the CSR approach to contracting to the entire Group in 2014.

An assessment process for lessors was introduced in 2013, drawing on the Energy Performance Diagnostic analysis associated with premises leased to Sopra.

PROPORTION OF LESSORS IN FRANCE HAVING COMPLETED CSR ASSESSMENT

(number and % of lessors)	2013
Lessors *(number)*	40
Lessors assessed *(number)*	11
Lessors assessed *(%)*	*28%*

4.3. Fair operating practices

Sopra's main priority in carrying on its day-to-day activities has always been to observe business ethics. This requirement is formalised in Sopra's Ethics Charter, 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's Ethics Charter 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 does not tolerate any form of corruption or abuse intended to derive a commercial advantage.

In carrying on its business, Sopra 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 is also committed to avoiding personal conflicts of interest that are contrary to the Group's best interests.

The Ethics Charter is supported by Sopra management, which is responsible for ensuring that these rules are observed. The charter applies to all Group employees to ensure that they perform their duties effectively.

In 2013, this charter was deployed to Group entities outside France, which organised its dissemination.

An awareness-raising and training programme is slated for 2014 in order to ensure that the Group's rules regarding business ethics and anti-corruption measures are integrated into daily operations at all company levels.

4.4. Quality and client satisfaction

Client satisfaction is closely linked to both the quality of the products and services provided by Sopra and the use and continuous improvement of a quality management system.

The quality policy is backed by a high level of commitment from Sopra'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'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's processes so that they are always efficient, competitive and relevant to clients' expectations.

4.4.1. CLIENT INVOLVEMENT IN PROCESSES

In the context of projects, Sopra'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 stakeholders.

4.4.2. QUALITY CERTIFICATION

All Sopra 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 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.

Overall quality control within a multi-location production environment remains subject to the Group's standard governance rules.

In 2013, Sopra continued its transformation of the Group Quality System with the aim of achieving consistent international coverage and overhauled its Quality System linked to packaged software vending to reflect changes in the software vending industry. The Group also responded to its clients' growing concerns about security by setting out confidentiality rules and best practice applicable to production.

Finally, project teams stepped up their efforts to obtain feedback on client satisfaction at steering committee meetings.

For 2014, the Group aims to roll out the Quality System across all business areas and regions, ensure consistency of certification so as to be able to offer a single overall management system, and improve the coverage of programmes and project portfolios by the Quality System. To achieve these objectives, the Group will focus on the following:

- continuing with the international rollout of the Quality System across all teams, using a range of standardised tools;
- adjusting the Quality System in response to developments in the consulting industry;
- achieving consistency with collaborative tools currently being rolled out;
- improving information-sharing when preparing client proposals by rolling out the new Business tool.

4.4.4. ATTENTIVENESS TO CLIENTS' NEEDS AND MEASUREMENT OF CLIENT SATISFACTION

All information channels are used to ensure client satisfaction:

- staff in the Group's departments that handle offerings and innovation keep a constant watch on market developments and help prepare and improve the Group's range of service offerings;
- management and/or sales teams meet regularly with clients involved with Sopra 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 each 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 or organisations having interests in the Company's activities

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

- administration (board of directors or trustees, participation in foundations, juries, class mentoring, etc.);
- teachers (company-sponsored chairs, courses, feedback, business-related projects, etc.);
- students (sharing of experiences, round tables, conferences, simulated interviews, graduation ceremonies, forums, company visits, sponsoring of associations, etc.).

In this context, Sopra 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 2013, Sopra undertook more than 400 activities in France with around 130 partner schools and universities, 70% of which were in the provinces.

This strong presence was crowned with success, with more than 530 graduating interns who completed their internships with Sopra and 90 new work-study personnel (only apprenticeships or "professionalisation" contracts leading to a degree) having started their cycle in 2013.

Sopra partners with the 45th EDHEC Cruising Race

For the seventh consecutive year, Sopra sponsored the leading European sports event for students: the EDHEC Cruising Race, held in April 2013 in Brest.

Examples of new activities undertaken with schools in 2013:

- Sponsorship of a footrace organised on 11 April 2013 by Cheer Up Centrale Lille to raise money for the cancer association, which helps young people with cancer achieve their personal goals.
- Sponsorship of Les Enfoiros, an association at the INSA Toulouse engineering school to raise money for *les Restos du Cœur.*

In order to serve Sopra's growth and value ambitions, in 2014 the Recruitment department will maintain the momentum in France already built up through the school relations policy by:

- strengthening the school stakeholder scheme, particularly with the most prestigious schools in the Paris region, supported by the appointment of nearly 20 sponsors from the Group's management in November 2013;
- placing the priority on content-based activities that provide opportunities to explain the Group's business to students.

Sopra will also continue developing its policy in favour of work-study contracts to support changes in this area at the Group's partner schools and universities.

These progress targets are included in the annual action plan that underpins Sopra's school relations policy. For the 2013-2014 academic year, Sopra plans to undertake more than 450 activities with around 140 partner schools and universities.

This educational partnership policy was gradually shared with entities outside France to develop it into a Group-wide approach.

4.5.2. STAKEHOLDER DIALOGUE

Naturally, as a responsible company, Sopra'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, etc.

It is in this spirit of dialogue and transparency that Sopra has incorporated the sustainable development and corporate social responsibility dimensions into its relationships with its stakeholders. This report was designed to meet this demand for transparency and information in the Group's dealings with its stakeholders. The report, which had historically focused on the Group's French businesses, has been expanded this year to include reporting information about the Group's entities in Spain and India.

An independent third-party body was appointed by Sopra to check that all information required under Article 225 of the "Grenelle 2" Act (as listed in Article R. 225-105-1 of the French Commercial Code) was included, and to verify this entire report. Its verification can be found on pages 119 and 120 of this report.

Clients

To provide the best possible service to its clients, all of the Group's activities are driven by a desire to achieve excellence, deliver progress and ensure long-term success.

Sopra's businesses are at the intersection of its clients' technologies and industries; as such, the Group must demonstrate proven expertise, curiosity and professionalism at every level.

To meet the challenges of increasingly complex projects and the explosion in new uses of technology, the Group's guiding principle is to listen to its clients while relying on robust mass processing capability.

For many years, Sopra has succeeded in building lasting relationships with its clients to support them 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.

This approach to managing client relationships and responsibilities has enabled Sopra 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 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.

Employees

For a number of years, the Group has had a strong internal communications plan to keep employees informed, keep them engaged and promote exchanges within the Group. This plan includes a set of communication tools and regular meeting points at the entity or Group level, or targeted to specific employee positions. In particular, these arrangements rely on the Group's highly structured system of dialogue and management, with special attention paid to disseminating the Group's values, which are firmly focused around individual and collective behaviours, and ensuring that those values are observed. Key internal communications activities in 2013 included analysing and understanding the results of the employee perception survey undertaken in late 2012 and designing a Group collaborative portal.

The employee satisfaction survey carried out in late 2012 identified two key areas for improvement: adapting tools and resources to the Group's development and sharing the Group's Enterprise Project. These two points led to significant work to overhaul the Group's dialogue and information arrangements (by creating a new Group collaborative portal) and to mobilise managers to communicate and explain the Group Enterprise Project to their staff.

The Group plans to carry out another employee perception survey in late 2014.

Given the fast pace of growth in the Group and its workforce, driven by an ambitious transformation plan, the decision was made to create a powerful collaborative tool designed to cope with current challenges. With this in mind, work to build a new Group collaborative portal began in 2013.

This portal, which will act as the single entry point for accessing Group information and applications, has two objectives: to facilitate access to all Group information, from fundamentals to corporate and business line-specific information; and to accelerate the acquisition of know-how and expertise. To this end, the portal will offer powerful tools for sharing and leveraging knowledge and foster more fruitful communication between employees.

The new Group collaborative portal will be made available to all employees during the first half of 2014.

Shareholders

Sopra shares have been listed on Compartment 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 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 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 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 has also developed a Group finance site (www.finance.sopra.com) in French and English to facilitate access to published market information.

Dialogue is also encouraged via a dedicated e-mail address, investors@sopra.com.

Trade accounts payable

The departments in charge of purchasing for the Group must verify that their suppliers and service providers share Sopra's values in the area of corporate social responsibility. To achieve this, throughout the selection process and even once the business relationship has been established, this department monitors risk exposure on an ongoing basis.

In France, the Group has launched a specific assessment programme to ensure that its suppliers take into account sustainable development issues. Details can be found in Section 4.2 of this chapter, "Responsible purchasing charter and supplier CSR assessment".

Subcontractors

Sopra'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 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 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. Their services are subject to the same level of monitoring and control as services delivered by other members of the Sopra team.

Partnerships

Sopra's partnership strategy is first and foremost based on the expectations of its clients, with the aim of providing them with the highest possible level of service across all of the Group's businesses.

By building close, lasting relationships with major software vendors such as Microsoft, IBM Software, SAP and Oracle, Sopra is working every day to provide its clients with innovative and proven solutions tailored to their specific needs.

Sopra is constantly monitoring its strategic partners to ensure that their expertise combined with that offered by the Group supports clients in transforming their businesses and information systems and adopting new practices. As such, Sopra is able to add value to its clients by bringing market-leading solutions and technologies into their specific environments.

Furthermore, powerful research and development programmes drawing on the best of its partners' technologies help the Group develop its expertise and strengthen its innovation programme. Through these programmes, the Group's consultants gain operational expertise and improve their ability to deliver valuable advice to clients.

Solutions based on strategic partnerships are taken into consideration in the Group's 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, integration and software vending businesses in every country in which the Group operates.

The Group's governance structure contains a supervisory level managed by an Advocate, who is a member of the Executive Committee, and a steering level managed by an Alliance Manager, who is responsible for day-to-day coordination of all aspects of the

Group's relations with the partner, as part of the Key Clients and Partnerships Department.

In addition to its four strategic partnerships, Sopra enters into specialised, industry-specific and technology partnerships, implemented for specific markets and offerings.

Civil society

Sopra has been working for many years with organisations linked to its activities.

In France, a member of the Group Executive Committee was elected to the Board of Directors of the Syntec Numérique digital sector trade union in 2013.

This person's role is to represent Sopra and bring its influence and experience to bear within Syntec Numérique's various committees and commissions so as to promote and defend the interests of members to government authorities.

This person is also joint chair of the international commission, whose purpose is to help Syntec Numérique's members with their international development and expand the organisation's influence outside France.

Syntec Numérique is the leading representative of professionals from the digital industry in their dealings with institutional organisations and French and European public authorities. It has 1,200 members representing 80% of total revenue in the sector.

In India, Sopra Group India has for several years been heavily involved in NASSCOM, an organisation that represents IT professionals. For example, through the involvement of its management and staff, Sopra Group India is taking part in a NASSCOM initiative aimed at bridging the gap between industry and academia.

In Spain, Sopra is a member of the Association of Consulting Companies (AEC), which brings together Spain's leading consulting companies and IT firms. The AEC was established in 1977 and is the benchmark organisation in the sector in Spain. Sopra is actively involved with the AEC, with a particular focus on promoting the image of the consulting and systems integration industries by strengthening standards of professionalism, ethics and quality, developing the use of information technologies and fostering dialogue between companies in the sector.

Sopra is also involved in a number of committees, including working relationships and public sector committees.

Finally, the Group has entered into a number of partnerships with schools, universities and non-governmental organisations in recent years with the aim of providing its expertise to disadvantaged individuals and populations and working on environmental initiatives. This approach will be stepped up and rolled out to all Group entities from 2014.

5. Annex – Cross-referencing table: Sopra's compliance with indicators of Grenelle 2 / GRI / ISO 26000

Grenelle 2	Sopra 2013 SD-CSR Report	GRI 4	ISO 26000
WORKFORCE COMPONENT			
Actions led and guidelines followed by the company to take into account the social consequences of its activity	2.1 Sopra Culture 4.5.2 Stakeholder dialogue		6.2 Organisational governance 6.4 Labour practices
a) Employment			
■ Total workforce	2.2.1 Workforce and trends	LA1 Total number and percentage of new employees hired and staff turnover by age, gender and geographic area	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		
■ Hirings and dismissals	2.2.2 Recruitment and separation of employees		
■ Remuneration and trends	2.2.5 Remuneration		
	2.2.3 Training policy 2.2.4 Talent development	LA11 Percentage of employees who complete periodic assessment and career development meetings by gender and employee category	

Grenelle 2	Sopra 2013 SD-CSR Report	GRI 4	ISO 26000
b) Work organisation			
■ Organisation of the work schedule	2.3 Work organisation		6.4 Labour practices 6.4.7 Health and safety at work
■ Absenteeism	2.3 Work organisation	LA6 Rates and types of workplace accidents, occupational illnesses, absenteeism, proportion of work days lost and total number of work-related fatalities, by geographic area and gender	
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		6.4 Labour practices 6.4.5 Social dialogue
■ Overview of collective bargaining agreements	2.4 Employee relations		
d) Health and safety			
■ Workplace health and safety conditions	2.5 Health and safety	LA5 Percentage of total workforce represented in joint occupational health and safety committees with the aim of monitoring and giving advice	6.4 Labour practices 6.4.7 Workplace health and safety
■ 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	LA8 Health and safety issues covered by formal agreements with trade unions	
■ Workplace accidents, particularly their frequency and severity, and occupational illnesses	2.5 Health and safety	LA6 Rates and types of workplace accidents, occupational illnesses, absenteeism, proportion of work days lost and total number of work-related fatalities, by geographic area and gender	
■ Occupational illnesses			
e) Training			
■ Policies implemented with respect to training	2.2.3 Training policy	LA10 Skills development and lifelong learning programmes to ensure employees' employability and help them manage the end of their careers	6.4 Labour practices 6.4.3 Employment and employment relationships
■ Total number of training hours	2.2.3 Training policy	LA9 Average hours of training per year, per employee by gender and employee category	
f) Equal treatment			
■ Measures taken in favour of gender equality	2.6 Non-discrimination principles	LA13 Ratio of women's to men's base salaries and remunerations, by employee category and significant locations of operation	6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work
■ Measures taken in support of the employment and professional integration of the disabled	2.6 Non-discrimination principles		
■ Anti-discrimination policy	2.6 Non-discrimination principles	HR3 Total number of discrimination incidents and corrective action taken	

Grenelle 2	Sopra 2013 SD-CSR Report	GRI 4	ISO 26000
g) Promoting and complying with the fundamental conventions of the ILO			
■ Upholding the freedom of association and the right to collective bargaining	2.7 Promoting and complying with the fundamental conventions of the ILO	HR4 Sites and suppliers identified which may not uphold the freedom of association and the right to collective bargaining or where these rights are at risk, and measures taken to uphold these rights	
■ Eliminating discrimination in respect of employment and occupation	2.7 Promoting and complying with the fundamental conventions of the ILO	HR3 Total number of discrimination incidents and corrective action taken	
■ Eliminating forced or compulsory labour	2.7 Promoting and complying with the fundamental conventions of the ILO		
■ Effective abolition of child labour	2.7 Promoting and complying with the fundamental conventions of the ILO		

Grenelle 2	Sopra 2013 SD-CSR Report	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 3.1.2 Initiatives to protect the environment		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		
■ Resources dedicated to preventing environmental risks and pollution	This subject does not relate to Sopra's activities		
■ Amount of provisions and coverage for environmental risks, provided that such information is not liable to seriously harm the company in any ongoing litigation	This subject does not relate to Sopra'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's activities		
■ Waste prevention, recycling and elimination measures	3.1 Initiatives to protect the environment 3.2 Waste management	EN23 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	3.1 Initiatives to protect the environment 3.2 Waste management 3.3 Sustainable use of resources	EN23 Total weight of waste by type and disposal method EN15 Direct greenhouse gas emissions (scope 1)	6.5.3 Prevention of pollution 6.5.3 Prevention of pollution

Grenelle 2	Sopra 2013 SD-CSR Report	GRI	ISO 26000
c) Sustainable resource use			
■ Water consumption and supply according to local requirements	3.3.4 Management of business premises	EN8 Total water withdrawal by source	6.5.4 Sustainable resource use
■ Consumption of raw materials and measures taken to improve efficient use of these resources ■ Energy consumption, measures taken to improve energy efficiency and use of renewable energies	3.3 Sustainable use of resources	EN3 Energy consumption within the organisation EN6 Reducing energy consumption EN10 Percentage and total volume of water recycled and reused	
■ Soil use	This subject does not relate to Sopra's activities		
d) Climate change			
■ Greenhouse gas emissions	3.3.3 Management of travel	EN15 Direct greenhouse gas emissions (scope 1)	6.5.5 Climate change mitigation and adaptation
■ Adapting to the consequences of climate change	3.3 Sustainable use of resources	EN19 Reducing greenhouse gas emissions EN3 Energy consumption within the organisation EN6 Reducing energy consumption EN10 Percentage and total volume of water recycled and reused	
e) Protection of biodiversity			
■ Measures taken to protect or develop biodiversity	This subject does not relate to Sopra's activities		

Grenelle 2	Sopra 2013 SD-CSR Report	GRI	ISO 26000
SOCIETAL COMPONENT			
a) Territorial, economic and social impact of the activity			
■ Employment and regional development matters	4.1.1 Employment and regional development	EC7 Development and impact of infrastructure investments and support for services EC8 Substantial indirect economic impacts, including the significance of these impacts	6.8 Community involvement and development
■ With regard to resident and local populations	4.1.2 Relations with local populations		
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		
	4.4 Quality and client satisfaction	PR5 Results of surveys measuring client satisfaction	6.7 Consumer issues
■ Partnership and sponsorship activities	4.1.3 Partnership and sponsorship activities		

Grenelle 2	Sopra 2013 SD-CSR Report	GRI	ISO 26000
c) Subcontracting and suppliers			
■ Taking into account social and environmental challenges in the purchasing policy	4.2 Responsible purchasing charter and supplier CSR assessment	EC9 Proportion of spending on locally based suppliers at significant locations of operation EN32 Percentage of new suppliers checked using environmental criteria	
■ Extent of subcontracting and communication of social and environmental responsibility commitments in the context of relations with suppliers and subcontractors			6.6.6 Promoting social responsibility in the value chain
d) Fair operating practices			
■ Anti-corruption actions	4.3 Fair operating practices	SO4 Communication and training related to anti-corruption policies and procedures	6.6 Fair operating practices
■ Measures taken to promote consumer health and safety	This subject does not relate to Sopra's activities		
e) Other action taken in favour of human rights			
	4.1.3 Partnership and sponsorship activities (as part of the partnership *with Green* Cross, which works for universal access to clean water)		

Report by one of the Statutory Auditors, designated as an independent third-party organisation, on workforce-related, environmental and societal information in the Management Report

To the Shareholders,

In our capacity as Statutory Auditors of Sopra Group and designated independent third-party organisation, for which the admissibility of the application for accreditation has been accepted by COFRAC, we hereby present our report on Sopra Group's consolidated workforce-related, environmental and societal information for the financial year ended 31 December 2013, as presented in the Management Report (hereafter referred to as the "CSR Information"), pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

RESPONSIBILITY OF THE COMPANY

It is the responsibility of the Board of Directors to establish a Management Report including the CSR Information referred to in Article R. 225-105-1 of the French Commercial Code, in accordance with the reporting criteria used by Sopra, (hereafter referred to as the "Guidelines"), which are available on request from the Group's Sustainable Development department.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the Code of Ethics of our profession and the provisions of Article L. 822-11 of the French Commercial Code. In addition, we have implemented a quality control system, including documented policies and procedures designed to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE STATUTORY AUDITOR

Based on our work, our responsibility is:

- to attest whether the required CSR Information is presented in the Management Report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of presentation of CSR Information);
- to provide a moderate assurance conclusion on whether the other CSR Information as a whole is fairly presented, in all material respects, in accordance with the Guidelines (Substantiated opinion on the CSR Information's truth and fairness).

Our work was undertaken by a team of three people over a period stretching from 4 November 2013 to 24 February 2014. We called upon our CSR experts to assist us in carrying out our work.

We conducted the work described below in accordance with the professional standards applicable in France, the Order of 13 May 2013 setting the conditions under which an independent third-party organisation should conduct its mission, and, with regard to the Substantiated opinion on the CSR Information's truth and fairness, in accordance with the international standard ISAE 3000 [1].

1. Attestation of presentation of CSR Information

On the basis of interviews conducted with the management of the departments concerned, we observed the presentation of the Company's sustainable development strategy, which is based on the workforce-related and environmental consequences of the Company's activities and its social commitments, as well as, where applicable, any resulting actions or programmes.

We compared the CSR Information presented in the Management Report with the list specified in Article R. 225-105-1 of the French Commercial Code.

In the absence of certain information, we verified that explanations were provided in accordance with the provisions of Article R. 225-105-1 paragraph 3 of the French Commercial Code.

We verified that the CSR Information covered Sopra Group's scope of consolidation, namely the Company and its subsidiaries within the meaning of Article L. 233-1 and its controlled companies within the meaning of Article L. 233-3 of the French Commercial Code, within the limits specified in paragraph 1.6.4 of the Management Report.

On the basis of our assessment, we hereby certify that the required CSR Information is presented in the Management Report.

2. Substantiated opinion on the CSR Information's truth and fairness

Nature and scope of work

We undertook approximately ten interviews with the people responsible for preparing the CSR Information at the departments in charge of the data collection process and, where applicable, the people responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, where applicable, industry best practices;
- verify the implementation of a process for collecting, compiling, processing and verifying the CSR Information for completeness and consistency; and to identify the procedures for internal control and risk management related to the preparation of the CSR Information.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We determined the nature and extent of our tests and verifications based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, the potential social and environmental impact of its activities, its strategy with regard to sustainable development, and industry best practices.

For the CSR Information which we considered to be the most important [(1)]:

- at the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we applied analytical procedures to the quantitative information and verified, on a sample basis, the calculations and the consolidation of the information, and verified their consistency and cross-referencing with the other information presented in the Management Report;
- at the level of the representative sample of countries that we selected [(2)] based on their activity, their contributions, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and carried out tests of details on the basis of samples, which involved verifying the calculations made and comparing data with supporting documentation. The sample selected represented an average of 83% of the workforce and between 78% and 100% of the quantitative environmental information.

For the other consolidated CSR information, we assessed its consistency in relation to our knowledge of the Company.

Finally, we assessed the relevance of the explanations provided, where applicable, in response to the partial or complete absence of certain information.

We consider that the sampling methods and sample sizes that we applied using our professional judgment allow us to formulate a moderate assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the application of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant misstatement in the CSR Information cannot be entirely eliminated.

CONCLUSION

Based on the work we performed, we have not identified any material misstatement likely to call into question the fact that the CSR Information, as a whole, has been presented fairly in accordance with the Guidelines.

Paris, 24 April 2014

One of the Statutory Auditors,

Mazars

Christine Dubus *Partner*	Emmanuelle Rigaudias *Partner, Environment and Sustainable Development Department*

(1) The related quantitative and qualitative information is presented in the appendix to this report.

(2) The countries selected are France, Spain and India.

Appendix: CSR information considered to be the most important

	Information verified	Test scope
Workforce-related	Total workforce by age and type of employment contract	France, Spain and India
	Average workforce (FTE)	
	Average age of employees on permanent contracts	
	Average length of service of employees on permanent contracts	
	Hires	
	Staff turnover rate for permanent contracts	
	Proportion of management-level employees in total workforce	France
	Absence rate	France: Sopra and Sopra Banking Software
	Rates of frequency and severity of workplace accidents	
	Number of training hours	
	Average number of days of training per employee	
	Percentage of disabled employees	France: Sopra
Environmental	Quantity of WEEE waste	France
	Number of physical and virtual machines installed during the year	France, India and Spain
	Number of new videoconferencing systems put in place during the year	
	"Green" paper purchases	
	Total CO_2 emissions for all business travel	
Societal	Regional distribution of recruitments	France and Spain
	Partnership and sponsorship activities	France, Spain and India
	Supplier assessment system	France
	Supplier CSR assessment rates	

5 2013 Consolidated financial statements

Consolidated statement of net income

(in thousands of euros)	Notes	2013	2012	2011
Revenue	*4*	**1,348,995**	**1,216,729**	**1,050,260**
Staff costs	*5*	-911,911	-811,780	-701,383
External expenses and purchases	*6*	-306,294	-271,798	-233,456
Taxes and duties		-17,625	-15,399	-15,616
Depreciation, amortisation, provisions and impairment	*7*	-21,263	-16,958	-13,580
Other current operating income and expenses		17,022	8,787	6,233
Operating profit on business activity		**108,924**	**109,581**	**92,458**
as % of revenue excl. VAT		*8.1%*	*9.0%*	*8.8%*
Expenses related to stock options and related items	*8*	-2,973	-2,196	-444
Amortisation of allocated intangible assets	*9*	-4,855	-4,213	-335
Profit from recurring operations		**101,096**	**103,172**	**91,679**
as % of revenue excl. VAT		*7.5%*	*8.5%*	*8.7%*
Other operating income and expenses	*10*	2,849	-11,880	6,254
Operating profit		**103,945**	**91,292**	**97,933**
as % of revenue excl. VAT		*7.7%*	*7.5%*	*9.3%*
Cost of net financial debt	*11*	-6,980	-7,194	-4,098
Other financial income and expenses	*11*	-1,439	-1,027	602
Tax charge	*12*	-32,546	-33,540	-36,176
Net profit from associates	*13*	8,430	6,068	5,993
Net profit from continuing operations		**71,410**	**55,599**	**64,254**
Net profit from discontinued operations	*14*	-	-	-1,380
CONSOLIDATED NET PROFIT		**71,410**	**55,599**	**62,874**
as % of revenue excl. VAT		*5.3%*	*4.6%*	*6.0%*
Minority interests		8	-1	2
Attributable to Group		**71,402**	**55,600**	**62,872**
EARNINGS PER SHARE *(in euros)*				
Basic earnings per share	*15*	6.00	4.67	5.29
Fully diluted earnings per share	*15*	5.92	4.62	5.29

Consolidated statement of comprehensive income

(in thousands of euros)	Notes	2013	2012	2011
Consolidated net profit		**71,410**	**55,599**	**62,874**
Other comprehensive income:				
Actuarial gains and losses on pension plans	27	1,236	-3,412	-1,110
Tax impact	12.3	-645	1,221	383
Subtotal of items not reclassifiable to profit or loss		**591**	**-2,191**	**-727**
Translation differential		-2,826	740	-10,880
Change in the value of derivatives	33.2	623	-1,851	-825
Related to associates		-1,955	-616	4,065
Tax impact	12.3	-754	631	465
Subtotal of items reclassifiable to profit or loss		**-4,912**	**-1,096**	**-7,175**
Other comprehensive income, total net of tax:		**-4,321**	**-3,287**	**-7,902**
COMPREHENSIVE INCOME		**67,089**	**52,312**	**54,972**
Minority interests		8	-1	2
Attributable to Group		**67,081**	**52,313**	**54,970**

Consolidated statement of financial position

ASSETS *(in thousands of euros)*	**Notes**	**31/12/2013**	**31/12/2012**	**31/12/2011**
Goodwill	*16*	317,457	314,626	190,871
Intangible assets	*17*	54,038	59,152	2,812
Property and equipment	*18*	49,159	39,193	39,585
Equity-accounted investments in associates	*19*	118,784	113,824	109,402
Other non-current financial assets	*20*	4,924	3,997	2,975
Deferred tax assets	*21*	25,592	34,453	20,952
Non-current assets		**569,954**	**565,245**	**366,597**
Stocks and work in progress		205	490	178
Trade accounts receivable	*22*	442,413	384,262	344,994
Other current receivables	*23*	63,657	33,700	25,332
Cash and cash equivalents	*24*	102,230	47,359	33,267
Current assets		**608,505**	**465,811**	**403,771**
TOTAL ASSETS		**1,178,459**	**1,031,056**	**770,368**

LIABILITIES AND EQUITY *(in thousands of euros)*	**Notes**	**31/12/2013**	**31/12/2012**	**31/12/2011**
Share capital		11,920	11,893	11,893
Capital reserves		13,192	9,533	7,951
Consolidated reserves and other reserves		261,389	228,226	191,192
Profit for the year		71,402	55,600	62,872
Equity – Group share		**357,903**	**305,252**	**273,908**
Minority interests		**9**	**1**	**3**
TOTAL EQUITY	*25*	**357,912**	**305,253**	**273,911**
Financial debt – long-term portion	*26*	135,499	178,367	26,382
Deferred tax liabilities	*21*	2,133	17,966	78
Provisions for post-employment benefits	*27*	58,740	48,552	40,777
Non-current provisions	*28*	12,384	6,724	5,071
Other non-current liabilities	*29*	5,196	7,979	11,946
Non-current liabilities		**213,952**	**259,588**	**84,254**
Financial debt – short-term portion	*26*	121,310	73,048	53,273
Trade payables	*30*	68,910	56,092	54,768
Other current liabilities	*31*	416,375	337,075	304,162
Current liabilities		**606,595**	**466,215**	**412,203**
TOTAL LIABILITIES		**820,547**	**725,803**	**496,457**
TOTAL LIABILITIES AND EQUITY		**1,178,459**	**1,031,056**	**770,368**

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 31/12/2010	**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	-33,499
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**
Capital transactions	27	812	-	526	-	1,365	-	1,365
Share-based payments	-	2,847	-	1,225	-	4,072	-	4,072
Transactions in treasury shares	-	-	8	118	-	126	-	126
Ordinary dividends	-	-	-	-20,204	-	-20,204	-	-20,204
Changes in scope	-	-	-	355	-355	-	-	-
Other movements	-	-	-	229	-18	211	-	211
Shareholder transactions	**27**	**3,659**	**8**	**-17,751**	**-373**	**-14,430**	**-**	**-14,430**
Profit for the year	-	-	-	71,402	-	71,402	8	71,410
Other comprehensive income	-	-	-	-	-4,321	-4,321	-	-4,321
Comprehensive profit for the year	**-**	**-**	**-**	**71,402**	**-4,321**	**67,081**	**8**	**67,089**
AT 31/12/2013	**11,920**	**13,192**	**-299**	**360,934**	**-27,844**	**357,903**	**9**	**357,912**

Consolidated cash flow statement

(in thousands of euros)	2013	2012	2011
Consolidated net profit (including minority interests)	**71,410**	**55,599**	**62,874**
Profit after tax from discontinued operations	-	-	1,380
Net increase in depreciation, amortisation and provisions	22,328	20,865	63,609
Unrealised gains and losses relating to changes in fair value	567	125	-443
Share-based payment expense	2,973	2,196	444
Other calculated income and expense	-36,240	-1,060	-706
Gains and losses on disposal	1,481	-164	-60,915
Share of net profit of equity-accounted companies	-8,431	-6,068	-5,993
Cash from operations after cost of net debt and tax	**54,088**	**71,493**	**60,250**
Cost of net financial debt	6,980	7,194	4,098
Income taxes (including deferred tax)	32,547	33,540	36,176
Cash from operations before cost of net debt and tax (A)	**93,615**	**112,227**	**100,524**
Tax paid (B)	-36,767	-41,820	-38,682
Changes in operating working capital requirements (included liabilities related to employee benefits) (C)	-1,673	-8,604	-1,341
Net cash from operating activities (D) = (A+B+C)	**55,175**	**61,803**	**60,501**
Purchase of tangible and intangible fixed assets	-17,110	-6,781	-10,065
Proceeds from sale of tangible and intangible fixed assets	210	3,124	86
Purchase of financial assets	-1,165	-799	-336
Proceeds from sale of financial assets	295	654	367
Impact of changes in scope	41,086	-175,459	-29,829
Dividends received (equity-accounted companies, non-consolidated securities)	1,851	1,322	-
Change in loans and advances granted by the Company	-	-	68,422
Other cash flow relating to investing activities	-	-	-16,251
Net cash from (used in) investing activities (E)	**25,167**	**-177,939**	**12,394**
Proceeds on issue of shares	-	-	-
Proceeds on the exercise of stock options	1,365	-	1,190
Purchase and proceeds from disposal of treasury shares	8	679	-395
Dividends paid during the year			
■ Dividends paid to shareholders of Sopra Group SA	-20,204	-22,562	-56,068
■ Dividends paid to minority interests of consolidated companies	-	-	-
Change in borrowings	-12,898	126,639	-53,392
Net interest paid (including finance leases)	-6,907	-6,847	-3,485
Other cash flow relating to financing activities	-2,361	5,400	3,172
Net cash from (used in) financing activities (F)	**-40,997**	**103,309**	**-108,978**
Effect of foreign exchange rate changes (G)	-620	-1,359	-362
Net cash from (used in) discontinued operations (H)	**-**	**-**	**12,980**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G+H)	**38,725**	**-14,186**	**-23,465**
Opening cash position	2,460	16,646	53,581
Cash relating to discontinued operations	-	-	-13,470
Closing cash position	41,185	2,460	16,646

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 development. Sopra Group is a limited company *(société anonyme)* governed by French law, with its 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 Compartment B of NYSE Euronext Paris.

The Group's consolidated financial statements for the year ended 31 December 2013 were approved by the Board of Directors at its meeting held on 23 April 2014.

ACCOUNTING PRINCIPLES AND POLICIES

Note 1 Key accounting policies

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

1.1. Basis of preparation

The consolidated financial statements for the year ended 31 December 2013 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 2013 have had no material impact on the Group's financial statements or results.

These mainly involve the following standards and amendments:

- amendment to IAS 1 "Presentation of items of other comprehensive income";
- amendment to IAS 12 "Deferred tax: recovery of underlying assets";
- IAS 19 "Employee benefits" revised;
- IFRS 13 Fair Value Measurement;
- amendments to IFRS 7 "Disclosures – offsetting financial assets and financial liabilities";
- amendments to IFRS 1 "Severe hyperinflation and removal of fixed dates for first-time adopters" and "Government loans";
- annual improvements (2009-2011 cycle) "Annual improvements to IFRSs".

b. Standards and interpretations adopted by the European Union and subject to early application

The Group has chosen not to opt for the early application of the following standards and interpretations:

- amendment to IAS 32, "Financial instruments: Presentation – Offsetting financial assets and financial liabilities";
- IFRS 10 "Consolidated financial statements", together with other standards relating to consolidation: IFRS 11 "Joint arrangements", IFRS 12 "Disclosure of interests in other entities", IAS 27 R "Separate financial statements" and IAS 28 R "Investments in associates and joint ventures";
- amendments to IFRS 10, IFRS 11 and IFRS 12 "Transitional requirements";
- amendments to IFRS 10, IFRS 11 and IAS 27 "Investment entities";
- amendment to IAS 36 "Recoverable amount disclosures for non-financial assets";
- amendment to IAS 39 "Novation of derivatives and continuation of hedge accounting";
- annual improvements (2010-2012 cycle and 2011-2013 cycle);
- IFRIC 21 "Levies".

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 2013. These primarily relate to:

- IFRS 9 "Financial instruments";
- amendment to IAS 19 "Employee contributions to defined benefit plans".

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 *profit from recurring operations* 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 company 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 company 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, directly or indirectly, control any *ad hoc* company.

Inter-company transactions as well as unrealised balances and profits on operations between Group companies are eliminated.

The accounts of all consolidated companies are prepared as at 31 December. These accounts have, where applicable, been restated to ensure the consistency of accounting and valuation rules applied by the Group.

The scope of consolidation is presented in Note 2.

1.4. Foreign currency translation

a. Functional and presentation currencies

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which each entity operates, *i.e.* its "functional currency".

The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company Sopra Group SA.

b. Translation of the financial statements of foreign subsidiaries

Group subsidiaries' functional currencies are their local currencies in which most of their transactions are denominated. The accounts of all Group entities whose functional currency differs from the Group's presentation currency are translated into euros as follows:

- assets and liabilities are translated at rates applying at the balance sheet date;
- income, expenses and cash flows are translated at average rates for the period;
- all resulting foreign exchange differences are recognised as a distinct equity component under *Other comprehensive income*.

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. 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 judgement in the application of the Group's accounting policies.

Such estimates and judgements, 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 judgements in the application of accounting policies

With the exception of those policies requiring accounting estimates, no judgement exercised by Management has had a material impact on the amounts recognised in the financial statements.

1.6. Business combinations

The Group applies IFRS 3 (revised version) to the identified assets acquired and liabilities assumed as a result of business combinations. The acquisition of an asset or a group of assets that do not constitute a business is recognised under the standards applicable to these assets (IAS 38, IAS 16, IAS 39).

All business combinations are recognised by applying the acquisition method, which consists in:

- the measurement and recognition at fair value of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree (minority interests). The Group identifies and allocates these items on the basis of contractual provisions, economic conditions and its accounting and management principles and procedures;
- the measurement and recognition at the acquisition date of the difference referred to as "goodwill" between:
  - the purchase price for obtaining control of the acquiree plus the amount of any minority interests in the acquiree, and
  - and the net amount of the recognised identifiable assets acquired and liabilities assumed.

The acquisition date is the date on which the Group effectively obtains control of the acquiree.

The purchase price of the acquiree corresponds to the fair value, at the acquisition date, of the elements of consideration remitted to the seller in exchange for control of the acquiree, to the exclusion of any element serving as consideration for any transaction separate from the attainment of control.

If the initial accounting for a business combination can only be determined provisionally for the reporting period in which the combination was effected, the acquirer recognises the combination using provisional values. The acquirer must then recognise adjustments to these provisional values related to the completion of initial accounting within 12 months of the acquisition date.

1.7. Goodwill

For each business combination, the Group may elect to recognise under its balance sheet assets either a proportionate goodwill (corresponding only to its percentage of ownership interest) or a full goodwill (also including the goodwill corresponding to minority interests).

Should the calculation of goodwill result in a negative difference (in the case of an acquisition conducted under advantageous conditions), the Group recognises the resulting gain as a bargain purchase in profit or loss.

Goodwill is allocated to cash-generating units for the purposes of impairment tests as set out in Note 1.11. Such tests are performed as soon as any indication of impairment is noted. and in any case at the balance sheet date of 31 December.

1.8. Intangible assets

a. 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 IT hardware	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: equipment is depreciated 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 cash-generating units is consistent with the operating structure of its businesses, its management and reporting structure and its segment reporting structure. Impairment testing involves comparing CGUs' carrying amounts with their recoverable amounts. A cash-generating unit's recoverable amount is the higher of its fair (generally market) value, less costs to sell, and its value in use.

The value in use of a CGU is determined using the present value of future cash flow method:

- cash flows for a plan period of five years, with cash flows for the first year of the plan based on the budget;
- cash flows beyond the five-year plan period used in value-in-use calculations are increased in line with historic long-term growth rates adjusted for inflation.

Cash flow projections for the explicit period are determined by taking into account:

- the general growth rate of the economy;
- the impact of technological advances in the sector;
- transfers of IT functions engendered by the rise of outsourcing benefiting the digital 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 16.3 and 16.4.

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 39-58 "Impairment and uncollectibility of financial assets") requires entities to assess at each balance sheet date whether or not there exists an objective indication that a financial asset or group of financial assets is impaired. Where such an indication does exist, the entity in question must apply the provisions of IAS 39 to each category of financial assets to determine the amount of any impairment loss.

1.12. Financial assets

The Group classifies its financial assets into the following categories:

- assets measured at fair value through profit or loss;
- assets held to maturity;
- loans and receivables; and
- assets available for sale.

Classification depends on the purposes for which financial assets were acquired. Management decides on the appropriate classification at the time of initial recognition and performs a reassessment at each interim or annual reporting date.

Financial assets are initially measured at their fair value; they are subsequently measured, depending on their classification, at fair value or at 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 non-consolidated entities over which it exercises neither control nor any significant influence.

As such investments comprise equity instruments whose price is not quoted in an active market, and whose fair value cannot otherwise be reliably measured, they are maintained at cost less any impairment losses. Their recoverable amount is estimated based on criteria such as the Group's share of an entity's net assets and its outlook for growth and profitability. An impairment loss recognised cannot subsequently be reversed.

1.13. Deferred tax

Deferred tax is recognised using the balance sheet liability method based on temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

Deferred tax assets and liabilities are measured for each entity or taxable unit on the basis of the tax rates in force, or substantially adopted, at the balance sheet date and expected to apply when assets will be realised or liabilities settled.

Deferred tax assets relating to both temporary differences and tax losses carried forward are recognised only to the extent that it appears probable that the future tax savings they represent will be achieved.

1.14. Derivatives

Derivatives are initially recognised at fair value as at the date on which the contract is entered into. They are subsequently revalued at fair value. The accounting treatment of the associated profit or loss depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the hedged item.

The Group designates certain derivatives as:

- hedges of the fair value of assets or liabilities recognised in the balance sheet, or of firm forward commitments; or
- cash flow hedges of specific risks attaching to assets or liabilities recognised in the balance sheet or highly probable future transactions; or
- hedges of net investments in foreign operations.

The fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is in excess of 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 which do not qualify for hedge accounting in accordance with IAS 39. Changes in the fair value of such derivatives are recognised in profit or loss under *Other financial income and expenses*.

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 be eligible as cash equivalents: an analysis must be carried out to establish whether or not the four quoted criteria are met.

Cash equivalents are recognised at their fair value; changes in fair value are recognised in the income statement under *Other financial income and expense*.

1.16. Share-based payments

a. 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.

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 to 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

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 assumptions 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 gains and losses. Actuarial gains and losses 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. Actuarial gains and losses are fully recognised in equity.

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: 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 recognised at the present value of the obligation at the balance sheet date. For the year in which this profit sharing is appropriated, the difference between the present value of the profit sharing and the nominal value that will be paid to employees at the close of the blocking period 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. Services in Consulting, Solutions and Systems Integration

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 entered into 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 fixed-price contracts in which case they are recognised using the percentage-of-completion method described in Section 1.21.a.

Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated on a fixed-price basis

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, *i.e.* maintenance and ancillary services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

In fairly rare instances, ancillary services may be considered indispensable to a software package's functioning

This may be the case for very complex projects, the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Industrialisation Department. They are accounted for using the percentage-of-completion method described in Section 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 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 and Solutions Integration carried out in Europe by a combination of subsidiaries;
- the Sopra Banking Software business;
- the HR Access 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

- **HR Access** – At the beginning of April 2013, Sopra Group acquired 100% of the share capital of the HR Access group. HR Access offers a complete range of global and integrated HR solutions, designed to meet the needs of a vast set of companies across all business sectors. The solutions offered are dedicated to managing personnel, time and activities, skills and payroll. HR Access serves more than 625 clients in 54 countries, and generated 2012 revenue of €75 million. It has nearly 900 employees in France, Spain and Tunisia. All HR Access businesses have been consolidated since 1 April 2013.
- **Altime** – In October 2013, Sopra Banking Software acquired two consulting companies, which underwent a simplified merger with Sopra Banking Software with effect from 31 December 2013. Over three months, these acquisitions contributed €1.2 million in revenue, with 24 people on staff.

2.2. Deconsolidated entities

No Sopra Group entities were deconsolidated in financial year 2013.

2.3. Legal reorganisations and restructures

Following the 2012 acquisitions, a legal entity rationalisation process gave rise to the transactions listed below, none of which had any impact on the consolidated financial statements:

- Adeuza was wound up by way of a complete transfer of assets and liabilities (*transmission universelle de patrimoine,* TUP) to Sopra Group on 29 June 2013;
- Sopra Group Ltd's business was transferred to Sopra Group Financial Services Ltd effective 1 January 2013. The corporate name of Sopra Group Ltd was changed to Sopra Group Holding Ltd and that of Sopra Group Financial Services Ltd was changed to Sopra Group C&SI Ltd;
- all shares constituting the issued capital of Sopra Group Solutions UK Ltd were transferred to Sopra Banking Software SA by Sopra Group Holding Ltd on 28 June 2013, the two first two companies being wholly owned subsidiaries of Sopra Group. On 30 September 2013, Sopra Banking Software Ltd's business was contributed to Sopra Group Solutions UK Ltd. Sopra Group Solutions UK Ltd was renamed Sopra Banking Software Ltd effective 8 October 2013 (the previously existing entity under the name Sopra Banking Software Ltd was renamed SBS123 Ltd);
- the Spanish company CS Sopra España was merged with Sopra Group Informatica at the end of June 2013 (effective retroactively for accounting purposes from 1 January 2013);
- Sopra Banking Paris was wound up without liquidation by way of a complete transfer of assets and liabilities (TUP) to Sopra Banking Software on 29 June 2013;
- the business of the Belgian company Business Architects International was transferred to Sopra Banking Software Belgium effective 1 January 2013, after which this entity was merged by way of a cross-border transaction with Sopra Banking Software in France on 30 June 2013, effective retroactively for accounting purposes from 1 April 2013;
- the Belgian company Sopra Banking Software Participations was merged by way of a cross-border transaction between this entity and Sopra Banking Software in France on 31 May 2013, effective retroactively for accounting purposes from 1 January 2013;
- Sopra Banking Software Factory's business was transferred to Sopra Banking Software Belgium, a wholly owned subsidiary of Sopra Group, on 1 January 2013;
- all shares constituting the issued capital of SOPRAntic were transferred to Sopra Group by Sopra Banking Software on 28 June 2013. The corporate name of SOPRAntic was changed to Sopra Banking Software Morocco.

A legal entity rationalisation process was also applied to the new HR Access sub-group, without any impact on the consolidated financial statements:

- HR Access Netherlands CV was dissolved on 30 June 2013;
- HR Access Solutions BV was merged by way of a cross-border transaction between this entity and Sopra HR Software in France, effective retroactively for accounting purposes from 1 July 2013;
- HR Access Solutions SAS was merged using the simplified procedure with Sopra HR Software on 31 December 2013, effective retroactively for accounting purposes from 1 July 2013.

2.4. List of consolidated companies in 2013

Company	Country	% Control	% Held	Consolidation method
SYSTEMS AND SOLUTIONS INTEGRATION				
Sopra Group	France	-	-	Parent company
Sopra Group Holding Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Group C&SI Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Belux	Belgium	100.00%	100.00%	FC
Sopra 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
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 Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Banking Software Belgium	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
Sopra Banking Software Morocco	Morocco	100.00%	100.00%	FC
Sopra Software Cameroun	Cameroon	95.00%	95.00%	FC
HR ACCESS				
Sopra HR Software	France	100.00%	100.00%	FC
HR Access Solutions UK Ltd	United Kingdom	100.00%	100.00%	FC
HR Access Solutions Belgium BVBA	Belgium	100.00%	100.00%	FC
HR Access Solutions Luxembourg Sarl	Luxembourg	100.00%	100.00%	FC
HR Access Solutions GmbH	Germany	100.00%	100.00%	FC
HR Access Solutions Suisse Sarl	Switzerland	100.00%	100.00%	FC
HR Access Solutions Italy Srl	Italy	100.00%	100.00%	FC
HR Access Solutions Spain SL	Spain	100.00%	100.00%	FC
HR Access Solutions Tunisie International Sarl	Tunisia	100.00%	100.00%	FC
HR Access Solutions Maroc Sarl	Morocco	100.00%	100.00%	FC
AXWAY GROUP	France	25.72%	25.72%	EM

FC: Fully consolidated.
EM: Equity method.

Note 3 Comparability of financial statements

The individual and combined impact of acquisitions completed in 2013 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 2013 financial statements are as follows:

CONTRIBUTION TO *REVENUE AND OPERATING PROFIT ON BUSINESS ACTIVITY*

(in millions of euros)	31/12/2013 Excluding acquisitions	31/12/2013 Contribution from acquisitions	31/12/2013 Published	31/12/2012 Published
Revenue	1,291.7	57.3	1,349.0	1,216.7
Profit from recurring operations	96.8	4.3	101.1	103.2

IMPACT ON *GOODWILL*

See Note 16.2.

IMPACT ON *NET DEBT*

See Note 26.2.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 4 Revenue

4.1. Revenue by business line

(in millions of euros)	2013		2012		2011	
CSSI France	828.0	*61.4%*	795.9	*65.4%*	776.6	*73.9%*
SSI Europe	247.6	*18.3%*	225.3	*18.5%*	184.5	*17.6%*
Sopra Banking Software	217.3	*16.1%*	195.5	*16.1%*	89.2	*8.5%*
HR Access	56.1	*4.2%*	-	-	-	-
TOTAL REVENUE	**1,349.0**	***100.0%***	**1,216.7**	***100.0%***	**1,050.3**	***100.0%***

4.2. Revenue by economic sector

	2013	2012	2011
Financial services	*33.4%*	*32.9%*	*25.2%*
Services/Transport/Utilities	*20.5%*	*20.1%*	*21.1%*
Public sector	*16.6%*	*15.6%*	*17.6%*
Manufacturing	*15.7%*	*15.9%*	*17.0%*
Telecoms & Media	*9.2%*	*10.3%*	*12.1%*
Retail	*4.6%*	*5.2%*	*7.0%*
TOTAL	***100.0%***	***100.0%***	***100.0%***

4.3. International revenue

(in millions of euros)	2013		2012		2011	
CSSI France*	35.5	*2.6%*	50.0	*4.1%*	35.0	*3.3%*
SSI Europ e	247.6	*18.4%*	240.0	*19.7%*	184.5	*17.6%*
Sopra Banking Software	142.3	*10.5%*	97.7	*8.0%*	19.8	*1.9%*
HR Access	18.9	*1.4%*	-	-	-	-
Total international revenue	**444.3**	***32.9%***	**387.7**	***31.9%***	**239.3**	***22.8%***
TOTAL REVENUE	**1,349.0**	***100.0%***	**1,216.7**	***100.0%***	**1,050.3**	***100.0%***

* *Export portion.*

Note 5 Staff costs

5.1. Analysis

(in thousands of euros)	2013	2012	2011
Salaries	653,610	574,342	488,712
Social charges	252,601	229,491	200,574
Employee profit-sharing and incentive schemes	5,700	7,947	12,097
TOTAL	**911,911**	**811,780**	**701,383**

5.2. Workforce

Workforce at year end	2013	2012	2011
France	10,219	9,386	8,920
International	6,065	4,917	3,690
TOTAL	**16,284**	**14,303**	**12,610**

Average workforce	2013	2012	2011
France	10,187	9,294	8,906
International	5,783	4,739	3,556
TOTAL	**15,970**	**14,033**	**12,462**

5.3. Employee profit-sharing and incentive schemes

Employee profit sharing totalled €4.5 million for Sopra Group. Incentive schemes in respect of 2013 totalled €1.1 million for Sopra Group and €0.1 million for Sopra Banking Software.

Note 6 Purchases and external expenses

(in thousands of euros)	2013		2012		2011	
Project subcontracting purchases	130,542	*42.6%*	123,810	*45.6%*	119,470	*51.2%*
Purchases held in inventory of equipment and supplies	9,349	*3.1%*	6,438	*2.4%*	5,642	*2.4%*
Goods purchases and changes in inventory	10,776	*3.5%*	7,795	*2.9%*	6,917	*3.0%*
Leases and charges	39,235	*12.8%*	35,310	*13.0%*	28,737	*12.3%*
Maintenance and repairs	10,904	*3.6%*	10,964	*4.0%*	7,840	*3.4%*
Subcontracting	5,190	*1.7%*	5,697	*2.1%*	1,769	*0.8%*
Remuneration of intermediaries and fees	13,426	*4.4%*	8,223	*3.0%*	5,117	*2.2%*
Advertising and public relations	5,449	*1.8%*	3,939	*1.4%*	2,520	*1.1%*
Travel and entertainment	62,596	*20.4%*	53,860	*19.8%*	42,041	*18.0%*
Telecommunications	8,140	*2.7%*	6,560	*2.4%*	5,767	*2.5%*
Other expenses	10,687	*3.5%*	9,202	*3.4%*	7,636	*3.3%*
TOTAL	**306,294**	***100%***	**271,798**	***100%***	**233,456**	***100%***

Note 7 Depreciation, amortisation, provisions and impairment

(in thousands of euros)	2013	2012	2011
Amortisation of intangible assets	1,274	986	547
Depreciation of property and equipment	7,299	6,679	5,459
Depreciation of assets held under finance lease	3,836	3,938	4,206
Depreciation and amortisation	**12,409**	**11,603**	**10,212**
Impairment of current assets net of unused reversals	2,784	377	-350
Provisions for contingencies and losses net of unused reversals	6,070	4,978	3,718
Provisions and impairment	**8,854**	**5,355**	**3,368**
TOTAL	**21,263**	**16,958**	**13,580**

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 2013. 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 €2.6 million in 2013. They were recorded in *Staff costs* and determined on the basis of:

- the fair value of the shares at the allotment date;
- 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.

Information on the rules of this bonus share allotment plan is set out in Note 25.3.

Note 9 Amortisation of allocated intangible assets

After allocating acquisition costs in business combinations, additions to amortisation of allocated intangible assets totalled €4.9 million in respect of 2013, compared with €4.2 million in respect of 2012 (see Note 17).

Note 10 Other operating income and expenses

(in millions of euros)	2013	2012	2011
Impairment of goodwill	-	-	-38.0
Impairment of equity-accounted investments in Axway Software	-	-	-18.0
Acquisition costs (fees, commissions, etc.)	-2.2	-4.9	-
Restructuring costs	-28.4	-6.6	-1.0
■ *of which integration and reorganisation of business lines*	*-3.0*	*-4.9*	*-1.0*
■ *of which separation costs*	*-15.4*	*-1.7*	*-*
■ *of which other non-recurring expenses*	*-10.0*	*-*	*-*
Other operating expenses	-2.0	-0.4	-8.2
Total operating expenses	**-32.6**	**-11.9**	**-65.2**
Capital gains on Axway Software shares related to the Axway spin-off	-	-	71.4
Gain on negative *goodwill* from HR Access	35.4	-	-
Total operating income	**35.4**	**-**	**71.4**
TOTAL	**2.8**	**-11.9**	**6.2**

In 2013, non-recurring operating expenses in the amount of €25.8 million were related to the acquisition of HR Access.

Note 11 Financial income and expenses

11.1. Cost of net financial debt

(in thousands of euros)	2013	2012	2011
Income from cash and cash equivalents	514	395	308
Interest charges	-5,892	-5,197	-3,226
Net result of hedges (yield spread)	-1,177	-969	-695
Impact of the change in the value of syndicated loans	-425	-1,423	-485
TOTAL	**-6,980**	**-7,194**	**-4,098**

Despite an increase in average outstanding borrowings (€207 million in 2013, compared with €155 million in 2012) the cost of net financial debt remained stable.

The average cost of borrowings after hedging was 2.27% in 2013, compared to 2.34% in 2012. Including bank overdrafts, the average cost of financing was 2.05% in 2013, compared with 2.09% in 2012.

11.2. Other financial income and expenses

(in thousands of euros)	2013	2012	2011
Foreign exchange gains and losses	**-417**	**-584**	**178**
Reversals of provisions	-	-	10,550
Proceeds on the disposal of financial assets sold	-	2,005	139
Other financial income	101	244	1,000
Total other financial income	**101**	**2,249**	**11,689**
Charges of provisions	-	-	-
Discounting of retirement commitments	-1,317	-1,441	-1,401
Discounting of employee profit sharing	471	500	410
Change in the value of derivatives	-163	261	564
Net carrying amounts of financial assets sold	-	-1,758	-10,628
Other financial expense	-114	-254	-210
Total other financial expense	**-1,123**	**-2,692**	**-11,265**
TOTAL	**-1,439**	**-1,027**	**602**

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)	2013	2012	2011
Current tax	37,585	33,945	39,117
Deferred tax	-5,039	-405	-2,941
TOTAL	**32,546**	**33,540**	**36,176**

12.2. Reconciliation of theoretical and effective tax charge

(in thousands of euros)	2013	2012	2011
Net profit	**71,410**	**55,599**	**62,874**
Neutralisation of the following items:			
■ Profit after tax from discontinued operations	-	-	-1,380
■ Share of net profit from equity-accounted companies	8,430	6,068	5,993
■ Net capital gains on retained Axway shares	-	-	53,456
■ *Negative goodwill*	35,430	-	-
■ Impairment of goodwill	-	-	-37,988
■ Tax charge	-32,546	-33,540	-36,176
Profit before tax	**60,096**	**83,071**	**78,969**
Theoretical tax rate	**38.00%**	**36.10%**	**36.10%**
Theoretical tax charge	**-22,836**	**-29,989**	**-28,508**
Reconciliation			
Permanent differences	-2,813	-864	-21
Impact of non-capitalised losses for the year	-5,168	-201	-350
Use of non-activated losses carried forward	235	800	190
Capitalisation of previous losses carried forward	-	512	-
Impact of tax credits	7,405	2,292	1,313
CVAE reclassification (net of tax)	-8,085	-7,554	-7,020
Tax rate differences – France/Other countries	1,689	2,369	1,089
Prior year tax adjustments	542	-167	-253
Tax reassessment	-2,820	-	-
Other	-695	-738	-2,616
Actual tax charge	**-32,546**	**-33,540**	**-36,176**
Effective tax rate	**54.16%**	**40.38%**	**45.81%**
Effective tax rate excluding CVAE	*41.45%*	*30.48%*	*37.05%*

In 2013, the effective tax rate was 41.82% instead of 54.16% at constant structure (excluding the acquisition of HR Access).

12.3. Tax impact of other comprehensive income statement items

(in thousands of euros)	2013	2012	2011
Actuarial gains and losses on pension plans	-645	1,221	383
Tax impact on non-classifiable items	**-645**	**1,221**	**383**
Translation differential	-494	-61	191
Change in the value of derivatives	-260	692	274
Tax impact on reclassifiable items	**-754**	**631**	**465**
TOTAL	**-1,399**	**1,852**	**848**

Note 13 Net profit from associates

In 2013, this item included the following:

- the Group's share in the Axway group's profit for the financial year (25.72% of €35.6 million): €9.1 million;
- the impact of the dilution of Axway Software's share capital: (-) €0.7 million.

In 2012, this item included the following:

- the Group's share in the Axway group's profit for the financial year (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)	2013	2012	2011
Net profit attributable to the Group	71,401,992	55,599,865	62,871,886
Weighted average number of ordinary shares in issue	11,899,280	11,893,486	11,876,503
BASIC EARNINGS PER SHARE	**6.00**	**4.67**	**5.29**

(in euros)	2013	2012	2011
Net profit attributable to the Group	71,401,992	55,599,865	62,871,886
Weighted average number of ordinary shares in issue	11,899,280	11,893,486	11,876,503
Weighted average number of securities retained in respect of dilutive items	165,906	138,450	4,441
Weighted average number of shares retained for the calculation of diluted net earnings per share	12,065,186	12,031,936	11,880,944
FULLY DILUTED EARNINGS PER SHARE	**5.92**	**4.62**	**5.29**

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 (€60.23) have been considered accretive. This concerns 52,720 options allotted on 29 March 2011 at an adjusted exercise price of €66.61.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 16 Goodwill

16.1. Changes in goodwill

The principal movements in 2013 are as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2011	**271,872**	**81,001**	**190,871**
Acquisitions			
Tieto UK	15,196	-	15,196
Business Decision UK	14,302	-	14,302
Callataÿ & Wouters	101,502	-	101,502
Adeuza	-37	-	-37
Adjustments on business combinations			
Delta Informatique	-8,590	-	-8,590
Translation differential	**2,062**	**680**	**1,382**
31 December 2012	**396,307**	**81,681**	**314,626**
Acquisitions			
HR Access	-	-	-
Altime	4,602	-	4,602
Translation differential	**-2,395**	**-624**	**-1,771**
31 DECEMBER 2013	**398,514**	**81,057**	**317,457**

16.2. Determination of goodwill arising on business combinations in the year

(in thousands of euros)	HR Access	Altime	Total
Purchase price	-	3,190	3,190
Additional financing from the seller	-1,500	-	-1,500
Acquisition cost	**-1,500**	**3,190**	**1,690**
Fair value of net assets acquired	33,930	-1,412	32,518
GOODWILL	**-35,430**	**4,602**	**-30,828**

The acquisition of HR Access conducted under advantageous conditions resulted in €35.4 million being taken to profit under *Other operating income and expenses* (see Note 10).

No purchase price or earnouts were agreed during the transaction. On 4 April 2013, the seller paid €1.5 million to Sopra Group. The financial terms and conditions of this transaction compensated for the operating losses recorded in financial year 2013 and contributed to financing restructuring costs.

Pursuant to the provisions of IFRS 3, the identification and assessment of assets acquired and liabilities assumed were reviewed in order to appropriately consider all the information available at the acquisition date.

Detailed information on the fair value measurement of the net assets of acquired entities is provided in the table below.

(in thousands of euros)	HR Access	Altime	Total
Intangible assets allocated	-	-	-
Other intangible assets	412	-	412
Property and equipment	2,754	-	2,754
Deferred tax	1,672	-	1,672
Other assets	46,019	1,571	47,590
Cash and cash equivalents	42,752	141	42,893
Financial liabilities	-86	-83	-169
Provisions for post-employment benefits	-6,089	-	-6,089
Other liabilities	-53,504	-3,041	-56,545
FAIR VALUE OF NET ASSETS ACQUIRED	**33,930**	**-1,412**	**32,518**

16.3. 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)		31/12/2013	31/12/2012	31/12/2011
CSSI France	France	52,495	52,869	96,303
SSI Europe	United Kingdom	49,549	66,172	35,152
	Spain	51,297	51,297	51,297
	Italy	8,119	8,119	8,119
	Belgium	-	-	-
Sopra Banking Software		155,997	136,169	-
TOTAL		**317,457**	**314,626**	**190,871**

16.4. Impairment tests

Impairment tests carried out at 31 December 2013 did not give rise to the recognition of impairment.

These tests were performed under the conditions described in Note 1.11 using the following parameters:

	Discount rate			Perpetuity growth rate		
	31/12/2013	31/12/2012	31/12/2011	31/12/2013	31/12/2012	31/12/2011
France	*9.1%*	*9.3%*	*9.5%*	*2.1%*	*2.3%*	*2.5%*
United Kingdom	*9.1%*	*9.3%*	*9.5%*	*2.1%*	*2.3%*	*2.5%*
Spain	*9.1%*	*9.3%*	*9.5%*	*2.1%*	*2.3%*	*2.5%*
Other European countries	*9.1%*	*9.3%*	*9.5%*	*2.1%*	*2.3%*	*2.5%*
Other zones	*9.1%*	*9.3%*	*9.5%*	*2.1%*	*2.3%*	*2.5%*

a. Sensitivity analysis

The sensitivity analysis below applies to the total of recoverable amounts calculated using the discounted cash flow method.

	Discount rate used in 2013	Increase in the discount rate of 0.5 points
Growth rate used in 2013	-	*-8.5%*
Decrease in the growth rate of 0.5 points	*-5.9%*	*-13.5%*

With the exception of the CGU Systems Integration Spain, declines in value-in-use resulting from these combined changes in assumptions (-13.5%) 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
Difference between value in use and carrying amount *(in millions of euros)*	**4.1**	**32.9**
Threshold values*:		
Discount rate	*9.4%*	*13.2%*
Perpetuity growth rate	*1.6%*	*-5.0%*
Hypothetical impairment in the event of *(in millions of euros)*:		
Increase in the discount rate of 0.5 points	-1.4	-
Decrease in the perpetuity growth rate of 0.5 points	-	-
Decrease in the operating margin of 0.5 points	-0.6	-
Increase in the discount rate of 0.5 points combined with decrease in the perpetuity growth rate of 0.5 points	-4.9	-

* *The threshold value for an assumption is the value at which the value in use would be equal to the carrying amount.*

16.5. Translation adjustments

The €1.8 million decrease in translation adjustments mainly arises from changes in the value of the euro relative to the following currencies:

(in millions of euros)	31/12/2013	31/12/2012	31/12/2011
USD	-	-	-8.8
GBP	-1.4	1.5	0.9
SEK	-	-	-0.5
Other currencies	-0.4	-0.1	-0.4
TOTAL	**-1.8**	**1.4**	**-8.8**

Note 17 Intangible assets

(in thousands of euros)	Gross value	Amortisation	31/12/2013	31/12/2012	31/12/2011
Enterprise software/Technology	70,102	24,735	45,367	49,913	1,441
Client relations	6,700	1,220	5,480	6,150	-
Favorable contracts	900	180	720	810	-
Order backlog	480	294	186	354	-
Acquired software	16,957	14,672	2,285	1,925	1,371
TOTAL	**95,139**	**41,101**	**54,038**	**59,152**	**2,812**

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.

Changes in intangible assets are set out in the table below:

No expense was incurred in developing the Group's solutions and software was capitalised, either in 2013 or in previous years.

(in thousands of euros)	Gross value	Amortisation	Net
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**
Changes in scope	9,619	9,223	396
Intangible assets allocated	-	-	-
Acquisitions	1,219	-	1,219
Disposals	-5,076	-4,728	-348
Translation differential	-332	-80	-252
Amortisation charge	-	6,129	-6,129
31 DECEMBER 2013	**95,139**	**41,101**	**54,038**

Intangible assets allocated in 2012 (€59.2 million) related 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 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**
Changes in scope	22	8,511	1,684	10,217
Acquisitions	-	12,554	7,113	19,667
Disposals	-	-6,077	-10,415	-16,492
Other movements	-21	-1,261	1,239	-43
Translation differential	-1	-314	-564	-879
31 DECEMBER 2013	**11,204**	**83,046**	**49,331**	**143,581**

(in thousands of euros)	Land and buildings	Office furniture, fixtures and sundry equipment	IT equipment	Total
DEPRECIATION				
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**
Changes in scope	-	5,958	1,428	7,386
Charges	225	5,546	5,364	11,135
Reversals	-	-5,399	-9,963	-15,362
Other movements	-	-715	671	-44
Translation differential	-	-188	-423	-611
31 DECEMBER 2013	**9,484**	**48,298**	**36,640**	**94,422**
NET VALUE				
31 December 2011	**2,148**	**28,250**	**9,187**	**39,585**
31 December 2012	**1,945**	**26,537**	**10,711**	**39,193**
31 DECEMBER 2013	**1,720**	**34,748**	**12,691**	**49,159**

The Group's investments in property, plant and equipment (€19.7 million) mainly consisted of €12.6 million for office equipment in France and abroad and €7.1 million for IT equipment (€4.0 million of which is in the form of finance lease contracts).

Amounts included under disposals during the year (€16.5 million depreciated in the amount of €15.4 million) mainly correspond to:

- divestment of IT equipment corresponding to expired finance lease contracts entered into by Sopra Group (€4.9 million);
- scrapping of technical assets as a result of the replacement of obsolete IT equipment at the acquired HR Access entities (€4.3 million);
- scrapping of fully depreciated IT and office equipment at Sopra Group Informatica (Spain) (€4.3 million);
- scrapping of fixtures, fittings and IT equipment and divestment of office equipment in connection with the move affecting the Sopra site in Lyon (€2.6 million);
- premises for which leases were not renewed that the Group no longer occupies.

Land and buildings include the premises of Sopra's registered office at Annecy-le-Vieux. A portion of these premises was acquired as part of a property finance lease arrangement completed in 2003.

These contracts have, since their inception, been restated in the consolidated financial statements and are included in the balance sheets for the following amounts:

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Land	255	255	255
Buildings	3,861	3,861	3,861
Amortisation	-3,861	-3,801	-3,735
NET VALUE	**255**	**315**	**381**

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)	31/12/2013	31/12/2012	31/12/2011
Gross value	23,939	24,835	25,689
Amortisation	-15,982	-17,030	-18,018
NET VALUE	**7,957**	**7,805**	**7,671**

Note 19 Equity-accounted investments in associates

(in thousands of euros)	Gross value	Impairment	Net
31 December 2011	**127,339**	**17,937**	**109,402**
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**
Capital transactions	568	-	568
Dividends paid	-1,826	-	-1,826
Net profit	9,155	-	9,155
Translation differential	-2,042	-	-2,042
Changes in shareholding	-1,325	-	-1,325
Other movements	430	-	430
31 DECEMBER 2013	**136,721**	**17,937**	**118,784**

At 31 December 2013, Axway Software shares held by Sopra Group represented 25.72% of Axway Software's total share capital, compared with 26.02% in 2012. The market value of those shares, based on their closing price on 31 December 2013 (€21.82), was €114.8 million. The equity-accounted value of this investment (€118.8 million) is justified by its value in use for Sopra.

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Market value	114,848	71,916	87,092
Value in use	118,784	113,824	109,402
Recoverable amount	**118,784**	**113,824**	**109,402**

SUMMARY FINANCIAL INFORMATION RELATING TO THE AXWAY GROUP

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Assets	391,997	376,989	304,474
Equity	258,373	233,951	213,435
Liabilities	133,624	143,038	91,039
Revenue	237,545	224,320	217,244
Net profit	35,595	24,660	21,457

Note 20 Other non-current financial assets

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Assets at fair value through profit and loss	-	-	-
Held to maturity assets	-	-	-
Available for sale assets	67	68	68
Other loans and receivables	4,832	3,777	2,907
Derivatives	25	152	-
TOTAL	**4,924**	**3,997**	**2,975**

20.1. Available for sale assets

(in thousands of euros)	Gross value	Impairment	Net
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**
Changes in scope	-	-	-
Increase	-	-	-
Decrease	-26	-26	-
Translation differential	-2	-1	-1
31 DECEMBER 2013	**139**	**72**	**67**

Available for sale assets are comprised mainly of non-consolidated equity investments in Sopra Banking Software (net amount of €61 thousand).

20.2. Other loans and receivables

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Receivables from unconsolidated equity interests – gross value	6	6	6
Provisions for receivables from unconsolidated equity interests	-6	-6	-6
Receivables from unconsolidated equity interests – net value	**-**	**-**	**-**
Loans	4	16	22
Deposits and other non-current financial assets	4,828	3,761	2,885
Provisions for loans, deposits and other non-current financial assets	-	-	-
Loans, deposits and other non-current financial assets – net value	**4,832**	**3,777**	**2,907**
TOTAL	**4,832**	**3,777**	**2,907**

Deposits and other non-current financial assets (€4.8 million) consist mainly of guarantees given for the leased premises. Non-remunerated deposits are maintained at their nominal value, given that the effect of discounting is not significant.

Note 21 Deferred tax assets and liabilities

21.1. Breakdown by maturity

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Deferred tax assets (DTA)			
■ less than one year	6,647	3,752	6,749
■ more than one year	18,944	30,701	14,203
TOTAL DTA	**25,591**	**34,453**	**20,952**
Deferred tax liabilities (DTL)			
■ less than one year	-	-33	-57
■ more than one year	-2,133	-17,933	-21
TOTAL DTL	**-2,133**	**-17,966**	**-78**
NET DEFERRED TAX	**23,458**	**16,487**	**20,874**

21.2. Change in net deferred tax

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
At 1 January	**16,487**	**20,874**	**25,069**
Changes in scope	1,672	-6,648	999
Tax – income statement impact	5,039	405	2,941
Tax – equity impact	320	1,913	653
Translation differential	-60	-57	-28
Discontinued operations or assets classified as held for sale (Axway)	-	-	-8,760
AT 31 DECEMBER	**23,458**	**16,487**	**20,874**

21.3. Breakdown of net deferred tax by type

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Differences related to consolidation adjustments			
Actuarial gains and losses on pension plans	3,848	4,495	3,606
Software depreciation and amortisation of revalued software	10,845	-	-
Fair value of amortisable allocated intangible assets	-16,457	-17,933	-
Derivatives	934	1,090	458
Amortised cost – Bank loans	269	-	-
Finance leases	65	51	34
Discounting of employee profit sharing	695	880	972
Tax-driven provisions	-	-	-
Bonus share allotment plan	2,753	598	-
Amortisation of business goodwill	1,700	972	-
Cancellation of capitalised R&D expenses	-	3,171	-
Deduction for investment	-	1,538	-
Activated tax losses	461	5,832	-
Other	695	-	-
Temporary differences based on tax returns			
Provisions for retirement benefits	14,146	11,267	9,095
Provision for employee profit sharing	1,541	2,049	5,322
Provision for Organic tax	599	546	528
Differences in amortisation periods	699	820	89
Expenses related to the acquisition of equity interests	-	780	-
Activated tax losses	-	-	-
Other	665	331	770
TOTAL	**23,458**	**16,487**	**20,874**

21.4. Deferred tax assets not recognised by the Group

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Tax losses carried forward	3,285	2,922	3,978
Temporary differences	-	-	-
TOTAL	**3,285**	**2,922**	**3,978**

21.5. Change in tax losses carried forward

(in thousands of euros)	France	Germany	Spain	United Kingdom	Belgium	Other	Total
31 December 2012	**6,274**	**4,417**	**3,505**	**4,302**	**9,018**	**2,450**	**29,966**
Changes in scope	-	-	-	-	-	-	-
Creation	-	2,546	148	-	-	355	3,049
Utilisation	-3,892	-	-	-2,207	-9,202	-1,447	-16,748
Expiration	-2,369	-	-	-	-	-	-2,369
Translation differential	-	-	-	-91	-	-121	-212
Other movements	-13	116	-	-	517	59	679
31 DECEMBER 2013	**-**	**7,079**	**3,653**	**2,004**	**333**	**1,296**	**14,365**
Deferred tax basis – activated	-	-	-	2,004	-	-	2,004
Deferred tax basis – not activated	-	7,079	3,653	-	333	1,296	12,361
Deferred tax – activated	-	-	-	461	-	-	461
Deferred tax – not activated	-	1,770	1,088	-	113	314	3,285

21.6. Maturity of tax losses carried forward

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
N+1	-	-	-
N+2	-	-	-
N+3	-	-	-
N+4	-	-	-
N+5 and subsequent years	4,267	3,505	3,500
Tax losses carried forward with a maturity date	**4,267**	**3,505**	**3,500**
Tax losses which may be carried forward indefinitely	**10,098**	**26,461**	**10,152**
TOTAL	**14,365**	**29,966**	**13,652**

Note 22 Trade accounts receivable

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Trade accounts receivable – gross value	328,052	286,450	268,895
Accrued income	134,140	112,626	91,919
Accrued credit notes	-11,988	-11,963	-13,397
Amortisation of trade accounts receivable	-7,791	-2,851	-2,423
TOTAL	**442,413**	**384,262**	**344,994**

Net trade accounts receivable, expressed in terms of months of revenue corresponded to 2.3 months of revenue at 31 December 2013, compared to 2.2 months at 31 December 2012 and 2.4 months at 31 December 2011. 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)	31/12/2013	31/12/2012	31/12/2011
Employee data	1,430	966	685
Social security	5,059	4,175	3,200
Tax receivables (other than corporate income tax)	-	-	-
VAT	18,107	10,724	10,433
Corporate income tax	9,491	5,032	2,098
Other tax receivables	22,468	7,518	5,217
Leased equipment	1,219	995	885
Other receivables	2,148	750	592
Prepaid expenses	3,735	3,540	2,182
Derivatives	-	-	40
TOTAL	**63,657**	**33,700**	**25,332**

Note 24 Cash and cash equivalents

The cash flow statement is presented on page 122.

24.1. Net cash

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Investment securities	4	16	1,900
Cash	102,226	47,342	31,367
Cash and cash equivalents	**102,230**	**47,358**	**33,267**
Current bank overdrafts	-61,045	-44,898	-16,621
TOTAL	**41,185**	**2,460**	**16,646**

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

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Money market UCITS and short-term money market UCITS	4	16	1,500
Other UCITS	-	-	400
TOTAL	**4**	**16**	**1,900**

Note 25 Shareholders' equity

The consolidated statement of changes in equity is presented on page 121.

25.1. Changes in the share capital

At 31 December 2013 Sopra Group had share capital of €11,919,583 compared to €11,893,486 at 31 December 2012, comprising 11,919,583 fully-paid shares with a nominal value of €1 each.

The principal movements in 2013 concerned the exercise of share subscription options: 26,097 shares were created corresponding to a capital increase of €26.1 thousand and a share premium of €1,338.4 thousand, for a total subscribed of €1,364.5 thousand.

25.2. Share subscription option plan

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 31/12/2013	o/w cancelled in 2013	Number of options exercised at 31/12/2013	o/w options exercised in 2013	Number of options outstanding at 31/12/2013	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	30,000	-	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	-	22,901	22,901	27,163	€17.47
08/01/2007	5,000	€60.37	5,000	-	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	-	3,196	3,196	39,946	€10.98
TOTAL	**152,000**		**158,065**				**64,859**	**-**	**26,097**	**26,097**	**67,109**	
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**				**-**	**-**	**-**	**-**	**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	5,000	-	21/10/2016	19/10/2019	-	-	-	-	5,000	€9.52
TOTAL	**5,000**		**5,000**				**-**	**-**	**-**	**-**	**5,000**	
Plan No. 8 – 2012 stock option plan (General Meeting of 19/06/12): maximum of 594,674 shares												
-	-		**-**				-	-	-	-	-	
TOTAL	**256,500**		**269,040**				**64,859**	**-**	**26,097**	**26,097**	**178,084**	

* *Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions.*

A total of 26,097 subscription options were exercised in 2013 under Plan 5.

No further options may be granted under Plan 5, Plan 6, or Plan 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 set out in the table above.

Based on these adjustments, the number of Sopra Group shares issuable against outstanding options is 178,084.

On 19 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 2013 under Plan 8 was 427,799.

This in turn brings the maximum number of Sopra Group shares to be issued in respect of options to be exercised to 605,883.

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 162,500 as at 31 December 2013. This total is comprised of 63,000 Axway Software shares that may be allocated upon the exercise of options under Plan 5 and 99,500 shares under Plan 6.

The average price of the Sopra Group share in 2013 was €60.23.

Past service costs recognised in 2013 in respect of stock option holders, using the method set out in Note 1.16 "Share-based payments", totalled €212 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 2013 totalled €2.635 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)	31/12/2013	31/12/2012	31/12/2011
Share issue, merger and contribution premiums	12,003	8,343	6,765
Legal reserve	1,189	1,190	1,186
TOTAL	**13,192**	**9,533**	**7,951**

Movements in 2013 are presented in the statement of changes in equity on page 121.

25.5. Transactions in treasury shares

At 31 December 2013, Sopra Group held 4,200 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €300 thousand, representing an average purchase price of €71.35. Based on the average closing price in December 2013 (€72.10), the valuation of treasury shares came to €303 thousand.

All transactions in treasury shares are taken directly to shareholders' equity. The 2013 impact was €126 thousand.

25.6. Dividends

Sopra Group's General Meeting of 13 June 2013 resolved to distribute an ordinary dividend of €20.219 million in respect of the 2012 financial year, *i.e.* €1.70 per share. This dividend was payable at 24 June 2013. The dividend paid the previous financial year totalled €22.598 million, *i.e.* €1.90 per share.

Upon approval of the financial statements for the year ended 31 December 2013, the 2014 General Meeting is invited to distribute a dividend of €1.90 per share, representing a total of €22.647 million.

25.7. 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 2013, this ratio was 0.35.

Note 26 Financial debt

26.1. Consolidated net debt

(in thousands of euros)	Current	Non-current	31/12/2013	31/12/2012	31/12/2011
Bank loans	51,523	106,813	158,336	166,976	29,222
Liabilities on finance lease contracts	3,337	4,226	7,563	7,430	7,379
Employee profit sharing	5,405	24,408	29,813	32,039	26,401
Other sundry financial debt	-	52	52	72	32
Current bank overdrafts	61,045	-	61,045	44,898	16,621
FINANCIAL DEBT	**121,310**	**135,499**	**256,809**	**251,415**	**79,655**
Investment securities	-4	-	-4	-16	-1,900
Cash and cash equivalents	-102,226	-	-102,226	-47,342	-31,367
NET DEBT	**19,080**	**135,499**	**154,579**	**204,057**	**46,388**

a. Bank loans

In order to lengthen the maturity of its debt, the Group extended a €150 million revolving credit line initially maturing in June 2016, for two years, *i.e.* to June 2018.

This left the Group with the following borrowing facilities at end December 2013:

(in millions of euros)	Start date	Due date	Notional principal amount	Amount authorised as of 31/12/2013	2014 reductions	Amount authorised as of 31/12/2014
Reducible revolving credit facility	April 2008	April 2014	132	33	33	-
Revolving credit facility	June 2011	June 2018	150	150	-	150
Renewable credit facility/term loan	June 2012	June 2017	128	104	16	88
				287	**49**	**238**

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;
- 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 €7.563 million, and the corresponding future financial expense amounts to €161 thousand, representing a total minimum future payment for finance leases of €7.724 million.

	31/12/2013			31/12/2012	31/12/2011
(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	3,439	101	3,338	3,236	3,371
One to five years	4,285	60	4,225	4,194	4,008
More than five years	-	-	-	-	-
TOTAL	**7,724**	**161**	**7,563**	**7,430**	**7,379**

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 19, the liability is recognised at the present value of the obligation at the balance sheet date (see Note 1.19).

26.2. Statement of changes in net debt

(in thousands of euros)	2013	2012	2011
NET DEBT AT 1 JANUARY (A)	**-204,057**	**-46,388**	**-57,155**
Cash from operations after cost of net debt and tax	**54,088**	**71,493**	**60,250**
Cost of net financial debt	6,980	7,194	4,098
Income taxes (including deferred tax)	32,547	33,540	36,176
Cash from operations before cost of net debt and tax	**93,615**	**112,227**	**100,524**
Income taxes paid	-36,767	-41,820	-38,682
Changes in working capital requirements	-1,673	-8,604	-1,341
Net cash from operating activities	**55,175**	**61,803**	**60,501**
Net cash used in investing activities	-20,869	-7,704	-13,837
Net interest paid	-6,907	-6,847	-3,485
Available net cash flow	**27,399**	**47,252**	**43,179**
Impact of changes in scope	41,035	-182,383	-29,829
Financial investments	-870	-145	-16,220
Dividends	-20,204	-22,562	-56,068
Dividends collected from equity-accounted associates	1,851	1,322	-
Capital increases in cash	1,365	-	1,190
Other changes	-478	206	67,345
Net cash from (used in) discontinued operations (Axway)	-	-	12,638
TOTAL NET CHANGE DURING THE YEAR (B)	**50,098**	**-156,310**	**22,235**
Impact of changes in foreign exchange rates (C)	-620	-1,359	-362
Net debt of discontinued operations (Axway) (D)	-	-	-11,106
NET DEBT AT 31 DECEMBER (A+B+C+D)	**-154,579**	**-204,057**	**-46,388**

IMPACT OF CHANGES IN SCOPE

(in thousands of euros)	2013	2012	2011
Cost of acquisitions (excluding earnouts)	-1,690	-190,546	-37,673
Net debt/net cash of acquired companies	42,725	8,298	7,844
Earnouts	-	-135	-
TOTAL	**41,035**	**-182,383**	**-29,829**

Note 27 Provision for post-employment benefits

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

(in thousands of euros)	01/01/2013	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	Change in actuarial gains and losses	31/12/2013
France	43,685	4,391	5,081	-710	-	-1,233	51,214
Italy	4,867	168	1,084	-201	-	-	5,918
Germany	-	1,530	107	-26	-	-3	1,608
TOTAL	**48,552**	**6,089**	**6,272**	**-937**	**-**	**-1,236**	**58,740**
Impact (net of expenses incurred)							
Profit from recurring operations			4,956		-		
Financial items			1,316		-		
TOTAL			**6,272**		**-**		

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 assumptions retained for this plan are as follows:

	31/12/2013	31/12/2012	31/12/2011
Benchmark for discounting	Source: Bloomberg	Source: Bloomberg	Source: Bloomberg
Discount rate for commitments	*2.90%*	*2.60%*	*3.75%*
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 2008-2010	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 2.90% was used at 31 December 2013.

A ±1.0 point change in the discount rate would have an impact of about (-) €7.1 million/(+) €8.7 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 2012	**36,592**	**-**
Changes in scope	38	-
Past service cost	2,819	2,819
Financial cost	1,441	1,441
Benefits paid to employees	-617	-617
Change in actuarial gains and losses	3,412	-
31 December 2012	**43,685**	**3,643**
Changes in scope	4,391	-
Past service cost	3,801	3,801
Financial cost	1,280	1,280
Benefits paid to employees	-710	-710
Change in actuarial gains and losses	-1,233	-
31 DECEMBER 2013	**51,214**	**4,371**

ANALYSIS OF THE CHANGE IN RECOGNISED ACTUARIAL GAINS AND LOSSES

These differences include the effects of changes in actuarial assumptions and the effects of the differences between the actuarial assumptions used and actual experience (experience adjustments detailed below).

The actuarial gain recognised for financial year 2013 (€1.233 million) arises mainly from:

- experience impacts on liabilities (upward adjustment in the commitment amounting to €121 thousand);
- the 0.30 point increase in the discount rate used compared to 31 December 2012 (downward adjustment in the commitment amounting to €2.569 million);
- updating of mortality assumptions, five-year workforce attrition rates and assumptions relating to departure procedures (upward adjustment in the commitment amounting to €1,215).

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

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Present value of defined benefit scheme obligations	51,214	43,685	36,592
Experience adjustments on scheme liabilities	121	-168	322
as % of commitments	*0.24%*	*-0.38%*	*0.88%*

The breakdown by maturity of the French retirement benefit commitment, discounted to the present value of 2.90%, is as follows:

(in thousands of euros)	31/12/2013
Present value of theoretical benefits to be paid by the employer:	
■ less than 1 year	952
■ 1 to 2 years	447
■ 2 to 3 years	575
■ 3 to 4 years	924
■ 4 to 5 years	1,474
■ 5 to 10 years	9,979
■ 10 to 20 years	21,599
■ more than 20 years	15,264
TOTAL COMMITMENT	**51,214**

Note 28 Non-current provisions

(in thousands of euros)	01/01/2013	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	Other move-ments	31/12/2013
Provisions for disputes	1,374	587	1,334	-646	-454	-	2,195
Provisions for guarantees	-	1,064	-	-	-	-	1,064
Provisions for losses on completion	-	3,827	-	-1,745	-171	-	1,911
Other provisions for contingencies	250	300	120	-50	-	-	620
Sub-total provisions for contingencies	**1,624**	**5,778**	**1,454**	**-2,441**	**-625**	**-**	**5,790**
Provisions for taxes	5,100	141	2,648	-1,394	-	9	6,504
Other provisions for losses	-	-	90	-	-	-	90
Sub-total provisions for losses	**5,100**	**141**	**2,738**	**-1,394**	**-**	**9**	**6,594**
TOTAL	**6,724**	**5,919**	**4,192**	**-3,835**	**-625**	**9**	**12,384**
Impact (net of expenses incurred)							
Profit from recurring operations			1,544		-625		
Operating profit			-		-		
Financial items			-		-		
Tax charge			2,648		-		
TOTAL			**4,192**		**-625**		

Provisions for disputes cover, on the one hand, disputes before employment tribunals and severance benefits (€1.715 million), and on the other hand, insurance excesses provisioned in respect of commercial disputes (€480 thousand).

Provisions for losses on completion concerned part of the business of Sopra HR Software.

Other provisions for liabilities mainly cover risks related to a social security inspection in Belgium (€200 thousand) and risks in respect of projects for HR Access Solutions France (€300 thousand).

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 clients. This provision was adjusted in 2012 and 2013 and stood at €3.926 million as at 31 December 2013;
- Sopra Group was the subject of a tax audit relating to financial years 2010 and 2011. The tax authorities notified the Company of a proposed tax reassessment in respect of 2010. A €1.000 million provision was set aside in 2013.
- HR Access Solutions France is undergoing a tax inspection. The French tax authorities have proposed a reassessment for 2010 and 2011. A €1.567 million provision was recognised in 2013.

Sopra Group was subject to an URSSAF (social charges) inspection for 2011 and 2012. Since no conclusion was available, no provisions have been recognised.

Note 29 Other non-current liabilities

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Fixed asset liabilities – portion due in more than one year	-	-	-
Employee profit sharing during the year	3,126	4,410	11,946
Contingent advances	464	600	-
Derivatives	1,606	2,969	-
TOTAL	**5,196**	**7,979**	**11,946**

Employee profit-sharing as at 31 December 2013 records provisions set aside in the year in respect of profit-sharing liabilities by Sopra Group (€3.1 million). At 31 December 2012, this item consisted of provisions set aside in respect of profit sharing liabilities by Sopra Group (€3.8 million) and Sopra Banking Software (€0.6 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 the subsidiary Adeuza, which was assimilated by Sopra Group in 2013.

Derivatives at 31 December 2013 consisted of interest rate hedging contracts (see Note 34.3.a).

Note 30 Trade and related payables

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Trade accounts payable	69,267	56,637	55,119
Trade accounts payable – advances and payments on account, accrued credit notes	-357	-545	-351
TOTAL	**68,910**	**56,092**	**54,768**

Note 31 Other current liabilities

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Fixed asset liabilities – portion due in less than one year	593	826	135
Employee data	104,977	84,462	71,011
Social security	94,797	88,078	79,070
VAT	95,100	72,660	68,779
Corporate income tax	7,741	5,999	9,552
Other tax liabilities	9,428	6,487	5,328
Deferred income	100,101	76,350	67,346
Other liabilities	2,656	1,985	1,446
Derivatives	982	228	1,495
TOTAL	**416,375**	**337,075**	**304,162**

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. France

(in millions of euros)	2013		2012	
Revenue	828.0		795.8	
Operating profit on business activity	68.4	*8.3%*	68.2	*8.6%*
Profit from recurring operations	66.2	*8.0%*	66.3	*8.3%*
Operating profit	64.2	*7.8%*	64.6	*8.1%*

b. Europe

(in millions of euros)	2013		2012	
Revenue	247.6		225.4	
Operating profit on business activity	12.6	*5.1%*	13.2	*5.9%*
Profit from recurring operations	12.0	*4.8%*	13.0	*5.8%*
Operating profit	10.8	*4.4%*	11.3	*5.0%*

c. Sopra Banking Software

(in millions of euros)	2013		2012	
Revenue	217.3		195.5	
Operating profit on business activity	23.6	*10.9%*	28.2	*14.4%*
Profit from recurring operations	18.6	*8.6%*	23.9	*12.2%*
Operating profit	15.4	*7.1%*	22.1	*11.3%*

d. HR Access

(in millions of euros)	2013		2012	
Revenue	56.1		-	
Operating profit on business activity	4.3	*7.7%*	-	
Profit from recurring operations	4.3	*7.7%*	-	
Operating profit	13.5	*24.1%*	-	

e. Not allocated

(in millions of euros)	2013		2012	
Revenue	-		-	
Operating profit on business activity	-		-	
Profit from recurring operations	-		-	
Operating profit	-		-6.7	

f. Group

(in millions of euros)	2013		2012	
Revenue	1,349.0		1216.7	
Operating profit on business activity	108.9	*8.1%*	109.6	*9.0%*
Profit from recurring operations	101.1	*7.5%*	103.2	*8.5%*
Operating profit	103.9	*7.7%*	91.3	*7.5%*

32.2. Revenue by geographic area

(in millions of euros)	France	United Kingdom	Spain	Other European countries	Other zones	Total
2013	**904.7**	**111.8**	**82.6**	**206.0**	**43.9**	**1,349.0**
2012	829.0	112.6	76.5	162.0	36.6	1,216.7
2011	811.0	58.6	71.2	94.1	15.4	1,050.3

32.3. Main assets by division

(in thousands of euros)	CSSI France	SSI Europe	Sopra Banking	HR Access	Total
Goodwill	52,495	124,191	140,771	-	317,457
Intangible assets	1,571	9,216	43,163	88	54,038
Property and equipment	36,147	8,980	1,726	2,306	49,159
Trade accounts receivable	274,530	82,678	52,708	32,497	442,413

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	191,608	64,775	51,297	8,119	1,658	317,457
Intangible assets	43,601	8,709	56	1,616	56	54,038
Property and equipment	36,730	2,065	6,396	1,959	2,009	49,159
Trade accounts receivable	336,108	25,540	28,373	49,525	2,867	442,413

Note 33

Financial instruments

33.1. Derivatives reported in the balance sheet

a. At 31 December 2013

(in thousands of euros)	31/12/2013		Breakdown by class of derivative instrument					
	Balance sheet value	Fair value	Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Non-current financial assets	4,924	4,924	-	67	4,832	-	-	25
Trade accounts receivable	442,413	442,413	-	-	442,413	-	-	-
Other current receivables	63,657	63,657	-	-	63,657	-	-	-
Cash and cash equivalents	102,230	102,230	102,230	-	-	-	-	-
FINANCIAL ASSETS	**613,224**	**613,224**	**102,230**	**67**	**510,902**	**-**	**-**	**25**
Financial debt – long-term portion	135,499	135,499	28,686	-	-	106,813	-	-
Other non-current liabilities	5,196	5,196	3,126	-	464	-	-	1,606
Financial debt – short-term portion	121,310	121,310	70,715	-	-	50,595	-	-
Trade payables	68,910	68,910	-	-	68,910	-	-	-
Other current liabilities	416,375	416,375	-	-	415,393	-	178	804
FINANCIAL LIABILITIES	**747,290**	**747,290**	**102,527**	**-**	**484,767**	**157,408**	**178**	**2,410**

b. At 31 December 2012

(in thousands of euros)	31/12/2012		Breakdown by class of derivative instrument					
	Balance sheet value	Fair value	Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Non-current financial assets	3,997	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**

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 €425 thousand.

The impact of derivatives on profit or loss is presented in the following table:

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Rate swap	-	-	40
Currency swap	25	152	-
Derivative assets	**25**	**152**	**40**
Rate swap	-1,606	-2,969	-536
Currency swap	-982	-228	-959
Derivative liabilities	**-2,588**	**-3,197**	**-1,495**
TOTAL DERIVATIVES	**-2,563**	**-3,045**	**-1,455**
Change in fair value	482	-1,590	-261
Impact on equity	623	-1,851	-825
Impact on profit	-141	261	564

Note 34 Financial risk factors

34.1. Credit risk

a. Ageing of trade accounts receivable

(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 90 days	Between 90 and 360 days	More than 360 days
Trade receivables	328,052	10,785	241,143	41,679	16,839	13,477	4,129

b. Statement of changes in provisions for trade receivables

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Provisions for trade accounts receivable at 1 January	**2,851**	**2,423**	**2,545**
Changes in scope	2,170	523	518
Charges	3,129	524	908
Reversals	-743	-768	-1,074
Reclassification	383	148	-
Translation differential	1	1	-23
Discontinued operations (Axway)	-	-	-451
PROVISIONS FOR TRADE ACCOUNTS RECEIVABLE AT 31 DECEMBER	**7,791**	**2,851**	**2,423**

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 2013, the Group had access to credit facilities in the amount of €287 million (of which €157 million was used) and bank overdrafts in the amount of €73 million (of which €61.0 million was used), making a total of €360 million. The Group also had €102.2 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	158,336	166,233	52,048	18,136	9,802	1,535	84,712	-
Finance lease liabilities	7,563	7,724	3,438	2,452	1,417	417	-	-
Employee profit sharing	29,813	32,821	5,480	4,557	6,988	11,071	4,725	-
Other sundry financial debt	52	52	-	-	-	-	-	52
Current bank overdrafts	61,045	61,045	61,045	-	-	-	-	-
Financial debt	**256,809**	**267,875**	**122,011**	**25,145**	**18,207**	**13,023**	**89,437**	**52**
Investment securities	-4	-4	-4	-	-	-	-	-
Cash and cash equivalents	-102,226	-102,226	-102,226	-	-	-	-	-
CONSOLIDATED NET DEBT	**154,579**	**165,645**	**19,781**	**25,145**	**18,207**	**13,023**	**89,437**	**52**

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 contracts is to protect against the risk of a rise in this rate.

At 31 December 2013, five swap agreements were in force (swapping 3-month Euribor for a 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).

At 31 December 2013, the valuation of these various hedging agreements was a net expense of €1.6 million (entirely in liabilities), compared with a net expense of €3.0 million at 31 December 2012.

Since these agreements benefit from the qualification of perfect hedge as defined in IAS 39, the €1.4 million valuation difference was taken to equity.

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 2013.

	Rate	31/12/2013	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	4	4	-	-	-	-	-
Cash and cash equivalents	Fixed rate	102,226	102,226	-	-	-	-	-
	Fixed rate	**102,226**	**102,226**	**-**	**-**	**-**	**-**	**-**
Financial assets	**Variable rate**	**4**	**4**	**-**	**-**	**-**	**-**	**-**
Bank loans	Variable rate	-158,336	-51,523	-17,282	-9,282	-1,444	-78,805	-
Finance lease liabilities	Fixed rate	-7,563	-3,337	-2,407	-1,403	-416	-	-
Employee profit sharing	Fixed rate	-29,813	-5,405	-4,301	-6,310	-9,567	-4,230	-
Other financial debt	Fixed rate	-52	0	-	-	-	-	-52
Current bank overdrafts	Variable rate	-61,045	-61,045	-	-	-	-	-
	Fixed rate	**-37,428**	**-8,742**	**-6,708**	**-7,713**	**-9,983**	**-4,230**	**-52**
Financial liabilities	**Variable rate**	**-219,381**	**-112,568**	**-17,282**	**-9,282**	**-1,444**	**-78,805**	**-**
NET EXPOSURE BEFORE HEDGING	**Fixed rate**	**64,798**	**93,484**	**-6,708**	**-7,713**	**-9,983**	**-4,230**	**-52**
	Variable rate	**-219,377**	**-112,564**	**-17,282**	**-9,282**	**-1,444**	**-78,805**	**-**
Interest rate hedging instruments	**Fixed-rate payer swaps**	**104,000**	**16,000**	**16,000**	**8,000**	**-**	**64,000**	**-**
NET EXPOSURE AFTER HEDGING	**Fixed rate**	**-39,202**	**77,484**	**-22,708**	**-15,713**	**-9,983**	**-68,230**	**-52**
	Variable rate	**-115,377**	**-96,564**	**-1,282**	**-1,282**	**-1,444**	**-14,805**	**-**

Analysis of the sensitivity of the cost of net financial debt to changes in interest rates

For the 2013 financial year, on the basis of average outstanding borrowings and current bank overdrafts, a rise in interest rates of 100 basis points would have increased the Group's cost of net financial debt by €1.3 million. In contrast, a fall in interest rates of 100 basis points would have improved the Group's cost of net financial debt by €0.3 million.

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	-	2.4
Impact of a 1% decrease in interest rates	-	1.3

b. Foreign exchange risk

Foreign exchange risk arises mainly from currency translation of financial statements for UK- or India-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 2013, these instruments consisted entirely of hedges of the US dollar against the euro. This involves contracts for forward purchases with a term to maturity of less than one year corresponding to a total equivalent value of €0.6 million. The fair value of these various hedging instruments was €0.1 million (current assets). The cumulative gains or losses on the effective portion of these instruments hedging future cash flows, in the amount of a €0.1 million loss, 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 2013, the euro, the US dollar and sterling were hedged against the Indian rupee. They involve contracts for forward purchases with a term to maturity of less than one year corresponding to a total equivalent value of €11.8 million. The fair value of these various hedging instruments was a negative charge of €1.0 million (current liability). The cumulative gains or losses on the effective portion of these instruments hedging future cash flows, in the amount of a €0.8 million loss, were taken to equity for a loss of €0.6 million and to profit or loss for a loss of €0.2 million;

- the invoicing of licence fees by the Group to subsidiaries operating in a functional currency other than the euro. The impact of these currency fluctuations on profit or loss is not significant;
- borrowings and loans in foreign currencies related to intra-group financings. The impact of these currency fluctuations is taken to equity. These money flows are not systematically hedged. However, the Group contracts specific hedges for all large individual foreign currency transactions.

At 31 December 2013, 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	1,926	26,400	300	323	27	28,976
Liabilities	4,111	8,554	1,468	230	27	14,390
Foreign currency commitments	-	-	-	-	-	-
Net position before hedging	**-2,185**	**17,846**	**-1,168**	**93**	**-**	**14,586**
Hedging instruments	726	616	-	-	-	1,342
NET EXPOSURE AFTER HEDGING	**-2,911**	**17,230**	**-1,168**	**93**	**-**	**13,244**

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	**-146**	**862**	**-58**	**5**	**-**	**663**
IMPACT ON EQUITY	**-**	**-**	**-**	**-**	**-**	**-**

INTER-COMPANY LOANS AND BORROWINGS

(in thousands of euros)	GBP	EUR	CHF	MAD	Other	Total
Assets	8,033	6,436	1,390	1,032	-	16,891
Liabilities	-	18,779	2,073	-2	-31	20,819
Foreign currency commitments	-	-	-	-	-	-
Net position before hedging	**8,033**	**-12,343**	**-683**	**1,034**	**31**	**-3,928**
Hedging instruments	-	-	-	-	-	-
NET EXPOSURE AFTER HEDGING	**8,033**	**-12,343**	**-683**	**1,034**	**31**	**-3,928**

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	**402**	**-617**	**-34**	**52**	**2**	**-195**

c. Equity risk

The Group does not hold any investments in shares or any equity interests in listed companies other than Axway Software shares accounted for under the equity method (see Note 19).

At 31 December 2013, the value of treasury shares recognised as a deduction from consolidated equity for the year was €0.299 million.

Given the relatively low number of treasury shares held (4,200 shares at 31 December 2013), the Group does not have any significant exposure to equity risk.

Note 35 Related party transactions

35.1 Remuneration of senior management

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Short-term employee benefits	1,208	1,175	1,199
Post-employment benefits	14	14	11
Other long-term employee benefits	-	-	-
Termination benefits	-	-	-
Equity compensation benefits	164	171	151
TOTAL	**1,386**	**1,360**	**1,361**

The Combined General Meeting of 13 June 2013 set the amount of fees to be apportioned among the Directors at €250,000, thus remaining unchanged from 2012.

Post-employment benefits correspond to retirement benefits established in accordance with collective bargaining agreements (see Notes 1.18 and 27). 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 €164 thousand (see Chapter 3 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)	31/12/2013	31/12/2012	31/12/2011
Transactions between Sopra Group and the Axway group			
Sales of goods and services	3,550	4,574	8,191
Purchases of goods and services	-472	-257	-996
Operating receivables	147	231	490
Operating payables	-142	-126	-307
Financial income	-	-	752
Financial receivables (current account)	-	-	-
Transactions between Sopra Group subsidiaries and the Axway group			
Sales of goods and services	4,079	3,590	3,200
Purchases of goods and services	-126	-894	-623
Operating receivables	471	1,006	470
Operating payables	-4	-998	-795
Financial income	-	-	-
Financial receivables (current account)	-	-	-
Transactions between Sopra Group and holding company Sopra GMT			
Sales of goods and services	26	22	-
Purchases of goods and services	-759	-596	-
Operating receivables	2	-	-
Operating payables	424	-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)*	**Payments due by period**					
	Less than one year	**One to five years**	**More than five years**	**31/12/2013**	**31/12/2012**	**31/12/2011**
Long-term liabilities	51,523	106,813	-	158,336	166,976	29,222
Finance lease obligations	3,337	4,226	-	7,563	7,430	7,379
Employee profit sharing	5,405	24,408	-	29,813	32,039	26,401
Other sundry financial debt	-	52	-	52	72	32
Current bank overdrafts	61,045	-	-	61,045	44,898	16,621
TOTAL RECOGNISED COMMITMENTS	**121,310**	**135,499**	**-**	**256,809**	**251,415**	**79,655**

Other commercial commitments *(in thousands of euros)*	**Amount of commitments per period**					
	Less than one year	**One to five years**	**More than five years**	**31/12/2013**	**31/12/2012**	**31/12/2011**
Credit lines	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-
Guarantees	257	1,715	7,161	9,133	4,416	4,987
Purchase obligations	-	-	-	-	-	-
Pledge on business goodwill	-	-	6,500	6,500	6,500	-
Other commercial commitments	78	42,662	3	42,743	6,442	6,287
TOTAL UNRECOGNISED COMMITMENTS	**335**	**44,377**	**13,664**	**58,376**	**17,358**	**11,274**

36.2. Commitments given related to recurring operations

(in thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Discounted notes not yet due	-	-	-
Bank guarantees/deposits on leased premises	3,855	3,203	2,900
Bank guarantees for effective project completion	33,960	6,442	6,287
Bank guarantees for the purpose of guaranteeing payment of supplier invoices	25	-	-
Guarantee of commitments entered into by subsidiaries	8,758	-	-
Lease guarantees granted to subsidiaries	5,278	1,213	2,087
Pledge on business goodwill	6,500	6,500	-
Exchange rate hedging instruments	-	-	-

The increase in bank guarantees for effective project completion is primarily related to a guarantee given in respect of a major HR Access project.

Sopra Group stood surety for its UK-based subsidiary in the amount of £4.4 million in connection with a lease for new premises in London.

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 €52.0 million	807,542	*6.77%*
Sopra Développement	Société Générale	November 2009	August 2015	Repayment of loan for €4.9 million	210,177	*1.76%*
Sopra Executive Investments	Lyonnaise de Banque	January 2013	October 2017	Repayment of loan for €5.0 million	258,828	*2.17%*
TOTAL					**1,276,547**	***10.71%***

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 2013, this ratio was 1.17;
- the ratio of net debt to equity is required to be lower than 1 for the entire term of the facility. At 31 December 2013, this ratio was 0.35;
- 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 2013, this ratio was 20.75.

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

38.1. Acquisition of COR&FJA Banking Solutions

On 18 February 2014, Sopra completed the acquisition, through its subsidiary Sopra Banking Software, of 100% of the share capital of COR&FJA Banking Solutions GmbH.

This acquisition significantly bolsters Sopra Banking Software's international strategy by giving it a foothold in the German market. The combination of COR&FJA Banking Solutions' existing client roster with Sopra Banking Software's widely recognised expertise will allow the company to offer new solutions and services to an expanded client base.

Due to an internal restructuring by its parent company, COR&FJA Banking Solutions GmbH has been operating as a separate entity since the summer of 2013. COR&FJA Banking Solutions GmbH generated revenue of €23.3 million in 2012, including €10.3 million in maintenance.

COR&FJA Banking Solutions GmbH has been included in the scope of consolidation since 1 January 2014.

The purchase price for this acquisition, in the total amount of €13.0 million, was paid entirely in cash.

This company has been renamed Sopra Banking Software GmbH.

38.2. Proposed friendly tie-up between Sopra and Steria

On 8 April 2014, Sopra and Steria announced a proposed tie-up that will take the form of a friendly, voluntary *Offre Publique d'Échange* (Public Exchange Offer) initiated by Sopra for all of the shares of Steria on the basis of one Sopra share for four Steria shares. The offer will be subject to the customary terms, notably to a success threshold of at least 66.67% of the share capital and voting rights issued by Steria. Filing of the Offer could take place in May 2014.

This tie-up would enable the new group to attain combined revenue of €3.1 billion and a workforce of over 35,000 professionals, located in 24 countries, at the service of major international clients.

Note 39 Foreign currency conversion rates

	Average rate for the period			Period-end rate		
€1/Currency	2013	2012	2011	31/12/2013	31/12/2012	31/12/2011
Swiss franc	1.2309	1.2053	1.2318	1.2276	1.2072	1.2156
Pound sterling	0.8491	0.8108	0.8675	0.8337	0.8161	0.8353
Moroccan dirham	11.1794	11.1148	11.2803	11.2486	11.1607	11.1346
Tunisian dinar	2.1639	-	-	2.2650	-	-
Rupee (India)	77.3994	68.5871	64.7668	85.3971	72.5689	68.7285
CFA franc	656.1680	656.1680	-	656.1680	656.1680	-

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 2013 on:

- the audit of the accompanying consolidated financial statements of Sopra Group SA;
- the justification of our assessments;
- the specific verification required by law.

The consolidated 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 conducted our audit in accordance with professional standards applicable in France; these standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our 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 constituted by the people and entities included in the consolidation.

II – JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

- in 2013, the Company recognised a business combination under advantageous conditions using the methods described in Note 16.2. In the course of our assessments, we examined the appropriateness of the accounting approach adopted and verified that the note to the financial statements disclosed appropriate information;
- 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 16.4 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 allocates a provision for its retirement benefit commitments to 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, assessed the actuarial assumptions retained, and verified the overall consistency of these assumptions and the resulting measurements, as well as the appropriateness of the information provided in the notes;
- 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, 24 April 2014

The Statutory Auditors

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

6 2013 individual company financial statements

Balance sheet

Assets *(in thousands of euros)*	**2013**	**2012**
Intangible assets	83,112	80,953
Property and equipment	27,070	20,661
Financial investments	369,609	281,568
Non-current assets	**479,791**	**383,182**
Stocks and work in progress	17	14
Trade accounts receivable	259,947	267,665
Other receivables, prepayments and accrued income	88,920	172,444
Cash and cash equivalents	33,029	9,507
Current assets	**381,913**	**449,630**
TOTAL ASSETS	**861,704**	**832,812**

Liabilities and equity *(in thousands of euros)*	**2013**	**2012**
Share capital	11,920	11,894
Premiums	2,291	1,479
Reserves	184,068	169,472
Net profit for the year	40,946	34,841
Equity	**239,225**	**217,686**
Provisions	**37,845**	**31,981**
Financial debt	217,630	236,245
Trade payables	43,896	44,421
Tax and social charge payables	213,001	196,952
Other liabilities, accruals and deferred income	110,107	105,527
Liabilities	**584,634**	**583,145**
TOTAL LIABILITIES AND EQUITY	**861,704**	**832,812**

Income statement

(in thousands of euros)	2013	2012
Net revenue	853,281	819,228
Other operating income	7,604	2,820
Operating income	**860,885**	**822,048**
Purchases consumed	5,192	4,270
Staff costs	553,849	525,751
Other operating expenses	217,571	209,574
Taxes and duties	23,945	22,484
Depreciation, amortisation, provisions and impairment	8,798	7,824
Operating expenses	**809,355**	**769,903**
Operating profit	**51,530**	**52,145**
Financial income and expenses	1,338	-2,191
Pre-tax profit on ordinary activities	**52,868**	**49,954**
Exceptional income and expenses	-1,446	-188
Employee profit-sharing and incentive schemes	-5,163	-6,519
Corporate income tax	-5,313	-8,406
NET PROFIT	**40,946**	**34,841**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

1. Significant events

1.1. Acquisition of HR Access

In April 2013, Sopra Group acquired 100% of the share capital of HR Access through its subsidiary Sopra HR Software. This acquisition is perfectly in keeping with the Group's 2015 Project, which is aimed at reinforcing its position in the human resources management market.

1.2. Complete transfer of assets and liabilities of Adeuza

On 29 June 2013, Adeuza was dissolved, by way of the transfer of all of its assets and liabilities to Sopra Group.

2. Accounting principles and policies

The 2013 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;
- 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. The only research and development costs recognized are from the accounts of companies acquired and then merged.

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

Property and equipment is stated in the balance sheet at its 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. CONSULTING, SYSTEMS AND SOLUTIONS INTEGRATION

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, accruals and deferred income.*

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, accruals and deferred income*.

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 fixed-price 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 fixed-price basis.

In this situation, the amount of revenue attributable to the licence is obtained by the difference between the total contract amount and the fair value of its other components, *i.e.* maintenance and ancillary services. maintenance and associated services. The fair value of the other components is determined when possible on the basis of the list prices applying in the case of a separate sale or alternatively, on the basis of management's best estimate. The residual amount attributed to the licence is recognised at the time of delivery.

In fairly rare instances, ancillary services may be considered indispensable to a software package's functioning.

This may be the case for very complex projects, the completion of which may be subject to particular risks. The project is then examined as a whole and is the focus of specific monitoring by the Industrialisation Department. Such projects are recognised according to the percentage-of-completion method described above.

2.7. Trade receivables

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 recognised 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)	Research and development expenses	Concessions, patents, similar rights	Business goodwill	Total
GROSS VALUE				
At 1 January 2013	**-**	**11,919**	**135,492**	**147,411**
Changes in scope*	3,525	36	2,239	5,800
Acquisitions	-	755	-	755
Disposals	-	-	-2,744	-2,744
At 31 December 2013	**3,525**	**12,710**	**134,987**	**151,222**
DEPRECIATION				
At 1 January 2013	**-**	**11,226**	**55,232**	**66,458**
Changes in scope*	3,024	36	-	3,060
Charges	185	236	-	421
Reversals	-	-1,829	-	-1,829
At 31 December 2013	**3,209**	**9,669**	**55,232**	**68,110**
NET VALUE				
At 1 January 2013	-	693	80,260	80,953
At 31 December 2013	**316**	**3,041**	**79,755**	**83,112**

* *Complete transfer of assets and liabilities of Adeuza.*

Intangible assets comprise:

- research and development costs;
- 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 €19.002 million in 2013, 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 2013	**323**	**6,829**	**186**	**30,844**	**82**	**17,878**	**14**	**56,156**
Changes in scope*	-	-	24	-	14	21	-	59
Acquisitions	-	-	547	7,114	-	3,067	-	10,728
Disposals	-	-	-49	-2,224	-14	-402	-	-2,689
At 31 December 2013	**323**	**6,829**	**708**	**35,734**	**82**	**20,564**	**14**	**64,254**
DEPRECIATION								
At 1 January 2013	**97**	**5,352**	**157**	**17,743**	**82**	**12,064**	**-**	**35,495**
Changes in scope*	-	-	8	-	6	21	-	35
Charges	10	155	61	2,577	1	1,184	-	3,988
Reversals	-	-	-49	-2,001	-7	-277	-	-2,334
At 31 December 2013	**107**	**5,507**	**177**	**18,319**	**82**	**12,992**	**-**	**37,184**
NET VALUE								
At 1 January 2013	226	1,477	29	13,101	-	5,814	14	20,661
At 31 December 2013	**216**	**1,322**	**531**	**17,415**	**-**	**7,572**	**14**	**27,070**

* *Complete transfer of assets and liabilities of Adeuza.*

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 2013	**329,419**	**1,438**	**2,319**	**333,176**
Changes in scope*	-1,670	-	-	-1,670
Acquisitions – Increases	90,000	-	220	90,220
Disposals – Decreases	-408	-	-127	-535
At 31 December 2013	**417,341**	**1,438**	**2,412**	**421,191**
IMPAIRMENT				
At 1 January 2013	**50,170**	**1,438**	**-**	**51,608**
Charges	-	-	-	-
Reversals	-26	-	-	-26
At 31 December 2013	**50,144**	**1,438**	**-**	**51,582**
NET VALUE				
At 1 January 2013	279,249	-	2,319	281,568
At 31 December 2013	**367,197**	**-**	**2,412**	**369,609**

* *Complete transfer of assets and liabilities of Adeuza.*

Details concerning equity interests are provided in the "List of subsidiaries and associated entities" presented in Note 5.9.

a. Gross amounts

Movements in 2013 relating to investments in associates break down as follows:

- Sopra Banking Software's €90,000 thousand capital increase;
- the (-) €1,670 thousand transfer of all Adeuza's assets and liabilities, the sale of SOPRAntic's shares to Sopra Banking Software for (-) €267 thousand, the disposal of Axway shares for (-) €115 thousand and the winding up of RESINTEL for (-) €26 thousand.

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 2013.

The reversal of provisions for the impairment of investments in associates involves the winding up of RESINTEL.

3.2. Other assets

3.2.1. TRADE RECEIVABLES

(in thousands of euros)	2013	2012
Non-Group clients	167,262	180,208
Accrued income	90,775	85,159
Group clients	1,898	2,273
Doubtful debtors	125	205
Provision for doubtful debtors	-113	-180
TOTAL	**259,947**	**267,665**

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 a contract for forward sales with a term to maturity of less than one year corresponding to a total equivalent value of €0.6 million.

3.2.2. OTHER RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

(in thousands of euros)	2013	2012
Staff costs and related payables	130	52
Social security	244	198
State and local authorities		
■ Corporate income tax	4,431	631
■ VAT	7,053	6,847
■ Other tax	12,646	5,607
Group and associates	56,988	153,351
Impairment of current accounts	-48	-48
Other receivables	4,722	3,847
Impairment of sundry debtors	-33	-33
Prepaid expenses	1,804	1,621
Translation differential – Asset	983	371
TOTAL	**88,920**	**172,444**

The decrease in *Group and associates* derives essentially from the Sopra Banking Software capital increase.

Other tax reflects the implementation in 2013 of the French CICE tax credit for competitiveness and jobs (see Note 4.3).

3.2.3. IMPAIRMENT OF CURRENT ASSETS

(in thousands of euros)	At 01/01/2013	Charges	Reversals	At 31/12/2013
Impairment of trade receivables	180	10	77	113
Impairment of current accounts	48	-	-	48
Impairment of sundry debtors	33	-	-	33
TOTAL	**261**	**10**	**77**	**194**

3.3. Equity

3.3.1. CHANGE IN SHAREHOLDERS' EQUITY

(in thousands of euros)	Share capital	Issue, merger and contribution premiums	Legal reserve	Discretionary reserves	Retained earnings	Net profit for the year	Total
At 1 January 2013	**11,894**	**1,479**	**1,189**	**168,247**	**36**	**34,841**	**217,686**
Appropriation of 2012 earnings and dividends	-	-	-	14,658	-21	-34,841	-20,204
Exercise of share subscription options	-	1,364	-	-	-	-	1,364
Capital increase (26,097 shares at €1/share)	26	-26	-	-	-	-	-
Impact of disposal of Axway shares following exercise of share subscription options	-	-526	-	-	-	-	-526
Development of provision for Adeuza retirement benefits	-	-	-	-	-41	-	-41
Profit for the year	-	-	-	-	-	40,946	40,946
AT 31 DECEMBER 2013	**11,920**	**2,291**	**1,189**	**182,905**	**-26**	**40,946**	**239,225**

The amount of dividends paid in 2013, in respect of 2012 profit, was €1.70 per share, for a total amount of €20.219 million.

3.3.2. SHARE CAPITAL

At 31 December 2013, Sopra Group had share capital of €11,919,583, comprising 11,919,583 fully-paid shares with a nominal value of €1 each.

During the 2013 financial year, following the exercise of share subscription options, 26,097 shares were created, corresponding to a capital increase of €26 thousand and an issue premium of €1,338 thousand, for a total of €1,364 thousand.

At 31 December 2013, the number of treasury shares held by the Company was 4,200.

3.3.3. SHARE SUBSCRIPTION OPTION PLANS

Grant date	Number of options allocated initially	Original exercise price	Read-justed number of options following the Axway spin-off	Read-justed exercise price following the Axway spin-off	Beginning of option exer-cise period	End of option exercise period	Number of options cancel-led at 31/12/2013	o/w cancel-led in 2013	Number of options exercised at 31/12/2013	o/w options exer-cised in 2013	Number of options outstan-ding at 31/12/2013
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	-	22,901	22,901	27,163
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	-	3,196	3,196	39,946
TOTAL	**152,000**						**64,859**	**-**	**26,097**	**26,097**	**67,109**
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	€72.40	52,720	€66.61	30/03/2016	28/03/2019	-	-	-	-	52,720
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
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**	**-**	**26,097**	**26,097**	**178,084**

* *Quantity and exercise price for option allocations adjusted following the Axway spin-off and listing transactions.*

A total of 26,097 subscription options were exercised in 2013 under Plan 5.

No further options may be granted under Plan 5, Plan 6, or Plan 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 set out in the table above.

Based on these adjustments, the number of Sopra Group shares issuable against outstanding options is 178,084.

On 19 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, the number of options that could still be issued as of 31 December 2013 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 605,883.

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 162,500 as at 31 December 2013. A total of 63,000 Axway Software shares may be distributed pursuant to the exercise of options under Plan 5, and 99,500 shares under Plan 6.

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 01/01/2013	Changes in scope*	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	At 31/12/2013
Provisions for retirement benefits	26,063	41	4,677	597	-	30,184
Provisions for commercial disputes	480	-	-	-	-	480
Provisions for employee disputes	805	-	720	227	89	1,209
Provisions for foreign exchange losses	371	-	983	371	-	983
Provisions for taxes	4,200	-	1,100	373	-	4,927
Provisions for risks relating to subsidiaries	62	-	-	-	-	62
TOTAL	**31,981**	**41**	**7,480**	**1,568**	**89**	**37,845**

* *Development of provision for Adeuza retirement benefits.*

Provisions were recorded chiefly for retirement benefit commitments and risks related to various disputes. Provisions for tax relate to the tax inspections for 2008-2009 and 2010-2011 (see Note 4.5). Sopra Group was subject to an URSSAF (social charges) inspection for 2011 and 2012. Since no conclusion was available, no provisions have been recognised.

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 2.90% was used at 31 December 2013.

The total commitment for retirement benefits amounted to €39.341 million. The cumulative amount of actuarial gains and losses not recognised on the balance sheet at year-end 2013 was €9.157 million, versus €10.513 million at year-end 2012.

3.5. Payables

3.5.1. FINANCIAL DEBT

(in thousands of euros)	At 01/01/2013	Changes in scope*	Increase	Decrease	At 31/12/2013
Syndicated loan	163,605	-	9,000	16,012	156,593
Employee profit sharing	27,752	-	4,570	6,625	25,697
Other financial debt	44,740	532	-	10,067	35,205
Accrued interest on financial debt	148	-	135	148	135
TOTAL	**236,245**	**532**	**13,705**	**32,852**	**217,630**

* *Complete transfer of assets and liabilities of Adeuza.*

In order to prolong its borrowing capacity, Sopra Group extended a €150 million revolving line of credit by two years. Initially maturing in June 2016, the line is now extended to June 2018.

At 31 December 2013, Sopra Group thus had the following lines of credit:

(in millions of euros)	Start date	Due date	Notional principal amount	Amount authorised as of 31/12/2013	2014 reductions	Amount authorised as of 31/12/2014
Reducible revolving credit facility	April 2008	April 2014	132	33	33	-
Revolving credit facility	June 2011	June 2018	150	150	-	150
Renewable credit facility/term loan	June 2012	June 2017	128	104	16	88
				287	**49**	**238**

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;
- a non-utilisation fee also applies.

Three financial ratios must be met under covenants entered into with partner banking establishments.

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 2013, this ratio was 1.17;
- the ratio of net debt to equity is required to be lower than 1 for the entire term of the facility. At 31 December 2013, this ratio was 0.35;
- 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 2013, this ratio was 20.75.

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 agreements is to protect against the risk of a rise in this rate.

At 31 December 2013, five swap agreements were in force (swapping 3-month Euribor for a 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)	2013	2012
Trade accounts payable and related accounts	22,728	24,504
Accrued expenses	19,550	17,144
Trade accounts payable – Group	1,618	2,773
TOTAL	**43,896**	**44,421**

3.5.3. TAX AND SOCIAL CHARGE PAYABLES

(in thousands of euros)	2013	2012
Staff costs and related payables	65,873	63,912
Social security	79,659	72,323
State and local authorities		
■ Corporate income tax	-	-
■ VAT	65,304	59,327
■ Other tax	2,165	1,390
TOTAL	**213,001**	**196,952**

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)	2013	2012
Client deposits	206	228
Liabilities in respect of fixed assets	594	836
Group and associates	36,427	36,287
Other liabilities	13,710	12,019
Deferred income	59,169	55,148
Translation differential – Liability	1	1,009
TOTAL	**110,107**	**105,527**

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:

	2013	2012
Services (including Real Estate)	*25.0%*	*25.6%*
Public Sector	*19.8%*	*18.9%*
Manufacturing	*19.0%*	*20.4%*
Finance	*17.7%*	*15.4%*
Telecoms & Media	*13.2%*	*13.5%*
Retail	*5.3%*	*6.2%*
TOTAL	***100.0%***	***100.0%***

Of the €853.3 million in revenue generated in 2013, €29.7 million derived from international operations.

4.2. Compensation allocated to the members of governing bodies

Directors' fees paid in 2013 for financial year 2012 amounted to €250 thousand.

Compensation paid in 2013 to executive management bodies was €980 thousand.

4.3. French tax credit for competitiveness and jobs (CICE)

In respect of financial year 2013, Sopra Group recorded a CICE tax credit of €7,445 thousand, which it deducted from staff costs.

4.4. Financial items

(in thousands of euros)	2013	2012
Dividends received from equity interests	6,039	5,161
Interest on bank borrowings and similar charges	-4,466	-4,732
Interest on employee profit sharing	-1,813	-1,783
Discounting of the pension provision	-1,019	-1,230
Interest received and paid on Group current accounts	2,520	1,180
Positive and negative foreign exchange impact (including provision)	31	-979
Impairment of equity interests	-	-
Other charges to and reversals of financial provisions	-	80
Other financial income and expenses	46	112
FINANCIAL ITEMS	**1,338**	**-2,191**

The detail of dividends received is listed in the table of subsidiaries and associated entities (see Note 5.9).

4.5. Exceptional items

In 2013, the result from exceptional items was (-) €1,446 thousand. This essentially reflects a disposal of intangible assets and the adjustment of tax provisions.

Sopra Group was the subject of a tax audit relating to financial years 2008 and 2009. A provision of €3.926 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.

Sopra Group was the subject of a tax audit relating to financial years 2010 and 2011. A reassessment proposal was issued in respect of 2010, mainly regarding a withholding-related risk. A provision of €1.001 million was recognized in respect of this.

4.6. Employee profit sharing

The reserve for employee profit sharing amounted to €4.040 million. This amount is determined under the conditions laid down by law.

4.7. Incentive programme

Incentives for 2013 were provided for in the amount of €1.094 million.

4.8. Corporate income tax

4.8.1. TAX CONSOLIDATION

Since 2013, Sopra Group and its subsidiaries Sopra Banking Software and Sopra HR Software have opted to file as a tax consolidation group. Each of the companies calculates and recognises its own tax charge as if it were taxed separately. Any tax savings that may result from this method benefit the parent company, Sopra Group SA.

At the consolidated group level, tax savings of (+) €4.354 million were booked in 2013 thanks to Sopra HR Software’s tax loss. Other tax consolidation restatements generated a tax charge of (-) €358 thousand.

4.8.2. R&D TAX CREDIT

Sopra Group benefited in 2013 from an R&D tax credit of €4.668 million.

4.8.3. BREAKDOWN OF TAX BETWEEN RECURRING AND EXCEPTIONAL OPERATIONS

Corporate income tax broke down as follows:

(in thousands of euros)	2013	2012
Tax on recurring operations	13,615	12,663
Tax on exceptional operations	74	-26
Tax related to tax consolidation	-3,996	-
Tax charge from reassessment	545	-
R&D tax credit	-4,668	-4,029
Other tax credits	-257	-202
TOTAL	**5,313**	**8,406**

4.8.4. DEFERRED AND UNREALISED TAX ITEMS

	Basis					
	At 01/01/2013		Change		At 31/12/2013	
(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	4,899	-	-859	-	4,040	-
■ organic tax	1,347	-	58	-	1,405	-
■ To be deducted thereafter						
■ provision for post-employment benefits	26,063	-	4,121	-	30,184	-
■ 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	**32,309**	**-**	**3,320**	**-**	**35,629**	**-**
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	-	46,334	-	-915	-	45,419
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	Within 1 year	More than one year
Non-current assets			
Receivables related to equity investments	1,438	1,438	-
Other non-current financial assets	2,413	300	2,113
Current assets			
Doubtful debts or disputes	125	-	125
Other trade receivables	259,935	259,935	-
Staff costs and related payables	130	130	-
Social security	244	244	-
State and local authorities			
■ Corporate income tax	4,431	4,431	-
■ VAT	7,053	7,053	-
■ Other tax	12,646	12,646	-
Group and associates	56,988	56,988	-
Other receivables	4,722	4,722	-
Prepaid expenses	1,804	1,804	-
TOTAL	**351,929**	**349,691**	**2,238**

5.1.2. PAYABLES

(in thousands of euros)	Gross amount	Within 1 year	More than 1 year and within 5 years	More than 5 years
Bank debt				
■ 2 years maximum at origin	34,823	34,823	-	-
■ More than 2 years at origin	156,593	48,593	108,000	-
Other financial debt	26,213	5,063	21,098	52
Trade payables	43,896	-	-	-
Staff costs and related payables	65,873	-	-	-
Social security	79,659	-	-	-
State and local authorities				
■ Corporate income tax	-	-	-	-
■ VAT	65,304	-	-	-
■ Other tax	2,165	-	-	-
Liabilities in respect of fixed assets	594	-	-	-
Group and associates	36,427	-	-	-
Other liabilities	13,710	-	-	-
Deferred income	59,169	-	-	-
TOTAL	**584,426**	**88,479**	**129,098**	**52**

5.2. Information concerning related parties

(in thousands of euros)	Related parties
ASSETS	
Advances and payments on account for fixed assets	-
Equity investments	331,219
Receivables related to equity investments	-
Loans	-
Trade receivables	5,051
Other receivables	56,988
Translation differential – Asset	902
LIABILITIES	
Convertible bonds	-
Other bonds	-
Bank debt	-
Other financial debt	-
Liabilities in respect of fixed assets	-
Trade accounts payable	5,539
Other liabilities	36,427
Translation differential – Liability	-
INCOME STATEMENT	
Income from equity investments	6,039
Other financial income	3,741
Financial expenses	1,798

5.3. Information on finance leases

5.3.1. FINANCE LEASES

		Depreciation charge		
(in thousands of euros)	Original value	for the period	accumulated	Net value
IT equipment	23,939	3,776	15,982	7,957

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	3,950	13,040	3,399	4,167	7,566	158

5.4. Off balance sheet commitments

5.4.1. OFF BALANCE SHEET COMMITMENTS

(in thousands of euros)

Discounted notes not yet due	-
Bank guarantees in lieu of guarantee deposits for leased premises	2,839
Bank guarantees for effective project completion	24,603
Post-employment obligations not provisioned (actuarial gains and losses)	9,157
Guarantee of commitments entered into by subsidiaries	8,758
Lease guarantees granted to subsidiaries	5,278
Collateral, mortgages and sureties	Nil
Interest rate hedging instruments	see § 3.5.1
Exchange rate hedging instruments	see § 3.2.1
Disposal of trade accounts receivable	25,000

A master agreement was entered into in December 2013, providing for:

- transfers of French business client accounts receivable with the possibility of recourse for the transferee;
- a maximum transfer commitment agreed to in the amount of €25 million.

At 31 December 2013, Sopra Group transferred €25 million of receivables under this agreement.

5.4.2. INDIVIDUAL TRAINING RIGHTS (DIF)

In 2013, 134,519 DIF hours were acquired and 51,455 used.

At 31 December 2013, the cumulative balance of unused training hours was 456,940.

5.5. Accrued income and expenses

(in thousands of euros)

ACCRUED INCOME	
Trade accounts payable – Credit notes to be received	361
Trade accounts receivable	90,775
Tax and social charge receivables	338
Other receivables	3
Cash and cash equivalents	-
TOTAL	**91,477**
ACCRUED EXPENSES	
Accrued interest on financial debt	135
Trade accounts payable	19,550
Trade accounts receivable – Credit notes to be issued	8,906
Tax and social charge payables	83,297
Other liabilities	-
TOTAL	**111,888**

5.6. Workforce

The average workforce for 2013 comprised 8,901 employees, including 8,628 executive-level staff.

The workforce at 31 December 2013 comprised 8,959 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

5.8.1. ACQUISITION OF COR&FJA BANKING SOLUTIONS

On 18 February 2014, Sopra Banking Software, a wholly owned subsidiary of Sopra Group, finalised the acquisition of Germany company COR&FJA Banking Solutions GmbH, thus reinforcing its position internationally.

5.8.2. PROPOSED FRIENDLY TIE-UP BETWEEN SOPRA AND STERIA

On 8 April 2014, Sopra and Steria announced a proposed tie-up that will take the form of a friendly, voluntary *Offre Publique d'Échange* (Public Exchange Offer) initiated by Sopra for all of the shares of Steria on the basis of one Sopra share for four Steria shares. The offer will be subject to the customary terms, notably to a success threshold of at least 66.67% of the share capital and voting rights issued by Steria. Filing of the Offer could take place in May 2014.

This tie-up would enable the new group to attain combined revenue of €3.1 billion and a workforce of over 35,000 professionals, located in 24 countries, at the service of major international clients.

5.9. List of subsidiaries and associated entities

Company *(in thousands of euros)*	Share capital	Other share-holders' equity	% of capital held	Carrying amount of shares held: Gross	Carrying amount of shares held: Net	Loans and advances granted by the company and not yet repaid	Amount of guarantees and securities given by the Company	Latest financial year revenue excl. VAT	Latest financial year profit or loss	Dividends received by the Company during the financial year
SUBSIDIARIES										
Sopra Banking Software (France)	152,924	13,338	*100.00%*	152,930	152,930	33,920	500	115,223	8,461	-
Sopra HR Software (France)	1	30,794	*100.00%*	2	2	-	-	23,195	5,905	-
Sopra Group Holding Ltd (United Kingdom)	60,813	-31,449	*100.00%*	83,955	55,000	7,433	5,878	2,822	-	-
Sopra Belux (Belgium)	2,638	-1,817	*100.00%*	3,052	2,000	1,142	-	14,148	305	-
Sopra Luxembourg	100	416	*100.00%*	100	100	-	-	1,196	146	150
Valoris Luxembourg	894	-2,361	*100.00%*	1,154	-	-	-	-	-11	-
Sopra Group GmbH (Germany)	1,200	-3,806	*100.00%*	5,485	-	8,870	558	19,323	-2,546	-
Sopra Informatique (Switzerland)	81	4,538	*100.00%*	58	58	-	-	11,377	992	2,058
Sopra Group SpA (Italy)	3,660	374	*100.00%*	12,503	12,503	5,642	5,000	44,066	444	-
Sopra Group Informatica SAU (Spain)	24,000	38,005	*100.00%*	116,748	103,260	-	-	93,382	2,560	1,980
Sopra India (India)	203	10,887	*100.00%*	5,366	5,366	-	-	23,514	2,714	-
EQUITY INVESTMENTS										
Axway Software	40,930	136,086	*25.72%*	35,971	35,971	-	-	140,823	13,492	1,851

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 2013 on:

- the audit of the accompanying individual financial statements of Sopra Group SA;
- the justification of our assessments;
- the specific procedures and disclosures required by law.

The individual 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 INDIVIDUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the individual financial statements are free of material misstatement. An audit involves the verification, on a sample 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 audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the individual financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of 31 December 2013 and of the results of its operations for the financial year then ended, in accordance with French accounting regulations.

II – JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention 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 assumptions used and the resulting valuations;
- the Company allocates a provision for its retirement benefit commitments towards its employees based on the projected unit credit 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.

These assessments were performed as part of our audit approach to the individual financial statements taken as a whole and therefore contributed to the opinion expressed in the first part of this report.

III – SPECIFIC PROCEDURES AND DISCLOSURES

We have also performed the other specific procedures required by law in accordance with professional practice standards applicable in France.

We have no matters to report regarding the fair presentation and consistency with the individual financial statements of the information given in the Management Report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the individual financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits granted to the company officers and any other commitments made to them, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company, from companies controlling your Company 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 ownership and control, and the identity of the holders of share capital and reciprocal holdings.

Paris and Courbevoie, 24 April 2014

The Statutory Auditors

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

Statutory Auditors' special report on regulated agreements and commitments

To the Shareholders,

As the Statutory Auditors of your Company, we hereby 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 benefit 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.

I – AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING

Agreements and commitments authorised during the year

We hereby inform you that we were not informed of any agreements or commitments concluded during the year pending the approval of the General Meeting subject to the provisions of Article L. 225-38 of the French Commercial Code.

II – AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved during previous years

(a) 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.

Agreements concluded between your Company and Axway Software, an equity-accounted associate of your Company

Agreement	Impact on Sopra Group's 2013 financial statements
Provision of premises	€2,422,160 income
Provision of IT resources	€83,560 income

(b) Agreements and commitments approved during previous years that were not executed during the year under review

Furthermore, we were informed that the following agreements and commitments, already approved by the General Meeting during previous years, remained in effect but did not give rise to execution during the year under review.

Guarantee granted to Pascal Leroy

At its meeting of 17 October 2012, your 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 would 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 would 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 would be strictly proportional to the performance assessment validated by the Board of Directors.

This guarantee was not triggered over the 2013 financial year.

Agreements and commitments approved during the year under review

We were also informed of the execution, during the year under review, of the following agreements and commitments, already approved by the General Meeting of 13 June 2013 on the basis of the Special Report of the Statutory Auditors dated 19 April 2013.

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. 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.

The charging of these services to Sopra Group is performed on the basis of actual costs plus a mark-up 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 2013 amounted to €729,331.

Paris and Courbevoie, 24 April 2014

The Statutory Auditors

Mazars **represented by**	**Auditeurs & Conseils Associés** **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.

At 31 December 2013, Sopra Group had share capital of €11,919,583 comprising 11,919,583 shares with a nominal value of €1.

Sopra Group shares are listed on Compartment B of NYSE Euronext Paris and are eligible for the Deferred Settlement Service (SRD long only).

Each share carries one voting right.

2. Current ownership

Shareholders	At 31/12/2013				At 31/12/2012				At 31/12/2011			
	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights	Number of shares	% of capital	Number of exercisable voting rights	% of exercisable voting rights
SOPRA GMT (1)	3,334,409	27.97%	3,334,409	27.98%	3,334,409	28.04%	3,334,409	28.05%	3,322,059	27.93%	3,322,059	27.99%
Pasquier family	131,038	1.10%	131,038	1.10%	144,515	1.22%	144,515	1.22%	156,865	1.32%	156,865	1.32%
Odin family	242,595	2.04%	242,595	2.04%	242,595	2.04%	242,595	2.04%	242,595	2.04%	242,595	2.04%
Management	733,613	6.15%	733,613	6.16%	564,873	4.75%	564,873	4.75%	476,977	4.01%	476,977	4.02%
of which Sopra Développement (2)	210,177	1.76%	210,177	1.76%	210,177	1.77%	210,177	1.77%	205,792	1.73%	205,792	1.73%
of which SEI (3)	258,828	2.17%	258,828	2.17%	90,002	0.76%	90,002	0.76%				
of which managers (4)	264,608	2.22%	264,608	2.22%	264,694	2.23%	264,694	2.22%	271,185	2.28%	271,185	2.28%
Agreement between Sopra GMT, Pasquier and Odin families, and Management	*4,441,655*	*37.26%*	*4,441,655*	*37.28%*	*4,286,392*	*36.04%*	*4,286,392*	*36.06%*	*4,198,496*	*35.30%*	*4,198,496*	*35.37%*
GENINFO (Groupe SG) (5)	1,434,700	12.04%	1,434,700	12.04%	1,434,700	12.06%	1,434,700	12.07%	1,434,700	12.06%	1,434,700	12.09%
Agreement between Sopra GMT, Pasquier and Odin families, and GENINFO	*5,142,742*	*43.15%*	*5,142,742*	*43.16%*	*5,156,219*	*43.35%*	*5,156,219*	*43.38%*	*5,156,219*	*43.35%*	*5,156,219*	*43.44%*
Total agreements	**5,876,355**	***49.30%***	**5,876,355**	***49.32%***	**5,721,092**	***48.10%***	**5,721,092**	***48.13%***	**5,633,196**	***47.36%***	**5,633,196**	***47.46%***
CARAVELLE (6)					2,057,967	17.30%	2,057,967	17.32%	2,057,967	17.30%	2,057,967	17.34%
Free float	6,039,028	50.66%	6,039,028	50.68%	4,106,827	34.53%	4,106,827	34.55%	4,178,823	35.14%	4,178,823	35.20%
Treasury shares	4,200	0.04%	-	-	7,600	0.06%	-	-	23,500	0.20%	-	-
TOTAL	**11,919,583**	***100.00%***	**11,915,383**	***100.00%***	**11,893,486**	***100.00%***	**11,885,886**	***100.00%***	**11,893,486**	***100.00%***	**11,869,986**	***100.00%***

(1) Sopra GMT, a French société anonyme, *is a holding company that manages Sopra and Axway. It owns Sopra and Axway shares.*

(2) Sopra Développement is a company formed by a group of senior managers to acquire an ownership interest in Sopra and Axway.

(3) SEI Sopra Executive Investments is a company formed by a group of senior managers to acquire an ownership interest in Sopra Group.

(4) These are the current and prior senior managers who are individually bound by the shareholders' agreement signed by Sopra GMT, the Pasquier and Odin family groups, SEI and Sopra Développement.

(5) GENINFO is a holding company fully owned by the Société Générale group. It acquired a holding in Sopra 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. It withdrew from Sopra Group's share capital on 1 October 2013.

At 31 December 2013, Sopra Group did not own any treasury shares other than those held under the liquidity contract (4,200 shares).

Sopra GMT's ownership structure is as follows:

Sopra GMT's ownership structure	31/12/2013		31/12/2012		31/12/2011	
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 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%.

In 2013, the following crossings of thresholds were declared:

Date at which threshold(s) crossed	AMF declaration number	Shareholder(s) having crossed the threshold(s)	Crossing of threshold(s) in capital and voting rights	Type	Number of shares	% of voting rights
04/12/2013	213C1877	FMR LLC	*5%*	Increase	603,728	*5.07%* (1)
01/10/2013	213C1510	Caravelle SA	*5%*	Decrease	-	-

(1) On the basis of share capital composed of 11,914,789 shares representing the same number of voting rights.

Apart from Sopra GMT and GENINFO (Société Générale group), no other shareholder informed the Company that it had exceeded these thresholds at 31 December 2013.

2.2. Approximate number of shareholders

At 31 December 2013, Sopra Group had 345 registered shareholders who owned an aggregate total of 6,198,022 registered shares out of a total share capital of 11,919,583 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. This authorisation was renewed by the General Meeting of 13 June 2013.

At 31 December 2012 Sopra Group held a total of 7,600 treasury shares, acquired at an average price of €40.41, managed under an AFEI liquidity contract by an investment services provider.

From 1 January 2013 to 31 December 2013, Sopra Group bought 144,276 of shares at an average price of €60.72 and sold 147,676 shares at an average price of €60.66.

At 31 December 2013, Sopra Group owned 4,200 treasury shares purchased at an average price of €71.35.

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 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's founders exercise their pre-emptive rights, the sale must take place within twenty days from the date of notification of their response to GENINFO.

2.4.2. AGREEMENT BETWEEN SOPRA GMT, THE PASQUIER AND ODIN FAMILIES, AND THE MANAGEMENT

A shareholders' agreement constituting an action in concert was concluded, for a two-year term, on 7 December 2009 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

At 31 December 2013, all the agreements together controlled 49.3% of the share capital, which corresponds to de facto control. 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 10 Directors, including 2 female Directors, 4 independent Directors and 8 Directors who do not belong to the group of founders; the Board of Directors also includes one 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 and observe rules of good governance, as well as the provisions of the Board's charter and its internal regulations;
- the roles of Chairman and Chief Executive Officer are separated;
- the Group has adopted the AFEP-MEDEF Code of Corporate Governance for Listed Companies and has established a system of governance described in Part 2 of this Registration Document;
- the Board of Directors periodically reviews its operating procedures.

3. Changes in share capital

At 31 December 2013, Sopra Group had share capital of €11,919,583 comprising 11,919,583 shares with a nominal value of €1. The following changes have been made to the capital over the past several years:

Year	Description	Amount of capital post operation	Nominal value	Number of shares		Created	
				Created	Total	Nominal value	Premiums or reserves
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				
2013	Capital increase through the exercise of options	€11,919,583	€1	26,097	11,919,583	€26,097	€811,966

4. Authorisations to issue securities given to the Board of Directors of Sopra Group by the General Meetings of 19 June 2012 and 13 June 2013

4.1. Capital increase

4.1.1. ISSUE WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS

Securities transaction concerned	Date of GM and 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)	19 June 2012, Resolution 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	19 June 2012, Resolution 23	26 months (August 2014)	15% of the amount of the capital increase under Resolution 22	15% of the amount of the capital increase under Resolution 22	Not used
Capital increase through the capitalisation of reserves or the issue of new shares	19 June 2012, Resolution 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)	19 June 2012, Resolution 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	19 June 2012, Resolution 26	26 months (August 2014)	15% of the amount of the capital increase under Resolution 25, subject to the limit of €250 million	15% of the amount of the capital increase under Resolution 25	Not used
Capital increase by way of an offering provided for under Article L. 411-2 of the French Monetary and Financial Code	19 June 2012, Resolution 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	19 June 2012, Resolution 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

	Date of GM and resolution	Expiry date	Authorised percentage	Maximum number of shares	Use during the year
Share subscription options	19 June 2012, Resolution 30	18/08/2015	5%*	594,674*	Not used
BSAAR	13 June 2013, Resolution 9	12/12/2014	2%*	237,864*	Not used
Bonus shares	19 June 2012, Resolution 32	18/08/2015	5%*	594,674*	Not used**

* *This upper limit is cumulative for all issues reserved for employees and company officers.*

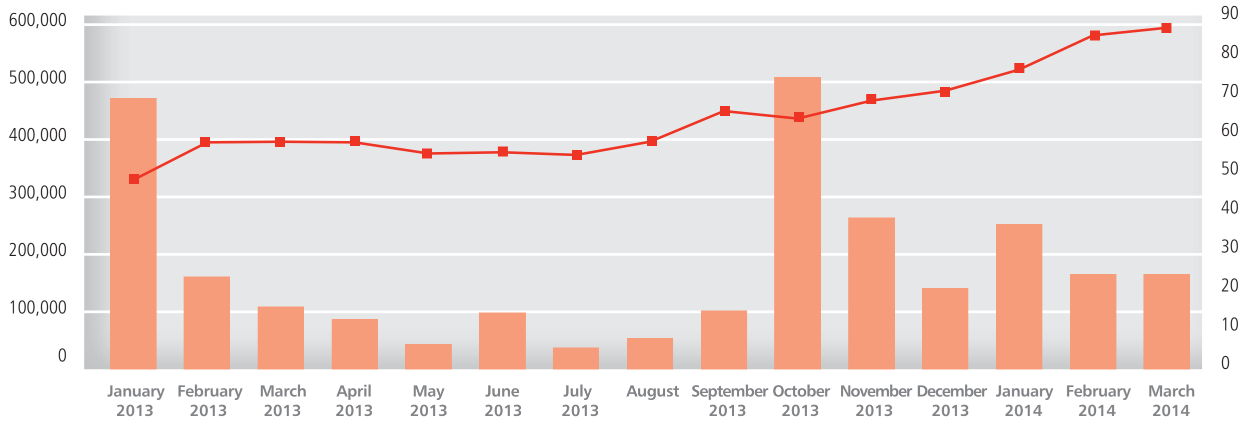
** *166,875 bonus shares were allocated to employees in 2012.*

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 Sopra Group's employees to acquire, or be potential acquirers of, more than 20% of their employer's shares.

The table and information relative to share subscription options are provided in Chapter 3, Sections 7.2.6, 7.2.7 and 7.2.11.

6. Monthly Sopra share prices and trading volumes



Source: NYSE Euronext Paris.

7. Share price performance

Month	Number of trading days	Quoted prices *(in euros)* High	Low	Average closing price	Trading volumes Number of shares traded	Capital *(in millions of euros)*
Jan. 2013	22	53.55	45.75	48.78	472,057	22.78
Feb. 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
Apr. 2013	21	60.65	54.50	58.61	87,056	5.09
May 2013	22	58.35	53.60	55.70	43,991	2.45
June 2013	20	58.46	53.75	56.02	99,139	5.49
Jul. 2013	23	56.25	54.80	55.32	37,498	2.07
Aug. 2013	22	64.00	55.03	58.77	54,130	3.20
Sep. 2013	21	69.65	63.50	66.78	102,314	6.88
Oct. 2013	23	67.29	61.27	64.82	508,550	32.53
Nov. 2013	21	74.00	64.50	69.51	263,793	18.10
Dec. 2013	20	74.00	70.00	72.10	141,667	10.21
Jan. 2014	22	83.00	72.07	77.60	253,046	19.44
Feb. 2014	20	95.90	80.00	86.53	165,559	14.53
March 2014	21	92.06	86.10	88.93	165,735	14.78

8. Earnings per share

Year	Number of shares bearing a dividend	Dividend
2009	11,752,543	€0.80
2010	11,853,945	€0.80
2011	11,893,486	€1.90
2012	11,893,486	€1.70
2013	**11,919,583**	**€1.90***

* *Amount proposed to the General Meeting of 27 June 2014.*

Dividends not collected before the five-year prescription period expires are paid to the French state.

8 Combined General Meeting of 27 June 2014

The meeting agenda and the proposed resolutions presented to the Shareholders' General Meeting will be adapted based on needs related to the announced tie-up with Steria.

Meeting agenda

Requiring the approval of the Ordinary General Meeting

- Approval of the Sopra Group SA individual financial statements for the financial year ended 31 December 2013; Approval of non-deductible expenses.
- Granting of final discharge to members of the Board of Directors;
- Approval of Sopra Group's consolidated financial statements for the financial year ended 31 December 2013.
- Appropriation of earnings.
- Approval of agreements governed by Article L. 225-38 *et seq*. of the French Commercial Code.
- Opinion on items of remuneration due or attributed in respect of financial year 2013 to Pierre Pasquier, Chairman of the Board of Directors.
- Opinion on items of remuneration due or attributed in respect of financial year 2013 to Pascal Leroy, Chief Executive Officer.
- Setting of directors' fees.
- Authorisation given to the Board of Directors to allow Sopra Group to acquire its own shares under Article L. 225-209 of the French Commercial Code.

Requiring the approval of the Extraordinary General Meeting

- Authorisation given to the Board of Directors to retire any shares that the Company may have acquired under the terms of share repurchase programmes and to reduce the share capital accordingly, with all powers conferred upon the Board to carry out these measures.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, with pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity.
- Delegation of authority to the Board of Directors to decide to increase the number of shares or securities giving access to equity to be issued pursuant to the authorisation referred to in the eleventh resolution, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event of excess demand.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, by capitalising premiums, reserves, earnings or other items, through the issuance of new shares or an increase in the par value of shares.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity, within the context of a public offering.
- Delegation of authority to the Board of Directors to decide to increase the number of shares or securities giving access to equity to be issued pursuant to the authorisation referred to in the fourteenth resolution, without pre-emptive rights for existing shareholders, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event of excess demand.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity, within the context of an offering reserved for qualified investors or a limited circle of investors, covered by section II, Article L. 411-2 of the French Monetary and Financial Code.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, in consideration of contributions in kind consisting of equity securities or other securities giving access to equity.
- Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, in consideration of securities contributed to a public exchange offer with an issuer whose shares are admitted for trading on a regulated market.
- Delegation of authority to the Board of Directors to carry out a capital increase, without pre-emptive subscription rights, reserved for employees of the Company or any other affiliated undertakings who are members of a company savings plan.
- Authorisation given to the Board of Directors to grant options to subscribe for or to purchase shares to employees of the Company or of any of its affiliated undertakings.
- Authorisation given to the Board of Directors to grant options to subscribe for or to purchase shares to officers of the Company or of any of its affiliated undertakings.
- 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, excluding the pre-emptive right of existing shareholders to subscribe for these warrants or to the shares issued via the exercise of BSAARs.
- Authorisation for the Board of Directors to allot bonus shares to employees and officers of the Company and the Group.
- Amendment to Article 14 of the Articles of Association to specify the conditions for appointing directors representing the employees.
- Amendment to the stipulations of Article 15 of the Articles of Association of the Company relating to the organisation of the Board of Directors.
- Amendment to the stipulations of Article 16 of the Articles of Association of the Company relating to the decisions of the Board of Directors.
- Amendment to Article 29 of the Articles of Association to allocate double voting rights to all fully paid-up shares that are proved to have been registered in the name of the same holder for at least two years up to that time.
- Powers required to carry out formalities.

We hereby inform you that the resolutions submitted for the approval of the Extraordinary General Meeting require a quorum representing at least one-quarter of the total voting shares and a majority of two-thirds of the votes of the shareholders present or represented by proxy holders. Those submitted for the approval of the Ordinary General Meeting require a quorum of at least one-fifth of the total voting shares and a majority of the votes of the shareholders present or represented by proxy holders. Nevertheless, as an exception to the preceding, the thirteenth resolution, even though it is submitted for the approval of the Extraordinary General Meeting, shall require a quorum of at least one-fifth of the total voting shares and a majority of the votes of the shareholders present or represented by proxy holders.

1. Summary of resolutions

1.1. Approval of the individual company and consolidated financial statements (first, second and third 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 2013 as presented and discussed in the 2013 Registration Document;
- the list of non-deductible expenses totalling €131,190 and the corresponding tax charges. These include lease payments and amortisation charges for company cars granted to 55 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 (fourth resolution)

The Board of Directors proposes that the dividend per share to be paid in respect of the 2013 financial year be set at €1.90, corresponding to a total dividend of €22,647,207.70 and representing 31.7% of the Company's consolidated net profit (€71,401,992).

For information, the following amounts were distributed as dividends in respect of the previous three financial years:

(in euros)	**2010**	**2011**	**2012**
Total dividend	9,483,156.00	22,597,623.40	20,218,926.20
Number of dividend bearing shares	11,853,945	11,893,486	11,893,486
Dividend per share	0.80	1.90	1.70

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 of tax in respect of 2014 income. Any shareholder whose household has taxable income lower than the threshold (in respect of 2012 income) of €50,000 (single person) or €75,000 (couple filing jointly), and who has filed for an exemption from this withholding tax by sending a handwritten affidavit (no later than 30 November 2013 for dividends payable in 2014 in respect of the 2013 financial year), may be entitled to an exemption;
- 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 8 July 2014. The ex-dividend date would therefore be 3 July 2014, before the market opens.

1.3. Regulated agreements (fifth resolution)

The Statutory Auditors produced their special report, included on page 195 of this Registration Document. You are invited to approve this report. It should be noted that there are no "regulated" agreements to be put to your vote.

In accordance with the law, the shareholders concerned will not take part in the vote.

1.4 Opinion on items of remuneration due or attributed to Pierre Pasquier (sixth resolution)

You are asked to approve the items of remuneration due or attributed to Pierre Pasquier, Chairman of the Board of Directors, in respect of the 2013 financial year, as set out in the following table:

Items of remuneration	Amount	Comments
Annual fixed compensation	€350,000	Pierre Pasquier's fixed compensation has not been revised since 2011.
Annual variable compensation	€105,000	The Chairman's role justifies the fact that part of his compensation is conditional upon the achievement of targets set at the beginning of the year. Variable compensation is applied in a manner consistent with that used for the members of the Executive Committee. Variable compensation may amount to: ■ 40% of fixed annual compensation where the Group's profitability target as well as individual targets are met; ■ 60% of fixed annual compensation for very strong performance. Qualitative criteria are not used to release items of variable compensation. They may be called upon to adjust (up or down) the amount calculated based on the main profitability target for both senior executives and the Executive Committee.
Variable deferred compensation	Not applicable	There are no plans to apply variable deferred compensation.
Multi-year variable compensation	Not applicable	There is no system for multi-year variable compensation.
Exceptional compensation	Not applicable	There are no plans to apply exceptional compensation.
Share options, performance shares and any other long-term items of compensation	Not applicable	Pierre Pasquier has never been awarded any share subscription options or performance shares, or any other long-term items of compensation.
Directors' fees	€20,622	Directors' fees are allocated to participants in meetings of the Board of Directors and its committees (voting and non- voting members), solely on the basis of their effective participation in those meetings, whether by physical presence or telephone. The participation of chairmen in their respective committees was counted double.
Valuation of all benefits in kind	€4,333	Company car
Retirement payment	Not applicable	No such commitment exists.
Non-compete payment	Not applicable	No such commitment exists.
Supplementary pension plan	Not applicable	Pierre Pasquier is not eligible for a supplementary pension plan.

For more information, please refer to Chapter 3, Section 7.2. "Details of compensation paid to company officers" of this document.

1.5. Opinion on items of remuneration due or attributed to Pascal Leroy (seventh resolution)

You are asked to approve the items of remuneration due or attributed to Chief Executive Officer, in respect of the 2013 financial year, as set out in the following table:

Items of remuneration	Amount	Comments
Annual fixed compensation	€400,000	Pascal Leroy's fixed compensation has not been revised since his appointment in 2012.
Annual variable compensation	€80,000	Variable compensation is applied in a manner consistent with that used for the members of the Executive Committee. Variable compensation may amount to: ■ 40% of fixed annual compensation where the Group's profitability target as well as individual targets are met; ■ 60% of fixed annual compensation for very strong performance. Qualitative criteria are not used to release items of variable compensation. They may be called upon to adjust (up or down) the amount calculated based on the main profitability target for both senior executives and the Executive Committee.
Variable deferred compensation	Not applicable	There are no plans to apply variable deferred compensation.
Multi-year variable compensation	Not applicable	There is no system for multi-year variable compensation.
Exceptional compensation	Not applicable	There are no plans to apply exceptional compensation.
Share options, performance shares and any other long-term items of compensation	Not applicable	No awards during the financial year under review.
Directors' fees	Not applicable	Pascal Leroy does not receive directors' fees.
Valuation of all benefits in kind	€18,322	Company car; partial coverage of Guarantee for business leaders and company officers.
Retirement payment		No amount due in respect of the financial year under review. 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, at Sopra Group'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. This guarantee was approved by the General Meeting of 13 June 2013 (fifth resolution).
Non-compete payment	Not applicable	No such commitment exists.
Supplementary pension plan	Not applicable	Pascal Leroy is not eligible for a supplementary pension plan.

1.6. Setting of directors' fees (eighth 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. This amount is apportioned annually in accordance with internal rules and regulations.

1.7. Purchase by Sopra Group of its own shares and trading in these shares (ninth resolution)

The Board of Directors requests that you renew, for a period of eighteen months, *i.e.* until 26 December 2015, the authorisation granted by the preceding General Meeting of 13 June 2013 to buy back shares in the Company in one or several stages and at such times as the Board of Directors may determine, up to a limit of 10% of the shares making up the Company's share capital.

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 AMAFI (French association of financial market professionals) recognised by the AMF;
- to award or sell the shares to Group employees or senior executives, notably via the allotment of share purchase options, according to the terms and conditions set out by law, or to enable employees to share in the benefits of the company's expansion;
- to retain the shares bought back in order to exchange them or present them as consideration at a later date for a merger, spinoff or contribution of assets and, more generally, for external growth transactions. Shares bought back for such purposes are not to exceed, in any event, 5% of the number of shares making up the Company's share capital;
- 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 purchase price would be set at €180 per share. This 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.

For information, the use made of the previous authorisation is discussed in the management report in Chapter 7, Section 2.3 on page 167 of this Registration Document.

1.8. Potential retirement of treasury shares (tenth resolution)

In order to give your Board of Directors complete flexibility, it is requested that the General Meeting cancel all or a portion of the shares acquired in accordance with the provisions of Article L. 225-209 *et seq*. of the French Commercial Code (ninth resolution) and up to a limit of 10% of the share capital, over a period of 24 months, thus until 26 June 2016 inclusive.

1.9. Approval of resolutions granting authority to the Board of Directors to increase the Company's share capital (eleventh to eighteenth resolutions)

The authorisations granted to the Board of Directors on 19 June 2012 to increase the Company's share capital with or without pre-emptive rights for existing shareholders, by any method of its choosing, and to raise finance on the market by issuing securities that give or might give access to the Company's equity, with or without pre-emptive rights for existing shareholders, remain valid until 18 July 2014. However, their validity period expires prior to the date of the next General Meeting.

To ensure that the Board of Directors remains in a position to initiate whichever of these financial operations is best suited to the Company's needs and market opportunities, as appropriate and at the most opportune time, we propose that you vote to renew the authorisations granted in 2012 so that we have the tools needed to implement the strategy.

You are therefore requested to authorise the Board of Directors to increase the Company's share capital and to issue securities on one or more occasions, with or without pre-emptive rights for existing shareholders **(eleventh and fourteenth resolutions),** for a maximum amount of:

- €4 million in nominal value where the securities issued are Sopra Group shares or their equivalent;
- €300 million where the securities issued are securities that entitle their holder to hold Sopra Group shares in the future (for a nominal amount of €4 million).

You are also requested to grant authority to the Board of Directors to attach a gross-up clause to any such capital increase or securities issue. Such a clause would become usable if the Board noted that the demand for securities exceeded the number of securities to be issued, as laid down in Article L. 225-135-1 and R. 225-118 of the French Commercial Code and up to a maximum of the aggregate limits put in place (a nominal amount of €4 million, or €300 million for securities giving future access to equity) and up to a maximum of 15% of the amount of the initial offering **(twelfth and fifteenth resolutions).**

For capital increases and other securities issues without pre-emptive rights for existing shareholders, to enable the Board of Directors to ensure that the Company can take advantage of any opportunities that arise and is in a position to carry out such capital increases and securities issues, you are requested to specify the financial power granted to the Board by authorising it to:

- make use of the authorisation to increase the Company's share capital by way of a public offering or an offering open to qualified investors or to a restricted group of investors, in accordance with Article L. 225-136 of the French Commercial Code, by up to a maximum of 10% of the Company's total share capital (the statutory limit). As such, you are nevertheless requested to agree that the Board may set the price of such an issue as long as it is at least equal to the weighted average price over the last three trading days, with a discount of 5% **(sixteenth resolution);**
- make use of the authorisation to increase the Company's share capital by up to a legal maximum of 10% of its total share capital (the statutory limit) in consideration of securities contributed, in accordance with Article L. 225-147 of the French Commercial Code **(seventeenth resolution);**
- make use of the authorisation to increase the Company's share capital by up to a maximum nominal amount of €10 million in consideration of securities contributed by a company whose shares are admitted for trading on a regulated market, in accordance with Article L. 225-148 of the French Commercial Code **(eighteenth resolution).**

In conjunction with these authorisations, you are invited to delegate to the Board of Directors the authority to increase the share capital through the incorporation of reserves or issue premiums, either by creating new shares to be distributed to shareholders in proportion to their existing holdings or by raising the par value of existing shares **(thirteenth resolution).**

All of these authorisations would be given for a period of twenty-six months. The previous authorisations for the same purposes were not utilised.

1.10. Authorisations requested for the purpose of giving Group employees and/or company officers the opportunity to participate in the share capital (nineteenth to twenty-third resolutions)

You are invited to allow the Board of Directors to perform any of the following, at its discretion but in keeping within a single overall ceiling set at 5% of the share capital, without pre-emptive subscription rights for existing shareholders:

- to grant or issue to employees and officers of the Company or of any of its affiliated undertakings, with the aim of giving them a stake in the Company's share capital and bringing their interests in line with those of shareholders:
  - options to subscribe for shares **(twentieth and twenty-first resolutions),**
  - warrants to subscribe for and/or acquire redeemable shares (BSAARs) **(twenty-second resolution),**
  - bonus shares **(twenty-third resolution);**
- to authorise the Board of Directors, in accordance with Article L. 225-129-6 of the French Commercial Code, to carry out (where applicable) a capital increased reserved for employees enrolled in a company or Group savings plan **(nineteenth resolution).**

Please note that share subscription options already granted and not yet exercised currently represent a maximum theoretical dilution of 1.49% of the current share capital. Bonus shares awarded in the course of vesting represent, at present, a maximum theoretical dilution of 1.16% of the current share capital.

These authorisations would be given for a period of 26 months, with the exception of that expressed in the twenty-second resolution, which would have a period of eighteen months.

1.11. Amendment to Article 14 of the Articles of Association to specify the conditions for appointing Directors representing the employees (twenty-fourth resolution)

We propose to amend Article 14 of the Articles of Association to align them with new legislative provisions covering the election or appointment of Directors representing the employees. Sopra Group's works council did not formulate an opinion within one-month commencing from the communication of information on the terms of the designation or the director(s) representing employees subject to this resolution; therefore, pursuant to Articles L. 2323-3, R. 2323-1 and R. 2323-1-1 of the French Labour Code, it is deemed to have issued a negative opinion on this matter.

We propose as follows:

- that the Director representing the employees (if the number of Directors appointed at the General Meeting is less than or equal to 12) or the two Directors representing the employees (if the number of Directors appointed at the General Meeting is greater than 12) be nominated by the Company's works council;
- that the appointment of the second Director representing the employees not be subject to early termination in the event that the conditions for his or her nomination are no longer met.

Directors representing the employees are appointed for six years, with the exception of the first term of office, the duration of which is equal to the term of the Directors currently in office.

1.12. Other amendments to the Articles of Association (twenty-fifth and twenty-sixth resolutions)

We propose that you agree to amend the stipulations in Articles 15 and 16 of the Articles of Association relating to the organisation and decisions of the Board of Directors.

1.13. Amendment to Article 29 of the Articles of Association to allocate double voting rights to all fully paid-up shares that are proved to have been registered in the name of the same holder for at least two years up to that time (twenty-seventh resolution)

We propose that double voting rights be allocated to all fully paid-up shares held by the same shareholder in registered form for at least two years in view of encouraging long-term shareholding, in compliance with the "Florange Act" recently adopted by the French Parliament, which aims to stimulate recovery in the real economy.

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 financial year ended 31 December 2013; 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 2013, as presented to the Meeting, showing a profit of €40,946,527.05.

It also approves the transactions reflected in these financial statements and summarised in the aforementioned reports.

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 €131,190, and the corresponding tax charge of €49,852.20.

Second resolution

Granting of final discharge to members of the Board of Directors

The General Meeting gives the members of the Board of Directors full and unconditional discharge form their duties for the financial year ended 31 December 2013.

Third resolution

Approval of the consolidated financial statements for the year ended 31 December 2013

The General Meeting, having reviewed the management report of the Board of Directors, the report of the Chairman of the Board of Directors on governance and internal controls (Article L. 225-37 of the French Commercial Code), and the report of the Statutory Auditors, approves the consolidated financial statements for the year ended 31 December 2013, which show a consolidated net profit (Group share) of €71,401,992, as well as the transactions reflected in these consolidated financial statements and/or summarised in the reports, including the report on Group management included in the aforementioned management report.

Fourth resolution

Appropriation of earnings

The General Meeting notes that Sopra Group's profit available for distribution, determined as follows, is €40,972,561.05:

Profit for the year	**€40,946,527.05**
Retained earnings: dividends not paid on treasury shares	€26,034.00
TOTAL	**€40,972,561.05**

In consideration of the Group share of consolidated net profit amounting to €71,401,992, we propose that you appropriate the profit available for distribution in the following manner:

Legal reserve	**€2,609.70**
Dividend	€22,647,207.70
Discretionary reserves	€18,322,743.65
TOTAL	**€40,972,561.05**

Thus increasing the legal reserve to €1,191,958.30, 10% of the Company's share capital.

As the number of shares comprising the share capital at 31 December 2013 was equivalent to €11,919,583, the dividend allocated per share will be €1.90. This dividend will be payable as from 8 July 2014.

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 of tax in respect of 2014 income. Any shareholder whose household has taxable income lower than the threshold (in respect of 2012 income) of €50,000 (single person) or €75,000 (couple filing jointly), and who has filed for an exemption from this withholding tax by sending a handwritten affidavit (no later than 30 November 2013 for dividends payable in 2014 in respect of the 2013 financial year), may be entitled to an exemption;
- 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:

(in euros)	**2010**	**2011**	**2012**
Total dividend	9,483,156.00	22,597,623.40	20,218,926.20
Number of dividend bearing shares	11,853,945	11,893,486	11,893,486
Dividend paid	0.80	1.90	1.70

Fifth 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 *et seq*. of the French Commercial Code, takes note of the absence of agreements of this nature submitted for approval by this General Meeting and approves the conclusions of the aforementioned report.

Sixth resolution

Opinion on items of remuneration due or attributed in respect of financial year 2013 to Pierre Pasquier, Chairman of the Board of Directors

The shareholders, consulted pursuant to section 24.3 of the AFEP-MEDEF corporate governance code for listed companies, and having familiarised themselves with the management report, approve the items of remuneration due or attributed to Pierre Pasquier, Chairman of the Board of Directors, in respect of the 2013 financial year, as presented to them.

Seventh resolution

Opinion on items of remuneration due or attributed in respect of financial year 2013 to Pascal Leroy, Chief Executive Officer

The shareholders, consulted pursuant to section 24.3 of the AFEP-MEDEF corporate governance code for listed companies, and having familiarised themselves with the management report, approve the items of remuneration due or attributed to Pascal Leroy, Chief Executive Officer, in respect of the 2013 financial year, as presented to them.

Eighth 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.

Ninth 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.

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 13 June 2013.

The General Meeting hereby decides that shares may be bought back for the following purposes:

- in order to obtain market-making services to be rendered by an investment services provider acting in complete independence under the terms of a liquidity contract concluded in compliance with the Code of Ethics of the AMAFI (French association of financial market professionals) recognised by the AMF;
- to award or sell the shares to Group employees or senior executives, notably via the allotment of share purchase options or bonus share issues, according to the terms and conditions set

out by law, or to enable employees to share in the benefits of the company's expansion;

- to retain the shares bought back in order to exchange them or present them as consideration at a later date for a merger, spinoff or contribution of assets and, more generally, for external growth transactions. Shares bought back for such purposes are not to exceed, in any event, 5% of the number of shares making up the Company's share capital;
- 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 retire the shares thus repurchased, by way of a capital reduction, provided that the tenth resolution below is approved;
- 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 purchase price is set at €180 per share.

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

Tenth resolution

Authorisation given to the Board of Directors to retire any shares that the Company may have acquired under the terms of share repurchase programmes and to reduce the share capital accordingly, with all powers conferred upon the Board to carry out these measures

The General Meeting, having reviewed the management report of the Board of Directors and the special report of the Statutory Auditors:

- authorises the Board of Directors to retire, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, on one or several occasions, at its sole discretion, all or a portion of the treasury shares held by the Company bought back under the delegation of authority conferred by said Article, up to a limit of 10% of the share capital over each 24-month period;
- decides to reduce the Company's share capital as a consequence of the retirement of these shares, to the extent decided, where applicable, by the Board of Directors under the aforementioned conditions;
- confers all powers upon the Board of Directors in order to perform the transaction(s) authorised under this resolution, and in particular to charge against additional paid-in capital or other distributable reserves of its choosing the difference between the redemption value of the retired shares and their nominal value, amend the Articles of Association accordingly and carry out all legally required formalities.

This authorisation is valid for a period of twenty-four months as from the date of this Meeting.

Eleventh resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, with pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity

The General Meeting, having reviewed the management report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129-2 and L. 228-92 of the French Commercial Code:

- delegates to the Board of Directors the authority to carry out one or more capital increases by issuing, in France or abroad, in euros, ordinary shares in the Company or other securities giving immediate or future access by any means to ordinary shares in the Company; such securities may also be denominated in any currency or index-linked to more than one currency;
- decides that any such capital increases to be carried out either immediately or in the future may not exceed a nominal total amount of €4 million, it being understood that (i) this aggregate limit includes any capital increases that might be carried out pursuant to the authorisations set out in the twelfth resolution as well as the fourteenth and seventeenth resolutions below, subject to their adoption at this General Meeting, and (ii) where applicable, an additional number of shares may be added to this limit to account for the additional number of shares to be issued to protect the rights of holders of securities entitling the holder to receive shares, in accordance with legislation (hereinafter referred to as **"Limit 1"**);
- further decides that the nominal value of securities representing claims giving access to equity which may be issued under the terms of this delegated authority may not exceed a nominal total amount of €300 million, it being understood that this aggregate limit includes any capital increases that might be carried out pursuant to the authorisations set out in the twelfth resolution as

well as the fourteenth and eighteenth resolutions below, subject to their adoption at this General Meeting (hereinafter referred to as **"Limit 2"**);

- formally notes that existing shareholders have pre-emptive rights to subscribe for shares and/or securities issued under the terms of this resolution, in proportion to the total value of their shares;
- decides that, in accordance with the provisions of Article L. 225-134 of the French Commercial Code, where a capital increase as defined above is not fully subscribed by way of subscriptions for new shares as of right on the basis of existing shares as well as, if applicable, subscriptions for excess new shares, the Board of Directors may make use of one or other of the following powers, in whatever order it sees fit:
  - the power to limit the capital increase to the amount of subscriptions received, subject to that amount being equal to at least three-quarters of the initially agreed increase,
  - the power to freely distribute some or all of any unsubscribed shares among the shareholders,
  - the power to offer some or all of any unsubscribed shares to the public;
- decides that this 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.

Twelfth resolution

Delegation of authority to the Board of Directors to decide to increase the number of shares or securities giving access to equity to be issued pursuant to the authorisation referred to in the eleventh resolution above, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event of excess demand

The General Meeting, having reviewed the report by the Board of Directors and the Statutory Auditors' special report, delegates authority to the Board of Directors, for a period of 26 months with effect from the date of this General Meeting, to increase the number of shares or securities to be issued where a capital increase carried out pursuant to the eleventh resolution above gives rise to excess demand, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, up to a maximum of Limit 1 and Limit 2 laid down in that resolution, at the same price as that used for the initial issue, during a period of 30 days with effect from expiry of the subscription period for the initial issue and for a maximum of 15% of the total value of that issue.

Thirteenth resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, by capitalising premiums, reserves, earnings or other items, through the issuance of new shares or an increase in the par value of shares

The General Meeting, having reviewed the report by the Board of Directors and in accordance with the provisions of Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

- delegates authority to the Board of Directors to decide to carry out one or more capital increases by capitalising premiums, reserves, earnings or other amounts that may be capitalised under the terms of both legislation and the Articles of Association, either by allotting new shares or by increasing the par value of existing shares;
- decides that fractional rights will not be tradable, and that the corresponding shares will be sold. The proceeds of such sales will be allotted to the rights holders under the terms and conditions set out in applicable law and regulations;
- decides that the overall amount of any resulting capital increase, to which shall be added the nominal amount of shares to be issued in order to protect the rights of holders of securities giving access to the share capital in accordance with the law, may not exceed the total of the reserves, issue premiums or unappropriated retained earnings specified above at the date of the capital increase and that this ceiling is to be considered independently of both Limit 1 and Limit 2 (as these terms are defined in the eleventh resolution above);
- 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.

Fourteenth resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity, within the context of a public offering

The General Meeting, having reviewed the management report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L. 225-129-2, L. 225-135 and L. 225-136 *et seq*. of the French Commercial Code:

- delegates authority to the Board of Directors to decide to carry out one or more capital increases, without pre-emptive rights for existing shareholders, under the conditions laid down in Article L. 225-136 of the French Commercial Code;
- decides to exclude the pre-emptive right of existing shareholders to subscribe for shares or securities giving access to the Company's share capital to be issued as part of any such capital increase and to make them available for subscription by members of the public only; and further decides to confer all powers upon the Board of Directors to grant existing shareholders priority rights to subscribe for any such capital increase pursuant to the provisions of Article L. 225-135 of the French Commercial Code;
- decides that the issue price shall be equal to the weighted average price on the Eurolist by Euronext market over the last three trading days preceding the date on which the subscription price of the capital increase is set, less a 5% discount, after correcting this average to take account of any difference in vesting dates;
- confers all powers upon the Board of Directors, up to a maximum combined annual amount for any such capital increases not exceeding 10% of the Company's share capital, to set this issue price, which must, in any event, be greater than or equal to the price set out in the above paragraph. The Board of Directors shall be required to prepare an additional report, certified by the Statutory Auditors, setting out the final terms of the issue and including an assessment of its actual impact on shareholders;
- decides, where applicable, that the overall amount of any capital increases that might be carried out under this delegation of

authority shall remain within Limit 1 and Limit 2 (as those terms are defined in the eleventh resolution above);

- 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.

Fifteenth resolution

Delegation of authority to the Board of Directors to decide to increase the number of shares or securities giving access to equity to be issued pursuant to the authorisation referred to in the fourteenth resolution above, without pre-emptive rights for existing shareholders, up to a maximum of 15% of the amount of the initial issue and at the same price, in the event of excess demand

The General Meeting, having reviewed the management report of the Board of Directors and the special report of the Statutory Auditors:

- delegates authority to the Board of Directors to increase the number of shares or securities to be issued where a capital increase carried out pursuant to the fourteenth resolution above gives rise to excess demand, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code, up to the maximum amounts laid down in that resolution, at the same price as that used for the initial issue, during a period of 30 days with effect from the expiry date of the subscription period for the initial issue and for a maximum of 15% of the total value of that issue;
- decides to exclude the pre-emptive right of existing shareholders to subscribe for shares or securities issued under the terms of this authorisation and make them available for subscription by members of the public only; and further decides to confer all powers upon the Board of Directors to grant existing shareholders priority rights to subscribe for any such capital increase pursuant to the provisions of Article L. 225-135 of the French Commercial Code;
- decides that this delegation of authority to the Board of Directors shall be valid for a period of 26 months with effect from the date of this General Meeting.

Sixteenth resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, by issuing shares or other securities giving access to the Company's equity, within the context of an offering reserved for qualified investors or a limited circle of investors, covered by section II, Article L. 411-2 of the French Monetary and Financial Code

The General Meeting, having reviewed the management report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to the provisions of Articles L. 225-129-2, L. 225-135 and L. 225-136 of the French Commercial Code and section II, Article L. 411-2 of the French Monetary and Financial Code:

- delegates authority to the Board of Directors to decide to carry out one or more capital increases, without pre-emptive rights for existing shareholders, under the conditions laid down in Article L. 225-136 of the French Commercial Code;
- decides to exclude the pre-emptive right of existing shareholders to subscribe for shares or securities giving access to the Company's share capital to be issued as part of any such capital increase and to make them available for subscription by qualified investors or a limited circle of investors, as defined in section II, Article L. 411-2 of the French Monetary and Financial Code; and further decides to confer all powers upon the Board of Directors to grant existing shareholders priority rights to subscribe for any such capital increase pursuant to the provisions of Article L. 225-135 of the French Commercial Code;
- decides that the issue price shall be equal to the weighted average price on the Eurolist by Euronext market over the last three trading days preceding the date on which the subscription price of the capital increase is set, less a 5% discount, after correcting this average to take account of any difference in vesting dates;
- confers all powers upon the Board of Directors to set this issue price, which must, in any event, be greater than or equal to the price set out in the above paragraph. The Board of Directors shall be required to prepare an additional report, certified by the Statutory Auditors, setting out the final terms of the issue and including an assessment of its actual impact on shareholders;
- decides that any capital increases that might be carried out under this delegation of authority shall not exceed 10% of the Company's total share capital in any one year and that, in any event, the overall amount of such capital increases shall remain within Limit 1 and Limit 2 (as those terms are defined in the eleventh resolution above);
- 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.

Seventeenth resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, in consideration of contributions in kind consisting of equity securities or other securities giving access to equity

The General Meeting, having reviewed the management report of the Board of Directors and the Statutory Auditors' Special Report, and pursuant to the provisions of paragraph 6, Article L. 225-147 of the French Commercial Code:

- delegates the authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, as consideration for in-kind contributions comprised of shares or securities giving access to the Company's share capital, by issuing shares or securities giving access to the Company's share capital under the conditions laid down in Article L. 225-147 of the French Commercial Code;
- decides to exclude the pre-emptive right of shareholders to subscribe for shares or securities giving access to the Company's share capital to be issued in connection with this or these capital increase(s) and to accept subscriptions uniquely from individuals consenting to in-kind contributions and receiving consideration in this respect;
- decides, where applicable, that the overall amount of any capital increases that might be carried out under this delegation of authority shall not exceed the limit of 10% of the share capital, and shall in any event remain within Limit 1 and Limit 2 (as those terms are defined in the eleventh resolution above);

- 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.

Eighteenth resolution

Delegation of authority to the Board of Directors to decide to increase the Company's share capital, without pre-emptive rights for existing shareholders, in consideration of securities contributed to a public exchange offer with an issuer whose shares are admitted for trading on a regulated market

The General Meeting, having reviewed the management report of the Board of Directors and the Statutory Auditors' Special Report, and pursuant to the provisions of Article L. 225-148 of the French Commercial Code:

- delegates authority to the Board of Directors to decide to carry out one or more capital increases, without pre-emptive rights for existing shareholders, in consideration of securities contributed to a public exchange offer with an issuer whose shares are admitted for trading on a regulated market, under the conditions laid down in Article L. 225-148 of the French Commercial Code;
- decides to exclude the pre-emptive right of shareholders to subscribe for securities to be issued in connection with this or these capital increase(s), and to accept subscriptions solely from participants in the public exchange offer who are receiving consideration in this respect;
- decides, where applicable, that the amount of any capital increases that might be carried out under this delegation of authority shall be limited to a nominal amount of €10 million and shall remain within Limit 2 (as this term is defined in the eleventh resolution above);
- 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.

Nineteenth resolution

Delegation of authority to the Board of Directors to carry out a capital increase, without pre-emptive subscription rights, reserved for employees of the Company or any other affiliated undertakings who are members of a company savings plan

The General Meeting, having reviewed the management 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 authority to the Board of Directors 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 for shares or securities giving access to the Company's share capital such as may be issued under this authorisation;
- decides that the exercise of options granted under this authorisation may not give access to a total number of shares representing more than 5% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that (i) any use of the authorisations and delegations of authority provided for in the twentieth, twenty-first, twenty-second or twenty-third resolutions, subject to their approval by this General Meeting, shall fall within this 5% limit, which is thus understood as an overall ceiling applying to all of these resolutions and (ii) this ceiling shall be increased by any additional number of shares issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides to set the maximum discount offered in connection with an employee savings plan, which applies to the subscription price of securities issued pursuant to this authorisation, at 5% of the average opening price of the Company's shares on the Eurolist from Euronext market over the 20 trading days preceding the day on which the opening date of the subscription period is set. However, the General Meeting expressly authorises the Board of Directors to reduce the aforementioned discount, within 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.

Twentieth resolution

Authorisation given to the Board of Directors to grant options to subscribe for or to purchase shares to employees of the Company or of any of its affiliated undertakings

The General Meeting, having reviewed the management report of the Board of Directors and the special report of the Statutory Auditors:

- authorises the Board of Directors, as provided by Articles L. 225-177 to L. 225-186-1 of the French Commercial Code, to grant, on one or several occasions, options conferring entitlement either to subscribe for new shares in the Company, to be issued in connection with a capital increase, or to purchase existing shares bought back by the Company under the conditions provided by the law and in accordance with the seventeenth resolution above, to employees of the Company and of any affiliated companies or groups of companies under the conditions set forth in Article L. 225-180 of the French Commercial Code, for a period of thirty-eight months as from the date of this General Meeting;
- decides that the total amount of options granted under this authorisation may not confer entitlement to a number of shares representing more than 5% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that (i) this 5% limit constitutes an overall ceiling taking into account any shares that might be granted pursuant to the authorisations and delegations of authority provided for in the nineteenth, twenty-first, twenty-second or twenty-third resolutions, subject to their approval by this General Meeting and (ii) this ceiling shall be increased by the amount of any additional shares to be issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides that, notwithstanding any adjustments that may need to be made in the event of future transactions regulated by law, the subscription price shall be set to the average price for the Company's share over the twenty previous trading days. With respect to the option to purchase shares, the price may not be lower than 80% of the average purchase price of shares held by the Company as provided under Articles L. 225-208 and L. 225-180 of the French Commercial Code;
- decides that the options granted may be exercised within a maximum period of 8 years following their grant date;
- confers all powers upon the Board of Directors to determine all conditions under which the options are to be granted, including the identities, positions and number of years of service of the beneficiaries and the number of shares to which beneficiaries of the options shall be entitled to subscribe. As these conditions are to be determined in compliance with any legal or regulatory obligations applicable to options granted to executives, particularly in accordance with the provisions of Articles L. 225-185 and L. 225-186-1 of the French Commercial Code, they may involve a compulsory holding period for all or a portion of the securities, with the understanding that the duration of any compulsory holding period for securities may not exceed three years as from the option exercise date.

This authorisation comprises an express waiver by shareholders, in favour of the beneficiaries of options, of their pre-emptive right to subscribe for the shares that will be issued as the options are exercised.

The capital increase resulting from the options exercised to subscribe for new shares will be definitively performed exclusively by way of the subscription to these new shares accompanied by statements that options have been exercised and that related payments have been received, which may be made in cash or by offsetting a liquid and due claim on the Company held by subscribers. The Board of Directors shall carry out any formality required for the listing of the securities thus issued and make the necessary amendments to the Articles of Association.

Twenty-first resolution

Authorisation given to the Board of Directors to grant options to subscribe for or to purchase shares to officers of the Company or of any of its affiliated undertakings

The General Meeting, having reviewed the management report of the Board of Directors and the special report of the Statutory Auditors:

- authorises the Board of Directors, as provided by Articles L. 225-177 to L. 225-186-1 of the French Commercial Code, to grant, on one or several occasions, options conferring entitlement either to subscribe for new shares in the Company, to be issued in connection with a capital increase, or to purchase existing shares bought back by the Company under the conditions provided by law and in accordance with the seventeenth resolution above, to officers of the Company and of any affiliated companies or groups of companies under the conditions set forth in Article L. 225-180 of the French Commercial Code, for a period of thirty-eight months as from the date of this General Meeting. The number of options granted to all Company officers shall not exceed 15% of the total options whose issuance is permitted by the twentieth resolution above, provided it is adopted by this General Assembly;
- decides that the total amount of options granted under this authorisation may not confer entitlement to a number of shares representing more than 5% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that (i) this 5% limit constitutes an overall ceiling taking into account any shares that might be granted pursuant to the authorisations and delegations of authority provided for in the nineteenth, twentieth, twenty-second or twenty-third resolutions, subject to their approval by this General Meeting and (ii) this ceiling shall be increased by the amount of any additional shares to be issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides that, notwithstanding any adjustments that may need to be made in the event of future transactions regulated by law, the subscription price shall be set to the average price for the Company's share over the twenty previous trading days. With respect to the option to purchase shares, the price may not be lower than 80% of the average purchase price of shares held

by the Company as provided under Articles L. 225-208 and L. 225-180 of the French Commercial Code;

- decides that the options granted may be exercised within a maximum period of 8 years following their grant date;
- confers all powers upon the Board of Directors to determine all conditions under which the options are to be granted, including the identities, positions and number of years of service of the beneficiaries and the number of shares to which beneficiaries of the options shall be entitled to subscribe. As these conditions are to be determined in compliance with any legal or regulatory obligations applicable to options granted to executives, particularly in accordance with the provisions of Articles L. 225-185 and L. 225-186-1 of the French Commercial Code, they may involve a compulsory holding period for all or a portion of the securities, with the understanding that the duration of any compulsory holding period for securities may not exceed three years as from the option exercise date.

This authorisation comprises an express waiver by shareholders, in favour of the beneficiaries of options, of their pre-emptive right to subscribe for the shares that will be issued as the options are exercised.

The capital increase resulting from the options exercised to subscribe for new shares will be definitively performed exclusively by way of the subscription to these new shares accompanied by statements that options have been exercised and that related payments have been received, which may be made in cash or by offsetting a liquid and due claim on the Company held by subscribers. The Board of Directors shall carry out any formality required for the listing of the securities thus issued and make the necessary amendments to the Articles of Association.

Twenty-second 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, excluding the pre-emptive right of existing shareholders to subscribe for these warrants or for the shares issued via the exercise of BSAARs

The General Meeting, having reviewed the management 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 the total amount of options granted under this authorisation may not confer entitlement to a number of shares representing more than 5% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that (i) this 5% limit constitutes an overall ceiling taking into account any shares that might be granted pursuant to the authorisations and delegations of authority provided for in the nineteenth, twentieth, twenty-first or twenty-third resolutions, subject to their approval by this General Meeting and (ii) this ceiling shall be increased by the amount of any additional shares to be issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides, 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 for these warrants (BSAARs) and to reserve this right for any employees and/or officers of the Company or of any of its French and foreign subsidiaries. As such, the General Meeting confers all powers upon the Board of Directors to determine a list of persons authorised to subscribe for BSAARs (hereinafter referred to as the "Beneficiaries") as well as the maximum number of BSAARs that may be subscribed by each;
- confers all powers upon the Board of Directors to:
  - determine all characteristics of BSAARs, including in particular their subscription price, which will be determined taking into account an independent expert opinion and based on parameters influencing their value (mainly including the exercise price, lock-in period, exercise period, trigger point and redemption period, interest rate, dividend policy, price and volatility of shares in the Company), together with procedures governing the issue and the terms and conditions of the issue agreement,
  - determine the subscription or acquisition price of shares obtained through the exercise of BSAARs, with the understanding that each BSAAR will confer the entitlement to subscribe 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.

Twenty-third resolution

Authorisation for the Board of Directors to allot bonus shares to employees and officers of the Company and the Group

The General Meeting, having reviewed the management report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code:

- authorises the Board of Directors to carry out one more bonus issues, at its discretion, either of existing shares in the Company or of shares to be issued in the future, in favour of eligible employees or officers (as defined in Article L. 225-197-1 II, paragraph 1 of the French Commercial Code) of the Company and any affiliated companies under the conditions laid down in Article L. 225-197-2 of the French Commercial Code, or in favour of certain categories of those employees or officers;
- decides that this authorisation, which supersedes any previous authorisation having the same purpose up to and including any unused amount, shall be valid for a period of 38 months with effect from the date of this General Meeting;
- decides that the total amount of options granted under this authorisation may not confer entitlement to a number of shares representing more than 5% of the Company's share capital at the time of the grant decision taken by the Board of Directors, with the understanding that (i) this 5% limit constitutes an overall ceiling taking into account any shares that might be granted pursuant to the authorisations and delegations of authority provided for in the nineteenth, twentieth, twenty-first or twenty-second resolutions, subject to their approval by this General Meeting and (ii) this ceiling shall be increased by the amount of any additional shares to be issued in order to preserve, in accordance with the law or any applicable contractual agreement, the rights of holders of securities giving access to shares;
- decides that shares will be definitively allotted to their beneficiaries upon expiry of a vesting period whose duration shall be set by the Board of Directors; this duration may not, however, be less than two years with effect from the date of the Board's decision to allot the shares in question. The beneficiaries shall be required to retain the shares in question for a duration set by the Board of Directors; this lock-in period may not, however, be less than two years with effect from the date on which the aforementioned shares are finally allotted. However, the General Meeting authorises the Board of Directors not to impose any lock-in period for the shares in question where the vesting period in respect of all or part of one or more allotments is not less than four years;
- decides that, where the beneficiary is disabled and falls into the second or third categories set out in Article L. 341-4 of the French Social Security Code, the shares in question shall be definitively allotted to that beneficiary before the remaining term of the vesting period has expired, and shall be immediately transferable;
- formally notes that, with regard to shares to be issued in the future, (i) this authorisation shall result, upon expiry of the vesting period, in a capital increase by way of capitalisation of reserves, earnings or issue premiums in favour of the beneficiaries of those shares, as well as the automatic waiver by shareholders, in favour of the beneficiaries of the shares thus allotted, of their rights to that portion of reserves, earnings and premiums thus capitalised, and (ii) this authorisation shall automatically entail the waiver by shareholders, in favour of the beneficiaries of the aforementioned shares, of their pre-emptive rights. The corresponding capital increase shall be deemed to have been completed upon final allotment of the shares in question to the beneficiaries;
- accordingly, confers all powers upon the Board of Directors, within the limits set out above, to put this resolution into effect and, in particular to:
  - determine the identity of the beneficiaries of shares to be allotted and the number of shares to be allotted to each,
  - rule on the eligibility of company officers in accordance with the final paragraph of section II, Article L. 225-97-1 of the French Commercial Code,
  - set the dates and terms governing the allotment of the shares in question, including in particular the period at the end of which the shares will be finally allotted as well as, where applicable, the required lock-in period for each beneficiary,
  - determine, where applicable, any conditions linked to the performance of the Company, the Group or any of its entities as well as, where applicable, any criteria governing the allotment of shares,
  - determine whether bonus shares to be allotted are existing shares or shares to be issued in the future and, where new shares are to be issued, to increase the Company's share capital by capitalising reserves, earnings or premiums, to determine the type and amount of any reserves, earnings or premiums to be capitalised in consideration of the aforementioned shares, to certify the completion of capital increases, to amend the Articles of Association accordingly and, more generally, to take all necessary steps to ensure that procedures are successfully completed,
  - allow the option, where applicable, during the vesting period, to adjust the number of bonus shares allotted in accordance with any transactions affecting the Company's equity, so as to protect the rights of beneficiaries; any shares allotted pursuant to such adjustments shall, however, be deemed to have been allotted on the same date as the initially allotted shares, and
  - more generally, make all necessary arrangements and enter into any agreements required to ensure the successful conclusion of the planned share allotments; this requirement may be sub-delegated.

Twenty-fourth resolution

Amendment to Article 14 of the Articles of Association to specify the conditions for appointing directors representing the employees

The General Meeting, having reviewed the management report, decides to amend Article 14 of the Articles of Association to specify the conditions for appointing the Director(s) representing the employees.

Article 14 would now read as follows:

"Article 14 – Board of Directors

The Company is administered by a Board of Directors comprising a minimum of three members and a maximum of eighteen, subject to the exception provided for by law in the event of a merger.

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. These terms of office are always renewable.

1 – Directors appointed by the General Meeting

During the life of the Company, Directors are appointed, reappointed or dismissed by the Ordinary General Meeting.

No one can be appointed a Director if, having exceeded the age of seventy-five years, his or her appointment results in more than one-third of Board members exceeding this age. Once the age limit is reached, the oldest Director is deemed to have resigned from office.

Directors may be natural persons or legal persons. When a legal person is nominated, 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.

2 – Director representing the employees

In accordance with legislative provisions, whenever the number of members of the Board of Directors appointed at the General Meeting pursuant to Articles L. 225-17 and L. 225-18 of the French Commercial Code and in accordance with these Articles of Association is less than or equal to 12, a Director representing the employees is nominated by the Company's works council.

Whenever this number is greater than 12, a second Director representing the employees is nominated by the Company's works council. If this number should fall to 12 or below, the second Director representing the employees shall continue for his or her full term of office.

Directors representing the employees are not required to hold shares in the Company throughout their term of office.

Exceptionally, the first Director(s) representing the employees will be appointed for a term of four years, expiring at the end of the General Meeting convened to approve the financial statements for the year ended 31 December 2017.

The provisions of this Article 14-2 shall cease to apply whenever, at the end of a financial year, the Company no longer fulfils the prerequisites for appointing Directors representing the employees; however, any Director representing the employees appointed under the terms of this article shall remain as such for his or full term of office.

Further to the provisions set out in paragraph 2 of Article L. 225-29 of the French Commercial Code, should the Company body designated in these Articles of Association fail to nominate a Director representing the employees pursuant to the law and this article, the Board of Directors shall still be able to achieve a quorum."

Twenty-fifth resolution

Amendment to the stipulations in Article 15 of the Articles of Association as to the organisation of the Board of Directors

The General Meeting, having reviewed the management report of the Board of Directors, agrees to amend as follows paragraph six of Article 15 of the Company's Articles of Association:

"If the Chairman is not present, the Board meeting may be chaired by any person granted agency as such by the Chairman, barring which the Board meeting shall be chaired by one of the Vice-Chairmen."

The rest of the Article remains unchanged.

Twenty-sixth resolution

Amendment to the stipulations in Article 15 of the Articles of Association as to the decisions of the Board of Directors

The General Meeting, having reviewed the management report of the Board of Directors, agrees to amend as follows paragraph five of Article 16 of the Company's Articles of Association:

"In the event of a tie, the Chairman of the Board of Directors shall have the casting vote. If the Chairman of the Board of Directors is not present, the meeting Chairman shall have no casting vote in the event of a tie."

The rest of the Article remains unchanged.

Twenty-seventh resolution

Amendment to Article 29 of the Articles of Association to allocate double voting rights to all fully paid-up shares that are proved to have been registered in the name of the same holder for at least two years up to that time

The General Meeting, having reviewed the management report of the Board of Directors, agrees to amend Article 29 to allocate double voting rights to some shares.

As such, the following paragraph is added to Article 29:

"However, double voting rights are allocated to all fully paid-up shares that are proved to have been registered in the name of the same holder for at least two years up to that time."

The remainder of the Article remains unchanged.

Twenty-eight 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

Appendix: proposed amendment to the Articles of Association

ARTICLE 14 – BOARD OF DIRECTORS (AMENDED BY THE 24TH RESOLUTION)

Wording before amendment	Wording after amendment
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.	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.	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. These terms of office are always renewable. **1 – Directors appointed by the General Meeting** During the life of the Company, Directors are appointed, reappointed or dismissed by the Ordinary General Meeting.
No one can be appointed a Director if, having exceeded the age of seventy-five years, his or her appointment results in more than one-third of Board members exceeding this age. Once the age limit is reached, the oldest Director is deemed to have resigned from office.	No one can be appointed a Director if, having exceeded the age of seventy-five years, his or her appointment results in more than one-third of Board members exceeding this age. Once the age limit is reached, the oldest Director is deemed to have resigned from office.
Directors may be natural persons or legal persons. When a legal person is nominated, 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.	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.	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.	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.
	2 – Director representing the employees In accordance with legislative provisions, whenever the number of members of the Board of Directors appointed at the General Meeting pursuant to Articles L. 225-17 and L. 225-18 of the French Commercial Code and in accordance with these Articles of Association is less than or equal to 12, a Director representing the employees is nominated by the Company's works council. Whenever this number is greater than 12, a second Director representing the employees is nominated by the Company's works council. If this number should fall to 12 or below, the second Director representing the employees shall continue for his or her full term of office. Exceptionally, the first Director(s) representing the employees will be appointed for a term of four years, expiring at the end of the General Meeting convened to approve the financial statements for the year ended 31 December 2017. Directors representing the employees are not required to hold shares in the Company throughout their term of office. The provisions of this Article 14-2 shall cease to apply whenever, at the end of a financial year, the Company no longer fulfils the prerequisites for appointing Directors representing the employees; however, any Director representing the employees appointed under the terms of this article shall remain as such for his or full term of office. Further to the provisions set out in paragraph 2 of Article L. 225-29 of the French Commercial Code, should the Company body designated in these Articles of Association fail to nominate a Director representing the employees pursuant to the law and this article, the Board of Directors shall still be able to achieve a quorum.

ARTICLE 15 – ORGANISATION OF THE BOARD OF DIRECTORS (AMENDED BY THE 25TH RESOLUTION)

Wording before amendment	Wording after amendment
If the Chairman is not present, the Board meeting shall be chaired by the eldest Vice-Chairman or, barring which, by a meeting Chairman designated by the Board from among its members.	If the Chairman is not present, the Board meeting may be chaired by any person granted agency as such by the Chairman, barring which the Board meeting shall be chaired by one of the Vice-Chairmen.

ARTICLE 16 – DECISIONS OF THE BOARD OF DIRECTORS (AMENDED BY THE 26TH RESOLUTION)

Wording before amendment	Wording after amendment
In the event of a tie, the meeting Chairman shall have the casting vote.	In the event of a tie, the Chairman of the Board of Directors shall have the casting vote. If the Chairman of the Board of Directors is not present, the meeting Chairman shall have no casting vote in the event of a tie.

ARTICLE 29 – VOTING RIGHTS (AMENDED BY THE 27TH RESOLUTION)

Wording before amendment	Wording after amendment
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.	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.
	However, double voting rights are allocated to all fully paid-up shares that are proved to have been registered in the name of the same holder for at least two years up to that time.

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.

Appropriation of earnings according to the Articles of Association:

"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/her appointment results in more than one-third of Board members exceeding this age. Once the age limit is reached, the oldest Director is deemed to have resigned from office.

Directors may be natural persons or legal persons. When a legal person is nominated, 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 2 OF THE BOARD OF DIRECTORS' INTERNAL RULES AND REGULATIONS – ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

1. Organising and directing the work of the Board of Directors

The Chairman of the Board of Directors organises and directs the work of the Board of Directors.

The Chairman of the Board of Directors sets the schedule and agenda for meetings of the Board of Directors.

2. Running of the Company's managerial bodies, Company governance and executive management control

The Chairman of the Board of Directors ensures the smooth running of the Company's managerial bodies and the implementation of best practices in corporate governance.

The Chairman of the Board of Directors ensures adherence to Company values within the Group.

The Chairman of the Board of Directors makes sure that Directors are able to carry out their duties, and that they have adequate information.

The Chairman of the Board of Directors ensures open lines of communication at all times between the Board of Directors and Executive Management. As such, the Chairman also keeps abreast of, and must be made 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. To this end, the Chairman is kept informed of developments throughout the preparation of planned operations subject to prior approval by the Board of Directors and may offer comments on such plans.

The Chairman may draw upon the expertise of Board committees or their chairmen and enjoys unrestricted access to the executive management team as well as the heads of the Company's functional and operational departments.

3. Relations with shareholders

The Chairman provides information to shareholders at their General Meetings about the manner in which the work of the Board of Directors is prepared and organised as well as the internal control procedures put in place by the Group.

The Chairman presides over General Meetings.

The Chairman ensures the appropriate management of the Company's relations with its major shareholders.

4. Supporting the executive management team

In coordination with the Chief Executive Officer, the Chairman of the Board of Directors may be asked to offer assistance with any issues of interest to the Company or the Group, notably those relating to business activities, strategic decisions or projects (in particular involving investments or divestments), partnership agreements and relations with employee representative bodies, risks and financial disclosures.

With the consent of the Chief Executive Officer, he may take part in the management of Group teams and in any meeting.

5. Representation of the Company and the Group

The Chairman of the Board of Directors is alone entitled to express opinions in the name of the Board, apart from exceptional circumstances or in the case of specific assignments conferred upon individual Directors.

The Chairman of the Board of Directors safeguards the Group's reputation while promoting and protecting the Group's values and image.

In collaboration with the Chief Executive Officer, the Chairman of the Board of Directors represents the Group in its high-level relations, particularly with major partners or clients and government authorities, on the domestic and international fronts, and in terms of both internal and external communications.

Conditions for the exercise of the Chairman of the Board of Directors' prerogative powers.

The duties assumed by the Chairman of the Board of Directors require the Chairman to devote his or her time to the Company. The initiatives undertaken and the actions carried out by the Chairman in the performance of his or her duties are taken into consideration by the Board of Directors in determining the Chairman's remuneration.

The Chairman of the Board of Directors fulfils his or her responsibilities in recognition of those assumed by the Chief Executive Officer and the Board of Directors.

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 Deputy CEO. 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. Deputy CEOs

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 Deputy CEO.

The Board of Directors may appoint as many as five Deputy CEOs, who may or may not be selected from among its members.

The age limit is set at 65 years. Once a Deputy CEO has reached this age limit, he is deemed to have resigned from office.

The Deputy CEOs 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 Deputy CEOs may be entitled to damages.

When the Chief Executive Officer ceases to carry out or is prevented from carrying out his duties, the Deputy CEOs, 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 Deputy CEOs. In their dealings with third parties, the Deputy CEOs 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-fifth 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 Associés					
	Amount (excl. VAT)			%			Amount (excl. VAT)			%		
(in thousands of euros)	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011
Audit												
Statutory audit, certification, audit of the individual company and consolidated financial statements												
■ Issuer	218	214	239	*21%*	*36%*	*44%*	166	163	174	*34%*	*42%*	*67%*
■ Fully consolidated subsidiaries	307	236	140	*30%*	*40%*	*26%*	249.4	170	58	*52%*	*43%*	*22%*
Other services relating directly to the statutory audit assignment												
■ Issuer	457	17	117	*45%*	*3%*	*22%*	6.5	1	2	*1%*	*0%*	*1%*
■ Fully consolidated subsidiaries	-	92	-		*16%*	*0%*	0.8			*0%*	*0%*	*0%*
Subtotal	**982**	**559**	**496**	***97%***	***95%***	***91%***	**422.7**	**334**	**234**	***87%***	***85%***	***90%***
Other services provided by the firms to fully consolidated subsidiaries												
Legal, tax, employee-related	33	32	47	*3%*	*5%*	*9%*	61	58	25	*13%*	*15%*	*10%*
Other	-	-	-		*0%*	*0%*				*0%*	*0%*	*0%*
Subtotal	**33**	**32**	**47**	***3%***	***5%***	***9%***	**61**	**58**	**25**	***13%***	***15%***	***10%***
TOTAL	**1,015**	**591**	**543**	***100%***	***100%***	***100%***	**483.7**	**392**	**259**	***100%***	***100%***	***100%***

6. Provisional reporting timetable

Publication date	Event	SFAF meeting date
28 April 2014 after stock market close	Revenue for the third quarter of 2014	-
31 July 2014 before market opening	Revenue for the first half-year period of 2014	31 July 2014
23 October 2014 after market close	Revenue for the third quarter of 2014	-

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 43 to 70, 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 2013 provided in this Registration Document are included on pages 140 and 160, respectively.

Historical financial information for 2011 and 2012 is included in this Registration Document, excerpted from pages 85 to 157 of the 2011 Registration Document and pages 87 to 164 of the 2012 Registration Document, respectively. The reports of the Statutory Auditors on this historical financial information are included on page 138 of the 2011 Registration Document and on page 140 of the 2012 Registration Document.

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.

Paris, 29 April 2014

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 main headings required by Commission Regulation (EC) 809/2004 of 29 April 2004.

	Pages	Chapters
1. Person responsible		
1.1 Identity	233	9
1.2 Declaration	234	9
2. Statutory Auditors		
2.1 Identity	233	9
2.2 Any changes	*NA*	*NA*
3. Selected financial information		
3.1 Historical financial information	14-15	1
3.2 Interim financial information	*53*	*3*
4. Risk factors	55-58	3
5. Information about the Company		
5.1 Company history and development	15, 226	1, 9
5.2 Investments	5, 20, 52 (diff. projects), 145-146	1, 3, 5 (Note 18)
6. Business overview		
6.1 Principal activities	15-18, 44	1,3
6.2 Principal markets	19	1
6.3 Exceptional factors	44, 50-53	3
6.4 Any dependencies	57	3
6.5 Competitive position	1, 15-19	1, 15-19
7. Organisational structure		
7.1 Brief description of the Group	21-23	1
7.2 List of significant subsidiaries	54, 133-134, 193	3, 5 (Note 2), 6
8. Property, plant and equipment		
8.1 Material property, plant and equipment	145-146	5 (note 18)
8.2 Environmental issues	90-98	4
9. Operating and financial review		
9.1 Financial position	48-49	3
9.2 Operating results	45-49	3
10. Capital resources		
10.1 Information concerning capital resources	48-49, 121, 153-154	3, 5, 5 (Note 25)
10.2 Cash flows	48-49, 122	3, 5
10.3 Borrowing terms and funding structure	49, 155-156	3, 5 (Note 26)
10.4 Restrictions on the use of capital resources	*NA*	*NA*
10.5 Anticipated sources of funds	*NA*	*NA*
11. Research and development, patents and licences	20	1
12. Trend information	19, 50-53	1, 3

	Pages	Chapters
13. Profit forecasts and estimates	NA	NA
14. Administrative, management and supervisory bodies and executive management		
14.1 Information concerning members	26-30	2
14.2 Conflicts of interest	30	2
15. Remuneration and benefits		
15.1 Remuneration and benefits in kind	58-61, 168	3, 5 (Note 35)
15.2 Provisions for pension, retirement or similar benefits	157-158	5 (Note 27)
16. Board practices		
16.1 Expiry date of the current terms of office	26-30	2
16.2 Members of the administrative, management or supervisory bodies' service contracts	30	2
16.3 Information on the Company's Audit Committee and Remuneration Committee	31-32	2
16.4 Statement of compliance with corporate governance rules in force in France	34	2
17. Employees		
17.1 Number of employees	82, 136	4, 5 (Note 5)
17.2 Shareholdings and stock options	61-63, 66, 184, 198-199, 203	3, 6, 7
17.3 Arrangements for involving the employees in the capital of the Company	184, 198-199	6, 7
18. Major shareholders		
18.1 Shareholders owning more than 5% of the share capital	198-199	7
18.2 Existence of different voting rights	198-199	7
18.3 Direct or indirect control	200	7
18.4 Any arrangements, the operation of which may result in a change in its control	200	7
19. Related-party transactions	195-196	6
20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
20.1 Historical financial information	117-172	5
20.2 *Pro forma* financial information	*NA*	*NA*
20.3 Financial statements	175-193	6
20.4 Auditing of historical annual financial information	173, 194	5,6
20.5 Date of latest financial information	117-172	5
20.6 Interim and other financial information	53	3
20.7 Dividend distribution policy	204, 207	7,8
20.8 Legal and arbitration proceedings	55, 159, 171	3, 5 (Notes 28 and 37)
20.9 Significant change in the financial or trading position	171, 193	5 (Note 38), 6
21. Additional information		
21.1 Share capital	198, 201	7
21.2 Memorandum and articles of association	226-232	9
22. Material contracts	*44, 50-52*	*3*
23. Third party information, statements by experts and declarations of any interest		
23.1 Identity	114	4
23.2 Declaration	113-114	4
24. Documents on display	234	9
25. Information on holdings	54, 193	3,6

Information regarding the Management Report

This Registration Document includes all the items of the Management Report required by legislation and regulations. The table below presents the items in Sopra Group's Management Report at 31 December 2013:

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	14-20, 44-53
CCom	L. 225-100 and L. 225-100-2	Nonfinancial key performance indicators relating specifically to the Company's business, including disclosures on environmental and labour issues	71-112
CCom	L. 233-6	Significant equity interests acquired during the financial year in companies whose registered offices are on French soil	20, 44
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	19, 50-53
CCom	L. 225-100 and L. 225-100-2	Description of main risks and uncertainties to which the Company is exposed	55-58
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	57
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, antidiscrimination efforts and promoting diversity	71-112
CCom	L. 232-1	Research and development activities	20
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	204
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	26-29
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	58-64
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 nonofficer employees; options granted to all employees, by category	58-59, 61-63
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	59

CMF ***	R. 621-18-2	Transactions by senior executives and related persons involving Company securities	65
Reference texts		Disclosures pertaining to the Company and share capital	
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	226-232
CCom	L. 225-211	Breakdown of purchases and sales of treasury shares over the financial year	199
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	202-203
CCom	L. 225-100-3 and L. 233-13	Company ownership structure and changes in ownership	198-200
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	66
CCom	L. 225-100-3	Direct or indirect stakes held in the Company's capital and of which the Company is aware	198-200
CCom	L. 225-102	Statement of employee stakes in share capital at financial yearend; 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	66
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	*66, 200*
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	66, 200
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	66, 200
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	64, 66
CCom	L. 464-2	Pecuniary sanctions or injunctions for anticompetitive practices	*NA*
Reference texts		Items relating to the financial statements	
CCom	R. 225-102	Results of the Company over the past five financial years	68

* *CCom = **Code du 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

This Registration Document includes all the items of 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 lists the items in the Annual Financial Report:

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