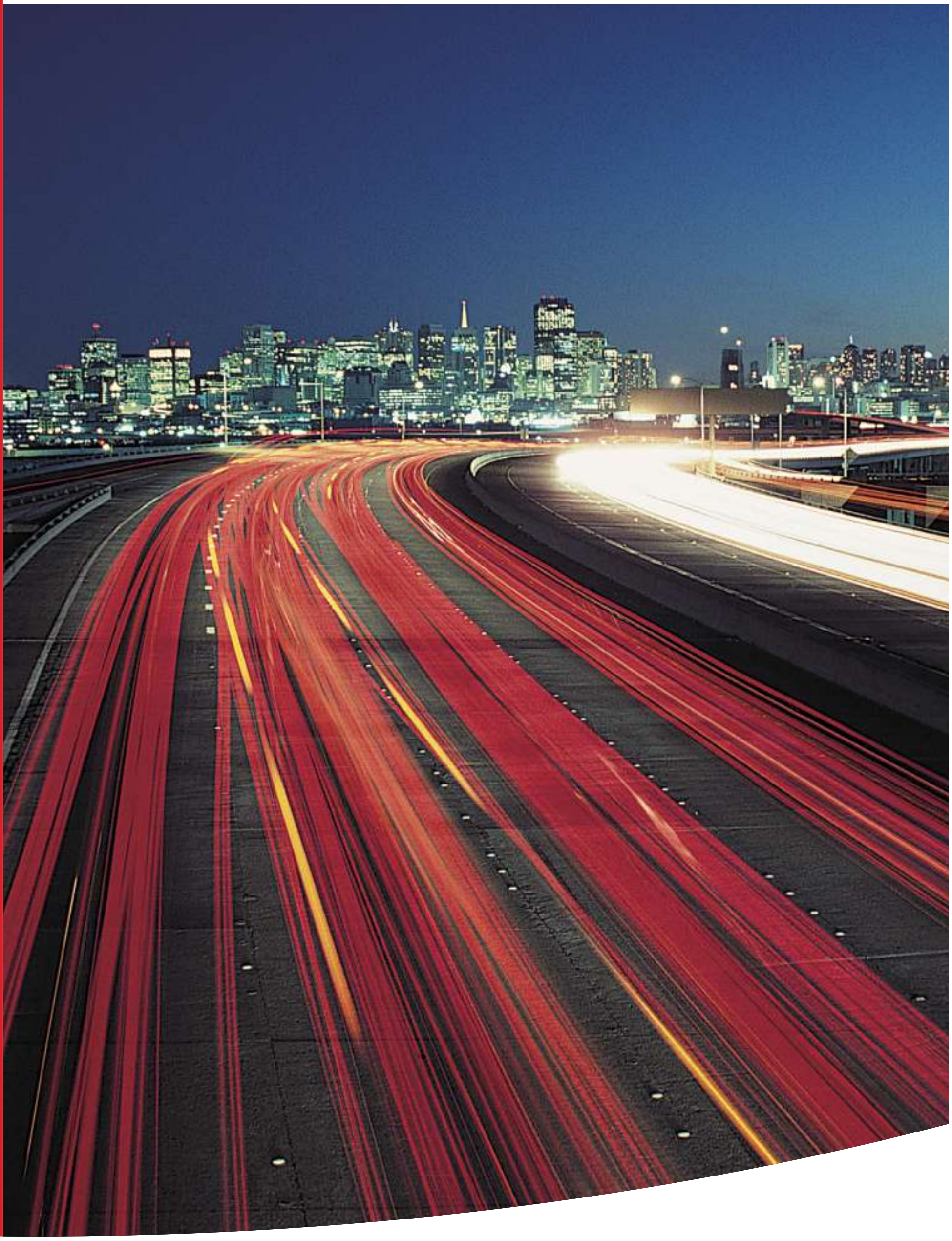
2014

REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT



Delivering Transformation. Together.

sopra steria

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

Société anonyme with share capital of €20,371,789 – 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 2014

The original French-language version of this Registration Document was filed with the *Autorité des Marchés Financiers* (AMF) on 29 April 2015 in accordance with Article 212-13 of the AMF 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 Steria Group, Communications Department, 9 bis rue de Presbourg, 75116 Paris, France, via our website: *www.soprasteria.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 for reference in this Registration Document:

1. 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 those 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).
2. Relating to financial year 2013:
   - 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 29 April 2014 under number D. 14-0434 (pages 43 to 70 and 117 to 173, respectively);
   - the individual company financial statements of Sopra as well as the report of the Statutory Auditors on those financial statements included in the Registration Document filed on 29 April 2014 under number D. 14-0434 (pages 175 to 194);
   - the special report of the Statutory Auditors on regulated agreements and commitments included in the Registration Document filed on 29 April 2014 under number D. 14-0434 (pages 195 to 196).

The information included in both of those 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's 2014 results reflect the sustained transformation efforts that, year after year, have enabled the group to achieve one of the highest levels of both growth and profitability in its sector. Sopra's standalone operations posted organic growth of 4.7% with an operating margin on business activity of 8.6%, up 0.5% year-on-year.

A major highlight of 2014 was the tie-up with Steria, completed before the financial year-end. Following the announcement of the plan on 8 April 2014 and Sopra's successful public exchange offer for Steria, shareholders of both companies met on 19 December to approve the legal merger of entities, which took place on 31 December.

The resulting combined group, Sopra Steria, employs more than 37,000 people and operates in around twenty countries. With revenue of around €3.4 billion, Sopra Steria joins the ranks of the top five European digital services companies.

> *The strategic benefits of the Sopra Steria merger are self-evident*

Digital technology is having a profound impact on the way our clients do business, considerably expanding their transformation requirements. They are looking for end-to-end providers with expertise across a wide range of business processes served by their information systems. As a result, the pace of consolidation in the digital services sector is picking up, as success becomes increasingly driven by brand exposure and status.

The merger of Sopra and Steria has resulted in an independent group with operations spanning the entire value chain (software development, consulting, systems integration, infrastructure management, cybersecurity and BPO/BPS) and a large European footprint. The new group is perfectly positioned to meet its clients' business needs and competitive challenges.

Since the beginning of 2015, the integration of the two entities has proceeded as planned. As early as January, right after the official merger, the new operational structure was implemented and work began on achieving the desired targets. The new executive management team, with Vincent Paris taking on the role of Chief Executive Officer and John Torrie serving as Deputy Chief Executive Officer, took its final form in March 2015.

Given the operational challenges encountered in 2014, particularly in Germany, by Steria, we have set ourselves a target of 6% for operating profit on business activity in 2015. With the anticipated synergies and identified avenues for improvement, we aim to raise that margin to between 8% and 9% by 2017, increasing annual revenue to between €3.8 billion and €4.0 billion over the same period.

In 2015 we will intensify our strategic development with a view to even more value creation, expanding the role of solutions in our business portfolio and stepping up our vertical integration efforts. That approach will guide our decision-making this year and in the years to come.

We will remain faithful to the underpinnings of Sopra's current success (organic growth, net margin, cash flow generation and dividends) and attentive to the needs of our clients, while continuing to put employees at the core of our enterprise project.

History of Sopra Steria Group

Established respectively in 1968 and 1969, **Sopra** and **Steria** are two of the longest-standing names in European IT services. On 31 December 2014, their merger gave rise to the creation of a new European leader in digital transformation: Sopra Steria Group.
Sopra Steria provides one of the most extensive portfolios of offerings on the market, spanning consulting, systems integration, industry solutions, infrastructure management, cybersecurity and business process services.

Banking Solutions Development

- **1970s** – Initial banking know-how gained with the signing of a 1st major comprehensive managed services agreement **1971-1972**
- **1980s** – Creation of the banking solutions development business **1982**
- **1996** – Acquisition of ProBF, integrated banking solutions developer

Human Resources Solutions Development

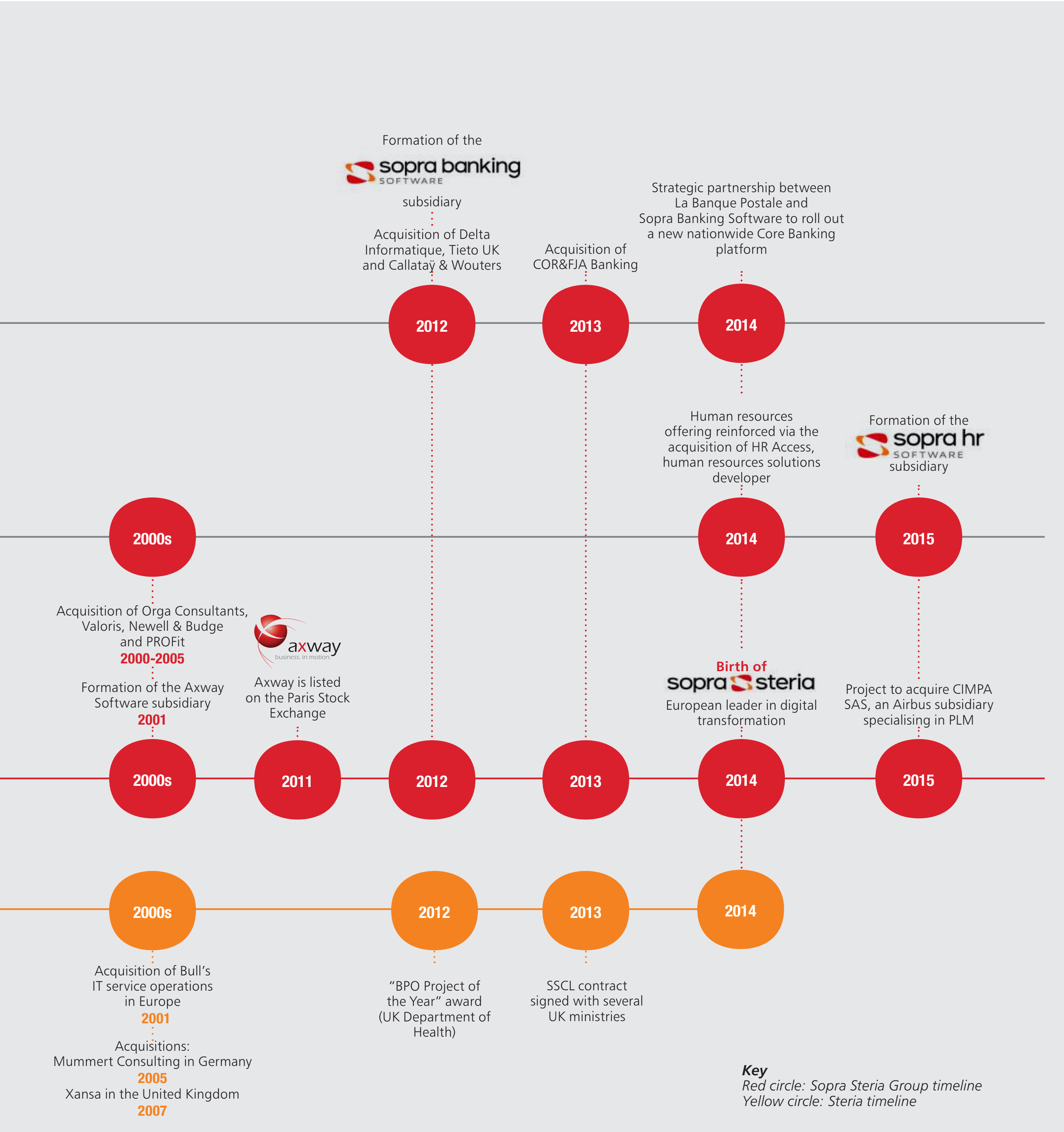
- **1970s** – 1st dedicated human resources solution (Pacha) **1972**
- **1996** – Acquisition of a human resources software package (Pléiades)

sopra

- **1970s**
- **1980s** – 1st major national project with the French Ministry of the Interior **1986**
- **1990** – Sopra is listed on the Paris Stock Exchange
- **1996** – Acquisition of SG2 Ingénierie and significant acceleration of growth in France

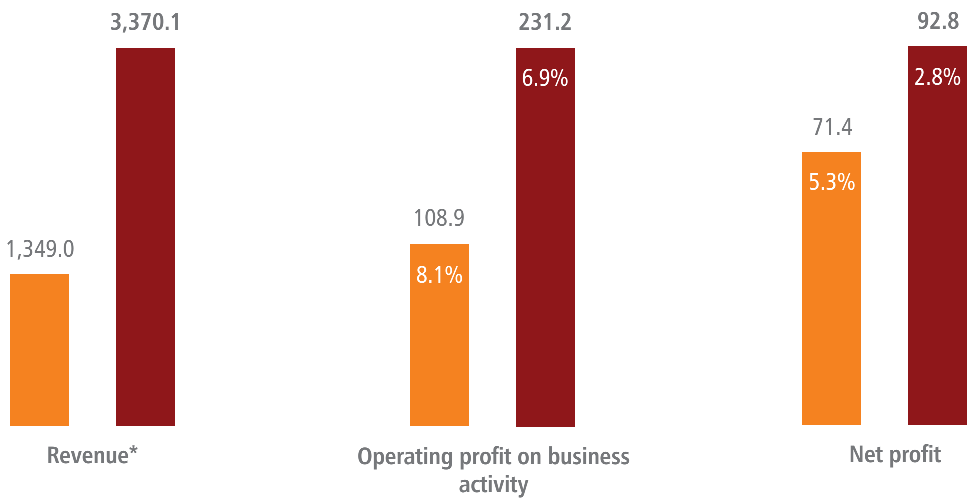
steria

- **1970s** – Computerization of Agence France Presse with the introduction of a real-time information transfer system **1973**
- **1980s** – Automation project for the RER A regional train service in Paris **1987**
- **1994** – Management system developed for the Centrale des Règlements Interbancaires (French interbank payment system)
- **1999** – Steria is listed on the Paris Stock Exchange


Formation of the
sopra banking SOFTWARE
subsidiary
Acquisition of Delta Informatique, Tieto UK and Callataÿ & Wouters
2012
Acquisition of COR&FJA Banking
2013
Strategic partnership between La Banque Postale and Sopra Banking Software to roll out a new nationwide Core Banking platform
2014
2000s
Human resources offering reinforced via the acquisition of HR Access, human resources solutions developer
2014
Formation of the
sopra hr SOFTWARE
subsidiary
2015
Acquisition of Orga Consultants, Valoris, Newell & Budge and PROFit
2000-2005
Formation of the Axway Software subsidiary
2001
axway
Axway is listed on the Paris Stock Exchange
Birth of
sopra steria
European leader in digital transformation
Project to acquire CIMPA SAS, an Airbus subsidiary specialising in PLM
2000s
2011
2012
2013
2014
2015
2000s
2012
2013
2014
Acquisition of Bull's IT service operations in Europe
2001
Acquisitions:
Mummert Consulting in Germany
2005
Xansa in the United Kingdom
2007
"BPO Project of the Year" award (UK Department of Health)
SSCL contract signed with several UK ministries
Key
Red circle: Sopra Steria Group timeline
Yellow circle: Steria timeline

SOLID PERFORMANCE in 2014

Key figures in millions of euros



- 2014 Pro forma (12m+12m) Sopra Steria
- 2013 Reported Sopra

*Pro forma 2014 revenue per Sopra accounting policies and after restatement of intra-group items: 12 months Sopra + 12 months Steria.

A EUROPEAN LEADER IN **DIGITAL TRANSFORMATION**

Employees | 2014 pro forma revenue | Locations

TOP 5 EUROPEAN DIGITAL SERVICES COMPANIES - **TOP 10** OPERATING IN EUROPE

SOPRA STERIA A NEW ENTERPRISE PROJECT

Highlights of the financial year

08/04/2014
Proposed friendly tie-up between Sopra and Steria announced

30/06/2014
Sopra HR Software finalises its acquisition of the HR Access Service business of IBM France

05/08/2014
Successful public exchange offer for all of Steria's shares

Group name changed to Sopra Steria Group

31/12/2014
Legal merger of Sopra and Steria results in the creation of a new European leader in digital transformation

19/04/2015
Planned acquisition of CIMPA SAS, an Airbus subsidiary specialising in product lifecycle management (PLM)

CORPORATE GOVERNANCE **IN 2015**

Pierre Pasquier
Chairman

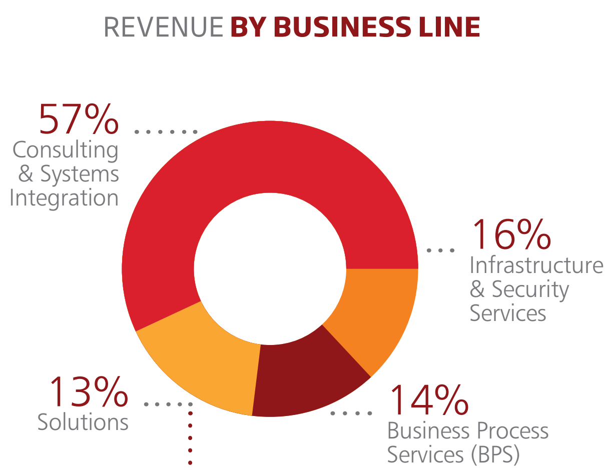
Vincent Paris
Chief Executive Officer

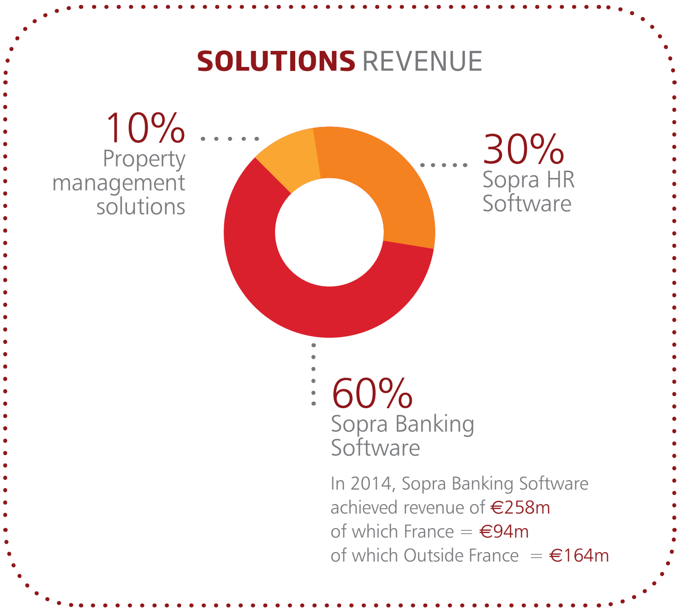
John Torrie
Deputy CEO

A GOOD BUSINESS MATCH

Sopra Steria has one of the most extensive portfolios of offerings available on the market.

As a European leader in digital transformation, the group provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow.

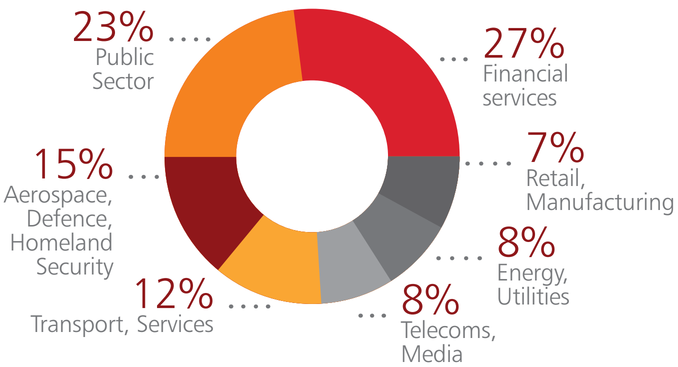




POSITIONED **AT THE CORE OF OUR CLIENTS' TRANSFORMATIONS**

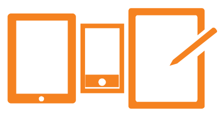
Combining added value, innovative solutions and high-performance services, Sopra Steria excels in guiding its clients through their transformation projects, no matter how complex, and helping them make the most of digital technology.

REVENUE **BY VERTICAL MARKET**



Social

Mobile



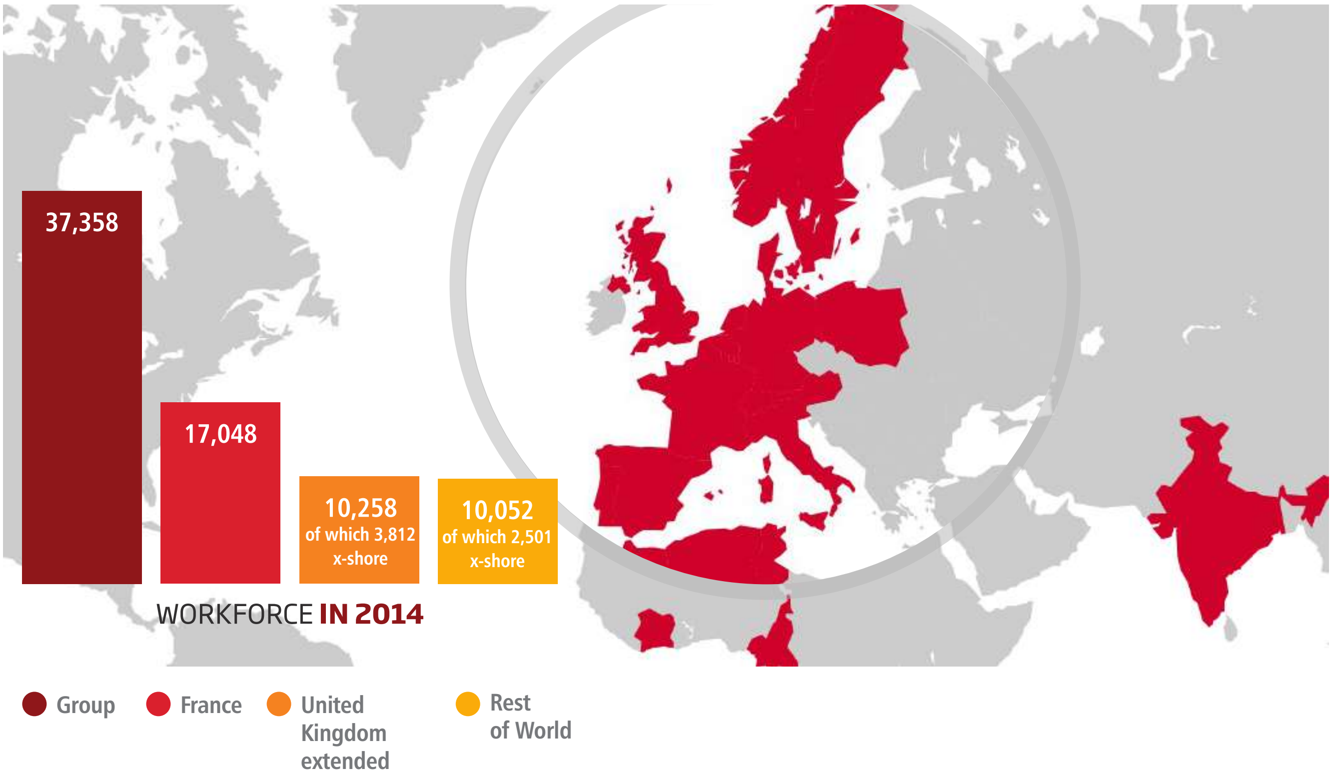
Cybersecurity

Big Data

Cloud

A STRONG PRESENCE IN **EUROPE AND THE REST OF THE WORLD**

6,890 new employees in Europe in 2014

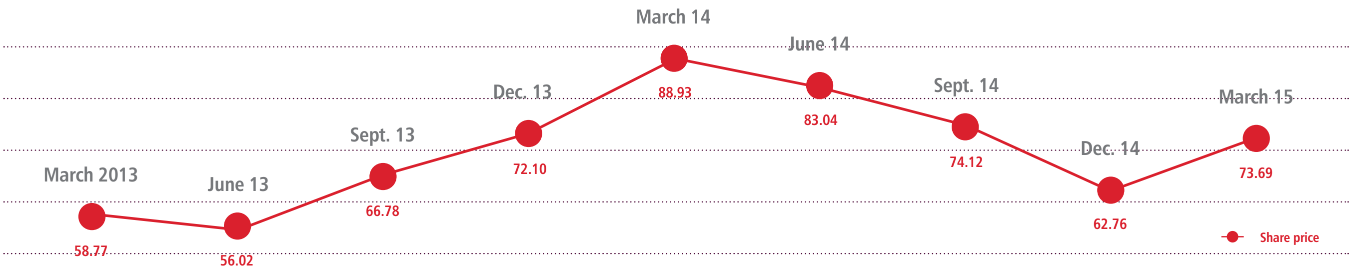


10 years of group commitment to the universal principles of the United Nations Global Compact

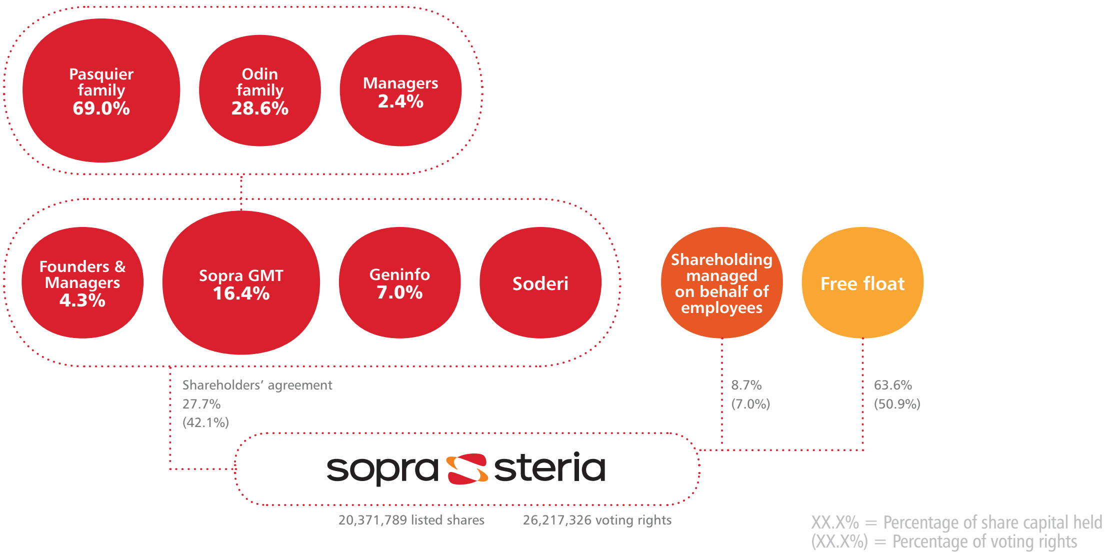
CarbonNeutral® certification achieved by offsetting 2014 greenhouse gas emissions from business travel and data centres

SOPRA STERIA SHARES

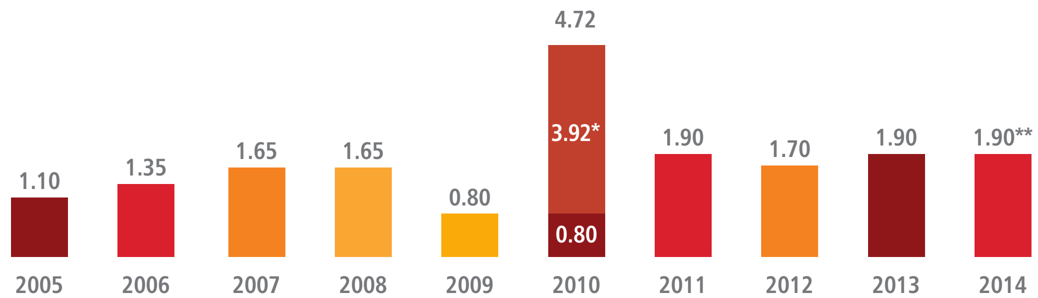
Sopra Steria Group (SOP) is listed on Euronext Paris (Compartment A)
ISIN: FR0000050809



SOPRA STERIA SHARE **PERFORMANCE OVER THE PAST 2 YEARS** **+25.39%**



SHARE OWNERSHIP STRUCTURE **AT 31/12/2014**



Net dividend in euros

* At their General Meeting of 8 June 2011, Sopra Group's shareholders approved the exceptional distribution of reserves and premiums in the form of €3.92 in cash and one Axway Software share per Sopra Group share held, thereby completing the spin-off and listing of Axway Software

** Amount proposed at the 2015 General Meeting

DIVIDEND LEVELS **SINCE 2005**

1 Sopra Steria Group in brief

Introduction

At the beginning of August 2014, the friendly merger of the two companies Sopra and Steria was confirmed by the success of the public exchange offer by Sopra for Steria. On completion of the legal stages of the merger-absorption operations, on 31 December 2014, a new European leader in digital transformation was created: Sopra Steria Group.

Sopra Steria has a culture based on independence and entrepreneurship and is continually transforming to adapt to the challenges of its clients and to cyclical developments in technology, offering one of the most complete portfolios of digital services on the market, spanning consulting and systems integration, industry-specific solutions, infrastructure & security services and business process services (BPS).

Reasons for the tie-up

Sopra and Steria, two independent companies, had a stable core shareholder base with long term investors and a common culture placing their clients, employees and innovation at the heart of their strategy.

Given the great complementary fit between them on an operational level, and taking into account the increased speed of the profound changes in the IT market, these two IT services pioneers wanted to combine their know-how to form a European leader in digital services with a relevant, differentiated offering to meet the transformation challenges of their clients.

Over the twelve months of financial year 2014, the new group achieved pro forma revenue of €3,370.1m, with offices in 20 countries and a workforce of over 37,000 professionals.

AN INDUSTRIAL-SCALE PROJECT

From an industry perspective, the merger between Sopra and Steria is a response to the profound market changes brought about by the digital revolution and new modes of service consumption.

Together they form a group with the critical mass and capacity to deliver the best transformation solutions to clients. The new group's portfolio of offerings is one of the most comprehensive on the market, encompassing consulting and systems integration (57%), industry-specific solutions (13%), infrastructure and security services (16%) and business process services (14%).

GOOD MATCH OF BUSINESS LINES AND GEOGRAPHIC SEGMENTS

In terms of business lines and geographic segments, the match between the two entities is very strong. Sopra brings the power of its organisation in France, the strength of its banking, human resources and property management solutions, and its effective application management model.

For its part, Steria brings its international reach (Europe and Asia) with a strong position in the United Kingdom, a relevant offering in business process services and its expertise in IT infrastructure management.

The combined group's industrial-scale production capacity is significantly reinforced with an array of offshore and nearshore service centres representing a workforce of more than 6,000 people, including about 5,000 in India.

The merger of Sopra and Steria

Sopra Group (ISIN: FR0000050809) and Groupe Steria (ISIN: FR0000072910), both pioneers in IT services, announced in April 2014 a merger of their two groups by way of a public exchange offer initiated by Sopra Group for the shares of Groupe Steria (the "Offer").

On completion of the Offer, Sopra Group held thirty million forty thousand five hundred and forty-three (30,040,543) Groupe Steria shares representing 90.52% of the share capital and 89.41% of the voting rights of the company. Following the success of this operation, Sopra Group changed its corporate name to Sopra Steria Group.

In continuation of the public exchange offer initiated by Sopra Group for Groupe Steria, and in line with the intentions announced by Sopra Group and Groupe Steria when the merger proposal was disclosed, also included in the information memorandum on the Offer approved by the *Autorité des Marchés Financiers* (the "AMF") on 24 June 2014 (AMF visa no. 14-322, the "Information Memorandum"), the Boards of Directors of Groupe Steria and Sopra Steria Group, meeting respectively on 29 and 28 October, authorised the signing of a proposed agreement for the merger by absorption *(fusion-absorption)* of Groupe Steria into Sopra Steria Group (the "Merger Agreement").

On 17 and 20 October 2014 respectively, the local and central works councils of Sopra Steria Group submitted their opinions on the proposed merger by absorption of Groupe Steria into Sopra Steria Group (the "Merger").

On 2 and 17 October 2014 respectively, the European and central works councils of Groupe Steria submitted their opinions on the proposed merger.

The Merger Agreement was signed on 5 November 2014 and notice of the Merger was published on the websites of Groupe Steria and Sopra Steria Group on 14 November 2014 in compliance with Articles R. 236-2 and R. 236-2-1 of the French Commercial Code.

Besides this Merger, the following internal reorganisation operations were carried out on 31 December 2014:

- a partial transfer of assets *(apport partiel d'actif)* by Steria SA (a French limited-liability company with a board of directors and share capital of €14,876,895, having its registered office at 12, rue Paul Dautier, 78140 Vélizy-Villacoublay and registered in the Versailles trade and companies registry under number 309 256 105, hereinafter "Steria", wholly-owned by Groupe Steria) to Sopra Steria Infrastructure & Security Services (a wholly-owned subsidiary of Steria and registered in the Annecy trade and companies registry under number 805 020 740) corresponding to its Infrastructure Management business for client IT systems and networks;
- a partial transfer of assets by Steria to Sopra Banking Software (a virtually wholly-owned subsidiary of Sopra Steria Group, registered in the Annecy trade and companies registry under number 450 792 999) corresponding to its Advanced Payment business delivering specific IT systems and solutions for automated payments and cash machines;
- a partial transfer of assets by Sopra Steria Group to Sopra HR Software (a wholly-owned subsidiary of Sopra Steria Group, registered in the Annecy trade and companies registry under number 519 319 651) corresponding to its business focusing on the development and distribution of human resources software solutions, known under the name "Pléiades"; and
- the merger by absorption (*fusion-absorption*) of Steria into Sopra Steria Group.

These internal legal restructuring operations took place on completion of the Merger, namely 31 December 2014, the closing balance sheet date of the financial year ended, immediately following the completion of the Merger, sequentially, in the order given above.

For the reader's information, as provided by Article L. 236-3 of the French Commercial Code, the merger by absorption of Steria into Sopra Steria Group did not give rise to the implementation of an exchange ratio insofar as, at the completion date of the merger by absorption of Steria, Sopra Steria Group held all of Steria's share capital as a result of the prior completion of the Merger of Groupe Steria into Sopra Steria Group. It is also specified that Sopra Steria Group and Groupe Steria had undertaken to retain all of the shares making up the share capital of Steria until the completion date. Consequently, no new Sopra Steria Group shares were created as consideration for the transfer of Steria's assets by way of the merger, and Sopra Steria Group did not carry out a capital increase in connection with the merger by absorption of Steria into Sopra Steria Group.

The proposed Merger was subject to approval by the shareholders of Sopra Steria Group and Groupe Steria at an Extraordinary General Meeting held on 19 December 2014. The agenda and proposed resolutions submitted at the Extraordinary General Meeting to the shareholders of Sopra Steria Group were published in the *Bulletin des Annonces Légales Obligatoires* dated 14 November 2014 (Bulletin No. 137).

The Merger was part of an effort to simplify the structure of the new group in France:

- a parent company that would be both a holding company and an operating company, bringing together, in addition to the Chairman and Executive Management, the central functional departments and the consulting and systems integration business lines in France, and holding, directly or indirectly, all of the new group's operating subsidiaries and equity interests;
- a company specialised in the development of banking software;
- a company specialising in the development of human resources management solutions; and
- a company specialising in IT infrastructure management and cybersecurity in France.

The Merger therefore made it possible to create an operating parent company holding all of the new group's holdings, each specialising in a particular IT field. The Merger also facilitated the operational organisation of the new group and helped reduce operating costs, notably by rationalising the costs attributable to Groupe Steria's status as a listed company. It will also accelerate the synergies sought after as part of the merger project.

The merger by absorption of Groupe Steria into Sopra Steria Group became effective on 31 December 2014. On 2 January 2015, Groupe Steria's shares were delisted from Euronext Paris.

1. Key figures

1.1. Key income statement and balance sheet items

(in millions of euros)	2014 pro forma [1] (12 +12 months)	2014 consolidated IFRS [2] (12 + 5 months)	2013
Revenue	3,370.1	2,280.3	1,349.0
Gross operating profit	283.9	220.6	113.2
Operating profit on business activity	231.2	193.0	108.9
As % of revenue	*6.9%*	*8.5%*	*8.1%*
Profit from recurring operations	210.9	180.3	101.1
As % of revenue	*6.3%*	*7.9%*	*7.5%*
Operating profit	156.8	148.2	103.9
As % of revenue	*4.7%*	*6.5%*	*7.7%*
Net profit attributable to the group	92.8	98.2	71.4
As % of revenue	*2.8%*	*4.3%*	*5.3%*
Total assets		3,496.8	1,178.5
Total non-current assets		2,160.0	570.0
Equity attributable to the group		1,057.1	357.9
Minority interests		31.3	-
Number of shares at 31 December		20,371,789	11,919,583
Basic earnings per share *(in euros)* [3]		6.81	6.00
Fully diluted earnings per share *(in euros)* [4]		6.77	5.92
Net dividend per share *(in euros)*		1.90 [5]	1.90
Total workforce at 31 December		37,358	16,284

(1) Pro forma 2014 revenue per Sopra accounting policies and after restatement of intra-group items: 12 months Sopra + 12 months Steria.
(2) 2014 IFRS financial statements: 12 months Sopra + 5 months Steria.
(3) Net profit attributable to the group divided by the average number of shares during the year.
(4) Net profit attributable to the group divided by the average number of shares during the year, taking into account the dilutive effect of instruments convertible into ordinary shares.
(5) Dividend to be proposed at the General Meeting of 25 June 2015.

1.2. Breakdown of revenue by sector

(in %)	2014 pro forma (12 + 12 months)
France	39%
United Kingdom	28%
Rest of Europe	20%
Sopra Banking Software	8%
Other Solutions	5%
TOTAL	**100%**

1.3. Revenue by vertical market

(in %)	2014 pro forma (12 + 12 months)
Financial Services	27%
Public Sector	23%
Aerospace, Defence, Homeland Security	15%
Transport, Services	12%
Telecoms, Media and Games	8%
Energy, Utilities	8%
Retail, Manufacturing	7%
TOTAL	**100%**

2. History of Sopra Steria Group

See pages 4 and 5 of this document.

3. Activities of Sopra Steria Group

3.1. A European leader in digital transformation

Sopra Steria, a European leader in digital transformation, has one of the most extensive portfolios of offerings available on the market, spanning consulting and systems integration, industry-specific solutions, infrastructure and security services and business process services (BPS).

The group provides a comprehensive response to the development and competitiveness challenges facing large companies and organisations by supporting them throughout their transformation, from strategic analysis, programme guidance and the conversion and operation of IT structures, to the design and implementation of solutions and the outsourcing of business processes.

Combining added value, innovative solutions and high-performance services, Sopra Steria's hybrid model capitalises on its substantial experience. Thanks to very close relationships with its clients, the group is able to continually innovate to ensure that its offerings remain relevant to the strategic challenges of each of its vertical markets.

Sopra Steria is an independent group, controlled to a significant level by its founders and managers, with over 37,000 employees in 20 countries implementing a strategy based on major European accounts.

Sopra Steria Group is also the preferred partner of Axway Software, whose "Axway 5 Suite" exchange platforms play an important role in renovating information systems and opening them up to digital technology.

3.1.1. CONSULTING AND SYSTEMS INTEGRATION

a. Consulting

Sopra Steria Consulting, the group's consulting brand, is one of the main players in the consulting sector. Sopra Steria Consulting has 40 years' experience in management and technology consultancy for large companies and public bodies, with 1,500 consultants in France and Europe. Its aim is to accelerate the development and competitiveness of its clients through support for their digital transformation.

b. Systems integration

Systems integration is Sopra Steria's original core business, and covers all aspects of the information system lifecycle and major transformation programmes. Sopra Steria is equipped to address the full range of its clients' software asset needs:

Design and integration

Sopra Steria's teams help their clients to implement agile, industrial-scale projects. The group undertakes to design and deliver systems in line with business requirements that are flexible and scalable, so that they can be adapted to the new requirements of digital transformation.

Performance and transformation

In addition to standard maintenance of information systems, Sopra Steria applies a continuous transformation approach to guarantee optimised operational efficiency for its clients, suited to changes in their business. The transformation approach includes an enhanced operating procedure while reducing the time to market.

Enterprise data architecture

Once they have been integrated, the systems and technologies implemented give access to reliable, relevant and critical data, offering better analysis of end-client satisfaction and optimisation of service performance.

The group's systems integration offering meets the challenges of both the obsolescence and modernisation of information systems, ensuring optimal flexibility and value creation.

3.1.2. IT INFRASTRUCTURE MANAGEMENT AND CYBERSECURITY

Sopra Steria operates all or part of an IT infrastructure by providing services such as:

- the service desk: technical and business assistance to users or client help desks;
- supervision of systems and network infrastructures;
- administration and operation of systems and network infrastructures;
- hosting infrastructures in data centres;
- information system security.

The group's activity in these areas is characterised by a significant transformation component.

As a result, upstream of the operating phase, the group takes responsibility for developing its clients' practices and processes based on organisational and technological standards that are continually optimised, offering services such as:

Infrastructure as a service (IaaS)

Sopra Steria supports its clients in their transformation by aggregating traditional infrastructure services with cloud services, in a comprehensive and secure IaaS offering.

Cloud service broker offering

Sopra Steria facilitates the integration of cloud services (IaaS, PaaS, SaaS) in the company's ecosystem, regardless of the method of sourcing (private or public) via three functions:

- aggregating services within a portal based on service catalogues;
- customising services to suit user profiles;
- integrating services in the information system and orchestration.

End-user-centric approach

Sopra Steria offers an end-user-centric approach enabling users to access any application, anytime, anywhere, regardless of the system used.

3.1.3. INDUSTRY-SPECIFIC SOLUTIONS

Sopra Steria offers its business expertise to clients via packaged solutions in three areas: Banking, Human Resources and Property Management. The group adapts and deploys its application solutions to offer its clients high-performance enterprise software packages, in line with the development of their company and the latest information technology, know-how and expertise.

Banking

Sopra Banking Software (a wholly-owned subsidiary of Sopra Steria) produces software solutions for a wide range of banking operations, enabling financial institutions to improve their responsiveness, agility and more generally their productivity. In addition to its software offering, Sopra Banking Software offers deployment, support and training services. In 2014 it had over 600 clients in 70 countries.

Solutions: Sopra Banking Software's offerings are suitable for retail, direct or network banks, as well as for private banks. The Sopra Banking Suite meets general needs by offering integrated systems, but also more specific needs such as loan services, payment transactions, management of bank cards and accounts, banking distribution, cash management and regulatory compliance via a wide range of business components.

Services: Sopra Banking Software offers a number of services linked to its solution offering. From consulting to analysis, planning, training of teams, implementation and maintenance, Sopra Banking Software supports clients throughout their project.

Sopra Banking Software operates its own solutions and also offers an SaaS solution for direct banks.

Human Resources

Sopra Steria Group also produces human resources management solutions via Sopra HR Software (a wholly-owned subsidiary of Sopra Steria). The offering is based on two product lines (Pléiades and HR Access) aimed at public and private large and medium-sized organisations, regardless of their business sector, organisational complexity or location.

Insourcing and outsourcing solutions are based on the most innovative business practices and cover a wide range of functions: payroll, administration, time and activity management, talent management, reporting and dashboards.

Sopra HR Software currently has a workforce of 1,300 people, managing over 12 million employees for 850 clients in 54 countries.

Property Management

Sopra Steria is France's leading developer of property management solutions. The group's offering meets the requirements of all corporate and private real estate market segments, including offices, shopping centres and warehouses.

The Altaïx, Ikos and Ulis solutions cover all corporate real estate sectors, for both rental and technical management, and are marketed via comprehensive solutions: products, innovative technological services and support services.

3.1.4. BUSINESS PROCESS SERVICES

Through its business process services offering, Sopra Steria operates and executes, for its clients, all or part of a process or function within the company.

The group has become a leading player for optimising operations, rationalising costs and improving management flexibility, offering solutions to outsource processes in different fields:

- finance and administration (F&A) functions;
- human resources (staff administration) functions;
- functions involving business processes, for example the operation and execution of control room processes for the police, management of bank card fraud detection for financial institutions, and management of loyalty cards in the mass retailing sector.

From consulting to operation, the teams include experts in business processes, technology, integration and data architectures, who design solutions combining performance and profitability thanks to the experience they have gained.

Sopra Steria has a key position in the business process services market in Europe. In particular, the group operates the largest platform for shared services in Europe handling financial processes (NHS SBS) and was the first IT service provider to take over the operation of part of the business and back-office processes for a police force in Europe (Cleveland police force in the United Kingdom). Winning the SSCL* contract at the end of 2013 considerably strengthened this position, making the group the first European player to be involved in both the building and operating of platforms for shared services.

3.2. Business expertise at the heart of our strategy

Sopra Steria has chosen the major vertical markets that constitute its areas of excellence. The group has a comprehensive offering in each of these fields, meeting the specific challenges of each of its clients.

3.2.1. BANKING

The banking sector is Sopra Steria's principal market. This sector is undergoing major changes and is subject to considerable constraints. In an environment where regulatory requirements are constantly changing, the digital revolution has led to the emergence of digital banking and increased the expectations of clients who now have multiple banking relationships, and are increasingly sensitive to technological developments.

Faced with these new challenges, Sopra Steria aims to be a partner that will accelerate this transformation.

Sopra Steria Group and its subsidiary Sopra Banking Software turn the changes in the banking world into opportunities for their clients, whether for risk management, regulatory compliance, data protection, improving client experience, optimising performance or identifying new sources of income.

3.2.2. INSURANCE AND SOCIAL WELFARE

Under pressure both from competitors and regulatory constraints, together with the acceleration of new usage patterns and changes in the behaviour of policyholders, insurance companies, mutual insurance companies and social welfare organisations must complete the revolution that has begun in this sector. Four major challenges must be met: control costs, improve the satisfaction of policyholders, comply with new regulations and preserve the levers of growth, all within a very short time to market.

In this market Sopra Steria offers its clients products aimed at achieving operational efficiency and a competitive advantage, through services such as: industrialisation and aligning of business processes and information systems, enhanced value of client experience, acceleration of paperless processes and digital transformation, valuation of data and information assets and the use of connected objects for prevention, big data for combating fraud and artificial intelligence for smart care.

3.2.3. PUBLIC SECTOR

Faced with new expectations from citizens and the need to optimise expenses, the public sector has introduced a vast programme to transform its activities and organisation. To address these new concerns, Sopra Steria has developed solutions for pooling the support functions of the state and local authorities, re-engineering business processes, online administrative services, and modernising healthcare information systems. As a result, public sector players ensure that they meet their targets and priorities at the lowest cost, giving their information system the agility it requires to cope with the challenges they face.

3.2.4. DEFENCE

Security is a key issue for many governments. In a tense geopolitical context, marked by the rise of new threats to states (cybercrime, terrorism, etc.), defence departments must improve their effectiveness while taking into account budgetary constraints. It has become essential to optimise the interoperability and security of critical operational systems for exchanging real-time information.

* *Shared Services Connected Limited, a joint venture between Sopra Steria and the British Cabinet Office.*

With over 40 years' experience in supporting ministries and authorities, Sopra Steria combines pragmatism and innovation, thanks to powerful technological and business solutions:

- interoperability and security of military systems;
- administrative performance and overall efficiency of the armed forces;
- efficiency of the military supply chain (supply chain management);
- operational and communication information systems (SIOC in French) for more reliable operations (industrialisation of tests);
- access control for sensitive sites, identity management and biometrics;
- control over costs and the complexity of command and control compliance.

3.2.5. HOMELAND SECURITY

Sopra Steria supports public authorities in meeting the challenges of homeland security. The group operates in 24 countries, serving clients with various specialities: police, emergency services, border control, censuses, justice, customs and homeland security.

Sopra Steria carries out large-scale, complex and critical projects on behalf of these organisations, concerning:

- management of surveys;
- automation of command and control solutions;
- management of identity and civil and criminal biometrics documents;
- intelligent, distributed computer systems;
- infrastructure security;
- mobile technologies to optimise operations on the ground.

3.2.6. AERONAUTICS AND SPACE

The aeronautics and space market is a particularly fertile sector in terms of innovation. It is subject to constraints regarding reliability, availability, security and performance, which require a full command of the technologies and processes implemented, as well as of clients' core businesses.

For optimal service, companies operating in this sector must align their capacities with the pace of production, optimise their processes and information systems while also improving profitability, deal with the regulation of heavy air traffic while also improving safety, and continually innovate within R&D cost constraints.

To meet these challenges, Sopra Steria's expertise comes into play such critical areas as production performance, supply chain management and on-board systems as well as air traffic control, always giving priority to technological innovation and business know-how.

3.2.7. TELECOMS, MEDIA AND GAMES

The telecoms, media and games sector is at the centre of the digital revolution, and is continually developing to stay abreast of new digital interactions and the emergence of new technologies and usage patterns.

Sopra Steria supports its clients, helping them to meet the following main challenges:

- transformation of the telecoms businesses: fixed-mobile convergence, acceleration of time to market, optimisation and digitalisation of client relationships;
- network management: reduction in infrastructure management costs, introduction of new technologies, reduction in delivery lead times for processes, sharing of operating and investment expenses between operators;
- core media business: use of new technologies, optimization of advertising revenue, digitalisation of content, improvement in the creation and broadcasting of television programmes;
- core Games business: management of the development of client loyalty and churn, fraud reduction and control of cash flows, compliance with specific regulations for different games and distribution channels, differentiation according to client experience.

3.2.8. ENERGY AND UTILITIES

Faced with increasingly heavy budgetary, regulatory and fiscal constraints, players in the energy sector must be increasingly creative to improve their productivity, develop new products and services, control costs, reduce their environmental impact and rationalise their operations.

Added to these challenges are the maintenance of production and distribution infrastructures that are becoming obsolescent, and the rapid changes in client requirements.

Via technological and transformation services, infrastructure management and business process services, Sopra Steria supports the transformation of energy operators and utilities in all their main businesses: exploration, production and trading, transport and distribution, marketing and services.

3.2.9. TRANSPORT

The efficiency of processes and operational excellence are crucial in this sector, whether for road, rail, sea or air transport, urban transport or logistics. Major challenges currently faced by transport operators include ecological impact reduction, mobile technologies, the client experience, safety improvements and pressure to reduce prices.

Sopra Steria offers both consulting and operation of passenger management systems, geographical information systems, transformation of multimodal hubs and optimisation of transport systems. Combining pragmatism, innovation and in-depth knowledge of the sector, Sopra Steria offers its clients decisive advantages, including:

- real-time information;
- optimisation of mobile capabilities;
- optimised safety thanks to management of disruptions and crises;
- environment-friendly and profitable urban transport networks;
- optimised management of resources, infrastructure assets and maintenance;
- lean management.

3.2.10. RETAIL, MANUFACTURING

Retailers face an unfavourable economic environment and profound and continual changes in the patterns of consumption of clients who increasingly use digital technology. Transformation is essential and involves having secure, controlled business practices as well as the innovation needed to meet consumer requirements for immediate and flexible services.

Sopra Steria guides retailers in their digital transformation, making their information system a lever for performance:

- omnichannel: control of data architecture and information flow to increase proximity to clients;
- flexibility: agility of the enterprise architecture and flexibility of resources (cloud);
- speed: management of short cycles, renewal of ranges, management of new products;
- support: data management/use, mobile technology, international channels;
- cost control: operational efficiency of logistics and warehouses; standardisation of information systems, optimisation of management processes.

3.3. A robust, ambitious mass processing strategy

Sopra Steria manages complex and large-scale programmes and projects in a market where delivery commitments are increasing and becoming globalised. The group has an increasingly wide range of skills to support multi-site projects that generate strong gains in productivity with delivery models that guarantee clients an optimal cost structure.

Sopra Steria applies an industrial production approach, supported by five levers:

- production culture: transmission of know-how and expertise in the field;
- choice of personnel: human resources are central to the approach, providing training, support and improved skills for each employee;
- organisation: the Industrial Department and its representatives in the business units control production quality and performance, identify and manage risks, support project managers and roll out industrialised production processes;
- equipment: the Quality System, in particular “eMedia” and associated software tools;
- global delivery model: rationalisation of production by pooling resources and know-how within service centres, location of services according the requirements of each client (local services in France, nearshore in Spain, Tunisia and Poland, and offshore in India).

4. Digital services sector: current situation and challenges

4.1. The main markets - Competitive environment of digital services firms

In 2014 the digital services market in Western Europe was worth an estimated €175.4bn [(1)] (excluding computer hardware/software packages/maintenance services).

DIGITAL SERVICES MARKET IN WESTERN EUROPE (EXCLUDING HARDWARE AND SOFTWARE)

Country *(in billions of euros)*	**2014 estimates**
France	21.5
United Kingdom	59.4
Germany	27.8
Rest of Europe	66.7
TOTAL	**175.4**

Source: Gartner, fourth quarter 2014, Dec. 2014. Exchange rate used for conversion into euros: USD/EUR 0.75 (2014 average rate).

DIGITAL SERVICES MARKET IN WESTERN EUROPE (EXCLUDING HARDWARE AND SOFTWARE)

Business *(in billions of euros)*	**2014 estimates**
Consulting	30.4
Development and systems integration	51.8
Outsourced IT services	67.3
Business process outsourcing	25.9
TOTAL	**175.4**

Source: Gartner, fourth quarter 2014, Dec. 2014. Exchange rate used for conversion into euros: USD/EUR 0.75 (2014 average rate).

According to IDC, in 2014 growth in global spending on computer software and IT services excluding technology consultancy, BPO and management consultancy amounted to 4.1%; this can be broken down by geographic zone as follows:

- Asia-Pacific: +5.6%;
- United States: +3.9%;
- Western Europe: +2.3%. Within this zone, there was the following breakdown between the main countries:
  - France: +1.4%,
  - United Kingdom: +2.6%,
  - Germany: +3.4%,
  - Italy: -0.1%,
  - Spain: +0.9%.

The European market presents three main characteristics:

- three countries alone (the United Kingdom, Germany and France) account for 62% of IT services spending in Europe [(1)];
- outsourcing of technology services (application maintenance and infrastructure management) and business process outsourcing together account for over 53% of the services spending of European companies [(1)];
- the sector that consumes the most IT services in western Europe is the financial services sector, comprising banks and insurance companies, which invested a total of €44.8bn in 2014, i.e. more than 25% of the total market.

In spite of the recent consolidations, the IT services market remains highly fragmented in Europe. The main competitors of Sopra Steria are divided into four categories:

- large-scale North American players, present on all continents: IBM, HP EDS, CSC, Accenture, CGI, etc.;
- large European players offering a full range of services (consultancy, development, operation, BPS) and a globalised production model: Capgemini, Atos, etc.;

(1) Source: Gartner, third quarter 2014, Dec. 2014.

- Indian players showing strong ambitions in continental Europe thanks to a favourable production cost structure: TCS, Cognizant, Wipro, Infosys, etc.;
- local players positioned in niche segments with high added value or general purpose services.

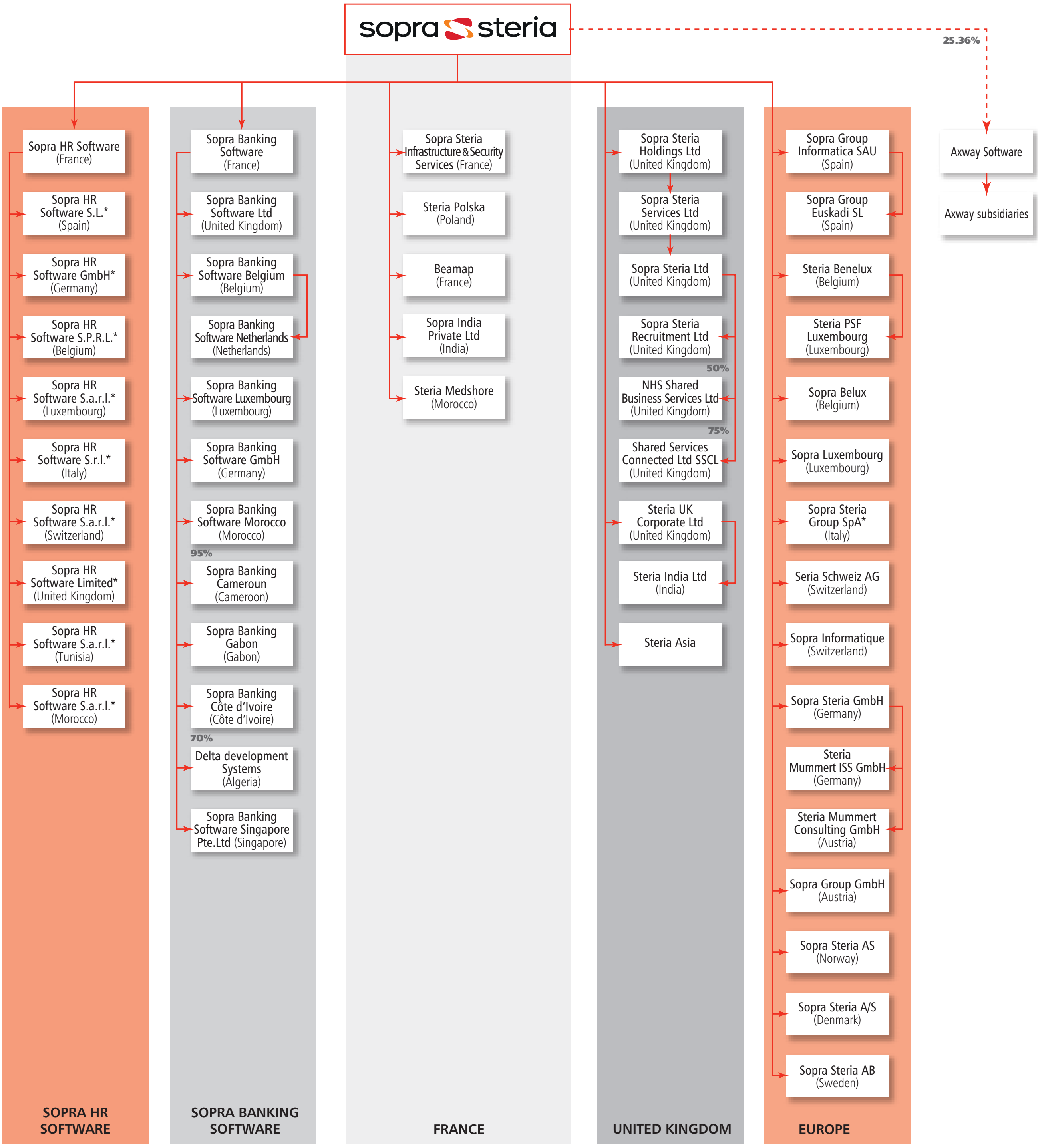
With €3.4bn in revenue at the end of 2014 and a market share of 1.9%, Sopra Steria is one of the 10 largest digital services firms in Europe (excluding captive service providers and local players).

GLOBAL TRENDS IN THE DIGITAL SERVICES MARKET (EXCLUDING HARDWARE AND SOFTWARE)

2015 trends	Estimated growth in 2015 vs 2014
World	+4.3%
Western Europe*	+2.9%
United States	+4.1%
Asia-Pacific	+5.9%

* *Including France +2.1% - Source: IDC.*

5. Simplified group structure at 31 March 2015



Note: Companies are directly or indirectly more than 95% owned, unless otherwise specified.
(*): Company whose corporate name changed after 31/12/2014.

6. Group organisation

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

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

6.1. Ongoing structure

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

6.1.1. TIER 1: EXECUTIVE MANAGEMENT

Executive Management is represented by the Chief Executive Officer, the Deputy Chief Executive Officer and the Executive Committee (Comex).

Executive Committee consists of the Chief Executive Officer, the Deputy Chief Executive Officer and the directors of the main operating and functional entities.

The members of the Sopra Steria Group Executive Committee supervise the group's organisation, management system, major contracts and functions and take part in the group's strategic planning and implementation.

6.1.2. TIER 2: SUBSIDIARIES OR COUNTRIES

These are the main operating entities. They target specific markets based on two criteria:

- business line (consulting and systems integration, industry-specific solutions, infrastructure and security services and business process services (BPS);
- geographic location (country).

These entities are managed by their own Management Committee, comprising in particular the Director and management of tier 3 entities.

6.1.3. TIER 3: DIVISIONS

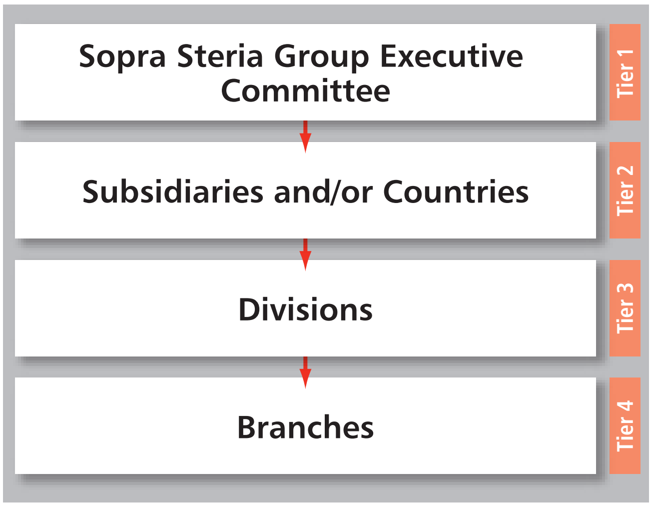
Each country or subsidiary is made up of divisions based on two criteria:

- vertical market;
- geographic location (region).

6.1.4. TIER 4: BRANCHES

Each division is made up of branches, which are the organisation's primary building blocks. They operate as profit centres and enjoy genuine autonomy. They have responsibility for their human resources, budget, operating account and results. Management meetings focusing on sales and marketing strategy and human resources are held weekly, and the operating account and budget are reviewed on a monthly basis.

The diagram below illustrates the four main tiers of the ongoing structure:



6.1.5. OPERATIONAL SUPPORT FUNCTIONS

The operational organisation is strengthened by operational support entities responsible for managing major transformations:

- the Key Accounts and Partnerships Department responsible for promoting the "Key Accounts" policy and developing relations with partners. The role of this department is to coordinate the commercial and production approaches for our major clients when different branches are involved;
- the Offerings and Innovation Department;
- the Industrial Department responsible for industrialising working methods and organising subcontracting on offshore platforms. It also checks that fixed-price projects are properly implemented.

6.1.6. FUNCTIONAL STRUCTURES

The functional departments are grouped together in two divisions:

- the General Secretariat Division which comprises four departments: the Human Resources Department, the Legal Department, the Communications and Marketing Department and the Sustainable Development and Corporate Social Responsibility Department;
- the Finance, Real Estate, Purchasing and IT Division which comprises three departments: the Administration and Finance Department, the Real Estate and Purchasing Department and the IT Systems Department.

These centralised functions ensure group-wide consistency. Functional managers transmit and ensure commitment to the group's core values, serve the operational entities and report directly to Executive Management.

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 operations.

6.2. Temporary structures for specific deals and projects

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

These are handled by temporary teams:

- within the branches;
- under the authority of a pilot unit, established to leverage synergies across several branches.

Each project is organised and carried out in order to meet fundamental objectives: client service, business success, and contribution 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, subsidiary/country or Executive Management level. Certain large projects requiring the resources of several branches may involve the creation of a division.

6.3. Creation of an Integration Committee

An Integration Committee was set up in order to manage the integration of the two companies (Sopra and Steria). This committee is managed jointly by the Chairman of the Board of Directors and the Executive Management.

It meets weekly and is attended by the various integration stakeholders, the operational managers involved and the functional departments concerned.

This committee has enabled both companies to focus on defining the future organisation and methods of operation, which were formalised in documents presented to the employee representative bodies on 17 June 2014.

Once the success of the public exchange offer had been recognised and the opinions of the employee representative bodies had been received regarding the merger of the two groups, the Committee accelerated and intensified its work. Sopra Steria Group introduced a single management organisation for the group's operations on 1 January 2015.

The change management plan was established by teams from both Sopra and Steria. It resulted in a vast integration programme defined for each population and operational and functional entity. Integration programmes were defined for each business line. These programmes include training courses, meetings, presentations and seminars adapted to the context of each operating entity and function.

7. Review of the group's position and results

7.1. General context and key events in 2014

Over the last few years, the group has developed a specific business model based on consulting, systems integration, application outsourcing and software solutions development (banking, human resources and property management sectors).

It 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 merger of Sopra Group with Groupe Steria in 2014 marked a break (the operation is described in the introduction to Chapter 1 of this Registration Document).

The planned merger announced in April 2014 resulted in the creation of Sopra Steria Group following the success of the public exchange offer by Sopra for Steria (results published by the AMF on 5 August 2014). As a result, Steria was included in the scope of consolidation of the Sopra group at the beginning of August 2014, thereby forming Sopra Steria Group.

With over 37,000 employees in 20 countries and one of the most extensive portfolios of offerings on the market, the new group is particularly well placed to meet the needs of its clients, who face increasing digital transformation challenges. To this effect, responses from key clients following the public exchange offer were very positive and the sales opportunities are promising.

Financial year 2014 was marked by three other operations:

- the acquisition by Sopra Banking Software of COR&FJA Banking Solutions GmbH (see Chapter 4 Note 2);
- the acquisition by Sopra HR Software of IBM's HR Services business (see Chapter 4 Note 2);
- the signing of an industrial and commercial partnership agreement with CS Communication & Systèmes (see Chapter 1 Section 7.3.2.).

7.2. Consolidated financial statements for financial year 2014

7.2.1. CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	**2014 (12 months Sopra + 5 months Steria)**	**2013**
Revenue	**2,280,350**	**1,348,995**
Staff costs	-1,437,602	-911,911
External purchases and expenses	-605,648	-306,294
Taxes and duties	-23,430	-17,625
Depreciation, amortisation, provisions and impairment	-26,994	-21,263
Other current operating income and expenses	6,341	17,022
Operating profit on business activity	**193,017**	**108,924**
as % of revenue excl. VAT	*8.5%*	*8.1%*
Expenses related to stock options and related items	-2,040	-2,973
Amortisation of allocated intangible assets	-10,644	-4,855
Profit from recurring operations	**180,333**	**101,096**
as % of revenue excl. VAT	*7.9%*	*7.5%*
Other operating income and expenses	-32,107	2,849
Operating profit	**148,226**	**103,945**
as % of revenue excl. VAT	*6.5%*	*7.7%*
Cost of net financial debt	-7,431	-6,980
Other financial income and expenses	-10,731	-1,439
Tax charge	-34,440	-32,546
Net profit from associates	5,880	8,430
Net profit from continuing operations	**101,504**	**71,410**
Net profit from discontinued operations	-	-
Consolidated net profit	**101,504**	**71,410**
as % of revenue excl. VAT	*4.5%*	*5.3%*
Non-controlling interests	3,303	8
NET PROFIT ATTRIBUTABLE TO THE GROUP	**98,201**	**71,402**

Sopra Steria 2014 consolidated revenue [1], which includes revenue from the Steria scope between 1 August and 31 December 2014 of €798.3m, was €2,280.3m, compared with €1,349.0m reported by Sopra for the preceding financial year.

Total staff costs for employees and external contractors represented 63% of revenue, compared to 67.6% in 2013. The rate of consultant downtime (number of days between two contracts excluding training, sickness, leave and pre-sales over the total number of working days) was 4.4% over twelve months in 2014. It should be noted that in 2013 the downtime rate was 5.0%.

At the end of December 2014, the year-end workforce (including trainees and fixed-term contracts) totalled 37,358 people, compared to 16,284 people at the end of December 2013. This increase in the workforce is mainly due to the inclusion of Steria employees.

External purchases and expenses increased as a percentage of revenue: (-)26.6%, compared with (-)22.7% in 2013.

Depreciation, amortisation and provisions, i.e. 1.2% of revenue in 2014, fell by 0.4% as a percentage of revenue.

Operating profit on business activity totalled €193.0m or 8.5% of revenue, compared with €108.9m or 8.1% of revenue in 2013.

Profit from recurring operations amounted to €180.3m, corresponding to 7.9% of revenue, compared with €101.1m and 7.5% of revenue in 2013, i.e. an increase of 0.4%.

Expenses related to stock options and free shares amounted to (-)€2.0m in 2014, compared with (-)€3.0m in 2013.

After allocating goodwill on acquisitions and on the merger with Steria, additions to amortisation of allocated intangible assets totalled (-)€10.6m in 2014, compared with (-)€4.9m in 2013.

Operating profit totalled €148.2m or 6.5% of revenue, compared with €103.9m or 7.7% of revenue in 2013.

Other operating income and expenses amounted to a net expense of (-)€32.1m, compared to net income of €2.8m in 2013. This mainly comprises charges relating to the public exchange offer with Steria, restructuring and integration expenses and the reversal of a provision of €17.4m for the Axway Software securities held.

The cost of net financial debt totalled (-)€7.4m in 2014, compared with (-)€1.4m in 2013.

Other financial income and expenses amounted to an expense of (-)€10.7m in 2014, compared with an expense of (-)€7.0m in 2013.

The tax charge totalled (-)€34.4m, compared with (-)€32.5m in 2013.

The 2014 profit or loss for the year for equity-accounted companies includes the share of earnings of Axway for the period, i.e. €5.9m.

The net profit came to €101.5m, i.e. 4.5% of revenue, compared with €71.4m in 2013, i.e. 5.3% of revenue.

Income from minority interests, which mainly comprise the UK joint ventures of Steria, amounted to €3.3m, resulting in a group share of earnings of €98.2m, compared with €71.4m in 2013.

Basic earnings per share (calculated on the basis of the weighted average number of shares outstanding during the financial year) was €6.81 compared to €6.00 in 2013, and diluted earnings per share (taking into account share subscription options already granted but not yet exercised) was €6.77 compared to €5.92 a year earlier.

To provide a clearer account of the group's consolidated financial statements, which include Sopra's results for the whole year and Steria's results from August to December, we will present successively:

- the results of Sopra alone in 2014;
- the results of Steria alone for the whole of 2014;
- the pro forma results of Sopra and Steria for the whole of 2014.

a. Results of Sopra alone

	Revenue			Operating profit on business activity				
	2014	2013	Organic growth	2014		2013		2014/2013
	(€m)	(€m)	(%)	(€m)	(% of revenue)	(€m)	(% of revenue)	(change)
France	786.6	761.9	+2.8%	66.6	8.5%	60.2	7.9%	+0.6%
Europe (excluding France)	262.5	247.6	+4.1%	7.2	2.7%	12.6	5.1%	-2.4%
Sopra Banking Software	258.2	216.1	+7.6%	32.0	12.4%	23.6	10.9%	+1.5%
Other Solutions	174.7	123.4	+10.9%	22.0	12.6%	12.5	10.1%	+2.5%
TOTAL	**1,482.0**	**1,349.0**	**+4.7%**	**127.8**	**8.6%**	**108.9**	**8.1%**	**+0.5%**

With revenue of €1,482.0m for the financial year ended 31 December 2014, the Sopra scope posted total growth of 9.9%. Organic growth was strong, amounting to 4.7%. In the fourth quarter, organic revenue growth was particularly strong at 8.8%. The operating margin on business activity was 8.6% (8.1% in 2013), amounting to €127.8m for the financial year.

(1) Pro forma 2014 revenue per Sopra accounting policies and after restatement of intra-group items: 12 months Sopra + 5 months Steria.

In France, revenue totalled €786.6m for the year, representing organic growth of 2.8%. The Sopra scope once again outperformed a market that remained difficult in this zone. Its operating profit on business activity amounted to €66.6m, representing a margin of 8.5% and a 60 basis point increase over the previous financial year. Based on its strategic approach focusing on major clients and in spite of a difficult market context, the group generated growth and improved its performance thanks to its financial services, energy and transport activities which proved particularly robust.

In Europe, organic revenue growth was 4.1%, with revenue of €262.5m. The situation was, however, mixed between the strong growth recorded by the Spanish, Swiss and Belgian subsidiaries and the challenges experienced in Germany and the United Kingdom in particular. The operating profit on business activity was €7.2m, corresponding to a margin of 2.7% of revenue, compared with 5.1% in 2013. Operational challenges in Germany and the lack of growth in the United Kingdom and Italy dampened performance. The Spanish, Swiss and Belgian subsidiaries, for their part, delivered improved profitability.

Sopra Banking Software achieved revenue of €258.2m in 2014, representing organic growth of 7.6%. The fourth quarter was marked by the signing of a major industrial partnership with La Banque Postale, which selected the Sopra Banking Platform suite to rationalise and modernise its information system. The year also featured a steady flow of licence sales which enabled revenue growth of 31.7% in the final quarter of the year. This performance validates the investment strategy that has been implemented for several years with the aim of building innovative, comprehensive and integrated core banking solutions to support banks in their digital transformation. Sopra Banking Software achieved an operating margin on business activity of 12.4% in 2014, i.e. operating profit on business activity of €32.0m. Over the financial year the subsidiary continued its investments in its products and sales development. The partnership with La Banque Postale and year-end licence signings enabled it to deliver an excellent second half featuring an operating profit on business activity equal to 17.9% of revenue, up from the first-half figure of 6.1%.

Other Solutions, which combines the Sopra HR Software subsidiary and property management products, registered significant revenue growth in 2014, with organic growth of 10.9%. After a slowdown in the third quarter of 2014, organic growth bounced back up to 5.0% in the last quarter of the year. The operating profit on business activity amounted to €22.0m, equal to 12.6% of revenue. Sopra HR Software, which benefited in June from the acquisition of HR Access Service, achieved profitability of 11.8%. The range of products designed for various segments of the property management market delivered an operating margin of 15.0% for the financial year.

b. Results of Steria alone

The operating profit on business activity by region given below is presented after central costs [(1)].

	Revenue			Operating profit on business activity				
	2014	2013	Organic growth	2014		2013		2014/2013
	(€m)	(€m)	(%)	(€m)	(% of revenue)	(€m)	(% of revenue)	(change)
United Kingdom	859.4	691.5	+18.2%	84.8	9.9%	62.9	9.1%	+0.8%
France	538.1	555.4	-3.1%	8.1	1.5%	19.6	3.5%	-2.0%
Germany	212.3	239.1	-11.2%	6.7	-3.2%	10.9	4.6%	-7.8%
Rest of Europe	277.2	268.9	+7.1%	12.4	4.5%	14.3	5.3%	-0.8%
GROUP	**1,887.0**	**1,754.9**	**+6.0%**	**99.4**	**5.3%**	**110.4**	**6.3%**	**-1.0%**

For the Steria scope, 2014 revenue totalled €1,887.0m, representing total growth of 7.5%. At constant exchange rates and scope, revenue growth was sustained and amounted to 6.0%. For the fourth quarter, which featured a higher base of comparison, organic growth was 3.0%. Operating profit on business activity was €99.4m, equalling a margin of 5.3%, as compared to 6.3% for financial year 2013.

Growth in the United Kingdom was very significant in 2014, with a rise in revenue of 18.2% at constant exchange rates and scope. This trend, driven by business process services (up 42.7% in the financial year) was sustained in the public sector where the joint venture SSCL [(2)] grew rapidly and was boosted by the decision of the UK Home Office and Ministry of Justice to join the shared service platform. Momentum was also good in the Homeland Security, Energy and Transport sectors, while Telecommunications and Financial Services experienced negative growth. Operating profit on business activity was up strongly at €84.8m (€62.9m in 2013) thanks to a significant increase in business volumes in Business Process Services and a level of profitability in this segment higher than the historical average. In total, the operating margin on business activity was 9.9%, compared with 9.1% in 2013.

(1) In order to comply with the presentation used by Sopra.

(2) SSCL: Shared Services Connected Limited, joint venture between Sopra Steria and the UK Cabinet Office.

In France, organic growth declined by 3.1% year-on-year. The slight positive growth recorded in the Energy/Utilities and Banking sectors was not enough to offset the downward trends in Telecommunications, Transport and Insurance sectors and the Public Sector. The operating margin on business activity for 2014 was 1.5%, versus 3.5% for the previous financial year. The consulting and systems integration business, notably impacted by the decision of the French State to discontinue the "*Ecotaxe*" programme, experienced a decrease in revenue after the boost received in 2013 from the final stages of building that system. On the other hand, IT infrastructure management, whose revenue for the financial year was stable, posted a minor operating loss, which was an improvement over the prior financial year.

In Germany, the situation was challenging for the entire financial year, with negative annual revenue growth of 11.2%. This drop in revenue is attributable to the departure of consultants following the management reorganisation in 2013 and the change in the entity's historical business model. Against this backdrop, fourth-quarter revenue growth was negative at -12.9%, after negative growth of -15.1% in the third quarter. In this context, the region booked an operating loss on business activity of (-)€6.7m, compared with an operating profit on business activity of €10.9m for financial year 2013.

In Other Europe, organic revenue growth was 7.1%. The region saw steady growth in Scandinavia (+13.9% organically) while revenue in Belgium continued to be impacted by the contraction of the Schengen project. The operating margin on business activity was 4.5% (5.3% in 2013), mainly on account of the decrease in profitability in Belgium.

c. Pro forma results of Sopra Steria for the 12-month financial year 2014

	2014 Pro forma (12 + 12 months)	
	(€m)	*(% of revenue)*
Revenue	3,370.1	
Operating profit on business activity	231.2	6.9%
Profit from recurring operations	210.9	6.3%
Operating profit	156.8	4.7%
Share of net profit from equity-accounted companies	6.0	
Net profit	101.6	
of which attributable to the group	*92.8*	*2.8%*
of which attributable to minority interests	*8.8*	

The presentation of the pro forma financial statements is explained in Chapter 4 Note 3 of this Registration Document.

Pro forma revenue amounted to €3,370.1m for the group as a whole, with an operating profit on business activity of €231.2m, i.e. 6.9%.

The profit from recurring operations represented 6.3% of revenue after deducting expenses related to stock options and free shares of (-)€2.3m and an amortisation expense of (-)€18.0m for all allocated intangible assets, including those linked to the Sopra Steria merger.

Operating profit amounted to €156.8m, i.e. 4.7% of revenue after taking into account non-recurring costs of (-)€71.5m and the reversal of a provision of €17.4m for impairment of Axway securities.

Net profit amounted to €101.6m, i.e. 3.0% of revenue, and comprises:

- cost of net financial debt of (-)€9.8m;
- other financial income and expenses showing a loss of (-)€20.1m;
- income tax expense of (-)€31.3m;
- share of Axway's net profit recognised using the equity method, totalling €6.0m.

The group's share of the net profit after deducting minority interests was €92.8m.

7.2.2. BALANCE SHEET AND FINANCIAL STRUCTURE

Details regarding the net assets at the start of the year are given in Chapter 4 Note 2 of this document.

Non-current assets increased from €570.0m to €2,160.0m at 31 December 2014. This item mainly comprised:

- goodwill of €1,449.3m compared with €317.5m in 2013;
- intangible assets of €219.5m compared with €54.0m in 2013;
- property, plant and equipment of €109.9m compared with €49.2m in 2013;
- equity-accounted investments (Axway Software) amounting to €146.8m compared with €118.8m in 2013;
- deferred tax assets of €156.3m compared with €25.6m in 2013.

Trade accounts receivable amounted to €942.3m, compared with €442.4m in 2013.

Cash and cash equivalents amounted to €222.4m compared with €102.2m in 2013.

Consolidated shareholders' equity totalled €1,088.4m at 31 December 2014 (including €31.3m in non-controlling interests) compared with €357.9m in 2013. The statement of changes in consolidated shareholders' equity included in Chapter 4 of this Registration Document provides a detailed presentation of the principal movements.

Borrowings and financial debt totalled €664.8m, compared with €256.8m in 2013, including €594.9m in long-term bank borrowing, €69.9m in current bank borrowing, €10.4m in equipment leasing agreements (IT hardware), and €26.9m allocated to the special employee profit-sharing reserve, reclassified as employee-related liabilities.

Net debt at the end of 2014 totalled €442.4m.

A breakdown of the change in net debt can be found in Note 24 to the consolidated financial statements, in Chapter 4 of this Registration Document.

Other current liabilities, which totalled €900.5m compared with €416.4m in 2013, mainly comprised:

- employee-related liabilities (personnel and social security) of €388.5m;
- tax liabilities for €216.5m, essentially corresponding to value added tax included in client receivables;
- a corporate income tax liability of €83.8m;
- accrued income and prepayments of €191.4m, comprising the portion of billing revenue already issued but yet to be booked as revenue.

At 31 December 2014, the group's financial position remained strong, with total equity of €1,088.4m and net debt of €442.4m.

7.3. Investments during the year

7.3.1. ACQUISITIONS DURING THE YEAR

The most important event during the year remains the Sopra Steria merger (discussed in the introduction to this chapter).

In addition Sopra Banking Software acquired COR&FJA Banking Solutions GmbH and Sopra HR Software acquired the HR Access Services business of IBM France (discussed in Chapter 4, Note 2 to the consolidated financial statements).

7.3.2. SIGNING OF AN INDUSTRIAL AND COMMERCIAL COLLABORATION AGREEMENT WITH CS COMMUNICATION & SYSTÈMES

On 6 June 2014, Sopra Steria signed an industrial and commercial collaboration agreement with its long-time partner, CS Communication & Systèmes. The main objective of the agreement is to improve and reinforce overall performance, notably by developing existing industrial and commercial collaborations in aeronautics and defence, and by establishing new areas for cooperation in activities related to security, space and energy.

In July 2014, following this agreement, Sopra Steria subscribed for an issue of convertible bonds open to CS Communication & Systèmes shareholders in the amount of €8.2m, and an agreement was entered into with the majority shareholder of CS Communication & Systèmes on customary terms.

7.3.3. RESEARCH AND DEVELOPMENT OF SOLUTIONS

The group increased its R&D initiatives, investing €95.2m in 2014, compared with €76.7m in 2013, to develop 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 certain solution offers and software packages created by Sopra, have been recognised in full as operating expenses.

7.3.4. FACILITIES

A total of €28.6m was invested in 2014 in infrastructure and technical facilities, as against €19.7m in 2013.

Investment in facilities comprised the following:

- fixtures and fittings: €12.3m;
- IT equipment: €16.3m.

8. 2014 Sopra Steria Group SA individual financial statements

After the merger with Steria SA and Groupe Steria SA, Sopra Steria 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. It has systems integration and solutions subsidiaries in Europe, subsidiaries developing software for banking (Sopra Banking Software) and human resources management (Sopra HR Software), the infrastructure subsidiary Sopra Steria Infrastructure & Security Services, and has a 25.36% stake in the global software company Axway Software, the market leader for data flow governance.

The accounts are presented in detail in Chapter 5 of this Registration Document.

8.1. Income statement

The individual financial statements cover the period after the merger with Steria SA and Groupe Steria SA, with retroactive effect from 1 January 2014.

Revenue amounted to €1,447.5m in 2014, as against €853.3m in 2013.

There was an operating loss of (-)€38.7m in 2014, compared with a profit of €51.5m in 2013.

There was a net financial loss of (-)€36.4m in 2014, compared with a gain of €1.3m in 2013.

The loss before tax and exceptional items amounted to (-)€75.2m, compared with a profit of €52.9m in 2013.

The exceptional loss amounted to (-)€60.3m in 2014, compared with a loss of (-)€1.4m in 2013.

The voluntary and compulsory employee profit-sharing expense decreased from (-)€5.2m in 2013 to (-)€1.9m in 2014 and corporate income tax increased from (-)€5.3m in 2013 to €18.7m in 2014.

Net income declined from a profit of €40.9m in 2013 to a loss of (-)€118.7m in 2014.

Research and development linked to Solutions activities represented an investment of €21.1m, mainly for property management and human resources activities (Pléiades).

In accordance with Article 39-4 of the French Tax Code, the accounts for the last financial year include a charge of €586,054 in respect of non-deductible expenses.

8.2. Balance sheet

Shareholders' equity increased from €239.2m at the end of 2013 to €749.9m at the end of 2014.

Pursuant to the provisions of Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, trade accounts payable had the following breakdown:

(in thousands of euros)	Total amount outstanding	Amount not yet due	Amount due in less than 60 days	Amount due in more than 60 days
At 31 December 2013	43,896	43,409	478	9
At 31 December 2014	97,911	86,769	897	245

Sopra Steria 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 amounted to €1,735.3m in 2014 compared with €479.8m in 2013. These comprised non-current financial assets totalling €1,106.4m, intangible assets totalling €582.7m and property, plant and equipment totalling €46.2m.

8.3. Identity of shareholders

Sopra Steria Group's share ownership structure is described in Chapter 6, Section 2 Current ownership, of this Registration Document.

8.4. Acquisition of Beamap

On 28 February 2014 Steria acquired in France all of the shares of Beamap, a consultancy and architecture firm specialising in cloud computing. This takeover was in line with the group's cloud investments and enables the group to better assist clients with consulting, management and roll-out for their cloud projects.

The acquisition cost of Beamap was €2.8m.

This acquisition is not mentioned in the Sopra Steria consolidated financial statements since it took place before Steria was included in the scope of consolidation.

9. Strategy and objectives: recent trends and outlook for 2015

9.1. Strategic priorities in 2015

Sopra Steria will continue its strategic thinking in 2015 so as to continue to develop its project. It aims above all to create value for its clients, as well as for its shareholders and employees, so that they can share the group's long-term aims and objectives.

This project is based on three key strategies:

- moving up the value chain so as to better serve the business and competition challenges faced by our clients;
- 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.

9.1.1. 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 Steria 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.

9.1.2. STRENGTHENING THE GROUP'S POSITION AS A SOLUTIONS DEVELOPER

Solution development is a key area of development in which Sopra Steria will continue to invest. Within the framework of the group's strategic plan, the aim is to enhance its 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 2015 is to combine HR Access and Pléiades in order to offer clients an end-to-end HR management solution and consolidate the group's position in this market.

9.1.3. CONTINUING THE EXTERNAL GROWTH STRATEGY

The latest acquisitions and the merger with Steria profoundly transformed the group's profile, in terms of its strategy. Its positioning in Europe has been strengthened and the coverage of its various markets has been expanded.

In future years, the group will continue its external growth strategy in order to round out its approach and continue to increase the value of its offerings for its clients by enhancing its business expertise, particularly in terms of solutions.

9.2. Recent developments

9.2.1. SOPRA STERIA INTEGRATION

Thanks to the rapid completion of the various market-related, financial, workforce-related and legal stages of the merger between 8 April 2014 (when the planned merger was announced) and 31 December 2014 (effective merger date), by 1 January 2015 the group had put in place its post-merger operational organisation.

Among the important stages completed were:

- on 16 October 2014, Groupe Steria changed its legal form from a *Société en Commandite par Actions* (SCA) to a *Société Anonyme* (SA);
- at the end of October 2014, the Employee Representative Bodies gave their opinions on the proposed merger between Sopra and Steria;
- at 31 December 2014, the new organisation was operational and integration was proceeding as planned.

At end-February 2015, the France zone, which accounts for 40% of group pro forma revenue and where the most important efforts of the integration process are concentrated, was showing a satisfactory level of business activity and its consultant downtime on a combined basis was significantly improved from fourth-quarter 2014.

9.2.2. CHANGE IN GOVERNANCE OF SOPRA STERIA

On 19 March 2015, Sopra Steria Group announced that it was simplifying its governance structures and had appointed Vincent Paris as CEO and John Torrie as Deputy CEO.

Vincent Paris, aged 50, joined Sopra Group in 1987 after graduating from the prestigious *École Polytechnique*, and has spent nearly his entire career with the group. He held several different leadership positions, notably Director of French operations and Deputy CEO of

Sopra. A member of the Executive Committee since 2011, he was most recently Deputy CEO of Sopra Steria.

John Torrie, aged 60, joined Steria in 2002 as Managing Director of UK operations and became a member of the Executive Committee in 2007. He has been a recognised professional in the information technology industry for over 40 years, and before joining Steria he held various positions of responsibility, in particular as Global Services Managing Director at SchlumbergerSema.

Under the terms of these appointments, Vincent Paris and John Torrie are responsible for the operational implementation of Sopra Steria Group's strategic plan.

François Enaud left the group on the aforementioned date.

9.2.3. PLANNED ACQUISITION OF CIMPA SAS

On 19 March 2015 Sopra Steria announced the planned acquisition of CIMPA SAS, a subsidiary of Airbus specialised in product lifecycle management (PLM) activities. The completion of this proposed acquisition would strengthen the partnership links between the two groups.

Acquiring CIMPA would enable Sopra Steria to bolster its positions in relation to major players in aerospace, transport and energy by capitalising on industry-specific expertise in the design and manufacturing of products and equipment as well as full lifecycle data management. The group's goal is to support its key accounts in their value creation process by ensuring digital continuity in areas ranging from industrial engineering to information systems.

In 2014, CIMPA's revenue was about €100m and it had 950 employees in Europe.

Sopra Steria Group would offer the company new development prospects while also diversifying its market opportunities, almost all of which so far have been in connection with its parent company. The known expertise of CIMPA's teams would further enhance Sopra Steria's ability to work on its clients' core businesses while offering a comprehensive vision of their information systems and proposing solutions for the entire industrial value chain.

If the proposed acquisition is completed, which is subject to the usual conditions precedent, CIMPA could be included in Sopra Steria Group's consolidation scope during the second half of 2015. The acquisition price has not been made public.

9.2.4. SIGNING OF A MAJOR CONTRACT WITH THE MINISTRY OF DEFENCE

On 23 April 2015, the group announced that it had been selected by the Ministry of Defence to work alongside the French General Directorate for Armament (DGA) and the Ministry of Defence's human resources department (DRH-MD) to create a payroll software programme for military personnel called Source Solde.

It will be developed using software from Sopra HR Software.

9.2.5. REVENUE FOR THE FIRST QUARTER OF 2015

1ST QUARTER 2015

(in millions of euros)	Q1 2015	Q1 2014 Sopra reported	Q1 2014 Pro forma	Organic growth	Total growth
France	333.3	197.8	329.5	1.2%	68.5%
United Kingdom	251.6	22.3	247.8	1.5%	NS
Other Europe	169.9	41.5	165.9	2.4%	309.4%
Sopra Banking Software	69.0	60.7	64.1	7.6%	13.7%
Other Solutions	48.2	36.1	44.6	8.0%	33.5%
TOTAL	**872.0**	**358.4**	**852.0**	**2.4%**	**143.3%**

Sopra Steria Group posted revenue of €872.0 million for the first quarter of 2015, representing a significant increase mainly due to the consolidation of Steria as from the month of August 2014 and that of HR Access Service as from July 2014. At constant scope and exchange rates, organic growth was 2.4%.

In **France**, where the overall context is showing signs of improvement, the group posted revenue of €333.3 million for the first quarter, which represents organic growth of 1.2%.

- Consulting & Systems Integration generated revenue of €281.3 million, representing organic growth of 2.2%. The entity demonstrated strong momentum, reaping the first commercial benefits of the merger between Sopra and Steria, which significantly raises the stature of the new combined group in the eyes of major clients. By way of example, a large-scale SAP transformation contract was signed at the start of the year with one of the leading French players in the aerospace and defence sector. More recently, the group was retained by the French defence ministry to develop Source Solde, the future payroll system for the armed forces.
- Infrastructure & Security Services, whose infrastructure management unit is the focus of turnaround efforts, saw a 4.1% organic decline for the first quarter, corresponding to revenue of €52.0 million. The cybersecurity unit recorded a significant increase in orders in first-quarter 2015 and is showing bright promise.

In the **United Kingdom**, the group posted revenue of €251.6 million, representing organic growth of 1.5%. This market offers many opportunities but in the short term the upcoming general election in May 2015 is instilling a sense of caution in the public sector. Nevertheless, Sopra Steria remains confident in its ability to deliver organic growth over the financial year as a whole and reaffirms its ambition to build its business in the private sector, particularly in the financial services vertical market.

In **Other Europe**, the group generated revenue of €169.9 million, representing organic growth of 2.4%. Contrasting trends are shaping results for the countries within this grouping. In Germany, following a particularly difficult year in 2014, the situation is beginning to show signs of stabilisation. Operations have been reorganised in this country and the group has put in place a specific assistance programme for the local management team. The decline was limited to 4.2% for the first quarter, which represents a considerable improvement over the previous quarters (11.2% decline for the 2014 financial year). In Spain and Italy, business activity was robust, with double-digit growth. In Scandinavia, where priority is being given to improving profitability, organic revenue growth was 3.1%.

Sopra Banking Software posted revenue of €69.0 million for the first quarter of 2015, representing organic growth of 7.6%. Business was on a growth track in France, notably thanks to the signing of La Banque Postale contract, and in the Middle East/ Africa. The market presents good business opportunities, for Platform as well as Amplitude products, for which R&D investments are being maintained at high levels.

Continuing the trend seen in 2014, **Other Solutions** benefited from strong sales momentum and made a good start to the year. Revenue came to €48.2 million for the quarter, representing total growth of 33.5% and organic growth of 8.0%. The HR Access product line, selected to form the basis for France's new armed forces payroll system, strengthens its positioning in the market. In addition, the unit dedicated to property management software solutions made further gains.

At 31 March 2015, the group's total workforce comprised 36,943 people (37,358 as of 31 December 2014).

9.2.6. CHANGE IN FINANCIAL POSITION

Since the end of the last financial year, there has not been any significant change in the group's financial or trading position for which audited financial statements or interim financial statements have been published.

9.3. Outlook for 2015 and ambitions for 2017

Detailed analysis has confirmed the value of operating synergies at €62m per year starting in 2017 with a total execution cost of €65m.

In that context and given the particularly high 2014 basis of comparison in the United Kingdom and the solutions business, Sopra Steria's target for 2015 is an operating margin on business activity of around 6% with a prominent seasonality effect between the first and second half. The revenue target is growth at constant exchange rates and scope.

The group intends to remain true to the values that have underpinned Sopra's performance in the past by focusing on pursuing organic growth, generating free cash flow and distributing dividends.

Based on its operating position in early 2015 and its confidence in a successful integration as well as the value of synergies to be unlocked, the group's targets for 2017 are revenue of between €3.8bn and €4.0bn and an operating profit margin on business activity of between 8.0% and 9.0%.

10. 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 considers that there are no risks that could have a significant negative impact on its business, its financial situation or its results (or on its ability to achieve its targets), and considers that there are no significant risks other than those described below. We draw the attention of our investors to the fact that the list of risks presented below is not exhaustive and that other risks may exist, that were not known or not considered as liable to have an adverse effect on the group, its business, financial condition, results or the price of the group's shares, on the date when this Registration Document was drawn up.

This document contains estimates subject to certain risks and uncertainties that may affect the group's future growth and profitability. The group highlights the fact that more licence agreements, which often represent investments for clients, are generally signed in the second half of the year, which may have a more or less favourable impact on the end-of-year performance.

Irrespective of the strategic risk associated with the group's competitive positioning or potential loss of business model relevance, Executive Management has decided that, on an operational level, the main risks are those associated with human resources, project execution and production, and business relations with key clients. As such, these risks are the subject of ongoing action plans. In addition, due to the merger of Sopra and Steria, risks relating to integration are monitored particularly closely.

10.1. Main risk factors linked to operations

10.1.1. HUMAN RESOURCES RISKS

In a services business where certain skills can be rare and clients have changing requirements, human resources risks are naturally critical. The performance of the recruitment process, skills and career management, continuity in key roles and the sharing of the group's culture and values are always key issues.

One of the main aspects of human resources management, optimum use and excellent knowledge of the resources already existing within the group (skills, abilities and potential) appears particularly important, especially as the size of the various operational entities changes.

The main human resources risks are also linked to recruitment, employee commitment, competence and suitability for client requirements, forward management of resources, retention and replacement of key employees, attrition and compliance with labour law and employment legislation.

The management, local managers and the Human Resources Department, together with the Division HR Managers have an essential role in managing these risks.

A general presentation of the human resources policy is given in Chapter 3 "Corporate Responsibility Report", Section 2 "Workforce-related responsibility".

10.1.2. PROJECT EXECUTION AND PRODUCTION RISKS

The main risk lies in the group's ability to deliver on its commitments to clients in terms of quality, lead times and costs: to deliver products and services in line with specifications and within the stipulated lead times and allocated budget, particularly in the context of major client programmes. Providing responses to fully meet client demands and controlling production quality are among the group's primary concerns.

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 onshore, nearshore and offshore production platforms, together with a management system for monitoring and controlling technical and accounting aspects.

Depending on the contractual commitments entered into, failure to provide the services specified in these contracts, or provision of sub-standard services, may result in a risk for the group (penalties, client complaints, claims for damages, additional cost, non-payment, early termination of the contracts, risk to image). Given the current economic environment, clients are ever more demanding in terms of contractual commitments and guarantees.

Unlike services provided under a time-and-materials contract, fixed-price contracts are characterised by commitments regarding the price, conformity and lead times: they may be fixed-price projects such as systems integration or software development, as well as fixed-price services such as maintenance contracts, third-party application maintenance, infrastructure management or BPS. Fixed-price service contracts are often multiannual contracts managed and monitored regularly.

For fixed-price projects and fixed-price services, poor assessment of the scale of the work to be done, an underestimate of the cost of providing the service or an incorrect estimate of the technical solutions to be implemented can lead to estimated costs being exceeded or contractual deadlines not being met. This delay can, in itself, result in late delivery penalties and/or budget overruns.

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

(in % of revenue)	2014
Licences	2.2%
Fixed-price projects	17.3%
Fixed-price services	50.5%
Time and materials contracts	30.0%
TOTAL	**100%**

In addition, regarding production, the increasing importance of issues linked to the reliability of IT and communication infrastructures should be noted.

In view of its business model, with production facilities located a long way from the marketing zone (national and worldwide shared service centres in nearshore and offshore countries), the group is potentially dependent on its remote production centres and telecommunications networks functioning correctly.

Consequently, the role of the information systems security manager within the Industrial Department has been enhanced. 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.

It should be noted that a significant proportion of the group's production activities is carried out in India. India still shows various characteristics that may constitute instability or risk factors (political, economic or social disturbances, wage inflation, natural disasters, pandemics). The group has four production facilities located at a great distance from each other in India, in three different regions, which considerably limits the consequences of certain incidents or risks that may arise in a specific region.

In addition, using a larger number of production facilities and having a variety of onshore, nearshore and offshore services makes it possible to have emergency solutions.

Risk of dependence on suppliers

Both integration projects and managed services contracts involve an increasingly high level of complexity and require working with many partners (such as publishers, manufacturers, consultants or IT services companies etc.), thus creating a certain dependence by Sopra Steria Group on some suppliers. The IT world is, however, characterised by a multiplicity of actors, thus substantially reducing the risk of dependency. Although there are alternative solutions for most of the software, hardware and networks and although the group has maintained commercial relations with most large suppliers, some projects could be affected by a residual risk of potential failure of its suppliers.

10.1.3. 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. Managing this knowledge is a key factor, making it possible to understand and respond appropriately to clients' needs, as well as to manage more effectively the risk of losing a client or major contract.

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

In 2014, our top client accounted for 4.5% of group revenue; the top five clients represented 17.9% and the top ten represented 28.5% [1].

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

In 2012, our top client accounted for 7.4% of group revenue; the top five clients represented 23.4% and the top ten represented 34.6%.

The main clients include:

- in France: Airbus Group, EDF, Société Générale, Orange and BNP;
- in the United Kingdom: Ministry of Justice, Ministry of Defence and the National Health Service.

10.2. Integration risks

Following the merger of Sopra and Steria, the group is monitoring the integration process closely, in particular via the creation of an Integration Committee. Difficulties encountered may cause higher costs and/or fewer savings or synergies than anticipated.

Any significant acquisition and integration includes implementation risks (corporate integration, sharing of information systems etc.) that may have a negative impact on the company's results.

(1) Consolidated data for the new Sopra Steria group.

Given the importance of the operation, the main risks linked to implementation of the merger between Sopra and Steria, in particular those related to the creation of synergies, completion of restructuring and reorganisation operations and estimation of integration costs have been identified and are closely monitored by the Integration Committee. The Integration Committee is co-managed by the Chairman of the Board and the Chief Executive Officer, and meets weekly with the various players involved in integration.

10.3. Financial risks

All of the financial risks are detailed in Note 32 to the consolidated financial statements, in Chapter 4 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 larger than its needs.

On 15 September 2014 the group took out a syndicated loan of €1,200m maturing in five years, with the option to extend it for two further one-year periods, comprising an amortising tranche of €200m, an amortising tranche of £80m and a multi-currency revolving credit facility of €900m. A breakdown of these borrowings is given in Note 24.1 to the consolidated financial statements.

The group has a bond issued by Groupe Steria in 2013 to institutional investors for a total of €180m maturing in July 2019.

The group had lines of credit totalling €1,527.8m at 31 December 2014. In this context, the group has entered into the covenants described in Note 32.2 to the consolidated financial statements, in Chapter 4 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. To date, there are no elements likely to have a material impact on Sopra Steria's financial position and performance.

The risk factors are detailed in Note 32.1 et seq. of the consolidated financial statements in Chapter 4 of this document, and the liquidity risk in particular is detailed in Note 32.2.

Regarding the treasury risk, it should be noted that a large proportion of the group's revenue is achieved with public authorities and European government bodies. A very small proportion of the revenue was achieved with clients residing outside the OECD, and the largest proportion of the revenue was achieved with key accounts, in accordance with the group's business strategy. These factors help to reduce the group's credit risk profile.

In order to control and mitigate any potential risk associated with insolvency or non-payment, client counterparty risk is monitored by the Finance Department in the framework of a group procedure governing the main aspects, i.e. the rules for the opening of new accounts, defining credit limits, requiring guarantees when necessary, follow-up procedures and handling of disputes.

10.4. Risks associated with retirement benefit obligations in the United Kingdom (pension funds)

This point is discussed in Note 25 to the consolidated financial statements.

Sopra Steria provides retirement benefits in several countries. Such benefits are usually provided by associated pension funds or directly by the group. They are either based on defined benefits (where the individual is guaranteed a certain percentage of his or her salary as a benefit) or on defined contributions (where the benefit is determined based on the investment returns achieved over the contribution period). Defined benefit plans are recorded in Sopra Steria's financial statements in accordance with IAS 19 (revised).

In the UK the assets of the defined benefit pension plans are managed in funds administered by independent trustees, and employees are entitled to retirement benefits based on their salary and length of service.

In the case of defined benefit plans, the employer is obliged to cover any deficit between the value of the fund assets and the pension obligations to be paid.

Since 2010, defined benefit plans have been replaced by defined contribution plans. The defined benefit plans are now maintained only in connection with a few outsourcing projects relating to the Public Sector, to comply with the legislation and commitments made to clients.

In 2014, as part of its three-yearly negotiations, Sopra Steria concluded an agreement with trustees concerning additional future contributions to pension funds, aimed at meeting deficits over a period of 4 to 13 years depending on the plan. These additional contributions which were agreed on by the parties are in keeping with the amounts paid over the last three years. They will be increased at the annual rate of inflation.

The Company and trustees also agreed on the strategy for investing funds and the policy for managing assets and liabilities, the purpose of their agreement being to reduce volatility and exposure to interest rate and inflation risks, in particular by the use of swaps.

As part of the three-yearly negotiations concerning pension funds, the next assessment and discussion with trustees regarding future contributions is planned for the end of 2015/beginning of 2016. Following this assessment, the parties have 15 months from the "valuation date" to hold discussions and reach an agreement.

A breakdown of the asset portfolio of the UK pension funds at 31 December 2014 is shown below (based on average market values):

	2014	2013
Shares	34%	34%
Bonds	54%	46%
Property/Infrastructure	10%	13%
Other assets	2%*	7%
TOTAL	**100%**	**100%**

* *Including derivatives used to manage interest rate and inflation risks.*

For further information, see Note 25 to the consolidated financial statements in Chapter 4 of this document which gives a breakdown of the assets and commitment of the defined benefit pension plans.

The current value of pension obligations for schemes with defined benefits is calculated based on actuarial assumptions and is therefore subject to changes in macroeconomic conditions. The main factors concerned are long-term interest rates, inflation and mortality. As an illustration, a 0.25 point reduction in the discount rate would cause a €82m increase in commitments at the 2014 closing rate.

Assets invested in different asset classes (including shares) are subject to the risk of fluctuations in financial markets. As an illustration, a 10% drop in the value of assets would cause a €135m reduction.

It should be noted that any economic impact of these variations must be assessed over the medium and long term, according to the duration of the commitments. Deficits resulting from such variations in assets and/or liabilities do not necessarily change in the same direction. Changes in regulations or accounting standards may cause an increase in commitments and have a negative impact on the group's financial statements.

10.5. Other risks

10.5.1. LEGAL RISKS

a. Compliance with laws and regulations

The group's business is an unregulated activity, and therefore requires no special legal, administrative or regulatory authorisation. Some services, such as managed services or systems integration provided to clients whose business activity is subject to special regulations may lead the group to have to adhere to the contractual obligations linked to these regulations. Moreover, the group is a multinational company that operates in many countries, subject to various constantly changing laws and regulations, and recruits large numbers of employees each year. As such, the training and management aspects and legal and financial reviews are highly important.

b. Intellectual property

To protect its intellectual property, the group relies on a combination of contracts, copyrights, trademarks, patents and confidentiality and trade secrecy obligations. In addition, due to their complexity, the technological fields covered by the group involve an increasing number of issues linked to intellectual property that require special attention, and specific contractual clauses, in particular during integration of third-party software, use of software company licences in connection with integration projects or infrastructure management services and/or for any issues regarding reuse of software modules in connection with integration projects. Operational staff regularly receive training on protecting intellectual property.

The group and its subsidiaries have protected the main trademarks used in each country concerned.

The brand portfolio is managed by the Legal Department in collaboration with an industrial property advisor.

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

Neither the group nor any of its subsidiaries have filed for or hold other patents for software.

Sopra and its subsidiaries own exclusive intellectual property rights to all their software, either through having developed it in-house or by having acquired if from third parties. Software packages developed by the group, by Sopra Banking Software or by Sopra HR Software are generally marketed directly. However there are a few distribution agreements with partners.

c. Tax risks

As with any international group operating in multiple jurisdictions, the group has structured its activities with regard to various regulatory obligations. Insofar as the tax rules in the different countries where the group operates are continually evolving and may be subject to interpretation, the group cannot provide an absolute guarantee that these interpretations will not be challenged, possibly with negative consequences for its financial position or results. In addition, the group is subject to the usual tax audits. In particular, in France and India it has been selected for adjustments or received requests from the tax authorities, which have been formally challenged. At 31 December 2014 these disputes were still under investigation by the tax authorities or courts.

In France, a request for approval has been made to the tax authorities to transfer to Sopra Steria part of the tax loss carryforwards from Steria prior to 1 January 2014. Since no response had been received from the tax authorities on the consolidated balance sheet date, the group took into account the risk of rejection of this request to transfer losses, and the loss of the corresponding deferred tax assets. In this connection, see Note 19.4 to the consolidated financial statements in Chapter 4 of this document.

d. Disputes

Provisions are recognised in respect of ongoing disputes, as described in Notes 26 and 35 to the consolidated financial statements, in Chapter 4 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. To date, the group is not aware of any governmental, legal or arbitration proceedings, including any proceedings that may be suspended or threatened, which may have or have had a material impact on the financial position or profitability of the Company or group during the past twelve months.

It should be noted that an administrative inquiry by the Competition Authority in France was launched at the end of 2014 into the main IT services companies operating in France, including Sopra and Steria. This procedure is in progress, and no feedback has been received following the inquiry carried out at the time of publication of the present Registration Document. In addition, Steria was informed during the financial year of a report drawn up by the French labour inspectorate regarding its Meudon site, concerning the recording and monitoring of working time. At the time of publication of the present Registration Document, no action had been taken following that report, whose content is contested by the group.

10.5.2. RISKS TO REPUTATION AND IMAGE

Since the group gives priority to a strategy focusing on key accounts, and is recognised for its ability to manage complex development, transformation and execution issues in visible and sensitive areas, it is required to carry out significant and sensitive projects that may result in difficulties that will undermine the group's credibility and image with its clients.

10.5.3. INDUSTRIAL AND ENVIRONMENTAL RISKS

Since it operates exclusively in the mainly intangible field of IT services, the group's environmental impact is not extensive. However, although that impact is judged to be of low significance due to the nature of the group's activities, the group nevertheless endeavours to limit it. (See Chapter 3, Section 3 of this document).

10.6. Insurance and risk coverage

To optimise its risk hedging policy, on 1 January 2015 Sopra Steria Group extended the coverage of its insurance programmes taken out with leading insurance companies.

The coverage limits were reassessed on 1 January 2015 with regard to the size of the new Sopra Steria Group and the risks incurred. The main insurance programmes put in place by the group are as follows:

- Operational and professional civil liability

  The civil liability insurance programme covers all of the group's companies, for monetary consequences arising as a result of their civil and professional liability in connection with their activities, due to bodily injury, material or non-material damage caused to third parties. Overall benefit is limited to €150m per claim and per year of insurance;
- Direct damage and operating loss

  This programme covers the group's sites for the direct material damage they suffer and any resulting operating losses. Overall benefit (for all types of damage and operating losses) is limited to €100m per claim and per year of insurance. This programme only covered part of the group's sites at 1 January 2015 and is currently being extended to cover all group sites, in addition to the existing local policies.

In addition, group programmes were put in place covering in particular:

- the civil liability of managers and company officers;
- assistance to employees on assignment, as well as to expatriate employees.

2 Corporate governance

Report of the Chairman of the Board of Directors on corporate governance, internal control 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 its application of the principle of balanced gender representation;
- the manner in which the work of the Board of Directors is 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 8 of this Registration Document.

The disclosures required by Act no. 2006-387 dated 31 March 2006 relating to takeover bids are provided in Section 13 of Chapter 6.

This report was approved by the Board of Directors in its meeting of 21 April 2015.

1. Composition of the Board of Directors

The Combined General Meeting of 27 June 2014 adopted various resolutions relating to the composition of the Board of Directors and made the following decisions:

- three new Board members were appointed, effective immediately;
- four new Board members were provisionally appointed, subject to the successful completion of the public exchange offer for the shares of Steria;
- the Articles of Association were amended to provide for the appointment of directors representing employees by the Works Council (in accordance with the provisions of the French employment protection act of 14 June 2013).

In its meeting of 18 December 2014, the Works Council decided to postpone the appointment of directors representing employees.

At the date of this report, the Board of Directors is comprised of 15 members with voting rights, 10 of whom were appointed for the first time in 2012 or later, and one non-voting member.

The Board of Directors includes six members who are considered independent under the definition provided by the AFEP-MEDEF Code of Corporate Governance for Listed Companies (five directors and one non-voting member).

The Board of Directors includes four women directors among the 15 members with voting rights, in compliance with Article L. 225-17 of the French Commercial Code.

1.1. Composition of the Board of Directors

First and last name (age) Business address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments currently held
Pierre Pasquier (79 years) **Sopra Steria Group** **9 bis, rue de Presbourg** **75116 Paris – France**	108,113 *See Chapter 6, Section 2*	**Chairman of the Board of Directors** Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ Chairman of Sopra Steria Group Δ ■ Chairman of Axway Software Δ ■ Chairman and CEO of Sopra GMT ■ Director or company officer of subsidiaries (direct and indirect) of Sopra Steria Group and Axway Software
François Odin (81 years) **Régence SAS** **Les Avenières** **74350 Cruseilles – France**	52,742 *See Chapter 6, Section 2*	**Vice-Chairman of the Board of Directors** Member of the Audit Committee	19/06/2012	2017	■ **Chairman of Régence SAS** ■ Managing Director of Sopra GMT ■ Director or company officer of foreign subsidiaries (direct and indirect) of Sopra Steria Group
Éric Hayat (74 years) **Sopra Steria Group** **9 bis, rue de Presbourg** **75116 Paris – France**	40,000	**Vice-Chairman of the Board of Directors** Member of the Remuneration Committee Member of the Nomination, Ethics and Governance Committee	27/06/2014	2017	■ **President of Éric Hayat Conseil** ■ Chairman of the public interest group Modernisation des Déclarations Sociales (MDS GIP) ■ Director of Rexecode ■ Chairman of the Statutory Committee of Syntec Numérique ■ **Other positions and appointments held during the last five years:** • Member of the Supervisory Board and then Chairman of the Board of Directors of Groupe Steria SA Δ
Astrid Anciaux (50 years) **Steria Benelux SA/NV** **36, boulevard du Souverain** **B-1170 Brussels – Belgium**	712	Member of the Board of Directors	27/06/2014	2017	■ **Chief Financial Officer – Benelux, Sopra Steria Group** ■ Member of the Supervisory Board of Steriactions, the company mutual fund (FCPE) of Groupe Steria ■ Director of Soderi ■ Director of Steria Benelux SA/NV ■ Director of Steria PSF Luxembourg SA
Christian Bret (73 years) **Sopra Steria Group** **9 bis, rue de Presbourg** **75116 Paris – France**	10	Member of the Board of Directors **Independent Director** Member of the Remuneration Committee Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Managing Partner of Eulis** ■ Director of Econocom Group Δ ■ Director of Altran Technologies Δ

* *Annual General Meeting to approve the financial statements for the year indicated.*
Δ *Current directorship at a listed company.*

First and last name (age) Business address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments currently held
Kathleen Clark-Bracco (47 years) **Sopra Steria Group** **9 bis, rue de Presbourg** **75116 Paris – France**	5,575	**Permanent representative of Sopra GMT** Chairman of the Nomination, Ethics and Governance Committee Member of the Remuneration Committee	27/06/2014	2017	■ **Director of Corporate Development, Sopra Steria Group** ■ Vice-Chairman of Axway Software Δ
Gérard Jean (67 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 Remuneration Committee Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Chairman of the Management Board of Altime Associates SA**

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

Δ *Current directorship at a listed company.*

First and last name (age) Business address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments currently held
Bernard Michel (67 years) **Gecina** **14-16, rue des Capucines** **75002 Paris – France**	101	Member of the Board of Directors (Non-voting member)	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 ■ Director of EPRA ■ **Other positions and appointments held during the last five years:** • Chief Executive Officer of Gecina SA • Chief Executive Officer of Predica • Chief Executive Officer of Crédit Agricole Assurances • Chairman of GIE Informatique Silca, Aeprim SAS • Chairman of the Board of Directors of Crédit Agricole Immobilier – Unimo • Chairman of CA Grands Crus SAS • Vice-Chairman of Pacifica • Vice-Chairman of Emporiki Life (Greece) • Director of Amundi Immobilier SA, Crédit Agricole Leasing SA, Litho Promotion, OPCI Pasteur Patrimoine, Attica GIE • Permanent representative of Crédit Agricole SA on 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 of Predica, Pacifica and CAAGIS SAS • Chairman of the Supervisory Board of STET • Permanent representative of Crédit Agricole Assurances on the Board of Directors of Crédit Agricole Creditor Insurance • Permanent representative of Predica on the Supervisory Board of CAPE SA Director of La Médicale de France SA • Non-voting member of the Board of Directors of Siparex • Member of the Board of Directors of the Fédération Française des Sociétés d'Assurances (FFSA) • Vice-Chairman of Fédération Française des Sociétés d'Assurance Mutuelle (FFSAM) and 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 most subsidiaries of Gecina SA

* *Annual General Meeting to approve the financial statements for the year indicated.*
∆ *Current directorship at a listed company.*

First and last name (age) Business address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments currently held
Jean Mounet (70 years) **Sopra Steria Group** **9 bis, rue de Presbourg** **75116 Paris – France**	7,350	Member of the Board of Directors	19/06/2012	2017	■ **Chairman of Trigone SAS** ■ Director of Econocom Group Δ ■ Director of AS2M (Malakoff Médéric) ■ Chairman of the Observatoire du Numérique ■ Member of the Board of Directors of the Fondation Télécom ■ Member of the Board of Directors of Pacte PME
Éric Pasquier (44 years) **Sopra Banking Software** **9 bis, rue de Presbourg** **75116 Paris – France**	503 *See Chapter 6, Section 2*	Member of the Board of Directors	27/06/2014	2017	■ **Chief Executive Officer of Sopra Banking** Software ■ Director or company officer of subsidiaries (direct and indirect) of Sopra Steria Group ■ Member of the Board of Directors of Sopra GMT
Jean-Luc Placet (63 years) **IDRH Consultants** **124-126, rue de Provence** **75008 Paris – France**	100	Member of the Board of Directors **Independent Director** Member of the Remuneration Committee Member of the Nomination, Ethics and Governance Committee	19/06/2012	2017	■ **Chairman and CEO of IDRH Consultants** ■ Member of the Conseil Économique et Social and Vice-Chairman of its "Labour and Employment" section ■ Member of the Executive Committee and Finance Commission of MEDEF ■ Chairman of Fédération Syntec
Jean-Bernard Rampini (58 years) **Sopra Steria Group** **9 bis, rue de Presbourg** **75116 Paris – France**	7,336	Member of the Board of Directors	27/06/2014	2017	■ **Director of Offerings and Innovation, Sopra Steria Group** ■ Chairman of the Board of Directors of Soderi ■ Founding Director of the Steria – Institut de France Foundation
Sylvie Rémond (51 years) **Société Générale** **75886 Paris Cedex 18 – France**	2	Member of the Board of Directors	17/03/2015**	2017	■ **Co-Head, Coverage and Investment Banking, Société Générale Corporate & Investment Banking** ■ Director of SGBT Luxembourg (Société Générale group) ■ Director of KB Financial Group Czech Republic (Société Générale group) ■ **Other positions and appointments held during the last five years:** • Director of Oseo • Director of SG Re
Marie-Hélène Rigal-Drogerys (45 years) **ASK** **11, rue du Tanay** **74960 Cran Gevrier – France**	100	Member of the Board of Directors **Independent Director** Member of the Audit Committee	27/06/2014	2017	■ **Consultant with ASK Partners**
Hervé Saint-Sauveur (70 years) **Sopra Steria Group** **9 bis, rue de Presbourg** **75116 Paris – France**	100	Member of the Board of Directors **Independent Director** Chairman of the Audit Committee	19/06/2012	2017	■ **Director of LCH Clearnet SA** ■ Director of Axway Software Δ ■ Director of Viparis Holding ■ Director of Comexposium ■ Elected member of the Paris Chamber of Commerce and Industry

* *Annual General Meeting to approve the financial statements for the year indicated.*
** *Co-optation by the Board of Directors.*
Δ *Current directorship at a listed company.*

First and last name (age) Business address	Shares in the Company owned personally	Position held on the Board of Directors	Date of appointment	Expiration of term*	Main positions and appointments currently held
Jean-François Sammarcelli (64 years) **Société Générale 75886 Paris Cedex 18 – France**	100	Member of the Board of Directors	19/06/2012	2017	■ **Advisor to the Chairman, Société Générale** ■ 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 of Banque Tarneaud ■ Director of Sogécap ■ Member of the Supervisory Board of Société Générale Marocaine de Banques ■ Director of Sogeprom ■ Director of Boursorama Δ ■ Non-voting member of the Board of Directors of Ortec Expansion ■ Director of Amundi Group ■ **Other positions and appointments held during the last five years:** • Permanent representative of SG FSH on the Board of Directors of Franfinance.

* *Annual General Meeting to approve the financial statements for the year indicated.*
Δ *Current directorship at a listed company.*

Changes since the start of the 2014 financial year in the composition of the Board of Directors

Appointments	Sopra GMT (represented by Kathleen Clark-Bracco)
	Éric Pasquier
	Marie-Hélène Rigal-Drogerys
	Astrid Anciaux
	François Enaud
	Éric Hayat
	Jean-Bernard Rampini
Resignations	Kathleen Clark-Bracco (due to her appointment as permanent representative of Sopra GMT)
	Françoise Mercadal-Delasalles, effective 1 January 2015
	François Enaud, effective 17 March 2015
Co-optations	Sylvie Rémond, effective 17 March 2015, replacing Françoise Mercadal-Delasalles

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 or her duties and responsibilities;
- any familial relationship with another member of the Board of Directors, with the exception of Éric Pasquier, who is related to Pierre Pasquier;
- 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 governing and 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 the AFEP and MEDEF and updated in June 2013. This document may be viewed on the MEDEF website.

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

The organisation and working procedures 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 procedures of the Board of Directors are 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 18 of the Articles of Association, discussed in Chapter 8 "Administrative and legal information" of this Registration Document.

As stipulated by the Articles of Association, the term of office of directors is maintained at six years, in line with the duration of the group's strategic plans. Given that the composition of the Board of Directors has been substantially updated, with the majority of currently serving directors appointed over the last three years, it was deemed all the more unnecessary to shorten the term of office.

2.1.3. INTERNAL RULES AND REGULATIONS OF THE BOARD OF DIRECTORS

A revised version of the internal rules and regulations was adopted by the Board of Directors on 3 September 2014. This document defines the roles of the Board of Directors, its Chairman and the Chief Executive Officer, and specifies the conditions for the exercise of their prerogatives.

It also sets out the number, purpose, composition and role of the committees tasked with preparing certain matters for the Board of Directors, and in particular specifies the provisions relating to its three standing 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 powers under applicable law and the Articles of Association, 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. CHARTER OF THE BOARD OF DIRECTORS

The updated version of the Board of Directors' charter, which was adopted on 3 September 2014, covers 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 BY MEMBERS OF THE BOARD OF DIRECTORS

In accordance with its internal rules and 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 11 times in 2014. The attendance rate for Board members across the year was 90%.

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

2.2.2. ISSUES DISCUSSED

The main issues discussed in 2014 were:

- approval of the financial statements for the year ended 31 December 2013;
- 2014 budget and major strategies;
- quarterly performance;
- approval of management forecasts and corresponding reports;
- approval of the interim financial statements for the first half of 2014;
- continuation of regulated agreements;

- exemption from shareholder approval of regulated agreements involving wholly-owned subsidiaries;
- preparation of the Combined General Meeting of 27 June 2014;
- approval of the Report of the Chairman of the Board on corporate governance, internal control and risk management;
- appointment and dismissal of company officers;
- approval of the recommendations of the Compensation Committee, in particular those relating to the compensation of company officers;
- the group's strategy, the tie-up with Steria and its implementation procedures;
- group financing;
- preparation of the Combined General Meeting of 19 December 2014;
- external growth transactions;
- working procedures of the Board of Directors, its internal rules and regulations and its charter;
- 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 (non-voting member);
- François Odin;
- Marie-Hélène Rigal-Drogerys (independent director).

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 external 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.

The Audit Committee was convened six times in 2014 in the presence of the Statutory Auditors. The main items of business at these meetings were as follows:

- the various aspects of the tie-up with Steria within the Committee's purview (accounting and tax-related aspects, legal restructuring, organisation of the finance function and external audits, etc.);
- validation of cash-generating units;
- the 2013 impairment tests;
- approval of the financial statements for the year ended 31 December 2013;
- review of the financial statements for the first half of 2014;
- group financing;
- the organisation and 2014 work programme for the group's internal audit function;
- the group's mapping of its risks and the audit universe;
- monitoring the implementation of the recommendations provided by audits;
- the draft of the Report of the Chairman of the Board on corporate governance, internal control and risk management;
- continuous improvement of internal control;
- integration of acquisitions;
- significant changes in the Company's legal environment;
- assignments, work schedule and budget of the Statutory Auditors;
- update of the Committee's charter;
- assessment of the work of 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, permanent representative of Sopra GMT;
- Éric Hayat;
- Jean-Luc Placet (independent director).

Its main responsibilities 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 executives;
- verifying the application of rules determined for the calculation of variable components of compensation;
- 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 directors' fees received by company officers and principal executives;
- 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 granting share subscription or purchase options and awarding free shares;
- preparing decisions related to employee savings plans.

The Committee met seven times in 2014 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 severance agreement entered into with Pascal Leroy;
- the fixed and variable compensation received by the Company's principal executives;
- the apportionment of directors' fees;
- the charter setting out the principles for the Committee's operation.

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:

- Kathleen Clark-Bracco, permanent representative of Sopra GMT (Chairman);
- Christian Bret (independent director);
- Éric Hayat;
- Gérard Jean (independent director);
- Pierre Pasquier;
- Jean-Luc Placet (independent director).

Its main responsibilities are as follows:

- proposing appointments of members of the Board of Directors and company officers, particularly in the event of an unforeseen vacancy;
- evaluating the Board of Directors and the effectiveness of the group's governance procedures;
- ensuring that the group's values are observed, defended and promoted by its company officers, executives and employees;
- verifying that governance rules are applied within the Company and its subsidiaries;
- assessing whether Board members may be considered as independent in view of debates by the Board of Directors on this subject;
- proposing and managing changes it deems beneficial or necessary to the procedures or composition of the Board of Directors.

Lastly, the Nomination, Ethics and Governance Committee also monitors the corporate social responsibility policy and ensures that is aligned with the Company's objectives.

The Committee met four times in 2014 and worked on:

- the effectiveness of governance procedures;
- the appointment and dismissal of company officers;
- the appointment of new Board members;
- the assessment of the Board of Directors and its operations;
- the verification of the Company's compliance with the AFEP-MEDEF Code;
- the qualification of independent directors;
- the review of the Report of the Chairman of the Board on corporate governance, internal control and risk management and of the Board of Directors' operations;
- the assessment of progress made in the application of the group's Code of Ethics;
- the Company's policy as regards professional and pay equality;
- the Committee's own procedures.

2.4. Organisation and assessment of the Board of Directors

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

a. 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 summary report on Sopra Steria 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 rules and 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 DIRECTORS

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;
- Marie-Hélène Rigal-Drogerys;
- Hervé Saint-Sauveur;
- Bernard Michel (non-voting member).

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 Steria is consolidated in the financial statements of Sopra GMT, 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 Steria to propose at Axway's General Meeting that he be appointed to the Board of Directors of Axway Software in preparation for the latter being spun off in June 2011.

Furthermore, Bernard Michel, the Board's non-voting member, 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. ASSESSMENT OF THE BOARD OF DIRECTORS

a. Diversity objectives

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

The Board of Directors includes four women directors among the 15 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.

The Board also has two non-French members. Moreover, several French Board members have international experience.

b. Assessment of the Board of Directors

In accordance with the recommendations of the AFEP-MEDEF code in this area:

- each year, at least one discussion by the Board of Directors is devoted to its operating procedures and ways in which they might be improved;
- in addition, the Board of Directors carried out a formal assessment of its operations in 2013, led by the Nomination, Ethics and Governance Committee. This assessment was the subject of a discussion by the Board of Directors.

3. Roles of company officers

On 19 June 2012, Sopra's Board of Directors decided to separate the roles of Chairman and Chief Executive Officer.

Following the successful public exchange offer initiated by Sopra for the shares of Groupe Steria SCA (see press release dated 6 August 2014), the Board of Directors met on 3 September 2014 and appointed François Enaud as Chief Executive Officer of Sopra Steria Group and Vincent Paris as Deputy Chief Executive Officer.

On 17 March 2015, Vincent Paris was named Chief Executive Officer, replacing François Enaud.

The Chairman:

- drives the group's strategy, including transactions related to mergers and acquisitions;
- oversees all corporate and financial communications efforts;
- conducts meetings, jointly chaired with the Chief Executive Officer, of the internal integration committee established following the successful public exchange offer for Steria;
- assists Executive Management by contributing to certain operational assignments.

The Chief Executive Officer:

- works with the Chairman to define the group's strategy;
- supervises the implementation of decisions adopted;
- ensures the operational management of all group entities;
- leads the transformation and industrialisation process.

4. Policy for the compensation of company officers

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.

In line with the group's established practice, the Chairman and the Chief Executive Officer (and the Deputy Chief Executive Officer, if one has been appointed), who together comprise the group's company officers, as well as its principal operational executives serving as members of the group's Executive Committee, are covered by the same compensation system.

This compensation system consists of a fixed component, supplemented by a variable component, which 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.

The value of the profitability target, generally determined on the basis of operating profit on business activity, is the same for company officers, Executive Committee members and managers whose variable compensation depends in part on the group target. Defined precisely, the values for the indicator's lower and upper limits as well as the target are never made public for confidentiality reasons.

The level of achievement of individual targets, in particular those based on qualitative criteria, is not used to release a variable compensation component, but rather to make upward or downward adjustments in the amount calculated on the basis of the main profitability target.

Insofar as there is no qualitatively determined component of compensation, the Company departs from the recommendations of the AFEP-MEDEF code, which states that "when qualitative criteria are used, a limit must be determined for the qualitative part".

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

5. Departures from the guidelines set forth in the AFEP-MEDEF Code

At its meeting of 16 April 2015, the Nomination, Ethics and Governance Committee noted the following departures from the guidelines set forth in the AFEP-MEDEF Code:

- as stipulated by the Articles of Association, the term of office of directors is maintained at six years, in line with the duration of the group's strategic plans. Owing to the fact that the composition of the Board of Directors has been substantially updated, with the majority of currently serving directors appointed over the last three years, it was deemed all the more unnecessary to shorten the term of office;
- the Board's internal rules and regulations 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 Officer and the Deputy Chief Executive Officer(s), if appointed, and to periodically review future management arrangements. These considerations are now addressed by the Compensation Committee, whose membership includes three of the five independent directors. Other than independent directors, directors who do not hold and have not held any executive or other internal positions represent a shareholder acting in concert with the controlling interest;
- given his seniority in the group, the employment contract of Vincent Paris was not terminated when he was appointed Chief Executive Officer. This employment contract has been in suspension since his appointment as Deputy CEO on 16 January 2014.

Guidelines regarding the status and compensation of company officers

- Insofar as there is no qualitatively determined component of compensation, the Company departs from the recommendations of the AFEP-MEDEF Code, which states that "*when qualitative criteria are used, a limit must be determined for the qualitative part*".

6. Internal control and risk management procedures

The group is active in a range of business activities, primarily consultancy and intellectual services (see Section 10 of Chapter 1). These markets are highly competitive. Suppliers are assessed by clients based on two key differentiating factors: client confidence in a supplier's ability to provide quality services and price.

The competition faced by the group is multiform; the group must compete with the client's own internal teams, with major multinational groups and with small firms benefiting from specialist technical expertise or a deep-rooted local presence. Despite increasing market consolidation over the last few years, the software and services sector remains fragmented, with the continuous evolution of products and services driven by the emergence of economic or organisational needs as well as rapid technological change.

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

This context requires the group to implement a highly decentralised operational organisation favouring autonomy and promoting decision-making at the local level. To provide the necessary governance in this decentralised structure, a specialised information system with robust coordination and control capabilities allows the group to foster effective exchange among all participants along a short management decision chain so that the Executive Committee remains close to the group's business activities.

The main challenges involve the ability to expand the group's presence among major clients while improving quality of delivery and reducing costs; as well as the management of human resources so as to assign the most qualified team members to each role. With respect to the preparation of accounting and financial information, this does not pose any specific challenges with the exception of accounting for work in progress and associated revenue recognition. Physical assets held by the group are not material.

All group employees, regardless of their role, 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. Rules and procedures must be applied appropriately.

In the context of the Sopra Steria merger, maintaining operational performance and effective change management are important issues. The business operations of Sopra and Steria, staffed by teams of engineers imbued with a strong project management culture, show considerable similarities overall and internal control principles are largely shared.

This section of the report outlines Sopra Steria's internal control system based on the reference framework issued by the AMF. A specific subsection addresses the preparation of accounting and financial information. The main risks to which the group is exposed are presented in Section 10 "Risk factors" of Chapter 1 "Sopra Steria Group in brief" in accordance with Article L. 225-100 of the French Commercial Code.

The aim is that Sopra Steria's internal control system be applied at the parent company and all of its subsidiaries. Although all of the group's subsidiaries are included within the scope of group operational and accounting management, the internal control system discussed in this section, which was rolled out in full to the group's consulting, systems integration and solutions development operations in January 2015, as well as to Sopra subsidiaries, will be implemented at the European subsidiaries originating with Steria and in the IT infrastructure management business between now and sometime in 2016. Steria's internal control system is at present still being used in the United Kingdom and in Asia because it is better adapted to the specificities of the business activities pursued in those locations.

During the transitional period, those subsidiaries will continue to apply the procedures previously implemented at Steria, notably including a specific information system managed and maintained by the group's Information Systems Department, an internal control manual (the Book of Internal Control Rules or BOICR) allowing for self-assessments at the country level, and distinct production methods and quality assurance procedures.

The components of the group's Management Reporting and Controlling System (MRCS), detailed in this section, are not yet all rolled out to those subsidiaries. However, existing systems involving in particular monthly operational reviews of business activities and performance, together with weekly and monthly management meetings coordinated by Executive Management, promote the achievement of overall risk management objectives and the preparation of standardised business, accounting and financial information at group level. An integration committee, led by the Chairman of the Board of Directors and Executive Management, meets each week.

As set out below, one of the fundamental components of the internal control system is the Management Reporting and Controlling System (MRCS). This system draws on and updates a database using standardised models within an internally managed information system. It serves to communicate information internally as well as to identify and manage risks. The system's various processes are designed to ensure the consistency and timeliness of information to be shared with the relevant stakeholders, as well as facilitating decision-making and monitoring action plans.

As set out in the specific section on control activities, there are two functions that are central to ensuring the effectiveness of controls:

- the Industrial Department, which verifies that the group's Quality System and production methods are fully and adequately applied, thus ensuring the effectiveness of production;
- Financial controlling, which ensures that the management controlling system, a key component in the preparation of accounting and financial information, is working properly.

Internal Audit is tasked with monitoring and evaluating the group's internal control system. When auditing group entities, the first checks carried out are those related to the usage of the MRCS and the operating effectiveness of control activities.

6.1. Presentation of Sopra Steria's internal control system

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

According to the definition in 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;
- implementation of instructions and guidelines issued by Executive Management;
- proper functioning of the Company's internal processes, particularly those intended to safeguard its assets;
- reliability of financial disclosures;

and, in a general sense, to contribute to the control of its business activities, to the effectiveness of its operations and the efficient use of its resources, while not being able to provide an absolute guarantee that the Company's objectives will be achieved.

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

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

6.1.2. ORGANISATION

This section refers to the group's legal and internal organisation, definition of powers and responsibilities, human resources function, 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.

a. 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, unless otherwise required by specific situations.

The legal organisational structure is presented in Chapter 1, Section 5 "Sopra Steria Group in brief".

The group also holds a stake of more than 25% 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 accounted for using the equity method.

b. The group's internal organisation

The group's internal organisation is described in Chapter 1, Section 6 "Group organisation". It is characterised by an operational organisation based on four levels and by the centralisation of functions.

c. Definition of powers and responsibilities

Written rules define the powers held by operational managers in the fields of sales and marketing, human resource management and resource commitments. These rules also govern certain decisions taken by central group functions, particularly legal, finance, human resources and facilities Directors.

d. Human resource management policy

Human resource managers at country or division level serve as liaisons between the central Human Resources Department and operations, monitoring the proper application of rules and procedures.

Career management is based on a guide to the group's professions that defines the various business lines and the types of professionals employed. A harmonisation process is currently underway between this guide and the one used by Steria.

Assessments are carried out by project managers and are taken into account in the context of annual career interviews between employees and their line managers. Human Resource Committees (HRCs), made up of the senior management and all line managers of each business unit, meet twice a year to assess and review employees' roles, performance and future development. In particular, the purpose of these meetings is to share knowledge of employees, to assess their skills, performance and development potential from a cross-functional perspective, and to establish development plans accordingly. HRCs held at every level of management (branch, division, country and group) serve to ensure consistency, fairness and alignment with the objectives embodied in the group's strategic HR vision. Action plans are then rolled out and managed throughout the year within each entity.

Adherence to group values, which is an essential criterion in the selection of managers, is a strong driver of cohesion and promotes the application of fundamental management principles. Managers play a key role in ensuring that employees successfully adopt the group's culture. The dissemination of the group's culture is also supported by Sopra Steria Academy, whose training events include integration cycles and the annual convention bringing together all of the group's senior managers.

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

e. Information system

An information system developed by the group addresses all the needs of its management, including monitoring operations, revenue, invoicing and cash collection, sales pipeline, budgeting and forecasting, preparation of accounting and financial information and human resource management. The dashboard reports produced by this information system are used during management meetings. As specified in the introduction, a separate information system, developed by Steria, still covers a portion of the group's operations. A standardised group reporting system for management purposes has therefore been put in place, with the assistance of the Information Systems Department.

The Information Systems Department is responsible for all information system aspects (infrastructure, security, equipment purchases, applications used for the group's internal requirements). The objectives of this department 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 continuous access must be guaranteed, and finally to optimize the information system's cost/service balance.

The position of Information Systems Security Manager (ISSM), outside the Information Systems Department, ensures the development, adaptation and application of the group's Information Systems Security Policy (ISSP) in collaboration with all operational and functional departments concerned. The Information Security Committee (ISC), comprised of the heads of the group industrial, information systems, legal, human resources, real estate and purchasing departments, as well as the chief security officer and representatives of Executive Management (Executive Committee), meets three times a year.

f. Procedures

The group has established a code of ethics that sets out its values, helps to ensure compliance with laws and regulations in force in all countries where the group operates, and promotes its commitments to the proper conduct of its business activities.

The group issues rules and procedures covering organisation and delivery management, internal and accounting procedures, information systems, human resources, production and quality assurance, sales and marketing, procurement and expenses.

Functional managers are responsible for the implementation, update and dissemination, by means of a training programme, of these rules and procedures, and for monitoring compliance, acting under the authority of Sopra Steria'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.

The group considers that its key operational risks relate to human resources and production delivery.

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

With respect to production, Sopra Steria's engineering methodology defines all production, management and quality assurance processes required to successfully manage projects, with the primary aim of effectively contributing to the delivery of high quality IT systems that meet clients' needs in line with time and budget constraints.

This methodology defines project management practices and processes suited to various environments and at 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 procedural guides and operating manuals.

The legal review of client commitments is based on the principle that the Legal Department reviews all contracts before they are signed (excluding standard group contracts). A procedure is in place to ensure the approval flow for such contracts.

g. Tools

The centralisation of IT and other functions referred to in this document results in the standardisation of IT equipment and applications.

Management applications and office automation software are designed to standardise the documents produced by the group.

The production tools used or developed by the group allow for the industrialisation of project delivery by improving the quality of deliverables. They are aligned with 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.

Continuous effort is made to capitalise on any best practices identified in the application of production tools during project support and training.

6.1.3. INTERNAL INFORMATION COMMUNICATION SYSTEM

a. General description of the Management Reporting and Controlling System

The Management Reporting and Controlling System (MRCS) is designed not only to manage the dissemination of information, upwards to Executive Management and downwards to the operational units, but also to guide, control, support and train. It captures decisions made at steering meetings held at each of the different organisational levels, including the group Executive Committee.

These meetings are governed by specific standards (reporting timetable, participants, agenda, documents to be presented at the beginning and end of the meeting) and are supported by the management reporting system developed by the group.

Meetings are held according to a calendar, dependent on the organisational level and timeframe objectives:

- weekly meetings for the current month: priority is the monitoring of sales, production and human resources;
- monthly meetings for the current year. Beyond the topics discussed weekly, additional emphasis is placed on financial indicators: entity performance for the previous month, update of annual forecasts, actual vs. budget, etc.;
- annual meetings, looking ahead several years; the annual budget process is driven by the strategic plan.

b. Deployment of the Management Reporting and Controlling System to all group entities

The implementation of this system, generally completed in the shortest possible time for any newly acquired company, at all operational and functional entities is a highly effective vehicle for cohesiveness, the sharing of values and practices throughout the group, and for controlling. Accordingly, the MRCS was immediately implemented, from January 2015, for consulting, systems integration and industry solutions operations in France and will be extended to the other business lines originating with Steria between now and sometime in 2016, with the exception of the United Kingdom and Asia, where the existing system is to be maintained, as it is better suited to the specificities of the business activities pursued by in those areas.

6.1.4. RISK IDENTIFICATION AND MANAGEMENT PROCESS

As a reminder, the risk management objectives formalised in the AMF reference framework are as follows:

- create and preserve the group's value, assets and reputation;
- secure decision-making and the group's processes to attain its objectives;
- promote consistency between the group's actions and its values;
- mobilise the group's employees behind a shared vision of the main risks and raise their awareness of the risks inherent in their activities.

The effective implementation of the risk identification and management process is under the supervision of Executive Management, who receive information on risks from operational, functional and financial controlling. The aim of this process is to anticipate risks and mitigate them as efficiently as possible to support the realisation of group objectives.

All staff and management are active participants in the risk management process. The importance of risk management is inherently appreciated by Sopra Steria personnel as most of them are engineers, already well versed in a culture of project management, a critical part of which is risk management.

a. Risk mapping procedure

The risk map has been disseminated and discussed during meetings of the group Executive Committee in order to ensure its completeness, evaluate the assessment of key risks, assess mitigation plans and agree on the level of residual risk deemed acceptable for the group. It will be supplemented with information provided by Steria's risk mapping.

b. Risk identification and management through the Management Reporting and Controlling System (MRCS)

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.

As part of their overall management function, branch managers and division/country managers are responsible for the direct supervision of human resources, sales and marketing, and administration at their level of operations.

The relaying of information relating to identified operational and functional risks is structured by the rules governing the MRCS 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 prioritised and 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, close to the situation, accompanied if necessary with input from the next reporting level. When a decision is required at the group level, the procedures for risk mitigation (owner and action timeline) are typically determined by the Executive Committee during its meetings.

Group functions are responsible for the definition and proper application of policies relating in particular to human resources, finance, production, client and supplier contracts, information systems, facilities and communications. They report to Executive Management on a monthly basis, including any newly identified risks, their impact assessment and steps for risk prevention or remediation.

The risk management process also incorporates reviews by the Financial Controlling team, the Industrial Department and the Internal Audit team.

c. Crisis management procedures

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 situations.

This crisis management unit, which consists of Executive Management, functional Directors 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.

6.1.5. CONTROL ACTIVITIES

Beyond the self-assessment procedures and the control procedures implemented by operational managers at every level who apply delegation of authority principles, functional managers play a particular role in the area of risk management by providing assistance and guidance to operational staff, using either a preventive approach to perform the mandatory reviews required or by using detective controls on the implementation 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 Financial Controlling and the Industrial Department is responsible for control procedures relating to the management of its Quality System.

a. Finance Department (Financial Controlling)

Financial Controlling falls under the responsibility the Finance Department. There are currently seventy-six controllers, whose main responsibilities include the consolidation and analysis of monthly results produced by the internal management system, controlling the consistency of monthly forecasts, supervising the application of group controls and procedures, assisting operational managers, training management system users, and performing the reconciliation between the internal management accounts and the general ledgers.

As part of its control responsibilities, Financial Controllers identify and measure risks specific to each branch. In particular, they ensure that contractual commitments and project production are aligned with the revenue recognised. They raise alerts for projects that present technical, commercial or legal difficulties. They check that revenue is recognised in line with group accounting rules as well as analysing any commercial concessions applicable and verifying their treatment in the branch's accounts. They also ensure that the costs for the branch are completely and accurately recognised.

Particular attention is paid to cash management. Financial controllers monitor unbilled revenue and contractual milestone payments, and check that invoices issued are paid. In coordination with the branch manager they trigger cash collection activities managed directly by the Finance Department. They check any credit notes issued.

Financial Controllers assess branches' organisation and administrative operation. They police compliance with rules, procedures and deadlines. They are involved in assessing the performance of internal management system operators.

b. Industrial Department (Quality Management System)

Quality management relies upon the day to day interaction between the operational and quality structures and covers the methods for the production and application of professional standards.

Sopra Steria's quality structure is independent of the project management and delivery operations. As such it offers external quality assurance for projects with the objectives of assuring production and cost controlling, overseeing associated human resources, verifying production conformity and compliance with quality assurance procedures defined in the quality plan, and monitoring the plan's effectiveness.

Industrial managers under the authority of division/country managers and reporting functionally to the group Industrial Department are responsible for monitoring the Quality System and all projects.

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

Projects are reviewed on a regular basis, at key phases in their life cycle. Organised by the Industrial Department, or by the quality structure's local representatives, these reviews provide an external perspective on the status and organisation of projects. More than 1,400 pre-sales or project reviews of this type were conducted in 2014 at Sopra entities. Over 1,000 similar reviews, supervised by risk and quality managers at entities, and with the same aim of independent verification, were also carried out at Steria entities.

These reviews are carried out by professionals designated by the quality structure for their skills. The pool of reviewers is made up of more than 350 people.

Monthly steering meetings facilitate an overview of quality at all levels, the monitoring of annual quality targets established during management reviews and the determination of the appropriate action plans to continuously improve production performance and the quality of Sopra Steria products and services.

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 analysis of project reviews and internal structural audits performed at all levels of the group. During this review, the adequacy of the quality policy is evaluated, the annual quality objectives are defined and possible improvements and changes in the Quality System are considered. The review is performed first at the level of Executive Management and then at the entity level.

The implementation of actions agreed during steering committees, audits and reviews is checked by the Industrial Department. In addition, annual plans for improvement of the Quality System are drafted during the annual review performed by Executive Management.

The group has put in place a certification policy, covering all or a portion of its operations, depending on market expectations. This policy relates to the following standards or frameworks: ISO 9001, TickIT Plus, ISO 27001, ISO 22301, ISO 14001, ISO 20000 and CMMI.

6.1.6. ONGOING MONITORING OF THE INTERNAL CONTROL SYSTEM

a. Internal monitoring system

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

Executive Management

Executive Management constitutes the top level of the internal control and risk management system and takes an active role in monitoring its continuing effectiveness. It takes any action required to correct the issues identified and remain within acceptable risk tolerance thresholds. Executive Management ensures that all appropriate information is communicated in a timely manner to the Board of Directors and to the Audit Committee.

The Internal Audit Department plays a key role in supporting these objectives.

Internal Audit Department

Through the application of the internal audit charter adopted by the group, the Internal Audit Department, which has a staff of nine, has the following tasks:

- independent and objective evaluation of the effectiveness of the internal control system via a periodic audit of entities;
- formulation of all recommendations to improve the group's operations;
- monitoring the implementation of recommendations supported by Executive Management;
- updating the risk map.

The work of the Internal Audit Department is organised with a view to covering an "audit universe", a matrix of key group processes derived from the group's mapping of its risks and the Quality System, subject to annual review by the Audit Committee. The relevance of the group's audit universe was verified following the tie-up between Sopra and Steria.

Internal Audit, which reports to the Chairman of the Board of Directors and operates under the direct authority of Executive Management, 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, shared with Executive Management, notably on the basis of risk information obtained using the risk mapping procedure, the priorities adopted for the year and the coverage of the "audit universe".

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

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

Internal audit carried out 21 assignments in 2014.

Board of Directors (Audit Committee)

The Audit Committee develops their understanding of the main features of the internal control and risk management procedures selected and implemented by Executive Management to manage risks: organisation, roles and functions of the key actors, approach structure for reporting risks and monitoring the operating effectiveness of control systems.

It has an overview of all the procedures relating to the preparation and recording 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 through:

- approval of the annual internal audit plan;
- meeting with its Director once a year in the presence of the Statutory Auditors, but without the presence of management;
- biannual review of the results of internal audit assignments and monitoring implementation of management action plans.

b. External monitoring system

Furthermore, the internal control system is also monitored by the Statutory Auditors and by AFNOR Certification inspectors with respect to 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 engaged throughout the year across the group. Their involvement is not limited to interactions with the accounting department. To gain a more in-depth understanding of how operations and transactions are recorded 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 branch 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 branch or subsidiary.

Quality 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, quality certification inspectors select the sites visited depending upon an audit cycle and relevance 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 continuous improvement.

6.1.7. EVALUATION AND CONTINUOUS IMPROVEMENT PROCESS

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

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 strengthening the internal control framework; these assessments may be direct and specific requests from the Audit Committee.

For example, the Audit Committee initiated an overall evaluation in 2014 of the continuous control system at group level (existence, relevance and application of procedures) as well as a self-evaluation approach for internal control based on a questionnaire.

The sharing of best practices for internal control and risk management originating with both Steria and Sopra allows for the reinforcement of existing systems.

6.2. Preparation of accounting and financial information

6.2.1. COORDINATION OF THE ACCOUNTING AND FINANCIAL FUNCTION

a. Organisation of the accounting and financial function

Limited number of accounting entities

By keeping the number of legal entities, and therefore accounting entities, relatively low, the group can drive reductions in operating costs and minimise risks.

Centralised coordination of the accounting and financial function

The activities of Sopra Steria's accounting and financial function are overseen by the group's Finance Department, which reports directly to Executive Management.

The responsibilities of the Finance Department mainly involve maintaining accounts, financial controlling, tax issues, financing and cash accounting, and participation in financial communication and legal matters.

Each subsidiary has its own accounting team that reports functionally to the group's Finance Department.

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 follows the management reporting and controlling cycle described above: weekly meetings to address current business activities, monthly meetings devoted to a detailed examination of figures (actual 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 period close.

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 is supported by the Audit Committee, as described in Section 2.3.1 of this chapter.

b. Organisation of the accounting information system

Accounting

The configuration and maintenance of the accounting and financial information system are centralised at group level. Central teams manage access permissions, which are updated at least once a year. The granting of these permissions is validated by Finance teams at the subsidiaries.

All group companies prepare, at a minimum, complete quarterly financial statements on which the group bases its published quarterly revenue figures and interim financial statements.

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 Industrial Department, which validates the commitment remaining on projects, and by the Finance Department (Financial Controllers).

6.2.2. PREPARATION OF THE PUBLISHED ACCOUNTING AND FINANCIAL INFORMATION

a. Reconciliation with the internal management system accounting data

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

The budget process, 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.

Finally, 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 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, amongst 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 Management Reporting and Controlling System (MRCS).

The results derived from the monthly management reporting documents are verified by Financial Controllers reporting to the Finance Department, who also reconcile this data with the quarterly accounting results in the general ledgers.

b. 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.

c. 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 at 31 December, the financial statements of Sopra Steria Group 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, notably in order to review the Company's exposure to risks, verify that the procedures for gathering and controlling information guarantee its reliability, and ensure that accounting policies have been applied consistently and appropriately. It gathers comments from the Statutory Auditors.

The group's financial statements are then presented to the Board of Directors for approval.

d. 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 filed with the AMF after being audited by the Statutory Auditors.

Summarised statements on the compensation of company officers and options and shares granted (AMF Position-Recommendation No. 2009-16, revised on 17 December 2013)

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

	2014	2013
Compensation due for the year	€563,187	€479,955
Value of multi-year variable compensation allocated during the year	-	-
Value of stock options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**€563,187**	**€479,955**

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

	2014		2013	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€350,000	€350,000	€350,000	€350,000
Annual variable compensation	€192,500	€105,000	€105,000	€105,000
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	€16,354	€20,622	€20,622	€19,950
Benefits in kind	€4,333	€4,333	€4,333	€6,499
TOTAL	**€563,187**	**€479,955**	**€479,955**	**€481,449**

As Chairman and CEO of Sopra GMT, the holding company that takes an active role in managing Sopra Steria, Pierre Pasquier received fixed compensation in respect of the 2014 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.

SUMMARISED STATEMENT OF COMPENSATION DUE AND OPTIONS AND SHARES GRANTED TO VINCENT PARIS (TABLE 1 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2014	2013
Compensation due for the year	€475,852	-
Value of multi-year variable compensation allocated during the year	-	-
Value of stock options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**€475,852**	**-**

At its meeting on 21 April 2015, the Board of Directors decided, at the suggestion of the Compensation Committee, to change Vincent Paris' fixed annual compensation to €400,000 starting on 1 July 2015.

SUMMARISED STATEMENT OF COMPENSATION DUE AND PAID TO VINCENT PARIS (TABLE 2 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2014		2013	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€300,000	€300,000	-	-
Annual variable compensation	€165,000	€62,400	-	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	€10,852	€10,852	-	-
TOTAL	**€475,852**	**€373,252**	**-**	**-**

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

	2014	2013
Compensation due for the year	€125,048	€498,322
Value of multi-year variable compensation allocated during the year	-	-
Value of stock options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**€125,048**	**€498,322**

Pascal Leroy's appointment as Chief Executive Officer was terminated on 30 April 2014. A severance agreement entered into with Pascal Leroy on 17 June 2014 has been submitted for approval at the upcoming General Meeting under resolution 6 (see the presentation of resolutions in Chapter 7).

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

	2014		2013	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€123,077	€123,077	€400,000	€400,000
Annual variable compensation	-	€80,000	€80,000	€102,542
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	€1,971	€1,971	€18,322	€18,322
TOTAL	**€125,048**	**€205,048**	**€498,322**	**€520,864**

SUMMARISED STATEMENT OF COMPENSATION DUE AND OPTIONS AND SHARES GRANTED TO FRANÇOIS ENAUD (TABLE 1 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2014	2013
Compensation due for the year	€205,267	-
Value of multi-year variable compensation allocated during the year	-	-
Value of stock options granted during the year	-	-
Value of performance shares granted during the year	€70,125	-
TOTAL	**€275,392**	**-**

The table above shows the pro rata compensation due to François Enaud for the period September-December 2014.

François Enaud was appointed as Chief Executive Officer with effect from 3 September 2014.

Mr Enaud was eligible to receive compensation as General Manager of Groupe Steria SCA for the period from 3 September to 16 October 2014 as well as a grant of performance shares from Groupe Steria SCA on 15 October 2014.

Mr Enaud became eligible to receive compensation from Sopra Steria Group as Chief Executive Officer on 16 October 2014. This compensation was set at a level identical to the compensation he received as General Manager of Groupe Steria SCA (i.e. annual fixed compensation of €410,000 and variable compensation subject to performance targets of €318,000).

A severance agreement entered into with François Enaud on 17 March 2015 has been submitted for approval at the upcoming General Meeting under resolution 7 (see the presentation of resolutions in Chapter 7).

SUMMARISED STATEMENT OF COMPENSATION DUE AND PAID TO FRANÇOIS ENAUD (TABLE 2 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

	2014		2013	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€136,667	€136,667	-	-
Annual variable compensation	€63,600	-	-	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	€5,000	-	-	-
Benefits in kind	-	-	-	-
TOTAL	**€205,267**	**€136,667**	**-**	**-**

Compensation due to the 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

	2014	2013
Astrid Anciaux (appointed with effect from 3 September 2014)		
Directors' fees	€5,000	-
Other compensation	-	-
Christian Bret		
Directors' fees	€20,833	€22,951
Other compensation	-	-
Kathleen Clark-Bracco (permanent representative of Sopra GMT since 27 June 2014)		
Directors' fees	€20,833	€22,951
Other compensation	-	-
Éric Hayat (appointed with effect from 3 September 2014)		
Directors' fees	€9,420	-
Other compensation	-	-
Gérard Jean		
Directors' fees	€20,476	€27,362
Other compensation	-	-
Hélène Martel-Massignac (resigned effective 22 May 2013)		
Directors' fees	-	€15,931
Other compensation	-	-
Françoise Mercadal-Delasalles		
Directors' fees	€8,750	€14,399
Other compensation	-	-
Bernard Michel (non-voting member)		
Directors' fees	€17,143	€19,809
Other compensation	-	-
Jean Mounet		
Directors' fees	€12,500	€14,399
Other compensation	-	-
François Odin		
Directors' fees	€26,786	€22,190
Other compensation	-	-
Éric Pasquier (appointed on 27 June 2014)		
Directors' fees	€6,250	-
Other compensation	-	-
Jean-Luc Placet		
Directors' fees	€20,833	€20,894
Other compensation	-	-
Jean-Bernard Rampini (appointed with effect from 3 September 2014)		
Directors' fees	€5,000	-
Other compensation	-	-
Marie-Hélène Rigal-Drogerys (appointed on 27 June 2014)		
Directors' fees	€11,012	-
Other compensation	-	-

	2014	2013
Hervé Saint-Sauveur		
Directors' fees	€33,810	€40,264
Other compensation	-	-
Jean-François Sammarcelli		
Directors' fees	€10,000	€8,228
Other compensation	-	-
TOTAL	**€228,646**	**€229,378**

The total amount of directors' fees to be allocated with respect to the 2014 financial year was €250,000 (the eighth resolution approved at the General Meeting of 27 June 2014). The directors' fees allocated to Pierre Pasquier and François Enaud with respect to 2014, totalling €16,354 and €5,000 respectively, are presented in the table found in this Section.

The internal rules and regulations of the Board of Directors stipulate that 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. Participation by chairmen in meetings of their respective committees counts double.

OTHER COMPENSATION RECEIVED IN 2014

It should be noted that:

- Trigone, a company controlled by Jean Mounet, invoiced commercial consulting services totalling €341,250 in 2014 under the terms of a contract signed in 2009;
- Éric Hayat Conseil, a company controlled by Éric Hayat, provided consulting services for the development of strategic operations billed in the amount of €69,000 between September and December 2014 under an agreement with Steria in force since 2007.

SHARE SUBSCRIPTION AND PURCHASE OPTIONS GRANTED DURING THE YEAR TO EXECUTIVE COMPANY 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	Value of options according to the method used for the consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
-	-	-	-	-	-	-

SHARE SUBSCRIPTION AND PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EXECUTIVE COMPANY 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
-	-	-	-

On 14 November 2014, following the termination of his duties as Chief Executive Officer, Pascal Leroy exercised a total of 3,196 options that had been granted to him on 18 March 2008, prior to his appointment as a company officer.

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

Authorisation	Number and date of plan	Number of Sopra Steria shares awarded during the year	Value of shares according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
General Meeting of Groupe Steria shareholders of 22 May 2014	Groupe Steria Plan No. 13 of 15 October 2014	1,375	€70,125	15 October 2017	15 October 2019	For 50% of the shares allocated, tied to consolidated revenue growth over two years; for the remaining 50%, tied to growth in operating profit on business activity over two years

François Enaud was appointed as Chief Executive Officer with effect from 3 September 2014. Mr Enaud received a grant of performance shares from Groupe Steria SCA on 15 October 2014, while he still held the position of General Manager.

FREE SHARES AWARDED TO COMPANY OFFICERS NO LONGER SUBJECT TO A HOLDING PERIOD 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 shares no longer subject to a holding period during the year	Exercise price	Vesting conditions
-	-	-	-	-

OVERVIEW OF STOCK OPTION GRANTS (TABLE 8 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

See Section 3.3.3 in Chapter 5.

TEN LARGEST GRANTS OF STOCK OPTIONS TO EMPLOYEES OTHER THAN COMPANY OFFICERS AND OPTIONS EXERCISED BY SAID EMPLOYEES DURING THE YEAR (TABLE 9 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

See Section 3.3.3 in Chapter 5.

OVERVIEW OF FREE SHARE AWARDS (TABLE 10 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

See Section 3.3.4 in Chapter 5.

EMPLOYMENT CONTRACTS, SUPPLEMENTARY PENSION PLANS, ALLOWANCES OR BENEFITS DUE ON THE CESSATION OF DUTIES OR A CHANGE IN DUTIES, NON-COMPETITION CLAUSES (TABLE 11 – AMF POSITION-RECOMMENDATION NO. 2009-16, REVISED ON 17 DECEMBER 2013)

Executive company officers	Employment contract		Supplementary pension plan		Allowances or benefits due or likely to become due as a result of the cessation of duties or a change in duties		Allowances for a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre Pasquier Chairman Term of office began: 2012 Term of office ends: 2018		X		X		X		X
Vincent Paris Chief Executive Officer Term of office began: 2015 Term of office ends: unspecified	X*			X		X		X

* *By way of exception to AFEP-MEDEF guidelines, given his seniority in the group, the employment contract of Vincent Paris was not terminated when he was appointed Chief Executive Officer. This contract has been in suspension since his appointment as Deputy CEO on 16 January 2014.*

Report of the Statutory Auditors pursuant to Article L. 225-235 of the French Commercial Code on the Report of the Chairman of the Board of Directors of Sopra Steria Group

For the year ended 31 December 2014

To the Shareholders,

In our capacity as Statutory Auditors of Sopra Steria 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 2014.

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

It is our responsibility to:

- present to you any observations that we have on the basis of the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
- 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

Professional 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 engagement 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 the other disclosures required by Article L. 225-37 of the French Commercial Code.

Paris and Courbevoie, 27 April 2015

The Statutory Auditors

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

3 2014 Corporate Responsibility Report

1. Sopra Steria, an engaged corporate citizen

Sopra Steria pursues a proactive corporate social responsibility policy that is aligned with our business requirements, one that is part and parcel of our broader commitment to sharing information every year on what we have undertaken and what we have achieved.

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

WE SUPPORT

As an expression of these values, Sopra Steria is a signatory of the United Nations Global Compact, which serves as the founding framework for its approach to corporate responsibility. Through this commitment, Sopra Steria 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 the group was founded. Sopra Steria is therefore committed to encouraging compliance with these principles within its sphere of influence, helping its clients and partners to adopt responsible business practices.

The group's commitment to the Global Compact, its day-to-day activities as a responsible company and the publication of this Corporate Responsibility Report are part of its ongoing efforts to ensure transparency, fairness and loyalty in its dealings with all its stakeholders: clients, employees, shareholders, partners, suppliers and members of civil society.

In a rapidly developing group with an ambitious Enterprise Project, the corporate responsibility approach contributes to the overall cohesion and engagement of teams.

It is important for Sopra Steria to continue to grow, while ensuring that it shares its values and its Enterprise Project with its employees and all its stakeholders.

1.1. Activities and operations

Sopra Steria, a European leader in digital transformation, has one of the most extensive portfolios of offerings available on the market, spanning consulting, systems integration, sales of industry-specific solutions and business process services. The group also provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow. Combining added value, innovative solutions and high-performance services, Sopra Steria excels in guiding its clients through their transformation projects, no matter how complex, and helping them make the most of digital technology.

This subject is discussed in further detail in Chapter 1, Section 3 of the 2014 Registration Document.

1.2. Governance

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

The Board of Directors currently consists of 16 directors and one non-voting member.

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 a Chief Executive Officer and a Deputy CEO.

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 2 and in Chapter 1, Section 6 of the 2014 Registration Document.

1.3. Commitments

The key principles that guide Sopra Steria'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 is located, and adherence to its commitments to optimally operate its businesses.

Supported by Sopra Steria's management and by all the employees associated with it, the group's approach to corporate responsibility is a continuous improvement process communicated each year to stakeholders through this annual Corporate Responsibility Report. This approach aims to reconcile economic efficiency, equal employment opportunities and respect for the environment.

Three major principles guide the group's commitment to corporate responsibility: fairness, respect and transparency.

Workforce	Treating our employees fairly and respectfully through dignified, non-discriminatory working conditions that provide opportunities for progress for everyone
Environment	Showing respect and consideration for the environment, in compliance with the national and international standards in effect
Society	Treating clients, partners and suppliers transparently and fairly through the group's relationships and working methods

1.3.1. WORKFORCE

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

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

As a responsible employer, Sopra Steria makes a priority of recruiting young people 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 2015 seeks to build on the groundwork laid for employing young graduates.

Sopra Steria 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 (older employees, gender equality, disabled workers and diversity).

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 Steria has been able to create ties with other institutions and organisations that draw from the same labour pools as the group, and is committed on a day-to-day basis to long-standing partnerships (schools, universities, unemployment centres in France, etc.).

1.3.2. ENVIRONMENT

Sopra Steria Group has deployed a continuous improvement programme to manage its environmental impact, involving all entities, the relevant departments and all employees.

This programme is focused on four main areas for action:

- business travel

  The group has implemented a plan to equip group sites with long-distance communication technology in order to limit business travel, particularly by plane, and practices carbon offsetting to compensate for its business travel-related CO_2 emissions;

- managing IT resources

  Sopra Steria takes an optimised approach to managing its IT infrastructure and systems. The group also engages in carbon offsetting for the operation of its data centres;

- managing business premises

  In addition to renovating a large number of sites, Sopra Steria is gradually shifting to premises that meet the highest environmental standards on the market: energy-plus buildings, HQE® (high environmental quality), BBC (low energy consumption) and THPE (very high environmental performance) standards;

- waste management

  The group has been working for several years with specialised companies to handle its IT-related waste equipment and its office supply waste.

Starting in 2015, the Sopra Steria group's environmental programme will incorporate the major steps taken by Sopra and Steria to fulfil the most exacting environmental standards. As this is an ambitious programme, implementation across the group will be gradual to reflect the differing business and organisational constraints to be dealt with.

Moreover, through this internally developed approach, the group offers its clients advisory and other services to assist them with their own environmental policies, suggesting to them how they might manage business premises, energy consumption, business travel, IT infrastructure and equipment, waste and other issues.

1.3.3. SOCIETY

Corporate social responsibility covers actions of very different kinds and involves market stakeholders, employees, partners and suppliers as well as civil society.

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

To ensure that its supply chain is socially responsible, the group has introduced a Responsible Purchasing approach and a programme to assess the social responsibility of its main suppliers. This approach initiated in France above all is slated for gradual deployment to all group entities.

Its sponsorship policy is mainly based on solidarity and education for vulnerable communities. It also promotes a better understanding of environmental and humanitarian issues, particularly concerning the right and access to drinking water in especially sensitive areas.

Finally, dialogue and transparency with stakeholders are an integral part of the group's social responsibility approach, and this report comprises one of its main communication initiatives.

In 2015 Sopra Steria will continue its approach to achieving progress in these various areas of action, and, according to the results obtained, will progressively roll out projects launched in test areas to its international entities.

1.4. Key events

- Tenth anniversary of the group's commitment to the universal principles of the United Nations Global Compact.
- Sopra is ranked among the top five service-sector companies in France by the Gaïa Index, with an overall rating of 91 out of 100. The Gaïa Index specialises in the quantitative non-financial analysis of listed and unlisted mid-market companies. It lists the 70 companies with the best CSR (Corporate Social Responsibility) ratings out of a sample group of 230 companies.
- For the second year in a row, Sopra was awarded the EcoVadis Gold Level – the highest ranking. EcoVadis is the premier collaborative platform available to companies for rating both their own environmental, social and ethical performance and that of their suppliers.
- Steria, meanwhile, achieved a second consecutive 100A score in the Carbon Disclosure Project (CDP)'s Climate Change and Sustainability rating for its environmental responsibility approach. Every year, CDP recognises companies round the world that take the lead in tackling climate change. Steria was rated France's top IT company, scoring 100, the maximum, for disclosure and an "A" for its efforts to mitigate climate change in its operations.
- Sopra Steria is one of the 66 global companies that are part of CDP Supply Chain, which provides its members with a common framework for tracking information on the environmental performance of their suppliers. Further details are provided in Section 4.5.2 ("CSR assessment of suppliers") of this report.

  Under this programme, Steria was also rated as a supplier and scored 100A in the CDP Supplier Climate Performance Leadership Index.
- Sopra Steria achieved CarbonNeutral® Certification for offsetting its greenhouse gas emissions related to business travel and its data centres in 2014.
- Rollout of a large-scale international eco-responsibility campaign among group employees.
- Strengthening of Sopra Steria's environmental and humanitarian commitment to water issues through a new sponsorship programme with 1001fontaines, an NGO working to give the underprivileged access to drinking water.
- Sopra Steria is one of Europe's top hiring companies, with 6,890 new hires during the year.
- Signing of another Accord Handicap 2015-2017 for the recruitment of employees with disabilities at Sopra Steria in France.
- Launch by the group of the first accessible Java EE MOOC (Massive Open Online Course). Open to all at no cost online, the course teaches students to use Java EE, a skill highly valued at digital companies.
- Steria won the silver trophy for CSR in the Human Capital Victories awards held by Décideurs magazine.
- In India, Steria's educational programme won Asia's Best CSR Practice Award and the ABP News Global CSR Excellence and Leadership Award.
- Publication of Sopra Steria's first Corporate Responsibility Report, based on the information from the two merger partners for 2014.

1.5. Coordination of corporate responsibility

The Sopra Steria group's corporate responsibility programme and initiatives are placed under the responsibility of Executive Management, who oversee the group's strategy in this area.

Sopra Steria has structured its corporate responsibility programme around several departments:

1.5.1. THE GROUP'S SUSTAINABLE DEVELOPMENT AND CORPORATE RESPONSIBILITY DEPARTMENT

The Sustainable Development and Corporate Responsibility (SD-CR) Department ensures that the group's corporate responsibility policy is applied, coordinates the continuous improvement approach with the relevant departments and supports them as they implement their action programmes.

The role of this department is to lead and coordinate all of the group's actions in the three areas concerned: the workforce, the environment and society. It spearheads programmes across all areas of the group, in particular regulatory reporting, including its annual Corporate Responsibility Report, its assessment by external organisations, its main corporate patronage and solidarity partnerships, and actions to raise employee awareness.

Sopra Steria Group manages corporate responsibility through three interdependent units dedicated respectively to workforce-related, environmental and societal responsibility and coordinated by SD-CR.

1.5.2. WORKFORCE-RELATED RESPONSIBILITY UNIT

The workforce-related component of corporate responsibility is an important topic in the consulting and information technology services businesses. It is managed by the group's Human Resources Department. To handle cases involving issues such as disabled workers, gender equality, older employees, diversity and work-linked training opportunities, a manager in charge of workforce-related responsibility works with the group's different entities to ensure that these entities' workforce-related responsibility initiatives reflect the wider group approach.

1.5.3. ENVIRONMENTAL RESPONSIBILITY UNIT

Management of environmental issues has been entrusted to the group's environmental responsibility unit in coordination with SD-CR. Overseen by a group-level manager, this unit works with a network of environment contact persons and the relevant support departments, particularly the group's Property Management (site energy efficiency, waste management), Purchasing (responsible purchasing) and IT Resources and Security (management of IT purchases and of waste electrical and electronic equipment) Departments. Together with the Industrial Department, the environmental responsibility unit is in charge of deploying the Environmental Management System (EMS), ISO 14001 and ISO 14064-3 certification for certain sites, the assessment of greenhouse gas emissions and management of outside ratings by CDP.

1.5.4. SOCIETAL RESPONSIBILITY UNIT

There are two components to this unit's activity:

- the solidarity component, which involves taking action in favour of the underprivileged, particularly by helping them access education and employment. Solidarity work is managed by the SD-CR Department through sponsorship programmes, by foundations based in France and India that are connected to the group or directly by group entities that enlist the support of their employees and, in some cases, specific clients;
- the marketplace component, which pertains to the group's economic responsibility in such areas as the territorial impact of its activity, business ethics, responsible purchasing and client satisfaction. This component also includes stakeholder dialogue.

Marketplace issues are addressed by the relevant functional departments (human resources, legal, audit & internal control, purchasing, IT resources and security, quality, subcontracting, corporate communications and financial communications), with the support of the SD-CR Department.

1.5.5. SUSTAINABLE DEVELOPMENT AND CORPORATE RESPONSIBILITY COMMITTEE

The Sustainable Development and Corporate Responsibility Committee was created 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 and corporate responsibility, human resources, real estate, purchasing, IT resources and security, legal, subcontracting, corporate communications, financial communications, etc.) to work in coordination to implement their respective programmes. The committee meets every two to three months and interim meetings are scheduled depending on the requirements of the action programmes.

1.5.6. CR ADVISORY BOARD

The purpose of this advisory body is to provide outside feedback on the various components of the group's corporate responsibility work.

The Advisory Board is composed of three independent experts from government and civil society, as well as those responsible in the group for each component of the corporate responsibility policy. It met three times in 2014.

The Advisory Board's main responsibilities are:

- providing guidance on the group's corporate responsibility strategy and priorities;
- providing Executive Management with useful benchmarking information related to corporate responsibility;
- providing information on changes in legislation and corporate responsibility reporting standards.

In 2014, the Advisory Board was comprised of the following three independent experts:

- Frédéric Tiberghien, member of the French Council of State;
- Mark Maslin, Professor of Climatology at University College London (UCL);
- Marie-Ange Verdickt, former Director of Research and Socially Responsible Investment at Financière de l'Échiquier, member of Ashoka, an international organisation that supports social entrepreneurship.

1.6. Reporting

1.6.1. ORGANISATIONAL CHART OF THE GROUP'S ACTIVE COMPANIES

This subject is discussed in Chapter 1, Section 5 of the Registration Document.

1.6.2. APPROACH AND METHODOLOGY

Since the businesses of Sopra Group and Groupe Steria merged at the end of 2014, Sopra Steria Group has opted to produce a single Corporate Responsibility Report for 2014 to provide a clearer picture of the merged entities' reporting. This report comprises Chapter 3 of the 2014 Sopra Steria Registration Document.

The method used to collect the information required to draw up this report is based on a reporting procedure. This procedure is reviewed each year so that changes in the group's scope and reporting approach may be added to it. In addition to the corporate responsibility approaches which may be specific to each original entity, the regulatory requirements established by the French Grenelle Environment 2 Act set out a framework with specific topics which make it easier to understand the group's integrated reporting. The aim of the 2014 report is to produce the most relevant information on the activities of the new group's two original entities. In 2015, a new roadmap will be drawn up to take account of the new group context and harmonise programmes from Sopra Steria's original entities as part of a progressive approach aligned with the group's objectives.

Based on current regulations and taking into account the distinctive nature of its activities, Sopra Steria has identified 44 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 corporate responsibility: workforce-related, environmental and societal concerns.

This Corporate Responsibility 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. The 2014 report contains 54 indicators for Sopra Steria Group, including 3 Key Performance Indicators (KPIs), 31 quantitative indicators and 20 qualitative indicators.

Furthermore, in accordance with Paragraph 7 of Article L. 225-102.1 of the French Commercial Code, Sopra Steria appointed Mazars as an independent third party 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.

Scope of reporting

To ensure compliance with regulations, the group has developed a reporting process that makes it possible to collect the relevant data and exploit the results in this document.

In the group's workforce-related component, there are 35 indicators – 23 of them quantitative and 12 of them qualitative.

For the environment component, eight indicators have been established: three KPIs (Key Performance Indicators), four quantitative indicators and one qualitative indicator.

The societal component includes 11 indicators – four of them quantitative and seven of them qualitative.

As a consequence of the merger process, a number of indicators that were specific to Sopra or Steria and previously reported on by them have been omitted for 2014.

Sopra Steria's corporate responsibility policy applies to all entities of the group. The workforce figures given in the workforce-related section of this report include 11 employees of Delta Development Systems Algeria, Sopra Banking Côte d'Ivoire and Sopra Banking Gabon, three non-consolidated subsidiaries of the group.

For Sopra entities in 2014, the indicators focus wherever possible on France, India, the United Kingdom and Spain.

Depending on the indicator, the geographic scope is either:

- all Sopra Steria activities worldwide (= Sopra Steria Group);
- all Sopra activities worldwide (= Sopra Group);
- all Steria activities worldwide (= Steria Group);
- Sopra activities by country (e.g. Sopra France, Sopra United Kingdom, Sopra Spain, Sopra India). For each country, all Sopra subsidiaries are included (Sopra Banking Software and Sopra HR Software in particular);
- Steria activities by country (e.g. Steria France, Steria United Kingdom, Steria India, Steria Germany and Austria). For the environmental and societal indicators, the report does not include Steria's joint ventures (SSCL and NHS SBS). The environmental and societal indicators do not include the data on Beamap, an entity acquired by Steria in 2014.

The corporate responsibility reporting process covers the calendar year from 1 January to 31 December 2014. Any exceptions to calendar year reporting are indicated for the data involved.

Reporting process and tools

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 Steria's Corporate Responsibility 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 Steria;
- indicator definition sheets specifically describe the characteristics of the indicators communicated as part of the Corporate Responsibility Report;
- indicator collection sheets allow contributors to supply the qualitative information and quantitative data;
- the shared space managed by SD-CR archives all the data collected;
- the group makes use of a variety of tools to meet regulatory reporting requirements in this report, such as Greenstone software and BEE files for environmental indicators, and Indicia software for workforce-related indicators.

The combination of the reporting protocol, indicator sheets, quantitative and qualitative data collection sheets and the group's shared space 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 Sopra Steria's Sustainable Development and Corporate Responsibility Department.

Data collection

The SD-CR Department is in charge of coordinating the corporate responsibility reporting process. Coordinators by component (environment, workforce-related, societal) are responsible for data collection. They collect the data from a network of contributors using indicator-specific collection sheets. Available in French and English, these sheets state the definitions, scope, unit, calculation methods, data sources used, contact persons and verifications performed.

A collaborative reporting platform put in place via the group's intranet can be used to disseminate, share and incorporate any changes made to the data. The reporting documents, including the verification process, are available on the platform.

For workforce-related reporting, the group adopted Indicia software in 2014 for employee data collection and consolidation.

A group reporting protocol has been drawn up on the basis of the initial Sopra and Steria protocols. It offers a detailed presentation of all the reporting processes put in place in 2014. Excerpts or the complete protocol can be obtained on request from the Sustainable Development and Corporate Responsibility Department.

Specific calculations for certain indicators

In order to provide a clear understanding of the information communicated, Sopra Steria has endeavoured to specify, whenever necessary in the report, the definitions, calculation methods or estimation methods for certain reported indicators.

Exclusions

Sopra Steria 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, several indicators, when they are deemed not material to Sopra Steria's business, are not addressed in this report. This non-material information 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.

Methodological issues and limitations

Due to the merger process, no data prior to 2014 are covered in this report except where noted. The 2014 report will provide the benchmark for assessing progress achieved by the new combined Sopra Steria reporting scope.

The methodological issues and limitations for each indicator are presented in the report.

Controls and verification

Once the data has been collected and checked through consistency tests that establish a reliable audit trail, the Sopra Steria Sustainable Development and Corporate Responsibility Department consolidates them, performing final verification and ensuring overall consistency. Based on the data, the unit managers draft a first version of the report, which is subsequently finalised by the person in charge of the report and sent for verification to an independent third party.

2. Workforce-related responsibility

The Sopra Steria group offers over 37,000 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 its major recruitment effort and regional impact, the group has also favoured its employees' professional development through an ambitious training action plan.

The group's workforce-related responsibility policy is in line with its continuous improvement process, which aims to reconcile economic efficiency with social fairness.

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

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

This Enterprise Project, which is updated on a regular basis, 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 the group's organisation, guiding its managers and contributing to its operational performance.

2.1. Group culture

2.1.1. SHARING OF FUNDAMENTAL PRECEPTS

Day-to-day support from managers and a comprehensive training programme organised by Sopra Steria Academy – the group's internal training structure – help employees grasp and adopt the group's culture and fundamental precepts.

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.

A three-day "*Esprit de groupe*" (Team Spirit) training and integration seminar is held for all new employees. The purpose of the seminar is to share the group's history, plans, values and offerings as well as its fundamental precepts, especially its focus on service and delivering quality.

Sopra Steria is mindful of integrating its new employees and does so by bringing them together in special "Réussir ensemble" (Succeeding Together) 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

For many years, the group's growth has been backed in particular by a policy of proactive talent recruitment and skills development for its employees. External growth operations are also a strong driver of the group's development and increase the volume of its business activity. In 2014, Sopra Group and Groupe Steria merged, building on the strong complementary fit between their businesses and international presence, to form a new group with over 37,000 employees. The 2014 scope of consolidation for the data presented here is that of this new group, Sopra Steria Group. Since the data from previous years is based on Sopra Group's scope alone, comparisons drawn with previous years are not meaningful and the 2014 figures should be used as the new basis for comparison in future years.

2.2.1. WORKFORCE AND TRENDS

At 31 December 2014, the newly formed Sopra Steria Group had a total of 37,358 employees. 54% of them are now based outside of France (compared to 37% in Sopra Group's scope in 2013), mainly in the United Kingdom, Germany, Spain, India and Scandinavia.

SOPRA STERIA WORKFORCE AND PROPORTION OF MANAGEMENT-LEVEL EMPLOYEES

	2014	2013*	2012*
France	17,048	10,219	9,386
International (excluding France)	20,310	6,065	4,917
o/w Spain	2,425	2,042	1,689
o/w India	5,103	1,181	999
TOTAL	**37,358**	**16,284**	**14,303**
o/w Management-level**	**34,058**	**15,474**	**13,572**

* *Sopra Group scope.*

** *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.*

Over 97.2% of Sopra Steria employees had permanent contracts (1) at 31 December 2014. This high proportion of permanent contracts, which has not changed for several years, illustrates the group's commitment to offering stable jobs. Temporary contracts (2) are mainly work-linked training contracts in France (at 31 December 2014, 87% of fixed-term contracts were work-linked training contracts). These are proposed to young future engineers who thereby benefit from a tutorship system within the company, financing of their studies and recruitment opportunities. The number of contracts of this type increased substantially in France in 2014.

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

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

DISTRIBUTION OF THE WORKFORCE BY TYPE OF CONTRACT

	Permanent contracts (1)	Fixed-term contracts (2)	Interns
France	97.7%	2.1%	0.2%
International (excluding France)	96.8%	2.5%	0.7%
o/w Spain	96.0%	3.8%	0.2%
o/w India	97.9%	2.0%	0.1%
TOTAL	**97.2%**	**2.3%**	**0.5%**

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

FTE WORKFORCE IN FRANCE

Average FTE	16,511

LENGTH OF SERVICE, AGE AND GENDER

	Average length of service of employees on permanent contracts (1)	Average age of employees on permanent contracts (2)
France	7.6	37.5
International (excluding France)	7.3	38.1
o/w Spain	5.6	37.2
o/w India	4.0	30.7
TOTAL	**7.4**	**37.8**

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

At 31 December 2014, men made up 74.4% of the group's employees in France, while women accounted for 25.6%.

In the group as a whole, however, women represented over 30% of the workforce at end-2014, due to incorporation of Steria's staff in the United Kingdom and India, where women account for more than 40% of the total.

2.2.2. RECRUITMENT AND STAFF TURNOVER

Recruitment policy

Sopra Steria's recruitment policy places a deliberate priority on hiring young people who have completed at least five years of higher education at an engineering school, business school or university. The vast majority of newly recruited staff are offered permanent employment contracts. Before any external candidates are recruited, a systematic check is run to ensure that the positions in question cannot be filled by developing the skills and expertise of internal human resources through practical workshops and training courses.

In France, the average age for newly recruited staff is 27.9 years (group: 29.6 years).

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 division. As part of the annual budget process, each division 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 best applicants to be selected and provides entities with targeted applications corresponding to their needs. It is also aimed at raising the group's profile and enhancing the attractiveness of its employer brand;

- **the educational partnership plan** is aimed at promoting 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) and students in work-linked training. For many years, the group has been nurturing partnerships with engineering schools, business schools and universities whose degree programmes correspond to its business lines' requirements. This plan serves as a guide for all operational units to engage local operational structures and HR personnel.

  The educational partnership programme involves three types of actions:

  - **gender equality actions** such as sponsoring and financing engineering studies for female students at schools like EISTI and *Centrale Paris* (Sébastienne Guyot scholarships); encouraging female students to opt for scientific and digital technology career paths by having female group employees describe their experience at conferences on topics like "Girls and maths" at ENSIMAG and "Feminisation of the workplace" at the University of Grenoble;
  - **social outreach actions** such as financing three associations in connection with the EDHEC Cruising Race, with the aim of assisting schoolchildren from underprivileged backgrounds and stimulating their interest in sailing as a sport, organising a recruitment conference-forum with the association "*Nos Quartiers ont des Talents*", an occasion for recent graduates and university students from high-priority neighbourhoods to interact with people from the business world;

Sponsorship and events:

- Sponsoring the "*Challenge Centrale Lyon*", a student sport tournament, particularly a workshop to raise awareness of wheelchair basketball;
- Participation in the "*Challenge du Monde des Grandes Écoles*", with the Handicap Mission present at the booth;
- Sponsoring a team from the ISTIA school for the 4L Trophy, a humanitarian car rally;
- Organising the "*Prix étudiant de la Fondation Steria Institut de France*", a contest that awards students for innovative projects that make information technology available to people with difficulties.

- **the internship and work-linked training plan** sets quotas for the number of interns and students in work-linked training to be recruited and 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 Steria is interested in recruiting interns and students in work-linked training.

In 2014, to serve the ambition of growing and upscaling its businesses, Sopra Steria strengthened its social and workforce-related action along three main lines:

- increasing its attractiveness with respect to its employer branding;
- developing partnerships with a wider range of target schools;
- contributing to regional development.

Sopra Steria increased its presence on professional social networks while taking a more international approach (targeting specific audiences in Spain, India, Norway and the United Kingdom on LinkedIn career pages) and continued to be involved with schools.

The group was also once again awarded the "Happy Trainees" label in France. This distinction is based on the results of a survey of over 14,000 students, and recognises the most outstanding companies in terms of the conditions for welcoming trainees and conducting internships.

In 2015 Sopra Steria 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, job-seeking help for young people and promoting diversity to all countries and Human Resources teams.

Hires and departures

Recruitment continued at a brisk pace in the Sopra Steria Group as a whole, with the ratio of new hires to the total workforce roughly in line with what it was in 2012 and 2013.

In France, the vast majority of separations were voluntary; 134 employees were dismissed in 2014.

HIRES

France	2,493
International (excluding France)	4,397
o/w Spain	663
o/w India	1,618
TOTAL	**6,890**

CHANGE IN THE TURNOVER OF PERMANENT CONTRACTS

France	10.0%
International (excluding France)	19.9%
o/w Spain	7.8%
o/w India	36.9%
TOTAL	**15.3%**

Turnover in India reflects the fact that the group's businesses there are strongly oriented towards business process outsourcing.

2.3. Training policy

2.3.1. SOPRA STERIA ACADEMY, THE GROUP'S INTERNAL TRAINING ORGANISATION

Sopra Steria Academy helps guarantee the level of excellence and adaptability of the group's employees.

One of Sopra Steria's objectives in the area of human resources management is to anticipate skill and knowledge development paths and assist every employee in taking advantage of them.

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

The group relies on Sopra Steria Academy to rise to these key challenges, with the following objectives:

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

2.3.2. TRAINING OFFERINGS AND THE KNOWLEDGE MANAGEMENT SYSTEM

Sopra Steria Academy offers training in ten fields: Group Fundamentals, Management, Strategy & Offerings, Commerce, Behaviour, Quality & Methods, Business Lines & Sectors, Technologies, Solutions, Languages & Office Skills.

Training programmes are organised by business line and by level, and are updated and enhanced each year with new modules.

Training is provided by a network of over 500 internal instructors and external consultants.

The Knowledge Management system supports and supplements this training organisation. This system, which can be accessed via the Sopra Steria portal, facilitates sharing of the group's fundamentals and capitalising on best practices through its communities organised by business line, offering and expertise.

Sopra Steria Academy supporting transformation

Due to its educational expertise, its knowledge of key business and strategic issues and its ability to organise seminars and training programmes, the Academy represents a vital instrument for supporting the change process at the workplace and the broader transformation of the group.

Developing managerial skills

The ability of the group'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 Steria's success.

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

One of the highlights of 2014 for Sopra Steria Academy was a programme for all of the group's managers aimed at sharing management fundamentals.

NUMBER OF TRAINING HOURS AND DAYS

	Number of training hours provided during the financial year*
France	369,854
Spain	60,018
India	150,735
	Number of training days provided during the financial year*
France	52,836
Spain	7,502
India	18,842
	Average number of training days per person*
France	3.2
Spain	3.5
India	3.3

* *In France, one day of training = 7 hours. In Spain and India, one day of training = 8 hours.*
Scope covered, by country: France (Sopra, Sopra HR Software, Sopra Banking Software and Steria), Spain (Sopra, Sopra HR Software and Sopra Banking Software), India (Sopra and Steria).

2.3.3. TALENT DEVELOPMENT

Anticipating and adapting employees' skills is key to ensure the success of the Sopra Steria Enterprise Project while maintaining employee motivation at a high level.

Backed by its dynamic Enterprise Project and the diversity of its business segments, Sopra Steria offers a motivating work environment conducive to the development of a variety of career paths.

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 Sopra Steria Core Competency Reference Guide describes all of the group's business lines (Consulting, Project Management, Technology Services, Software Development, Application Outsourcing, Management, Sales, support functions). The Guide helps employees understand the demands of their positions and the possible career paths within the group's 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 key material for attracting new talent and making it easier to integrate employees, especially those from acquired companies.

The Core Competency Reference Guide is updated on a regular basis so that it remains consistent with changes in the group and on the market.

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

Continuous assessment system

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

Sopra Steria uses a career development and assessment system that enables the group to better understand 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 Industrial Department.

In response to the group's growth and internationalisation, the role of line managers is essential for monitoring the careers of employees and reinforcing the advancement of their skills.

For 2015, Sopra Steria will pursue its training effort and active leadership of line managers across the whole group.

2.4. Remuneration and trends

In order to support its growth, the group 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. It aims to recognise talent by rewarding both individual and collective performance.

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

In France, new infrastructure management business lines have been added to the group, which require technicians with a remuneration level in line with their job type. This has had an impact on the average base salary.

REMUNERATION IN FRANCE

Ratio of highest to lowest gross annual base salaries	15
Number of employees whose gross annual salary is less than or equal to €20,000*	3
Number of employees whose gross annual salary is less than or equal to €26,000, i.e. €2,000 x 13 months	491
Average gross annual base salary (in euros)	€43,451

* *The lowest gross annual salary in 2014 amounted to €19,825 and only concerned one person.*

2.5. Work organisation

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

In France, the organisation of employees' work schedules must allow for an appropriate work-life balance. Employees may choose to work part-time; this request is never imposed upon them. Sopra Steria 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.

At 31 December 2014, part-time employees accounted for 6% of the group's workforce in France.

ABSENCES IN FRANCE

The absence rate was 3% in 2014. This rate is calculated on the basis of an average full-time equivalent. It takes into account absences for illness, workplace accidents and travel accidents. It is the ratio between the number of actual calendar days of absence and the number of theoretical workdays required.

2.6. Employee relations

2014 was a year of sustained dialogue between employees and management, reflecting the merger process under way between Sopra and Steria. In addition to ordinary meetings and meetings of decision-making bodies at both entities, a large number of meetings were held on the planned tie-up.

Moreover, the group makes sure that at every subsidiary employee-management dialogue is conducted using the standard procedures in the host country, procedures that may vary according to national legislation.

2.6.1. ORGANISATION BY ENTITY

The information presented in this section relates exclusively to operations in France in 2014. It covers the organisation and assessment of business activity, entity by entity.

Sopra

The organisation of employee representative bodies is based on a Central Works Council in the context of the existing UES [1] with its former subsidiary Axway Software (in which Sopra has a 25.47% equity interest) and its wholly-owned subsidiary Sopra Banking Software. Sopra also has a Works Council, employee representatives at 20 sites, and 16 Health, Safety and Working Conditions Committees (HSWCCs).

In 2014, the Central Works Council met seven times and the Works Council was convened for 12 ordinary meetings and 16 extraordinary meetings. The HSWCCs met four times over the year on an exceptional basis relating to the merger between Sopra and Steria. In addition, during the Sopra Steria merger process, a coordinating body for 16 HSWCCs was formed to provide expertise. This coordinating body met five times between 11 June 2014 and 15 September 2014, and issued an opinion upon completing the work carried out with its expert.

Steria

Steria's employee representative bodies were structured around a Central Works Council at the Steria UES level; eight Works Councils; 15 HSWCCs; 15 representative bodies; and employee representatives at 15 sites. Dialogue among these different local or national representative bodies took place at the European level via the European Works Council.

In 2014, the UES Steria's central Works Council was convened for 13 ordinary meetings and 23 extraordinary meetings.

The eight Works Councils, which were convened for 12 ordinary meetings, also held an average of four extraordinary meetings each, many of them related to the merger between Sopra and Steria.

The HSWCCs met four times in the year to discuss ordinary business and on several occasions for extraordinary discussions, many of them related to the proposed merger. Also in relation to the merger, a HSWCC coordinating body was established and issued an opinion following the studies performed by its designated expert.

Sopra Banking Software

Employee representative bodies comprise a Works Council; six employee representatives located at six sites; six HSWCCs; and four representative bodies.

In 2014, the Works Council was convened for 12 ordinary meetings and four extraordinary meetings.

Sopra HR Software

Sopra HR Software has the following representative bodies: a Works Council; seven employee representatives; and one HSWCC. This representative body was renewed in December 2014, when the terms of its former members expired.

In 2014, the Works Council was convened for 11 ordinary meetings and eight extraordinary meetings.

2.6.2. OVERVIEW OF COLLECTIVE BARGAINING IN 2014

Mandatory annual negotiations were held with the employee representative bodies. In 2014, collective bargaining resulted in the signing of:

- Agreement 2015-2017 favouring the employment and professional integration of disabled workers throughout Sopra Steria Group;
- two amendments (Amendment No. 1) to the Employee Savings Plan agreement, one covering Sopra Group and the other covering Sopra Banking Software;
- two amendments (Amendment No. 2) to the Employee Savings Plan agreement, one covering Sopra Group and the other covering Sopra Banking Software;
- two amendments (Amendment No. 3) to the Employee Savings Plan agreement, one covering Sopra Group and the other covering Sopra Banking Software;
- Amendment to the incentive agreement covering Sopra Group and Sopra Banking Software;
- Substitution Agreement following the integration of HCM employees at 1 July 2014 covering the Sopra HR Software scope; the agreement regarding the profit-sharing bonus covering the Sopra HR Software scope;
- Amendment No. 6 to the agreement regarding the medical fee reimbursement collective guarantee system covering the Sopra HR Software scope;
- Amendment No. 4 to the agreement regarding the "Incapacity - Disability - Death" collective guarantee system covering the Sopra HR Software scope;
- the memorandum of understanding for the integration of the Human Resources Department covering the Sopra HR Software scope.

Under a company-wide agreement, trade unions have the option of sending monthly and/or quarterly notices to all staff (via the intranet, signs, post or meetings).

(1) UES or Unité Économique et Sociale (economic and social unit).

Similarly, under a provision of the internal rules of Sopra Steria Group's Works Council, the elected members of this committee may issue monthly information.

Number of agreements signed during the year with union organisations and/or the Works Council	5 (Sopra) 4 (Sopra Banking Software) 0 (Steria) 5 (Sopra HR Software)
Number of collective bargaining agreements active	16 (Sopra) 13 (Sopra Banking Software) 24 (Steria) 13 (Sopra HR Software)

Dialogue between employees and management is an essential means of effectively integrating new employees from Steria. Appointing members for new terms to the group's employee representative bodies will be a key milestone in 2015, with the main challenge being to ensure that all employees are represented following the merger process.

2.7. Health and safety

Health and safety at work are handled at a local level, since each group entity is subject to the laws of the country where it is located.

All entities have implemented preventive measures such as fire emergency procedures and employee training on these procedures.

In 2014, Sopra Steria continued its rescue and first-aid training programme for all of its operating sites in France. Refresher courses and initial training programmes were offered as part of this initiative. Most sites are equipped with defibrillators. The group pursued its policy with regard to providing quality layout of its work areas.

To ensure the well-being of employees, "movement and posture" awareness sessions have been launched at several sites in collaboration with occupational health specialists. A psychological counselling and support unit has also been made available to employees. This unit is made up of psychologists and is completely independent from the company. This service is completely anonymous, confidential and free. Employees can access it by calling a Freephone number, by e-mail or by chat 24 hours a day, seven days a week.

No agreements were signed with labour organisations or employee representatives with regard to workplace health and safety in 2014.

In 2015, the group intends to pursue and reinforce the actions it has implemented in the field of health and safety.

2.7.1. FREQUENCY AND SEVERITY RATES OF WORKPLACE ACCIDENTS IN FRANCE

Sopra Steria operates in the services sector and its activities do not present any significant risks related to workplace accidents. As a result, frequency and severity rates remain especially low and are related to the hazards of everyday life.

WORKPLACE ACCIDENTS

Frequency rate of workplace accidents	2.07%
Severity rate of workplace accidents*	0.039%

*Method for calculating frequency rate: (Number of work-related accidents with leave * 1,000,000)/Total number of hours worked by total workforce over the year.*

*Method for calculating severity rate: (Number of calendar days on leave from work (following a work-related accident) * 1,000)/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.*

2.7.2. OCCUPATIONAL ILLNESSES IN FRANCE

The group's business activities have little exposure to occupational illnesses: no occupational illnesses have been recognised since 2011.

2.8. Non-discrimination principles

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

To support these commitments, the group has a dedicated structure aimed at spearheading and guiding the agreements and action plans relating to corporate social responsibility. These initiatives include hiring disabled employees, ensuring the professional equality of women and men, integrating young workers and providing support to older employees. Various guidelines, objectives and policies have been defined for these areas and are specified in agreements or action plans.

2.8.1. DISABLED EMPLOYEES (FRANCE)

The main aim of the group's disability policy is to favour the hiring and lasting employment of disabled employees, in keeping with local regulations.

Because local regulations and the definition of disability vary from one country to another, it is currently difficult to collect consistent information in this area in each country, and even more so at the Sopra Steria group level.

In France, the group stepped up its internal and external initiatives in the five main areas of its disability policy: recruitment, training and awareness, lasting employment, relations with special-needs employers, and support for technical development.

Achieving the group's recruitment targets depends partly on the ability to innovate by offering a variety of encounter formats that combine recruitment work and unconventional approaches to building awareness. To further that aim, a national "Handitour" was organised at 11 sites in 2014, representing continuity with the "Handidates" and "VipTour" events held at seven sites in 2013.

At the same time, a large-scale campaign to raise awareness of disability issues among employees and students was initiated in two formats: physical get-togethers to foster closer ties and digital content to reach the largest possible audience.

Employee awareness-raising events (HandiTour, HandiFood Truck) were held at 18 group sites. In the relaxed atmosphere of the events, a large number of employees got to experience what it feels like to be disabled by temporarily exchanging roles or life experiences. In April, May and November, 2,200 employees were met with in this way. Alongside this work in the field, original content and formats were highlighted on the group's portal. This national approach (including videos, accounts by experts and quizzes) had a big impact on employees during the National Disabled Employment Week, leading to over 10,000 views.

Students are a key part of the group's disability policy. The three-pronged goal here is to promote access to higher education for youth with disabilities, train students on the way to managerial positions in how to manage diversity and raise employee awareness. The group reaffirmed its commitment to this cause with Sopra Steria Handitutorat, an original programme under which disabled secondary school students receive academic support from engineering students with disability training who are led by managers of the company.

Through the HandiFood Truck programme, the group organised meetings on two engineering school campuses. In this fashion, over 500 students gained greater awareness of disability issues in a friendly setting. This was also an opportunity for young people with disabilities to meet others and network with their peers.

At the group's instigation, mixed crews of disabled and non-disabled people took part in the EDHEC Cruising Race (CCE), with support provided for the formation of three crews. This experience demonstrated that disability is not inconsistent with performance. Moreover, this day focused entirely on disability helped forge stronger ties with future interns with disabilities and raise the awareness of more than 300 students through unusual, memorable experiences.

An additional feature of its commitment to education is that the group initiated the first MOOC (Massive Open Online Course). Open to all at no cost online, accessible and focused on Java EE, a skill highly valued at digital companies, the course has two goals. Students with disabilities are given training with certification and thus the opportunity to participate in their own career advancement, and "education for all" is promoted.

In addition, the group continued its work with special-needs employers. Under its company-wide agreement, Sopra Steria created 22 positions for disabled employees at such companies.

Lastly, progress on two flagship projects sustained the support for the development of concrete, innovative technical solutions to make life easier for the disabled. The TADEO project, a services platform for hearing-impaired people launched in 2007, has today reached the final engineering stage.

The AUREVI project for designing expanded vision spectacles has also received substantial funding since 2012. The product has now reached the prototype stage.

The group took part in the creation of "*Handi-numérique*", the first digital portal for the disabled in France. The aim is to enable disabled people to discover work in the digital industry and take advantage of a whole range of digital career opportunities.

At 31 December 2014, disabled employees made up 2.08% of Sopra Steria's workforce in France.

PROPORTION OF DISABLED EMPLOYEES IN FRANCE

Disabled employees as percentage of workforce	2.08%

Calculation method: Number of employees with disabilities recognised within the company (Disabled Worker Unit) increased by 50% according to the rules defined 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. The workforce numbers used are calculated according to the rules defined by AGEFIPH, an organisation that promotes the employment of disabled persons.

The main aim in 2015 is to deploy the new disability agreement across the entire Sopra Steria group. In France, this will involve sustaining the actions under way, with special emphasis on promoting access to and continuation in employment for disabled people, particularly through programmes designed to facilitate access to higher education. In the group as a whole, the goal is to have the entire HR community share best practices.

2.8.2. GENDER EQUALITY

The group remains committed to professional equality between women and men. This commitment is focused on three 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.

To meet these commitments in France, a training programme and an overall review focused on stereotypes and leadership were launched across the Human Resources community in 2014. A number of obstacles to recruitment and promotion of women were identified and steps were taken to eliminate these obstacles.

Part of the staff in charge of recruitment has already been made more aware of the values and practices involved in gender equality, the aim being to attract more female applicants to the group.

At the same time, the group conducted an employee perception survey on the value of arrangements for returning to work after maternity or adoption leave. The results helped bring to light areas requiring further progress, which will be tackled in an action plan in 2015. Guides to parenting and interviews (before and after maternity or adoption leave) will be available to all staff members on the employee intranet.

The group regularly takes part in initiatives at engineering schools to showcase the outstanding career paths of female engineers as a means to attract more women to digital industry jobs. Sopra Steria also joins in large-scale national campaigns like "Ingénieuse '14" organised by the Conference of French Engineering School Directors and "Trophée Excellencia" organised by Syntec Numérique's "Women in Digital" Commission. One female employee of the group won the "Ingénieuse '14" award, and two partnership agreements were signed with engineering schools to provide financial support and coaching to female students on demanding career paths.

Two pilot projects were also launched with two local associations, one in the Rhône-Alpes region and the other in Rennes, to encourage girls at secondary schools to study science and technology. The goal is to use to accounts by women employees at Sopra Steria to make engineering more appealing to female students. Furthermore, for International Women's Day an awareness campaign was organised by involving a female co-option campaign.

The recruitment firms working with the group are contractually required to supply female and male applicants in equal numbers.

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.

Male and female applicants with identical qualifications, degrees, skills and experience are offered identical starting salaries. In 2014, 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 2015, 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 Human Resources community's goal is to share and enrich best practices and experiences with regard to this issue throughout the entire group, in all the countries where it operates.

2.8.3. OLDER EMPLOYEES

In 2014, Sopra Steria promoted the transfer of knowledge and skills, which is a major component of its policy in favour of older employees for the success of intergenerational management. This programme is aimed at promoting the hiring of young workers while retaining older employees in jobs.

As part of that effort, the group maintained its drive to develop the skills and qualifications of older employees. 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.

In 2015, the group intends to continue with its programmes aimed at working seniors while pursuing a proactive policy of recruiting young graduates. Retirement information meetings will be held at the group's major sites.

PROPORTION OF OLDER EMPLOYEES IN FRANCE

Number of employees aged 45 years and up	3,809
Percentage of employees aged 45 years and up in relation to the workforce at 31 December	22.3%
Number of employees aged 55 years and up	955
Percentage of employees aged 55 years and up in relation to the workforce at 31 December	5.6%

2.8.4. DIVERSITY AND ASSISTING YOUNG PEOPLE SEEKING EMPLOYMENT (FRANCE)

Ensuring access to education for all and integrating young graduates into the world of work is central to Sopra Steria Group's social policy. In 2014, campaigns were pursued among engineering and university students to promote social diversity (regarding disability, gender equality, etc.).

To help unemployed young graduates in areas other than IT find jobs, Sopra Steria has teamed up with France's Pôle Emploi job centres to offer advanced vocational retraining programmes. The group holds special sessions every year to train such young people in digital technology, a step toward employment under permanent contracts. In 2014, these arrangements made it possible to hire 188 young people under permanent contracts – one third more than in 2013.

In addition, to assist young graduates from problem areas, Sopra Steria participates in an employee sponsorship programme run by "*Nos Quartiers ont des Talents*", an association that helps young graduates from underprivileged neighbourhoods find jobs. Group volunteers sponsored ten young graduates seeking employment this year. Workshops and roundtable discussions were held at which over fifty students were taught a wide range of job-search techniques.

Sopra Steria Group has stepped up its involvement with this association, launching the first VIP Sponsors Club (made up of CEOs and executive committee members from large companies). The result is that young people looking for jobs now get more effective support, and there is more extensive discussion on the transferability of skills.

In addition, the group has helped disabled students choose the right sector and financed the adapting of equipment to the requirements of their disability in an educational environment.

To promote education for all, the group initiated the first accessible MOOC on Java EE technology. Because digital companies value this skill highly, there are ample job opportunities for trainees who successfully complete the programme.

In 2015, Sopra Steria intends to continue the initiatives carried out for students, not only through its partnership with "*Nos Quartiers ont des Talents*", but also by reaching out to other associations of young graduates from problem areas in order to heighten its community presence. Special emphasis will be placed on identifying programmes liable to further the goal of "education for all", along the lines of those offered to students with disabilities.

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

Sopra Steria 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.

Sopra Steria 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 Steria 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 Steria 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.

2.9.1. UPHOLDING FREEDOM OF ASSOCIATION

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

Sopra Steria has implemented 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 Steria makes an effort to implement measures intended to improve professional relations between the company and its employees.

2.9.2. REPUDIATION OF FORCED CHILD LABOUR

Sopra Steria has formally committed to fight against child labour, the exploitation of children, forced labour and all other forms of compulsory labour, particularly through its adherence to the United Nations Global Compact. This commitment is reiterated in Sopra Steria's Code of Ethics.

3. Environmental Responsibility

As a supplier of IT services and consultancy, Sopra Steria has implemented an action programme to reduce its greenhouse gas emissions and thereby limit the environmental impact of its business activities. The group has also developed offerings to help its clients better manage their energy consumption and limit their greenhouse gas emissions. Sopra Steria aims to become a recognised environmentally responsible European IT services provider, able to manage the sustainability of its operations and its supply chain and respond to its clients' needs by providing services and solutions that help them become more sustainable.

Compared with heavy industry, Sopra Steria's IT service and consultancy activities have a limited impact on the environment. However, the group has locations at multiple sites in about twenty countries, which results in a significant amount of travel. Sopra Steria's business activities require large IT infrastructures that consume energy. Lastly, due to its size and the number of projects it manages, the group produces many documents which it has been shifting to paperless versions for many years.

The need to control Sopra Steria's environmental impact has therefore become a key factor in its management and production methods, and is covered by a group-wide approach involving the relevant functional departments and their staff. The group has decided to work on reducing the energy consumption of its premises, IT infrastructures and business travel. Sopra Steria has also opted to compensate for its carbon footprint resulting from the energy consumption of its data centres and business travel.

In 2014, this environmental approach was recognised by the CDP, which gave Steria the top CDP Climate Change score for its environmental responsibility programme.

Lastly, in 2014, Sopra Steria pursued its commitment to the environment by taking topics related to water more fully into account, and stepped up its sponsorship projects in this field.

3.1. Taking environmental impacts into consideration

Sopra Steria follows an approach to the environment at its main sites that is based on an Environmental Management System of the kind required for ISO 14001 certification.

In addition to promoting energy efficiency of buildings and IT equipment, the group focuses on getting its employees involved in an eco-responsibility programme, with a guide to eco-friendly behaviours distributed to the entire group workforce. In 2014, a poster campaign was launched in almost all Sopra-scope countries to make employees more aware of those behaviours.

Water, business travel, paper, electricity and plastics were the five key areas covered.

A "Living Green" awareness campaign including events throughout the year was also deployed at all Steria-scope entities.

A new group-wide eco-responsibility campaign is planned for 2015.

Moreover, to limit the environmental impact of business travel and commuting, which is a major factor in the assessment of greenhouse gas emissions, Sopra Steria has set up a car sharing platform for its employees in France. In 2014, events to encourage car sharing were staged at several sites in the French provinces where commuting raises particular problems.

Sopra Steria performs activities whose environmental impact is lower than that of other economic activities. Although its environmental risks are not deemed significant compared to other risks, the group endeavours to limit their impact and is committed to mapping these risks in order to implement mitigation plans at its ISO 14001-certified sites (as detailed in Section 3.1.2 "Initiatives in favour of the environment").

3.1.1. ORGANISATION TO TAKE ENVIRONMENTAL ISSUES INTO CONSIDERATION

The Sopra Steria group has created a system out of the work accomplished by both original entities to address environmental issues. The system is organised along the following lines:

At functional department level

Several functional departments are involved with environmental policy. Together with the Sustainable Development and Corporate Responsibility Department and its environmental responsibility unit, they define the group's environmental policy, which is under the responsibility of Executive Management.

The Real Estate and Purchasing Department and the IT Systems (ITS) Department are more closely involved in the group's environmental policy.

Network of environment contact persons

Sopra Steria has established a network of environment contact persons to coordinate the environmental initiatives taken at the various group entities. The environment contact persons report on their implementation to the group's environmental responsibility unit. This includes analysing results obtained and difficulties encountered, and recommending improvement plans at briefings held every two months with the environmental responsibility team.

3.1.2. INITIATIVES IN FAVOUR OF THE ENVIRONMENT

Environmental Management System and ISO certification

In 2015, Sopra Steria aims to put in place an environmental programme that reflects the group's enlarged scope, the characteristics of its different business lines and the features distinguishing each country in which Sopra Steria operates. Joining together the main environmental management initiatives undertaken by the two pre-merger entities, above all those focused on the ISO 14001 standard, the programme will involve the relevant functional departments, the environment contact persons and the entire group workforce.

This improvement programme is part of an Environmental Management System (EMS) designed to gradually identify the environmental footprint of Sopra Steria's operations, assess its impact and reduce it.

The main aims of the EMS concern:

- training of employees as part of the move to eco-friendly behaviours (in areas like travel and commuting, printing, energy efficiency, use of plastics and water);
- optimised energy efficiency at group sites;
- better waste management through enhanced selective sorting;
- involvement of suppliers in the group's environmental approach.

In most countries where the group operates, the Environmental Management System has been developed in accordance with UNE-EN ISO 14001. Steria has also carried out emissions checks independently in India and the United Kingdom in accordance with ISO 14064-3. The following table lists the certifications obtained by the group in 2014, country by country.

ENVIRONMENTAL CERTIFICATIONS

Sopra Steria	ISO 14001	ISO 14064-3
Germany	X	-
Belgium	X	-
Denmark	X	-
Spain	X	-
France	X	-
India	X	X
Morocco	-	-
Norway	X	-
Poland	X	-
United Kingdom	X	X
Singapore	-	-
Sweden	X	-
Switzerland	X	-

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

Environmental responsibility campaigns

In 2014, Sopra Steria Group organised awareness programmes for employees on managing the group's environmental impact. On-site campaigns were launched by site managers, with guides to eco-friendly behaviours and posters reminding employees of the key aspects of environmental responsibility.

These training and informational campaigns were reproduced and disseminated via all of the group's communication tools, both within the group (through memos, group newsletters and the intranet) and outside it (using social networks).

Information provided to new employees

In France in particular, all new employees receive information on the group's environmental approach at orientation seminars. Materials such as the welcome guide are also provided to employees who join the group.

Other actions

Sopra Steria is also mindful of keeping its employees regularly informed of its corporate responsibility strategy, its commitment programmes and its progress. The group also encourages employees to get involved by making suggestions for improvement. In France, for example, employees can send their questions and suggestions to the Sustainable Development and Corporate Responsibility Department via a dedicated e-mail address; the information is then passed on to the relevant departments.

Sopra Steria also organises visits and presentations of smart energy management devices and IT solutions implemented in the workplace, such as the Green Office® Meudon positive-energy office building in France.

Lastly, all employees are made aware of environmental issues through partnership and humanitarian activities organised by the group, which are regularly communicated to staff via the intranet and newsletters.

3.1.4. AREAS FOR ACTION

The environmental action programme launched by the Environmental Management System covers four key issues for Sopra Steria:

- managing commuter journeys and business travel;
- IT resource management;
- managing business premises and optimising energy efficiency;
- waste management.

3.2. Managing commuter journeys and business travel

3.2.1. TRAVEL AND COMMUTING POLICY

Sopra Steria is present in France and more than twenty other countries around the world. The group has many sites located in these different countries, especially in France, the United Kingdom and India. This generates a large amount of travel, which has an impact on the environment.

With this in mind, the group has implemented an action plan to reduce the amount of travel 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 short trips or daily commutes to client locations.

Sopra Steria has overhauled its transportation policy in Germany, due to the amount of air and rail travel by its staff. Management encourages employees to travel by train and has signed up for train passes under one rail operator's Green Energy programme. The operator offers long-distance travel within Germany, in some cases with a surcharge on specific lines, using renewable energies exclusively. As a result, 92% of all travel by group employees in Germany can now be considered carbon-neutral.

NUMBER OF NEW VIDEOCONFERENCING SYSTEMS

Number of videoconferences	New	All
Sopra	14	88
Steria	0	55
TOTAL SOPRA STERIA	**14**	**143**

3.2.2. CARBON FOOTPRINT

To identify areas in need of improvement, the group monitors the carbon footprint of its employees' business travel every year. This ongoing assessment allows the group to identify new ways in which it can limit its use of more polluting forms of travel.

GREENHOUSE GAS EMISSIONS FROM BUSINESS TRAVEL

SOPRA

(in tonnes of CO_2 equivalent)	Air - Rail - Road
TOTAL SOPRA*	**18,126**

STERIA

(in tonnes of CO_2 equivalent)	Air - Rail - Road
TOTAL STERIA	**16,880**
Not including train travel by Steria Germany, since this form of transport is considered carbon neutral	-1,444
TOTAL STERIA**	**15,436**
TOTAL SOPRA STERIA	**33,562**

* *For Sopra entities, the air and rail travel data for India, Spain and France are real. As no data are available for other entities, the amounts indicated are estimates. Estimates make up 54% of the total for Sopra. Sopra HR Access is not included in the Sopra data shown above.*

** *For Steria entities, the amounts indicated for Singapore, Sweden and Morocco are estimates. Estimates make up 1% of the total for Steria.*
The estimates for countries where no data was available are based on information from countries that show similar business travel and commuting patterns to those countries.
For the sake of clarity, figures have been rounded to the nearest unit.

3.2.3. CARBON OFFSETS FROM BUSINESS TRAVEL

The Sopra Steria group has adopted the carbon-neutral policy initiated by Steria across the entire new combined group.

CERTIFIED CARBON NEUTRAL® business travel
CarbonNeutral.com

As a result, the group achieved CarbonNeutral® Certification for offsetting its greenhouse gas emissions related to business travel in 2014.

Sopra Steria engages in carbon offsetting to correct for its greenhouse gas emissions by investing in projects that preserve natural resources or developing renewable energy use.

Projects supported by the group include the construction of wind turbines in the north and the south of India and the installation of water turbines to generate electric power in the northwest of China.

3.3. IT resource management

IT resources are centrally managed by the IT Systems Department. This ensures that hardware is standardised and shared, which helps save energy. The ITS Department has started gradually bringing IT equipment from Steria's scope under its management.

Sopra Steria has a large number of servers, owing to its activity of developing software and managing IT projects on behalf of its clients. These servers account for a large proportion of the company's environmental footprint (in terms of materials, energy consumption and air-conditioning requirements). In the interest of controlling economic and ecological costs, the group carefully manages its stock of servers by pooling hardware and implementing solutions for reducing the amount of energy consumed by workstations.

3.3.1. MANAGING ENERGY CONSUMPTION

For several years, the group 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 helps limit energy consumption when employees are not using their computers for extended periods of time. Awareness-raising messages are also sent out via the intranet on a regular basis to encourage employees to shut down their computers or activate sleep mode when not using their computers for long periods of time.

The desktop computers, laptops and servers within the Sopra and Steria scopes comply with manufacturer standards (Energy Star 5.0 and 5.2) and favour low energy consumption. Laptops are also equipped with three-cell batteries, which recharge quickly, or with a fast-charging battery system (ExpressCharge™).

With regard to photocopiers and printers, the group has developed a process to streamline the number of devices and promote sensible use of consumable supplies. Networking also helps reduce the number of devices by using photocopiers that can function as both printers and scanners (scan to email) and are set to print double-sided and in black and white by default.

3.3.2. VIRTUALISATION OF IT INFRASTRUCTURE

Sopra Steria continued its programme to virtualise its IT infrastructure. Virtualisation allows IT centres to pool and optimise the use of their equipment resources.

This approach is aimed at:

- increasing processing capacity by reducing the number of physical machines and thereby reducing energy consumption;
- acquiring more compact machines that use less energy;
- saving significant amounts of space at IT centres by limiting the need to build extensions;
- extending the lifespan of IT equipment.

3.3.3. MANAGING THE GROUP'S IT EQUIPMENT

Sopra Steria manages its installed base of IT equipment according to very precise guidelines with a view to controlling costs and protecting the environment.

All IT equipment used by Sopra Steria is catalogued in a database managed using HP's AssetCenter product. Steria's equipment is being progressively integrated into this database. Technical, financial and usage information is continually updated over the equipment's life cycle, allowing the group to optimise equipment lifespans and ensure it is properly recycled once it reaches the end of its useful life.

Collecting accurate information helps Sopra Steria effectively manage its installed base of IT equipment and identify and replace equipment that becomes obsolete or whose use no longer corresponds to the group's business standards.

Even once an item of equipment has been removed and recycled, Sopra Steria 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 environmentally friendly manner, the group sells most of its equipment to a certified organisation. Lastly, a portion of PCs coming to the end of their useful lives is donated to educational institutions or charitable associations.

3.3.4. CARBON FOOTPRINT OF DATA CENTRES

ENERGY CONSUMPTION OF DATA CENTRES (ON-SITE AND OFF-SITE)*

SOPRA

(in kWh)	**Consumption**
TOTAL SOPRA (ANNECY, PUTEAUX, LYON)	**3,745,513**

STERIA

(in kWh)	**Consumption**
United Kingdom	14,048,039
France	4,465,262
Norway	3,545,603
Germany	2,787,687
India	1,688,889
Switzerland	922,379
Belgium	916,621
Sweden	697,997
Denmark	415,500
Poland	360,918
Luxembourg	297,575
TOTAL STERIA	**30,146,469**
TOTAL SOPRA STERIA	**33,891,982**

* *A data centre or similar set-up refers to a set of IT equipment which, according to the ISML definition, features controlled access, secure space for projects, climate control and an uninterruptible power supply.*

CARBON FOOTPRINT OF DATA CENTRES (ON-SITE AND OFF-SITE)

SOPRA 2014

(tonnes of CO_2 equivalent)	Greenhouse gas emissions of data centres
TOTAL SOPRA (ANNECY, PUTEAUX, LYON)	**228**

STERIA 2014

(tonnes of CO_2 equivalent)	Greenhouse gas emissions of data centres
United Kingdom	6,943
France	272
Norway	46
Germany	1,934
India	1,347
Switzerland	28
Belgium	180
Sweden	21
Denmark	131
Poland	311
Luxembourg	115
TOTAL STERIA	**11,328**
TOTAL SOPRA STERIA	**11,556**

The servers and data centres accounted for are those installed on the group's premises (on-site) and those installed outside of Sopra Steria's premises but used for group projects (off-site).
For the sake of clarity, figures have been rounded to the nearest unit.
The Power Usage Effectiveness (PUE) method has been used to calculate energy efficiency at Steria data centres and adjusted for Sopra data centres.

If renewable energy use at Steria entities in 2014, which represented 65% of total electricity consumption at on-site and off-site data centres, is factored in, greenhouse gas emissions fell from 11,328 metric tonnes of CO_2 equivalent to nearly 3,107 metric tonnes of CO_2 equivalent – **a decrease of 8,221 metric tonnes of CO_2 equivalent**.

3.3.5. CARBON OFFSETTING AT DATA CENTRES

Sopra Steria achieved CarbonNeutral® certification for the greenhouse gas emissions related to energy consumption at its data centres in 2014. This policy is part and parcel of the programme to reduce the carbon impact of the group's data centres through pooling and upgrading of the data centres, server virtualisation and renewable energy use. As a result of the programme, a carbon-neutral IT infrastructure underpins services offered to Sopra Steria clients.

3.4. Managing business premises

At all of its sites in France and, depending on national regulations, for its operations outside France, Sopra Steria favours the application of measures for the protection of the environment:

- installing ergonomic workstations to enhance the quality of working conditions for its staff;
- installing energy-efficient, environmentally friendly heating and air-conditioning systems whenever these systems need to be replaced;
- carrying out preventive maintenance on installations to save energy;
- having cleaners use non-toxic and non-hazardous products;
- installing water fountains directly connected to the drinking water distribution network with the aim of reducing plastic bottle use;
- raising employee awareness of the best practices presented in the group's guide to eco-friendly behaviours;
- regularly reminding site managers to respect the environment and use best practices on a day-to-day basis.

Regarding soil pollution, it should be noted that Sopra Steria's business activities on the premises occupied by the group do not have a significant impact on the environment.

3.4.1. CHOOSING NEW SITES THAT MEET THE MOST RECENT ENVIRONMENTAL STANDARDS

Sopra Steria'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 enhancing the quality of the group's work environment.

Several group sites in France now incorporate these new environmental standards:

- the Green Office in Meudon (outside Paris) is a building equipped to meet the most stringent environmental standards, with a biomass cogeneration unit and solar panels. It is certified HQE® Bâtiment tertiaire (high environmental quality office building) and HQE® Exploitation (high environmental quality operations), BBC (low energy consumption) and BREEAM – Excellent Europe 2008 (Building Research Establishment Environmental Assessment Methodology);
- the Limonest site near Lyon, which became part of the group in 2013 and covers more than 8,000 square metres, is also certified BBC and HQE®;
- the new building at Colomiers (near Toulouse) meets the new RT 2012 (2012 thermal regulations) standards and is certified HQE® (high environmental quality), with regulatory energy consumption 30% below the maximum level stipulated in regulations.

3.4.2. WATER CONSUMPTION

Sopra Steria only uses water from the municipal water system, mainly for sanitary use. It is difficult to accurately assess the amount of water consumed by the entire group, since this assessment depends on the utility management system readings made available by the group's various lessors. However, the group intends to step up its efforts to obtain this information.

3.4.3. ENERGY CONSUMPTION

Energy consumption in offices and on-site data centres is responsible for a significant portion of the group's emissions. Steria has worked for several years to reduce energy consumption in its scope and expand the use of renewable energy sources to power buildings. Sopra Steria favours the use of energy sources that have a low environmental impact, with the aim of reducing the group's world-wide environmental impact.

ENERGY CONSUMPTION OF OFFICES AND ON-SITE DATA CENTRES

(in kWh)	Scope 1	Scope 2
Total Sopra*	3,833,385	30,093,462
Total Steria**	6,352,627	36,948,882
TOTAL SOPRA STERIA	**10,186,012**	**67,042,344**

Scope 1: Direct combustion of fuels (oil, gas, fuel oil) required in operations owned or controlled by the group.

Scope 2: Electricity consumed by the group (electric power, and heating, steam and cooling systems).

* *For Sopra entities, most of the electricity data for France and the United Kingdom are real. This real consumption accounts for 50% of the electricity total shown for Sopra. The other amounts indicated are estimates.*

** *For Steria entities, the data for Singapore and Morocco, which represent less than 1% of the Steria total, are estimates. Part of the heating figure has been estimated.*

The real energy consumption figures are based on supplier invoices, invoices from owners of premises and metre readings. When no such information is available, energy consumption is estimated using baseline energy consumption per square metre.

For some countries in which real consumption data are only partially available, consumption is estimated using baseline energy consumption per capita, which is based on data from countries with a similar climate and business model.

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

3.4.4. GREENHOUSE GAS EMISSIONS – ENERGY

In 2014, energy consumption and greenhouse gas emissions at Steria entities showed a decrease of nearly 20% compared to 2013.

In addition, if renewable energy use at Steria entities in 2014 (which represented over 38% of total electricity use at on-site offices and data centres) is factored in, Scope 2 greenhouse gas emissions fell from 15,246 metric tonnes of CO_2 equivalent to 9,149 metric tonnes of CO_2 equivalent – **a decrease of 6,097 metric tonnes of CO_2 equivalent**.

GREENHOUSE GAS EMISSIONS OF OFFICES AND ON-SITE DATA CENTRES

(in tonnes of CO_2 equivalent)	Scope 1	Scope 2
Total Sopra	656	4,859
Total Steria	1,161	15,246
TOTAL SOPRA STERIA	**1,817**	**20,105**

The emissions factors used in calculating this indicator are based on the methodology of DEFRA (the Department for Environment, Food and Rural Affairs) in the United Kingdom.

Waste heat recovery

In Sweden, Sopra Steria's premises in Stockholm are located in Kungsbrohuset, a green office building built in 2010 which features the latest technological innovations in energy efficiency. The building recovers the excess heat produced by the 250,000 passengers that pass through the nearby central train station every day to heat the building. It also has an eco-intelligent building cooling system that uses water from the Klara Sjö canal.

3.5. Waste management

Waste management involves two types of waste, which are mainly sorted and processed by specialised companies:

- Waste Electrical and Electronic Equipment (WEEE);
- other office waste, which covers paper, used ink cartridges, cans, plastic bottles and batteries.

3.5.1. WEEE MANAGEMENT

France

In 2014, 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 IT 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 parts;
- recycling of computer components;
- secure data destruction of disks and magnetic cartridges.

United Kingdom

In the United Kingdom, the waste management policy for electronic waste that was defined and implemented at Steria sites was externally reviewed. This external review was carried out on two suppliers, Else Refining & Recycling Ltd and Dell, and enabled the group to verify that the operations performed were properly executed.

Spain

In 2014, Sopra worked with Cuadrado to handle its IT-related waste. Cuadrado offers the same level of traceability and recycling as the providers used by Sopra in France.

India

Sopra launched the "Go green" initiative to improve the sustainability of its IT infrastructure and the efficiency of its equipment. Sopra 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.

In 2014, the group collected just over 38 tonnes of Waste Electrical and Electronic Equipment, 64% of which was recycled and/or resold.

To ensure that the handling of WEEE for the group's various entities is managed effectively, the programme is managed and coordinated centrally in conjunction with entities in each country. This management method will be applied to the entire new Sopra Steria scope in 2015.

QUANTITIES OF WEEE

(in kg)

Sopra*	7,758
Steria**	30,447
o/w United Kingdom	26,125
TOTAL SOPRA STERIA	**38,205**

* *Including recycling data, excluding reuse data. Sopra scope: France, India, Spain.*

** *Including recycling and reuse data. Steria scope: all countries except France, head office, Singapore, and Morocco.*

WEEE volumes may vary substantially from one year to the next depending on whether a portion of IT hardware is replaced.

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

3.5.2. MANAGEMENT OF WASTEPAPER AND CONSUMABLES

For buildings and facilities that Sopra Steria controls, the group has put in place local policies aimed at reducing the amount of ordinary waste generated. Otherwise, Sopra Steria works with building owners to develop selective sorting and optimise recycling processes.

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 and allow for better traceability by providing waste tracking documents;
- by local councils or service providers not managed by the group (for multi-tenant properties).

In France, many sites already selectively sort paper waste. Individual wastepaper baskets are gradually being replaced by recycling bins. Depending on the type of selective sorting method implemented at each site, plastic bottles, cans, glass and used batteries are also sorted.

India

Sopra has introduced an aggressive wastepaper recycling policy which allows it to recycle a large portion of wastepaper produced.

Wastepaper is treated by the New Delhi-based company Green O Tech.

Spain

Sopra worked with specialist provider DCD (Destrucción Confidencial de Documentación SA) to manage its wastepaper. 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.

In 2014, a selective sorting system (organic waste, plastic, packaging and glass) was implemented for the group's entire workforce. Batteries, wastepaper and used ink cartridges are also recycled.

United Kingdom

Steria has joined forces with the owner of one of its buildings to implement closed-loop paper recycling. A further aspect of the group's recycling work involves transferring part of its waste products to charitable associations.

3.6. Other actions

3.6.1. "GREEN" PAPER PURCHASES

In France and Spain, the group has been expanding the use of "green" photocopy paper. Since 2011, Sopra has used SFI-certified paper at all its French sites. All paper used is certified paper (FSC/PEFC/Blue Angel) produced from sustainably managed forests.

All the paper purchased by Sopra Spain is FSC-certified.

Moreover, the group's campaign to promote eco-friendly behaviours among employees includes a focus on the need to limit printing, with the aim of reducing paper consumption and making more rational use of printing equipment.

All the paper used at one Steria site in the United Kingdom was recycled by a specialist company and then reutilised at the original site (a process known as closed-loop paper recycling). No chemicals are used in the process. Compliance with the COSHH (Control of Substances Hazardous to Health) regulations ensures the environmental quality of the product utilised.

3.6.2. PAPERLESS PROCESSES

The group has implemented concrete measures to encourage the use of paperless processes and raise awareness among employees, allowing it to reduce the printing and transport of documents in recent years. Moving toward paperless processes has also reduced the amount of wastepaper to be processed.

Sopra Steria's different internal newsletters are electronically distributed via the group's internal portal or by e-mail. Business management administrative procedures have also shifted toward paperless processes, including monthly activity reports produced by each employee, the management of paid leave and absences, IT requests, payslips, purchases and travel invoices. In 2014, the group launched a procedure to harmonise its tools and procedures to include the Steria scope.

3.7. Sustainable development for group clients

Sopra Steria assists its clients in reducing their environmental footprint in a number of ways, for example by offering to deliver solutions akin to Smart Energy Management.

Through a variety of projects, Sopra Steria helps clients scale back their greenhouse gas emissions and gain greater control over their demand for energy. The group works closely with energy companies to give clients access to innovative Smart Home- or Smart Building-style solutions, which are designed to equip new homes and buildings with technology offering better control over energy consumption.

Reducing greenhouse gas emissions

Sopra Steria has partnered with a power company to enhance the efficiency of its hydropower facilities in France by overhauling its operating and maintenance systems. The outcome is reduced use of fossil-fired power stations, which burn gas, oil and coal and therefore produce higher pollution levels.

Smart Meter and Smart Grid

For a number of clients in the housing and energy sectors, Sopra Steria helps develop smart solutions for controlling final consumer energy demand.

One example involves deployment of smart meters offering two-way communication with the central system for residential clients of a French power company. Smart meters enable final consumers to control their energy use and therefore regulate demand for the power company.

Smart Home

Based on heating regulations on the breakdown of energy consumption, Sopra Steria has established a platform that gives consumers a detailed view of their energy consumption, along with a benchmark for housing units in the same estate or development.

Smart Building

The group has developed a solution for a property management company to improve energy efficiency and maximise user comfort (e.g. air temperature and quality) in office buildings.

Smart City

Sopra Steria is also a member of a consortium established to develop a local power grid whose purpose is to optimise energy use by all clients in a neighbourhood or town. Issy Grid®, located in the Paris suburb of Issy-les-Moulineaux, is thus France's first smart neighbourhood grid. It may well be the forerunner of a new approach to optimising energy management in the neighbourhoods and towns of tomorrow.

Sustainability Consulting

In the United Kingdom, Sopra Steria has assisted a local administration with management and implementation of its sustainable development policy. Through the transformation of its data centre infrastructure, energy use has been halved and greenhouse gas emissions have been reduced by 540 metric tonnes a year.

Moreover, Sopra Steria has a whole range of offerings and solutions for improving environmental performance at companies. These offerings and solutions include the following advantages:

- process optimisation, which helps consolidate infrastructure, applications and data (e.g. via virtual servers with cloud hosting, paperless processes and service pooling);
- enhanced management of power consumption by office computers;
- the use of IT solutions to manage carbon emissions and the related reporting.

4. Societal Responsibility

4.1. Regional impact

4.1.1. EMPLOYMENT AND REGIONAL DEVELOPMENT IN FRANCE

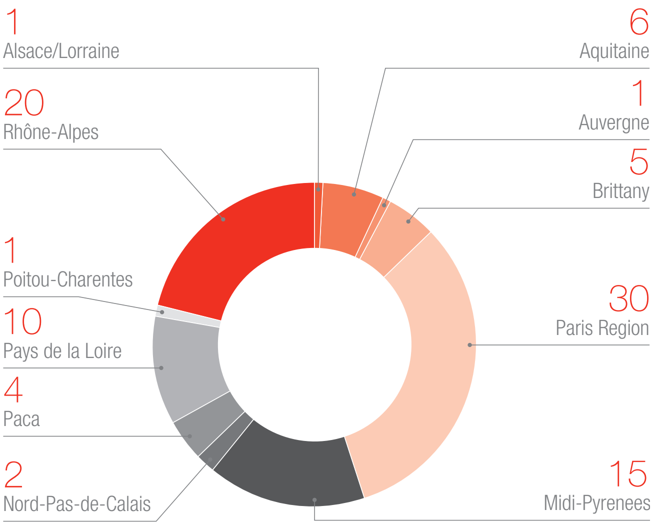
Sopra Steria was a major driver of growth in regional employment in 2014, recruiting 1,889 new employees on permanent contracts in France, with over 60% of these outside the Paris region.

The group has 17,048 employees in France, nearly two-thirds of whom are based at sites outside the Paris region.

To serve its clients and meet their needs as effectively as possible, Sopra Steria has developed regional service centres and boosted its workforce at its regional sites. This policy has allowed for the creation of many jobs, with regional entities hiring a significant number of new employees.

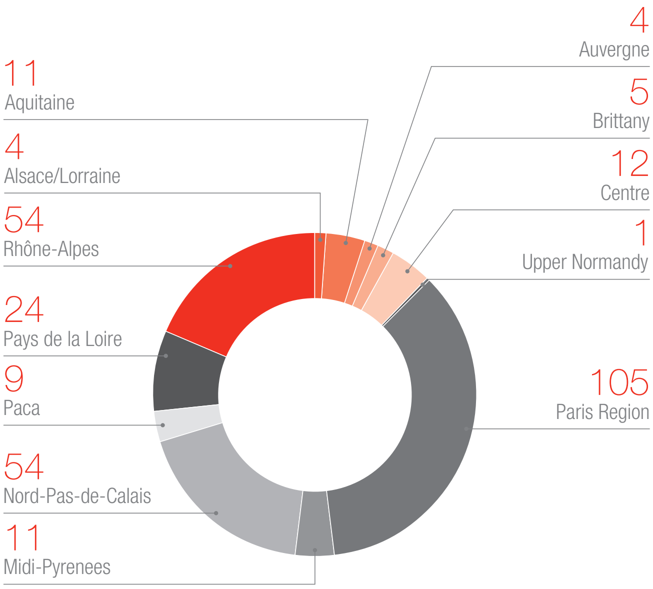
NUMBER OF WORK-LINKED TRAINING RECRUITS PER REGION: APPRENTICESHIPS

95 recruits in 2014, a substantial jump compared to 2013.

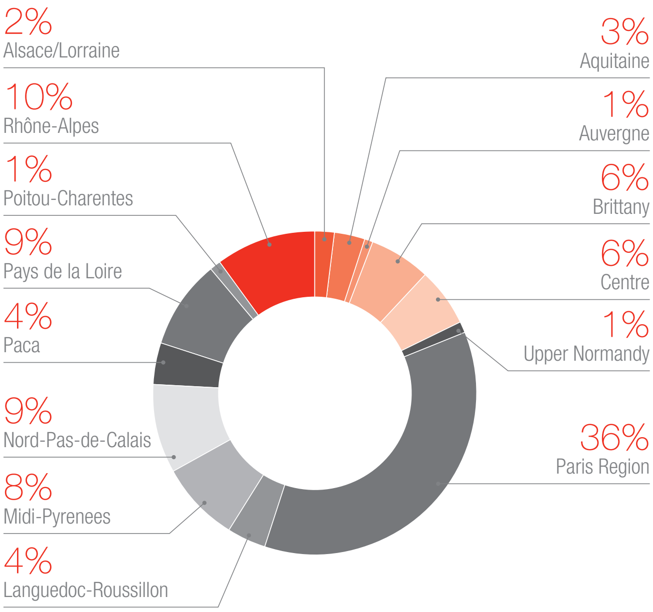


NUMBER OF WORK-LINKED TRAINING RECRUITS PER REGION: PROFESSIONALISATION CONTRACTS

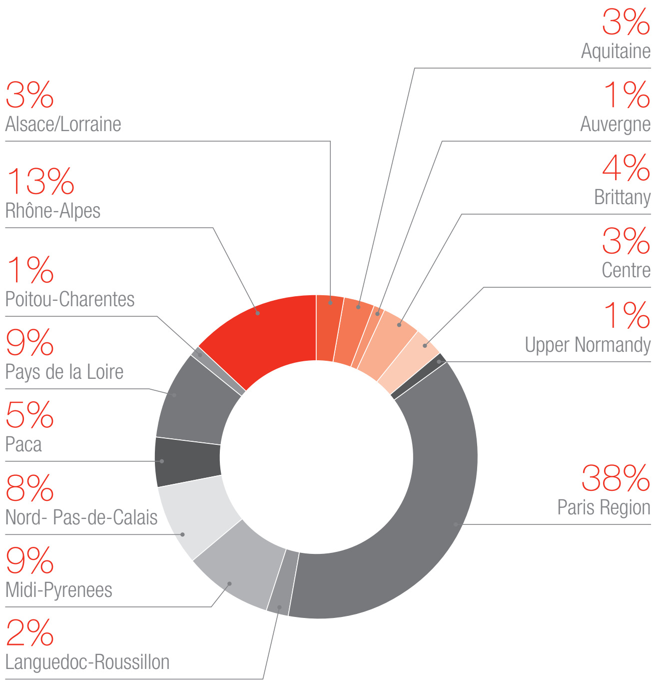
300 recruits in 2014, a very strong increase over 2013.



PERCENTAGE OF RECRUITMENTS PER REGION: CONVERSION OF INTERNSHIPS



PERCENTAGE OF RECRUITMENTS PER REGION: PERMANENT CONTRACTS



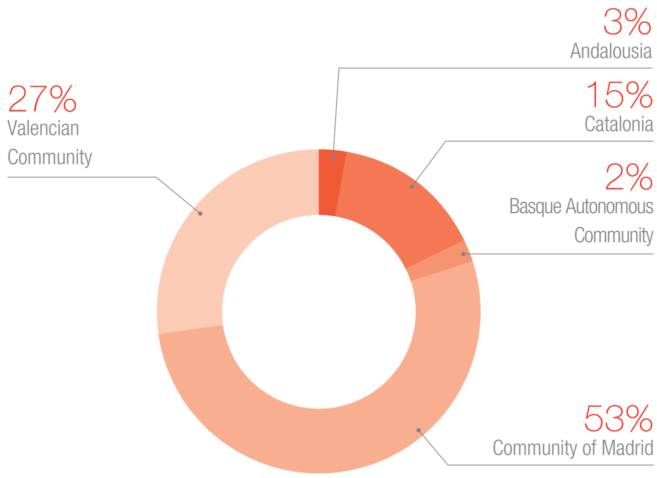
In December 2014, the French president and Pierre Pasquier attended the opening of a new Sopra Steria site in Boulogne-sur-Mer together with the city's mayor, who is hoping that his municipality will become a new hub for the digital industry. Sopra Steria has more than 1,000 employees in the region and hopes to recruit extensively in order to support its development and strengthen its locations in that region. The opening of this site paves the way for many innovative projects that are likely to attract new talent, mainly young engineering graduates from universities and trade schools in the region.

4.1.2. EMPLOYMENT AND REGIONAL DEVELOPMENT IN SPAIN

Sopra Steria strengthened its positioning as a major provider of regional employment in Spain, with 544 recruits on permanent contracts. Recruitment across the country, already high in 2013, increased significantly once again in 2014 (up 19% year on year).

Recruitment was very strong, including 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. EDUCATIONAL PARTNERSHIP POLICY

To meet its young graduate recruitment targets, Sopra Steria places its trainee integration and educational partnership policy at the heart of its recruiting strategy.

The educational partnership policy is based on 3 objectives:

- raise the profile of Sopra Steria, its professions and its values;
- improve the sourcing of interns, students in work-linked training and applicants for permanent positions;
- facilitate the recruitment of young graduates.

The Educational Partnership policy launched with schools and universities enables the group to help prepare students for the workforce and take an active part in major events in the life of educational institutions at all levels:

- administration (board of directors or trustees, participation in foundations, juries, class mentoring, etc.);
- teachers (company-sponsored chairs, courses, business-related projects, etc.);
- students (sharing of experiences, feedback, round tables, conferences, simulated interviews, graduation ceremonies, forums, company visits, sponsoring of associations, etc.).

To manage this policy, Sopra Steria uses 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 get all stakeholders involved.

In 2014, the group carried out more than 500 activities with 150 partner schools and universities, 70% of which were outside the Paris region. This strong presence was crowned with success, with Sopra Steria welcoming over 500 graduating interns and more than 200 new students in work-linked training, up significantly from the previous year.

Sopra partners with the 46th EDHEC Cruising Race

For the eighth consecutive year, Sopra sponsored the leading European sports event for students: the EDHEC Cruising Race, held from 28 April to 2 May 2014 in Les Sables d'Olonne. The event included a full-day initiative to raise students' awareness of disability.

Examples of new activities undertaken with schools in 2014:

- participating in the World Academic Sport Challenge, an event that brings together 250 schools and universities for various athletic competitions in parallel with a job fair and disability awareness workshops;
- sponsoring the graduation ceremony of the l'*École des Mines de Nantes* for the Class of 2014.

In order to serve Sopra Steria's growth and value ambitions, in 2015 the Recruitment Department in France will maintain the momentum already built up in schools by focusing on actions that allow it to present digital career opportunities to students.

Sopra Steria will also recruit more young people in work-linked training to respond to the changes that have taken place at schools and universities.

These progress targets are included in the annual action plan that underpins Sopra Steria's educational partnership policy. For the 2014-2015 academic year, Sopra Steria plans to undertake more than 550 activities with around 150 partner schools and universities.

This educational partnership policy will continue to be extended to entities outside France to develop it into a group-wide approach.

4.1.4. RELATIONS WITH LOCAL POPULATIONS

In 2014, humanitarian activities to support local populations were organised in the main geographical areas where the group operates through foundations in France and India and country-specific entities.

Three principles guide Sopra Steria in its approach to helping local populations:

- promoting education and employment, especially through the use of digital technologies;
- supporting disability initiatives;
- taking action for public health and providing support during crisis situations.

More specifically, Steria has been organising a group community event called the One Day Challenge for several years. This is an annual event that brings together the initiatives of its employees and entities. It gets clients involved through the organisation of fundraisers in the different countries where Steria operates. The funds are earmarked to finance community projects in different countries and more particularly in India through the Steria India Foundation, which manages local programmes.

Activities in support of education and employment

Access to education, IT and employment are at the heart of the group's community outreach programme. In 2014, the group's entities and foundations implemented training and employment initiatives by working with public agencies that manage job seekers, supporting young graduates in their job search and expanding the group's offering of internship and work-study programmes.

In France

Sopra Steria and its employees have organised a wide range of activities to promote employment for young people.

For example, the group 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.

A fund-raising drive to support the lower secondary school in Montauban-de-Bretagne, organised as part of a community event involving group employees in France, helped to finance a smartboard for teaching children with learning difficulties such as dyslexia. Smartboards are used with teaching methods designed specifically to support children's learning in language, reading and maths.

The Steria-Institut de France Foundation, created by Steria in 2001, supports projects that use digital technologies to help disadvantaged groups integrate into society and the workplace in three areas: education and training, innovative solutions designed to make their day-to-day lives easier, and social entrepreneurship.

Employees volunteer to sponsor projects, providing support to the associations concerned and offering advice and expertise, regardless of their area of work. The Foundation supports four or five new projects every year. In 2014, it supported 14 projects run by 11 associations, three engineering schools and one school in India.

Among the associations supported by the Foundation in 2014 was JobIRL, the leading social network providing careers advice to 14 to 25-year-olds, which relies on the support of professionals from all sectors. Several Steria volunteers supported the association with the development of a mobile app, accessible from a smartphone, to help raise awareness among young people.

The Foundation is also working with *Apprentis d'Auteuil* on a computer-assisted experimentation project for young science students in a priority education area. The lab will give over 400 young people the opportunity to experience the sciences (physics/chemistry and earth/life sciences) from a new angle using a computerised system.

During the summer of 2014, the Foundation also organised six "*Congé Solidaire*" outreach projects in India at the Mahabalipuram school supported by Steria France as part of the Indian school sponsorship programme. Among other things, employee volunteers – supervised by their Indian colleagues – developed a database for the school's 500 pupils, helped create a library and gave French classes.

Finally, the Foundation organises a Student Prize each year, awarded to university students for projects that combine technological innovation and community service. In 2014, the prize was awarded to a team of students from the ECE Paris Graduate School of Engineering for their Dry Care system designed to measure and monitor hydration in elderly people using an electronic bracelet connected to a scale. The students were given financial support to get their project off the ground and are sponsored by a group employee.

In India

The group's involvement in India has naturally led to a significant education programme to support the most disadvantaged groups in this part of the world.

Since 2011, the Sopra India Yogdaan Trust has been providing support to local communities, in particular through training and workforce integration initiatives, such as training sessions on new technologies at Indraprastha Engineering & ITS College and the ITS (Institute of Technology and Sciences). In 2014, for example, students at IPEC were trained in designing the development cycle of a software program, formalising requirements, design, acceptance, good coding practices and developing soft skills. A group of students at the ITS was chosen to implement a project linked to new technologies with the help of an expert from the group.

The Sopra India Yogdaan Trust sponsored an event organised by "Teach for India", an NGO aiming to eradicate educational inequality in India. The aim of the event was to minimise the disparity between pupils from state and private schools by sharing skills and know-how.

The Trust also made a donation to mark "Teachers' Day", covering the school fees of around 20 pupils.

Various programmes have been run under the auspices of the Steria India Foundation for several years, including:

- an education programme in 47 schools in India;
- a sponsorship programme to support schools, managed by the Foundation, is offered to various countries. Nine Steria countries and entities took part in the programme in 2014;
- a grants programme to fund higher education for young people over four years. Since its launch in 2006, 84 graduates who benefited from the programme have found work;
- the creation of two Career Development Centres (CDC) funded by Norway (2013) and India (2010). The aim of the centres is to give trainees the opportunity to take short courses that could lead to a job. By the end of 2014, over 400 trainees from the centres had found employment.

Finally, a partnership was signed in 2014 between the Steria India Foundation and a major player in the Indian economy, to support the business in deploying its community outreach programme. Under the partnership, the Foundation – which is very active in local development outreach projects – has provided expertise to help set up two schools in Hyderabad and Jamshedpur for disadvantaged children.

In Spain

In late 2014, the group took part in the Social and Workplace Integration Days organised by the Chamberi district of Madrid, to help people looking for a job, particularly young graduates, to find their way into the workplace. Sopra Steria used both this occasion and university careers fairs at the UAM (Universidad Autónoma de Madrid) in February and UAX (Universidad Alfonso X el Sabio) in March, to organise a series of presentations on writing a CV and interviewing for a job.

In Norway

Steria has been working with the Church City Mission in Oslo for six years. In 2014, 30 employees volunteered their time to give IT lessons to women immigrants.

Disability initiatives

2014 saw the creation of a French-language digital library to combat the risks of marginalisation and isolation for people with a visual impairment, with over 30,000 works accessible in a digital audio (DAISY) format, on the website www.bnfa.fr. The project was developed by BrailleNet, the GIAA (Group of Blind or Visually Impaired Intellectuals) and the ABA (Association for the Blind and Visually Impaired) with the support of the Steria-Institut de France Foundation.

The Foundation also provided assistance for a project to set up a web-based support service for the families of people with a disability, Répi'Lib, for the Rhône-Alpes Association for People with Cerebral Palsy: http://repilib.fr. The aim is to put people in need of support in touch with carers, to give families some respite and encourage people with a disability to be more independent.

The Foundation continued its support in 2014 for Interface Handicap, an innovative portal on information and communications technologies accessible to people with all types of disability. The association is frequently approached for training on accessibility; in 2014, it decided to review its website and offer a mobile app that would be accessible on tablets, smartphones, etc.

As part of its outreach initiatives to support people with a disability in Spain, Sopra continued its support in 2014 for Club Rangers in Valencia, a wheelchair basketball team whose president is a group employee and who has reduced mobility himself. Finally, in November 2014, the group took part in the careers fair for people with a disability organised by the Madrid region every year.

Initiatives in health and emergency situations

Health

A range of initiatives was organised in the group's various countries in 2014.

In Spain, the group sponsored the first community race organised by the Spanish Cystic Fibrosis Federation, in December 2014. A partnership has been in place since 2013 between Sopra and Fundtrafic, an association to support victims of accidents that is registered with the Spanish Ministry of Health, Social Services and Equality. Several awareness-raising campaigns on preventing road risks were run for Spanish employees as part of workplace risk prevention efforts.

Actions to support local communities in India included setting up a dental centre at the MR Public School in Ghaziabad, in conjunction with the Happy You organisation and the ITS Dental College. Happy You was founded in 2014, with the aim of promoting the importance of good dental health. Dentists at the camp offered free care and talked about dental hygiene to pupils and teachers at the school.

One-off or recurring blood donation drives were organised at various group sites, particularly in France, Spain and India, as they are every year.

Steria employees in the United Kingdom were involved in a number of volunteer initiatives with their customers. Joint teams, for example, actively raised funds for the Christie Hospital in Manchester, which specialises in cancer treatment and research. Other Steria volunteers and their customers raised funds for the charity Breakthrough Breast Cancer.

Emergency situations: food drives and donations for first-aid

In Spain, Sopra took part in food drive initiatives for the Madrid Food Bank. The Madrid Food Bank distributes the food collected, free of charge, to various official charitable organisations in the city that support people who are disadvantaged or in difficulty.

In India, the Steria India Foundation provided assistance to victims of flooding in the Uttakakhand, Jammu and Kashmir regions, where over 4,000 villages were devastated and 6,000 people died. Various drives and support initiatives were organised, including:

- collection of food and first-aid products for victims of flooding in the Jammu and Kashmir regions, in conjunction with the Goonj association;
- organisation of reconstruction work in several flooded villages in Uttakakhand, with the Noida Lok Manch (NLM) association;
- collection and donation of winter clothing distributed to the Goonj and Help Us to Help the Child (HUHC) associations.

Various other actions to help disadvantaged groups were put in place, such as distributing around 100 solar lamps to pupils at Saraswati Vidya Mandir school in the village of Pakhal, who have no access to electricity (in partnership with Literacy India and Sway Techno Solutions).

4.2. Sponsorship

Sopra Steria recognises the importance of civil society and local communities. The group has chosen to focus its involvement on community services for vulnerable populations facing major social issues such as access to water, and on culture. Sopra Steria sponsors organisations with a link to its commitments to implement its programmes on the ground.

4.2.1. IN FRANCE

Planète Urgence

For years, Sopra's sponsorship of the NGO Planète Urgence has given group employees in France the opportunity to pass on their skills by taking part in projects initiated by local stakeholders in developing countries. Employees take on projects while they are on leave and the company funds some of the operating costs of Planète Urgence, plus project-related training and travel expenses.

Since 2011, the programme has allowed group employees to take part in over 30 projects in seven different countries, in Africa, Asia and Haiti. Nine projects were carried out in 2014, in Benin, Cambodia, Haiti, Madagascar and Nepal. Projects undertaken by employees under the "*Congé Solidaire*" programme in 2014 mainly involved delivering training in the use of office IT applications and implementing IT and management systems.

The sponsorship agreement has been renewed for the whole of the group in France for 2015.

Green Cross France & Territoires

Sopra's commitment to Green Cross France & Territoires (GCFT), which began in 2012, went a step further in 2014. Green Cross is an international NGO created in 1993 by Mikhail Gorbachev; one of its major areas of focus is the right and access to water. The partnership with the group, which will continue in 2015, was put to practical effect in 2014, with financial sponsorship to support the Association's development of its activities in France and skills-based contributions. One example was Sopra's contribution to a booklet titled "Water – Keys to Act" to raise awareness of water-related issues among various audiences.

The booklet explains the importance of better water management at the global level. Water is the only scarce public good that cannot be replaced by anything else and is essential for life. It is therefore an essential element of our day-to-day lives, raising not only issues of access and resource management but also operational questions about use and preventing pollution. The booklet sets out some of the options for practical solutions in various areas, particularly access to water, sanitation, changing patterns of use and the contribution made by technology. Broader international distribution of the booklet is planned for 2015, with help from Sopra Steria.

In late 2014, the group also supported the Antarctic expedition led by Luc Hardy, explorer and vice-president of GCFT, whose scientific mission was to carry out an oceanographic survey in the region by studying long-term changes in the ocean in response to global warming. The results of the expedition and the scientific data gathered will feed into GCFT's "Water and Oceans" programme and contribute to its advocacy campaigns on climate and the oceans ahead of COP21 – Paris 2015.

1001fontaines

Sopra entered into a new sponsorship deal to strengthen its commitment to water-related issues in 2014 and is now working with 1001fontaines, an international solidarity association that aims to bring about long-term improvements in the health of rural populations in developing countries, by helping them to produce and consume clean drinking water on a daily basis.

The aim of the agreement is to fund the creation of one of 18 clean water production plants to be set up in a region of Madagascar with no water supply network. Once 1001fontaines has completed its work, the plant will be run by a local operator, which will produce drinking water, pack it into large containers or jerry cans and sell it in the village at a very low price. The profits made by the operator will provide it with a regular income, help to maintain the plant and ensure the long-term viability of the scheme.

The decision to continue sponsoring the association in 2015 will help to fund the second part of the project supported by the group, namely setting up a plant that should be operational from late 2015.

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. Team Jolokia competes in the most prestigious ocean races on a 60-foot Volvo Ocean, a powerful yacht for extreme sailing. The aim is to show that diversity is a boon for society and for performance.

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 Steria once again showed its support for the Team Jolokia adventure by continuing to sponsor the Association in 2014. Beyond this chance to offer financial support, the event is also an opportunity to discuss diversity as a driver of performance with a forum of 3,000 students.

In 2014, students once again had the opportunity to sail on board Team Jolokia's yacht (a VOR 60, well known to the public) and thereby share in the association's adventure at the EDHEC Cruising Race.

Mobilising for culture: In 2014 in France, the group launched a pair of two-year sponsorship projects in support of culture with the Royaumont Foundation and the Festival d'Auvers-sur-Oise.

Royaumont Foundation

This is a private French foundation with a cultural purpose. It has been operating since 1964 with three objectives in mind:

- ensuring the preservation and promotion of the monument (the 13th-century Cistercian abbey) by organising cultural programmes;
- supporting young artists in their work by fostering their entry into professional life and promoting them to the public;
- promoting artistic undertakings by rediscovering forgotten works and creating new ones.

Support for the Foundation is managed by the Comité Henry Goüin, a committee of corporate sponsors that include Sopra Steria. This committee allows for the pooling of resources to support the Foundation's activity.

Festival d'Auvers-sur-Oise

The festival's purpose is to recreate in music the same spirit rendered by the impressionists in their paintings. A different theme is used each year (baroque, classical, romantic, etc.).

Today, one of its main objectives is to discover new talents and help them launch their artistic career.

Sopra Steria supports the festival's activities, especially those focusing on young musicians, through its Fa'Club, which brings together various corporate sponsors who wish to contribute to the Festival's development.

4.2.2. IN INDIA

OM Foundation

In India, Sopra India Yogdaan Trust continued to support the OM Foundation, a registered charity that works to improve living conditions for the underprivileged through activities in support of education and employment. The trust supports causes including the OM Foundation's school, the flagship initiative of its education programme, by providing financial support and valuable skills. Since 2013, group volunteers in India have tutored Foundation pupils in activities as wide-ranging as public speaking, dance, and arts and crafts, and have helped organise events involving pupils from the school. In 2014, the group renewed its financial support for a class of young children (the equivalent of Year 5) at the Foundation's school.

RamKrishnan Vivekananda Mission

In 2014, to support the RamKrishnan Vivekananda Mission (RKVN), Sopra India Yogdaan Trust supplied school uniforms to some thirty children welcomed by the orphanage, and organised an awareness-raising initiative held on World Environment Day in collaboration with an NGO that promotes recycling.

NIIT Foundation

The Steria India Foundation runs an educational programme for thousands of children in 47 public schools located in rural or disadvantaged areas, mainly near Steria's Chennai, Noida and Pune sites. The Foundation's aim is to take action favouring young people who must quickly find work after finishing high school in order to support their families. It entered into a partnership with the NIIT Foundation to found its Career Development Centre in Chennai, backed by financial support from Steria Norway. The goal is to provide young people from disadvantaged local communities and Steria-sponsored schools with short training programmes that will enable them to find work in the restaurant, retail and hotel sectors. At the end of 2014, the centre had 953 young people in training, 147 of whom had secured a job.

The Steria India Foundation also manages the group's sponsorship programme for schools in India and a scholarship programme.

4.2.3. IN SPAIN

In 2014, Sopra built on the foundations laid by the group by sponsoring the Spanish branch of Green Cross.

As part of this sponsorship, Sopra supported the Green Cross' eighth Dialogue on the Global Water Crisis. The goal of this conference was to provide a forum for sector experts to discuss and reflect on the global water situation and its socioeconomic repercussions.

4.2.4. IN THE UNITED KINGDOM

The group makes matching contributions to the proceeds that employees collect for charity and offers grants to support their initiatives in favour of populations in need and environmental programmes. In 2014, employees supported more than 70 associations and community projects through this solidarity programme.

Financial support is provided to a wide range of causes in several different countries, in fields including education, health, medical research, sport and homelessness.

4.2.5. IN NORWAY

Steria Norway provided skills sponsorship to social entrepreneurs to support the programme launched by industrial and financial group Ferd which assists social enterprises and socially responsible companies that have a strong development impact. The programme is mainly geared toward children and young teens and aims to provide them with new academic opportunities and access to employment.

4.3. Stakeholder dialogue

Sopra Steria's corporate responsibility approach is based on its commitment to the United Nations Global Compact. This commitment is aligned with the group's aim of behaving transparently, equitably and fairly towards all its stakeholders, including clients, employees, shareholders, subcontractors, suppliers and partners. It is in this spirit of dialogue and transparency that Sopra Steria has incorporated the corporate responsibility dimension into its relationships with its stakeholders. This report, which is based on the improvement measures implemented by Sopra and Steria, was designed to meet this demand for transparency and information in the group's dealings with its stakeholders. An independent third party was appointed by Sopra Steria to check that all information required under Article 225 of the Grenelle Environment 2 Act (as listed in Article R. 225-105-1 of the French Commercial Code) was included, and to verify the fair presentation of all the information in this report. Its verification report can be found on pages 106–107 of this report.

4.3.1. CLIENTS

The group's desire to achieve excellence, deliver progress and ensure long-term success is what drives all of its actions to provide its clients with the best possible service.

Sopra Steria'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 digital technology, the group's guiding principle is to listen to its clients while relying on robust mass processing capability.

For many years, Sopra and Steria have succeeded in building lasting relationships with their clients to support them in their major transformation programmes. The group's operations and service activities will continue to abide by a set of values and fundamentals backed by a strong code of professional ethics.

This approach to managing client relationships and responsibilities has enabled Sopra Steria 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.

More specifically, Sopra Steria aims to keep its clients informed of its commitments in the area of corporate responsibility by communicating frequently about progress made through improvement measures put in place.

Client satisfaction surveys and project reviews are also carried out, which helps build a relationship of dialogue and lasting trust.

4.3.2. EMPLOYEES

For a number of years, Sopra and Steria have had strong internal communications plans to keep employees informed and promote exchanges within the group. These plans include a set of communication tools (including group collaborative portals, newsletters and social networks) and regular meeting points at the entity level or targeted to specific employee positions. They are based on highly structured management and exchange systems, in particular.

In 2014, Sopra and Steria launched their company portal based on SharePoint technology.

All of these systems were harmonised to cover all Sopra Steria employees from 2015 and to support the group's development driven by an ambitious transformation project.

The collaborative company portal shared by Sopra Steria employees serves two purposes: it facilitates access to all group information, from fundamentals to corporate and business line-specific information; and it accelerates knowledge acquisition and the development of expertise. The portal does so by offering powerful tools for sharing and leveraging knowledge and fostering more fruitful communication between employees, thanks in particular to integrated social networking features.

Special attention is paid to disseminating the group's values, which are firmly focused on individual and collective behaviours throughout the Sopra Steria group, and ensuring that those values are observed.

4.3.3. SHAREHOLDERS

Sopra Steria Group is listed on Compartment A of NYSE Euronext Paris.

Sopra Steria Group applies the AFEP-MEDEF Corporate Governance Code, and every year in Chapter 2 of its Registration Document the group informs its shareholders of the way in which it applies the recommendations of this Code.

In accordance with French legislation, Sopra Steria Group is committed to communicating its progress and the relevant performance indicators every year in three areas: the workforce, the environment and society, which it covers in its Corporate Responsibility Report published in the Registration Document.

Sopra Steria Group constantly seeks to maintain a relationship of trust and transparency with the financial community; as such, it regularly communicates with its shareholders, institutional investors and financial analysts. This communication includes quarterly, half-yearly and annual publications, and covers both financial and non-financial information about the group.

Each year, the General Meeting of Shareholders and meetings to announce the full-year and half-year results are occasions for the group to share its strategy, financial performance and outlook with the financial community.

All published information is made available to the public in French and English in the "Investors" section of the group's website (www.soprasteria.com). Any questions may be sent to the investor relations team via a dedicated e-mail address: investors@soprasteria.com.

4.3.4. SUPPLIERS

The departments in charge of purchasing for the group must verify that their suppliers and service providers share Sopra Steria's values in the area of corporate responsibility. A number of measures have been taken by Sopra and Steria in the past several years, such as having suppliers adhere to the responsible purchasing charter and take rules of ethics into account, raising awareness among members of the Purchasing Department, and assessing the group's main suppliers (including lessors). Details can be found in Section 4.5 of this report, entitled "Responsible purchasing and supplier assessment". In 2015, these measures, based on the same guiding principles, will be gradually harmonised across the group.

4.3.5. SUBCONTRACTORS

The group's expertise covers consulting, technology services and software development on the one hand, and associated services (training, organisation, support and maintenance) on the other hand.

Sopra Steria 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.

For such cases, the group's quality procedures describe in detail how it 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 service providers or subcontractors to whom work is entrusted remain under the responsibility of group entities. Their services are subject to the same level of monitoring and control as services delivered by other members of Sopra Steria teams.

4.3.6. PARTNERSHIPS

Sopra Steria's partner strategy is based on the expectations of its clients, with the aim of providing them with the best solutions on the market and an excellent level of service across all of the group's businesses.

By building close, lasting relationships with the world's leading software developers such as Microsoft, IBM Software, SAP, Oracle and HP Software, Sopra Steria provides its clients with innovative, proven solutions tailored to their needs.

Sopra Steria works every day with its strategic partners to ensure that the group's expertise combined with its partners' solutions support clients in transforming their businesses and information systems and adopting new practices.

As such, Sopra Steria 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, infrastructure management and software development businesses in every country in which the group operates.

The group's governance structure is comprised of 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 Accounts and Partnerships Department.

In addition to its five strategic partnerships, the group enters into specialised, industry-specific and technology partnerships, implemented for specific markets and offerings. Specialised partnerships are managed with consistent governance to ensure the best complementary fit with strategic partnerships, while providing targeted responses for specific business needs or contexts.

4.3.7. CIVIL SOCIETY

Sopra Steria is highly involved with non-governmental organisations (NGOs) and charitable organisations. This information is provided in the "Sponsorship" section above.

The group is also very active in professional organisations related to its activities. Sopra Steria works with local professional organisations to take part in developing professional, ethical and quality standards, expand the use of digital technology and favour collaboration between companies in its sector.

Historically, Sopra and Steria have been very involved with Syntec Numérique, the French digital sector's leading trade union. In 2015, the group will continue to actively work together with Syntec Numérique on several different levels, notably as a member of the Board of Directors and its overseas delegation, and by participating in its working groups (Smart Cities).

In India, group entities have been working with NASSCOM (National Association of Software and Services Companies), an organisation that represents IT professionals, for several years. In 2014, the Steria India Foundation participated in a workshop in Chennai entitled "CSR Rules: Legal and implementation implications, opportunities", organised by NASSCOM and the NASSCOM Foundation, to get companies' feedback on "how to develop a robust policy and systems to meet your CSR targets". For several years, Sopra Yogdaan Trust has been involved in an initiative run by NASSCOM intended to bridge the gap between industry and academia. In 2014, Sopra India employees gave classes to students from Inderprastha Engineering College (IPEC) and ITS Engineering College.

In Spain, Sopra has been very active in recent years with the Spanish Association of Consulting Firms (AEC), which represents Spain's leading consultancy and IT firms. In 2014, in Madrid the AEC organised the European meeting of the IT sector's leading companies. In 2014, Sopra was also involved in a number of committees, including working relationship and public sector committees.

Lastly, a Corporate Responsibility (CR) Advisory Board consisting of independent experts from the public sector, private sector and civil society has been in place at Steria for several years. This board helps provide insight from outside the group, particularly regarding stakeholder relations. In 2015, the board will continue its work providing Sopra Steria with its outside expertise.

4.4. Fair operating practices – Ethics

Sopra Steria's main priority in carrying out its day-to-day activities is observing business ethics. This priority, which is based on the commitments of the United Nations Global Compact, is formalised in Sopra Steria's Code of Ethics, which applies to the group's entire scope. Sopra Steria's Code of Ethics is based on the common ethical principles in effect in 2014 in both of the group's original entities. The code is aligned with the group's aim of behaving transparently, equitably and fairly towards all stakeholders: clients, employees, shareholders, partners, suppliers and players within civil society.

The principles of this code are founded on compliance with legislation and regulations in all countries in which group entities operate, and on the entities' commitments to carry on their business as efficiently and effectively as possible.

Sopra Steria does not tolerate any form of corruption or abuse intended to derive a commercial advantage.

In conducting its business, the group is committed to ensuring that its entities and 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.

Sopra Steria is also committed to avoiding personal conflicts of interest that are contrary to its best interests.

The Code of Ethics is supported by group management, which is responsible for ensuring that these rules are observed. The code applies to all Sopra Steria employees to ensure that they perform their duties effectively.

The code is communicated to employees via the company's internal network, and awareness initiatives will be carried out in 2015 to ensure that its message is taken into account across the new group structure.

4.5. Responsible purchasing and supplier assessment

Sopra Steria is particularly attentive to the issue of responsible purchasing. Before the merger, Sopra and Steria each sent out a Responsible Purchasing Charter to their suppliers and service providers through their Purchasing Departments. Both entities implemented a supplier and service provider selection policy that complies with the principles laid down by the United Nations Global Compact, of which Sopra and Steria have been signatories since 2004.

4.5.1. RESPONSIBLE PURCHASING CHARTER

Since 2011, Sopra has sent its Responsible Purchasing Charter to its main suppliers. In 2014, it was also implemented in Spain.

The Responsible Purchasing Charter sets out fundamental principles of fair and transparent purchasing.

The charter is disseminated as an annex to new and/or renewed contracts with regular suppliers. In the case of subcontractors, the group's main (Tier 1) subcontractors were the first to sign the charter. Starting in 2015, the group plans to extend the charter to other subcontractors as an annex to subcontracting contracts.

4.5.2. CSR ASSESSMENT OF SUPPLIERS

Procedures for CSR assessment of suppliers have been in place at Sopra and Steria for several years: At Sopra under an internal assessment programme in France, and at Steria under the CDP's Supply Chain programme. These assessment programmes guarantee that supply chain management complies with the best environmental, social and ethical practices.

In 2014, Sopra continued work assessing its suppliers using the process deployed in 2012 (based on a pilot process launched in 2011). In France, Sopra's responsible purchasing charter and CSR assessment questionnaire were sent to 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 annually. The CSR assessment questionnaire measures Tier 1 suppliers' level of commitment in three areas: the workforce, the environment and society. A scoring system ranks each supplier's answers on a scale of values.

PROPORTION OF SUPPLIERS WHO HAVE UNDERGONE A CSR ASSESSMENT IN FRANCE

(in number and % of suppliers)	Purchasing	ITS	Logistics	Total
Tier 1 suppliers *(in number)*	21	16	32	69
Tier 1 suppliers assessed *(in number)*	21	12	30	63
Tier 1 suppliers assessed *(in %)*	100%	75%	94%	91%

Data for Sopra France only.

At 31 December 2014, 91% of Tier 1 suppliers had been assessed by Sopra. This represents 80% 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.

Sopra pursued its CSR assessment process for lessors introduced in 2013, drawing on the Energy Performance Diagnostic analysis associated with leased premises. At 31 December 2014, the assessment rate for the Sopra scope was 43%.

PROPORTION OF LESSORS IN FRANCE WHO HAVE COMPLETED A CSR ASSESSMENT

(in number and % of lessors)	Sopra
Lessors *(in number)*	40
Lessors assessed *(in number)*	17
Lessors assessed *(in %)*	43%

Data for Sopra France only.

In parallel, in 2014, a new pilot procedure for carrying out CSR assessments on suppliers was launched on Steria's initiative with the EcoVadis platform, which is specialised in CSR assessments for companies. This programme interfaces with the CDP Supply Chain initiative, which was launched in 2010 to assess suppliers' environmental data and climate change in general. The supply chain approach makes it possible to include the most significant portion of suppliers' greenhouse gas emissions – namely emissions related to their supply chain – in the assessment.

In 2015, the EcoVadis platform will handle the assessment of Sopra Steria Group's main suppliers, in coordination with the CDP Supply Chain, in order to harmonise and streamline the group's action programmes. This programme will be gradually rolled out in each country.

4.6. Client satisfaction

For a number of years, Sopra Steria's client approach has been based on a key account strategy for all its target segments. Strategic clients are identified and selected according to performance criteria, development potential and compatibility with the group's business lines and geographies.

Sopra Steria has developed an approach aimed at focusing its commercial and development efforts on key accounts and building long-term relationships with its strategic clients.

As a result, most of these key accounts have been clients of the group for over 10 years; this longstanding business relationship is a testament to the quality of the services delivered and client satisfaction.

Sopra Steria's level of client satisfaction is closely linked to both the quality of the products and services delivered by the group and the continuous improvement of its Quality System.

The client satisfaction and surveys reviews carried out by Sopra Steria entities enable the group to improve the quality of the services it delivers while taking account of client expectations.

The quality policy is backed by a high level of commitment from Sopra Steria's management, 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 them appropriate solutions.

The group's Quality System is the embodiment of its quality policy. Its end goal is not only to correct compliance defects or problems, but also to prevent these issues from arising in the first place and continuously improve processes so that they are always efficient, competitive and relevant to clients' expectations.

When working on projects, the group's teams share with clients their approach to production and the resources and organisation necessary to ensure the quality of services or deliverables. Shared indicators are also put in place, allowing for the measurement of satisfaction with respect to mutually agreed requirements and/or satisfaction as perceived by the various parties involved.

All information channels are used to ensure client satisfaction:

- management and/or sales teams meet regularly with clients involved with the group in projects or for whom it supplies industry-specific personnel to assist at the local level;
- project steering committees, which assess client satisfaction against any indicators established for each project;
- reports written up by project team members at the end of projects are also used to refine this assessment system.

All Sopra Steria entities (in Europe and India) have been certified to ISO 9001 by accredited organisations.

The group has also responded to its clients' growing concerns about security by setting out confidentiality rules and best practices applicable to production.

Report by the independent third party on the consolidated workforce-related, environmental and social information presented in the Management Report

Financial year ended 31 December 2014

To the Shareholders,

In our capacity as independent third party, member of the Mazars network and Statutory Auditor of Sopra Steria accredited by COFRAC under number 3-1058 [(1)], we hereby report to you on the consolidated workforce-related, environmental and social information for the year ended 31 December 2014, 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

The Board of Directors is responsible for preparing a Management Report including the CSR Information referred to in Article R. 225-105-1 of the French Commercial Code, in accordance with the guidelines used by the Company (hereafter referred to as the "Guidelines"), which are summarised in the Management Report and are available on request from the Company's registered office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulations, the Code of Ethics governing the audit profession in France and the provisions of Article L. 822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with ethical rules, professional auditing standards and applicable law and regulations.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, it is our responsibility to:

- certify that the required CSR Information is presented in the Management Report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a team of 8 people between November 2014 and end-March 2015, and took around 20 weeks.

We conducted the work described below in accordance with the professional standards applicable in France, the administrative order of 13 May 2013 setting the manner in which an independent third party should perform its engagement, and, with regard to the reasoned opinion on the fairness of the CSR Information, in accordance with the ISAE 3000 international standard [(2)].

1. Statement of completeness 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 provided for by Article R. 225-105-1 of the French Commercial Code.

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, Paragraph 3 of the French Commercial Code. We ensured that the CSR Information covered the scope of consolidation, i.e. the Company, its subsidiaries as defined by Article L. 233-1 and the entities it controls as defined by Article L. 233-3 of the French Commercial Code within the limitations set out in the methodological information presented in Chapter 3 "Corporate Responsibility Report" of the 2014 Registration Document.

Based on this work and given the limitations mentioned above, we attest to the completeness of the required CSR Information in the Management Report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of work

We conducted around twenty interviews with the people responsible for preparing the CSR Information, the departments in charge of collecting the information and, where appropriate, those responsible for internal control and risk management, in order to:

- assess the suitability of the Guidelines in light of their relevance, completeness, reliability, impartiality and comprehensibility, taking industry best practices into account where applicable;

(1) Scope available on www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- verify the implementation of a data-collection, compilation, processing and control procedure designed to produce CSR Information that is exhaustive and consistent, and familiarise ourselves with the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and checks according to the nature and importance of the CSR Information in light of the characteristics of the Company, the potential social and environmental impact of its activities, its sustainable development policy and industry best practice.

With regard to the CSR Information that we considered to be the most important [(1)]:

- at the level of the consolidated entity and the group's Sustainable Development Department, 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 used sampling techniques to verify the calculations and the consolidation of the data; and we verified their consistency and concordance with the other information presented in the Management Report;
- at the level of a representative sample of entities and departments that we selected [(2)] based on their activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents.

The sample selected represented an average of 65% of the workforce and between 5% and 100% of quantitative environmental and social data.

For the other consolidated CSR information, we assessed consistency based on our understanding of the Company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material misstatement has not been detected.

CONCLUSION

Based on our engagement, we have not identified any material misstatement such as may call into question the fair presentation of the CSR Information as a whole in accordance with the Guidelines.

Paris-La Défense, 27 April 2015

The independent third party

Mazars SAS

Christine Dubus	Emmanuelle Rigaudias
Partner	*CSR & Sustainable Development Partner*

(1) The CSR information considered to be the most important with regard to Sopra Steria's business is presented in the Appendix.

(2) The entities selected for tests of details are presented in the Appendix.

Appendix: Cross-referencing table: Sopra Steria's compliance with Grenelle 2 / Global Reporting Initiative (GRI) / ISO 26000 indicators

WORKFORCE-RELATED COMPONENT

Grenelle 2	2014 Sopra Steria CR Report	GRI 4	ISO 26000
Action taken and guidelines followed by the company to take into account the social consequences of its activity	2.1 Group culture 4.3 Stakeholder dialogue		6.2 Organisational governance 6.4 Labour practices
a) Employment			
■ Total workforce	2.2.1 Workforce and trends	G4 - 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			
■ Hirings and dismissals	2.2.2 Recruitment and staff turnover		
■ Remuneration and trends	2.4 Remuneration and trends		
	2.3 Training policy 2.3.3 Talent development	G4 - LA11 Percentage of employees who complete periodic assessment and career development meetings by gender and employee category	
b) Work organisation			
■ Organisation of the work schedule	2.5 Work organisation		6.4 Labour practices 6.4.7 Workplace health and safety
■ Absences	2.5 Work organisation	G4 - LA6 Rates and types of workplace accidents, occupational illnesses, absences, 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	2.6 Employee relations		6.4 Labour practices 6.4.5 Social dialogue
■ Overview of collective bargaining agreements	2.6 Employee relations		

Grenelle 2	2014 Sopra Steria CR Report	GRI 4	ISO 26000
d) Health and safety			
■ Conditions for workplace health and safety	2.7 Health and safety	G4 - LA5 Percentage of total workforce represented in joint occupational health and safety committees with the aim of monitoring and giving advice on workplace health and safety programmes	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	2.7 Health and safety	G4 - LA8 Health and safety issues covered by formal agreements with trade unions	
■ Workplace accidents, particularly their frequency and severity, and occupational illnesses	2.7 Health and safety	G4 - LA6 Rates and types of workplace accidents, occupational illnesses, absences, proportion of work days lost and total number of work-related fatalities, by geographic area and gender	
■ Occupational illnesses	2.7 Health and safety		
e) Training			
■ Policies implemented with respect to training	2.3 Training policy	G4 - 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 days and hours		G4 - LA9 Average hours of training per year, per employee by gender and employee category	
f) Equal treatment			
■ Measures taken in favour of gender equality	2.8 Non-discrimination principles 2.8.2 Gender equality	G4 - 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 disabled individuals	2.8 Non-discrimination principles 2.8.1. Disabled employees (France)		
■ Anti-discrimination policy	2.8 Non-discrimination principles	G4 - HR3 Total number of discrimination incidents and corrective action taken	

Grenelle 2	2014 Sopra Steria CR Report	GRI 4	ISO 26000
g) Promoting and complying with the provisions of ILO conventions concerning:			
■ the respect for freedom of association and right to collective bargaining	2.9 Promoting and complying with the fundamental conventions of the International Labour Organisation (ILO) 2.9.1. Upholding the freedom of association	G4 - 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	
■ the elimination of discrimination in employment and professions	2.9 Promoting and complying with the fundamental conventions of the International Labour Organisation (ILO) 2.8.3 Older employees	G4 - HR3 Total number of discrimination incidents and corrective action taken	
■ the elimination of forced or compulsory labour	2.9 Promoting and complying with the fundamental conventions of the International Labour Organisation (ILO)		
■ the effective abolition of child labour	2.9 Promoting and complying with the fundamental conventions of the International Labour Organisation (ILO) 2.9.2 Repudiation of forced child labour		

ENVIRONMENTAL COMPONENT

Grenelle 2	2014 Sopra Steria CR Report	GRI 4	ISO 26000
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 in favour of the environment 3.7 Sustainable development and clients		6.2 Organisational governance
Employee training and information initiatives on protecting the environment	3.1.3 Training and information provided to employees on protecting the environment		
Resources dedicated to preventing environmental risks and pollution	3.1 Taking environmental impacts into consideration		
Amount of provisions and coverage for environmental risks, provided that such information is not liable to seriously harm the company in any ongoing litigation	Sopra Steria is not concerned by this regulatory requirement given its business activities.		
b) Pollution and waste management			
Measures to prevent, reduce or remedy waste in the air, water and soil that seriously affect the environment	3.5 Waste management 3.5.1 WEEE management 3.2.2 Carbon footprint 3.4.2 Water consumption 3.4.4 Greenhouse gas emissions - Energy		
Measures to prevent, recycle and eliminate waste	3.1.2 Initiatives in favour of the environment 3.5 Waste management	G4 - EN23 Total weight of waste by type and disposal method	6.5.3 Preventing pollution
Consideration of noise and other forms of pollution specific to an activity	3.1.2 Initiatives in favour of the environment 3.3 IT resource management Sopra Steria's activities do not generate noise pollution.	G4 - EN23 Total weight of waste by type and disposal method	6.5.3 Preventing pollution
		G4 - EN15 Direct greenhouse gas emissions (Scope 1) G4 - EN16 Indirect greenhouse gas emissions (Scope 2) related to energy	6.5.3 Preventing pollution

Grenelle 2	2014 Sopra Steria CR Report	GRI 4	ISO 26000
c) Sustainable use of resources			
■ Water consumption and water supply according to local constraints	3.4 Managing business premises 3.7 Sustainable development and group clients		6.5.4 Sustainable use of resources
■ Consumption of raw materials and measures taken to improve efficient use of these resources	3.3 IT resource management 3.3.1 Managing energy consumption 3.7 Sustainable development and group clients	G4 - EN3 Energy consumption within the organisation G4 - EN6 Reducing energy consumption	
■ Energy consumption, measures taken to improve energy efficiency and renewable energy use			
■ Land use	This subject does not relate to Sopra Steria's activities		
d) Climate change			
■ Greenhouse gas emissions	3.3 Sustainable use of resources 3.3.4 Carbon footprint of data centres 3.4.4 Greenhouse gas emissions - Energy	G4 - EN15 Direct greenhouse gas emissions (Scope 1) G4 - EN16 Indirect greenhouse gas emissions (Scope 2) related to energy	6.5.5 Mitigating and adapting to climate change
■ Adapting to the consequences of climate change	3.3 IT resource management 3.7 Sustainable development and clients	G4 - EN19 Reducing greenhouse gas emissions	
		G4 - EN3 Energy consumption within the organisation G4 - EN4 Energy consumption outside of the organisation G4 - EN6 Reducing energy consumption	
e) Protecting biodiversity			
■ Measures taken to protect or develop biodiversity	This subject does not relate to Sopra Steria's activities		

SOCIETAL COMPONENT

Grenelle 2	2014 Sopra Steria CR Report	GRI 4	ISO 26000
a) Territorial, economic and social impact of the activity			
■ Employment and regional development matters	4.1.1 and 4.1.2 Employment and regional development 4.1.3 Educational partnership policy	G4 - EC7 Development and impact of infrastructure investments and support for services G4 - EC8 Substantial indirect economic impacts, including the significance of these impacts	6.8 Community involvement and development
■ With regard to resident and local populations	4.1.4 Relations with local populations		
b) Relations with persons or organisations having interests in the company's activities			
■ Conditions for dialogue with these persons or organisations	4.3 Stakeholder dialogue		
	4.6 Client satisfaction	G4 - PR5 Results of surveys measuring client satisfaction	6.7 Consumer issues
■ Partnerships or sponsorship actions	4.2 Sponsorship		
c) Subcontracting and suppliers			
■ Taking into account social and environmental challenges in the purchasing policy	4.5 Responsible purchasing and supplier CSR assessment	G4 - EC9 Proportion of spending on locally based suppliers at significant locations of operation	
■ Extent of subcontracting and communication of social and environmental responsibility commitments in the context of relations with suppliers and subcontractors	4.5 Responsible purchasing and supplier CSR assessment	G4 - EN32 Percentage of new suppliers checked using environmental criteria (see assessment of suppliers under CDP Supply Chain)	6.6.6 Promoting social responsibility in the value chain
d) Fair operating practices			
■ Actions carried out to prevent corruption	4.4 Fair operating practices - Ethics	G4 - 56 to G4 - 58 G4 - SO4 Communication and training on 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 Steria's activities		
e) Other action taken in favour of human rights			
	1. Sopra Steria, a committed group 4.2 Sponsorship (promoting access to education for all)		

Appendix: CSR information considered to be the most important with regard to Sopra Steria's business

	Information verified	Entity
Workforce-related	■ Total workforce by age and type of employment contract ■ Average workforce (FTE) ■ Average age of management-level employees in the workforce ■ Average length of service of employees on permanent contracts ■ Hires ■ Staff turnover rate for permanent contracts	Sopra France Sopra India Sopra Spain Steria France Steria India Steria Spain
	■ Proportion of management-level employees in total workforce	Sopra France
	■ Number of training hours and days ■ Average number of days of training per employee	Sopra France Sopra India Sopra Spain Steria France Steria India HR France HR Spain
	■ Recruitments per region	Sopra France Steria France Steria Spain
	■ Proportion of disabled employees ■ Absence rate ■ Workplace accidents	Sopra France Steria France
Environmental	■ Data centre energy consumption (includes the verification of the number of servers installed at Sopra's data centre equivalents; includes on-site and off-site data centres)	Sopra France Sopra India
	■ Energy consumption ■ (includes on-site data centre)	Sopra UK Steria France Steria Norway
	■ CO_2 emissions related to work-related travel	Sopra France Sopra India Sopra Spain Steria France Steria Norway
	■ CO_2 emissions related to energy consumption ■ Energy emissions related to data centres	Sopra France Sopra India Steria France Steria Norway
	■ Number of new videoconferencing systems put in place during the year	Sopra France Sopra India Steria Norway Steria Denmark
	■ Quantity of WEEE (waste electrical and electronic equipment)	Sopra France Steria UK
Societal	■ Sponsorship activities and partnerships	Sopra France Steria France Steria India, Steria UK
	■ Supplier assessment system ■ Proportion of suppliers who have undergone a CSR assessment	Sopra France

4 2014 Consolidated financial statements

Consolidated statement of net income

(in thousands of euros)	Notes	2014*	2013**	2012**
Revenue	*4*	**2,280,350**	**1,348,995**	**1,216,729**
Staff costs	*5*	-1,437,602	-911,911	-811,780
External expenses and purchases	*6*	-605,648	-306,294	-271,798
Taxes and duties		-23,430	-17,625	-15,399
Depreciation, amortisation, provisions and impairment		-26,994	-21,263	-16,958
Other current operating income and expenses		6,341	17,022	8,787
Operating profit on business activity		**193,017**	**108,924**	**109,581**
as % of revenue excl. VAT		*8.5%*	*8.1%*	*9.0%*
Expenses related to *stock* options and related items	*7*	-2,040	-2,973	-2,196
Amortisation of allocated intangible assets	*8*	-10,644	-4,855	-4,213
Profit from recurring operations		**180,333**	**101,096**	**103,172**
as % of revenue excl. VAT		*7.9%*	*7.5%*	*8.5%*
Other operating income and expenses	*9*	-32,107	2,849	-11,880
Operating profit		**148,226**	**103,945**	**91,292**
as % of revenue excl. VAT		*6.5%*	*7.7%*	*7.5%*
Cost of net financial debt	*10*	-7,431	-6,980	-7,194
Other financial income and expenses	*10*	-10,731	-1,439	-1,027
Tax charge	*11*	-34,440	-32,546	-33,540
Net profit from associates	*12*	5,880	8,430	6,068
Net profit from continuing operations		**101,504**	**71,410**	**55,599**
Net profit from discontinued operations		-	-	-
Consolidated net profit		**101,504**	**71,410**	**55,599**
as % of revenue excl. VAT		*4.5%*	*5.3%*	*4.6%*
Non-controlling interests		3,303	8	-1
NET PROFIT ATTRIBUTABLE TO THE GROUP		**98,201**	**71,402**	**55,600**
EARNINGS PER SHARE *(in euros)*				
Basic earnings per share	*13*	6.81	6.00	4.67
Fully diluted earnings per share	*13*	6.77	5.92	4.62

* *Of which 12 months Sopra and 5 months Steria (see Notes 2.1 and 3.1).*
** *Published financial statements not taking into account the reclassifications described in Note 3.2.*

Consolidated statement of comprehensive income

(in thousands of euros)	Notes	2014*	2013	2012
Consolidated net profit		**101,504**	**71,410**	**55,599**
Other comprehensive income:				
Actuarial gains and losses on pension plans	*25*	-53,568	1,236	-3,412
Tax impact		12,809	-645	1,221
Subtotal of items recognised in equity and not reclassifiable to profit or loss		**-40,759**	**591**	**-2,191**
Translation adjustments		16,666	-3,622	571
Change in net investment hedges		-1,533	796	169
Tax impact on net investment hedges		-865	-494	-61
Change in cash flow hedges	*32.4*	4,261	623	-1,851
Tax impact on cash flow hedges		-1,461	-260	692
Related to associates		4,989	-1,955	-616
Subtotal of items recognised in equity and reclassifiable to profit or loss		**22,057**	**-4,912**	**-1,096**
Other comprehensive income, total net of tax		**-18,702**	**-4,321**	**-3,287**
COMPREHENSIVE INCOME		**82,802**	**67,089**	**52,312**
Non-controlling interests		5,872	8	-1
Attributable to Group		**76,930**	**67,081**	**52,313**

* *Of which 12 months Sopra and 5 months Steria.*

Consolidated statement of financial position

ASSETS *(in thousands of euros)*	Notes	31/12/2014	2013*	2012*
Goodwill	*14*	1,449,341	317,457	314,626
Intangible assets	*15*	219,536	54,038	59,152
Property, plant and equipment	*16*	109,944	49,159	39,193
Equity-accounted investments	*17*	146,809	118,784	113,824
Other non-current financial assets	*18*	78,127	4,924	3,997
Deferred tax assets	*19*	156,300	25,592	34,453
Non-current assets		**2,160,057**	**569,954**	**565,245**
Stocks and work in progress		278	205	490
Trade accounts receivable	*20*	942,255	442,413	384,262
Other current receivables	*21*	166,781	63,657	33,700
Cash and cash equivalents	*22*	222,420	102,230	47,359
Current assets		**1,331,734**	**608,505**	**465,811**
Assets held for sale	*30*	5,042	-	-
TOTAL ASSETS		**3,496,833**	**1,178,459**	**1,031,056**

LIABILITIES AND EQUITY *(in thousands of euros)*	Notes	31/12/2014	2013*	2012*
Share capital		20,372	11,920	11,893
Premiums and legal reserve		658,556	13,192	9,533
Consolidated reserves		279,980	261,389	228,226
Profit for the year		98,201	71,402	55,600
Equity – Group share		**1,057,109**	**357,903**	**305,252**
Non-controlling interests		**31,311**	**9**	**1**
TOTAL EQUITY	*23*	**1,088,420**	**357,912**	**305,253**
Financial debt – long-term portion	*24*	594,929	135,499	178,367
Deferred tax liabilities	*19*	9,745	2,133	17,966
Post-employment and similar benefit obligations	*25*	428,607	58,740	48,552
Non-current provisions	*26*	24,525	12,384	6,724
Other non-current liabilities	*27*	61,983	5,196	7,979
Non-current liabilities		**1,119,789**	**213,952**	**259,588**
Financial debt – short-term portion	*24*	69,887	121,310	73,048
Current provisions	*26*	61,404	-	-
Trade payables	*28*	256,851	68,910	56,092
Other current liabilities	*29*	900,457	416,375	337,075
Current liabilities		**1,288,599**	**606,595**	**466,215**
Liabilities held for sale	*30*	25	-	-
TOTAL LIABILITIES		**2,408,413**	**820,547**	**725,803**
TOTAL LIABILITIES AND EQUITY		**3,496,833**	**1,178,459**	**1,031,056**

* *Published financial statements not taking into account the reclassifications described in Note 3.2.*

Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Premiums and legal reserve	Treasury shares	Consolidated reserves and retained earnings	Other comprehensive income	Total group share	Minority interests	Total
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**
Capital transactions	26	861	-	490	-	1,377	-	1,377
Steria public exchange offer	8,297	643,046	-	-	-	651,343	-	651,343
Share-based payments	-	98	-	395	-	493	-	493
Transactions in treasury shares	-	-	-25	-591	-	-616	-	-616
Ordinary dividends	-	3	-	-22,650	-	-22,647	-	-22,647
Free share allotment plan	129	1,356	-	-203	-	1,282	-	1,282
Changes in scope	-	-	-33,288	23,384	-	-9,904	26,001	16,097
Other movements	-	-	-	917	31	948	-571	377
Shareholder transactions	**8,452**	**645,364**	**-33,313**	**1,742**	**31**	**622,276**	**25,430**	**647,706**
Profit for the year	-	-	-	98,201	-	98,201	3,303	101,504
Other comprehensive income	-	-	-	-	-21,271	-21,271	2,569	-18,702
Comprehensive profit for the year	**-**	**-**	**-**	**98,201**	**-21,271**	**76,930**	**5,872**	**82,802**
AT 31/12/2014	**20,372**	**658,556**	**-33,612**	**460,877**	**-49,084**	**1,057,109**	**31,311**	**1,088,420**

Consolidated cash flow statement

(in thousands of euros)	2014	2013	2012
Consolidated net profit (including non-controlling interests)	**101,504**	**71,410**	**55,599**
Net increase in depreciation, amortisation and provisions	49,675	22,328	20,865
Unrealised gains and losses related to changes in fair value	-1,941	567	125
Share-based payment expense	1,754	2,973	2,196
Other calculated income and expenses	-22,441	-36,240	-1,060
Gains and losses on disposal	726	1,481	-164
Share of net profit of equity-accounted companies	-5,880	-8,431	-6,068
Cash from operations after cost of net debt and tax	**123,397**	**54,088**	**71,493**
Cost of net financial debt	7,431	6,980	7,194
Income taxes (including deferred tax)	34,440	32,547	33,540
Cash from operations before cost of net debt and tax (A)	**165,268**	**93,615**	**112,227**
Tax paid (B)	-39,112	-36,767	-41,820
Changes in operating working capital requirements (including liabilities related to employee benefits) (C)	14,779	-1,673	-8,604
Net cash from operating activities (D) = (A+B+C)	**140,935**	**55,175**	**61,803**
Purchase of tangible and intangible fixed assets	-26,296	-17,110	-6,781
Proceeds from sale of tangible and intangible fixed assets	92	210	3,124
Purchase of financial assets	-9,081	-1,165	-799
Proceeds from sale of financial assets	651	295	654
Impact of changes in scope	134,181	41,086	-175,459
Dividends received (equity-accounted companies, non-consolidated securities)	2,176	1,851	1,322
Changes in loans and advances granted	1,604	-	-
Other cash flow relating to investing activities	322	-	-
Net cash from (used in) investing activities (E)	**103,649**	**25,167**	**-177,939**
Proceeds on the exercise of stock *options*	1,377	1,365	-
Purchase and proceeds from disposal of treasury shares	-479	8	679
Dividends paid during the year			
▪ Dividends paid to shareholders of the parent company	-22,527	-20,204	-22,562
▪ Dividends paid to minority interests of consolidated companies	-	-	-
Change in borrowings	-61,144	-12,898	126,639
Net interest paid (including finance leases)	-3,475	-6,907	-6,847
Additional contributions related to defined benefit pension plans	-8,342	-	-
Other cash flow relating to financing activities	-1,356	-2,361	5,400
Net cash from (used in) financing activities (F)	**-95,946**	**-40,997**	**103,309**
Effect of foreign exchange rate changes (G)	8,927	-620	-1,359
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G)	**157,565**	**38,725**	**-14,186**
Opening cash position	41,185	2,460	16,646
Closing cash position	198,750	41,185	2,460

Notes to the consolidated financial statements

ACCOUNTING POLICIES AND PROCEDURES

NOTES TO THE CONSOLIDATED INCOME STATEMENT

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OTHER INFORMATION

Sopra Steria Group, a European leader in digital transformation, has one of the most extensive portfolios of offerings on the market, spanning consulting and systems integration, industry solutions, infrastructure management and cybersecurity (I2S), and business process services (BPS). Sopra Steria Group is a limited company *(société anonyme)* governed by French law. Its registered office is located at Parc des Glaisins, 3 rue du Pré Faucon, 74942 Annecy-le-Vieux, France. The head office is at 9 *bis* rue de Presbourg, 75116 Paris, France.

It is listed on Compartment A of Euronext Paris.

The group's consolidated financial statements for the year ended 31 December 2014 were approved by the Board of Directors at its meeting held on 21 April 2015.

ACCOUNTING POLICIES AND PROCEDURES

Note 1 Overview of main accounting policies

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

1.1. Basis of preparation

The consolidated financial statements for the year ended 31 December 2014 were prepared in accordance with:

- International Financial Reporting Standards (IFRS) as adopted by the European Union. Information on this is available on the website of the European Commission: http://ec.europa.eu/finance/accounting/index_en.htm;
- IFRS as published by the IASB.

1.2. Application of new standards and interpretations

a. New mandatory standards and interpretations

New standards, amendments to existing standards and interpretations required for accounting periods starting on or after 1 January 2014 had no material impact on the financial statements. That includes:

- *Offsetting Financial Assets and Financial Liabilities* (Amendments to IAS 32);
- IFRS 10 *Consolidated Financial Statements*, as well as the other standards relating to consolidation: IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, revised IAS 27 *Separate Financial Statements* and revised IAS 28 *Investments in Associates and Joint Ventures*;
- *Consolidated Financial Statements*, *Joint Arrangements and Disclosure of Interests in Other Entities*: *Transition Guidance* (Amendments to IFRS 10, IFRS 11 and IFRS 12);
- *Investment Entities* (Amendments to IFRS 10, IFRS 12 and IAS 27);
- *Recoverable Amount Disclosures for Non-Financial Assets* (Amendments to IAS 36);
- *Novation of Derivatives and Continuation of Hedge Accounting* (Amendments to IAS 39).

b. Standards and interpretations published by the IASB and adopted by the european union but not applied early

The group has not opted for early application of the standards and interpretations adopted by the European Union for accounting periods starting on or after 1 January 2014. That includes:

- IFRIC 21 *Levies*;
- Annual Improvements (2010-2012 and 2011-2013 cycles);
- *Defined Benefit Plans: Employee Contributions* (Amendments to IAS 19).

With regard to IFRIC 21, the group does not currently anticipate any major impacts on the consolidated financial statements. The same is true of the other standards and interpretations that the group will be required to apply with effect from 1 January 2015.

c. Standards and interpretations published by the IASB but not yet adopted by the European Union

The group has not opted for early application of the standards and interpretations not yet adopted by the European Union for accounting periods starting on or after 1 January 2014. That includes:

- *Clarification of Acceptable Methods of Depreciation and Amortisation* (Amendments to IAS 16 and IAS 18);
- *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28).

d. Format of the financial statements

With regard to the presentation of the consolidated financial statements, Sopra Steria Group applies Recommendation 2013-03 of the French Accounting Standards Authority (*Autorité des Normes Comptables* – ANC) of 7 November 2013 on the format of the income statement, the cash flow statement and the statement of changes in shareholders' equity.

Thus, the format of the income statement has been altered to improve the presentation of the company's performance: an aggregate 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. It 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 free shares;
- additions to amortisation of allocated intangible assets.

1.3. Consolidation methods

Sopra Steria Group is the consolidating company.

The companies over which Sopra Steria Group has exclusive control have been fully consolidated. An investor controls an investee where that investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consequently, an investor controls an investee if and only if all the following criteria are met:

- the investor has power over the investee;
- the investor is exposed, or has rights, to variable returns from its involvement with the investee;
- the investor has the ability to exercise its power over the investee in such a way as to affect the amount of returns it obtains.

Investments in entities over which the group exerts significant influence (associates) are accounted for using the equity method. Significant influence is deemed to exist, unless clearly demonstrated not to be the case, when a parent company directly or indirectly holds 20% or more of the voting rights on the investee.

Sopra Steria Group does not, directly or indirectly, control any special-purpose entities.

Intercompany transactions as well as balances and unrealised profits on transactions between group companies are eliminated.

The accounts of all consolidated companies are prepared as at 31 December. Those 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 that 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 Steria Group.

b. Translation of the financial statements of foreign subsidiaries

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 the end-of-period exchange rate;
- income, expenses and cash flows are translated at the average exchange rate 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 intercompany 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 cumulative 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 the end-of-period exchange rate.

The group does not own any consolidated entities operating in a hyperinflationary economy.

The applicable rates of exchange are presented in Note 37.

c. Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated to entities’ functional currencies at the exchange rate applying on the transaction date. Foreign exchange gains and losses arising on settlement, as well as those arising from the translation of foreign currency-denominated monetary assets and liabilities at the end-of-period exchange rate, are recognised in profit or loss under *Other operating income and expenses* for transactions hedged against foreign exchange risk and under *Other financial income and expenses* for other transactions.

1.5. Significant estimates and accounting judgements

The preparation of financial statements entails the use of estimates and assumptions in measuring certain consolidated assets and liabilities as well as certain income statement items. Management is 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.

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:

- measurement of the recoverable amount of intangible assets and property, plant and equipment, including goodwill in particular (see Notes 1.7 and 14);
- measurement of retirement benefit obligations (see Notes 1.18 and 25);

- revenue recognition (see Note 1.21);
- valuation of deferred tax assets (see Note 1.13);
- amounts payable to non-controlling interests (see Note 1.24);
- provisions for contingencies.

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 does not constitute a business is recognised under the standards applicable to those assets (IAS 38, IAS 16 and 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 contract 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 of the acquiree plus the amount of any minority interests in the acquiree, and
  - the net amount of the 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 is the fair value, at the acquisition date, of the elements of consideration transferred to the seller in exchange for control of the acquiree, to the exclusion of any consideration for a transaction separate from the business combination.

If the initial accounting for a business combination can only be determined provisionally for the reporting period in which the combination takes place, the acquirer recognises the combination using provisional amounts. The acquirer must then recognise adjustments to those provisional amounts as the accounting for the business combination is completed 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 partial goodwill (corresponding only to its percentage of ownership interest) or full goodwill (also including the goodwill corresponding to minority interests).

Should the calculation of goodwill result in a negative difference (bargain purchase), the group recognises the resulting gain entirely 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 when there is an indication of impairment, and in any event at the balance sheet date of 31 December.

1.8. Intangible assets

a. Assets acquired separately

These are software assets recorded at cost. They 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 are software assets, client relationships and distributor relationships measured at fair value as part of a purchase price allocation for entities acquired in business combinations. They are amortised using the straight-line method over three to fifteen years, depending on their estimated useful lives.

c. Internally generated assets

Pursuant to IAS 38 *Intangible assets*:

- research and development costs are charged to the income statement in the year they are incurred;
- software development costs are capitalised if the following can be demonstrated:
  - the technical feasibility of completing the intangible asset so that it will be available for use or sale,
  - the intent 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 reliably measure the expenditure attributable to the intangible asset during its development.

No significant development expenditures for software and solutions (Banking, Human Resources and Property Management) have been recognised under intangible assets, since the conditions described above were not satisfied in their entirety.

1.9. Property, plant and equipment

Property, plant and equipment essentially comprises land and buildings, fixtures, office furniture and equipment and IT equipment.

Property, plant 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 in accordance with the expected useful economic lives of each fixed asset category as follows:

Buildings	20 to 50 years
Fixtures and fittings	4 to 10 years
IT hardware and equipment	3 to 8 years
Vehicles	4 to 5 years
Office furniture and equipment	4 to 10 years

Depreciation is applied against assets' acquisition cost after deducting 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 takes on substantially all the risks and rewards incidental to ownership of the assets are treated as finance leases. They are recognised at the lower of leased assets' fair value and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability so as to product a constant periodic rate of interest on the remaining balance of the liability. 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 lease term.

Assets acquired under finance leases are depreciated over the shorter of their estimated useful lives or the applicable lease terms:

- leases of immovable property: built assets are depreciated on a straight-line basis over twenty-five years;
- movable property leases of IT equipment: hardware is depreciated on a straight-line basis over four years – the most common lease term.

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 lease term.

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.

In practice, impairment testing is above all relevant to goodwill, which constitutes the majority of Sopra Steria Group's consolidated non-current 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 system and its segment reporting. 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 of disposal and its value in use.

The value in use of a CGU is determined using the discounted cash flow (DCF) method:

- cash flows for an explicit forecast period of five years, with the first year of the period based on the budget;
- cash flows beyond the five-year explicit period are calculated using a perpetual growth rate reflecting the anticipated rate of real long-term economic growth adjusted for long-term inflation forecasts.

Cash flow projections for the explicit period take into account:

- the general growth 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.

Cash flows are discounted based on the weighted average cost of capital. 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*.

Testing has been carried out without assuming any changes in the economy. Tests take into account the restructuring of operations and the synergies brought about by the Sopra-Steria merger.

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 14.3 and 14.4.

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 investments, the value of which is measured inclusive of goodwill. As such, goodwill on associates must not 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 investment with its 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 of disposal. Where an associate's shares are listed, fair value less costs of disposal 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 an equity-accounted investment 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 objective evidence that a financial asset or group of financial assets may be impaired. Where such evidence exists, the entity in question must apply the provisions of IAS 39 relative 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:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- loans and receivables; and
- available-for-sale financial assets.

Classification depends on the purposes for which financial assets were acquired. Management determines the appropriate classification at the time of initial recognition and performs a reassessment at each interim or annual reporting date.

Financial assets are initially measured at fair value; 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.

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 automatically 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 transfers funds, or provides goods and services, to an individual or entity. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The group has distinguished within this category:

- long-term loans and receivables classified as non-current financial assets; these are impaired when their estimated recoverable amount is lower than their carrying amount; 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. If necessary, impairment losses are recognised on an individual basis reflecting any problems of recovery. Impairment losses are recognised in the income statement. Provisions are reversed in the event of a favourable change in the recoverable amount.

d. Available-for-sale assets

Available-for-sale assets are non-derivative financial assets not falling into 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 unconsolidated entities over which it exercises neither control nor any significant influence.

As such equity instruments are not quoted on an active market (private issuers) and their fair value cannot 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 in the income statement cannot subsequently be reversed.

1.13. Current and deferred taxes

The group calculates its current tax in accordance with the tax laws prevailing in the countries where its income is taxable. The current tax expense is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in countries where the group's subsidiaries and associates conduct their business and generate taxable revenues.

Deferred tax is recognised on all temporary differences between the tax base and the carrying amount of assets and liabilities on consolidation.

Deferred tax assets are only recognised if it is probable that the entity will recover them as a result of taxable income expected in future fiscal years.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to enable the utilisation of some or all of them within a reasonable timeframe. Deferred tax assets not recognised are assessed at each balance sheet date and are recognised to the extent that it becomes probable that future taxable income will enable recovery within a reasonable timeframe.

Tax assets and liabilities are measured based on the tax rates enacted or substantively enacted applicable to the fiscal period during which the asset will be realised or the liability settled.

Deferred tax assets and liabilities, regardless of their expiry date, are offset when:

- the group has a legal right to set off its current tax positions; and
- the deferred tax assets and liabilities relate to the same tax entity.

Deferred taxes are recognised in the income statement unless they relate to items recorded directly in other comprehensive income (gains and losses recognised directly in equity); in that case, they are also recorded in gains and losses recognised directly in equity.

1.14. Derivatives

The group uses derivative instruments such as currency forwards, swaps and options to hedge its exposure to interest rate risk and fluctuations in foreign currencies. Derivative instruments are recognised at fair value.

Any gains or losses resulting from fair value movements in derivatives not designated as hedging instruments are recognised directly in profit or loss.

The fair value of currency forwards is calculated by reference to current rates for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to the market value of similar instruments.

For hedge accounting purposes, hedges are classified as either:

- fair value hedges, which hedge exposure to changes in the fair value of a recognised asset or liability or a firm commitment (except currency risk);
- cash flow hedges, which hedge exposure to fluctuations in cash flows attributable either to a specific risk associated with a recognised asset or liability or a highly probable future transaction or currency risk on a firm commitment;
- hedges of a net investment in a foreign operation.

Hedging instruments that satisfy hedge accounting criteria are recognized as follows:

a. Fair value hedges

Changes in the fair value of a derivative designated as a fair value hedge are recognised in profit or loss (other operating income or expenses or other financial income or expenses according to the type of hedged item). The ineffective portion of the hedges is recognised immediately in the income statement under *Other financial income* or *Other financial expenses*. Fair value gains and losses on the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are also recognised in profit or loss.

b. Cash flow hedges

The gain or loss corresponding to the effective portion of the hedging instrument is recognised directly in equity, while the ineffective portion is taken to profit or loss, under *Other financial income* or *Other financial expenses*.

Gains and losses recognised directly in equity are released to profit or loss in the period during which the hedged transaction impacts profit or loss.

If the group does not expect the realisation of the forecast transaction or commitment, the gains and losses previously recognised directly in equity will be released to profit or loss. If the hedging instrument matures, is sold, cancelled or exercised and is not replaced or renewed or if its designation as a hedging instrument is revoked, amounts previously recognized in equity will be held in equity until realisation of the forecast transaction or firm commitment.

c. Hedges of a net investment

Hedges of a net investment in a foreign operation, including hedges of monetary items recognized as part of a net investment, are recognised in the same way as cash flow hedges.

The gain or loss corresponding to the effective portion of the hedging instrument is recognised directly in equity, while the ineffective portion is taken to profit or loss.

On the disposal of the foreign operation, cumulative gains and losses recognised directly in equity are released to profit or loss.

1.15. Cash and cash equivalents

Cash and cash equivalents comprise cash, bank demand deposits, other highly liquid investments with maturities not exceeding three months and bank overdrafts. Bank overdrafts are included in current liabilities as part of *Financial debt – short-term portion*.

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 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 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 Steria 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 the grant.

The fair value of such options as at their grant 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 straight-line basis over the vesting period, i.e. on the basis of one fifth per year.

This charge is recognised in the income statement under *Expenses related to stock options and related items*, balanced by a credit to an issue premiums account recognised under *Premiums and legal reserves*. 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 lock-up period.

b. Free shares not subject to performance conditions

Under IFRS 2, the expense recognised in connection with a free 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 determined at the grant date on the basis of an assumed rate of staff turnover, and is revised annually to account for employees who have left the group during the year.

The fair value of free shares is determined at the grant date on the basis of a stock market price at the grant date, deducting the amount of dividends not received by employees over the vesting period. This amount is not remeasured in subsequent periods in the event of changes in fair value.

The expense reflecting share-based payments made to employees under free share plans is recognised on a straight-line basis in profit or loss over the vesting period, under *Expenses related to stock options and related items*.

c. Free shares subject to performance conditions

At the end of each reporting period, the group reviews, based on non-market vesting conditions, its estimates of the number of shares that will be definitively vested. The impact of this re-estimate is recorded in the income statement as an offset against equity.

Free shares are valued at the share price on the date of grant. When these equity instruments are subject to conditions of non-transferability, the cost of non-transferability is taken into account in their fair value. Where appropriate, the inability to collect dividends is also taken into account in the fair value calculation. Finally, the expense recognised on a cumulative basis also takes into account the estimated number of shares that will be definitively vested.

The expense reflecting share-based payments made to employees under free share plans is recognised on a straight-line basis in profit or loss over the vesting period, under *Expenses related to stock options and related items*.

1.17. Treasury shares

All of the treasury shares held by Sopra Steria 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. post-employment and similar benefit obligations

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

Defined benefit plans are paid for either directly by the group, which provisions the costs of benefits to be granted, or via pension funds to which the group contributes. In both cases, the group recognises a pension liability corresponding to the present value of future payments estimated according to internal and external parameters and laws and regulations specific to each group entity.

Certain post-employment benefit plans comprise assets intended to settle the obligations. They are financed by pension funds that are legally separate from the entities making up the group. The assets held by these funds are mainly shares or bonds. Their fair value is generally calculated using their market value.

Obligations in respect of defined benefit plans are measured annually using the actuarial valuation method known as the projected unit credit method, which stipulates that each period of service gives rise to an additional unit of benefit entitlement, and measures each unit separately to obtain the final obligation. These calculations include assumptions of life expectancy, employee turnover and projected future salaries. Obligations in the United Kingdom and Germany are determined by independent actuaries.

The present value of retirement obligations is determined by discounting future cash outflows using the rate for market yields on high quality corporate bonds of the currency used to pay the benefit and a term consistent with the estimated average term of the relevant post-employment obligation.

The expense representing the current service cost for the period is recognised in *Staff costs*.

The effects of plan amendments, recognised through past service cost (cost of service in prior periods modified by the introduction of changes or new benefit plans), are recorded immediately in *Staff costs* in the income statement when they occur.

The gains or losses recognised in the event of defined benefit plan curtailments or settlements are recorded, when the event occurs, in *Other operating income or expenses* in the income statement.

An interest cost is recognised in *Other financial expenses* in the income statement and corresponds to the cost of unwinding the discount of the net retirement obligation net of plan assets.

The actuarial calculation of defined benefit retirement obligations includes uncertainties which may affect the value of financial assets and obligations towards employees. The actuarial gains and losses arising from the effects of demographical assumption changes, the effects of financial assumption changes and the difference between the discount rate and the actual return rate of the plan assets, less their management and administration costs, are recognised directly in equity under *Other comprehensive income*, and are not recyclable to profit or loss.

c. Other long-term benefits

The group also recognises other long-term employee benefits, such as:

- long-term paid leave such as long-service or sabbatical leave;
- jubilee or other long-service benefits;
- voluntary profit-sharing and bonuses payable twelve months or more after the end of the period in which the employees render the related service;
- compulsory profit-sharing liabilities, 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 lock-up period is recognised as a financial liability and balanced by an additional staff expense. It is then reversed as a deduction against financial expenses over the following five years;
- deferred compensation paid twelve months or more after the end of the period in which it is earned.

All expenses relating to other long-term benefits are recognised immediately in the income statement.

1.19. Financial debt

Financial debt essentially comprises:

- bond debt and 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 method;
- liabilities on finance leases: a liability is 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;
- bank overdraft facilities.

Financial debt repayable within twelve months of the balance sheet date is classified within current liabilities.

1.20. Provisions for contingencies and losses

Present obligations resulting from past events involving third parties are recognised in provisions only when it is probable that such obligations will give rise to an outflow of resources to third parties, without consideration from the latter that is at least equivalent and if the outflow of resources can be reliably measured.

Since provisions are estimated based on future risks and expenses, such amounts include an element of uncertainty and may be adjusted in subsequent periods. The impact of discounting provisions is taken into account if significant.

a. Provisions for restructuring

In the specific case of restructuring, an obligation is recognised as soon as the restructuring has been publicly announced and a detailed plan presented or the plan implementation has commenced.

This cost mainly corresponds to severance payments, early retirement, costs related to notice periods not worked, training costs for departing employees and other costs relating to site closures. A provision is recognised for the rent and related costs to be paid, net of estimated sub-leasing income, in respect of any property if the asset is sub-leased or vacant and is not intended to be used in connection with main activities.

Scrapped assets and impairment of inventories and other assets directly related to the restructuring measures are also recognised in restructuring costs.

b. Provisions for litigation

The group recognises a provision each time a risk related to a legal proceeding or litigation of any type (business, regulatory, tax or employee-related) is identified, that it is probable that an outflow of resources will be necessary to extinguish this risk and that the cost related to this risk can be reliably estimated. In such cases, the amount of the provision is determined based on the best estimate of the probable costs related to the proceedings or litigation.

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. By exception, in connection with business combinations, the group may recognise contingent liabilities on the balance sheet if they result from a present obligation arising from past events and their fair value can be reliably estimated, even where it is not probable that an outflow of resources will be necessary to extinguish the obligation.

1.21. Revenue recognition

a. Consulting and systems integration services

Technical assistance, consulting, training and projects provided on an time and materials 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 or units of work and the contractual billing rates. They are recognised as revenue and are included in the balance sheet under the *Accrued income* item within *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* item within *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 generally 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* item within *Trade accounts receivable*. Payments on account received are deducted from the amount of *Trade accounts receivable*, which are therefore stated in the balance sheet at their net amount.

Moreover, costs incurred in the start-up phase of a contract may be recognised on the balance sheet as work-in-progress when they relate to future activities of the contract and provided it is probable that they will generate future economic benefits. These capitalised transition costs are reported on the balance sheet under *Trade accounts receivable*.

Should a contract become loss-making, losses at completion are systematically recorded in *Provisions for contingencies and losses*.

b. Services relating to the group's software and solutions business

Services provided within the scope of the group's Software and Solutions (Banking, Property Management and Human Resources) operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- ancillary 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 non-material 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 pro rata 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 for a fixed-price

In this situation, the amount of revenue attributable to the licence is obtained by calculating 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 essential to the operation of a software package

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 Industrial 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 and the geographic distribution of its activities.

The divisions comprise:

- Consulting, Systems Integration and Infrastructure Management carried out in France;
- Systems Integration carried out in the United Kingdom by a combination of subsidiaries;
- Systems Integration carried out in Europe by a combination of subsidiaries;
- the Sopra Banking Software business;
- the Other Solutions business, which encompasses products relating to Human Resources and Property Management.

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's 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.

1.24. Put options granted to non-controlling interests

When non-controlling interests have an option to sell their investment to the group, a financial liability is recorded in other non-current liabilities for the present value of the option's estimated exercise price. The offset of the financial liability generated by these commitments is deducted from:

- mainly, the corresponding amount of non-controlling interests; and
- for the remainder, the group's share of consolidated reserves.

Subsequent changes in this put option arising from changes in estimates or relating to its reverse discounting are offset against the corresponding non-controlling interests and the remainder is deducted from the group's share of consolidated reserves.

1.25. Non-current assets classified as held for sale and discontinued operations

A non-current asset classified as held for sale is:

- an asset whose carrying amount will be recovered principally through a sale transaction rather than through continuing use;
- available for immediate sale in its present condition (subject only to terms that are usual and customary for sales of such assets);
- whose sale is highly probable.

For the sale to be considered as highly probable:

- the appropriate level of management must be committed to a plan to sell the asset;
- an active programme to locate a buyer and complete the plan must have been initiated;
- the sale is expected to be completed within one year (this period may be extended if there is evidence that the entity remains committed to its plan to sell the asset);
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;

- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Once an asset is classified in non-current assets held for sale or discontinued operations, it is no longer depreciated.

In the balance sheet, these assets are carried at the lower of carrying amount and fair value less costs to sell. They are presented separately in assets and liabilities, with no offsetting.

The group separates the results of discontinued operations from continuing operations and presents them separately in the income statement. This includes the post-tax profit or loss of these operations and, where applicable, the result of their fair value measurement. The group discloses this information for prior periods in comparison to the current period. The same applies for the cash flows arising from discontinued operations.

Note 2 Highlights and consolidation scope

2.1. Highlight of the year: Sopra-Steria tie-up

On 8 April 2014, Sopra and Steria announced a proposed friendly tie-up of their two groups, aimed at creating a European leader in digital services with combined 2013 revenue of €3.1 billion and operations in 24 countries, harnessing the talents of over 35,000 professionals.

The tie-up proposal took the form of an *offre publique d'échange*, or public exchange offer ("the Offer"), initiated by Sopra for all of Steria's shares on the basis of one Sopra share for every four Steria shares.

The Offer opened on 26 June 2014, and at the Combined Annual General Meeting of 27 June, Sopra's shareholders approved the issuance of Sopra shares in consideration of tenders to the offer.

On 14 July 2014, the European Commission, in its capacity as antitrust regulator, authorised the tie-up.

The Offer closed on 30 July 2014, the results were made public on 6 August, and settlement-delivery took place on 12 August. On completion of the Offer, 79.69% of Steria's shares had been tendered to Sopra.

Following the success of phase one, the Offer reopened from 18 August to 5 September 2014. On completion of which, 90.52% of Steria's shares had been tendered.

The resulting improved competitive position, complementary fit of offerings and geographic locations, and synergies will enable the creation of a European leader in digital services with a differentiated offering well suited to meeting its clients' transformation needs.

The businesses belonging to the Steria group were consolidated with effect from 1 August 2014, affecting Sopra Steria group's income statement for five months.

2.2. Other newly consolidated companies

- **COR&FJA Banking Solutions** – On 18 February 2014, through its subsidiary Sopra Banking Software, Sopra completed its acquisition of 100% of the share capital of COR&FJA Banking Solutions GmbH.

  This acquisition bolsters Sopra Banking Software's international strategy by giving it a foothold in the German market. COR&FJA Banking Solutions' client roster, 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.

  COR&FJA Banking Solutions GmbH has been included in the scope of consolidation since 1 January 2014.

  The company has been renamed Sopra Banking Software GmbH.

- **HR Access Service (IBM)** – On 30 June 2014, via its subsidiary Sopra HR Software, Sopra Steria Group completed its acquisition of the HR Access Service business previously owned by IBM France.

  HR Access Service offers Sopra greater proximity with clients and enhanced expertise in the services market for human resources solutions.

  This acquisition took the form of a partial transfer of business *(cession partielle de fonds de commerce)*. HR Access Service forms part of Sopra HR Software and is consolidated with effect from 30 June 2014.

2.3. Deconsolidated entities

No group entities were deconsolidated in financial year 2014.

2.4. Legal reorganisations and restructuring

The public exchange offer was immediately followed by reorganisation and merger processes integral to the proposed tie-up, as indicated from the time the tie-up was announced on 8 April 2014.

Sopra Group changed its corporate name to Sopra Steria Group under a resolution approved at the General Meeting of 27 June 2014, subject to a condition precedent of successful completion of the public exchange offer.

To enable the two groups to be operationally integrated as quickly as possible and the predicted synergies to be realised, the shareholders of Sopra Steria Group and its subsidiaries approved the following transactions at Extraordinary General Meetings held on 18 and 19 December 2014:

- merger by absorption of Groupe Steria (Steria's parent) into Sopra Steria Group;
- partial transfer of assets by Sopra Steria Group to Sopra HR Software of its complete and independent business focusing on the development and distribution of human resources software solutions under the name "Pléiades";
- partial transfer of assets by Steria to Sopra Steria Infrastructure & Security Services of its infrastructure management business managing customers' IT systems and networks infrastructure, which encompasses hosting, storage, server management, application supervision and operation and cybersecurity;
- partial transfer of assets by Steria to Sopra Banking Software of its "Advanced Payment" business delivering specific IT systems and solutions for automated payments and cash machines;
- merger by absorption of Steria (operating company) into Sopra Steria Group.

All the above transactions took legal effect on 31 December 2014.

2.5. Scope of consolidation

Entites are presented according to the classification in group divisions.

Company	Country	% control	% held	Consolidation method
FRANCE				
Sopra Steria Group	France	-	-	Parent company
Sopra Steria Infrastructure & Security Services	France	100.00%	100.00%	FC
Diamis	France	40.00%	40.00%	EM
Stepar	France	100.00%	100.00%	FC
U-Services	France	100.00%	100.00%	FC
Beamap Sas	France	100.00%	100.00%	FC
Xansa SAS	France	100.00%	100.00%	FC
Steria Poland	Poland	100.00%	100.00%	FC
Sopra India Private Ltd	India	100.00%	100.00%	FC
Steria Medshore SAS	Morocco	100.00%	100.00%	FC
UNITED KINGDOM				
Sopra Group Holding Ltd	United Kingdom	100.00%	100.00%	FC
Sopra Group C&SI Ltd	United Kingdom	100.00%	100.00%	FC
Steria Holding Limited	United Kingdom	100.00%	100.00%	FC
Steria Limited	United Kingdom	100.00%	100.00%	FC
Steria Services Limited	United Kingdom	100.00%	100.00%	FC
Caboodle Solutions Ltd	United Kingdom	100.00%	100.00%	FC
Druid Group Limited	United Kingdom	100.00%	100.00%	FC
OSI Group Holdings Limited	United Kingdom	100.00%	100.00%	FC
OSI Group Limited	United Kingdom	100.00%	100.00%	FC
Steria BSP Ltd	United Kingdom	100.00%	100.00%	FC
NHS Shared Employee Services Limited	United Kingdom	75.50%	75.50%	FC
NHS Shared Business Services Limited	United Kingdom	50.00%	50.00%	FC
Steria Recruitment Ltd	United Kingdom	100.00%	100.00%	FC
Steria UK Ltd	United Kingdom	100.00%	100.00%	FC
Steria UK Corporate Ltd	United Kingdom	100.00%	100.00%	FC
Shared Services Connected Ltd	United Kingdom	75.00%	75.00%	FC
Mummert Partner UK Limited	United Kingdom	100.00%	100.00%	FC
O.S.I Ebt Trust n°3	United Kingdom	100.00%	100.00%	FC
Xansa Aesop - Trust	United Kingdom	100.00%	100.00%	FC
Steria Employee Trustee Company Ltd	United Kingdom	100.00%	100.00%	FC

Company	Country	% control	% held	Consolidation method
Druid Group EBT No. 5	United Kingdom	100.00%	100.00%	FC
Druid Quest - Trust No. 6	United Kingdom	100.00%	100.00%	FC
Steria EmployeeTrustee Cie Ltd	United Kingdom	100.00%	100.00%	FC
Xansa 2004 Employee Benefit Trust	United Kingdom	100.00%	100.00%	FC
Zansa Limited	United Kingdom	100.00%	100.00%	FC
Xansa Cyprus (No. 1) Limited	Cyprus	100.00%	100.00%	FC
Xansa Cyprus (No. 2) Limited	Cyprus	100.00%	100.00%	FC
Xansa India Sez DP Ltd	India	100.00%	100.00%	FC
Steria India Limited	India	100.00%	100.00%	FC
Steria Asia	Singapore	100.00%	100.00%	FC
Xansa Pte Ltd	Singapore	100.00%	100.00%	FC
Xansa Inc.	United States	100.00%	100.00%	FC
Xansa Holdings Inc.	United States	100.00%	100.00%	FC
Xansa Inc.	Canada	100.00%	100.00%	FC
EUROPE				
Sopra Group GmbH	Germany	100.00%	100.00%	FC
Steria Mummert ISS GmbH	Germany	100.00%	100.00%	FC
Steria Mummert Consulting AG	Germany	100.00%	100.00%	FC
Steria Mummert Consulting GmbH Vienna	Austria	100.00%	100.00%	FC
Sopra Belux	Belgium	100.00%	100.00%	FC
Steria Benelux	Belgium	100.00%	100.00%	FC
Sopra Luxembourg	Luxembourg	100.00%	100.00%	FC
Steria Luxembourg	Luxembourg	100.00%	100.00%	FC
Xansa SA Luxembourg	Luxembourg	100.00%	100.00%	FC
Sopra Informatique	Switzerland	100.00%	100.00%	FC
Steria Schweiz AG	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
Steria A/S	Denmark	100.00%	100.00%	FC
Steria AS	Norway	100.00%	100.00%	FC
Steria AB	Sweden	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 Netherlands BV	Netherlands	100.00%	100.00%	FC
Sopra Banking Software GmbH	Germany	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	Cameroun	95.00%	95.00%	FC

Company	Country	% control	% held	Consolidation method
OTHER SOLUTIONS				
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	25.47%	25.47%	EM

FC: Fully consolidated.
EM: Equity method.

Note 3 Comparability of financial statements

3.1. Impact of acquisitions

The individual and combined impact of acquisitions completed in 2014 on the group's income statement and principal activity indicators exceeds the 25% notification threshold laid down in the AMF's General Regulation (Article 222-2) on the preparation of pro forma information.

The published income statement for the financial year 2014 includes businesses belonging to Groupe Steria with effect from 1 August 2014, i.e. for five months of the year.

To illustrate the effects of the tie-up between Sopra and Steria in a full year, and to provide a basis for comparison so as to be able to measure the future financial performance of Sopra Steria Group, a 12-month pro forma income statement has been prepared for the financial year 2014.

This income statement has been prepared based on the following:

- Sopra's 2014 consolidated income statement;
- Steria's 2014 consolidated income statement;
- adjustments and intercompany eliminations.

Adjustments to the opening balance sheet are assumed to be fully incorporated as from 1 January 2014 and have no impact on pro forma income.

The main adjustments are as follows:

- harmonisation of valuation methods for services covered by fixed-price contracts;
- revaluation of the effects on the income statement of the assets acquired and the liabilities assumed in accordance with acquisition accounting (mainly client relationships and financial debt);
- recognition of deferred tax assets on tax loss carryforwards in France likely to be recovered over a known time period;
- classification of some income and expenses within net financial income.

	Sopra 2014		Steria 2014		Adjustments		Pro forma	
	€m	%	€m	%	€m	%	€m	%
Revenue	**1,482.0**		**1,887.0**		**1.0**		**3,370.0**	
Current operating income and expenses	-1,354.2		-1,787.6		3.0		-3,138.8	
Operating profit on business activity	**127.8**	*8.6%*	**99.4**	*5.3%*	**4.0**		**231.2**	*6.9%*
Expenses related to *stock* options and related items	-1.7		-0.7		0.1		-2.3	
Amortisation of allocated intangible assets	-5.4		-6.6		-6.0		-18.0	
Profit from recurring operations	**120.7**	*8.1%*	**92.1**	*4.9%*	**-1.9**		**210.9**	*6.3%*
Other operating income and expenses	-11.3		-42.7		-0.1		-54.1	
Operating profit	**109.4**	*7.4%*	**49.4**	*2.6%*	**-2.0**		**156.8**	*4.7%*
Cost of net financial debt	-5.5		-6.5		2.2		-9.8	
Other financial income and expenses	-2.6		-17.6		0.1		-20.1	
Tax charge	-29.6		-22.5		20.8		-31.3	
Net profit of associates	5.9		0.1		-		6.0	
Net profit	**77.6**	*5.2%*	**2.9**	*0.2%*	**21.1**		**101.6**	*3.0%*
Group share	77.6		-7.3		22.5		92.8	
Minority interests	-		*10.2*		*-1.4*		*8.8*	

The principal impacts of the acquisitions on the 2014 financial statements are as follows:

CONTRIBUTION TO REVENUE AND PROFIT FROM RECURRING OPERATIONS

(in millions of euros)	31/12/2014 Excluding acquisitions	31/12/2014 Contribution from acquisitions	31/12/2014 Published	31/12/2013 Published
Revenue	1,460.8	819.6	2,280.4	1,348.9
Profit from recurring operations	119.5	60.8	180.3	101.1

IMPACT ON GOODWILL

See Note 14.2.

IMPACT ON NET DEBT

See Note 24.2.

3.2. Reclassifications

Presentation rules were reviewed following the tie-up between Sopra and Steria. Some items in the 2014 balance sheet and income statement are classified differently from previous years:

- employee profit-sharing liability: the employee profit-sharing liability allocated to a frozen current account is shown under *Other long-term benefits* within *Post-employment benefits and similar obligations* for the portion becoming available in more than one year, and under *Other current liabilities* for the portion becoming available in less than one year, and not under *Financial debt* as in previous years. Interest relating to employee profit-sharing liabilities in 2014 is reported in *Other financial income and expenses* and not under *Cost of net financial debt* as in previous years;
- past service costs: the expense relating to past service costs under post-employment benefit plans has been reclassified from *Depreciation, amortisation, provisions and impairment* to *Staff costs* within the income statement;
- research tax credit: income relating to the research tax credit is shown as a deduction against *Staff costs* and not an item under *Other current operating income and expenses*.

Comparative information for 2013 and 2012 is presented as published. The reclassifications carried out in 2014 would have had the following impacts on balance sheet and income statement items:

	31 December 2013			31 December 2012		
(in thousands of euros)	**Published**	Reclassification	**Restated**	**Published**	Reclassification	**Restated**
Financial debt – long-term portion	135,499	-24,408	111,091	178,367	-27,352	151,015
Deferred tax liabilities	2,133		2,133	17,966		17,966
Post-employment and similar benefit obligations	58,740	24,408	83,148	48,552	27,352	75,904
Non-current provisions	12,384		12,384	6,724		6,724
Other non-current liabilities	5,196		5,196	7,979		7,979
Non-current liabilities	**213,952**	**-**	**213,952**	**259,588**	**-**	**259,588**
Financial debt – short-term portion	121,310	-5,405	115,905	73,048	-4,687	68,361
Trade accounts payable	68,910		68,910	56,092		56,092
Other current liabilities	416,375	5,405	421,780	337,075	4,687	341,762
Current liabilities	**606,595**	**-**	**606,595**	**466,215**	**-**	**466,215**

	2013			2012		
(in thousands of euros)	**Published**	Reclassification	**Restated**	**Published**	Reclassification	**Restated**
Staff costs	-911,911	5,890	-906,021	-811,780	2,634	-809,146
Depreciation, amortisation, provisions and impairment	-21,263	4,947	-16,316	-16,958	3,716	-13,242
Other current operating income and expenses	17,022	-10,837	6,185	8,787	-6,350	2,437
Operating profit on business activity	**108,924**	**-**	**108,924**	**109,581**	**-**	**109,581**
Profit from recurring operations	**101,093**	**-**	**101,093**	**103,172**	**-**	**103,172**
Operating profit	**103,946**	**-**	**103,946**	**91,292**	**-**	**91,292**
Cost of net financial debt	-6,980	1,970	-5,010	-7,194	1,908	-5,286
Other financial income and expenses	-1,439	-1,970	-3,409	-1,027	-1,908	-2,935
NET PROFIT	**71,410**	**-**	**71,410**	**55,599**	**-**	**55,599**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 4 Revenue

4.1. Revenue by division

(in millions of euros)	2014		2013	
France	1,009.8	*44.3%*	760.7	*56.4%*
United Kingdom	443.9	*19.5%*	83.9	*6.2%*
Europe	388.7	*17.0%*	163.7	*12.1%*
Sopra Banking Software	263.3	*11.5%*	217.3	*16.1%*
Other Solutions	174.7	*7.7%*	123.4	*9.1%*
TOTAL REVENUE	**2,280.4**	***100.0%***	**1,349.0**	***99.9%***

Note 5 Staff costs

5.1. Analysis

(in thousands of euros)	2014	2013	2012
Salaries	1,076,321	653,610	574,342
Employee-related expenses	350,442	252,601	229,491
Post-employment benefits and long-term employee benefits	10,839	5,700	7,947
TOTAL	**1,437,602**	**911,911**	**811,780**

5.2. Workforce

Workforce at year-end	2014	2013	2012
France	17,048	10,219	9,386
International	20,310	6,065	4,917
TOTAL	**37,358**	**16,284**	**14,303**

Average workforce	2014	2013	2012
France	17,451	10,187	9,294
International	19,235	5,783	4,739
TOTAL	**36,686**	**15,970**	**14,033**

Note 6 Purchases and external expenses

(in thousands of euros)	2014		2013		2012	
Project subcontracting purchases	265,785	*43.9%*	130,542	*42.6%*	123,810	*45.6%*
Purchases held in inventory of equipment and supplies	15,176	*2.5%*	9,349	*3.1%*	6,438	*2.4%*
Goods purchases and changes in inventory	34,769	*5.7%*	10,776	*3.5%*	7,795	*2.9%*
Leases and charges	80,215	*13.2%*	39,235	*12.8%*	35,310	*13.0%*
Maintenance and repairs	41,720	*6.9%*	10,904	*3.6%*	10,964	*4.0%*
Subcontracting	8,765	*1.4%*	5,190	*1.7%*	5,697	*2.1%*
Remuneration of intermediaries and fees	23,024	*3.8%*	13,426	*4.4%*	8,223	*3.0%*
Advertising and public relations	8,154	*1.3%*	5,449	*1.8%*	3,939	*1.4%*
Travel and entertainment	77,239	*12.8%*	62,596	*20.4%*	53,860	*19.8%*
Telecommunications	22,604	*3.7%*	8,140	*2.7%*	6,560	*2.4%*
Other expenses	28,197	*4.7%*	10,687	*3.5%*	9,202	*3.4%*
TOTAL	**605,648**	***100%***	**306,294**	***100%***	**271,798**	***100%***

Note 7 Expenses related to stock options and related items

The cost of services rendered by staff in exchange for options received was recognised at €0.1 million in respect of financial year 2014. Information on outstanding share subscription option plans is set out in Note 23.2.

Expenses associated with free share allotment plans totalled €1.9 million in 2014.

Information on the rules of the various free share allotment plans is set out in Note 23.3.

Note 8 Amortisation of allocated intangible assets

Following the purchase price allocation in connection with business combinations, additions to amortisation of allocated intangible assets totalled €10.6 million in respect of 2014 (of which €5.2 million relates to intangible assets falling within the scope of Steria), compared with €4.9 million in respect of 2013 (see Note 15).

Note 9 Other operating income and expenses

(in millions of euros)	2014	2013	2012
Expenses arising from business combinations (fees, commissions, etc.)	-13.5	-2.2	-4.9
Restructuring costs	-30.7	-28.4	-6.6
▪ *of which integration and reorganisation of business lines*	*-5.4*	*-3.0*	*-4.9*
▪ *of which separation costs*	*-25.3*	*-15.4*	*-1.7*
▪ *of which other non-recurring expenses*	*-*	*-10.0*	*-*
Other operating expenses	-5.3	-2.0	-0.4
Total operating expenses	**-49.5**	**-32.6**	**-11.9**
Gain on negative goodwill from HR Access	-	35.4	-
Reversal of impairment on Axway shares	17.4	-	-
Total operating income	**17.4**	**35.4**	**-**
TOTAL	**-32.1**	**2.8**	**-11.9**

In 2014, the costs associated with business combinations mainly consisted of fees incurred in connection with the Sopra-Steria public exchange offer in the amount of €10 million.

Separation costs corresponded to changes to the workforce in response to market conditions.

The group decided to recognise the reversal of the impairment loss on Axway shares under *Other operating income and expenses* given its unusual and material nature.

In 2013, non-recurring operating expenses in the amount of €25.8 million were related to the acquisition of HR Access.

Note 10 Financial income and expenses

10.1. Cost of net financial debt

(in thousands of euros)	2014	2013	2012
Interest income from cash and cash equivalents	4,552	514	395
Gains/(losses) on the disposal of cash equivalents	-20	-	-
Income from cash and cash equivalents	**4,532**	**514**	**395**
Interest charges	-8,079	-5,892	-5,197
Impact of amortised cost on financial debt	-2,267	-425	-1,423
Gains/(losses) on hedges of gross financial debt	-1,617	-1,177	-969
Cost of gross financial debt	**-11,963**	**-7,494**	**-7,589**
COST OF NET FINANCIAL DEBT	**-7,431**	**-6,980**	**-7,194**

The cost of net financial debt remained stable. The increase in financial income was mainly driven by investments by Steria India. The increase in the cost of gross borrowings resulted from the inclusion of Steria's borrowings and the accelerated amortisation of existing borrowing costs for Sopra Group and Groupe Steria.

Average outstandings on bank borrowings and bond debt totalled €534 million, compared with €207 million in 2013. The average cost of borrowings after hedging was 2.33% in 2014, compared with 2.27% in 2013. Including bank overdrafts, the average cost of financing was 2.19% in 2014, compared with 2.05% in 2013.

10.2. Other financial income and expenses

(in thousands of euros)	2014	2013	2012
Foreign exchange gains and losses	**-259**	**-417**	**-584**
Proceeds on the disposal of financial assets sold	-	-	2,005
Interest income from bonds	141	-	-
Dividends	69	-	-
Other financial income	327	101	244
Total other financial income	**537**	**101**	**2,249**
Additions to provisions	-426	-	-
Discounts granted	-1,181	-	-
Net interest expense on retirement benefit obligations	-6,122	-1,317	-1,441
Interest on employee profit-sharing liability	-1,047	471	500
Change in fair value of derivatives	-342	-163	261
Net carrying amounts of financial assets sold	-10	-	-1,758
Other financial expense	-1,881	-114	-254
Total other financial expense	**-11,009**	**-1,123**	**-2,692**
TOTAL	**-10,731**	**-1,439**	**-1,027**

Foreign exchange gains and losses mainly relate to commercial transactions denominated in foreign currencies and not hedged against foreign exchange risk.

Note 11 Tax charge

11.1. Analysis

(in thousands of euros)	2014	2013	2012
Current tax	41,624	37,585	33,945
Deferred tax	-7,184	-5,039	-405
TOTAL	**34,440**	**32,546**	**33,540**

11.2. Reconciliation of theoretical and effective tax charge

(in thousands of euros)	2014	2013	2012
Net profit	**101,504**	**71,410**	**55,599**
Adjustment for:			
■ Net profit of associates	5,881	8,430	6,068
■ Negative goodwill	-	35,430	-
■ Reversal of impairment on Axway shares	17,408	-	-
■ Tax charge	-34,440	-32,546	-33,540
Profit before tax	**112,655**	**60,096**	**83,071**
Theoretical tax rate	**38.00%**	**38.00%**	**36.10%**
Theoretical tax charge	**-42,809**	**-22,836**	**-29,989**
Reconciliation			
Permanent differences	-2,088	-2,813	-864
Impact of uncapitalised losses for the year	-2,785	-5,168	-201
Use of uncapitalised loss carryforwards	881	235	800
Capitalisation of prior loss carryforwards	-	-	512
Impact of tax credits	13,961	7,405	2,292
Tax rate differences – France/Other countries	9,308	1,689	2,369
Prior year tax adjustments	1,311	542	-167
CVAE reclassification (net of tax)	-10,068	-8,085	-7,554
Tax reassessment	-	-2,820	-
Other	-2,151	-695	-738
Actual tax charge	**-34,440**	**-32,546**	**-33,540**
Effective tax rate	**30.57%**	**54.16%**	**40.38%**
Effective tax rate excluding CVAE	*18.88%*	*41.45%*	*30.48%*

In 2014, the group's effective tax rate was 30.57% including CVAE (*cotisation sur la valeur ajoutée des entreprises*, a contribution based on the value added by the business) for a gross amount of €16.2 million. The effective tax rate excluding CVAE was 18.8%.

The group operates in many countries with differing tax legislation and taxation rates. As such, local weighted average taxation rates applicable to group companies can vary from year to year depending on the relative level of taxable profit.

In 2013, the effective tax rate would have been 41.82% instead of 54.16% excluding changes in scope (i.e. excluding the acquisition of HR Access).

Note 12 Net profit from associates

Profit for 2014 includes the following:

- the group's share in the Axway group's profit for the financial year (25.47% of €26.5 million): €6.7 million;
- the impact of the dilution of Axway Software's share capital: (-)€0.8 million.

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.

Note 13 Earnings per share

(in euros)	2014	2013	2012
Net profit attributable to the group (a)	98,201,008	71,401,992	55,599,865
Weighted average number of ordinary shares in issue (b)	14,787,615	11,899,280	11,893,486
Weighted average number of treasury shares (c)	366,671	4,200	7,600
Weighted average number of shares in issue excluding treasury shares (d) = (b) + (c)	14,420,944	11,895,080	11,885,886
BASIC EARNINGS PER SHARE (a/d)	**6.81**	**6.00**	**4.67**

(in euros)	2014	2013	2012
Net profit attributable to the group (a)	98,201,008	71,401,992	55,599,865
Weighted average number of shares in issue excluding treasury shares (d)	14,420,944	11,899,280	11,893,486
Dilutive effect of instruments that give rise to potential ordinary shares (e)	84,543	165,906	138,450
Theoretical weighted average number of equity instruments (g) = (d) + (e)	14,505,487	12,065,186	12,031,936
FULLY DILUTED EARNINGS PER SHARE (a/g)	**6.77**	**5.92**	**4.62**

The method used to calculate earnings per share is set out in Note 1.23.

Treasury shares mainly correspond to shares held by UK trusts (see Note 23.5).

The only diluting instruments are the stock options presented in Note 23.2, the free shares granted under the Sopra plan set up on 19 June 2012 and the free shares granted under Steria's legacy bonus performance share allotment plans (see Note 23.3).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 14 Goodwill

14.1. Changes in goodwill

The principal movements in 2014 were as follows:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2012	**396,307**	**81,681**	**314,626**
Acquisitions			
HR Access	-	-	-
Altime	4,602	-	4,602
Adjustments on business combinations	**-**	**-**	**-**
Impairment	**-**	**-**	**-**
Translation adjustments	**-2,395**	**-624**	**-1,771**
31 December 2013	**398,514**	**81,057**	**317,457**
Acquisitions			
COR&FJA	8,309	-	8,309
HR Access Service business of IBM	12,537	-	12,537
Steria	1,102,795	-	1,102,795
Adjustments on business combinations	**-**	**-**	**-**
Impairment	**-**	**-**	**-**
Translation adjustments	**10,281**	**2,038**	**8,243**
31 DECEMBER 2014	**1,532,436**	**83,095**	**1,449,341**

14.2. Determination of goodwill recognised in the period

a. Tie-up with Steria

The acquisition of 100% of Steria took place in three stages:

- after the AMF confirmed that the offer was compliant on 24 June 2014, the Offer was initially open from 26 June 2014 to 30 July 2014: 79.69% of Steria's shares were tendered;
- the Offer was then reopened from 18 August 2014 to 5 September 2014, under the same terms as those applicable to the initial offer. On completion of the Offer, 90.52% of the shares and 89.41% of the voting rights of Steria had been tendered to Sopra's offer;
- finally, the shareholders approved the merger by absorption of Groupe Steria into Sopra Steria Group at the General Meeting. This merger became effective on 31 December 2014, with the result that Steria is now wholly-owned by Sopra Steria Group.

These three stages formed an integral part of the proposed tie-up, as indicated from the time the tie-up was announced on 8 April 2014. These transactions are considered to be linked, and have been recognised as a single transaction in connection with a business combination.

For this acquisition, the group adopted the partial goodwill method. Purchase price allocation resulted in goodwill of €1,102.8 million (after neutralising Groupe Steria's prior goodwill of €816.0 million).

The purchase price was determined on the basis of the fair value of the shares issued by Sopra Group (market price) at the clearing and settlement dates.

The purchase price was allocated to identifiable assets and liabilities on the basis of estimated fair values as follows:

(in thousands of euros)	Fair value
Intangible assets allocated	127,299
Other intangible assets	43,035
Property, plant and equipment	52,625
Deferred tax	104,245
Trade accounts receivable	423,164
Other assets	186,818
Cash and cash equivalents	168,069
Total assets acquired	**1,105,255**
Financial debt	541,528
Provisions for post-employment benefits	286,089
Provisions for contingencies and losses	70,710
Trade accounts payable	175,458
Other liabilities	466,825
Total liabilities assumed	**1,540,610**
TOTAL NET ASSETS ACQUIRED/(NET LIABILITIES ASSUMED)	**-435,355**
Minority interests	-26,001
GOODWILL	**1,102,795**
PURCHASE PRICE	**641,439**

Measurement of the purchased assets and liabilities resulted in the revaluation of assets and liabilities and the recognition of a new intangible asset relating to client relationships totalling €127.3 million. The value of this intangible asset was measured by an independent expert. This asset is amortised on a straight-line basis over ten years, representing an annual expense of €12.7 million. An expense of €5.2 million was recognised in the second half of 2014.

Contingent liabilities represent a total value of €13.6 million, equating to €11.6 million after tax. They represent tax, employee-related, contractual and project risks. These risks are mainly located in India (€5.9 million after tax) but also in the United Kingdom and France.

Should new information come to light within 12 months of the acquisition date relating to facts and circumstances existing at the acquisition date that might give rise to adjustments, the above items would be revised.

b. Other acquisitions

(in thousands of euros)	COR&FJA	HR Access Service	Total
Purchase price	13,000	10,000	23,000
Present value of earnouts	-	-	-
Acquisition cost	**13,000**	**10,000**	**23,000**
Fair value of net assets acquired	4,691	-2,537	2,154
Minority interests	-	-	-
GOODWILL	**8,309**	**12,537**	**20,846**

Detailed information on the fair value measurement of the net assets of acquired entities is provided in the table below.

(in thousands of euros)	COR&FJA	HR Access Service	Total
Intangible assets allocated	4,400	-	4,400
Other intangible assets	40	-	40
Property, plant and equipment	66	-	66
Deferred tax	-826	1,332	506
Trade accounts receivable	5,123	-1,409	3,714
Other assets	305	-	305
Cash and cash equivalents	2,706	-	2,706
Total assets	**11,814**	**-77**	**11,737**
Financial debt	-	-	-
Provisions for post-employment benefits	-	2,460	2,460
Provisions for contingencies and losses	2,987	-	2,987
Trade accounts payable	1,314	-	1,314
Other liabilities	2,822	-	2,822
Total liabilities	**7,123**	**2,460**	**9,583**
FAIR VALUE OF NET ASSETS ACQUIRED	**4,691**	**-2,537**	**2,154**

In accordance with IFRS 3, the identification of assets acquired and liabilities assumed, as well as the amounts of those assets and liabilities, were reviewed to ensure appropriate consideration of all available information as of the acquisition date.

14.3. Breakdown of goodwill by CGU

The group divides its reporting divisions into cash-generating units (CGUs), consistent with the operational organisation of its business lines as well as its management and reporting systems and published segment information. Following the tie-up with Steria, changes were made to segmentation by sector: the United Kingdom is now shown separately, whereas it was previously included in the "SSI Europe" CGU.

The summarised statement of net carrying amounts for goodwill attributed to CGUs is presented below:

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
France	364,739	52,495	52,869
United Kingdom	641,686	49,549	66,172
Europe	262,207	59,416	59,416
Sopra Banking Software	167,143	155,997	136,169
Other Solutions	13,566	-	-
TOTAL	**1,449,341**	**317,457**	**314,626**

14.4. Impairment tests

The group performs impairment tests annually or whenever key indicators suggest a loss in value.

Impairment tests carried out at 31 December 2014 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		
	31/12/2014	31/12/2013	31/12/2012	31/12/2014	31/12/2013	31/12/2012
France	*9.1%*	*9.1%*	*9.3%*	*2.0%*	*2.1%*	*2.3%*
United Kingdom	*9.3%*	*9.1%*	*9.3%*	*2.5%*	*2.1%*	*2.3%*
Europe	*7.9% - 9.4%*	*9.1%*	*9.3%*	*2.0%*	*2.1%*	*2.3%*
Sopra Banking Software	*9.1%*	*9.1%*	*9.3%*	*2.0%*	*2.1%*	*2.3%*
Other Solutions	*9.1%*	*9.1%*	*9.3%*	*2.0%*	*2.1%*	*2.3%*

a. Sensitivity analysis

The sensitivity analysis below applies to the total of recoverable amounts of CGUs calculated using the discounted cash flow method.

	Discount rate used in 2014	0.5 point increase in the discount rate
Growth rate used in 2014	-	*-15.6%*
0.5 point decrease in the growth rate	*-6.2%*	*-20.6%*

The reduction in value in use resulting from these combined changes in assumptions (-20.6%) would not have prompted the recognition of an impairment.

b. Sensitivity tests

Sensitivity tests have been performed for all cash-generating units. Considering their value in use, management believes that there is no reasonably possible change in a key assumption (discount rate, perpetual growth rate or operating margin ratio) that could make the carrying amount of the CGU exceeds its recoverable amount.

14.5. Translation adjustments

The increase of €8.3 million in translation adjustments mainly results from changes in the value of the euro against the following currencies:

(in millions of euros)	31/12/2014	31/12/2013	31/12/2012
GBP	14.9	-1.4	1.5
NOK	-6.3	-	-
Other currencies	-0.3	-0.4	-0.1
TOTAL	**8.3**	**-1.8**	**1.4**

Note 15 Intangible assets

(in thousands of euros)	Gross value	Amortisation	31/12/2014	31/12/2013	31/12/2012
Enterprise software/Technology	132,288	73,685	58,603	45,367	49,913
Client relations	137,082	7,424	129,658	5,480	6,150
Favourable contracts	900	270	630	720	810
Order backlog	514	485	29	186	354
Acquired software	107,967	77,351	30,616	2,285	1,925
TOTAL	**378,751**	**159,215**	**219,536**	**54,038**	**59,152**

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 significant expense incurred in developing the group's solutions and software was capitalised, either in 2014 or in previous years.

(in thousands of euros)	Gross value	Amortisation	Net
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
Other movements	-	-	-
Translation adjustments	-332	-80	-252
Amortisation charge	-	6,129	-6,129
31 December 2013	**95,139**	**41,101**	**54,038**
Changes in scope	153,212	110,071	43,141
Intangible assets allocated	131,699	-	131,699
Acquisitions	5,273	-	5,273
Disposals	-7,033	-7,020	-13
Other movements	-2,470	-3,745	1,275
Translation adjustments	2,931	1,770	1,161
Amortisation charge	-	17,038	-17,038
31 DECEMBER 2014	**378,751**	**159,215**	**219,536**

When the Steria group was acquired, the work to identify the assets acquired and the liabilities assumed resulted in the recognition of client relations valued at €127.3 million, with €113.0 million of this amount relating to Steria's UK business. These assets are amortised over a ten-year period.

Furthermore, the acquisition of Steria increased intangible assets by €43.1 million, including €29.2 million in software and €10.8 million in intangible assets in progress.

Note 16 Property, plant and equipment

(in thousands of euros)	Land and buildings	Office furniture, fixtures and sundry equipment	IT equipment	Total
GROSS VALUE				
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 adjustments	-1	-314	-564	-879
31 December 2013	**11,204**	**83,046**	**49,331**	**143,581**
Changes in scope	19,034	84,964	112,123	216,121
Acquisitions	-	12,344	16,259	28,603
Disposals	-	-8,341	-16,339	-24,680
Other movements	-	-247	111	-136
Translation adjustments	629	1,427	1,935	3,991
31 DECEMBER 2014	**30,867**	**173,193**	**163,420**	**367,480**
DEPRECIATION				
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 adjustments	-	-188	-423	-611
31 December 2013	**9,484**	**48,298**	**36,640**	**94,422**
Changes in scope	13,247	54,371	95,876	163,494
Charges	239	9,567	10,401	20,207
Reversals	-	-7,950	-15,761	-23,711
Other movements	-	-21	21	-
Translation adjustments	307	1,130	1,687	3,124
31 DECEMBER 2014	**23,277**	**105,395**	**128,864**	**257,536**
NET VALUE				
31 December 2012	**1,945**	**26,537**	**10,711**	**39,193**
31 December 2013	**1,720**	**34,748**	**12,691**	**49,159**
31 DECEMBER 2014	**7,590**	**67,798**	**34,556**	**109,944**

The group's investments in property, plant and equipment (€28.6 million) mainly consist of €12.3 million for office equipment in France and abroad and €16.3 million for IT equipment (€7.4 million of which is in the form of finance leases).

Amounts included under disposals during the year (€24.7 million depreciated in the amount of €23.7 million) mainly correspond to:

- divestment of IT equipment corresponding to expired finance leases entered into by Sopra Steria Group (€4.2 million);
- premises for which leases were not renewed that the group no longer occupies.

The acquisition of Steria increased property, plant and equipment by €52.6 million, including €16.2 million in IT equipment and €5.8 million in land and buildings (mainly in India).

Finance leases relating to IT investments (see Note 1.10) are presented in the balance sheet in the following amounts:

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Gross value	27,252	23,939	24,835
Depreciation	-16,365	-15,982	-17,030
NET VALUE	**10,887**	**7,957**	**7,805**

Note 17 Equity-accounted investments

At 31 December 2014, equity-accounted investments (€146.8 million) consisted of Axway Software shares historically held by Sopra Group (€145.3 million) and Diamis shares historically held by Steria (€1.6 million).

The following table shows changes in the investment in Axway Software:

(in thousands of euros)	Gross value	Impairment	Net
31 December 2012	**131,761**	**17,937**	**113,824**
Changes in scope	-	-	-
Capital transactions	568	-	568
Dividends paid	-1,826	-	-1,826
Net profit	9,155	-	9,155
Translation adjustments	-2,042	-	-2,042
Changes in shareholding	-1,325	-	-1,325
Other movements	430	-	430
31 December 2013	**136,721**	**17,937**	**118,784**
Changes in scope	-	-	-
Reversal of impairment	-	-17,408	17,408
Capital transactions	329	-	329
Dividends paid	-2,091	-	-2,091
Net profit	6,746	-	6,746
Translation adjustments	5,156	-	5,156
Changes in shareholding	-1,684	-529	-1,155
Other movements	79	-	79
31 DECEMBER 2014	**145,256**	**-**	**145,256**

At 31 December 2014, Axway Software shares held by Sopra Steria Group represented 25.47% of Axway Software's total share capital, compared with 25.72% in 2013. The market value of those shares, based on their closing price on 31 December 2014 (€16.50), was €86.4 million. The equity-accounted value of this investment (€145.3 million) is justified by its value in use for Sopra.

A re-estimate of the value in use determined using the DCF method at the year-end, on the basis of a business plan prepared by Axway's management, led the group to reverse in full the impairment loss on Axway shares initially recognised in 2011. This €17.4 million impairment reversal is recognised under *Other operating income and expenses*.

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Market value (Category 1)	86,435	114,848	71,916
Market value less costs to sell	84,706	112,551	70,478
Value in use	145,835	118,784	113,824
Discounted cash flow calculation parameters:			
■ Discount rate	9.8%	10.7%	10.0%
■ Perpetuity growth rate	2.3%	2.3%	2.5%
Recoverable amount	**145,835**	**118,784**	**113,824**

SUMMARY FINANCIAL INFORMATION RELATING TO THE AXWAY GROUP

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Assets	478,744	391,997	376,989
Equity	298,512	258,373	233,951
Liabilities	180,232	133,624	143,038
Revenue	261,590	237,545	224,320
Net profit	26,486	35,595	24,660

Note 18 Other non-current financial assets

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Available-for-sale assets	9,662	67	68
Other loans and receivables	65,738	4,832	3,777
Derivatives	2,728	25	152
TOTAL	**78,128**	**4,924**	**3,997**

18.1. Available-for-sale assets

(in thousands of euros)	Gross value	Impairment	Net
31 December 2012	**167**	**99**	**68**
Changes in scope	-	-	-
Increase	-	-	-
Decrease	-26	-26	-
Translation adjustments	-2	-1	-1
31 December 2013	**139**	**72**	**67**
Changes in scope	1,455	54	1,401
Increase	8,175	-	8,175
Decrease	-9	-9	-
Translation adjustments	23	4	19
31 DECEMBER 2014	**9,783**	**121**	**9,662**

The measurement of the fair value of available-for-sale assets is based on the following assumptions:

- quoted data (level 1): 83%;
- observable data (level 2): 0%;
- internal models (level 3): 17%.

Available-for-sale assets mainly consist of 22,300 convertible bonds issued by CS Communication & Systèmes, purchased in July 2014 for a five-year period, representing 66.9% of the total amount issued (€8,168k).

18.2. Other loans and receivables

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Loans	3,252	4	16
R&D tax credit receivable	55,269	-	-
Deposits and other non-current financial assets	7,551	4,828	3,761
Provisions for loans, deposits and other non-current financial assets	-334	-	-
Loans, deposits and other non-current financial assets – net value	**65,738**	**4,832**	**3,777**
TOTAL	**65,738**	**4,832**	**3,777**

Other non-current financial assets include research tax credit receivables which will be used or reimbursed after more than one year. Receivables acquired and arising from the scope of Sopra represent €17.9 million, while those arising from the former scope of Steria total €37.3 million.

Deposits and other non-current financial assets (€7.5 million) mainly consist of guarantees given for leased premises. Non-interest bearing deposits are maintained at their nominal value, given that the effect of discounting is not material.

Note 19 Deferred tax assets and liabilities

19.1. Change in net deferred tax

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
At 1 January	**23,458**	**16,487**	**20,874**
Changes in scope	104,279	1,672	-6,648
Tax – income statement impact	7,184	5,039	405
Tax – equity impact	9,996	320	1,913
Translation adjustments	1,661	-60	-57
AT 31 DECEMBER	**146,578**	**23,458**	**16,487**

19.2. Breakdown of net deferred tax by type

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Intangible assets	-32,259	-3,912	-13,790
Property, plant and equipment	2,068	699	820
Finance-leased property, plant and equipment	976	64	51
Non-current financial assets	63	-	780
Other current assets	614	-	1,538
Derivatives	1,354	934	1,090
Equity instruments	68	2,753	599
Financial debt	-1,561	964	880
Retirement benefit obligations	92,179	17,994	15,762
Provisions	1,491	695	-
Other current liabilities	10,117	2,806	2,927
Tax loss carry-forwards	71,466	461	5,831
TOTAL NET DEFERRED TAX ASSETS	**146,576**	**23,458**	**16,488**
Deferred tax assets recognised	**156,300**	**25,591**	**34,453**
Deferred tax liabilities recognised	**9,745**	**2,133**	**17,966**
Deferred tax assets recognised in assets held for sale	**21**	**-**	**-**

19.3. Deferred tax assets not recognised by the group

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Tax losses carried forward	49,395	3,285	2,922
Temporary differences	27	-	-
TOTAL	**49,422**	**3,285**	**2,922**

19.4. Change in tax loss carryforwards

(in thousands of euros)	France	United Kingdom	Germany	Scandinavia	Other countries	Total
31 December 2013	**-**	**2,004**	**7,079**	**-**	**5,282**	**14,365**
Changes in scope	258,845	13,657	17,843	28,452	17,935	336,732
Created	36,504	52	4,496	2,458	2,200	45,710
Used	-	-5,639	-8,083	-1,152	-1,840	-16,714
Expired	-	-	-	-	-	-
Translation adjustments	-	270	-	-297	809	782
Other movements	-	-	535	-	231	766
31 DECEMBER 2014	**295,349**	**10,344**	**21,870**	**29,461**	**24,617**	**381,641**
Deferred tax basis – capitalised	201,347	7,177	-	-	2,235	210,759
Deferred tax basis – uncapitalised	94,002	3,167	21,870	29,461	22,382	170,882
Deferred tax – capitalised	69,290	1,478	-	-	699	71,467
Deferred tax – uncapitalised	32,329	634	3,928	6,481	6,023	49,395

In France, a portion of the deferred tax assets on tax loss carryforwards arising from Steria has been recognised in the balance sheet. A request has been submitted to the tax authorities to approve Steria's tax losses from prior to 1 January 2014. Since no response had been received at the balance sheet date, the group probabilistically measured the risk of loss on these deferred tax assets. Losses generated by Steria's French entities prior to 1 January 2014 have been capitalised due to the retroactive effect at 1 January of mergers within Sopra Steria Group and a recoverability period deemed sufficiently reliable.

Tax loss carryforwards from Steria's German, Swedish and Danish subsidiaries did not give rise to the recognition of deferred tax assets due to the recoverability period being considered uncertain at this stage.

Note 20 Trade accounts receivable

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Trade accounts receivable - gross value	626,066	328,052	286,450
Accrued income	335,046	134,140	112,626
Accrued credit notes	-9,370	-11,988	-11,963
Impairment of trade accounts receivable	-9,487	-7,791	-2,851
TOTAL	**942,255**	**442,413**	**384,262**

Net trade accounts receivable, expressed in terms of months of revenue, corresponded to 2.0 months of revenue at 31 December 2014, down from 2.3 months at 31 December 2013 and 2.2 months at 31 December 2012.

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 eliminating 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). It also includes transition costs, which consist of costs relating to services in progress initiated during the start-up phase of certain major contracts, and correspond to activities that will generate future economic benefits.

Note 21 Other current receivables

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Advances and payments on account	3,577	-	-
Staff and social security	2,680	6,489	5,141
Tax receivables (other than corporate income tax)	40,922	40,575	18,242
Corporate income tax	55,271	9,491	5,032
Debit balance current accounts	19	-	-
Loans, guarantees and other financial receivables maturing in less than one year	3,351	-	-
Leased equipment	947	1,219	995
Other receivables	5,708	2,148	750
Impairment of other receivables	-531	-	-
Prepaid expenses	53,646	3,735	3,540
Derivatives	1,190	-	-
TOTAL	**166,780**	**63,657**	**33,700**

The United Kingdom accounted for €33,730k of prepaid expenses, of which €13,997k related to royalties paid by SSCL to the Cabinet Office.

In France, the group sold its tax receivable arising from the Competitiveness and Jobs Tax Credit (CICE) in respect of 2013 and 2014 for €8,081k and €21,242k respectively. This sale removed the receivable from the scope of the consolidated group.

Note 22 Cash and cash equivalents

The cash flow statement is presented on page 120.

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Investment securities	100,928	4	16
Cash	121,492	102,226	47,342
Cash and cash equivalents	**222,420**	**102,230**	**47,358**
Current bank overdrafts	-23,670	-61,045	-44,898
TOTAL	**198,750**	**41,185**	**2,460**

Net cash and cash equivalents include available liquid funds (cash at bank and in hand), 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.

Net financial debt, as presented in Note 24.1, is more representative of the group's financial position.

Marketable securities and other investments comprise short-term money market investments, short-term deposits and funds advanced under the liquidity agreement. They are subject to an insignificant risk of changes in value.

Indian entities contributed €108.7 million to net cash and cash equivalents at 31 December 2014. Should this cash be returned in the form of dividends, a withholding tax will be applied (to date estimated at 20%); a corresponding amount has been provisioned with respect to financial year 2014.

A portion of NHS SBS' cash at bank and in hand is used to grant advances to its production platform client entities with respect to their transition operations, in the amount of €21.5 million as at 31 December 2014.

Note 23 Equity

The consolidated statement of changes in equity is presented on page 119.

23.1. Changes in the share capital

At 31 December 2014 Sopra Group had share capital of €20,371,789, compared with €11,919,583 at 31 December 2013, comprising 20,371,789 fully-paid shares with a nominal value of €1 each.

The principal movements in 2014 were as follows:

- shares issued in August and September 2014 as consideration for assets transferred in connection with Sopra/Steria public exchange offer (7,510,137 new shares created);
- delivery of 129,015 free shares under the free share allotment plan put in place on 19 June 2012;
- exercise of share subscription options during the year: 26,565 shares were created corresponding to a capital increase of €26.6k and a share premium of €1,350.5k, for a total subscribed of €1,377.1k;
- issue of 786,489 shares in connection with the merger between Sopra Steria Group and Groupe Steria.

23.2. Share subscription option plan

	Plan No. 5				Plan No. 6			Plan No. 7	Total
Date of General Meeting	26/05/2005	26/05/2005	26/05/2005	26/05/2005	15/05/2008	15/05/2008	15/05/2008	10/05/2011	
Grant date by the Board of Directors	25/07/2006	21/12/2006 (1)	08/01/2007	18/03/2008 (1)	17/03/2009 (1)	15/04/2010 (1)	29/03/2011 (1)	20/10/2011	
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
Number of shares granted to company officers	-	-	-	-	-	-	42,000	-	42,000
Exercise price	57.85	58.80	60.37	45.30	27.16	53.68	72.40	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 granted to company officers	-	-	-	-	-	-	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 31/12/2014	-	45,270	-	7,392	-	-	-	-	52,662
of which number of shares granted to company officers	-	-	-	-	-	-	-	-	-
Cumulative number of share subscription or purchase options cancelled or lapsed	30,000	25,153	5,000	9,500	-	-	14,911	-	84,564
of which number of company officers' shares retired	-	-	-	-	-	-	14,911	-	14,911
Share subscription or purchase options remaining at 31/12/2014	**-**	**-**	**-**	**35,750**	**21,302**	**31,953**	**37,809**	**5,000**	**131,814**
of which number of company officers' shares remaining	-	-	-	-	-	-	29,820	-	29,820

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

A total of 26,565 subscription options were exercised in 2014 under Plan 5.

No further options may be granted under Plan 5, Plan 6, Plan 7 or Plan 8. 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. At the Combined General Meeting held on 27 June 2014, the shareholders authorised the Board of Directors to issue options under Plan 9. No shares have yet been allotted under this plan.

Adjustments were made to the exercise price and volume of share subscription options yet to be exercised as at 14 June 2011 to reflect the Axway Software 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 Steria Group shares issuable against outstanding options is 131,814.

At the General Meeting of 27 June 2014, the shareholders set a limit of 5% of the share capital for the issue of new shares against subscription options provided for under Plan 9, with the qualification that the issue of any subscription and/or purchase warrants for redeemable shares (BSAARs), as well as any free 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.

This in turn brings the maximum number of Sopra Steria Group shares to be issued in respect of options, BSAARs or newly issued free shares to be exercised to 732,247.

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 option originally granted. The number of Axway shares that could thus be distributed by way of the exercise of Sopra Steria Group options totalled 119,061 at 31 December 2014. This total is comprised of 33,561 Axway Software shares that may be allocated upon the exercise of options under Plan 5 and 85,500 shares under Plan 6.

The average price of Sopra Steria Group shares in 2014 was €75.66.

The service costs recognised in 2014 in respect of stock option holders, using the method set out in Note 1.16, *Share-based payments*, totalled €98k.

23.3. Free share allotment plans

a. Free share plans subject to performance conditions

	October 2014 plan	September 2013 plan	July and August 2012 plans	July 2011 plan	July 2010 plan	April 2010 plan
Grant date	15 October 2014	17 September 2013	2 July 2012 and 1 August 2012	29 July 2011	6 July 2010	16 April 2010
Number of shares that may be granted*	79,500	151,900	166,600	157,600	139,250	35,761
Performance measurement period	1 January 2015 to 31 December 2016	1 January 2013 to 31 December 2015	1 January 2012 to 31 December 2014	1 January 2011 to 31 December 2013	1 January 2010 to 31 December 2012	1 January to 31 December 2010
Vesting period until the final grant	3 years (French grantees)	3 years (French grantees)	3 years (French grantees)	3 years (French and Spanish grantees)	3 years (French and Spanish grantees)	2 years (Spanish grantees)
	4 years (other grantees)	4 years (other grantees)	4 years (other grantees)	4 years (other grantees)	4 years (other grantees)	3 years (French grantees)
						4 years (other grantees)
Mandatory holding period following the grant of shares	2 years (French grantees)	2 years (French grantees)	2 years (French grantees)	2 years (French and Spanish grantees)	2 years (French and Spanish grantees)	3 years (Spanish grantees)
	None (other grantees)	None (other grantees)	None (other grantees)	None (other grantees)	None (other grantees)	2 years (French grantees)
						None (other grantees)

	October 2014 plan	September 2013 plan	July and August 2012 plans	July 2011 plan	July 2010 plan	April 2010 plan
Performance requirements stipulated in the plan	1) Change in Sopra Steria Group's consolidated revenue in 2015 and 2016	1) Average revenue growth in 2012, 2013 and 2014	1) Average revenue growth in 2012, 2013 and 2014	1) Average operating margin in 2011, 2012 and 2013 (70% of shares granted)	Average operating margin in 2010, 2011 and 2012 according to the type of grantee	Organic revenue growth in 2010
	2) Change in the Group's operating profit on business activity in 2015 and 2016	2) Average operating margin in 2012, 2013 and 2014	2) Average operating margin in 2012, 2013 and 2014	2) Share price trend until 31 December 2013 (30% of shares granted)		
		The criteria are applied separately according to the type of grantee		The criteria are applied separately according to the type of grantee		
Number of shares granted in 2014*	-	-	-	-	-	11,138
Number of shares cancelled in 2014*	-	-	-	-	-	-
Number of shares finally granted as at 31 December 2014*	-	-	-	7,920	24,641	24,773
Number of potential shares that could have been granted as at 31 December 2014*	79,500	151,900	166,600	68,250	-	-
Equivalent in Sopra Steria Group shares	*19,875*	*38,012*	*41,693*	*17,079*		
Steria share price	15.30	12.69	12.24	17.67		
Risk-free rate	0.32%/0.15%	1.29%/0.97%	0.95%/ 1.55%/ 1.17%	2.05%/2.34%		
Dividends	2.50%	2.50%	2.50%	2.50%		
Volatility	NA	NA	NA	39.10%		
(Expense)/income recognised in the income statement for the financial year *(in thousands of euros)*	-53	-145	-158	-38		

* *In Steria shares.*

These plans concern certain employees from the former Steria group.

b. Free share plans not subject to performance conditions

Following the authorisation granted at the General Meeting held on 19 June 2012, the Board of Directors ratified the free 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 the group on the maturity date of the plan, led to the creation of 129,015 shares for plans maturing in 2014. Taking into account turnover estimates, approximately 4,500 shares remain to be delivered under plans maturing in 2016.

	Plan No. 1
Date of General Meeting	19/06/2012
Date of Board of Directors meeting	19/06/2012
Total number of free share rights granted	166,875
of which company officers	-
Share delivery date (2-year plans)	15/10/2014
Holding period end date (2-year plans)	15/10/2016
Number of shares delivered at 31/12/2014	129,015
Cumulative number of shares cancelled or lapsed at 31/12/2014	32,655
Number of rights to shares remaining at 31/12/2014 (4-year plans)	**5,205**

The fair value of free shares granted is measured at the grant date and recognised as an expense over the vesting period of two to four years. The corresponding expense in respect of 2014 totalled €1,645k.

23.4. Premiums and legal reserve

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Issue, merger and contribution premiums	657,364	12,003	8,343
Legal reserve	1,192	1,189	1,190
TOTAL	**658,556**	**13,192**	**9,533**

Movements in 2014 are presented in the statement of changes in equity on page 119.

23.5. Transactions in treasury shares

At 31 December 2014, the value of treasury shares recognised as a deduction from consolidated equity was €33,612k, consisting of 355,169 shares, of which 338,021 were held by UK trusts falling within the consolidation scope.

All transactions in treasury shares are taken directly to equity.

23.6. Dividends

At Sopra Steria Group's General Meeting of 27 June 2014, the shareholders resolved to distribute an ordinary dividend of €22,647k in respect of financial year 2013, equating to €1.90 per share. The dividend was paid on 4 July 2014. The dividend paid in respect of the previous year was €20,219k, equating to €1.70 per share.

Upon approval of the financial statements for the year ended 31 December 2014, it is proposed that the shareholders agree to distribute an ordinary dividend of €1.90 per share, representing a total of €38,706k.

23.7. Other reserves

The *Changes in scope* item has a €9.9 million impact on group equity, corresponding to the difference between the following:

- the €651.3 million increase in authorised capital reserved for Steria in connection with the public exchange offer and the merger by absorption; and
- the €641.4 million fair value of the shares corresponding to this increase in capital, which was used to calculated the purchase price in accordance with IFRS 3 (revised).

Minority interests resulting from the business combination with Steria mainly arise from the UK company NHS Shared Business Services Ltd (€25.9 million).

23.8. Non-controlling interests

The contributions to the income statement and balance sheet of non-controlling entities mainly relate to joint ventures formed with the UK authorities in the United Kingdom region: NHS SBS, 50%-owned by the UK Department of Health, and SSCL, 25%-owned by the Cabinet Office. The group has 50% and 75% control respectively.

Control over NHS SBS results from one additional share issued to the group and the shareholders' agreement, under which Sopra Steria is authorised to make most operational and financial decisions. Furthermore, in relation to SSCL, the group granted the Cabinet Office an option to sell the shares it holds in the company. The group also committed to support the development of its subsidiary by granting a defined funding budget.

As such, due to the accounting treatment of the put option granted in respect of SSCL shares (see Note 1.24), the amount of non-controlling interests on the balance sheet mainly relates to the UK Department of Health's share in the net assets of NHS SBS, i.e. €31,249k. In the income statement, the share of non-controlling interests held by SSCL and NHS SBC represent €1,439k and €1,857k respectively. These companies did not pay any dividends.

Summary financial information for these two companies is as follows:

	31/12/2014	
(in thousands of euros)	**SSCL**	**NHS SBS**
Non-current assets	20,315	53,466
Current assets	79,459	71,641
Non-current liabilities	14,964	29,517
Current liabilities	32,403	33,088
Revenue	76,483	52,844
Net profit	5,757	3,715

23.9. 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 is not subject to any external constraints on its capital.

Note 24 Financial debt

Breakdown of borrowings recorded in the balance sheet and determination of net indebtedness:

24.1. Net financial debt

(in thousands of euros)	Current	Non-current	31/12/2014	31/12/2013	31/12/2012
Bonds	5,814	188,662	194,476	-	-
Bank borrowings	29,462	400,001	429,463	158,336	166,976
Liabilities on finance lease contracts	4,236	6,189	10,425	7,563	7,430
Employee profit sharing	-	-	-	29,813	32,039
Other sundry financial debt	6,706	77	6,783	52	72
Current bank overdrafts	23,670	-	23,670	61,045	44,898
FINANCIAL DEBT	**69,888**	**594,929**	**664,817**	**256,809**	**251,415**
Investment securities	-100,928	-	-100,928	-4	-16
Cash	-121,492	-	-121,492	-102,226	-47,342
NET DEBT	**-152,532**	**594,929**	**442,397**	**154,579**	**204,057**

a. Bond debt

The group has a bond issued by Groupe Steria to institutional investors in 2013 in the amount of €180 million, maturing in July 2019 and with a fixed annual coupon of 4.25%. Upon the acquisition of Steria, this liability was revalued at fair value at the takeover date, with a resulting revaluation gain of €13,027k. This amount will be amortised over the period to July 2019 as a deduction to interest expenses.

b. Bank borrowings

The tie-up with Steria on 1 August 2014 increased net borrowings by €373.5 million.

On 15 September 2014, the group took out a €1,200 million five-year borrowing facility with two options to extend the expiry date by one year, consisting of a €200 million amortising tranche, an £80 million amortising tranche and a €900 million multicurrency revolving credit line. This facility is used to refinance the existing Sopra Group and Groupe Steria loans now repaid in full, as well as for the general needs of the group arising from the Sopra-Steria merger.

Loan arrangement fees of €5,702k and £414k are deducted from the liability and amortised over the term of the borrowing.

The commercial receivables securitisation programme put in place by Groupe Steria in December 2013 for a maximum total amount of €80 million was repaid in full in November 2014. Since this programme removed the associated receivables from the scope of the consolidated group, its repayment resulted in a €49.6 million increase in net debt at 31 December 2014.

c. Finance lease liabilities

	31/12/2014			31/12/2013	31/12/2012
(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	4,345	109	4,236	3,338	3,236
One to five years	6,262	73	6,189	4,225	4,194
More than five years	-	-	-	-	-
TOTAL	**10,607**	**182**	**10,425**	**7,563**	**7,430**

d. Employee profit-sharing

In 2014, the employee profit-sharing liability is recorded under *Other long-term employee benefits* within *Provisions for post-employment benefits* for a total of €22,633k (see Note 3.2).

e. Other borrowings

At 31 December 2014, other borrowings mainly consisted of a £5.0 million loan from NHS SBS.

24.2. Statement of changes in net financial debt

(in thousands of euros)	2014	2013	2012
NET FINANCIAL DEBT AT 1 JANUARY (A)	**-124,766**	**-204,057**	**-46,388**
Cash from operations after cost of net debt and tax	**123,397**	**54,088**	**71,493**
Cost of net financial debt	7,431	6,980	7,194
Income taxes (including deferred tax)	34,440	32,547	33,540
Cash from operations before cost of net debt and tax	**165,268**	**93,615**	**112,227**
Income taxes paid	-39,112	-36,767	-41,820
Changes in working capital requirements	14,779	-1,673	-8,604
Net cash from operating activities	**140,935**	**55,175**	**61,803**
Net cash used in investing activities	-33,670	-20,869	-7,704
Net interest paid	-3,475	-6,907	-6,847
Available net cash flow	**103,790**	**27,399**	**47,252**
Impact of changes in scope	-394,707	41,035	-182,383
Additional contributions related to defined benefit pension plans	-8,342	-	-
Financial investments	-6,826	-870	-145
Dividends	-22,647	-20,204	-22,562
Dividends received from equity-accounted companies	2,176	1,851	1,322
Capital increases in cash	1,377	1,365	-
Other changes	162	-478	206
Net cash from (used in) discontinued operations (Axway)	-	-	-
TOTAL NET CHANGE DURING THE YEAR (B)	**-325,017**	**50,098**	**-156,310**
Impact of changes in foreign exchange rates (C)	7,386	-620	-1,359
Net debt of discontinued operations (D)	-	-	-
NET FINANCIAL DEBT AT 31 DECEMBER (A+B+C+D)	**-442,397**	**-154,579**	**-204,057**
Reclassification of the employee profit-sharing liability		29,813	32,039
Consolidated net debt at year-end after reclassifying the employee profit-sharing liability		-124,766	-172,018

IMPACT OF CHANGES IN SCOPE

(in thousands of euros)	2014	2013	2012
Cost of acquisitions paid (excluding earnouts)	-23,000	-1,690	-190,546
Net financial debt/net cash of acquired companies	-370,753	42,725	8,298
Earnouts	-954	-	-135
TOTAL	**-394,707**	**41,035**	**-182,383**

Purchase costs paid out correspond to the takeovers of Cor&FJA and HR Access Service.

Net financial debt of acquired companies mainly corresponds to Groupe Steria's debt of €373.5 million.

Note 25 Post-employment and similar benefit obligations

Retirement benefits and similar obligations are broken down as follows:

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Post-employment benefits	397,435	58,740	48,552
Other long-term employee benefits	31,172	-	-
TOTAL	**428,607**	**58,740**	**48,552**

25.1. Other long-term employee benefits

Other long-term benefits include, in France, the portion available in more than one year of employee profit-sharing liabilities allocated to a frozen current account for five years (€22,633k), benefits relating to length of service in Germany and India, pre-pension obligations in Germany and Belgium and statutory severance benefits in Italy *(Trattamento di Fine Rapporto)*.

In 2013, the portion of the employee profit-sharing liability payable in more than one year was recorded under non-current financial debt for €24,408k (€27,352k in 2012).

25.2. Post-employment benefits

Post-employment benefits mainly concern the group's obligations towards its employees with respect to lump-sum retirement benefits in France (24.8% of the group's total obligations) and defined benefit pension plans in the United Kingdom (62.9%), Germany (11.0%) and other European countries (Belgium and Norway: 1.3%). At 31 December 2014, they totalled €397,435k.

In the **United Kingdom**, the group has five defined benefit pension plans arising from Steria. The obligations under each plan are asset-funded. Three of these plans are closed to all new employees and the vesting of benefits is blocked. For each plan, the benefits payable are primarily based on the plan member's final salary and, in certain cases, the member's average salary and any incidental benefits. Each plan is governed by trusts in accordance with UK law and is supervised by the regulating body defined in UK pensions legislation. The plan administrators are corporate trustees whose directors include representatives of the plan members and independent members. External consultants are hired by the administrators to manage the plans on a day-to-day basis and deal with legal and actuarial matters. Under UK law, the plans must be assessed every three years. This assessment is used as a basis to determine the contributions payable by the employer to the funds.

The risks associated with these plans are as follows:

- asset management: this risk gradually decreases over the period until retirement;
- inflation on which pension entitlements are indexed; this risk is limited by the use of inflation-indexed financial instruments;
- interest rates insofar as the future cash outflows are discounted;
- changes in demographic assumptions and mortality tables.

These plans distinguish between active members who still vest benefits, members who are still working but whose benefits have been blocked and retired members. These three member categories represent 2.9%, 66.8% and 30.3% of the total number of plan members respectively.

Projected benefit payments by the funds for defined benefit obligations, which totalled €1,595,460k at 31 December 2014, for the next ten years would be as follows:

- less than two years: £62,000k;
- two to five years: £99,315k;
- five to ten years: £183,920k.

These plans include the payment of contributions to compensate for the deficit existing in the funds (contributions less mandatory expenses and deductions) and to fund the current service cost for the period. In 2014, over 12 months, this paid contribution totalled €23,552k, including €18,689k to fund the deficit. For the five months following the formation of Sopra Steria Group, these payments totalled €10,654k, including €8,342k to fund the deficit. In 2015, the group estimates the contribution at £20.5 million (equating to €25.4 million at the average 2014 EUR/GBP exchange rate).

In **France**, the group's defined benefit obligations cover the payment of retirement benefits *(indemnités de départ en retraite)*. The group recognises provisions for its commitments to employees in accordance with the terms of voluntary and compulsory retirement under the Syntec collective bargaining agreement as amended in 2004 following the pension reform act of 21 August 2003. Provisions for retirement benefits are recognised in accordance with the conditions in Note 1.18.

Assumptions referring to mortality rates are based on published statistical data.

Retirement benefit commitments are discounted using a discount rate corresponding to the interest rate on prime corporate bonds (rated AA or higher) denominated in the payment currency with maturity close to the average estimated length of the retirement obligation concerned.

Since 31 December 2009, the group has used Bloomberg rates for the euro zone as the benchmark for discounting its retirement obligations. A discount rate of 1.59% was used at 31 December 2014. This plan is exposed interest rate risk, inflation risk and the risk of changes in demographic assumptions.

In **Germany**, there are two plans, one material and the other non-material. Since these plans are not funded, they are covered by a provision. The purpose of the main plan is to pay a minimum pension equal to 14.08% of the salary paid up to the social security ceiling and 35.2% beyond that ceiling. This plan only involves employees who entered into service prior to 1 January 1986, and pension entitlements have been blocked since 30 September 1996. The plan is exposed to interest rate risk, inflation risk and the risk of changes in demographic assumptions.

There are also plans in Poland, Norway and Belgium. The plans in the latter two countries are funded and serve to pay an annuity to plan members on retirement. The Polish plan covers benefits payable on retirement. These plans are grouped together under “Other”.

a. Changes in net liabilities arising from the main post-employment benefit obligations in 2014

(in thousands of euros)	Defined benefit pension funds – United Kingdom	Lump-sum retirement benefits – France	Defined benefit pension funds – Germany	Other	Total
CALCULATION ASSUMPTIONS FOR ACTUARIAL LIABILITIES					
Discount rate	*3.65%*	*1.59%*	*1.49% to 2%*	*2.50% to 3%*	
Inflation rate	*2.97%*	*2.00%*	*2.00%*	*2% to 3.50%*	
Rate of salary increase	*2.97%*	*2.50%*	*0% to 2.5%*	*3.00%*	
Age at retirement	variable	65 yrs	60 to 65 yrs	variable	
AMOUNTS RECOGNISED IN THE BALANCE SHEET					
Present value of the obligation at 31/12/2014	1,595,460	100,508	43,698	26,791	1,766,457
Fair value of plan assets at 31/12/2014	1,345,373	2,069	-	21,580	1,369,022
Net liabilities on the balance sheet at 31/12/2014	**250,087**	**98,439**	**43,698**	**5,211**	**397,435**
NET LIABILITY COST COMPONENTS					
Current service cost	2,061	5,017	198	1,380	8,656
Past service cost	20	-	-	-	20
Losses (gains) on plan settlements	-	-	-	-	-
Interest on obligation	25,814	1,908	517	264	28,503
Interest on plan assets	-22,103	-35	-	-247	-22,385
Total expenses recognised in the income statement	**5,792**	**6,890**	**715**	**1,397**	**14,794**
Effect of net liability remeasurements	38,157	9,979	5,120	310	53,566
■ of which return on plan assets (excluding amounts included in interest income)	-73,107	8	-	-17	-73,116
■ of which effect of changes in demographic assumptions	1,381	-4,608	-110	253	-3,084
■ of which effect of changes in financial assumptions	109,883	14,579	5,230	74	129,766
Total expenses recognised directly in equity	**38,157**	**9,979**	**5,120**	**310**	**53,566**
CHANGES IN NET LIABILITIES					
Net liability as at 31 December 2013	**-**	**51,214**	**1,608**	**5,918**	**58,740**
Changes in scope	211,500	31,557	36,788	2,912	282,757
Net expense recognised in the income statement	5,791	6,890	715	1,397	14,793
Net expense recognised in equity	38,158	9,979	5,120	310	53,567
Contributions	-10,645	-1,202	-532	-414	-12,793
■ of which employer contributions	-10,645	-1,202	-532	-56	-12,435
■ of which plan beneficiary contributions	-	-	-	-358	-358
Exchange differences	5,283	1	-1	11	5,294
Other movements	-	-	-	-4,923	-4,923
NET LIABILITY AT 31 DECEMBER 2014	**250,087**	**98,439**	**43,698**	**5,211**	**397,435**

As a reminder, movements in net liabilities arising from the main post-employment benefit obligations during 2013 are presented in the following table:

(in thousands of euros)	Lump-sum retirement benefits - France	Defined benefit pension funds - Germany	Other	Total
CALCULATION ASSUMPTIONS FOR ACTUARIAL LIABILITIES				
Discount rate	*2.90%*	*3.00%*		
Rate of salary increase	*2.50%*	*2.50%*		
Age at retirement	65	63		
AMOUNTS RECOGNISED IN THE BALANCE SHEET				
Present value of the obligation at 31/12/2013	51,562	1,608	5,918	59,088
Fair value of plan assets at 31/12/2013	348	-	-	348
Net liabilities on the balance sheet at 31/12/2013	**51,214**	**1,608**	**5,918**	**58,740**
NET LIABILITY COST COMPONENTS				
Current service cost	3,801	71	1,084	4,956
Past service cost	-	-	-	-
Losses (gains) on plan settlements	-	-	-	-
Interest on obligation	1,280	36	-	1,316
Interest on plan assets	-	-	-	-
Total expenses recognised in the income statement	**5,081**	**107**	**1,084**	**6,272**
Effect of net liability remeasurements	-1,233	3	-	-1,230
■ of which return on plan assets (excluding amounts included in interest income)	-	-	-	-
■ of which effect of changes in demographic assumptions	1,337	3	-	1,340
■ of which effect of changes in financial assumptions	-2,570	-	-	-2,570
Total expenses recognised directly in equity	**-1,233**	**3**	**-**	**-1,230**
CHANGES IN NET LIABILITIES				
Net liability as at 31 December 2012	**43,685**	**-**	**4,867**	**48,552**
Changes in scope	4,391	1,530	168	6,089
Net expense recognised in the income statement	5,081	107	1,084	6,272
Net expense recognised in equity	-1,233	-3	-	-1,236
Contributions	-710	-26	-201	-937
■ of which employer contributions	-710	-26	-201	-937
■ of which plan beneficiary contributions	-	-	-	-
Exchange differences	-	-	-	-
Other movements	-	-	-	-
NET LIABILITY AT 31 DECEMBER 2013	**51,214**	**1,608**	**5,918**	**58,740**

b. Changes in pension assets and liabilities in the United Kingdom

Most of the group's pension liabilities are located in the United Kingdom. Changes in assets and liabilities in this country are only shown for 2014 and only relate to the scope of Steria.

There are no UK post-employment benefit plans within the scope of Sopra.

(in thousands of euros)	31/12/2014
Present value of the obligation at the beginning of the period	**-**
Changes in scope	1,444,540
Translation adjustments	29,994
Current service cost	2,061
Past service cost	20
Interest	25,814
Employee contributions	-
Effect of obligation remeasurements	111,264
■ of which effect of changes in demographic assumptions	1,381
■ of which effect of changes in financial assumptions	109,883
Plan amendments	-
Transfers	-
Benefits provided	-18,233
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**1,595,460**
Fair value of plan assets at the beginning of the period	**-**
Changes in scope	1,233,040
Translation adjustments	24,712
Interest	22,103
Effects of plan asset remeasurements	73,106
■ of which return on plan assets (excluding amounts included in interest income)	73,106
■ of which effect of changes in financial assumptions	-
Employer contributions	10,645
Employee contributions	-
Transfers	-
Benefits provided	-18,233
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**1,345,373**

UK pension fund assets fall into four investment categories:

(in thousands of euros)	Total
Shares	456,914
Bonds	723,360
Fixed assets	132,323
Other assets	32,776
TOTAL	**1,345,373**

The discount rate used for employee obligations is based on the return on AA bonds in line with the life of the liabilities rounded to the nearest decimal point. In the United Kingdom, where most of the group's obligations are assumed, the reference used is the Mercer yield curve.

A 0.25 point decrease in the discount rate would increase the benefit obligation by €82.1 million. A 10% reduction in the rate of return on plan assets would reduce their value by €134.5 million.

c. Changes in pension assets and liabilities in France

(in thousands of euros)	Lump-sum retirement benefits in France at 31/12/2014	Lump-sum retirement benefits in France at 31/12/2013	Lump-sum retirement benefits in France at 31/12/2012
Present value of the obligation at the beginning of the period	**51,562**	**44,006**	**36,888**
Changes in scope	33,266	4,391	38
Current service cost	5,018	3,801	2,819
Past service cost	-	-	-
Interest	1,908	1,307	1,466
Employee contributions	-	-	-
Effect of obligation remeasurements	9,971	-1,233	3,412
■ of which effect of changes in demographic assumptions	-4,608	1,336	-3,614
■ of which effect of changes in financial assumptions	14,579	-2,569	7,026
Plan amendments	-	-	-
Transfers	-	-	-
Benefits provided	-1,217	-710	-617
PRESENT VALUE OF THE OBLIGATION AT THE END OF THE PERIOD	**100,508**	**51,562**	**44,006**
Fair value of plan assets at the beginning of the period	**348**	**321**	**296**
Changes in scope	1,709	-	-
Translation adjustments	-	-	-
Interest	35	27	25
Effects of plan asset remeasurements	-8	-	-
■ of which return on plan assets (excluding amounts included in interest income)	-8	-	-
■ of which effect of changes in financial assumptions	-	-	-
Employer contributions	-	-	-
Employee contributions	-	-	-
Transfers	-	-	-
Benefits provided	-15	-	-
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	**2,069**	**348**	**321**

For retirement benefit payment liabilities in France, a +/- 50bp change in the discount rate would change the benefit obligation by €-7.4/+8.2 million.

A breakdown by maturity of the French retirement benefit commitment is as follows:

(in thousands of euros)	31/12/2014
Present value of theoretical benefits to be paid by the employer:	
■ less than 1 year	1,432
■ 1 to 5 years	6,713
■ 5 to 10 years	18,858
■ 10 to 20 years	42,937
■ more than 20 years	30,568
TOTAL COMMITMENT	**100,508**

Note 26 Provisions for contingencies and losses

(in thousands of euros)	01/01/2014	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	Other movements	31/12/2014	Non-current portion	Current portion
Provisions for disputes	2,195	6,963	560	-1,525	-40	-22	8,131	2,970	5,161
Provisions for guarantees	1,064	210	-	-	-891	300	683	683	-
Provisions for losses on completion	1,911	12,938	1,349	-2,314	-454	138	13,568	1,255	12,313
Provisions for restructuring	-	4,875	5,167	-312	-68	7	9,669	-	9,669
Other provisions for contingencies	620	46,328	4,432	-1,748	-1,459	280	48,453	14,192	34,261
Subtotal provisions for contingencies	**5,790**	**71,314**	**11,508**	**-5,899**	**-2,912**	**703**	**80,504**	**19,100**	**61,404**
Provisions for taxes	6,504	-	1,241	-1,548	-876	-19	5,302	5,302	-
Other provisions for losses	90	-	171	-	-	-138	123	123	-
Subtotal provisions for losses	**6,594**	**-**	**1,412**	**-1,548**	**-876**	**-157**	**5,425**	**5,425**	**-**
TOTAL	**12,384**	**71,314**	**12,920**	**-7,447**	**-3,788**	**546**	**85,929**	**24,525**	**61,404**

Provisions for disputes cover disputes before employment tribunals and severance benefits (€5,602k), insurance excesses and client risks provisioned in respect of commercial disputes (€1,506k) and guarantees on projects (€914k).

Provisions for losses on completion concern the United Kingdom (€4,371k), projects arising from Steria in France (€4,834k) and Germany (€2,210k), Sopra HR Software projects (€900k) and Sopra Banking Solutions GmbH projects (€355k).

Provisions for restructuring correspond to residual costs under the transformation programme within the original scope of Steria in France (€4,072k) and the cost of one-off restructuring measures in Germany (€3,064k) and Denmark (€2,204k).

Other provisions for contingencies mainly cover costs relating to premises (€11,806k, including €11,183k in restoration costs, the majority of which (€10,312k) are in the United Kingdom), clients and projects (including €8,705k in the United Kingdom and €2,597k in France), contractual risks (€9,560k) and tax and social security risks (€8,978k).

Provisions for taxes mainly relate to tax risks in France, and in particular the research tax credit and withholdings applied by foreign clients.

Note 27 Other non-current liabilities

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
NHS-SBS: fees payable to the UK Department of Health	2,403	-	-
NHS-SBS: advances granted by the UK Department of Health	22,596	-	-
SSCL: put option granted to the Cabinet Office	32,728	-	-
Derivatives	3,521	1,606	2,969
Other liabilities - portion due in more than one year	735	3,590	5,010
TOTAL	**61,983**	**5,196**	**7,979**

Other liabilities include advances received by NHS SBS from the UK Department of Health totalling €22,596k. These advances are subsequently made available to new clients to assist with their migration to the new operational platform under the terms of operating contracts. Furthermore, under the terms of the agreement with the UK Department of Health governing the operation of NHS SBS, a residual royalty remains payable in respect of the next three years, totalling €2,403k.

Under the agreement signed with the UK government to transform its back office functions, the group granted the Cabinet Office an option to sell the shares it holds in the joint venture SSCL that was set up for this purpose. This option may be exercised between 1 January 2022 and 31 December 2023. Accordingly, the group recognised a non-current liability in the amount of €32,768k at 31 December 2014.

At 31 December 2014, derivatives consisted of interest rate and foreign exchange hedged (see Note 32.4).

No employee profit-sharing liability was provisioned in respect of financial year 2014.

The *Other liabilities – portion due in more than one year* item at 31 December 2014 records the employee profit-sharing liability provisioned in respect of the period by Sopra Steria Group (€3.1 million). At 31 December 2012, this item consisted of employee profit-sharing liabilities provisioned by Sopra Steria Group (€3.8 million) and Sopra Banking Software (€0.6 million).

Note 28 Trade payables

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Trade accounts payable	257,185	69,267	56,637
Trade accounts payable - advances and payments on account, accrued credit notes	-334	-357	-545
TOTAL	**256,851**	**68,910**	**56,092**

Note 29 Other current liabilities

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Fixed asset liabilities - portion due in less than one year	4,701	593	826
Advances and payments on account received for orders	1,566	-	-
Employee-related liabilities	388,479	199,774	172,540
Tax-related liabilities	216,491	104,528	79,147
Corporate income tax	83,767	7,741	5,999
Credit balance current accounts	34	-	-
Deferred income	191,415	100,101	76,350
Other liabilities	10,897	2,656	1,985
Derivatives	3,106	982	228
TOTAL	**900,456**	**416,375**	**337,075**

Deferred income mainly corresponds to services invoiced but not yet performed, based on their stage of completion (see Note 1.21).

Note 30 Held-for-sale non-current assets

The non-current assets classified as held for sale recognised in the balance sheet are directly related to the reorganisation of Steria premises in India. The group is still undertaking measures to sell these assets and considers such sale as still highly probable. The property market in Noida, where these premises are located, has become difficult as a result of the decision by local administrative authorities to significantly increase transfer taxes. This has resulted in sales taking much longer to complete.

Their value represents the lower of the net carrying amount or fair value less costs to sell. At 31 December 2014, the group estimated the value of these assets. At the same time, it obtained external valuations that support these estimates.

The value of these Indian assets is broken down as follows:

(in thousands of euros)	**31/12/2014**
Land	908
Buildings	4,134
Building fixtures and fittings	-
Total assets	**5,042**
Deferred tax liabilities	36
Other liabilities	-61
Total liabilities	**-25**
NET CARRYING AMOUNT OF NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	**5,017**

OTHER INFORMATION

Note 31 Segment information

31.1. Results by division

a. France

(in millions of euros)	2014		2013	
Revenue	1,009.8		761.9	
Operating profit on business activity	83.0	*8.2%*	60.2	*7.9%*
Profit from recurring operations	81.4	*8.1%*	58.0	*7.6%*
Operating profit	53.9	*5.3%*	56.0	*7.4%*

b. United Kingdom

(in millions of euros)	2014		2013	
Revenue	443.9		83.9	
Operating profit on business activity	46.5	*12.0%*	6.2	*3.8%*
Profit from recurring operations	41.8	*10.8%*	6.2	*3.8%*
Operating profit	39.8	*10.2%*	5.7	*3.5%*

c. Europe

(in millions of euros)	2014		2013	
Revenue	388.7		163.7	
Operating profit on business activity	8.9	*2.3%*	6.4	*3.9%*
Profit from recurring operations	8.0	*2.1%*	5.8	*3.5%*
Operating profit	1.8	*0.5%*	5.1	*3.1%*

d. Sopra Banking Software

(in millions of euros)	2014		2013	
Revenue	263.3		216.1	
Operating profit on business activity	32.6	*12.4%*	23.6	*10.9%*
Profit from recurring operations	27.1	*10.3%*	18.6	*8.6%*
Operating profit	26.0	*9.9%*	15.4	*7.1%*

e. Other Solutions

(in millions of euros)	2014		2013	
Revenue	174.7		123.4	
Operating profit on business activity	22.0	*12.6%*	12.5	*10.1%*
Profit from recurring operations	22.0	*12.6%*	12.5	*10.1%*
Operating profit	19.4	*11.1%*	21.7	*17.6%*

f. Not allocated

(in millions of euros)	2014		2013	
Revenue	-		-	
Operating profit on business activity	-		-	
Profit from recurring operations	-		-	
Operating profit	7.4		-	

g. Group

(in millions of euros)	2014		2013	
Revenue	2,280.4		1,349.0	
Operating profit on business activity	193.0	*8.5%*	108.9	*8.1%*
Profit from recurring operations	180.3	*7.9%*	101.1	*7.5%*
Operating profit	148.3	*6.5%*	103.9	*7.7%*

31.1. Revenue by geographic area

(in millions of euros)	France	United Kingdom	Other European countries	Other zones	Total
2012	829.0	112.6	238.5	36.6	1,216.7
2013	904.7	111.8	288.6	43.9	1,349.0
2014	**1,228.4**	**485.6**	517.5	48.9	**2,280.4**

31.2. Non-current assets by geographic area

(in thousands of euros)	France	United Kingdom	Other European countries	Other zones	Total
Goodwill	518,487	657,983	270,516	2,355	1,449,341
Intangible assets	62,542	133,702	23,224	68	219,536
Property, plant and equipment	66,849	24,496	16,545	2,054	109,944

Note 32 Financial risk factors

32.1. Credit risk

a. Aged trade accounts receivable

(in thousands of euros)	Carrying amount	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 accounts receivable	626,066	9,487	429,417	128,460	41,201	13,526	3,975

b. Statement of changes in provisions for trade accounts receivable

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Provisions for trade accounts receivable at 1 January	**7,791**	**2,851**	**2,423**
Changes in scope	2,880	2,170	523
Additions net of reversals	-1,366	2,386	-244
Reclassification	149	383	148
Translation adjustments	33	1	1
PROVISIONS FOR TRADE ACCOUNTS RECEIVABLE AT 31 DECEMBER	**9,487**	**7,791**	**2,851**

32.2. 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.

The group's general hedging policy is aimed at securing and optimising liquidity. External financing decisions are centralised at group level under the responsibility of the Finance Department. The cash position and undrawn lines of credit are reviewed once a month with the group Finance Director, and regularly with the members of the Audit Committee at its meetings.

At 31 December 2014, the group had lines of credit totalling €1,527.8 million, 44% of which were drawn down.

These are broken down as follows:

	Amount authorised as of 31/12/2014		Drawdown at 31/12/2014		Drawdown rate	Maturity	Interest rate at 31/12/2014
	in €m	in £m	in €m	in £m			
Bond	**180.0**	**-**	**180.0**	**-**	***100%***	**Repayable on maturity in 2019**	*2.60%*
Syndicated loan							
Tranche A	200.0	-	200.0	-	*100%*	Repayable in instalments until 2019	*1.07%*
Tranche B	-	80.0	-	80.0	*100%*	Repayable in instalments until 2019	*1.61%*
Multi-currency revolving credit	900.0	-	100.0	25.0	*15%*	Repayable on maturity in 2019	*0.91%*
Finance leases	**10.4**	**-**	**10.4**	**-**	***100%***	**2018**	*1.49%*
Other	**10.0**	**4.6**	**10.0**	**4.6**	***100%***	**Repayable on maturity in 2014**	*4.50%*
Overdraft	**118.5**	**-**	**23.7**	**-**	***20%***	**N/A**	*0.58%*
Total per currency	**1,418.9**	**84.6**	**524.1**	**109.6**	***44%***		
TOTAL € EQUIVALENT	**1527.6**		**664.8**		***44%***		***1.54%***

Interest rates payable on the syndicated loan equal the interbank rate of the currency concerned at the time of drawdown, plus a margin set for a period of six months based on the leverage ratio.

The coupon payable on the bonds issued on 12 April 2013 has a fixed nominal rate of 4.25%, recognised at far value upon consolidation. The effective rate is 2.60%.

The terms and conditions to which the syndicated loan and bond are subject include a commitment to comply with certain financial covenants.

The Company must comply with two financial ratios calculated every six months based on the published consolidated financial statements, on a 12-month rolling basis in the case of the syndicated loan:

- the first, the leverage ratio, is equal to net financial debt/EBITDA;
- the second, the interest coverage ratio, is equal to EBIT/cost of net financial debt.

The first financial ratio, the leverage ratio must not exceed 3.0 at each calculation date. The second ratio, the interest coverage ratio, must not fall below 5.0.

Net financial debt is defined on a consolidated basis as all loans and related borrowings (excluding intercompany liabilities), less cash and cash equivalents.

EBITDA is the consolidated operating profit plus amortisation and depreciation and current provisions.

At 31 December 2014, the net financial debt to EBITDA ratio covenant was met, with the ratio coming in at 1.57 compared with a maximum requirement of 3.0. The calculation is as follows:

(in millions of euros)	31/12/2014
Short-term borrowings (< 1 year)	69.90
Long-term borrowings (> 1 year)	594.90
Cash and cash equivalents	-222.40
Other financial guarantees	7.56
Net debt (including financial guarantees)	**450.00**
EBITDA	**286.86**
NET DEBT/EBITDA RATIO	**1.57**

For the second ratio, EBITDA is as defined above and the cost of net financial debt is also calculated on a rolling 12-month basis.

At 31 December 2014, the covenant covering the ratio of EBIT to the cost of net financial debt was met, with the ratio coming in at 29.25 compared with a minimum requirement of 5.0. The calculation is as follows:

(in millions of euros)	31/12/2014
EBITDA	**286.86**
Cost of net financial debt	**9.80**
EBITDA/COST OF NET FINANCIAL DEBT RATIO	**29.25**

In addition to satisfying the financial ratio prerequisites described above, the three principle financing agreements also stipulate a number of:

- performance requirements, standard for this type of financing;
- events of default such as payment default, inaccurate tax returns, cross-default, bankruptcy, occurrence of an event having a material adverse effect, etc.;
- early repayment in full in the event that there is a change of control in ownership of the Company.

The bank loan agreement also stipulates a number of circumstances in which the loan must be repaid in advance, in whole or in part as applicable, or renegotiated with the banks:

- early repayment if all or a substantial number of the Company's assets are sold;
- repayment using proceeds from asset disposals (beyond a specified threshold);
- repayment of a sum equal to each new borrowing taken out by the Company (beyond a specified threshold);
- renegotiation of the financing terms and conditions in the event of financial market disruption (i.e. market disruption clause). This clause is only applicable if a minimum number of banks are unable to obtain refinancing on the capital market as of the date on which the financing is requested, given interest rate fluctuations. The purpose of this clause is to find a replacement rate.

At 31 December 2014, the maturity schedule for the group's financial debt was as follows:

(in thousands of euros)	Carrying amount	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
Other bonds	194,476	218,201	10,559	7,055	7,170	7,294	186,123	-
Bank borrowings	429,463	471,496	40,163	39,108	37,869	36,427	317,929	-
Finance lease liabilities	10,425	10,607	4,345	3,293	2,329	640	-	-
Other sundry financial debt	6,783	6,783	6,706	-	-	-	-	77
Current bank overdrafts	23,670	23,670	23,670	-	-	-	-	-
Financial debt	**664,817**	**730,757**	**85,443**	**49,456**	**47,368**	**44,361**	**504,052**	**77**
Investment securities	-100,928	-100,928	-100,928	-	-	-	-	-
Cash	-121,492	-121,492	-121,492	-	-	-	-	-
CONSOLIDATED NET FINANCIAL DEBT	**442,397**	**508,337**	**-136,977**	**49,456**	**47,368**	**44,361**	**504,052**	**77**

A breakdown of the group's gross borrowings at 31 December 2014, by type of debt and currency, is shown below:

(in millions of euros)	Currency of origin			
	Euro	**Pound sterling**	**Other**	**Total**
Bond	178.8	-	-	178.8
Bank borrowings	275.8	124.2	-	400.0
Short-term bank borrowings (< 1 year)	18.8	10.1	-	28.9
Borrowings and interest related to finance leases	10.4	-	-	10.4
Accrued interest and other	16.2	6.4	0.3	22.9
Bank overdrafts (cash liabilities)	23.7	-	-	23.7
GROSS FINANCIAL DEBT	**523.7**	**140.7**	**0.3**	**664.7**

The group's portfolio of investment securities at 31 December 2014 is broken down as follows:

(in millions of euros)	**Short-term investments**	**Liquidity agreement cash advance**	**Total portfolio of investment securities**
Net asset value	100.9	0.0	100.9
Off balance sheet	-	-	-
NET POSITION	**100.9**	**0.0**	**100.9**

Short-term investments are managed by the group's Finance Department, and comply with internally defined principles of prudence.

At constant exchange rates relative to 31 December 2014 and taking into account short-term investments held at that date, a 50 basis point decrease in floating rates would reduce annual financial income by €0.50 million.

32.3. Counterparty risk

All foreign currency and interest rate hedges are put in place with leading banks belonging to the group's banking syndicate, with which market transaction agreements have been signed.

Any financial investments are carried out either via short-term bank deposits with banks mainly belonging to the banking syndicate, or via money market instruments managed by leading financial institutions, which are themselves subsidiaries of banks mainly belonging to the syndicate. These investments are subject to approval by the group, and comply with internally defined principles of prudence.

The group gives priority to short-term investments and systematically analyses the composition of investment fund portfolios proposed by banks.

The group also assesses its clients' solvency risk. Solvency risk takes into account factors that are exclusively internal to the group as well as contextual factors such as geographical location, overall economic situation and segment growth forecasts.

Thanks to these various measures, the group considers that it has introduced a mechanism that significantly reduces its counterparty risk in the current economic context. However, the group remains subject to a residual risk which may affect its performance under certain conditions.

32.4. Financial instruments and interest rate and foreign exchange risk management

a. Derivatives reported in the balance sheet

(in thousands of euros)	31/12/2014 Carrying amount	31/12/2014 Fair value	Breakdown by class of financial instrument: Assets and liabilities at fair value through profit and loss	Available-for-sale assets	Loans, receivables and other debt	Financial liabilities at amortised cost	Derivatives
Non-current financial assets	75,056	75,056	-	9,662	62,667	-	2,728
Trade accounts receivable	942,255	942,255	-	-	942,255	-	-
Other current receivables	169,852	169,852	-	-	168,662	-	1,190
Cash and cash equivalents	222,420	222,420	222,420	-	-	-	-
FINANCIAL ASSETS	**1,409,583**	**1,409,583**	**222,420**	**9,662**	**1,173,584**	**-**	**3,918**
Financial debt - long-term portion	594,929	594,929	-	-	-	594,929	-
Other non-current liabilities	61,983	61,983	-	-	58,462	-	3,521
Financial debt - short-term portion	69,887	69,887	23,670	-	-	46,218	-
Trade accounts payable	256,851	256,851	-	-	256,851	-	-
Other current liabilities	900,457	900,457	-	-	897,351	-	3,106
FINANCIAL LIABILITIES	**1,884,107**	**1,884,107**	**23,670**	**-**	**1,212,664**	**641,147**	**6,627**

Items measured at fair value through profit or loss, and derivative hedging instruments, are valued by reference to quoted interbank interest rates (Euribor, etc.) and to foreign exchange rates set daily by the European Central Bank. All financial instruments in this category are financial assets and liabilities classified as such upon first recognition.

Available-for-sale assets are recognised at fair value in the balance sheet.

Borrowings are recognised at amortised cost using their effective interest rate. Hedging instruments may be put in place to hedge against interest rate risk.

The profit and loss impact of these financial instruments is as follows:

(in thousands of euros)	31/12/2014 Profit or loss impact	Breakdown by category of instrument: Fair value through profit or loss	Available-for-sale assets	Loans, receivables and other liabilities	Liabilities at amortised cost	Derivatives
Total interest income	4,532	- 20	-	4,552	-	-
Total interest expense	-10,346	-	-	-	-10,346	-
Remeasurement	-1,617	-	-	-	-	-1,617
NET GAINS OR LOSSES	**-7,432**	**-20**	**-**	**4,552**	**-10,346**	**-1,617**

As part of its overall risk management policy and due to the substantial scale of its production activities in India and Poland, the group enters into transactions designed to hedge its exposure to foreign currency risk through the use of derivatives and futures and options listed on regulated markets, or entered into over the counter with top-tier counterparties.

The group also hedges against interest rate fluctuations by swapping part of its floating-rate debt for fixed-rate debt.

Derivative financial instruments are recognised at fair value in the consolidated balance sheet.

Changes in the fair value of derivatives not qualifying for hedge accounting are recognised directly in the income statement for the period.

b. Management of interest rate risk

The group's aim is to protect itself against interest rate fluctuations by hedging part of its floating-rate debt and investing its cash over periods of less than three months.

The derivative financial instruments used to hedge the debt are interest rate swap contracts or options, which may or may not be eligible for hedge accounting.

The eligible counterparties for interest rate hedging and investments are leading financial institutions which belong to the Sopra Steria banking syndicate. These financial instruments are managed by the group Finance Department.

All the group's interest rate hedges are either put in place through the parent company (Sopra Steria Group) or result from undertakings given by Groupe Steria.

The group's gross borrowings subject to interest rate risk total €453.1 million. Interest rate hedges in force at 31 December 2014 reduced this exposure to €137.3 million.

The group has taken out a number of interest rate swaps, a breakdown of which is given below:

	Fair value 31/12/2014					Maturity		
(in thousands of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	< 1 year	from 1 to 5 years	> 5 years
Swap (cash flow hedge) in euros	-	-	2,691	305	213,000	30,000	183,000	-
Swap (cash flow hedge) in foreign currency	-	-	-	66	12,839	12,839	-	-
Options eligible for hedge accounting in euros	366	-	633	-	90,000	-	90,000	-
Options eligible for hedge accounting in foreign currency	-	-	-	-	-	-	-	-
Swaps not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-
Options not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-
TOTAL INTEREST RATE HEDGES	**366**	**-**	**3,324**	**371**	**315,839**	**42,839**	**273,000**	**-**

The remeasurement of these financial instruments in equity is recognised in gains and losses arising from hedging financial instruments.

The remeasurement of these financial instruments in profit or loss is recognised in other financial income and expenses.

The profit or loss and equity impacts of the group's interest rate hedging instruments are broken down as follows:

(in thousands of euros)	Balance sheet amounts					Changes in fair value			
	31/12/2013	Changes in fair value	Changes in scope	Other changes	31/12/2014	Equity impact	Profit or loss impact		
							Ineffective portion of cash flow hedges	Fair value hedges	Trading
Swap (cash flow hedge) in euros	-1,606	-42	-1,349	-	-2,996	5	-47	-	-
Swap (cash flow hedge) in foreign currency	-	29	-95	-	-66	29	-	-	-
Options eligible for hedge accounting in euros	-	-98	-146	-23	-267	-62	-36	-	-
Options eligible for hedge accounting in foreign currency	-	-	-	-	-	-	-	-	-
Swaps not eligible for hedge accounting in euros	-	-	-	-	-	-	-	-	-
Options not eligible for hedge accounting in foreign currency	-	4	-	-4	-	-	-	-	4
TOTAL PRE-TAX IMPACT	**-1,606**	**-106**	**-1,590**	**-27**	**-3,329**	**-28**	**-83**	**-**	**4**

The sensitivity of the interest rate derivatives portfolio to a plus or minus 50 basis point change in the euro and pound sterling yield curves at 31 December 2014 is as follows:

(in millions of euros)	-50 bp		+50 bp	
	Equity impact	P&L impact (hedge ineffectiveness)	Equity impact	P&L impact (hedge ineffectiveness)
Swaps (cash flow hedge) in euros	-5.2	-0.2	-0.6	-0.1
Swaps (cash flow hedge) in foreign currency	-0.1	-	-0.1	-
Swaps not eligible for hedge accounting	-	-	-	-
Options eligible for hedge accounting in euros	-0.3	-0.5	0.4	0.3
Options eligible for hedge accounting in foreign currency	-	-	-	-
Options not eligible for hedge accounting in foreign currency	-	-	-	-
TOTAL	**-5.6**	**-0.7**	**-0.2**	**0.3**
i.e.	*-6.3*		*0.0*	

The group's residual exposure to interest rate risk is as follows:

	Rate	31/12/2014	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	Fixed rate	100,924	100,924	-	-	-	-	-
	Floating rate	4	4	-	-	-	-	-
Cash	Fixed rate	121,492	121,492	-	-	-	-	-
Financial assets	**Fixed rate**	**222,416**	**222,416**	**-**	**-**	**-**	**-**	**-**
	Floating rate	**4**	**4**	**-**	**-**	**-**	**-**	**-**
Bonds	Fixed rate	-194,474	-5,814	-2,310	-2,425	-2,549	-181,376	-
Bank borrowings	Floating rate	-429,463	-29,462	-28,972	-28,998	-29,024	-313,007	-
Finance lease liabilities	Fixed rate	-10,425	-4,236	-3,256	-2,293	-640	-	-
Other financial debt	Fixed rate	-6,785	-6,707	-	-	-	-	-78
Current bank overdrafts	Floating rate	-23,670	-23,670	-	-	-	-	-
Financial liabilities	**Fixed rate**	**-211,684**	**-16,757**	**-5,566**	**-4,718**	**-3,189**	**-181,376**	**-78**
	Floating rate	**-453,133**	**-53,132**	**-28,972**	**-28,998**	**-29,024**	**-313,007**	**-**
NET EXPOSURE BEFORE HEDGING	**FIXED RATE**	**10,732**	**205,659**	**-5,566**	**-4,718**	**-3,189**	**-181,376**	**-78**
	FLOATING RATE	**-453,129**	**-53,128**	**-28,972**	**-28,998**	**-29,024**	**-313,007**	**-**
Interest rate hedging instruments	Fixed-rate payer swaps in euros	213,000	30,000	15,000	103,000	65,000	-	-
	Fixed-rate payer swaps in foreign currency	12,839	12,839	-	-	-	-	-
	Fixed-rate payer options	90,000	-	30,000	-	10,000	50,000	-
NET EXPOSURE AFTER HEDGING	**FIXED RATE**	**-305,107**	**162,820**	**-50,566**	**-107,718**	**-78,189**	**-231,376**	**-78**
	FLOATING RATE	**-137,290**	**-10,289**	**16,028**	**74,002**	**45,976**	**-263,007**	**-**

The fair value of interest rate hedging derivatives is measured using the following assumptions:

- level 1: quoted data: 0%;
- level 2: observable data: 100%;
- level 3: internal models: 0%.

c. Management of foreign exchange risk

The group is subject to two main types of risks linked to fluctuations in exchange rates. The first is translation risk in the various financial statements making up the group's consolidated financial statements for business conducted in countries with a functional currency other than the euro. The second is transactional risk linked to purchases and sales of services, where the transaction currency is different from that of the country in which the service is recognised.

As a part of its general risk management policy, the group systematically hedges against business risks that constitute material risks for the group as a whole. To manage its exposure to foreign exchange risk, the group uses derivative instruments.

The group Finance Department provides this hedging via futures or options entered into either on organised markets or over the counter with top-tier counterparties that are members of the banking syndicate.

The group's policy is not to conduct speculative transactions on financial markets.

Finally, the structure of the group's borrowing, part of which is denominated in sterling, provides a natural, if only partial, hedge against currency translation risk on net assets, recognised directly in the balance sheet.

Foreign exchange risk hedging mainly relates to GBP/INR and EUR/PLN hedges on the group's production platforms in India and Poland and certain commercial contracts denominated in US dollars. Changes in fair value corresponding to these hedges are taken to profit or loss for invoiced items and to equity for future cash flows.

The remeasurement through profit or loss of these financial instruments hedging balance sheet items is balanced by the revaluation of foreign currency receivables over the period.

The balance sheet value of the group's foreign currency hedges, and applicable notional amounts hedged, are as follows:

	Fair value					Maturity		
	31/12/2014							
(in thousands of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	< 1 year	from 1 to 5 years	> 5 years
Fair value hedges								
Foreign currency forwards	-	534	-	1,452	35,626	35,626	-	-
Foreign currency options	-	36	-	361	12,839	12,839	-	-
Cash flow hedges								
Foreign currency forwards	1,677	543	31	207	46,378	23,303	23,076	-
Foreign currency options	686	67	166	88	32,095	3,850	28,245	-
Instruments not designated for hedging*	**-**	**10**	**-**	**626**	**8,237**	**8,237**	**-**	**-**
TOTAL FOREIGN CURRENCY HEDGES	**2,362**	**1,190**	**197**	**2,734**	**135,174**	**83,854**	**51,321**	**-**

* *The group hedges the transactional foreign exchange risk but chooses in certain cases not to apply hedge accounting.*

The fair value of these financial instruments is adjusted by crediting or debiting other current operating income and expenses, with the exception of the time value and the impact of financial instruments not eligible for hedge accounting, which are recognised in other financial income and expenses.

The profit or loss and equity impacts of the group's foreign currency hedges are broken down as follows:

	Balance sheet amounts					Changes in fair value			
							Profit or loss impact		
(in thousands of euros)	31/12/2013	Change in fair value	Changes in scope	Other Change	31/12/2014	Equity impact	Ineffective portion of cash flow hedges	Fair value hedges	Trading
Fair value hedges									
Foreign currency forwards	-	2,560	-3,478	-	-918	-	-	2,560	-
Foreign currency options	-	-194	-34	-98	-326	-	-	-194	-
Cash flow hedges									
Foreign currency forwards	-779	3,947	-1,187	0	1,981	3,947	-	-	-
Foreign currency options	-	464	40	-5	499	332	132	-	-
Instruments not designated for hedging	**-178**	**-460**	**-7**	**29**	**-616**	**12**	**-**	**-**	**-472**
TOTAL PRE-TAX IMPACT	**-957**	**6,316**	**-4,665**	**-74**	**620**	**4,291**	**132**	**2,366**	**-472**

Exposure to foreign exchange risk is as follows:

INTER-COMPANY COMMERCIAL TRANSACTIONS

(in thousands of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Assets	47,335	11,410	122	1,184	5	20	60,076
Liabilities	1,577	14,810	654	2,674	9,266	-	28,981
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**45,758**	**-3,400**	**-532**	**-1,490**	**-9,261**	**20**	**31,095**
Hedging instruments – auxiliary balance	47,278	500	-	-	-	17	47,795
Hedging instruments – future flows	40,326	-2,200	-	-	-	-	38,126
NET EXPOSURE AFTER HEDGING	**-41,846**	**-1,700**	**-532**	**-1,490**	**-9,261**	**3**	**-54,825**

CURRENT ACCOUNTS

(in thousands of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Assets	63,055	4,985	279	1,425	-3,955	-79	65,710
Liabilities	19,920	7,781	2,351	244	-	-79	30,217
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**43,135**	**-2,796**	**-2,072**	**1,181**	**-3,955**	**-**	**35,493**
Hedging instruments	-	-	-	-	-	-	-
NET EXPOSURE AFTER HEDGING	**43,135**	**-2,796**	**-2,072**	**1,181**	**-3,955**	**-**	**35,493**

FINANCING

(in thousands of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Assets	-	-	-	-	-	-	-
Liabilities	191,055	-	-	-	-	-	191,055
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**-191,055**	**-**	**-**	**-**	**-**	**-**	**-191,055**
Hedging instruments	-	-	-	-	-	-	-
NET EXPOSURE AFTER HEDGING	**-191,055**	**-**	**-**	**-**	**-**	**-**	**-191,055**

TOTAL (MARKET POSITIONS + CURRENT ACCOUNTS + FINANCING)

(in thousands of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Assets	110,390	16,395	401	2,609	-3,950	-59	125,786
Liabilities	212,552	22,591	3,005	2,918	9,266	-79	250,253
Foreign currency commitments	-	-	-	-	-	-	-
Net position before hedging	**-102,162**	**-6,196**	**-2,604**	**-309**	**-13,216**	**20**	**-124,467**
Hedging instruments	87,604	-1,700	-	-	-	17	85,921
NET EXPOSURE AFTER HEDGING	**-189,766**	**-4,496**	**-2,604**	**-309**	**-13,216**	**3**	**-210,388**

SENSITIVITY ANALYSIS

(in thousands of euros)	GBP	EUR	CHF	MAD	TND	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	5%	5%	
NET IMPACT ON PROFIT	**-76**	**-195**	**-27**	**-75**	**-463**	**-**	**-835**
IMPACT ON EQUITY	**-9,412**	**-30**	**-104**	**59**	**-198**	**-**	**-9,684**

d. Equity risk

The group does not hold any investments in equities or any equity interests in listed companies other than Axway Software shares recognised using the equity method (see Note 17).

At 31 December 2014, the value of treasury shares recognised as a deduction against consolidated equity for the year was €33,612k.

Given the limited number of treasury shares held (1.75% of capital), the group is not materially exposed to equity risk. Furthermore, since the value of treasury shares is deducted from equity, changes in the share price have no impact on the consolidated income statement.

Note 33 Related party transactions

33.1. Compensation of senior management

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Short-term employee benefits	1,735	1,208	1,175
Post-employment benefits	6	14	14
Other long-term employee benefits	-	-	-
Termination benefits	946	-	-
Equity compensation benefits	94	164	171
TOTAL	**2,781**	**1,386**	**1,360**

At the Combined General Meeting of 17 June 2014, the shareholders voted to set the amount of directors' fees to be apportioned among the directors at €250,000, unchanged relative to 2013.

Post-employment benefits correspond to retirement benefits established in accordance with collective bargaining agreements (see Notes 1.18 and 25). There are no commitments in favour of executive managers with respect to post-employment benefits or other long-term employee benefits.

The value of services rendered by Pascal Leroy that were compensated through the grant of 44,731 options on 29 March 2011 is recorded under *Equity compensation benefits* in the amount of €94k. No loans were granted either to directors or to members of executive management (nor to any of their close family members).

At its meeting of 4 June 2014, after taking into consideration the recommendations of the Compensation Committee and verifying that the applicable performance conditions had been met, the Board of Directors of Sopra Group authorised a settlement *(transaction)*, consistent with the Company's interests and disclosed in accordance with Article L. 225-42-1 of the French Commercial Code, with Pascal Leroy, following his removal as Chief Executive Officer and the termination of his employment contract.

As recommended by the AFEP-MEDEF corporate governance code, the terms of Pascal Leroy's compensation as company officer *(mandataire social)* include performance conditions. The Board of Directors has verified that the compensation to be awarded for his removal as company officer and the termination of his employment contract, under the settlement agreed with him, does not exceed two years of his fixed and variable compensation.

The €1.5 million expense recognised under for the settlement under *Other operating income and expenses* includes the lump-sum settlement payment *(indemnité transactionnelle)*, contractual severance compensation *(indemnité conventionnelle de licenciement)*, consideration in return for a non-compete obligation, compensation in lieu of notice, and items arising on the exemption to the requirement that Pascal Leroy still be with the Company in order to exercise his share subscription options.

33.2. Transactions with equity-accounted associates and non-consolidated entities

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Transactions between Sopra Steria Group and the Axway group			
Sales of goods and services	3,391	3,550	4,574
Purchases of goods and services	-477	-472	-257
Operating receivables	58	147	231
Operating payables	-105	-142	-126
Financial income	-	-	-
Financial receivables (current account)	-	-	-
Transactions between Sopra Steria Group subsidiaries and the Axway group			
Sales of goods and services	3,698	4,079	3,590
Purchases of goods and services	-3,107	-126	-894
Operating receivables	278	471	1,006
Operating payables	-7	-4	-998
Financial income	-	-	-
Financial receivables (current account)	-	-	-
Transactions between Sopra Steria Group and holding company Sopra GMT			
Sales of goods and services	28	26	22
Purchases of goods and services	-811	-759	-596
Operating receivables	-	2	-
Operating payables	-19	-424	-9
Financial income	-	-	-
Financial receivables (current account)	-	-	-

33.3. Subsidiaries and associated entities

Transactions and balances between Sopra Steria 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 18.1).

Note 34 Off balance sheet commitments and contingent liabilities

34.1. Contractual obligations

Contractual obligations *(in thousands of euros)*	Payments due by period Less than one year	One to five years	More than five years	31/12/2014	31/12/2013	31/12/2012
Bonds	5,814	188,662	-	194,476	-	-
Bank borrowings	29,462	400,001	-	429,463	158,336	166,976
Finance lease obligations	4,236	6,189	-	10,425	7,563	7,430
Operating leases	67,749	190,690	40,338	298,777	249,398	-
Employee profit sharing	4,289	22,633	-	26,922	29,813	32,039
Other sundry financial debt	6,706	-	77	6,783	52	72
Current bank overdrafts	23,670	-	-	23,670	61,045	44,898
TOTAL	**141,926**	**808,175**	**40,415**	**990,516**	**256,809**	**251,415**

Other commercial commitments *(in thousands of euros)*	Amount of commitments per period Less than one year	One to five years	More than five years	31/12/2014	31/12/2013	31/12/2012
Credit lines	-	-	-	-	-	-
Letters of credit	-	-	-	-	-	-
Guarantees on premises	5,492	2,082	11,406	18,980	9,133	4,416
Purchase obligations	-	-	-	-	-	-
Charge over business assets	11,000	-	-	11,000	6,500	6,500
Other commercial commitments	23,328	56,188	4,343	83,859	42,743	6,442
TOTAL	**39,820**	**58,270**	**15,749**	**113,839**	**58,376**	**17,358**

34.2. Commitments given related to recurring operations

(in thousands of euros)	31/12/2014	31/12/2013	31/12/2012
Discounted notes not yet due	-	-	-
Bank guarantees for deposits on leased premises	13,084	3,855	3,203
Bank guarantees for effective project completion	65,750	33,960	6,442
Bank guarantees for supplier invoice payment guarantees	-	25	-
Guarantee of commitments entered into by subsidiaries	18,110	8,758	-
Lease guarantees granted to subsidiaries	5,895	5,278	1,213
Charge over business assets	11,000	6,500	6,500
Interest rate hedging instruments	-	-	-
Exchange rate hedging instruments	-	-	-

The increase in performance guarantees arises from Steria in the amount of €20.2 million, including €7.5 million in financial guarantees in respect of Ecomouv.

Steria also accounts for €5.0 million of the increase in rental guarantees.

Sopra Steria Group acts as guarantor for its UK-based subsidiary in the amount of £4.4 million in connection with a lease for new premises in London.

34.3. 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	*3.96%*
Sopra Executive Investments	Lyonnaise de Banque	January 2013	October 2017	Repayment of loan for €5.0 million	258,828	*1.27%*
TOTAL					**1,066,370**	***5.23%***

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

No such assets were pledged in this manner.

34.4. Covenants

Under the terms of its syndicated loans and bond issue, Sopra Steria Group assumes the following covenants:

- the ratio of net financial debt to EBITDA must be less than 3.0 throughout the term of the facility. At 31 December 2014, this ratio was 1.57;
- the ratio of EBITDA to the cost of net financial debt must be greater than 5.0 throughout the term of the facility. At 31 December 2014, this ratio was 29.25.

34.5. Security interests granted as guarantees

Sopra Banking Software Belgium granted a legal charge over its business *(gage sur fonds de commerce)* to financial institutions in the amount of €11.0 million.

34.6. Contingent liabilities

Apart from the contingent liabilities recognised upon the Sopra-Steria tie-up (see Note 14.2a), no contingent liabilities need to be taken into account.

Note 35 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.

Note 36 Subsequent events

36.1. Proposed acquisition of CIMPA SAS

On 19 March 2015, Sopra Steria announced plans to acquire CIMPA SAS, an Airbus subsidiary specialising in Product Lifecycle Management (PLM). Completion of this proposed acquisition would strengthen partnership links between the two groups.

In 2014, CIMPA generated revenue of approximately €100 million and had 950 employees in Europe.

If the proposed acquisition were completed, which is subject to the usual conditions precedent, CIMPA would be included in Sopra Steria Group's scope of consolidation during the second half of 2015.

36.2. Termination of François Enaud's terms of office

At its meeting of 17 March 2015, the Board of Directors of Sopra Steria Group, after taking into account the recommendations of the Nomination, Ethics and Governance Committee and the Compensation Committee, authorised a settlement *(transaction)* with François Enaud following his removal as Chief Executive Officer.

The settlement will be presented to shareholders in a specific resolution at the Ordinary General Meeting.

The cost of the settlement is estimated at €2.8 million.

Note 37 Foreign currency translation rates

1/Currency	Average rate for the period 2014	2013	2012	Period-end rate 31/12/2014	31/12/2013	31/12/2012
Danish krone	7.4549	-	-	7.4453	-	-
Norwegian krone	8.3551	-	-	9.0420	-	-
Swedish krona	9.0969	-	-	9.3930	-	-
US dollar	1.3288	-	-	1.2141	-	-
Canadian dollar	1.4669	-	-	1.4063	-	-
Singapore dollar	1.6831	-	-	1.6058	-	-
Moroccan dirham	11.1591	11.1794	11.1148	10.9667	11.2486	11.1607
Tunisian dinar	2.2517	2.1639	-	2.2586	2.2650	-
Swiss franc	1.2146	1.2309	1.2053	1.2024	1.2276	1.2072
Pound sterling	0.8064	0.8491	0.8108	0.7789	0.8337	0.8161
Rupee (India)	81.0689	77.3994	68.5871	76.7190	85.3971	72.5689
Polish zloty	4.1845	-	-	4.2732	-	-

Statutory Auditors' report on the consolidated financial statements

For the financial year ended 31 December 2014

To the Shareholders,

In accordance with our appointment as Statutory Auditors at your General Meetings, we hereby report to you for the year ended 31 December 2014 on:

- the audit of the accompanying consolidated financial statements of Sopra Steria Group;
- 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; those 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 evaluating the appropriateness of accounting policies used and the reasonableness of material accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We certify that the consolidated financial statements are, with respect to IFRS as adopted in the European Union, true and fair and provide an accurate view of the net worth, financial situation and earnings of the consolidated group constituted by the persons 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:

- at each balance sheet date, the Company systematically performs an impairment test of goodwill to determine whether there is any indication that investments in equity-accounted companies may be impaired, using the methods described in Sections 1.11 and 14.4 of the explanatory notes to 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 Sections 1.18.b and 25.2 of the explanatory notes to 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 accordance with the procedures described in Sections 1.13 and 19 of the explanatory notes 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;
- Sections 2 and 14 of the explanatory notes to the consolidated financial statements present the main transactions concerning the scope of consolidation that took place during the 2014 financial year.

  In particular, they describe the accounting method used for the first consolidation of Groupe Steria SCA and its subsidiaries. We verified the appropriateness of the accounting method applied to this business combination, as well as the data and assumptions underlying the value of assets and liabilities used for the first consolidation and the information provided in these notes.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part 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 matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Courbevoie, 27 April 2015

The Statutory Auditors

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

5 2014 Individual financial statements

Balance sheet

ASSETS *(in thousands of euros)*	2014	2013
Intangible assets	582,716	83,112
Property, plant and equipment	46,187	27,070
Financial investments	1,106,358	369,609
Non-current assets	**1,735,261**	**479,791**
Stocks and work in progress	21	17
Trade accounts receivable	438,848	259,947
Other receivables, prepayments and accrued income	131,079	88,920
Cash and cash equivalents	40,157	33,029
Current assets	**610,105**	**381,913**
TOTAL ASSETS	**2,345,366**	**861,704**

LIABILITIES AND EQUITY *(in thousands of euros)*	2014	2013
Share capital	20,372	11,920
Premiums	646,099	2,291
Reserves	202,171	184,068
Net profit for the year	-118,714	40,946
Equity	**749,928**	**239,225**
Provisions	**82,821**	**37,845**
Financial debt	861,433	217,630
Trade payables	97,911	43,896
Tax and social charge payables	325,723	213,001
Other liabilities, accruals and deferred income	227,550	110,107
Liabilities	**1,512,617**	**584,634**
TOTAL LIABILITIES AND EQUITY	**2,345,366**	**861,704**

Income statement

(in thousands of euros)	2014	2013
Net revenue	1,447,462	853,281
Other operating income	23,330	7,604
Operating income	**1,470,792**	**860,885**
Purchases consumed	6,985	5,192
Staff costs	1,008,949	553,849
Other operating expenses	411,122	217,571
Taxes and duties	42,095	23,945
Depreciation, amortisation, provisions and impairment	40,354	8,798
Operating expenses	**1,509,505**	**809,355**
Operating profit/(loss)	**-38,713**	**51,530**
Financial income and expenses	-36,442	1,338
Pre-tax profit/(loss) on ordinary activities	**-75,155**	**52,868**
Exceptional income and expenses	-60,296	-1,446
Employee profit-sharing and incentive schemes	-1,941	-5,163
Corporate income tax	18,678	-5,313
NET PROFIT/(LOSS)	**-118,714**	**40,946**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

1. Significant events

1.1. Sopra-Steria tie-up

On 8 April 2014, Sopra and Steria announced plans to bring the two groups together.

The tie-up proposal took the form of an *offre publique d'échange*, or public exchange offer ("the Offer"), initiated by Sopra for all of Steria's shares on the basis of one Sopra share for every four Steria shares.

The Offer opened on 26 June 2014, and at the Combined Annual General Meeting of 27 June, Sopra's shareholders approved the issuance of Sopra shares in consideration of tenders to the Offer.

On 14 July 2014, the European Commission, in its capacity as antitrust regulator, authorised the tie-up.

The Offer closed on 30 July 2014, the results were made public on 6 August, and settlement-delivery took place on 12 August.

On completion of the Offer, 79.69% of Steria's shares had been tendered.

Following the success of this first phase, the Offer was reopened from 18 August to 5 September 2014. Upon completion of this second phase, 90.52% of Steria shares had been tendered to Sopra in fulfilment of its aim of creating a new French leader in digital services.

The businesses belonging to the Steria group were consolidated with effect from 1 August 2014.

The public exchange offer was immediately followed by reorganisation and merger processes integral to the proposed tie-up, as indicated from the time the tie-up was announced on 8 April 2014.

Sopra Group changed its corporate name to Sopra Steria Group under a resolution approved at the General Meeting of 27 June, subject to a condition precedent of successful completion of the public exchange offer.

To enable the two groups to be operationally integrated as quickly as possible and the predicted synergies to be realised, the shareholders of Sopra Steria Group and its participating subsidiaries approved the following transactions at Extraordinary General Meetings held on 18 and 19 December 2014:

- "Merger 1": merger by absorption of Groupe Steria (Steria's parent) into Sopra Steria Group;
- "PTA 1": partial transfer of assets by Steria to Sopra Steria Infrastructure & Security Services of its Infrastructure Management business managing clients' IT systems and networks infrastructure, which encompasses hosting, storage, server management, application supervision and operation and cybersecurity;
- "PTA 2": partial transfer of assets by Steria to Sopra Banking Software of its "Advanced Payment" business delivering specific IT systems and solutions for automated payments and cash machines;
- "PTA 3": partial transfer of assets by Sopra Steria Group to Sopra HR Software of its complete and independent business focusing on the development and distribution of human resources software solutions under the name "Pléiades";
- "Merger 2": merger by absorption of Steria (operating company) into Sopra Steria Group.

The following table shows the details of these transactions:

Transaction	Date completed	Effective date for accounting and tax purposes	Asset valuation method (1)	Asset valuation *(in thousands of euros)*
Merger 1	31/12/2014	01/01/2014	AV	630,068
PTA 1	31/12/2014	31/12/2014	NCA	14,566
PTA 2	31/12/2014	31/12/2014	NCA	1,511
PTA 3	31/12/2014	31/12/2014	NCA	3,169
Merger 2	31/12/2014	01/01/2014	NCA	118,253

(1) AV: actual value.
NCA: net carrying amount.

Consideration for these transfers of assets was given by way of an exchange of newly created shares in the companies to which the assets were transferred.

The following should be noted:

- for "Merger 1", consideration was only given for that portion of the shares of Groupe Steria not held by Sopra Steria Group, i.e. 9.48%;
- for "Merger 2", since Steria was wholly-owned by Sopra Steria Group at the time of the merger, no Sopra Steria Group shares were exchanged for Steria shares.

Both mergers resulted in merger deficits, which are treated as follows:

- "Merger 1": since this merger was accounted for at its actual value, the merger deficit of €21,275k is a real deficit recognised in financial expenses;
- "Merger 2": since this merger was a merger of companies under common control accounted for at its net carrying amount, the merger deficit of €484,347k is a technical deficit recognised in intangible assets, and is not amortisable.

An item-by-item breakdown of the value of transferred assets is as follows:

(in thousands of euros)	Merger 1	Merger 2	Total Mergers 1 + 2	PTA 1	PTA 2	PTA 3	Total PTAs 1 + 2 + 3
ASSETS TRANSFERRED							
Non-current assets							
Intangible assets	28,189	4,389	32,578	949	1	496	1,445
Property, plant and equipment	1,759	24,478	26,237	7,555	5	-	7,560
Financial investments, of which:	1,046,195	228,639	1,274,834	105	-	-	105
■ *Equity interests*	*1,003,874*	*217,399*	*1,221,273*	-	-	-	-
■ *Other financial investments*	*40,508*	*7,759*	*48,267*	*105*	-	-	*105*
Current assets							
Services in progress	-	18,731	18,731	6,029	-	-	6,029
Advances and payments on account	27	776	803	34	-	-	34
Trade accounts receivable	22,723	165,490	188,213	58,921	2,507	14,371	75,799
Other receivables	45,396	43,725	89,121	12,408	1,044	464	13,916
Investment securities	40,002	-	40,002	-	-	-	-
Cash and cash equivalents	404	2,764	3,168	5,000	2,000	400	7,400
Prepaid expenses	3,556	4,795	8,351	1,400	-	-	1,400
Other							
Borrowing issue costs	3,831	-	3,831	-	-	-	-
Translation adjustments – Asset	4,749	12	4,761	-	-	-	-
TOTAL ASSETS TRANSFERRED (I)	**1,196,831**	**493,799**	**1,690,630**	**92,400**	**5,556**	**15,731**	**113,688**
TRANSFERRED LIABILITIES							
Provisions for contingencies and losses							
Provisions for contingencies	4,927	11,653	16,580	12,659	484	1,880	15,022
Provisions for losses	1,132	19,422	20,554	50	-	-	50
Financial debt							
Bonds	185,610	-	185,610	-	-	-	-
Bank borrowings	301,403	75,351	376,755	-	-	-	-
Other financial debt	10,076	44,346	54,422	-	-	674	674
Operating liabilities							
Trade payables	21,399	65,885	87,284	15,835	459	2,748	19,042
Tax and employee-related payables	5,878	135,504	141,382	40,833	2,479	5,409	48,721
Other liabilities	32,010	1,596	33,607	-	-	-	-
Liabilities in respect of fixed assets	894	1,982	2,875	-	-	-	-
Deferred income	-	19,807	19,807	8,457	624	1,850	10,931
Translation adjustments – Liability	118	1	119	-	-	-	-
TOTAL LIABILITIES TRANSFERRED (II)	**563,448**	**375,546**	**938,994**	**77,834**	**4,045**	**12,561**	**94,440**
Dividends paid during interim period (III)	3,315	-	3,315	-	-	-	-
NET ASSETS TRANSFERRED (I + II + III)	**630,068**	**118,253**	**748,321**	**14,567**	**1,511**	**3,169**	**19,247**

1.2. Impact on results of Sopra-Steria entities

Following the tie-up, the application of accounting policies led to the recognition of:

- a total expense of €49,185k charged to Steria;
- a total expense of €24,144k charged to Groupe Steria.

1.3. Termination of the trade receivable securitisation programme

The five-year trade receivable securitisation plan entered into by the former Steria group was terminated in November 2014, when the agreement was due for renewal.

The programme allowed for a maximum of €80 million in receivables financing.

Security deposits received from participating subsidiaries have been repaid in full.

1.4. Syndicated loans

The syndicated loan taken out by Sopra Steria Group and that belonging to Groupe Steria, transferred when the merger was completed, were repaid early in full on 15 September 2014. The total amount repaid in 2014 was thus €387 million.

A new syndicated loan facility was arranged in August 2014, with a maximum authorised limit of €1.2 billion.

2. Accounting principles and policies

The financial statements for the year ended have been prepared and presented in accordance with accounting rules in compliance with the principles laid down in Articles 121-1, 121-5 et seq. of the 2014 general chart of accounts *(Plan Comptable Général)*.

Accounting conventions have been applied in compliance with the provisions of the French Commercial Code, the Accounting Decree of 29 November 1983 and ANC Regulation 2014-03 on the revision of the general chart of accounts applicable at the period-end.

These principles have been 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.

Legal transactions (mergers and partial transfers of assets) mean that it is impossible to compare balance sheet and income statement items from one period to the next. To facilitate comparisons between the annual financial statements, the tables set out in the notes to the financial statements highlight the impacts of changes in scope (arising from Mergers 1 and 2) and partial transfers of assets. For information, Note 5.13 sets out the 2014 pro forma financial statements corresponding to the pre-merger balance sheet and income statement.

2.1. Software development costs

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 intent 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 reliably measure the expenditure attributable to the intangible asset during its development.

No development expenses for software and solutions (Human Resources and Property Management) have been recognised under intangible assets, since the conditions described above were not satisfied in their entirety.

The only research and development costs recognised are from the accounts of companies acquired and then merged.

Following the merger by absorption of Groupe Steria SA, intangible assets now include development costs for fundamentally important computer applications used for the specific needs of companies formerly belonging to the Steria group. These development costs are amortised over their expected useful lives, subject to a maximum of seven years.

2.2. Acquired software

Software is recognised at purchase cost. It is amortised on a straight-line basis over one to ten years.

2.3. Goodwill

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 (the higher of market value and value in use) is less than its carrying amount.

2.4. Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at purchase 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.

At each year-end, an impairment loss is recognized whenever the acquisition cost exceeds the value in use.

The book value of equity interests is estimated on the basis of a number of criteria, principally the following:

- consolidated shareholders’ equity;
- future cash flows.

2.6. Revenue

2.6.1. CONSULTING AND SYSTEMS INTEGRATION

Technical assistance, consulting, training and projects provided on a time and materials 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. Generally speaking, they are recognised as revenue and are included in the balance sheet under the *Accrued income* item within *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* item within *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. Generally, 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* item within *Trade accounts receivable*. Payments on account received are included under *Other liabilities, accruals and deferred income*.

Moreover, costs incurred in the start-up phase of a contract may be recognised in the balance sheet as work-in-progress when they relate to future activities of the contract and provided it is probable that they will generate future economic benefits. These capitalised transition costs are reported in the balance sheet under *Trade accounts receivable*.

Should a contract become loss-making, losses at completion are systematically recorded in *Provisions for contingencies and losses*.

2.6.2. SOFTWARE AND SOLUTIONS

Services provided within the scope of Software and Solutions operations include:

- the right of use under licence of the software and solutions provided;
- maintenance;
- ancillary services: installation, configuration, adaptation, 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 the 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 non-material 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 pro rata basis;
- ancillary services are generally provided on a time and materials basis 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 above.

Sometimes, contracts comprising multiple elements (licence, maintenance, ancillary services, etc.) may be negotiated for a fixed-price.

In this situation, the amount of revenue attributable to the licence is obtained by calculating the difference between the total contract amount and the fair value of its other components, e.g. 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 a few rare cases, ancillary services may be considered essential to the operation of a software package.

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 Industrial Department. Such projects are recognised according to the percentage-of-completion method described above.

2.7. Trade accounts receivable

Trade accounts receivable are recognised using the methods specified above.

A separate estimate is carried out for trade accounts receivable at the end of the financial year and an impairment loss is recognised in the event of a risk of non-recovery, particularly when linked to collective proceedings. Doubtful debts for which legal proceedings have not been instigated are treated as accrued credit notes.

2.8. Retirement benefits

Sopra Steria Group sets aside provisions for all of its retirement benefit commitments in accordance with the retirement clauses of the Syntec collective bargaining agreement.

Sopra Steria Group's obligation towards its employees is determined on an actuarial basis, using the projected unit credit method: the employer's present obligation is recognised in proportion to the probable length of service of the 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. Actuarial gains and losses representing more than 10% of the amount of obligations are recognised and amortised over the expected average working lives of the employee beneficiaries.

2.9. Foreign currency transactions

Foreign currency income and expense items are recorded at their euro equivalent at the transaction date.

Foreign currency receivables and payables are recorded in the balance sheet at their euro equivalent determined using the closing exchange rate. Any gains or losses arising on the retranslation of foreign currency receivables and payables are recorded in the balance sheet under *Translation adjustments*.

A provision for contingencies and losses is recorded in respect of unrealised foreign exchange losses in the amount of such losses, unless the term of such transactions is sufficiently close, in which case the unrealised gains and losses are considered to form part of the overall foreign exchange position and the charge to the provision is restricted to the amount by which losses exceed gains.

2.10. Provisions for contingencies and losses

Provisions for contingencies and losses are set aside to cover probable outflows of resources to third parties, without consideration for the Company. They may include, *inter alia*, provisions to cover the following:

- commercial risks (estimated costs of guarantee expenses, "losses on completion" on some long-term contracts);
- employee-related costs (restructuring costs, post-employment benefits covering pension obligations, supplementary pensions and similar benefits);
- financial risks such as the risk of foreign exchange losses;
- risks of tax adjustments linked to accounting audits.

2.11. Consolidated financial statements

The Company prepares consolidated financial statements. The group consists of Sopra Steria Group (the parent) and its subsidiaries as well as the group's share in associates.

3. Notes to the balance sheet

3.1. Non-current assets

3.1.1. INTANGIBLE ASSETS

(in thousands of euros)	Research and development costs	Concessions, patents and similar rights	Goodwill	Total
GROSS VALUE				
At 1 January 2014	**3,525**	**10,880**	**136,817**	**151,222**
Changes in scope	-	54,821	484,347 [1]	539,168
Acquisitions	-	5,821	-	5,821
Disposals – decreases	-	-26,091	-	-26,091
Partial transfers of assets		-7,434	-1,487	-8,921
At 31 December 2014	**3,525**	**37,997**	**619,677**	**661,199**
AMORTISATION AND DEPRECIATION				
At 1 January 2014	**3,209**	**9,669**	**55,232**	**68,110**
Changes in scope	-	22,243	-	22,243
Additions	188	5,781	-	5,969
Reversals	-	-10,364	-	-10,364
Partial transfers of assets	-	-6,485	-991	-7,476
At 31 December 2014	**3,397**	**20,844**	**54,241**	**78,482**
NET VALUE				
At 1 January 2014	**316**	**1,211**	**81,585**	**83,112**
At 31 December 2014	**128**	**17,153**	**565,436**	**582,717**

(1) This is the technical merger deficit arising from the merger by absorption of Steria.

Intangible assets comprise:

- research and development costs;
- software acquired or contributed;
- goodwill acquired or contributed during mergers.

Software and solutions research and development costs, which totalled €21.081 million in 2014, are recognised as expenses.

Software acquisitions mainly relate to workstation software as well as development and industrialisation tools.

Deductions from intangible assets mainly consist of the development costs of scrapped essential computer applications falling within the scope of Steria and now obsolete.

3.1.2. PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	Land	Buildings	Technical installa-tions	Sundry fittings	Vehicles	Furni-ture and office equip-ment	Other property, plant and equipment	Fixed assets in progress	Total
GROSS VALUE									
At 1 January 2014	**323**	**6,829**	**708**	**35,734**	**82**	**20,564**	**14**	**-**	**64,254**
Changes in scope	-	-	6,804	25,972	-	16,267	-	1,519	50,562
Acquisitions	-	-	913	7,248	87	3,956	-	-	12,204
Disposals	-	-	-2,056	-4,288	-82	-4,460	-	-413	-11,299
Partial transfers of assets	-	-	-3,749	-6,441	-	-4,448	-	-930	-15,568
At 31 December 2014	**323**	**6,829**	**2,620**	**58,225**	**87**	**31,879**	**14**	**176**	**100,153**
DEPRECIATION									
At 1 January 2014	**107**	**5,507**	**177**	**18,319**	**82**	**12,992**	**-**	**-**	**37,184**
Changes in scope	-	-	4,576	8,931	-	10,821	-	-	24,328
Charges	10	147	987	6,097	5	3,095	-	-	10,341
Reversals	-	-	-1,697	-3,670	-82	-4,429	-	-	-9,878
Partial transfers of assets	-	-	-2,606	-2,137	-	-3,264	-	-	-8,007
At 31 December 2014	**117**	**5,654**	**1,437**	**27,540**	**5**	**19,215**	**-**	**-**	**53,968**
NET VALUE									
At 1 January 2014	**216**	**1,322**	**531**	**17,415**	**-**	**7,572**	**14**	**-**	**27,070**
AT 31 DECEMBER 2014	**206**	**1,175**	**1,183**	**30,685**	**82**	**12,664**	**14**	**176**	**46,185**

Property, plant and equipment consists of:

- *Land and buildings*: Sopra Steria Group owns three buildings at the Annecy-le-Vieux site.
- *Office furniture, fixtures and equipment*: this refers to equipment on premises leased by Sopra Steria Group in major French cities.

Some computer hardware is acquired on four-year leases and is not included under property, plant and equipment in the individual accounts.

3.1.3. FINANCIAL INVESTMENTS

(in thousands of euros)	Equity interests and long-term investment securities	Receivables in respect of equity interests	Loans and other financial investments	Total
GROSS VALUE				
At 1 January 2014	**417,341**	**1,438**	**2,412**	**421,191**
Changes in scope	1,225,302	-	46,492	1,271,794
Acquisitions – increases	745,312	33	17,103	762,448
Disposals – decreases	-1,338,026	-	-2,820	-1,340,846
Partial transfers of assets	19,248	-	-105	19,143
At 31 December 2014	**1,069,177**	**1,471**	**63,082**	**1,133,730**
IMPAIRMENT				
At 1 January 2014	**50,144**	**1,438**	**-**	**51,582**
Changes in scope	4,026	-	157	4,183
Additions	1,556	33	37	1,626
Reversals	-30,018	-	-	-30,018
At 31 December 2014	**25,708**	**1,471**	**194**	**27,373**
NET VALUE				
At 1 January 2014	**367,197**	**-**	**2,412**	**369,609**
AT 31 DECEMBER 2014	**1,043,469**	**-**	**62,888**	**1,106,357**

Details concerning equity interests are provided in the list of subsidiaries and other equity interests presented in Note 5.11.

a. Breakdown of changes in gross amounts

Changes in scope:

(in thousands of euros)		Amount
Merger 1	Transfer of Groupe Steria's equity interests	1,004,138
Merger 2	Transfer of Steria's equity interests	221,164
TOTAL		**1,225,302**

Increases:

Securities concerned *(in thousands of euros)*	Transactions	Amount
Groupe Steria SA	Shares received in exchange in connection with the merger	651,343
Sopra Group GmbH	Subscription to a capital increase	6,000
Steria Holdings Limited	Shares received in payment for the sale of Sopra Group Holding Ltd shares	54,888
ODDO	Liquidity agreement	478
CS Communication & Systèmes	Purchase of bonds	8,028
Steria Danemark	Subscription to a capital increase	6,000
Steria Mummert Consulting	Capital increase	15,000
Steria Medshore	Capital increase	764
Beamap SAS	Purchase of shares	2,775
Sopra Steria Infrastructure & Security Services SAS	Purchase of shares	50
TOTAL		**745,326**

Decreases:

Securities concerned *(in thousands of euros)*	**Transactions**	**Amount**
Groupe Steria SA	Cancellation of shares in connection with Merger 1	651,343
Steria SA	Cancellation of shares in connection with Merger 2	602,601
Sopra Group Holding Ltd	Sale of shares to Steria Holdings Ltd	83,955
Axway Software	Delivery of shares following Sopra Steria Group option exercise	116
TOTAL		**1,338,015**

Partial transfers of assets:

Securities *(in thousands of euros)*	**Transactions**	**Amount**
Sopra Steria Infrastructure & Security Services SAS	Shares received as consideration for the transfer of the Infrastructure Management business	14,567
Sopra Banking Software	Shares received as consideration for the transfer of the Advanced Payments business	1,512
Sopra HR Software	Shares received as consideration for the transfer of the Pléiades business	3,169
TOTAL		**19,248**

b. Impairment of equity interests

Pursuant to Accounting Regulatory Committee (CRC) Regulation 2002-10 on the depreciation, amortisation and impairment of fixed assets, the following changes in impairment charges were recognised in financial year 2014:

- reversal of a provision against Sopra Belux shares: €1,052k;
- reversal of a provision against Sopra Group Limited shares: €28,955k;
- additional impairment of Steria Suède shares: €1,061k;
- impairment of Steria Danemark shares: €495k;
- additional impairment of treasury shares: €37k.

3.2. Other assets

3.2.1. TRADE ACCOUNTS RECEIVABLE

(in thousands of euros)	**2014**	**2013**
Non-group clients and related accounts	299,163	167,262
Accrued income	112,309	90,775
Group clients	29,254	1,898
Doubtful debtors	218	125
Provision for doubtful debtors	-2,096	-113
TOTAL	**438,848**	**259,947**

Trade accounts receivable 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.

3.2.2. OTHER RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME

(in thousands of euros)	2014	2013
Staff costs and related payables	542	130
Social security	126	244
State and local authorities		
■ Corporate income tax	7,352	4,431
■ VAT	18,342	7,053
■ Other tax	57,058	12,646
Group and associates	24,127	56,988
Impairment of current accounts	-48	-48
Other receivables	7,574	4,722
Impairment of sundry debtors	-	-33
Prepaid expenses	9,852	1,804
Borrowing issue costs to be amortised	1,165	-
Translation adjustments – Asset	4,989	983
TOTAL	**131,079**	**88,920**

The *Other tax* item includes in particular tax credits not used at 31 December 2014. It mainly consists of R&D tax credit receivables totalling €52,198k (of which €37,338k transferred from Groupe Steria at the time of the merger).

The increase in the *Translation adjustments – Asset* item was driven by the issue of new sterling debt and sterling's appreciation against the euro.

Debt issuance expenses consist of costs to negotiate and arrange the bond issue carried out on 12 April 2013 for an initial amount of €1,672k. These costs are amortised over the term of the debt in proportion to the interest accrued. These costs were transferred when the merger with Groupe Steria was completed.

Prepaid expenses relate to services invoiced in 2014 and attributable to subsequent years. They mainly concern costs associated with hardware and software maintenance contracts and leases on movable and immovable goods.

3.2.3. IMPAIRMENT OF CURRENT ASSETS

(in thousands of euros)	At 01/01/2014	Changes in scope	Charges	Reversals	Partial transfers of assets	At 31/12/2014
Impairment of trade receivables	113	109	2,478	142	-461	2,097
Impairment of current accounts	48	-	-	-	-	48
Impairment of sundry debtors	33	-	-	33	-	-
TOTAL	**194**	**109**	**2,478**	**175**	**-461**	**2,145**

3.3. Shareholders' equity

3.3.1. STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Share capital	Issue, merger and contribution premiums	Legal reserve	Discre-tionary reserves	Retained earnings	Net profit/ (loss) for the year	Total
At 1 January 2014	**11,920**	**2,291**	**1,189**	**182,905**	**-26**	**40,946**	**239,225**
Appropriation of 2013 earnings and dividends	-	-	2	18,322	-4	-40,946	-22,626
Exercise of share subscription options	27	1,350	-	-	-	-	1,377
Impact of disposal of Axway shares following exercise of share subscription options	-	-489	-	-	-	-	-489
Free share allotments to employees	129	-	-	-129	-	-	-
Capital increase following the public exchange offer and merger of Steria/Sopra	8,296	643,047	-	-	-	-	651,343
Capital increase costs	-	-100	-	-	-	-	-100
Share of profit paid to Soderi	-	-	-	-88	-	-	-88
Profit for the year	-	-	-	-	-	-118,714	-118,714
AT 31 DECEMBER 2014	**20,372**	**646,099**	**1,191**	**201,010**	**-30**	**-118,714**	**749,928**

The amount of dividends paid in 2014, in respect of 2013 profit, was €1.90 per share, for a total amount of €22.647 million.

3.3.2. SHARE CAPITAL

At 31 December 2014 Sopra Steria Group had share capital of €20,371,789, compared with €11,919,583 at 31 December 2013, made up of 20,371,789 fully paid-up shares with a par value of €1 each.

The principal movements in 2014 were as follows:

- shares issued in August and September 2014 as consideration for assets transferred in connection with the Sopra/Steria public exchange offer (7,510,137 new shares created);
- delivery of 129,015 free shares under the free share allotment plan put in place on 19 June 2012;
- exercise of share subscription options during the year: 26,565 shares were created corresponding to a capital increase of €26.6k and an issue premium of €1,350.5k, for a total subscribed of €1,377.1k;
- issue of 786,489 shares in connection with the merger of Sopra Steria Group and Groupe Steria.

In accordance with the decision made at the Combined General Meeting of 27 June 2014 pursuant to Article L. 225-123 of the French Commercial Code arising from the Act of 29 March 2014, double voting rights were introduced on 7 July 2014 for all fully paid-up shares held in registered form in the same shareholder's name for at least two years.

The total number of voting rights exercisable at Ordinary and Extraordinary General Meetings at 31 December 2014 was 26,200,178, while the total number of theoretical voting rights at that date was 26,217,326.

At 31 December 2014, the number of treasury shares held by the Company was 17,148. The entitlement to reserves attaching to these shares amounts to €631k.

3.3.3. SHARE SUBSCRIPTION OPTION PLANS

	Plan No. 5				Plan No. 6			Plan No. 7	Total
Date of General Meeting	26/05/2005	26/05/2005	26/05/2005	26/05/2005	15/05/2008	15/05/2008	15/05/2008	10/05/2011	
General Management grant date	25/07/2006	21/12/2006 (1)	08/01/2007	18/03/2008 (1)	17/03/2009 (1)	15/04/2010 (1)	29/03/2011 (1)	20/10/2011	
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
Number of shares granted to company officers:	-	-	-	-	-	-	42,000	-	42,000
Exercise price	57.85	58.80	60.37	45.30	27.16	53.68	72.40	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 granted to company officers	-	-	-	-	-	-	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	
Expiry 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 31/12/2014	-	45,270	-	7,392	-	-	-	-	52,662
of which Number of shares granted to company officers:	-	-	-	-	-	-	-	-	-
Cumulative number of share subscription or purchase options cancelled or lapsed	30,000	25,153	5,000	9,500	-	-	14,911	-	84,564
of which Number of shares granted to company officers:	-	-	-	-	-	-	14,911	-	14,911
Share subscription or purchase options remaining at 31/12/2014	**-**	**-**	**-**	**35,750**	**21,302**	**31,953**	**37,809**	**5,000**	**131,814**
of which Number of shares granted to company officers:	**-**	**-**	**-**	**-**	**-**	**-**	**14,911**	**-**	**14,911**

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

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 issuer, or by any other group entities able to grant options, to employees of the issuer or any other group entity (composite information)	-	-	-	-	-
Ten largest purchases or subscriptions of shares of the issuer or the aforementioned entities via the exercise of stock options by employees of the issuer or said group entities during the year (composite information)	26,565	€51.84	26,565	-	-

No options were allotted to company officers during the year.

3.3.4. FREE SHARE ALLOTMENT PLANS

	Sopra plan	Plans added following the Steria merger					
	Plan No. 11 (1)	Plan No. 7 (2)	Plan No. 8 (3)	Plan No. 9 (4)	Plans No. 10 and 11 (5)	Plan No. 12 (5)	Plan No. 13 (9)
Date of General Meeting	19/06/2012	06/06/2010	28/05/2010	28/05/2010	15/05/2012	15/05/2012	22/05/2014
General Management grant date	19/06/2012	16/04/2010	06/07/2010	29/07/2011	02/07/2012 and 01/08/2012	17/09/2013	15/10/2014
Total number of shares granted	166,875	35,761	139,250	157,600	166,600	151,900	79,500
Number of shares granted to:							
■ company officers (6)	-	-	12,000	12,000	14,000	14,000	5,500
■ top ten employee grantees (7)	-	12,834	31,000	42,500	53,000	50,500	21,800
Vesting date							
■ Spain/Italy	01/07/2014	16/04/2012	06/07/2013	29/07/2014			
■ France	01/07/2014	16/04/2013	06/07/2013	29/07/2014	02/07/2015 and 01/08/2015	17/09/2016	15/10/2017
■ Other countries	01/07/2016	16/04/2014	06/07/2014	29/07/2015	01/08/2016	17/09/2017	15/10/2018
Holding period expiry date							
■ France	30/06/2016	16/04/2015	06/07/2015	29/07/2016	01/07/2017	17/07/2018	15/10/2019
■ Spain	30/06/2016	16/04/2015	06/07/2015	29/07/2016			
■ Other countries	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Entitlements cancelled at 31/12/2014	32,665	10,988	114,609	81,430	-	-	-
Vested at 31/12/2014	129,015	24,773	24,641	7,920	-	-	-
SHARES REMAINING AT 31 DECEMBER	**5,205**	**-**	**-**	**68,250**	**166,600**	**151,900**	**79,500**
EQUIVALENT IN SOPRA STERIA SHARES REMAINING AT 31/12/2014 FOLLOWING THE MERGER (10)	**5,205**	**-**	**-**	**17,079**	**41,693**	**38,012**	**19,875**

(1) Plan with conditional grant depending on continued employment.

(2) Plan with conditional grant depending on continued employment and organic revenue growth in 2010.

(3) Plan with conditional grant depending on continued employment and performance requirements as measured by changes in operating margin over a three-year period.

(4) Plan with conditional grant depending on continued employment and performance requirements as measured by changes in operating margin and share price over a three-year period.

(5) Plan with conditional grant depending on continued employment and performance requirements as measured by changes in operating margin and consolidated revenue over a three-year period.

(6) The company officer in question is Groupe Steria's General Manager.

(7) Of Groupe Steria.

(8) No holding period.

(9) Plan with conditional grant depending on continued employment and performance requirements as measured by changes in operating profit on business activity and consolidated revenue over a two-year period.

(10) The adjustment of the number of Steria shares to Sopra Steria shares is calculated based on an exchange ratio of one Sopra Steria share for every four Steria shares, rounded up to the nearest whole number, for each grantee.

3.4. Provisions

(in thousands of euros)	At 01/01/2014	Changes in scope	Charge for the year	Reversals for the year (provision used)	Reversals for the year (provision not used)	Partial transfers of assets	At 31/12/2014
Provisions for retirement benefits	30,184	17,124	8,363	1,464	-	-8,221	45,986
Provision for restructuring	-	2,792	4,292	2,377	425	-966	3,316
Provisions for commercial disputes	480	10,428	18,955	8,610	1,560	-4,314	15,379
Provisions for employee disputes	1,209	1,403	2,910	396	178	-1,522	3,426
Provisions for foreign exchange losses	983	4,749	4,980	5,724	-	-	4,988
Provisions for taxes	4,927	-	4,459	-	875	-	8,511
Provision for site restoration	-	637	234	-	-	-50	821
Provisions for risks relating to subsidiaries	62	-	-	-	-	-	62
Other provisions for contingencies	-	-	329	-	-	-	329
TOTAL	**37,845**	**37,133**	**44,522**	**18,571**	**3,038**	**-15,073**	**82,818**

Additions to provisions for commercial disputes mainly correspond to the following:

- contractual risk: €8,900k;
- risk of losses on contracts: €7,641k (of which €2,597k for the *Eco-taxe*);
- a future commitment entered into in respect of computer hardware leasing for an in-house project that was permanently terminated: €2,415k.

Additions to tax provisions mainly correspond to readjustments of the estimated risks associated with tax inspections.

It should be noted that provisions recognised on a prudent basis in no way prejudice the future outcome of current disputes.

3.4.1. PROVISIONS FOR RETIREMENT BENEFITS

Sopra Steria Group sets aside provisions for its commitments to employees in accordance with the retirement clauses of the Syntec collective bargaining agreement amended in 2004 pursuant to the pension reform measures introduced by the Act of 21 August 2003. Provisions for retirement benefits are recognised on an actuarial basis as described in Note 2.8.

Mortality assumptions are based on published statistics.

Turnover tables are based on five-year age brackets and are updated at each balance sheet date to reflect separation data for the last five years.

The discount rate used to calculate the present obligation is the yield on high-quality corporate bonds (rated AA or higher) denominated in the payment currency and with a maturity close to the average estimated term of the retirement obligation concerned.

The group uses the 20-year Bloomberg rate for the euro zone as the benchmark for the discounting of its retirement benefit obligations. At 31 December, this rate stood at 1.59%.

The total retirement benefit obligation amounted to €45,986k.

3.5. Debts

3.5.1. FINANCIAL DEBT

(in thousands of euros)	At 01/01/2014	Changes in scope	Increase	Decrease	Partial transfers of assets	At 31/12/2014
Syndicated loan	156,593	229,967	434,805	386,560	-	434,805
Employee profit sharing	25,697	1,149	2,609	5,705	-674	23,076
Bond	-	180,000	-	-	-	180,000
Contingent advances	-	-	-	-	-	-
Other financial debt	35,205	158,365	66,658	41,816	400	218,812
Accrued interest on financial debt	135	6,264	8,244	9,905	-	4,738
TOTAL	**217,630**	**575,745**	**512,316**	**443,986**	**-274**	**861,431**

Following the new syndicated loan taken out by Sopra Steria Group in August 2014, Groupe Steria SA's former borrowing facilities were repaid on 15 September 2014.

The *Other financial debt* item mainly consists of bank overdrafts at 31 December 2014.

The bond debt transferred as part of the merger with Groupe Steria has the following characteristics:

- subscription date: 12 April 2013;
- coupon rate: 4.25%;
- redemption date: 12 July 2019.

The terms and conditions to which the syndicated loan and bond are subject include a commitment to comply with certain financial covenants.

The syndicated loan requires compliance with two financial ratios calculated every six months on a 12-month rolling basis from the published consolidated financial statements:

- the first, the leverage ratio, is equal to net financial debt/EBITDA;
- the second, the interest coverage ratio, is equal to EBITDA/net cost of financial debt.

The first financial ratio, the leverage ratio, must not exceed 3.0 at each calculation date.

The second ratio, the interest coverage ratio, must not fall below 5.0.

Net financial debt is defined on a consolidated basis as all loans and related borrowings (excluding inter-company liabilities), less available cash and cash equivalents.

EBITDA is the consolidated operating profit on business activity adding back amortisation and depreciation and current provisions.

At 31 December 2014, the net financial debt to EBITDA ratio covenant was met, with the ratio coming in at 1.57 compared with a requirement of 3.0.

The calculation is as follows:

(in millions of euros)	31/12/2014
Short-term borrowings (< 1 year)	69.90
Long-term borrowings (> 1 year)	594.90
Cash and cash equivalents	-222.40
Other financial guarantees	7.56
Net financial debt (including financial guarantees)	**450.00**
EBITDA	**286.86**
Net financial debt/EBITDA ratio	**1.57**

For the second ratio, EBITDA is as defined above and the cost of net financial debt is also calculated on a rolling 12-month basis.

At 31 December 2014, the net financial debt/EBITDA covenant was met, with the ratio coming in at 29.25 compared with a requirement of 5.0. The calculation is as follows:

(in millions of euros)	31/12/2014
EBITDA	**286.86**
Cost of net financial debt	**9.80**
EBITDA/cost of net financial debt ratio	**29.25**

3.5.2. TRADE ACCOUNTS PAYABLE

(in thousands of euros)	2014	2013
Non-group suppliers and related accounts	45,703	22,728
Accrued expenses	34,141	19,550
Group suppliers (including accrued expenses)	18,067	1,618
TOTAL	**97,911**	**43,896**

3.5.3. TAX AND EMPLOYEE-RELATED LIABILITIES

(in thousands of euros)	2014	2013
Staff costs and related accounts	106,995	65,873
Social security	109,519	79,659
State and local authorities		
■p Corporate income tax	-	-
■p VAT	104,746	65,304
■p Other tax	4,463	2,165
TOTAL	**325,723**	**213,001**

3.5.4. OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

(in thousands of euros)	2014	2013
Client payments on account	417	206
Liabilities in respect of fixed assets	5,104	594
Group and associates	124,883	36,427
Other liabilities	18,278	13,710
Deferred income	75,646	59,169
Translation adjustments – Liability	3,222	1
TOTAL	**227,550**	**110,107**

Deferred income comprises the portion of interim 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 vertical market:

	2014	2013
Services (including Property Management)	*27.2%*	*25.0%*
Public Sector	*19.4%*	*19.8%*
Manufacturing	*16.3%*	*19.0%*
Finance	*20.8%*	*17.7%*
Telecoms & Media	*13.0%*	*13.2%*
Retail	*3.3%*	*5.3%*
TOTAL	***100.0%***	***100.0%***

Of the €1,447.5 million of revenue generated in 2014, €92.9 million derived from international operations.

4.2. Compensation allocated to the members of executive management bodies

Directors' fees paid in 2014 in respect of the 2013 financial year amounted to €250k.

Compensation paid in 2014 to the members of executive management bodies was €1,123k.

At its meeting of 4 June 2014, after taking into consideration the recommendations of the Compensation Committee and verifying that the applicable performance conditions had been met, the Board of Directors of Sopra Group authorised a settlement *(transaction)*, consistent with the Company's interests and disclosed in accordance with Article L. 225-42-1 of the French Commercial Code, with Pascal Leroy, following his removal as Chief Executive Officer and the termination of his employment contract.

As recommended by the AFEP-MEDEF corporate governance code, the terms of Pascal Leroy's compensation as a company officer *(mandataire social)* included performance conditions. The Board of Directors also obtained assurance that the compensation to be awarded for his removal from office and the termination of his employment contract, under the settlement entered into with him, could not exceed two years of his fixed and variable remuneration.

The €1.5 million expense recognised for the settlement includes but is not limited to the lump-sum settlement payment *(indemnité transactionnelle)*, contractual severance compensation *(indemnité conventionnelle de licenciement)*, consideration in return for a non-compete obligation, compensation in lieu of notice, and items arising on the exemption to the requirement that Pascal Leroy still be with the Company in order to exercise his share subscription options.

4.3. French tax credit for competitiveness and jobs (CICE)

In respect of financial year 2014, Sopra Steria Group recorded a CICE tax credit of €19,829k, recognised as a deduction from staff costs.

Sopra Steria Group sold its 2013 and 2014 CICE receivables of €29,853k, of which €8,734k arose from Groupe Steria and Steria, and €1,717k arose from Sopra Banking Software and Sopra HR Software.

This amount is broken down as follows:

- 2013 CICE: €8,081k;
- 2014 CICE: €21,772k, of which €21,242k was financed in 2014. The remaining €530k recognised under *Other receivables* will be received in the first quarter of 2015.

The CICE is used in accordance with regulations in force (Article 244 *quater* of the French General Tax Code).

4.4. Financial income and expenses

(in thousands of euros)	2014	2013
Dividends received from equity interests	15,826	6,039
Interest on bank borrowings and similar charges	-18,692	-4,466
Interest on employee profit sharing	-1,530	-1,813
Discounting of the pension provision	-1,218	-1,019
Interest received and paid on group current accounts	3,298	2,520
Positive and negative foreign exchange impact (including provision)	-11,118	31
Impairment of equity interests	-574	-
Other charges to and reversals of financial provisions	-33	-
Other financial income and expenses	-1,126	46
Merger deficit	-21,275	-
FINANCIAL ITEMS	**-36,442**	**1,338**

The detail of dividends received is listed in the table of subsidiaries and associated entities (see Note 5.11).

The merger deficit relates to the absorption of Groupe Steria.

The foreign exchange impact mainly arises from sterling borrowing facilities (transferred from Groupe Steria and newly taken out). Sterling appreciated against the euro by approximately 6.5% in 2014.

4.5. Exceptional income and expenses

(in thousands of euros)	Expenses	Income
Disposal of property, plant and equipment	1,140	25
Disposal of financial investments	84,395	84,592
Discontinued intangible assets	15,665	-
Provision for taxes	4,459	875
Sopra Group GmbH debt forgiven	6,000	-
Restructuring costs:		
■ Actual expenses/income for the year	15,404	1,575
■ Additions/reversals of provisions	4,082	-
Expenses related to vacant premises		
■ Actual expenses/income for the year	1,611	-
■ Additions/reversals of provisions	294	1,227
Provision for commercial disputes	8,900	743
Provision for future hardware lease obligations on projects discontinued during the year	2,415	-
Losses on contracts	7,625	8,000
URSSAF (social charges) inspection	3,185	-
Other	2,158	-
EXCEPTIONAL ITEMS	**157,333**	**97,037**

4.6. Compulsory employee profit-sharing

The amount of legally prescribed employee profit sharing was nil in 2014 because a tax loss was reported.

4.7. Voluntary employee profit-sharing

Voluntary profit-sharing for 2014 was provisioned in the amount of €1.867 million.

4.8. Corporate income tax

4.8.1. TAX CONSOLIDATION

Since 2013, Sopra Steria Group and its subsidiaries Sopra Banking Software and Sopra HR Software have opted to file as a tax consolidation group. Each of the companies computes and recognises its own income tax charge as if it were taxed separately. Any tax savings that may result from this method benefit the parent company, Sopra Steria Group.

Sopra Steria Group recognised a tax saving of (+) €671k in 2014 as a result of tax consolidation adjustments.

4.8.2. R&D TAX CREDIT

Sopra Steria Group recognised an R&D tax credit of €18.524 million in 2014.

4.8.3. BREAKDOWN OF TAX BETWEEN RECURRING AND EXCEPTIONAL OPERATIONS

Corporate income tax is broken down as follows:

(in thousands of euros)	2014	2013
Tax on recurring operations	800	13,615
Tax on exceptional operations	-	74
Tax related to tax consolidation	-671	-3,996
Tax charge from reassessment	100	545
R&D tax credit	-18,524	-4,668
Other tax credits	-383	-257
TOTAL	**-18,678**	**5,313**

Tax on recurring operations includes the 3% contribution on distributed income (€780k).

4.8.4. DEFERRED AND UNREALISED TAX ITEMS

	Basis								
	At 01/01/2014		Change in scope		Change		Partial transfers of assets	At 31/12/2014	
(in thousands of euros)	Assets	Liabilities	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	4,040	-	-	-	-4,040	-	-	-	-
■ organic tax	1,406	-	1,000	-	-10	-	-	2,396	-
To be deducted thereafter									
■ provision for post-employment benefits	30,184	-	17,125	-	6,900	-	-8,221	45,988	-
■ other	-	-	6,654	-	-5,213	-	-58	1,383	-
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									
■ foreign currency translation losses	-	983	-	4,644		-639	-	-	4,988
■ foreign currency translation gains	1	-	12	-	3,209	-	-	3,222	-
■ deferred charges	-	-	-	-	-	-	-	-	-
TOTAL	**35,631**	**983**	**24,791**	**4,644**	**-3,350**	**-639**	**-6,399**	**50,673**	**4,988**
II. ITEMS TO BE OFFSET									
Losses that may be carried forward for tax offset	-	-	101,687	-	166,303	-	-	267,990	-
Long-term capital losses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
III. CONTINGENT TAX ITEMS									
Capital gains on non-depreciable assets contributed on merger	-	47,658	-	-	-	-	-	-	47,658
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 interests	1,471	1,471	-
Other financial investments	63,083	8,871	54,212
Current assets			
Doubtful debts and disputes	218	-	218
Other trade receivables	440,726	440,238	488
Staff costs and related accounts	542	542	-
Social security	126	126	-
State and local authorities			
■ Corporate income tax	7,352	7,352	-
■ VAT	18,342	18,342	-
■ Other tax	57,058	57,058	-
Group and associates	24,127	24,127	-
Other receivables	7,574	7,574	-
Prepaid expenses	9,852	9,789	63
TOTAL	**630,471**	**575,490**	**54,981**

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	223,425	223,425	-	-
More than 2 years at origin	434,805	30,271	404,534	-
Bond	180,000	-	180,000	-
Other financial debt	23,203	4,100	19,024	79
Trade payables	97,911	97,911	-	-
Staff costs and related payables	106,995	106,995	-	-
Social security	109,519	109,519	-	-
■ State and local authorities				
■ Corporate income tax	-	-	-	-
■ VAT	104,746	104,746	-	-
Other tax	4,463	4,463	-	-
Liabilities in respect of fixed assets	5,104	5,104	-	-
Group and associates	124,883	124,883	-	-
Other liabilities	18,278	18,278	-	-
Deferred income	75,646	75,646	-	-
TOTAL	**1,508,978**	**905,341**	**603,558**	**79**

5.2. Information concerning related parties

(in thousands of euros)	Related parties
ASSETS	
Advances and payments on account for fixed assets	-
Equity interests	1,035,296
Receivables related to equity interests	-
Loans	56,197
Trade receivables	29,254
Other receivables	24,127
Translation adjustments – Asset	1,484
LIABILITIES	
Convertible bonds	-
Other bonds	-
Bank debt	-
Other financial debt	-
Liabilities in respect of fixed assets	-
Trade accounts payable	18,067
Other liabilities	124,883
Translation adjustments – Liability	2,981
INCOME STATEMENT	
Income from equity interests	15,826
Other financial income	9,086
Financial expenses	3,167

5.3. Transactions with equity-accounted associates and non-consolidated entities

(in thousands of euros)	31/12/2014
Transactions between Sopra Steria Group and the Axway group	
Sales of goods and services	3,391
Purchases of goods and services	-477
Operating receivables	58
Operating payables	-105
Financial income	-
Financial receivables (current account)	-
Transactions between Sopra Steria Group and holding company Sopra GMT	
Sales of goods and services	28
Purchases of goods and services	-811
Operating receivables	-
Operating payables	-19
Financial income	-
Financial receivables (current account)	-

5.4. Information on finance leases

5.4.1. ASSETS HELD UNDER FINANCE LEASES

(in thousands of euros)	Original value	Depreciation charge for the period	Depreciation charge accumulated	Net value
IT equipment	23,258	4,726	12,371	10,887

5.4.2. FINANCE LEASE COMMITMENTS

(in thousands of euros)	Actual lease payments		Lease payments remaining			Residual purchase price
	for the period	accumulated	less than one year	1 to 5 years	Total payable	
IT equipment	4,660	13,435	4,306	6,107	10,413	193

5.5. Off balance sheet commitments

5.5.1. OFF BALANCE SHEET COMMITMENTS

(in thousands of euros)	31/12/2014
Commitments given	
Endorsements and bank guarantees	34,790
Counter-guarantee on non-bank guarantees covering contracts*	433,752
Bank counter-guarantee	18,085
Individual legal right to training	7,568
Nominal value of future real estate operating lease payments	198,565
Nominal value of future equipment operating lease payments	1,885
Nominal value of future finance lease payments	10,606
Foreign exchange hedge	10,771
Interest rate hedge	315,839
TOTAL COMMITMENTS GIVEN	**1,031,861**

* *With respect to the information technology service contracts it enters into with its clients, the group may, following formal requests by its clients, provide parent company guarantees to its subsidiaries in respect of the performance of their obligations under the contracts signed directly with their clients.*
To date, no use has ever been made of any such guarantee.

(in thousands of euros)	31/12/2014
Commitments received	
Endorsements and other bank guarantees	75,000
Cash facilities (overdrafts)	
■ authorised	116,500
■ utilised (balance sheet)	21,580
■ not utilised (off balance sheet)	94,920
Medium-term loan	
■ authorised	1,202,709
■ utilised (balance sheet)	434,805
■ not utilised (off balance sheet)	767,904
Foreign exchange hedge	10,771
Interest rate hedge	315,839
TOTAL COMMITMENTS RECEIVED	**1,264,434**

Other off balance sheet commitments

As part of a cash pooling arrangement set up in 2012 between Steria entities and BMG (Bank Mendes Gans), the Company acts as guarantor for the amounts borrowed by its subsidiaries. The Company has also received a bank guarantee of €75 million from the bank ING, parent company of BMG.

Sopra Steria Group also acts as guarantor for the amount of the contribution payable by its UK subsidiaries in respect of pension plans in the event that those subsidiaries should default. Similarly, it acts as guarantor for the put option granted to the UK Cabinet Office to acquire the 25% not yet held in SSCL, in the event that the Sopra Steria Ltd subsidiary should default.

5.5.2. INDIVIDUAL TRAINING RIGHTS (DIF)

In 2014, 208,383 DIF hours were acquired and 71,290 used.

At 31 December 2014, there was a cumulative balance of 769,033 unused training hours.

The minimum DIF obligation is €7,568k.

5.6. Retirement benefit obligations

5.6.1. AMOUNTS RECOGNISED IN THE BALANCE SHEET

(in thousands of euros)	31/12/2014
Present value of the obligation financed including the corridor	80,155
Fair value of plan assets	-
Difference	-
Present value of the obligation financed	80,155
Unrecognised actuarial losses (difference)	-23,952
Intra-Group transfers & partial transfers of assets	-8,221
Unrecognised past service cost	-1,995
Net liabilities on the balance sheet (provision after charge for the year)	45,987
Balance sheet amounts	-
Liabilities	45,987
Assets	-
NET OBLIGATION IN THE BALANCE SHEET	**45,987**

The liability transferred from Groupe Steria and Steria was €13,487k at 31 December 2014.

5.6.2. AMOUNTS RECOGNISED IN THE INCOME STATEMENT

(in thousands of euros)	31/12/2014
Current service cost	5,587
Interest cost on obligation	1,992
Net actuarial losses recognised for the period	569
Past service cost	220
Losses (gains) on curtailments and settlements	-
Total recognised under "Operating charges"	**8,368**
Actual return on plan assets	
Net liability at the beginning of the period (with corridor)	**47,301**
Net expense recognised in the income statement	6,906
Contributions	-
Intra-Group transfers & partial transfers of assets	-8,221
NET LIABILITY AT THE END OF THE PERIOD	**45,986**

The calculation assumptions for this obligation were as follows:

- each employee is entitled to retirement benefits;
- the amount payable is calculated as set out in the collective bargaining agreement covering the Company;
- voluntary retirement age: 65;
- salary increase rate: 2%;
- discount rate: 1.59%.

5.7. Accrued income and expenses

(in thousands of euros)	
ACCRUED INCOME	
Trade accounts payable – Credit notes to be received	1,575
Trade accounts receivable	117,151
Tax and social charge receivables	204
Other receivables	225
Cash and cash equivalents	297
TOTAL	**119,452**
ACCRUED EXPENSES	
Accrued interest on financial debt	4,692
Trade accounts payable	39,013
Trade accounts receivable – Credit notes to be issued	8,045
Tax and social charge payables	134,448
Other liabilities	320
TOTAL	**186,518**

5.8. Workforce

The average workforce for 2014 comprised 15,213 employees, including 14,192 management staff.

The workforce at 31 December 2014 comprised 13,266 employees.

5.9. Exceptional events and legal disputes

There were employee and contractual risks and disputes at the balance sheet date that are not provisioned in the balance sheet because they constitute contingent liabilities.

Furthermore, there are no exceptional events or legal disputes that may have a material effect on the Company's financial position, revenue, business assets or net profit.

5.10. Post balance sheet events

5.10.1. PLANNED ACQUISITION OF CIMPA SAS

On 19 March 2015, Sopra Steria announced plans to acquire CIMPA SAS, an Airbus subsidiary specialising in Product Lifecycle Management (PLM). The completion of this proposed acquisition would strengthen the partnership links between the two groups.

In 2014, CIMPA's revenue was about €100 million and it had 950 employees in Europe.

If the proposed acquisition were to be completed, which is subject to the usual conditions precedent, CIMPA would be included in the Sopra Steria group's scope of consolidation during the second half of 2015.

5.10.2. TERMINATION OF THE TERMS OF OFFICE OF FRANÇOIS ENAUD

At its meeting on 17 March 2015, the Board of Directors of Sopra Steria Group, after taking into account the recommendations of the Nomination, Ethics and Governance Committee and the Compensation Committee, authorised a settlement *(transaction)* to be entered into with François Enaud following his removal as Chief Executive Officer.

The provisions of the settlement included the payment of a final and comprehensive lump sum settlement payment *(indemnité transactionnelle)*, a non-compete payment and the removal of the continued employment requirement in relation to free performance shares.

For good governance and transparency reasons, this settlement was submitted to the Board of Directors for general authorisation under the terms of Article L. 225-38 and, where applicable, Article L. 225-42-1 of the French Commercial Code, even though they do not formally apply to it.

The Board of Directors, after checking that the applicable performance conditions applied by it had been met – namely the completion of the mergers of Sopra Steria Group, Groupe Steria and Steria by 31 December 2014 and the achievement of more than 50% of variable compensation targets for the previous two years, authorised the payment of the aforementioned amounts.

Since the settlement does not constitute predefined severance pay, it does not formally fall within the scope of the AFEP-MEDEF corporate governance code recommending that predefined severance pay be limited to two years' fixed and variable compensation. However, the amounts paid out under the settlement are, in particular, justified by the highly specific situation of François Enaud, who played a decisive role in the formation of Steria, which he joined more than 30 years ago and managed for 17 years, and by his active involvement in the organisation of the new Sopra Steria combined group.

The settlement will be presented to shareholders in a specific resolution at the General Meeting.

The cost of the settlement is estimated at €2.8 million.

5.11. List of subsidiaries and other equity interests at 31 December 2014

Company *(in thousands of euros)*	Share capital	Other shareholders' equity	% of capital held	Carrying amount of shares held		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
				Gross	Net					
Subsidiaries										
Sopra Banking Software (France)	16,187	141,698	*100.00%*	154,442	154,442	4,595	2,040	143,416	-9,890	-
Sopra HR Software (France)	6,555	14,675	*100.00%*	3,171	3,171	-	-	95,173	2,782	-
Steria Holding Ltd (United Kingdom)	22,908	239,257	*100.00%*	82,105	82,105	-	-	-	-842	-
Sopra Belux (Belgium)	2,138	-726	*100.00%*	3,052	3,052	1,542	-	18,465	609	-
Sopra Luxembourg	100	534	*100.00%*	100	100	-	-	1,459	238	120
Valoris Luxembourg	894	-2,367	*100.00%*	1,154	-	-	-	-	3	-
Sopra Group GmbH (Germany)	1,200	382	*100.00%*	11,485	6,000	2,630	558	13,977	-1,812	-
Sopra Informatique (Switzerland)	83	4,424	*100.00%*	58	58	271,569	-	12,283	1,440	1,637
Sopra Group SpA (Italy)	3,660	-327	*100.00%*	12,503	12,503	9,782	5,000	44,087	-608	-
Sopra Group Informatica SAU (Spain)	24,000	40,525	*100.00%*	116,748	103,260	-	-	117,947	4,227	1,980
Sopra India Private Ltd (India)	226	16,896	*100.00%*	5,366	5,366	-	-	28,004	4,529	-
Beamap (France)	10	1,462	*100.00%*	2,775	2,775	-	-	2,384	555	-
U Services (France)	116	-39	*100.00%*	205	77	-	-	-	-	-
Diamis (France)	3,235	843	*40.00%*	1,294	1,294	-	-	6,621	126	178
Steria AB (Sweden)	745	344	*100.00%*	9,663	5,666	-	-	14,859	532	-
Steria Schweiz AG (Switzerland)	2,745	3,399	*99.00%*	12,002	12,002	-	4,575	31,536	2,027	2,096
Steria A/S (Denmark)	2,418	558	*100.00%*	9,531	9,036	-	991	25,883	558	-
Steria Benelux (Belgium)	7,000	4,369	*99.99%*	17,502	17,502	-		36,129	3,670	650
Steria AS (Norway)	2,212	6,864	*100.00%*	4,303	4,303	-	10,506	156	3,936	5,019
Steria Mummert Consulting AG (Germany)	10,000	-4,240	*100.00%*	156,668	156,668	-	20,000	-	-10,759	-
Steria Asia Sa (Singapore)	1,245	3,235	*100.00%*	1,190	1,190	-	7,358	5,975	1,126	462
Sopra Steria Infrastructure & Security Services (France)	14,616	-34	*100.00%*	14,616	14,616	5,000	-	-	-34	-
Stepar (France)	950	-60	*100.00%*	1,141	877	-	-	-	13	-
Steria Medshore SAS (Morocco)	639	82	*100.00%*	2,688	1,992	180	-	2,655	143	-
Steria Polska Sp. Z o.o. (Poland)	4,314	1,687	*100.00%*	10,800	10,800	-	118	21,386	1,310	-
Steria UK Corporate Ltd (United Kingdom)	21,390	67,050	*100.00%*	389,600	389,600	4,524	-	-	-1,118	-
EQUITY INTERESTS										
Intest SA (France)	300	534	*19.00%*	58	58	-	-	5,388	190	15
Axway Software	41,136	257,374	*25.47%*	35,854	35,854	-	-	261,590	26,486	2,107

Figures in local currency have been converted at the period-end exchange rate.

5.12. Summary of results for the last five financial years

(in thousands of euros)	2014	2013	2012	2011	2010
Financial position of the group at the year-end					
Share capital	20,372	11,920	11,893	11,893	47,416
Number of shares issued	20,372	11,920	11,893	11,893	11,854
Number of bonds convertible into shares	-	-	-	-	-
Results of operations for the year					
Revenue excluding VAT	1,447,462	853,281	819,228	850,278	770,733
Profit before tax, depreciation, amortisation and provisions	-108,916	56,399	32,010	236,532	46,353
Corporate income tax	-18,678	5,313	8,406	21,143	13,046
Profit after tax, depreciation, amortisation and provisions	-118,714	40,947	34,841	173,288	42,558
Amount of profit distributed as dividends	38,706	22,647	20,219	22,598	9,483
Earnings per share					
Profit after tax but before depreciation, amortisation and provisions	-4.43	4.29	1.98	18.11	2.81
Profit after tax, depreciation, amortisation and provisions	-5.83	3.44	2.93	14.57	3.59
Dividend paid per share	1.90	1.90	1.70	1.90	0.80
Employee data					
Number of employees	15,213	8,901	8,395	8,654	7,843
Total payroll	699,464	382,987	358,743	363,402	328,768
Social and social benefit charges paid (social security, social bodies, etc.)	309,484	170,862	167,008	169,288	150,926

5.13. Sopra Steria Group 2014 pro forma financial statements

The financial statements below are presented on a pre-merger basis.

PRO FORMA BALANCE SHEET

ASSETS *(in thousands of euros)*	2014 pro forma	2013
Intangible assets	82,269	83,112
Property, plant and equipment	29,896	27,070
Financial investments	1,039,848	369,609
Non-current assets	**1,152,013**	**479,791**
Stocks and work in progress	21	17
Trade accounts receivable	318,605	259,947
Other receivables, prepayments and accrued income	355,826	88,920
Cash and cash equivalents	1,978	33,029
Current assets	**676,430**	**381,913**
TOTAL ASSETS	**1,828,443**	**861,704**

LIABILITIES AND EQUITY *(in thousands of euros)*	**2014 pro forma**	**2013**
Share capital	20,372	11,920
Premiums	646,199	2,291
Reserves	202,260	184,068
Net profit for the year	19,690	40,946
Equity	**888,521**	**239,225**
Provisions	**44,592**	**37,845**
Financial debt	479,050	217,630
Trade payables	58,645	43,896
Tax and social charge payables	227,412	213,001
Other liabilities, accruals and deferred income	130,223	110,107
Liabilities	**895,330**	**584,634**
TOTAL LIABILITIES AND EQUITY	**1,828,443**	**861,704**

PRO FORMA INCOME STATEMENT

(in thousands of euros)	**2014 pro forma**	**2013**
Net revenue	896,761	853,281
Other operating income	8,410	7,604
Operating income	**905,171**	**860,885**
Purchases consumed	4,601	5,192
Staff costs	590,233	553,849
Other operating expenses	247,141	217,571
Taxes and duties	25,109	23,945
Depreciation, amortisation, provisions and impairment	9,317	8,798
Operating expenses	**876,401**	**809,355**
Operating profit	**28,770**	**51,530**
Financial income and expenses	-4,190	1,338
Pre-tax profit on ordinary activities	**24,580**	**52,868**
Exceptional income and expenses	-10,558	-1,446
Employee profit-sharing and incentive schemes	-1,942	-5,163
Corporate income tax	7,610	-5,313
NET PROFIT	**19,690**	**40,946**

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 2014 on:

- the audit of the accompanying individual financial statements of Sopra Steria Group;
- the justification of our assessments;
- the specific verifications and information 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 that the 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 individual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of material accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 2014 and of the results of its operations for the financial year then ended, in accordance with French accounting principles.

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 Steria Group 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 Notes 2.8, 3.4.1 and 5.6 to the individual 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;
- during the financial year under review, a merger took place between your Company and Groupe Steria SCA, which culminated in the merger by absorption of Groupe Steria SCA into your Company, as described in Note 1.1. As such, we verified the appropriateness of the accounting treatment applied and the information provided regarding this matter in Note 1.1.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – SPECIFIC VERIFICATIONS AND DISCLOSURES

We have also performed the other specific verifications 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 those financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest to the accuracy and fair presentation of that 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, 27 April 2015

The Statutory Auditors

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

Statutory Auditors' special report on regulated agreements and commitments

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby submit to you 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.

Where applicable, it is also our responsibility to provide you with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the shareholders at a 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 consisted in verifying that the information given to us was consistent with the underlying documents.

I. – AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL AT THE GENERAL MEETING

Agreements and commitments authorised during the year under review

Pursuant to Article L. 225-40 of the French Commercial Code, we hereby advise you that we have been informed of the following agreement which has been granted prior authorisation by your Board of Directors:

Settlement entered into with Pascal Leroy

At its meeting on 4 June 2014, your Company's Board of Directors authorised a settlement (transaction) with Pascal Leroy following his removal as Chief Executive Officer and the termination of his employment contract.

Included in the terms of this settlement are:

- a final and comprehensive lump-sum settlement payment *(indemnité transactionnelle)* to be made by your Company to Pascal Leroy in the gross amount of €252,147;
- an exemption to the requirement that Pascal Leroy still be with the Company in order to exercise the share subscription options granted to him by decision of the Board of Directors on 29 March 2011; the exemption applies to two-thirds of those options, i.e. 29,820 options which, if exercised, would entitle Pascal Leroy to an allotment of 29,820 shares in your Company and 28,000 Axway shares.

The settlement also provides for a non-compete obligation upon Pascal Leroy, valid until 31 December 2015, in return for gross consideration of €244,340.

The Company agrees in the settlement to cover a maximum of €22,500 in miscellaneous costs related to the termination of Pascal Leroy's employment contract. Pascal Leroy's health insurance policy at the Company is allowed, in the settlement, to remain in place for a maximum of twelve months following his departure from the staff.

Lastly, in the settlement your Company duly noted that Pascal Leroy was entitled to:

- payment of the compensation guaranteed to him within the terms of Article L. 225-42-1 of the French Commercial Code by decision of your Company's Board of Directors on 17 October 2012 in the event that his appointment as Chief Executive Officer and his contract of employment are terminated concurrently at your Company's initiative. The amount of this guaranteed compensation is €91,270;
- payment of contractual severance compensation *(indemnité conventionnelle)* in the amount of €162,803;
- payment of compensation in lieu of notice, effective from 15 May 2014, representing a total gross amount of €151,288, as well as the corresponding compensation in lieu of paid holiday.

Agreements and commitments authorised since the balance sheet date

We have been notified of the following agreements and commitments authorised since the closing balance sheet date of the financial year under review, which have been granted prior authorisation by your Board of Directors:

Provision of services contract with Eric Hayat Conseil

Person concerned: Eric Hayat, Chairman of Eric Hayat Conseil and member of your Company's Board of Directors

At its meeting held on 17 March 2015, your Board of Directors authorised your Company to sign a services agreement with Eric Hayat Conseil.

This agreement relates to the provision to senior management of advisory and assistance services, particularly in relation to strategic deals connected with business development, in return for compensation calculated on the basis of €2,500 (excluding taxes) per day.

This agreement was entered into for a term expiring on 31 December 2018.

Settlement entered into with François Enaud

At its meeting on 17 March 2015, your Company's Board of Directors authorised a settlement (transaction) with François Enaud following his removal as Chief Executive Officer.

Included in the terms of this settlement are:

- a final and comprehensive lump-sum settlement payment *(indemnité transactionnelle)* to be made by your Company to François Enaud in the amount of €1,442,272;
- the resignation by François Enaud from his duties as a director;
- an 18-month non-compete obligation upon François Enaud, in return for gross compensation of €700,000;
- the waiver of the continued employment requirement in respect of the 33,500 free performance shares allotted to him by Groupe Steria SCA, i.e. a maximum of 8,375 Sopra Steria Group shares, which are still in their vesting period, with the other initial conditions remaining applicable.

II. – AGREEMENTS AND COMMITMENTS ALREADY APPROVED AT A GENERAL MEETING

Agreements and commitments approved during previous years

a) Agreements and commitments approved during previous years that remained in force during the year

Tripartite framework agreements for assistance entered into between your Company, Sopra GMT (a shareholder in your Company) and Axway Software (an investee of your Company)

Under this agreement, Sopra GMT carried out services for your Company relating to strategic decision-making, coordination of the general policy between your Company 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.

This agreement has an unspecified term and will end, in the event of termination, with prior notice of 12 months.

The charging of services to Sopra Steria 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 2014 amounted to €783,244.

Agreements entered into by your Company and Axway Software, an investee of your Company

Agreement	Impact on Sopra Steria Group for 2014
Provision of premises located in Annecy and Puteaux	€2,395,116 income
Provision of IT resources	€24,944 income

Agreement entered into with Eric Hayat Conseil

Person concerned: Eric Hayat, Chairman of Eric Hayat Conseil and member of your Company's Board of Directors

Steria SA, a subsidiary of Groupe Steria SCA, entered into a services agreement with Eric Hayat Conseil. This agreement provides that Eric Hayat Conseil performs consulting services in the areas of strategy and the acquisition policy of the Area Unit France, and provides assistance in developing business with major customers, particularly in the public sector, services sector and telecoms, for Steria SA.

For the period from September to December 2014, your Company recognised an expense of €69,000 excluding taxes under this agreement.

This agreement, set to run for two years firm starting on 1 January 2013 and approved in a prior year by Groupe Steria SCA shareholders at their General Meeting, ended on 31 December 2014.

b) Agreements and commitments approved during previous years that were not executed during the year under review

Commitment made to François Enaud, Chief Executive Officer of your Company

In accordance with Article L. 225-42-1 of the French Commercial Code, Steria SCA had decided to allow François Enaud to benefit from compensation under certain conditions subject to performance criteria in the event of his termination. The payment of this compensation was subject to three performance criteria, assessed over the entire duration of François Enaud's term of office, relating to the change in revenue, the group's operating margin and diluted net earnings per share from ordinary activities. The amount of the compensation could not exceed two years' gross salary (fixed and variable).

This commitment, approved in a prior year by Groupe Steria SCA shareholders at their General Meeting, ended on 31 December 2014 and was without effect during the year under review.

Courbevoie and Paris, 27 April 2015

Auditeurs & Conseils Associés	Mazars
represented by	represented by
François Mahé	Christine Dubus

6 Sopra Steria Group and the stock market

1. General information

The group was listed on the Second Market of the Paris Bourse on 27 March 1990.

At 31 December 2014, Sopra Steria Group had share capital of €20,371,789 comprising 20,371,789 shares with a nominal value of €1.

Sopra Steria Group shares are listed on Compartment A of NYSE Euronext Paris and are eligible for the Deferred Settlement Service (SRD).

In accordance with the decision made at the Combined General Meeting of 27 June 2014 pursuant to Article L. 225-123 of the French Commercial Code arising from the Act of 29 March 2014, double voting rights were introduced on 7 July 2014. Shares held in registered form for more than two years carry double voting rights; all other shares carry single voting rights.

Sopra Steria Group's share capital increased significantly in 2014, rising from €11,919,583 at 31 December 2013 to €20,371,789 at 31 December 2014. This was mainly due to the issuance of 8,296,626 new shares allotted to the shareholders of Groupe Steria in connection with Sopra's successful public exchange offer for Steria followed by the merger of the two entities Groupe Steria and Sopra Steria Group on 31 December 2014.

2. Current ownership

Shareholders	At 31/12/2014						At 31/12/2013				At 31/12/2012			
	Shares	% of capital	Theoretical voting rights	% of theoretical voting rights	Votes	% voting rights	Shares and theoretical voting rights	% capital and theoretical voting rights	Votes	% voting rights	Shares and theoretical voting rights	% capital and theoretical voting rights	Votes	% voting rights
Founders and Sopra GMT	3,708,042	*18.2%*	7,415,561	*28.3%*	7,415,561	*28.3%*	3,708,042	*31.1%*	3,708,042	*31.1%*	3,721,519	*31.2%*	3,721,519	*31.2%*
o/w Sopra GMT (1)	3,334,409	*16.4%*	6,668,818	*25.4%*	6,668,818	*25.5%*	3,334,409	*28.0%*	3,334,409	*28.0%*	3,334,409	*28.0%*	3,334,409	*28.1%*
o/w Pasquier family	131,038	*0.6%*	261,553	*1.0%*	261,553	*1.0%*	131,038	*1.1%*	131,038	*1.1%*	144,515	*1.2%*	144,515	*1.2%*
o/w Odin family	242,595	*1.2%*	485,190	*1.9%*	485,190	*1.9%*	242,595	*2.0%*	242,595	*2.0%*	242,595	*2.0%*	242,595	*2.0%*
Management	511,720	*2.5%*	753,470	*2.9%*	753,470	*2.9%*	733,613	*6.2%*	733,613	*6.2%*	564,873	*4.7%*	564,873	*4.8%*
o/w Sopra Développement (2)	1	*0.0%*	1	*0.0%*	1	*0.0%*	210,177	*1.8%*	210,177	*1.8%*	210,177	*1.8%*	210,177	*1.8%*
o/w SEI (3)	258,828	*1.3%*	304,340	*1.2%*	304,340	*1.2%*	258,828	*2.2%*	258,828	*2.2%*	90,002	*0.8%*	90,002	*0.8%*
o/w managers (4)	252,891	*1.2%*	449,129	*1.7%*	449,129	*1.7%*	264,608	*2.2%*	264,608	*2.2%*	264,694	*2.2%*	264,694	*2.2%*
Agreement between Sopra GMT, Pasquier and Odin families, and management	**4,219,762**	**20.7%**	**8,169,031**	**31.2%**	**8,169,031**	**31.2%**	**4,441,655**	**37.3%**	**4,441,655**	**37.3%**	**4,286,392**	**36.0%**	**4,286,392**	**36.1%**
Geninfo (Groupe SG) (5)	1,434,700	*7.0%*	2,869,400	*10.9%*	2,869,400	*11.0%*	1,434,700	*12.0%*	1,434,700	*12.0%*	1,434,700	*12.1%*	1,434,700	*12.1%*
Agreement between Sopra GMT, Pasquier and Odin families, and Geninfo	*5,142,742*	*25.2%*	*10,284,961*	*39.2%*	*10,284,961*	*39.3%*	*5,142,742*	*43.1%*	*5,142,742*	*43.2%*	*5,156,219*	*43.4%*	*5,156,219*	*43.4%*
Soderi	1	*0.0%*	1	*0.0%*	1	*0.0%*								
Total agreements	**5,654,463**	**27.8%**	**11,038,432**	**42.1%**	**11,038,432**	**42.1%**	**5,876,355**	**49.3%**	**5,876,355**	**49.3%**	**5,721,092**	**48.1%**	**5,721,092**	**48.1%**
Interests managed on behalf of employees	1,779,925	*8.7%*	1,838,544	*7.0%*	1,838,544	*7.0%*								
o/w mutual funds (FCPE) and SIP Trust (6)	1,441,904	*7.1%*	1,500,523	*5.7%*	1,500,523	*5.7%*								
o/w other UK trusts (7)	338,021	*1.7%*	338,021	*1.3%*	338,021	*1.3%*								
Caravelle (8)											2,057,967	*17.3%*	2,057,967	*17.3%*
Free float	12,920,253	*63.4%*	13,323,202	*50.8%*	13,323,202	*50.9%*	6,039,028	*50.7%*	6,039,028	*50.7%*	4,106,827	*34.5%*	4,106,827	*34.6%*
Treasury shares	17,148	*0.1%*	17,148	*0.1%*	0	*0.0%*	4,200	*0.0%*			7,600	*0.1%*		
TOTAL	**20,371,789**	***100.0%***	**26,217,326**	***100.0%***	**26,200,178**	***100.0%***	**11,919,583**	**100.0%**	**11,915,383**	***100.0%***	**11,893,486**	***100.0%***	**11,885,886**	***100.0%***

(1) Sopra GMT, a French société anonyme, is a holding company for Sopra Group and Axway. It holds shares in Sopra Group and Axway.

(2) Sopra Développement is a company formed by a group of senior managers whose corporate purpose is to hold shares in Sopra Group and Axway.

(3) SEI Sopra Executive Investments is a company formed by a group of senior managers whose corporate purpose is to hold shares in Sopra Group.

(4) These are the managers or former managers who signed the shareholders' agreement with Sopra GMT, the Pasquier and Odin families, SEI and Sopra Développement.

(5) Geninfo is a holding company wholly-owned by the Société Générale group. It acquired a holding in Sopra Group in 1996 through a share exchange when Sopra Group acquired SG2, the Systems Integration division of Société Générale.

(6) SIP Trust is a UK trust that manages shares purchased by employees under a Share Incentive Plan.

(7) The other UK trusts are trusts whose assets are held for the purpose of promoting employee share ownership.

(8) Caravelle is a diversified holding company that withdrew from Sopra Group's share capital on 1 October 2013.

On the basis of the most recent data in the Company's possession, the total number of Sopra Steria Group shareholders can be estimated at between 20,000 and 25,000.

Sopra GMT's ownership structure is as follows:

Sopra GMT ownership structure	**31/12/2014**		**31/12/2013**		**31/12/2012**	
Shareholders	**Shares**	**% of capital**	**Shares**	**% of capital**	**Shares**	**% of capital**
Pierre Pasquier family group	318,050	*68.95%*	318,050	*67.31%*	318,050	*67.31%*
François Odin family group	132,050	*28.63%*	132,050	*27.95%*	132,050	*27.95%*
Sopra management	11,174	*2.42%*	22,435	*4.74%*	22,435	*4.74%*
TOTAL	**461,274**	***100.00%***	**472,535**	***100.00%***	**472,535**	***100.00%***

3. Employee share ownership

At 31 December 2014, employees of the Company and of related companies within the meaning of Article L. 225-180 of the French Commercial Code held a total of 1,330,720 Sopra Steria Group shares under Sopra and Steria employee savings plans, representing 6.5% of the share capital and 5.1% of voting rights.

This significant increase in employee share ownership is a result of the 2014 merger with Groupe Steria and the tendering by the FCPE Groupe Steriactions mutual fund of all of its Groupe Steria shares to the public exchange offer.

Groupe Steria had a high level of employee share ownership grouped together within Soderi. Astrid Anciaux, Chairman of the Supervisory Board of the FCPE Groupe Steriactions, is a director of Sopra Steria Group.

Furthermore, the interests managed on behalf of employees, including FCPE mutual funds, SIP Trust, which manages shares purchased by employees under a Share Incentive Plan in the United Kingdom and India, and other UK trusts whose assets are held for the purpose of promoting employee share ownership, represented 8.7% of the share capital at 31 December 2014.

4. Voting rights

In accordance with the decision made at the Combined General Meeting of 27 June 2014 pursuant to Article L. 225-123 of the French Commercial Code arising from the Act of 29 March 2014, double voting rights were introduced on 7 July 2014 for all fully paid-up shares held in registered form in the same shareholder's name for at least two years.

The total number of voting rights that could be exercised at Ordinary and Extraordinary General Meetings at 31 December 2014 was 26,200,178, while the total number of theoretical voting rights at that date was 26,217,326.

5. Threshold crossings

In 2014, the following crossings of statutory shareholding thresholds were declared to and published by the *Autorité des marchés financiers*:

Date at which threshold(s) crossed	AMF declaration no.	Shareholder(s) having crossed the threshold(s)	Crossing of threshold(s) in capital	Crossing of threshold(s) in voting rights	Type	Number of shares	% of capital held	Number of voting rights	% of voting rights held
07/07/2014	214C1429	FMR LLC		5%	Decrease	621,000	5.21%	621,000	3.48%
07/07/2014		Sopra GMT		30% and one-third	Increase	3,334,409	27.95%	6,656,468	37.31%
07/07/2014		Sopra GMT, Odin and Pasquier in concert		One-third	Increase	3,708,042	31.08%	7,403,211	41.50%
07/07/2014		Geninfo		15%	Increase	1,434,700	12.03%	2,869,400	16.08%
07/07/2014		Sopra GMT, Odin, Pasquier and Geninfo in concert		50%	Increase	5,142,742	43.11%	10,272,611	57.58%
07/07/2014	214C1434	Total in concert		50%	Increase	5,875,377	49.25%	11,421,074	64.02%
06/08/2014	214C1429	FMR LLC	5%		Decrease	690,110	3.72%	690,110	2.82%
06/08/2014		Sopra GMT	25% and 20%	One-third and 30%	Decrease	3,334,409	27.95%	6,656,468	37.31%
06/08/2014		Sopra GMT, Odin and Pasquier in concert	30% and 25%	One-third	Decrease	3,708,042	31.08%	7,403,211	41.50%
06/08/2014		Sopra GMT, Odin, Pasquier and management in concert	One-third, 30% and 25%		Decrease	4,440,677	23.95%	8,551,674	34.98%
06/08/2014		Geninfo	10%	15%	Decrease	1,434,700	7.74%	2,869,400	11.74%
06/08/2014		Sopra GMT, Odin, Pasquier and Geninfo in concert	One-third and 30%	50%	Decrease	5,142,742	27.74%	10,272,611	42.01%
06/08/2014	214C1434	Total in concert	One-third	50%	Decrease	5,875,377	31.69%	11,421,074	46.71%
06/08/2014	214C1741	FCPE Groupe Steriactions	5%	5%	Increase	1,326,311	7.15%	1,326,311	5.42%
12/09/2014	214C1949	Sopra GMT, Odin and Pasquier in concert	20%	30%	Decrease	3,708,042	19.07%	7,403,211	29.20%
31/10/2014	214C2516	Total in concert	30%		Decrease	5,837,378	29.82%	11,218,410	44.30%
15/12/2014	214C2661	FCPE Groupe Steriactions		5%	Decrease	1,197,506	6.12%	1,197,506	4.73%

6. Shareholders' agreements

6.1. Agreement between Sopra GMT, Pierre Pasquier, François Odin and Geninfo

A shareholders' agreement constituting an action in concert was signed on 4 July 2000 between Sopra GMT, Pierre Pasquier and François Odin on the one hand and Geninfo (Société Générale group) on the other.

This agreement came into effect on 7 July 2000 for an initial period expiring on 30 June 2001. It is automatically renewable for subsequent terms of two years.

Under the terms of this agreement:

- Geninfo is entitled to hold two seats on the Board of Directors of Sopra Steria Group as long as it has a direct or indirect stake in Sopra Steria 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 event of a proposed sale of Sopra Steria Group shares to a third party, each party has the obligation to inform the other party. In the event of the sale of one or more blocks of shares by Geninfo (defined as a sale for an amount greater than or equal to either 5% of Sopra Steria Group's market capitalisation or €7.5 million) to a competitor, Sopra Steria Group's founders (Sopra GMT and the François Odin and Pierre Pasquier family groups) 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 Steria 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 Steria 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.

6.2. Agreement between Sopra GMT, the Pasquier and Odin families and 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 Steria 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 Steria 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 Steria 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 Steria 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 Steria 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 and right of fourth refusal for Sopra Développement) or (ii) by Sopra Développement of Sopra Steria Group shares (right of first refusal for Sopra GMT, right of second refusal for the Pasquier family group and 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, or (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.

6.3. Agreement between Sopra GMT and Soderi

On 9 June 2014, Sopra GMT and Soderi entered into a shareholders' agreement under which they declare that they are acting in concert vis-à-vis Sopra Steria Group.

This shareholders' agreement was entered into for five (5) years with effect from the date of clearing and settlement of the Offer, and may be tacitly renewed for successive periods of three (3) years, unless terminated by either of the parties.

The shareholders' agreement mainly provides for the following undertakings:

- an undertaking by Sopra GMT not to exercise its double voting right at a General Meeting of Shareholders to approve a resolution not put forward or authorised by the Board of Directors;

- an undertaking by both parties not to propose at a General Meeting of Shareholders draft resolutions not authorised by the Board of Directors, unless a public tender offer for Sopra Steria Group is filed;
- an undertaking by Sopra GMT to confer with the representative of Soderi on the Board of Directors prior to any deliberation concerning certain foundational decisions (such as major deals affecting ownership, the group's activities or the annual presentation of the strategic plan to the Board of Directors).

The agreement also includes other stipulations, particularly concerning employee shareholding, with the aim of:

- encouraging employees to invest in the group's success through the most suitable mechanisms (investment and/or share ownership) to be discussed by the Board of Directors as and when the group's financial performance permits; and
- working to define a new vehicle to bring together employee shareholders in the new group.

7. Control

At 31 December 2014, the group of shareholders acting in concert through the agreements referenced above, within which Sopra GMT, the group's holding company, is the main shareholder, held 27.8% of the share capital and 42.1% of voting rights. For information, the average percentage voting rights attaching to shares held by shareholders present or represented at Sopra Steria Group General Meetings since 2010 is approximately 83%.

At 31 December 2014, the group of shareholders acting in concert held eight out of a total of sixteen seats on the Board of Directors: four directors representing Sopra GMT, including the Chairman of the Board of Directors, two representing Geninfo, one representing Soderi and one representing management. Furthermore, the Chairman of the Board of Directors has the casting vote in the event of a tie.

With the overall group of shareholders acting in concert, Sopra GMT thus has de facto control over the Company.

Various measures are nevertheless in place to govern the exercise of this control:

- the undertaking given by Sopra GMT under the shareholders' agreement with Soderi not to exercise the double voting right attaching to its Sopra Steria Group shares to approve resolutions not adopted or authorised by the Board of Directors of Sopra Steria Group;
- the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer;
- the adoption of the AFEP-MEDEF code as the Company's corporate governance code;
- the presence on the Board of Directors of five independent directors, one non-voting member meeting all the independence criteria laid down in the AFEP-MEDEF code and three directors from outside the group of shareholders acting in concert;
- the composition of the specialist committees, which include a majority of independent directors (Audit Committee/Compensation Committee) or, at the very least, directors from outside the group of shareholders acting in concert (Nomination, Ethics and Governance Committee);
- periodic assessment by the Board of Directors of its ability to meet the shareholders' expectations.

8. Share buyback programme

8.1. Implementation of the share buyback programme in 2014

This description of the implementation of the share buyback programme is given pursuant to Article L. 225-211 of the French Commercial Code.

Through Resolution 9 of the Combined General Meeting of 27 June 2014, the shareholders renewed the authorisation granted to the Board of Directors to buy back the Company's shares as set out in Article L. 225-209 of the French Commercial Code and the AMF's General Regulation, for an 18-month period expiring 27 December 2015.

During the year ended 31 December 2014, this share buyback programme was used solely for the purposes of the liquidity agreement entered into with Oddo Corporate Finance, in keeping with the AMAFI code of conduct approved by the AMF.

Between 1 January 2014 and 31 December 2014, Sopra Steria Group bought 259,824 shares at an average price of €74.11 and sold 251,549 shares at an average price of €73.74. These purchases and sales were made solely for the purposes of the liquidity agreement.

At 31 December 2014, Sopra Steria Group held 17,148 treasury shares, representing 0.1% of the share capital. The par value of these 17,148 shares was €17,148 (i.e. €1 per share).

Their gross book value (acquisition cost) at 31 December 2014 was €1,069,520.76 (i.e. €62.37 per share).

8.2. Description of the 2015 share buyback programme

8.2.1. LEGAL FRAMEWORK

This description is provided in accordance with the provisions of Articles 241-2 et seq. of the General Regulation of the French securities regulator (*Autorité des marchés financiers* – AMF) as well as European Regulation 2273/2003 of 22 December 2003.

This programme will be submitted for approval at the General Meeting of 25 June 2015.

a. Number of shares and share of capital held by the Company

At 30 March 2015, the Company's capital was made up of 20,371,789 shares.

At that date, the Company held 20,000 treasury shares, representing 0.1% of the share capital.

b. Breakdown by purpose of treasury shares held by the Company

At 30 March 2015, the 20,000 treasury shares held by the Company were allocated in full to the provision of market-making services by an investment services provider acting completely independently, namely Oddo Corporate Finance, under the terms of a liquidity agreement entered into in compliance with the code of conduct of AMAFI (the French association of financial market professionals) recognised by the AMF.

c. Objectives of the new share buyback programme

The objectives of the new share buyback programme to be submitted to shareholders at the General Meeting of 25 June 2015 will be:

- to obtain market-making services to be rendered by an investment services provider acting completely independently under the terms of a liquidity agreement entered into in compliance with the code of conduct of AMAFI (the French association of financial market professionals) recognised by the AMF;
- to award or sell shares in the Company to employees and/or company officers of the group, in order to cover share option plans and/or free share plans (or similar plans) for the benefit of group employees and/or company officers as well as all allotments of shares in connection with a company or group savings plan (or similar plan), in connection with company profit-sharing and/or all other forms of share allotment to the group's employees and/or company officers;
- to cede the shares in the Company, upon the exercise of the rights attaching 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;
- to implement any market practice that might be accepted by the AMF, and, more generally, to perform any operation that complies with regulations in force.

d. Maximum share of capital, maximum number and characteristics of capital stock: maximum share of company capital liable to be bought back and characteristics of capital stock

The maximum share of capital liable to be bought back is equal to 10% of Sopra Steria Group's existing capital at the time that the buyback programme is implemented.

The share capital is €20,371,789 divided into 20,371,789 shares, each with a par value of €1. On this basis, Sopra Steria Group would be authorised to acquire 10% of its share capital at most, i.e. 2,037,178 shares, not including shares already held.

This limit will be assessed on the date of the buybacks to take account of any capital increase or reduction operations that might occur during the programme period. The number of shares considered when calculating this limit corresponds to the number of shares purchased, less the number of shares resold during the programme period in connection with the liquidity objective.

e. Maximum purchase price

The maximum purchase price per share is €180 and the maximum number of shares that Sopra Steria Group may purchase under the buyback programme shall not exceed 2,017,178 (based on the share capital at 31 December 2014).

f. Buyback procedure details

The purchase, sale or transfer by the Company of its own shares may be conducted at any time (including during a public tender offer) and by any method, including over the counter, in blocks of shares or through the use of derivative financial instruments, on one or more occasions, in the proportions and during the periods determined at the discretion of the Board of Directors.

g. Length of buyback programme

The programme will run for 18 months as from approval of the resolution presented at the General Meeting of 25 June 2015, i.e. until 24 December 2016.

9. Changes in share capital

At 31 December 2014, Sopra Steria Group had share capital of €20,371,789 comprising 20,371,789 shares with a par value of €1 each. The following table shows changes in the share capital over the past five years:

Year	Description	Amount of capital post operation	Nominal value	Number of shares		Contributions	
				Created	Total	Nominal value	Premiums or reserves
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	None	€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
2014	Capital increase during the first phase of Sopra's public exchange offer for Steria	€18,531,485	€1	6,611,902	18,531,485	€6,611,902	€517,976,403
2014	Capital increase during the second phase of Sopra's public exchange offer for Steria	€19,429,720	€1	898,235	19,429,720	€898,235	€66,128,061
2014	Capital increase through the exercise of options	€19,456,285	€1	26,565	19,456,285	€26,565	€1,450,489
2014	Capital increase through the issuance of free shares for employees	€19,585,300	€1	129,015	19,585,300	€129,015	-€129,015
2014	Capital increase when Steria was absorbed into Sopra	€20,371,789	€1	786,489	20,371,789	€786,489	€58,941,611

10. Securities with an equity component – potential dilution

There are no other securities with an equity component other than those mentioned in Note 23 to the consolidated financial statements and Note 3.3 to the individual financial statements.

At 31 December 2014, if the maximum number of shares resulting from share subscription and/or purchase warrants and bonus performance shares had been issued, i.e. 253,678 shares, the resulting dilution would have been 1.25%.

11. Authorisations to issue securities granted to the Board of Directors at the General Meeting of 27 June 2014

11.1. 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)	27 June 2014, Resolution 11	26 months (August 2016)	Nominal amount of €300 million, if investment securities giving access to the share capital are to be issued	€4m	Not used
Capital increase (ordinary shares and investment securities giving access to the share capital) in the event of oversubscription	27 June 2014, Resolution 12	26 months (August 2016)	15% of the amount of the capital increase under Resolution 11	15% of the amount of the capital increase under Resolution 11	Not used
Capital increase through the capitalisation of reserves or the issue of new shares	27 June 2014, Resolution 13	26 months (August 2016)	All available reserves	All available reserves	Not used

11.2. 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)	27 June 2014, Resolution 14	26 months (August 2016)	Nominal amount of €300 million, if investment securities giving access to the share capital are to be issued	€4m	Not used
Capital increase (ordinary shares and investment securities giving access to the share capital) in the event of oversubscription	27 June 2014, Resolution 15	26 months (August 2016)	15% of the amount of the capital increase under Resolution 25, up to a maximum of €300m	15% of the amount of the capital increase under Resolution 14	Not used
Capital increase by way of an offering provided for under Article L. 411-2 of the French Monetary and Financial Code	27 June 2014, Resolution 16	26 months (August 2016)	Nominal amount of €300 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 securities tendered in the event of a public exchange offer or contributions in kind	27 June 2014, Resolution 17	26 months (August 2016)	Nominal amount of €300 million, if investment securities giving access to the share capital are to be issued	10% of the share capital	Not used
Increase in the share capital in consideration of securities tendered in a public exchange offer for shares issued by a company whose shares are admitted to trading on a regulated market	27 June 2014, Resolution 18	26 months (August 2016)		€10m	Issue of 7,510,137 new shares at €1 for the Steria public exchange offer
Issue of share subscription warrants to be granted to shareholders free of charge in the event of a tender offer (“Breton” warrants)	27 June 2014, Resolution 24	18 months (December 2015)	Nominal amount of €11,919,583	€11,919,583	Not used

11.3. 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	27 June 2014, Resolutions 20 and 21	26/08/2017	*5%* (1)	595,979 (1)	Not used
Warrants to purchase redeemable shares (BSAAR)	27 June 2014, Resolution 22	16/12/2015	*5%* (1)	595,979 (1)	Not used
Free shares (2)	19 June 2012, Resolution 32	NA	*NA*	NA	129,015 shares 15/10/2014 (3)
Free shares	27 June 2014, Resolution 22	26/08/2017	*5%* (1)	595,979 (1)	Not used

(1) This upper limit is cumulative for all issues reserved for employees and company officers.

(2) Resolution 22 adopted by the General Meeting on 27 June 2014 invalidated this resolution.

(3) 166,875 rights attaching to free shares were allocated to employees in 2012.

12. Information on transactions in securities by Directors or persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code

Pursuant to Article 223-26 of the AMF's General Regulation, transactions relating to Sopra Steria Group shares in 2014 and referred to in Article L. 621-18-2 of the French Monetary and Financial Code were as follows:

Category (1)	Name	Function	Transaction type (2)	Transaction date	Number of securities	Unit price	Transaction amount
a	Sopra Développement	Deputy CEO	D	31/10/2014	38,000	€61.359	€2,331,642
a	Sopra Développement (3)	Deputy CEO	D	3/11/2014	43,041	€59.904	€2,578,328
a	Sopra Développement	Deputy CEO	D	4/11/2014	22,252	€59.951	€1,334,030
a	Sopra Développement	Deputy CEO	D	7/11/2014	13,418	€60.138	€806,932
a	Sopra Développement	Deputy CEO	D	14/11/2014	3,303	€56.166	€185,516
a	Sopra Développement	Deputy CEO	D	17/11/2014	3,365	€56.743	€190,940
a	Sopra Développement	Deputy CEO	D	18/11/2014	21,233	€56.87	€1,207,521
a	Sopra Développement	Deputy CEO	D	19/11/2014	23,659	€56.549	€1,337,893
a	Sopra Développement	Deputy CEO	D	20/11/2014	16,055	€56.436	€906,080
a	Sopra Développement	Deputy CEO	D	21/11/2014	15,500	€56.956	€882,818
a	Sopra Développement	Deputy CEO	D	24/11/2014	10,351	€57.145	€591,508

(1) Category a: members of the Board of Directors and the Chief Executive Officer.

(2) Transaction type: A: Acquisition; D: Disposal; S: Subscription; E: Exchange; G: Gift; SO: exercise of stock options.

(3) Sopra Développement is a French société par actions simplifiée (simplified limited company/SAS) with variable capital controlled by several of the group's current and former senior managers and chaired by Pascal Leroy, Deputy CEO of Sopra Steria Group.

13. Information required by Act 2006-387 of 31 March 2006 relating to public acquisition offers

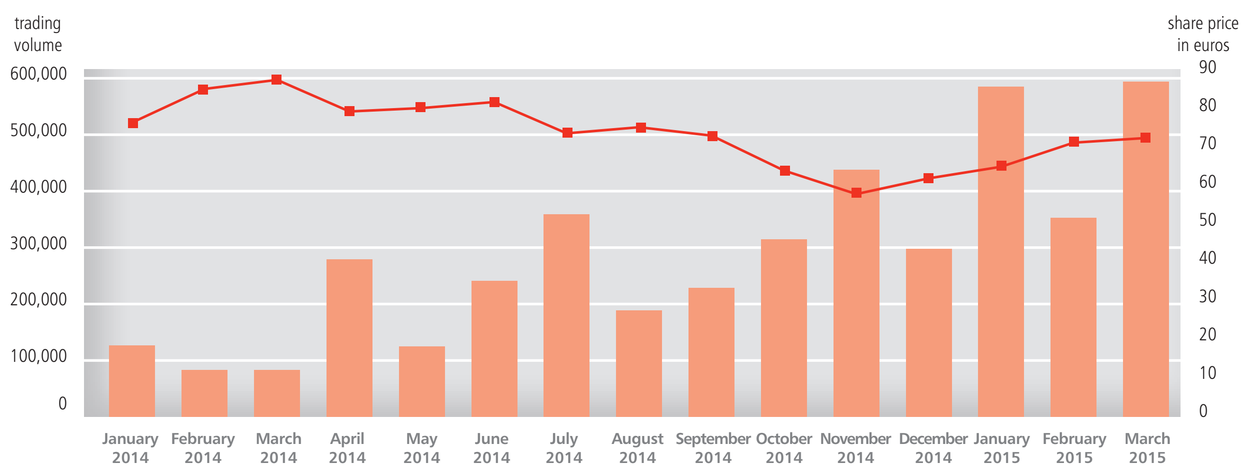
1. The Company's ownership structure is presented in Chapter 6, Section 2 of this Registration Document.
2. There are no restrictions in the Articles of Association:
   - on the exercise of voting rights; shares held in registered form for at least two years have double voting rights (Article 29 of the Articles of Association);
   - on transfers of shares: 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 other than those set out in Chapter 6, Section 6.

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 6, Section 2 of this Registration Document.
4. There are no holders of securities conferring 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 6, Sections 2 and 6 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 *"only shareholders voting at an Extraordinary General Meeting 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 at a General Meeting."*

   In addition, the Board of Directors was granted delegated authority at the Combined General Meeting of 27 June 2014 through Resolutions 10 to 24.
9. Agreements concluded by the Company that might be amended or cease to apply in the event of a change of control the Company mainly concern the syndicated loan agreement signed in July 2014 and the Euro PP bond issued by Groupe Steria in April 2013.
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 takeover bid, other than those stipulated in the related party agreements in the Statutory Auditors' special report on said agreements at the end of Chapter 5 of this Registration Document.

14. Monthly Sopra Group share prices and trading volumes on Euronext Paris



Source: NYSE Euronext Paris.

15. Share price performance

Month	Number of trading days	Price *(in euros)* High	Price *(in euros)* Low	Average closing price	Trading volumes Number of shares traded	Trading volumes Capital *(in millions of euros)*
January 2014	22	83.00	72.07	77.60	253,046	19.44
February 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
April 2014	18	88.16	73.49	80.53	557,150	43.81
May 2014	21	83.75	78.02	81.44	249,121	20.30
June 2014	21	87.50	79.00	83.04	481,718	40.04
July 2014	23	80.98	70.03	74.72	717,702	53.23
August 2014	21	81.25	72.26	76.34	376,176	28.85
September 2014	22	79.25	69.62	74.12	457,296	33.98
October 2014	23	73.00	59.50	64.84	628,379	40.17
November 2014	20	64.65	55.77	58.58	875,821	51.70
December 2014	21	67.25	57.96	62.76	594,872	37.29
January 2015	21	70.00	63.06	65.84	1,169,673	76.54
February 2015	20	78.50	68.65	72.24	705,763	51.24
March 2015	22	78.28	67.31	73.48	1,187,376	82.24

Source: NYSE Euronext Paris.

16. Dividend per share

Financial year	Number of shares bearing a dividend	Dividend per share
2010	11,853,945	€0.80
2011	11,893,486	€1.90
2012	11,893,486	€1.70
2013	11,919,583	€1.90
2014	20,371,789	€1.90*

* *Amount proposed at the General Meeting of 25 June 2015.*

Dividends not collected before the five-year prescription period expires are paid to the French state.

7 General Meeting of 25 June 2015

Agenda

Requiring approval at the Ordinary General Meeting

- Approval of the individual financial statements for the financial year ended 31 December 2014; approval of non-deductible expenses;
- Granting of final discharge to members of the Board of Directors;
- Approval of the consolidated financial statements for the financial year ended 31 December 2014;
- Appropriation of earnings and determination of the dividend;
- Approval of the service provision agreement entered into with Éric Hayat as an agreement covered by Article L. 225-38 of the French Commercial Code;
- Approval, in accordance with Article L. 225-42-1 of the French Commercial Code, of commitments entered into on behalf of Pascal Leroy;
- Approval, in accordance with Article L. 225-42-1 of the French Commercial Code, of commitments entered into on behalf of François Enaud;
- Approval of agreements governed by Article L. 225-38 et seq. of the French Commercial Code;
- Opinion on items of compensation due or attributed in respect of financial year 2014 to Pierre Pasquier;
- Opinion on items of compensation due or attributed in respect of financial year 2014 to Pascal Leroy;
- Opinion on items of compensation due or attributed in respect of financial year 2014 to François Enaud;
- Opinion on items of compensation due or attributed in respect of financial year 2014 to Vincent Paris;
- Ratification of the co-optation of Sylvie Rémond as a director for a term of three years;
- Ratification of the co-optation of Solfrid Skilbrigt as a director for a term of three years;
- Setting of directors' fees at €500,000;
- Authorisation granted to the Board of Directors to allow the Company to acquire its own shares under Article L. 225-209 of the French Commercial Code; applicable duration, purpose, terms and limits.

Requiring approval at the Extraordinary General Meeting

- Authorisation granted to the Board of Directors, for a period of 26 months, to retire any shares that the Company may have acquired under the terms of share repurchase programmes; to reduce the share capital accordingly; with all powers granted to the Board to carry out these measures;
- Delegation of authority to the Board of Directors, for a period of 18 months, 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; applicable terms and limits;
- Delegation of authority to the Board of Directors, for a period of 18 months, to issue share subscription warrants to be granted free of charge to shareholders in the event of a takeover bid; applicable terms and limits;
- Delegation of authority to the Board of Directors, for a period of 26 months, to carry out capital increases, without pre-emptive subscription rights, reserved for employees of the Company or any other affiliated undertakings who are members of a company savings plan; applicable terms and limits;
- Amendment to the fifth paragraph of Article 22 of the Company's Articles of Association, "Regulated agreements", concerning agreements falling outside the scope of the regulated agreements procedure;
- Amendments to the second paragraph of Article 28 of the Company's Articles of Association, "Access to General Meetings – Powers – Composition", concerning the conditions for participating in General Meetings;
- Powers required to carry out formalities.

1. Summary of resolutions

1.1. Approval of the individual and consolidated financial statements (Resolutions 1, 2 and 3)

The Board of Directors submits for your approval:

- the individual financial statements of Sopra Steria Group prepared as at 31 December 2014, showing a loss of €118,714,176.86, equating to the accounting impact of the two mergers by absorption of Steria and Groupe Steria, with retroactive effect on 1 January 2014, and of the resulting merger deficits;

  the list of non-deductible expenses totalling €586,054 and the corresponding tax charge of €216,254, corresponding to rentals and amortisation charges for company cars;
- the consolidated financial statements prepared as at 31 December 2014, showing net profit attributable to equity holders of the parent of €98,201,008.

You are asked to give the Board members full and unconditional discharge from their duties for the financial year ended 31 December 2014.

1.2. Proposed appropriation of earnings and dividend (Resolution 4)

In light of the above, the Board of Directors proposes that the loss for the year of (-)€118,714,176.86 plus the loss carried forward of (-)€30,408.00, together totalling a net loss of (-)€118,744,584.86, be charged to the "Issue premium" account, bringing the balance thereof to €527,354,354.04.

As a reminder, the "Issue, merger and contribution premiums" account was increased by €643 million during the year as a result of the public exchange offer and merger transactions.

Furthermore, it is proposed that the dividend per share be set at €1.90, an amount identical to that paid in 2014, thus a pay-out rate corresponding to 39.4% of consolidated net earnings.

The total dividend of €38,706,399.10 would be deducted from distributable reserves, specifically from the company's "Discretionary reserves" account, whose total amount is €201,009,615.47 and thus would be brought down to €162,303,216.37 after the deduction of the dividend.

The ex-dividend date will be 6 July 2015.

The dividend will be payable as from 8 July 2015.

Net dividends per share in respect of the previous three financial years are as follows:

(in euros)	2011	2012	2013
Total dividend	22,597,623.40	20,218,926.20	22,647,207.70
Number of dividend-bearing shares	11,893,486	11,893,486	11,919,583
Dividend per share paid	1.90	1.70	1.90

1.3. Approval of regulated agreements and undertakings (Resolutions 5, 6, 7 and 8)

We submit for your approval the following regulated agreements and undertakings, previously authorised by the Board of Directors and presented in the Statutory Auditors' special report:

Approval of a service provision agreement entered into between the Company and Éric Hayat Conseil, whose Chairman, Éric Hayat, is a member of the Board of Directors, in accordance with the provisions of Article L. 225-38 of the French Commercial Code (Resolution 5)

This agreement replaces an identical agreement entered into with Steria. It relates to the provision to senior management of advisory and assistance services, particularly in relation to strategic deals connected with business development, in return for compensation calculated on the basis of a daily rate of €2,500 excluding taxes and for a term expiring 31 December 2018.

Approval of the settlement entered into with Pascal Leroy on 17 June 2014 as a consequence of the termination of his term of office as Chief Executive Officer and of his employment contract, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code (Resolution 6)

This settlement was authorised by the Board of Directors at the recommendation of the Compensation Committee after checking that the applicable performance conditions had been met.

Although the settlement does not formally fall within the scope of Article L. 225-22-1 of the French Commercial Code, for good governance and transparency reasons it was submitted to the Board of Directors for general authorisation within the terms of Article L. 225-42-1 and, where applicable, Article L. 225-22-1 of the French Commercial Code.

Included in the terms of the settlement are:

- a final and comprehensive lump sum settlement payment *(indemnité transactionnelle)* to be made by the Company to Pascal Leroy in the gross amount of €252,147;
- an exemption to the requirement that Pascal Leroy still be with the Company in order to exercise the share subscription options granted to him by decision of the Board of Directors on 29 March 2011; the exemption applies to two thirds of those options, i.e. 29,820 options which, if exercised, would entitle Pascal Leroy to an allotment of 29,820 Sopra shares and 28,000 Axway shares; the other exercise conditions on the options remain unchanged;
- a non-compete obligation upon Pascal Leroy, in return for a gross consideration of €244,340;
- agreement by the Company to cover a maximum of €22,500 in miscellaneous costs related to the termination of Pascal Leroy's employment contract.

The settlement further stipulates that Pascal Leroy is entitled to:

- payment of the compensation guaranteed to him under the terms of Article L. 225-42-1 of the French Commercial Code by decision of the Board of Directors of 17 October 2012 in the event that his appointment as Chief Executive Officer and his contract of employment be terminated concurrently at the Company's initiative. The Company established that the related performance conditions were met. The amount of this guaranteed compensation is €91,270;
- payment of contractual severance compensation *(indemnité conventionnelle)* in the amount of €162,803;
- payment of compensation in lieu of notice, effective from 15 May 2014, representing a total gross amount of €151,288, as well as the corresponding compensation in lieu of paid holiday.

The total amount paid in this transaction is less than two years' fixed and variable compensation.

Approval of the settlement entered into with François Enaud on 17 March 2015 as a consequence of the termination of his term of office as Chief Executive Officer, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code (Resolution 7)

This settlement was authorised by the Board of Directors at the recommendation of the Nomination, Ethics and Governance Committee as well as the Compensation Committee, after checking that the applicable performance conditions applied by the Board had been met – namely the completion of the mergers between Sopra Steria Group, Groupe Steria and Steria by 31 December 2014 and the achievement of more than 50% of the targets set in respect of variable compensation in the previous two years.

For good governance and transparency reasons, this settlement was submitted to the Board of Directors for general authorisation under the terms of Article L. 225-38 and, where applicable, in the provisions of Article L. 225-42-1 of the French Commercial Code, even though they do not formally apply to it.

Since the settlement does not constitute predefined severance pay, it does not formally fall within the scope of the AFEP-MEDEF corporate governance code recommending that predefined severance pay for senior executives be limited to two years' fixed and variable compensation. However, the amounts paid out under the settlement are, in particular, justified by the highly specific situation of François Enaud, who played a decisive role in the formation of Groupe Steria, which he joined more than 30 years ago and managed for 17 years, and by his commitment to the organisation of the new Sopra Steria Group.

Included in the terms of this settlement are:

- a final and comprehensive lump sum settlement payment *(indemnité transactionnelle)* to be made by the Company to François Enaud in the gross amount of €1,444,272;
- the resignation by François Enaud from his duties as a director;
- an 18-month non-compete obligation upon François Enaud, in return for gross compensation of €700,000;
- the waiver of the continued employment requirement in respect of the 33,500 bonus performance shares allotted to him by Groupe Steria SCA (i.e. a maximum of 8,375 Sopra Steria Group shares) which are still in their vesting period, with the other initial conditions remaining applicable.

Furthermore, and for information, François Enaud received fixed and variable compensation on a pro rata basis for the period from 1 January to 17 March 2015, when his term of office expired.

Approval of other agreements referred to in the Statutory Auditors' special report (Resolution 8)

No new agreements, other than those presented above, have been entered into since 1 January 2014. In Resolution 8, we submit for your approval the entire contents of the Statutory Auditors' special report.

1.4. Opinion on items of compensation due or attributed to senior executives in respect of financial year 2014 (Resolutions 9, 10, 11 and 12)

Opinion on items of compensation due or attributed in respect of financial year 2014 to Pierre Pasquier, Chairman of the Board of Directors (Resolution 9)

The following table shows the items of compensation due or attributed to Pierre Pasquier, Chairman of the Board of Directors, in respect of financial year 2014:

Items of compensation	Amount	Comments
Annual fixed compensation	€350,000	Pierre Pasquier's fixed compensation has not been revised since 2011.
Annual variable compensation	€192,500	The role of the Chairman of the Board of Directors 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.
Director's fees	€16,354	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 actual 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.

Opinion on items of compensation due or attributed in respect of financial year 2014 to Pascal Leroy (Resolution 10)

The following table shows the items of compensation due or attributed to Pierre Pasquier in respect of the period from 1 January to 30 April 2014, when his term of office as Chief Executive Officer expired:

Items of compensation	Amount	Comments
Annual fixed compensation	€123,077	Pascal Leroy's term of office expired on 30 April 2014.
Annual variable compensation	Not applicable	
Variable deferred compensation	Not applicable	
Multi-year variable compensation	Not applicable	
Exceptional compensation	Not applicable	
Share options, performance shares and any other long-term items of compensation	Not applicable	
Director's fees	Not applicable	
Valuation of all benefits in kind	€1,971	Company car.
Retirement payment	€657,508	The settlement entered into with Pascal Leroy on 17 June 2014 is submitted for approval at the General Meeting (Resolution 6).
Non-compete payment	€244,340	
Supplementary pension plan	Not applicable	

Opinion on items of compensation due or attributed in respect of financial year 2014 to François Enaud (Resolution 11)

The following table shows the items of compensation due or attributed to François Enaud in respect of the period from 3 September, the date on which his term as Chief Executive Officer took effect, to 31 December 2014:

Items of compensation	Amount	Comments
Annual fixed compensation	€136,667	François Enaud's term of office began on 3 September 2014.
Annual variable compensation	€63,600	Calculated on a pro rata basis for the last four-month period.
Variable deferred compensation	Not applicable	
Multi-year variable compensation	Not applicable	
Exceptional compensation	Not applicable	
Share options, performance shares and any other long-term items of compensation	€70,125	
Directors' fees	€5,000	Accounting valuation of 1,375 free performance shares granted by Groupe Steria on 15 October 2014.
Valuation of all benefits in kind	Not applicable	
Retirement payment	Not applicable	The settlement entered into with François Enaud on 17 March 2015 is submitted for approval at the General Meeting (Resolution 7).
Non-compete payment	Not applicable	
Supplementary pension plan	Not applicable	

Opinion on items of compensation due or attributed in respect of financial year 2014 to Vincent Paris (Resolution 12)

The following table shows the items of compensation due or attributed to Vincent Paris, Deputy CEO in 2014, in respect of financial year 2014:

Items of compensation	Amount	Comments
Annual fixed compensation	€300,000	Vincent Paris's fixed compensation has not been revised since he was appointed Deputy CEO in January 2014.
Annual variable compensation	€165,000	Variable compensation for the Chief Executive Officer 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	Vincent Paris has not been awarded share subscription options or performance shares, or any other long-term items of compensation, in his capacity as a company officer.
Director's fees	Not applicable	
Valuation of all benefits in kind	€10,852	Company car – GSC.
Retirement payment	Not applicable	No such commitment exists.
Non-compete payment	Not applicable	No such commitment exists.
Supplementary pension plan	Not applicable	Vincent Paris is not eligible for a supplementary pension plan.

See also the "Summarised statements of compensation payable and options and shares allocated (AMF Position-Recommendation 2009-16, revised on 17 December 2013) on page 61, Chapter 2 of this document.

1.5. Appointment of directors

Ratification of the co-optation of Sylvie Rémond as a director (Resolution 13)

As a consequence of the resignation of Françoise Mercadal-Delasalles from her duties as a director, the Board of Directors, at its meeting of 17 March 2015, having sought an opinion from the Nomination, Ethics and Governance Committee, decided to co-opt Sylvie Rémond to replace Françoise Mercadal-Delasalles for the latter's remaining term of office, expiring at the close of the General Meeting convened to approved the financial statements for the year ending 31 December 2017.

This co-optation is submitted to you for ratification.

A brief biography of Sylvie Rémond is set out below:

- Sylvie Rémond has been a member of the Group Management Board of Société Générale since 2011, and was appointed Joint Director, Customer Relations and Investment Banking on 1 March 2015.

Having joined Société Générale in 1985, she held a number of positions in the Personal Customers division and subsequently in the Large Corporates division.

In 1992, she joined the Acquisition Finance team within the structured finance business, and was later given responsibility for the corporate credit syndication and acquisitions team in 2000.

She joined the Risk division in 2004 as Head of Credit Risk for Corporate Banking and Investment, rising to Deputy Director of Group Risk in January 2010, a position she held until January 2015.

- She was also a director of OSEO and SG Ré until 2014.
- She is currently a director of SGBT and KB Financial Group.

Ratification of the co-optation of Solfrid Skilbrigt as director (Resolution 14)

Following François Enaud's resignation from his duties as director, the Board of Directors, at its meeting of 21 April 2015, after reviewing the opinion of the Nomination, Ethics and Governance Committee, decided to co-opt Solfrid Skilbrigt as Mr. Enaud's replacement for the remainder of his term of office, thus until the close of the General Meeting called to approve the financial statements for the year ending 31 December 2017.

This co-optation is submitted for your ratification.

A brief biography of Solfrid Skilbrigt is presented below:

- Solfrid Skilbrigt is head of Strategy, Human Resources, Marketing and Communications at Sopra Steria Scandinavia;
- Ms. Skilbrigt joined Steria in 2001 and has held various positions in human resources in Scandinavia while also heading up social and environmental responsibility for the group, until the tie-up with Sopra;
- From 1986 to 2001, Ms. Skilbrigt worked with Bull in Norway as Business Development Director with responsibility for the Infrastructure team and as Human Resources Director.

Setting of directors' fees (Resolution 15)

The number of members on your Board was increased significantly from 11 to 17 in financial year 2014 while the amount of directors' fees has not changed since 2012. It is therefore proposed that you agree to increase the total maximum amount of directors' fees to €500,000.

This amount is proposed to you by the Board at the recommendation of the Compensation Committee following a comparative survey of companies of a similar size. Even after this increase in the total budget, the amount of directors' fees per director would remain very modest compared with the companies making up the benchmark.

1.6. Purchases by the Company of its own shares (Resolution 16)

The Board of Directors requests that you renew the authorisation granted at the previous General Meeting of 27 June 2014 to buy back shares in the Company under the provisions of Articles L. 225-209 et seq. of the French Commercial Code.

The maximum number of shares that may be acquired is limited to 10% of the share capital and the maximum purchase price is set at €180 per share.

Shares may be bought back for the following purposes:

- to obtain market-making services to be rendered by an investment services provider acting in complete independence under the terms of a liquidity agreement entered into in compliance with the code of conduct of AMAFI (the French association of financial market professionals) recognised by the AMF;
- to allocate or sell the shares bought back to employees or company officers of the group using any allotment method authorised by the law;
- to retain the shares bought back in order to exchange them or present them as consideration at a later date for a merger, spin-off 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 might be accepted by the AMF, and, more generally, to perform any operation that complies with regulations in force.

During financial year 2014, this programme was used solely for the purposes of the liquidity agreement covering Sopra Steria shares entered into with Oddo Corporate Finance.

For information, the use made of the previous authorisation is discussed in Chapter 6, Section 8 of this Registration Document.

This authorisation would be granted for a period of 18 months with effect from the date of this General Meeting. It would supersede the previous authorisation granted under Resolution 9 of the General Meeting of 27 June 2014.

1.7. Potential retirement of treasury shares (Resolution 17)

In order to give the Board of Directors all necessary flexibility, it is requested that the shareholders authorise the Board to retire some or all of the shares acquired in accordance with the provisions of Article L. 225-209 et seq. of the French Commercial Code, up to a maximum of 10% of the share capital.

This authorisation would be granted for a period of 24 months with effect from the date of this General Meeting. It would supersede the previous authorisation granted under Resolution 10 of the General Meeting of 27 June 2014, which had the same purpose.

1.8. Financial authorities delegated to the Board of Directors (Resolutions 18, 19 and 20)

Under Resolutions 11 to 24 of the General Meeting of 27 June 2014, the shareholders authorised or delegated authority to the Board of Directors to issue shares and/or transferable securities or debt securities giving access to equity, with or without pre-emptive subscription rights.

These delegated authorities grant the Board the authority it needs to undertake various capital transactions necessary for the group's development and funding, as well as for voluntary profit-sharing for its employees and company officers, as and when market opportunities arise, without the need to refer back to the shareholders at a General Meeting.

The table in Chapter 6, Section 11 of this Registration Document shows all authorities delegated to the Board and sets out the use made of those authorities in 2014.

These delegations of authority were given for a period of 26 months due to expire on 27 August 2016, with the exception of two of them, given to the Board with a view to the issue of (i) warrants to subscribe for and/or acquire redeemable shares (BSAAR) and (ii) share subscription warrants to be granted to shareholders in the event of a takeover bid, these last two delegations of authority having been conferred for the period of 18 months required by law and due to expire on 27 December 2015.

The purpose of Resolutions 18 and 19 is to extend the validity of these two delegations of authority.

We wish to point out that these delegations of authority would still be subject to the overall ceiling of 5% of the share capital, the single ceiling covering all capital increases with the aim of aligning the interests of employees and company officers with those of shareholders, presented in Chapter 6, Section 11.3 of this Registration Document.

Delegation of authority to the Board to issue warrants to subscribe for and/or acquire redeemable shares (BSAARs) without pre-emptive subscription rights (Resolution 18)

To ensure that the company continues to have at its disposal the most suitable vehicles for aligning the interests of the employees and company officers with those of the shareholders, it is proposed that you renew this delegation of authority for 18 months with effect from the date of this General Meeting.

The nominal amount of shares to which the warrants issued may entitle their holders may not exceed 5% of the Company's share capital; this is an aggregate limit that applies to Resolutions 20, 21 and 23 approved at the General Meeting of 27 June 2014 as well as to Resolution 20 below (subject to its approval at the General Meeting of 25 June 2015). A sub-limit of 0.5%, forming part of this 5% limit, would apply to shares to which company officers might be entitled. It is proposed that the subscription or acquisition price of shares obtained through the exercise of BSAARs, on the understanding that each BSAAR would entitle its holder to subscribe for (or acquire) one share in the Company, would be at least equal to 120% of the average closing price of the Company's shares 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.

This authority would invalidate any previous authority having the same purpose.

Delegation of authority to the Board to issue share subscription warrants to be awarded free of charge to the shareholders in the event of a takeover bid (Resolution 19)

Resolution 24 approved at the General Meeting of 27 June 2014 delegated authority to the Board of Directors to decide, in the event of a takeover bid for the Company's shares, to issue warrants entitling their holders to subscribe, at preferential terms, for one or more shares in the Company, and to award such warrants free of charge to all shareholders in the Company who have such status prior to expiry of the public offer period.

The Board proposes that you renew this authority for a period of 18 months with effect from the date of this General Meeting. The proposed maximum nominal amount of the capital increase that may result from the exercise of the proposed warrants may not exceed €20,371,789, and the maximum number of subscription warrants that may be issued is equal to the number of shares constituting the share capital when the warrants are issued.

This delegation would supersede any previous delegation having the same purpose.

Delegation of authority to the Board to carry out capital increases reserved for employees who are members of the employee savings plan, without pre-emptive subscription rights (Resolution 20)

The Board of Directors proposes that you grant it authority to decide to increase the Company's share capital in favour of employees of the Company or other related companies who subscribe to an employee savings plan, in accordance with legal provisions.

It is proposed that you set the maximum amount of shares that may be issued under this delegation of authority at 5% of the Company's share capital, to be assessed as and when the decision to issue such shares is made; this is an aggregate limit that applies to Resolutions 20, 21 and 23 approved at the General Meeting of 27 June 2014 as well as to Resolution 18 above (subject to its approval at the General Meeting of 25 June 2015).

The subscription price of the shares or of any other securities giving access to equity would be set by the Board of Directors but may not be more than 5% less than the average listed share price over the 20 trading days preceding the date on which the decision determining the start of the subscription period is made.

This delegation of authority, granted for a period of 26 months with effect from the date of this General Meeting, would supersede the delegation of authority granted under Resolution 19 of the General Meeting of 27 June 2014, which had the same purpose.

1.9. Harmonisation of the Articles of Association with recent legislative provisions (Resolutions 21 and 22)

Amendment to the fifth paragraph of Article 22, "Regulated agreements" (Resolution 21)

The new wording of Article L. 225-39 of the French Commercial Code, resulting from Order 2014-863 of 31 July 2014, stipulates that the scope of the regulated agreements procedure under Article L. 225-38, as well as excluding day-to-day transactions entered into at arm's length, also excludes agreements entered into between two companies where one of them is directly or indirectly wholly-owned by the other, after deducting the minimum number of shares required to meet the requirements of Article 1832 of the French Civil Code (minimum of two shareholders) and Articles L. 225-1 (minimum of seven shareholders in public limited companies) and L. 226-1 (minimum of three limited partners in limited partnerships) of the French Commercial Code.

We propose that you agree to harmonise the provisions of the fifth paragraph of Article 22 of the Articles of Association with these new legal provisions by amending this paragraph as follows:

ARTICLE 22 – REGULATED AGREEMENTS

Current wording	New wording
All agreements made directly or through an intermediary between the Company and its Chief Executive Officer, a Managing Director, a director, a shareholder holding more than 10% of voting rights or, if the shareholder is a company, with the company controlling such shareholder within the meaning of Article L. 223-3 of the French Commercial Code, shall require the prior approval of the Board of Directors. The foregoing shall also apply to agreements in which any of the persons described above has an indirect interest and to agreements made between the Company and any enterprise in which the Chief Executive Officer, a Managing Director or a director is the owner, a partner or shareholder with unlimited liability, a manager, director, member of the Supervisory Board, or, generally, a person with management responsibilities in such enterprise. A person with an interest in such agreements shall inform the Board immediately upon learning of an agreement requiring approval. Such person shall not take part in the vote on the requested authorisation. Such agreements shall be submitted to the General Meeting of Shareholders for approval, in accordance with legal requirements. **The above provisions do not apply to agreements concerning the Company's routine operations concluded under normal terms.** (The rest of the Article remains unchanged.)	All agreements made directly or through an intermediary between the Company and its Chief Executive Officer, a Managing Director, a director, a shareholder holding more than 10% of voting rights or, if the shareholder is a company, with the company controlling such shareholder within the meaning of Article L. 223-3 of the French Commercial Code, shall require the prior approval of the Board of Directors. The foregoing shall also apply to agreements in which any of the persons described above has an indirect interest and to agreements made between the Company and any enterprise in which the Chief Executive Officer, a Managing Director or a director is the owner, a partner or shareholder with unlimited liability, a manager, director, member of the Supervisory Board, or, generally, a person with management responsibilities in such enterprise. A person with an interest in such agreements shall inform the Board immediately upon learning of an agreement requiring approval. Such person shall not take part in the vote on the requested authorisation. Such agreements shall be submitted to the General Meeting of Shareholders for approval, in accordance with legal requirements. **The above provisions do not apply to agreements covered by Article L. 225-39 of the French Commercial Code.** (The rest of the Article remains unchanged.)

Amendments to the second paragraph of Article 28 of the Company's Articles of Association, "Access to General Meetings – Powers – Composition", concerning the conditions for participating in General Meetings (Resolution 22)

Decree 2014-1466 of 8 December 2014 stipulates that a shareholder may prove his/her status as a shareholder by registering his/her shares in his/her name two days before a General Meeting, and not three days as previously stipulated.

We propose that you agree to harmonise the provisions of the second paragraph of Article 28 of the Articles of Association, "Access to General Meetings – Powers – Composition", with these new regulatory provisions by amending this paragraph as follows:

ARTICLE 28 – ACCESS TO GENERAL MEETINGS – POWERS – COMPOSITION

Current wording	New wording
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 in 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 in the registered share accounts kept by the Company, or in the bearer share accounts kept by an authorised intermediary.** (The rest of the Article remains unchanged.)	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 and regulatory requirements, that their shares are registered in accounts in their names or on their behalf in the name of their registered intermediary, or in the registered share accounts kept by the Company, or in the bearer share accounts kept by an authorised intermediary.** (The rest of the Article remains unchanged.)

1.10. Powers

Resolution 23 concerns the powers required to carry out formalities.

2. Proposed resolutions

Resolutions submitted for approval at the Ordinary General Meeting

Resolution 1

(Approval of the individual financial statements for the financial year ended 31 December 2014; approval of non-deductible expenses)

The shareholders, having reviewed the Management Report of the Board of Directors, the report laid down in Article L. 225-37 of the French Commercial Code and the Statutory Auditors' reports, approve the individual financial statements for the year ended 31 December 2014, as presented at the General Meeting, showing a loss of €118,714,176.86.

The shareholders also approve the transactions reflected in these financial statements and summarised in the aforementioned reports.

The shareholders also approve 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 €586,054, and the corresponding tax charge of €216,254.

Resolution 2

(Granting of final discharge to members of the Board of Directors)

The shareholders grant the members of the Board of Directors full and unconditional discharge from their duties for the financial year ended 31 December 2014.

Resolution 3

(Approval of the consolidated financial statements for the financial year ended 31 December 2014)

The shareholders, having reviewed the Management Report of the Board of Directors, the report laid down in Article L. 225-37 of the French Commercial Code and the Statutory Auditors' reports, approves the consolidated financial statements for the year ended 31 December 2014, which show a consolidated net profit (attributable to equity holders of the parent) of €98,201,008, 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.

Resolution 4

(Appropriation of earnings and determination of the dividend)

The shareholders, with a view to purging the Company's losses, agree to charge the loss for the year ended 31 December 2014, together with the debit balance on the "Retained earnings" account, to the "Issue, merger and contribution premiums" account, for a total amount of -€118,744,584.86, bringing the balance on the "Issue, merger and contribution premiums" account to €527,354,354.04.

Given consolidated net profit attributable to the parent of €98,201,008 and "free" reserves that can be allocated by the shareholders, after appropriation of earnings for the year, of €728,363,969.51, the shareholders agree to pay a dividend of €38,706,399.10.

This amount will be deducted as a priority from optional reserves.

As the number of shares comprising the share capital at 31 December 2014 was 20,371,789, the dividend per share will be €1.90. The dividend payment date will be 8 July 2015.

The shareholders note that, at the dividend payment date, treasury shares will not give any entitlement to dividends, with the corresponding amount to be allocated to retained earnings.

In accordance with tax regulations in force, this dividend payment entitles individual shareholders with tax residence in France to a 40% deduction on the entire dividend amount for the calculation of income tax (Article 158-3-2 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 2013 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 2014 for dividends payable in 2015 in respect of the 2014 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 withheld.

The following amounts were distributed as dividends in respect of the previous three financial years:

(in euros)	2011	2012	2013
Total dividend	22,597,623.40	20,218,926.20	22,647,207.70
Number of dividend-bearing shares	11,893,486	11,893,486	11,919,583
Dividend per share paid	1.90	1.70	1.90

Resolution 5

(Approval of the service provision agreement entered into with Éric Hayat, as an agreement covered by Article L. 225-38 of the French Commercial Code)

The shareholders, having reviewed the Statutory Auditors' special report on agreements covered by Article L. 225-28 of the French Commercial Code and the main characteristics of the service provision agreement entered into with Éric Hayat, approve that agreement and the conclusions of the aforementioned report pertaining thereto.

Resolution 6

(Approval, in accordance with Article L. 225-42-1 of the French Commercial Code, of commitments entered into on behalf of Pascal Leroy)

The shareholders, having reviewed the Statutory Auditors' special report on agreements covered by Article L. 225-38 of the French Commercial Code, approve, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the agreement relating to commitments entered into on behalf of Pascal Leroy as well as the conclusions of the aforementioned report referring to this agreement.

Resolution 7

(Approval, in accordance with Article L. 225-42-1 of the French Commercial Code, of commitments entered into on behalf of François Enaud)

The shareholders, having reviewed the Statutory Auditors' special report on agreements covered by Article L. 225-38 of the French Commercial Code, approve, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the agreement relating to commitments entered into on behalf of François Enaud as well as the conclusions of the aforementioned report referring to this agreement.

Resolution 8

(Approval of agreements governed by Article L. 225-38 et seq. of the French Commercial Code)

The shareholders, having reviewed the Statutory Auditors' special report on agreements covered by Article L. 225-38 et seq. of the French Commercial Code, approve in a general manner the conclusions of the aforementioned report as well as the agreements and commitments referred to in this report.

Resolution 9

(Opinion on items of compensation due or attributed in respect of financial year 2014 to Pierre Pasquier)

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 compensation due or attributed to Pierre Pasquier in respect of the 2014 financial year, as presented to them.

Resolution 10

(Opinion on items of compensation due or attributed in respect of financial year 2014 to Pascal Leroy)

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 compensation due or attributed to Pascal Leroy in respect of the 2014 financial year, as presented to them.

Resolution 11

(Opinion on items of compensation due or attributed in respect of financial year 2014 to François Enaud)

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 compensation due or attributed to François Enaud in respect of the 2014 financial year, as presented to them.

Resolution 12

(Opinion on items of compensation due or attributed in respect of financial year 2014 to Vincent Paris)

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 compensation due or attributed to Vincent Paris in respect of the 2014 financial year, as presented to them.

Resolution 13

(Ratification of the co-optation of Sylvie Rémond as a director for a term of three years)

The shareholders ratify the co-optation of Sylvie Rémond to replace Françoise Mercadal-Delasalles, following the latter's resignation as director, for the latter's remaining term of office, namely until the General Meeting convened to approved the financial statements for the year ending 31 December 2017.

Resolution 14

(Ratification of the co-optation of Solfrid Skilbrigt as a director for a term of three years)

The shareholders ratify the co-optation of Solfrid Skilbrigt to replace François Enaud, following the latter's resignation as director, for the latter's remaining term of office, namely until the General Meeting convened to approve the financial statements for the year ending 31 December 2017.

Resolution 15

(Setting of directors' fees at €500,000)

The shareholders set at €500,000 the amount of directors' fees to be allocated between the members of the Board of Directors for the current financial year.

Resolution 16

(Authorisation granted to the Board of Directors to allow the Company to acquire its own shares under Article L. 225-209 of the French Commercial Code; applicable duration, purpose, terms and limits)

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 shareholders authorise 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 at the time of the buyback.

This authorisation is granted for a period of 18 months as from this General Meeting, and supersedes the authorisation granted to the Board of Directors at the Ordinary General Meeting of 27 June 2014.

The shareholders hereby agree that shares may be bought back for the following purposes:

- to obtain market-making services to be rendered by an investment services provider acting in complete independence under the terms of a liquidity agreement entered into in compliance with the code of conduct of AMAFI (the French association of financial market professionals) recognised by the AMF;
- to award or sell shares in the Company to employees and/or company officers of the group, in order to cover share option plans and/or free share plans (or similar plans) for the benefit of group employees and/or company officers as well as all allotments of shares in connection with a company or group savings plan (or similar plan), in connection with company profit-sharing and/or all other forms of share allotment to the group's employees and/or company officers;
- to retain the shares bought back in order to exchange them or present them as consideration at a later date for a merger, spin-off 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;
- to implement any market practice that might be accepted by the AMF, and, more generally, 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 takeover bid is under way, subject to compliance with regulations in force.

The shareholders grant all powers to the Board of Directors, including the option to sub-delegate these powers, to implement this authorisation, to determine the conditions and procedures for such implementation, to make the necessary adjustments, to enter into 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 approval at the Extraordinary General Meeting

Resolution 17

(Authorisation granted to the Board of Directors, for a period of 24 months, to retire any shares that the Company may have acquired under the terms of share buyback programmes and to reduce the share capital accordingly, with all powers granted to the Board to carry out these measures)

The shareholders, having reviewed the Management Report of the Board of Directors and the Statutory Auditors' special report:

- authorise the Board of Directors to retire, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, on one or more occasions, at its sole discretion, some or all 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;
- agree 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;
- grant all powers to the Board of Directors 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;
- agree that this delegation of authority to the Board of Directors shall be valid for a period of 24 months with effect from the date of this General Meeting;
- formally note that this delegation of authority supersedes any previous delegation having the same purpose.

Resolution 18

(Delegation of authority to the Board of Directors, for a period of 18 months, to issue warrants to subscribe for and/or acquire redeemable shares (BSAARs) to employees or officers of the Company or any of its affiliated undertakings, without pre-emptive rights for existing shareholders; applicable terms and limits)

The shareholders, having reviewed the report of the Board of Directors and the Statutory Auditors' special report 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:

- delegate authority to the Board of Directors, with the option to sub-delegate this authority, to decide upon the issue, on one or more occasions, of warrants to subscribe for and/or acquire redeemable shares (**BSAARs**);
- agree 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 under Resolutions 20, 21 and 23 adopted at the General Meeting of 27 June 2014, and any use thereof under Resolution 23 below, subject to its approval at this General Meeting, shall fall within this 5% limit, such that all these resolutions shall be subject to an aggregate limit of 5%, (ii) the company officers may not receive a number of BSAARs entitling them to a number of shares representing more than 0.5% of the Company's share capital, thus reducing the aforementioned 5% limit, and (iii) this limit 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;
- agree, 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 shareholders grant all powers to 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;
- grant all powers to 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 of the company's shares 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;
- take 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;
- grant all powers to the Board of Directors, with the option to sub-delegate these powers as provided by legal and regulatory provisions, to take all measures, enter into 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 at the next General Meeting on the conditions of any use to which this authorisation may have been put;

- agree that this delegation of authority to the Board of Directors shall be valid for a period of 18 months with effect from the date of this General Meeting;
- formally note that this delegation of authority supersedes any previous delegation having the same purpose.

Resolution 19

(Delegation of authority to the Board of Directors, for a period of 18 months, to issue share subscription warrants to be granted free of charge to shareholders in the event of a takeover bid, for a maximum nominal amount of €20,371,789)

The shareholders, having reviewed the Management Report of the Board of Directors and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 233-32-II and L. 233-33 of the French Commercial Code:

- delegate to the Board of Directors the authority to carry out, within the existing legal and regulatory limits, during a takeover bid for the Company's shares, one or more issues of warrants entitling the holder to subscribe for one or more Company shares on preferential terms, and to freely grant said warrants to all shareholders of the Company who have such status before the takeover bid expires. These warrants will automatically lapse as soon as the takeover bid or any other potential competing offer fails, lapses or is withdrawn;
- agree that the maximum nominal amount of the capital increase that may result from the exercise of these subscription warrants shall not be allowed to exceed €20,371,789, and that the maximum number of subscription warrants that may be issued shall not be allowed to exceed the number of shares constituting the share capital when the warrants are issued;
- duly note that this resolution entails a waiver by the shareholders of their pre-emptive right to subscribe for ordinary shares of the Company to which the subscription warrants issued pursuant to this resolution may confer entitlement;
- agree that the Board of Directors shall have full authority, which it may further delegate within legal limits, notably to determine the terms for exercise of these subscription warrants, which must be relative to the terms of the offer or of any potential competing offer, as well as the other features of these warrants, including the exercise price and methods for setting this price, in addition to, generally speaking, the features and terms of any issue it decides to carry out on the basis of this authorisation, which it may defer or waive; to set the terms of any capital increase resulting from the exercise of these subscription warrants, to record the execution of any capital increase so brought about, and to make the corresponding amendments to the Articles of Association, and more generally to make any appropriate arrangements, request any authorisations, carry out any formalities and take the necessary steps to ensure the success of the issues;
- agree that this delegation of authority to the Board of Directors shall be valid for a period of 18 months with effect from the date of this General Meeting;
- formally note that this delegation of authority supersedes any previous delegation having the same purpose.

Resolution 20

(Delegation of authority to the Board of Directors, for a period of 26 months, to carry out capital increases, without pre-emptive subscription rights, reserved for employees of the Company or any other affiliated undertakings who are members of a company savings plan; applicable terms and limits)

The shareholders, having reviewed the report of the Board of Directors and the Statutory Auditors' special report, 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:

- delegate 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;
- agree 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;
- agree 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 under Resolutions 20, 21 and 23 adopted at the General Meeting of 27 June 2014, and any use thereof under Resolution 18 above, subject to its approval at this General Meeting, shall fall within this 5% limit, such that all these resolutions shall be subject to an aggregate limit of 5%, and (ii) this limit 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;
- agree 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 Euronext Eurolist market over the 20 trading days preceding the day on which the opening date of the subscription period is set. However, the shareholders expressly authorise the Board of Directors to reduce the aforementioned discount, within legal and regulatory limits;
- consequently grant all powers to 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,
- record 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;
- agree 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;
- formally note that this delegation of authority supersedes any previous delegation having the same purpose.

Resolution 21

(Amendment to the fifth paragraph of Article 22 of the Company's Articles of Association, "Regulated agreements", concerning agreements falling outside the scope of the regulated agreements procedure)

The shareholders, having reviewed the Management Report of the Board of Directors, agree to amend as follows the fifth paragraph of Article 22 of the Company's Articles of Association:

"The above provisions do not apply to agreements covered by Article L. 225-39 of the French Commercial Code."

Resolution 22

(Amendments to the second paragraph of Article 28 of the Company's Articles of Association, "Access to General Meetings – Powers – Composition", concerning the conditions for participating in General Meetings)

The shareholders, having reviewed the Management Report of the Board of Directors, agree to amend as follows the second paragraph of Article 29 of the Company's Articles of Association:

"All shareholders have the right to participate in general meetings provided they furnish proof, in accordance with legal and regulatory requirements, that their shares are registered on accounts in their names or on their behalf in the name of their registered intermediary, or on the registered share accounts kept by the Company, or on the bearer share accounts kept by an authorised intermediary."

Resolution 23

(Powers required to carry out formalities)

The shareholders grant full authority to the bearer of an original or copy of the minutes of this Meeting to carry out all legally required formalities.

8 Administrative and legal information

1. Sopra Steria Group at a glance

Corporate name: Sopra Steria Group

Until 2 September 2014, the name of the Company was "Sopra Group". As a result of the successful public exchange offer made by Sopra Group for the shares of Groupe Steria SCA (see press release dated 6 August 2014), the Board of Directors met on 3 September 2014, with Pierre Pasquier presiding, and noted the implementation of several resolutions conditionally adopted at the General Meeting of 27 June 2014.

Among the consequences of the implementation of these resolutions was the change in the corporate name from "Sopra Group" to "Sopra Steria Group".

The terms "the group", "the Company" and "Sopra Steria" all refer to the parent company Sopra Steria Group and its subsidiaries.

The terms "Sopra", "Sopra Group" and "the Sopra Group" refer to the parent company Sopra Group and its subsidiaries prior to the tie-up with Steria.

The terms "Steria", "Groupe Steria" and "the Steria group" refer to the parent company Groupe Steria and its subsidiaries prior to the tie-up with Sopra Group.

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

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

Legal form: French public limited company *(société anonyme)* with a Board of Directors.

Date of incorporation: 5 January 1968, with a term of fifty years as from 25 January 1968, renewed at 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 at the General Meeting between all shareholders in proportion to the number of shares that they own.

The General Meeting may also decide to distribute amounts deducted from the reserves at its disposal, expressly indicating the reserve items from which the deductions are made. However, dividends shall first be deducted from the profits for the financial year." (Excerpt from Article 37 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.

The term of office of directors is six years, expiring at the end of the Ordinary General Meeting convened to approve the financial statements for the previous financial year and held in the year in which their term of office comes to an end.

Exceptionally, the General Meeting may decide to shorten the first term of office of a director to 1 year, 2 years, 3 years, 4 years or 5 years in order to align his or her term of office with that of the other directors in office at the time of the appointment.

1. Directors appointed at 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 this limit is exceeded, the oldest director is deemed to have resigned from office.

Directors may be natural or legal persons. When a legal person is appointed as director, the latter names a permanent representative who is subject to the same conditions, obligations and liabilities as all other Board members, without prejudice to the joint and several liability of the legal person 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 or her 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 or her 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

As provided by law, 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 to serve for his or her full term of office.

The director or directors representing the employees are not required to hold shares in the Company for the duration of 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.

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 the Chairman's compensation.

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 or she 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 shall be chaired by any person specifically delegated for this purpose by the Chairman. In the absence of this individual, the Board meeting shall be chaired by one of the Vice-Chairmen.

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.

Board meetings shall take place at the registered office or in any other place specified in the convening notice.

The Board can only validly conduct business 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, the Chairman of the Board of Directors shall have the casting vote. If the Chairman of the Board of Directors is not present, the individual chairing the meeting in his absence shall have no casting vote in the event of a tie.

An attendance sheet is signed by the directors taking part in the Board meeting, either in person or by proxy.

Internal rules and regulations shall be defined for the Board of Directors.

These internal rules and regulations 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 shall not apply for the adoption of any of the following decisions:

- the approval of the parent company and consolidated financial statements and the drafting of the Management Report and group management report.

The deliberations of the Board of Directors are recorded in the form of minutes, which are prepared in accordance with the legal provisions in force and signed by the person having chaired the meeting and by at least one director. In the absence of the person having chaired the meeting, the minutes shall be 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 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 Articles of Association.

The Board may decide to set up committees to examine questions submitted to them by the Board 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 management 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. Operations of the Company's management bodies, governance of the Company and control of Executive Management

The Chairman of the Board of Directors ensures the smooth running of the Company's management bodies, namely its Board of Directors and the latter's standing committees, the relations of these bodies with Executive Management and the implementation of best practices in corporate governance.

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 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.

He may draw on the expertise of the Board committees and their chairmen and enjoys unrestricted access to Executive Management.

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.

In collaboration with the Chief Executive Officer, the Chairman ensures the appropriate management of the Company's relations with its major shareholders.

4. Support provided to Executive Management

In agreement with the Chief Executive Officer, the Chairman of the Board of Directors may take part in actions to address 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.

In agreement with the Chief Executive Officer, he may also take part in any meetings.

5. Representation of the Company and the group

The Chairman of the Board of Directors represents the Board in its relations with third parties, apart from exceptional circumstances or in the case of specific assignments conferred upon individual directors. In coordination with the Chief Executive Officer, the Chairman of the Board of Directors makes every effort to promote the values and image of the group in all circumstances. In agreement with the Chief Executive Officer, the Chairman of the Board of Directors may represent 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.

In the absence of the Chairman of the Board of Directors, Board meetings shall be chaired by the individual delegated for this purpose by the Chairman and, in the absence of this individual, by one of the two Vice-Chairmen.

If the Chairman of the Board of Directors is not present, the individual chairing the meeting shall not have the casting vote in the event of a tie.

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 time to the Company. The initiatives undertaken and the actions carried out by the Chairman in the performance of his duties are taken into consideration by the Board of Directors in determining the Chairman's compensation.

The Chairman of the Board of Directors fulfils his responsibilities in recognition of those assumed by the Chief Executive Officer and the Board of Directors.

ARTICLE 20 OF THE ARTICLES OF ASSOCIATION – COMPENSATION 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 compensation of the Chairman of the Board of Directors, the Chief Executive Officer and any Deputy Chief Executive Officers, if appointed. Such compensation 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 compensation, whether permanent or not, other than that set out in the previous paragraphs, unless they are tied to the Company by an employment contract under conditions authorised by 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 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.

Pursuant to 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 general manager of more than one French public listed company *(société anonyme)*. Exceptionally, a second position as chief executive officer or an appointment as a management board member or sole general manager 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 general manager 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 positions must relinquish one of the positions within three months of his appointment, or the position 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 compensation received, although the validity of the deliberations in which he or she 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 Executive Management of the Company 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. 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 this age limit, he is deemed to have resigned from office.

The Chief Executive Officer may 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 serves as 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 Articles of Association alone constitutes such proof.

3. Deputy Chief Executive Officers

On a proposal from the Chief Executive Officer, whether this position is held by the same person serving as 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 Chief Executive Officer.

The Board of Directors may appoint as many as five Deputy Chief Executive Officers, who may or may not be selected from among its members.

The age limit is set at 65 years. Any Deputy Chief Executive Officer having reached this age limit is deemed to have resigned from office.

Deputy Chief Executive Officers 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, Deputy Chief Executive Officers may be entitled to damages.

When the Chief Executive Officer ceases to carry out or is prevented from carrying out his duties, the Deputy Chief Executive Officers retain their duties and remits until the appointment of a new Chief Executive Officer, unless decided otherwise by the Board of Directors.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred on the Deputy Chief Executive Officers. In their dealings with third parties, the Deputy Chief Executive Officers 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 activities. Together with the Chairman, he develops the group's strategy, which is subject to the approval of the Board of Directors, and ensures its implementation.

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 whenever the Board delegates its authority to him in this respect, under the conditions defined by the Board. The Chairman must report to the Board of Directors on any authorisations given by him in connection with these delegations. These decisions are prepared and discussed in advance by the Chief Executive Officer and the Chairman of the Board of Directors.

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 two 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, for transactions in amounts greater than €10 million,
  - any investment or divestment decision in an amount greater than €10 million,
  - entering into strategic alliances;
- decisions relating to organisational matters:
  - the appointment or dismissal of any member of the management team (Executive Committee members),
  - any significant change in the organisation.

4. General Meetings

ARTICLE 25 OF THE ARTICLES OF ASSOCIATION – GENERAL MEETINGS

General Meetings are convened and held under 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 Board of Directors. 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* (BALO, the French journal of official legal announcements), at least two weeks before the General Meeting.

However, if all the shares are registered, these announcements are not mandatory, 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 send these notifications 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 that the Company send notifications 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 validly conduct business due to the lack of the required quorum, a second General Meeting, and an adjourned second General Meeting, 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 the 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 person(s) convening the Meeting.

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.

Items of business not appearing on the agenda may not be considered at the General Meeting. 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 proxy form submitted, 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 resolutions. 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, which permits them to be identified as provided by the law.

Shareholders who participate in a General Meeting by videoconference or other means of telecommunication that enables them to be identified in a manner and in accordance with procedures in compliance with regulatory provisions shall be deemed present for the purposes of calculating the quorum and majority.

All shareholders may vote by mail by filling in a form addressed to the Company, under the conditions established by law and in 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 deliberations on 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.

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. In the event of a capital increase by capitalisation of reserves, earnings or issue premiums, double voting rights shall be allocated upon issuance to registered shares freely granted to a shareholder in proportion to existing shares for which this shareholder was entitled to benefit from this right.

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 established by law and in regulations.

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 General Meeting using a means of telecommunication, accompanied by the authorisations granted to proxy holders, and, where appropriate, voting forms, shall be certified as accurate by the officers of the 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 or by a director specifically delegated for this purpose by the Board. 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 is not required to be a shareholder.

The minutes are drawn up 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 Articles of Association.

This type of General Meeting shall be held at least once a year, within the time period required by law and regulations, to approve the financial statements for the previous year.

Ordinary General Meetings are only able to validly conduct business, when convened for the first time, if the shareholders attending the Meeting, represented by proxy or having voted by mail represent at least one-fifth of the total voting rights. No quorum is required when Ordinary General Meetings are convened for the second time.

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 Articles of Association. However, it may not increase shareholders' commitments, except in the case of transactions resulting from a duly completed regrouping of shares.

Extraordinary General Meetings are only able to validly conduct business, when convened for the first time, if the shareholders attending the Meeting or represented by proxy or having voted by mail represent at least one-quarter of the total voting rights, and one-fifth of the total voting rights when convened for the second time. In the event of this quorum not being reached at the second Meeting, it may be adjourned 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 the Meeting when adjourned in this manner.

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 as otherwise provided by law.

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.

Special General Meetings are only able to validly conduct business, when convened for the first time, if the shareholders attending the Meeting or represented by proxy represent at least one-third of the total voting rights, and one-fifth of the total voting rights when convened for the second time.

In all other respects, Special General Meetings are convened and conduct business 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

Vincent Paris, 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)	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Audit												
Statutory audit, certification, audit of the individual company and consolidated financial statements												
■ Issuer	1,009	218	214	*48%*	*21%*	*36%*	479	166	163	*48.3%*	*34%*	*42%*
■ Fully consolidated subsidiaries	811	307	236	*39%*	*30%*	*40%*	458	249.4	170	*46.2%*	*52%*	*43%*
Other services relating directly to the statutory audit assignment												
■ Issuer	219	457	17	*11%*	*45%*	*3%*	36	6.5	1	*3.7%*	*1%*	*0%*
■ Fully consolidated subsidiaries	6	-	92	*0%*		*16%*	-	0.8			*0%*	*0%*
Subtotal	**2,045**	**982**	**559**	*98%*	*97%*	*95%*	**973**	**422.7**	**334**	*98.2%*	*87%*	*85%*
Other services provided by the firms to fully consolidated subsidiaries												
Legal, tax, employee-related	44	33	32	*2%*	*3%*	*5%*	18	61	58	*1.8%*	*13%*	*15%*
Other	-	-	-			*0%*	-				*0%*	*0%*
Subtotal	**44**	**33**	**32**	*2%*	*3%*	*5%*	**18**	**61**	**58**	*1.8%*	*13%*	*15%*
TOTAL	**2,089**	**1,015**	**591**	***100%***	***100%***	***100%***	**991**	**483.7**	**392**	***100%***	***100%***	***100%***

6. Provisional reporting timetable

Publication date	Event	SFAF meeting date
27 February 2015 before market	Revenue for the 2014 financial year	-
19 March 2015 before market	Results for the 2014 financial year	19 March 2015
28 April 2015 before market	Revenue for the first quarter of 2015	-
6 August 2015 before market	Revenue for the first half-year period of 2015	6 August 2015
4 November 2015 before market	Revenue for the third quarter of 2015	-

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 General 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.soprasteria.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. Relevant information in the Management Report, detailed in the cross-reference table in Chapter 8 "Information regarding the Management Report", 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 2014 provided in this Registration Document are included on pages 189 and 224, respectively.

Historical financial information for 2012 and 2013 is included in this Registration Document, excerpted from pages 87 to 164 of the 2012 Registration Document and pages 117 to 196 of the 2013 Registration Document, respectively. The reports of the Statutory Auditors on this historical financial information are included on page 140 of the 2012 Registration Document and on page 173 of the 2013 Registration Document.

Paris, 29 April 2015

Vincent Paris

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) No. 809/2004 of 29 April 2004.

	Pages	Chapters
13. Profit forecasts and estimates	NA	NA
14. Administrative, management and supervisory bodies and Executive Management		
14.1 Information concerning members	43-47	2
14.2 Conflicts of interest	47	2
15. Remuneration and benefits		
15.1 Remuneration and benefits in kind	52, 61-67, 184	2, 4 (Note 33)
15.2 Provisions for pension, retirement or similar benefits	163-164, 208	4 (Note 25), 5
16. Board practices		
16.1 Expiry date of the current terms of office	43-47	2
16.2 Members of the administrative, management or supervisory bodies' service contracts	47	2
16.3 Information on the Company's Audit Committee and Remuneration Committee	49-50	2
16.4 Statement of compliance with corporate governance rules in force in France	52	2
17. Employees		
17.1 Number of employees	76, 138	3, 4 (Note 5)
17.2 Shareholdings and stock options	61-63, 65-66, 156-157, 205-207, 229-231, 237	2, 4, 5, 6
17.3 Arrangements for involving the employees in the capital of the Company	156-157, 207, 230	5, 6
18. Major shareholders		
18.1 Shareholders owning more than 5% of the share capital	229-230	6
18.2 Existence of different voting rights	229-230	6
18.3 Direct or indirect control	233	6
18.4 Any arrangements, the operation of which may result in a change in its control	232-233	6
19. Related-party transactions	225-226	5
20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
20.1 Historical financial information	115-188	4
20.2 Pro forma financial information	222-223	5
20.3 Financial statements	191-223	5
20.4 Auditing of historical annual financial information	189, 224	4, 5
20.5 Date of latest financial information	115-188	4
20.6 Interim and other financial information	34-35	1
20.7 Dividend distribution policy	11, 240, 243	6, 7
20.8 Legal and arbitration proceedings	39-40, 169, 187	1, 4 (Notes 26 and 35)
20.9 Significant change in the financial or trading position	188, 220	4 (Note 36), 5
21. Additional information		
21.1 Share capital	228, 235	6
21.2 Memorandum and articles of association	258-265	8
22. Material contracts	17-21, 26-27, 31	1
23. Third party information, statements by experts and declarations of any interest		
23.1 Identity	106	3
23.2 Declaration	106-107	3
24. Documents on display	267	8
25. Information on holdings	24, 221	1, 5

Information regarding the Management Report

This Registration Document includes all the items of the Management Report required by legal and regulatory provisions. The table below presents the items in Sopra Steria Group's Management Report at 31 December 2014:

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	16-23, 26-35
CCom	L. 225-100 and L. 225-100-2	Non-financial key performance indicators relating specifically to the Company's business, including disclosures on environmental and labour issues	69-105
CCom	L. 233-6	Significant equity interests acquired during the financial year in companies whose registered offices are on French soil	31-32
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	33-35
CCom	L. 225-100 and L. 225-100-2	Description of main risks and uncertainties to which the Company is exposed	36-40
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	38, 174
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	69-105
CCom	L. 232-1	Research and development activities	31-32
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	240

Reference texts		Corporate governance and compensation	
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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:

This document is printed in compliance with ISO 14001.2004 for an environment management system.

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

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