Sopra group

UPDATE TO THE

Reference Document 2010

TALENTED TOGETHER

1 Report of the Board of Directors to the General Meeting of 8 June 2011 — 3

1. Presentation of the Axway spin-off and listing transaction — 4
2. Presentation of resolutions submitted for the approval of shareholders at the General Meeting of 8 June 2011 — 6

2 Selected financial information — 9

1. Sopra Group's business activity in the first quarter of 2011 — 10
2. Pro forma income statement — 11
3. Pro forma condensed balance sheet — 12
4. Statement of changes in net debt — 14
5. Organisation chart for the Group (post spin-off) — 15
6. Workforce — 15
7. Annexes: Summary of reconciliations between the consolidated financial statements and the pro forma financial statements — 16

3 Consolidated pro forma financial statements — 19

1. Basis of preparation of the pro forma financial statements — 20
2. Pro forma statement of financial position — 21
3. Pro forma consolidated income statement and statement of gains and losses recognised directly in equity — 22
4. Pro forma statement of changes in equity — 23
5. Pro forma statement of cash flows — 24
6. Notes to the pro forma financial statements — 26
7. Statements of reconciliations between the historical consolidated financial statements and the pro forma financial statements — 57
8. Statutory auditors' report on the pro forma information — 60

4 Ordinary General Meeting of 8 June 2011 — 61

1. Agenda for the Meeting — 62
2. Proposed resolutions — 62

5 Additional information — 65

1. Corporate governance — 66
2. Share capital — 66
3. Shareholders' agreements — 66
4. Authorisations granted by the General Meeting of 10 May 2011 — 66
5. Amendment to the Articles of Association — 67
6. Provisional calendar — 67
7. Related party transactions — 67
8. Risk factors — 68
9. Appointments — 68

Documents on display — 69

Annual disclosure document — 70

Certification by the person responsible for the Reference Document — 71

Sopra Group

Update to the 2010 Reference Document

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The original French-language version of this Reference Document was registered with the *Autorité des marchés financiers* on 20 May 2011, pursuant to Article 212-13 of its General Regulations. It must be considered in conjunction with Sopra Group's 2010 Reference Document, filed in its original French-language version with the *Autorité des marchés financiers* (AMF) on 8 April 2011 under number D11-0261. This document was prepared by the issuer whose authorised signatories alone assume responsibility for its content. The French-language version of the original Reference Document, together with this update, may be used as a basis for a financial transaction if it is supplemented by a prospectus authorised by the AMF.

This document is a free translation into English of the original French document entitled *"Actualisation du document de référence 2010".* 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.

Sopra group

Société anonyme

with share capital of €47,415,780.

326 820 065 RCS Annecy

Registered office: PAE Les Glaisins - FR 74940 Annecy-le-Vieux

Given the proposal to separate Sopra Group's two businesses (Consulting and Systems and Solutions Integration) from Axway's business in the development and distribution of software, the Reference Document filed with the AMF on 8 April 2011 under number D11-0261 has been updated. The following chapters serve to update the Reference Document. Only sections in which modifications were made are included in this update.

For the purposes of this update to the Reference Document:

- the term ***"Axway"*** refers to the entity Axway Software in the form that it will have following the transactions described in Section 26.1.1 of the Prospectus approved by the AMF on 29 April 2011 under its visa number 11-137;
- the term ***"Axway group"*** collectively refers to the Company and its subsidiaries in the form that this grouping will have following the transactions described in Section 26.1.1 of the Prospectus approved by the AMF on 29 April 2011 under its visa number 11-137;
- the term ***"Sopra Group SA"*** refers to the company Sopra Group whose shares are admitted for trading on the regulated market of NYSE Euronext in Paris;
- the term ***"Groupe Sopra"*** collectively refers to Sopra Group SA and its subsidiaries (excluding the Axway group when permitted by the context).

1 REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING OF 8 JUNE 2011

1. Presentation of the Axway spin-off and listing transaction 4

2. Presentation of resolutions submitted for the approval of shareholders at the General Meeting of 8 June 2011 6

1. Presentation of the Axway spin-off and listing transaction

The admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris, in connection with the distribution of Axway Software shares to Sopra Group SA's shareholders, is described in the prospectus relating to the admission of Axway Software shares to trading on the NYSE Euronext regulated market in Paris, approved by the *Autorité des marchés financiers* on 29 April 2011 under its visa number 11-137. This transaction is in keeping with the project to separate Axway Software's historical business (the development and distribution of Business Interaction Network Management Software) from Sopra Group SA's historical businesses (Consulting and Systems and Solutions Integration) in order to create an independent group (Axway Software).

The separation of Axway Software's historical business from the historical businesses of Groupe Sopra reflects the determination to:

- enhance the market visibility and perception of both Axway Software and Sopra Group SA's activities and performance, as the divide between their business models has increasingly widened, in terms of business segments, organisation, geographies and client portfolios;
- significantly raise Axway Software's profile and heighten recognition of its value;
- further Axway Software's strategic objectives, whose aim is to offer a market-leading family of solutions for the management of electronic data exchanges between large companies or organisations and all partners in their ecosystems;
- give greater latitude to both Axway Software and Sopra Group SA in building strategic alliances and pursuing external growth opportunities;
- build Axway Software's capacity to raise finance, in particular so as to pursue acquisitions, and enable Sopra Group SA to focus its resources on the development of its own businesses.

The admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris will be concurrent with the distribution by Sopra Group SA to its shareholders of approximately 73.5% of Axway Software's share capital. Following this transaction, Sopra Group SA would maintain an ownership interest of at least 26.5%, approximately (with the understanding that Sopra Group SA's 26.5% stake in Axway Software might include up to about 1.5% of the share capital held to allow holders of Sopra Group SA share subscription options to be protected upon the Distribution of Axway Shares. Subject to any applicable restrictions, these Axway Software shares would be remitted to these option holders in the event that their options are exercised).

To this end, it is planned that Sopra Group SA distribute to its shareholders, in respect of each Sopra Group SA share entitled to receive the distribution:

- one (1) Axway Software share (the **"Distribution of Axway Shares"**);
- together with a payment in the amount of €3.92, to offset the major portion of the French tax impact from this distribution (the **"Cash Distribution"**),

as an exceptional distribution of premiums and reserves (the Distribution of Axway Shares and the Cash Distribution being referred to collectively hereinafter as the "Distribution"), with the understanding that the Cash Distribution, pursuant to the first resolution submitted for your approval, and the Distribution of Axway Shares, pursuant to the second resolution submitted for your approval, together constitute a single, indivisible transaction.

It is to be noted that the Distribution could be followed as quickly as possible, subject to market conditions, by a capital increase in application of the preferential right of the Axway Software's shareholders to subscribe to shares. Should it be completed, this capital increase, which is expected to be in range of €50-65 million, would serve mainly to reimburse current account advances granted to Axway Software by Sopra Group SA and would enable Axway Software to have a positive cash balance. The new equity issue shall be the subject of a separate offering circular.

1.1. Overview of transactions to be conducted prior to the Distribution

Readers are reminded that a certain number of transactions will have been carried out in advance of the Distribution, in particular:

- for Sopra Group SA:
  - the amendment of Sopra Group SA's Articles of Association, adopted by Sopra Group SA shareholders on 10 May 2011 for the purpose of inserting a new Article 39 to confirm, by express agreement, that the General Meeting is authorised to decide on a distribution in kind,
  - a reduction in Sopra Group SA's share capital by way of a €3 reduction in the par value of each share from €4 to €1. Consequently, based on total share capital of €47,427,780 made up of 11,856,945 shares, Sopra Group SA's capital shall be reduced to €11,856,945. The exact amount of the reduction in capital shall be determined in accordance with the exact number of shares that make up Sopra Group SA's share capital at the date on which the capital reduction is carried out. The reduction in Sopra Group SA's share capital was submitted approved by Sopra Group SA's shareholders on 10 May 2011 and will be deemed to be completed once any creditors' rights of opposition have been exhausted;
- for Axway Software:
  - a split in the par value of Axway Software shares, as agreed at Axway Software's Combined General Meeting on 28 April 2011. Each share, with a par value of €38, was split into 8 shares with a par value of €4.75 each. Subject to this change, the newly split shares shall benefit from the same rights as before they were split,
  - a €952,436.75 increase in Axway Software's share capital, from €75,620,000 to €76,572,436.75, which was agreed at Axway Software's Combined General Meeting held on 28 April 2011. This capital increase was carried out by capitalising reserves taken from the "Share premium" account and creating 200,513 new shares with a par value of €4.75 each,

- a reduction in Axway Software's share capital by way of a €2.75 reduction in the par value of each share from €4.75 to €2, as agreed at the Combined General Meeting held on 28 April 2011, and the allocation of the amount of this reduction in capital to the "Share premium" account. Consequently, the share capital of €76,572,436.75, consisting of 16,120,513 shares following the transaction referred to in the previous point, shall be reduced by €44,331,410.75 to €32,241,026. Since it is not being carried out as a result of losses, this reduction in capital will only be deemed to be completed once all creditors' rights of opposition have been exhausted.

The purpose of these preliminary transactions relating to the Axway Software's share capital is to enable the Distribution to be completed in the ratio of one (1) share in the Company for every one (1) Sopra Group SA share held.

The purpose of reducing Axway Software's capital is to adjust its equity structure with a view to the admission to trading of its shares and it will be deemed to be completed once all creditors' rights of opposition have been exhausted.

On 28 April 2011, Axway Software also carried out an exceptional dividend distribution of €7,920,200 to Sopra Group SA, as well as an exceptional distribution of €13,863,641.18 to Sopra Group SA charged to "Other reserves".

1.2. Adjustment of the Distribution against Sopra Group SA's equity

The Distribution will be charged to available Sopra Group SA equity items as described below, after the exercise of any options to subscribe to Sopra Group SA shares having occurred since 1 January 2011, the approval of the 2010 financial statements, the appropriation of 2010 earnings, and the reduction in capital by way of a transfer to the share premium account, in accordance with decisions passed by Sopra Group SA's Combined General Meeting of 10 May 2011, including the amount of Sopra Group SA's legal reserve that will be available given said reduction in Sopra Group SA's capital:

- the Cash Distribution, which corresponds to a maximum overall amount of €49,639,709.20, on the basis of a maximum total of 11,897,885 Sopra Group SA shares entitled to receive the Distribution of Axway Shares, will be charged to the "Share premium" account,
- the Distribution of Axway Shares will be charged to the following Sopra Group SA equity items, to the extent necessary, in the order specified below:
  - the Cash Distribution will be adjusted against the "Share premium" account,
  - the Distribution of Axway Shares will be adjusted against the following accounts:
  - against the balance of the "Share premium" account after the adjustment in respect of the cash distribution, then
  - against the "Merger premium" account, then
  - against the "Contribution premium" account, then
  - to the free reserve portion of the legal reserve made available as a result of the reduction in capital by way of an allocation to the share premium account, in accordance with the decisions passed by Sopra Group SA's Combined General Meeting of 10 May 2011, then
  - against the "Discretionary reserves" account.

It should be noted that the Distribution of Axway Shares is to be adjusted against a valuation of 100% of the equity of Axway Software of €300 million. It is also to be noted that this valuation has been submitted for independent expert evaluation by Horwath Audit France, the firm appointed and tasked with assessing the coherence of the valuation for Axway Software adopted by Sopra Group SA's Board of Directors for the purposes of adjusting the Distribution of Axway Shares against Sopra Group SA's equity.

It should be noted that this evaluation is without prejudice to either the technical reference price or opening price of the Axway Software share upon its initial listing or its price during any subsequent trading session. In this respect, it should be noted that the technical reference price for the Axway Software share, which will be used to determine reservation thresholds for the opening of the trading session of 14 June 2011 and to calculate the Axway Software share price performance on that date, will be announced in a notice issued by NYSE Euronext, once the opinions of the advisory banks of both Sopra Group and Axway Software have been obtained, on 13 June 2011, thus on the day preceding the admission to trading of Axway Software shares.

1.3. Eligibility for the Distribution

The holders of shares entitled to receive the Distribution will be those Sopra Group SA shareholders (other than Sopra Group SA itself) whose shares admitted for trading on Compartment B of NYSE Euronext Paris under ISIN code FR0000050809 (in relation to which the shares admitted for trading on Compartment B of NYSE Euronext Paris under ISIN code FR0010989145 are considered as equivalent for the purposes of this distribution) will have been registered for accounting purposes in their name at the close of the accounting day preceding the Distribution Finalisation Date (i.e. after taking into account orders executed in the course of the accounting day preceding the Distribution Finalisation Date, even if the settlement and delivery of said orders occur after the Distribution Finalisation Date).

Sopra Group SA shares held by Sopra Group SA itself shall not be eligible for this Distribution.

1.4. Ratio with respect to the Distribution of Axway Shares and number of shares distributed

One (1) Axway Software share is to be distributed for each Sopra Group SA share eligible for the Distribution (i.e. a ratio of one (1) to one (1)).

Based on the maximum number of Sopra Group SA shares eligible for the Distribution, a maximum of 11,897,885 Axway Software shares are to be included in the Distribution. This number shall be adjusted on the evening of the day prior to the Distribution Finalisation Date in accordance with the exact number of Sopra Group SA shares eligible for the Distribution.

1.5. Ex-date for the Distribution, payment date for the Cash Distribution and settlement/delivery date for the Distribution of Axway Shares

It is proposed that the ex-date for the Distribution, the payment date for the Cash Distribution and the settlement/delivery date for the Distribution of Axway Shares all be set so that they fall on the same day, thus 14 June 2011, to be considered as the Distribution Finalisation Date.

1.6. Protection of option beneficiaries

Share options granted by Sopra Group SA to employees of Axway Software or any of its subsidiaries are to be maintained following the Distribution.

In connection with the Distribution, the rights of holders of options to subscribe to Sopra Gorup S.A. shares will be protected, in accordance with applicable regulations:

- as regards the Distribution of Axway Shares, Sopra Group SA would protect the rights of the holders of share subscription options in compliance with regulations in force, (i) either by way of the application of rules for the adjustment of the exercise price and the number of shares covered by Sopra Group SA options or (ii) at the discretion of the Board of Directors of Sopra Group SA, in accordance with Articles L. 225-181 and L. 228-99 2° of the French Commercial Code, Sopra Group SA, while retaining a number of Axway Software shares equal to the number of shares to which share options not exercised as at the evening of the day before the Distribution Finalisation Date entitle the holders of those options, prior to the adjustment of the exercise price and the number of shares covered by those options under the Cash Distribution in accordance with Section 26.1.1.10 of the prospectus relating to the admission of Axway Software's shares to trading on the NYSE Euronext regulated market in Paris. Accordingly, any option holders who exercise their options at a later date would receive shares equivalent to those distributed under the Distribution, in the same quantities or proportions and under the same conditions (except as regards the enjoyment thereof) as if they had been shareholders at the time of the Distribution;
- then, as regards the Cash Distribution, the exercise price and the number of shares under Sopra Group SA options of share subscription option holders are to be adjusted.

2. Presentation of resolutions submitted for the approval of shareholders at the General Meeting of 8 June 2011

2.1. Distribution of amounts in cash in the form of an exceptional distribution of premiums and reserves

In connection with the first resolution, it is proposed that the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and having heard the following:

- the Board of Directors' report,
- the opinion of employee representative bodies issued on 15 April 2011,
- the prospectus relating to the admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris, approved by the *Autorité des marchés financiers* on 29 April 2011 under its visa number 11-137 and the completion of the Preliminary Transactions mentioned therein,
- the press release published by Sopra Group on 13 May 2011 indicating a valuation for 100% of the equity of Axway Software to be used when adjusting the distribution of Axway Software shares pursuant to the subsequent resolution against Sopra Group's equity, this valuation having been submitted for independent expert evaluation by Horwath Audit France;

- take note of the amount of Sopra Group's available equity following the exercise of Sopra Group share subscription options from 1 January 2011, the approval of the 2010 financial statements, the appropriation of 2010 earnings, and the reduction in Sopra Group's capital by way of a transfer to the share premium account, in accordance with decisions passed at Sopra Group's Combined General Meeting on 10 May 2011, including the amount of Sopra Group's legal reserve that will have become available due to the said capital reduction;
- decide, in accordance with Article L. 232-11, paragraph 2 of the French Commercial Code, subject to the following conditions precedent:
  - to publish the final opinion relating to the admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris, and
  - to adopt the subsequent resolution relating to the distribution of Axway Software shares,
  - to distribute, in respect of each Sopra Group share held for which the shareholder is entitled to receive the distribution, a cash payment in the amount of €3.92, corresponding, on the basis of a maximum total of 11,897,885 Sopra Group shares entitled to receive the distribution, to a maximum overall amount of €46,639,709.20, with the understanding that the total amount of the cash distribution is to be determined, dependent upon the precise number of shares entitled to receive the distribution, on the evening of the day preceding the ex-date for the distribution,
  - that the holders of shares entitled to receive the distribution will be those Sopra Group shareholders whose shares admitted for trading on Compartment B of NYSE Euronext Paris under ISIN code FR0000050809 (in relation to which the shares admitted for trading on Compartment B of NYSE Euronext Paris under ISIN code FR0010989145 are considered as equivalent for the purposes of this distribution) will have been registered for accounting purposes in their name at the close of the

accounting day preceding the ex-date for the distribution, in other words, for all intents and purposes, 13 June 2011 in the evening (i.e. after taking into account any orders executed during the day of 13 June 2011, even if the settlement and delivery of said orders occur after the ex-date for the distribution), with the understanding that any shares held by Sopra Group itself will not be entitled to receive the distribution pursuant to this resolution, in accordance with Article L. 225-210 of the French Commercial Code,

- to set 14 June 2011 as the payment date for the exceptional distribution of amounts in cash. The ex-date for the distribution will fall on the same day as the payment date,
- to adjust this distribution, conducted in the form of an exceptional distribution of premiums and reserves, against the "Share premium" account, which will thus be reduced by the maximum amount of €46,639,709.20, on the basis of a maximum total of 11,897,885 Sopra Group shares entitled to receive the distribution,
- to grant all powers to the Board of Directors, including the option to sub-delegate such powers to the Chairman and Chief Executive Officer, in order to implement this decision and in particular to:
  - record the fulfilment of the conditions precedent above and the payment date for the distribution,
  - record the precise number of shares entitled to receive the distribution on the evening of the day preceding the ex-date for the distribution and the corresponding amounts to be adjusted against Sopra Group's equity, in accordance with the terms and conditions set forth by the General Meeting,
  - record and approve the resulting deductions from equity and the remaining balance of Sopra Group's equity,
  - take any necessary or useful measures in order to complete the distributions pursuant to this resolution,
  - more generally, establish any and all records, make any and all disclosures, enter into any and all confirmatory or supplementary instruments and proceed with any other formalities that may prove to be necessary;

- take note that the rights of the holders of Sopra Group share subscription options will be adjusted in accordance with Article L. 225-181 of the French Commercial Code;
- take note that this distribution of amounts in cash will be eligible, under French tax regulations, for the tax deduction set forth in Article 158-3-2 of the French Tax Code applicable to natural persons resident in France for tax purposes. However, any shareholder having opted for the standard withholding tax provided by Article 117 *quater* of the French Tax Code is not entitled to take this deduction.

2.2. Distribution of Axway Software shares in the form of an exceptional distribution of premiums and reserves

In connection with the second resolution, it is proposed that the General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and having heard the following:

- the Board of Directors' report,
- the opinion of employee representative bodies issued on 15 April 2011,
- the prospectus relating to the admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris, approved by the *Autorité des marchés financiers* on 29 April 2011 under its visa number 11-137 and the completion of the Preliminary Transactions mentioned therein,
- the press release published by Sopra Group prior to the date of this General Meeting indicating a valuation for the Axway Software share to be used when adjusting the distribution of Axway Software shares pursuant to this resolution against Sopra Group's equity, this valuation having been submitted for independent expert evaluation by Horwath Audit France,

- take note of the amount of Sopra Group's available equity following the exercise of Sopra Group share subscription options from 1 January 2011, the approval of the 2010 financial statements, the appropriation of 2010 earnings, and the reduction in Sopra Group's capital by way of a transfer to the share premium account, in accordance with decisions passed at Sopra Group's Combined General Meeting on 10 May 2011, including the amount of Sopra Group's legal reserve that will have become available due to the said capital reduction;
- decide, in accordance with Article L. 232-11, paragraph 2 of the French Commercial Code, subject to the following conditions precedent:
  - to publish the final opinion relating to the admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris, and
  - to adopt the preceding resolution relating to the exceptional cash distribution of premiums and reserves,
  - to distribute, in respect of each Sopra Group share held for which the shareholder is entitled to receive the distribution, one (1) Axway Software share (thus in the ratio of one (1) Axway Software for every one (1) Sopra Group share held), corresponding, on the basis of a maximum total of 11,897,885 Sopra Group shares entitled to receive the distribution, to a maximum total of 11,897,885 Axway Software shares, with the understanding that the precise number of Axway Software shares distributed will be determined, depending upon the precise number of Sopra Group shares entitled to receive the distribution, on the evening of the day preceding the ex-date for the distribution,
  - that the holders of shares entitled to receive the distribution of Axway Software shares will be those Sopra Group shareholders whose shares are admitted for trading on Compartiment B of NYSE Euronext Paris under ISIN code FR0000050809 (in relation to which the shares admitted for trading on Compartiment B of NYSE Euronext Paris under ISIN code FR0010989145 are considered as equivalent for the purposes of this distribution) will have been registered for accounting purposes in their name at the close of the accounting day preceding the ex-date for the distribution, in other words, for

all intents and purposes, 13 June 2011 in the evening (i.e. after taking into account any orders executed during the day of 13 June 2011, even if the settlement and delivery of said orders occur after the ex-date for the distribution), with the understanding that any shares held by Sopra Group itself will not be entitled to receive the distribution pursuant to this resolution, in accordance with Article L. 225-210 of the French Commercial Code,

- to set the payment date and the settlement/delivery date for the exceptional distribution of Axway Software shares so that they fall on the same day as the payment date for the exceptional cash distribution of premiums and reserves provided for under the preceding resolution, thus 14 June 2011. The ex-date for the distribution will fall on the same day as the payment date,
- to adjust the distribution of Axway Software shares, carried out in the form of an exceptional distribution of premiums and reserves, on the basis of a valuation of three hundred million (300,000,000) euros for 100% of the equity of Axway Software, a valuation which has been submitted for independent expert evaluation by Horwath Audit France, against Sopra Group's equity, to the extent necessary, in the following order:
  - adjustment against the balance of the "Share premium" account after the adjustment for the cash distribution pursuant to the preceding resolution, then
  - against the "Merger premium" account, then
  - against the "Contribution premium" account, then
  - against the free reserve portion of the legal reserve made available as a result of the reduction in capital by way of an allocation to the share premium account, in accordance with the decisions passed by Sopra Group's Combined General Meeting of 10 May 2011, then
  - against the "Discretionary reserves" account;
- to grant all powers to the Board of Directors, including the option to sub-delegate such powers to the Chairman and Chief Executive Officer, in order to implement this decision and in particular to:
  - record the fulfilment of the conditions precedent above and the payment date and settlement/delivery date for the corresponding Axway Software shares,
  - record the precise number of shares entitled to receive the distribution on the evening of the day preceding the ex-date for the distribution and the corresponding amounts to be adjusted against Sopra Group's equity, in accordance with the terms and conditions set forth by the General Meeting,
  - record and approve the resulting deductions from equity and the remaining balance of Sopra Group's equity, on the basis of the abovementioned valuation for Axway Software,
  - take any necessary or useful measures in order to complete the distributions pursuant to this resolution,
  - proceed with any formalities required with a view to completing the distribution of Axway Software shares and finalising their admission to trading on the NYSE Euronext regulated market in Paris,
  - more generally, establish any and all records, make any and all disclosures, enter into any and all confirmatory or supplementary instruments and proceed with any other formalities that may prove to be necessary;
- take note that the rights of holders of Sopra Group options will be protected in accordance with Article L. 225-181 of the French Commercial Code, that Sopra Group's Board of Directors will be granted all necessary powers to this end and that, in particular, it may, at its discretion:
  - either apply rules for the adjustment of the exercise price and the number of shares covered by Sopra Group options,
  - or, in accordance with Articles L. 225-181 and L. 228-99 2° of the French Commercial Code, retain a number of Axway Software shares equal to the number to which option holders would have been entitled had they been shareholders at the time of this distribution, so as to remit these shares to them should they exercise their options at a later date;
- take note that this distribution of Axway Software shares will be considered, under French tax regulations, as follows:
  - in part, as a distribution eligible for the tax deduction set forth in Article 158-3-2° of the French Tax Code applicable to natural persons resident in France for tax purposes, in the amount of €8.56 for each Axway Software share distributed. However any shareholder having opted for the standard withholding tax provided by Article 117 *quater* of the French Tax Code will not be entitled to take this deduction, and
  - in part, as a repayment of a contributed assets in an amount equal to the difference between the actual value of the Axway Software shares distributed and the taxable value of the distribution,
  - with the understanding that these amounts will be adjusted on the evening of the day preceding the ex-date for the distribution, depending upon the number of Sopra Group shares determined as entitled to receive the distribution.

2.3. Ratification of the co-optation of Delphine Inesta as Director

In its meeting of 13 May 2011, the Board of Directors of Sopra Group SA co-opted Delphine Inesta as a member to replace Pierre-André Martel who had resigned from the Board with effect from the date of this same meeting.

Ms. Inesta's term in office will expire at the General Meeting called to approve the financial statements for the year ending 31 December 2011. It is proposed that the Ordinary General Meeting to be held on 8 June 2011 ratify this co-optation.

Ms. Delphine Inesta, aged 32, is a graduate of both the École Normale Supérieure de Fontenay-Saint-Cloud and the École des Hautes Études Commerciales (HEC). Currently, she serves as a member of the Board of Directors of Caravelle, the industrial holding company and shareholder of Sopra Group SA.

13 May 2011

The Board of Directors

2 SELECTED FINANCIAL INFORMATION

1. Sopra Group's business activity in the first quarter of 2011 — 10
2. Pro forma income statement — 11
3. Pro forma condensed balance sheet — 12
4. Statement of changes in net debt — 14
5. Organisation chart for the Group — 15
6. Workforce — 15
7. Annexes: Summary of reconciliations between the consolidated financial statements and the pro forma financial statements — 16

1. Sopra Group's business activity in the first quarter of 2011

Sopra Group SA achieved consolidated revenue for first quarter 2011 of €309.2 million, representing organic growth of 10.3%. All of the Group's businesses contributed to this performance.

(in millions of euros)	2011	2010 Published	2010 Pro forma	Total growth	Organic growth [(1)]
Consulting and Systems and Solutions Integration (Sopra Group)	262.1	235.1	235.9	11.5%	11.1%
of which Consulting and Systems and Solutions Integration France	*213.9*	*192.8*	*192.7*	*10.9%*	*11.0%*
of which Consulting and Systems and Solutions Integration Europe	*48.2*	*42.3*	*43.2*	*13.9%*	*11.6%*
Axway	47.1	43.8	44.3	7.5%	6.3%
TOTAL SOPRA GROUP SA	**309.2**	**278.9**	**280.2**	**10.9%**	**10.3%**

(1) At constant consolidation scope and exchange rates.

1.1. Consulting and Systems and Solutions Integration

Revenue came to €262.1 million, representing total growth of 11.5% and organic growth of 11.1%.

Revenue in France amounted to €213.9 million, representing organic growth of 11.0%. Consulting, fixed-price projects and application outsourcing offerings, together with its proprietary application solutions, all achieved positive growth. Performance was especially strong in the financial services, utilities and public sector verticals.

Revenue in Europe (excluding France) amounted to €48.2 million, representing organic growth of 11.6%. Although this represents an excellent performance, due in part to a favourable basis for comparison, the Group intends to build on its successes, further strengthening its business results across the region. The transformation programme launched for all subsidiaries, intended to bring their offers in line with those in France, proceeded successfully.

For all CSSI businesses, efforts undertaken over the last several years to roll out an industrialised delivery model have generated productivity gains and have built confidence among the Group's key accounts.

Performance by country breaks down as shown in the table below:

(in millions of euros)	2011	2010 Published	2010 Pro forma	Total growth	Organic growth [(1)]
CSSI [(2)] – France	213.9	192.8	192.7	10.9%	11.0%
CSSI – United Kingdom	16.4	14.4	15.0	13.9%	9.3%
CSSI – Spain	18.1	16.1	16.1	12.4%	12.4%
CSSI – Italy	8.5	7.2	7.2	18.1%	18.1%
CSSI – Other countries	5.2	4.6	4.9	13.0%	6.1%
SOPRA GROUP SA CONSULTING AND SYSTEMS & SOLUTIONS INTEGRATION	**262.1**	**235.1**	**235.9**	**11.5%**	**11.1%**

(1) At constant consolidation scope and exchange rates.

(2) Consulting and Systems & Solutions Integration.

1.2. Axway

Revenue came to €47.1 million, representing total growth of 7.5% and organic growth of 6.3%. It should be noted that the company's emergence from the economic crisis that had weakened its performance in 2009 resulted in significant revenue growth during the first quarter of 2010, thus creating a less favourable basis for comparison.

1.3. Workforce

Sopra Group has announced a recruitment programme, which calls for a total of 2,500 new hires in 2011. In the first quarter, 900 employees joined the Group. At 31 March 2011, the Group's total workforce was 13,700 persons.

1.4. Financial calendar

Wednesday, 8 June 2011 at 2.30 pm: General Meeting of Shareholders at Centre Étoile Saint-Honoré, Paris.

Tuesday, 26 July 2011 after the stock market close: Publication of second quarter revenue.

Wednesday, 31 August 2011 after the stock market close: publication of half-year results.

Thursday, 1 September 2011 at 11.30 am: Analysts' meeting.

Selected financial information relating to the Axway spin-off

As the separation of Axway's business from those of the Group has an impact on the Group's consolidated financial statements, pro forma financial statements have been prepared. The financial information presented in this section is intended to simulate the effects of the separation of the businesses on the Group's financial statements as if the spin-off had taken place as at 1 January 2010. It should be noted that the gain arising on the remeasurement to fair value of the residual ownership interest that will be held by Sopra Group SA in Axway upon the completion of the spin-off has been determined on the basis of Axway's consolidated equity at 31 December 2010, after taking into account the Axway dividend mentioned below.

The pro forma financial statements were prepared on the basis of the transactions described below:

Preliminary transactions prior to the spin-off and listing:

- distribution of a dividend of €21.8 million by Axway to Sopra Group (see Axway Prospectus §26.1.1.4);
- reduction of Sopra Group's share capital effected via a reduction in nominal value.

Spin-off and listing transaction on the basis of an expert valuation for Axway of €300.0 million:

- distribution in cash of a dividend of €3.92 per share, thus a total amount of €46.5 million, for 11.85 million shares in issue at 31 December 2010;
- distribution of one Axway share in respect of each Sopra share, thus approximately 73.5% of Axway's share capital.

The financial information presented in this chapter is excerpted directly from Chapter 3 of Sopra Group's pro forma consolidated financial statements of this Updated Document.

The pro forma financial statements included below have been reviewed by the Statutory Auditors.

2. Pro forma income statement

	2010 Published		2010 Pro forma	
(in millions of euros)	*€M*	*%*	*€M*	*%*
Revenue	**1,169.9**		**964.4**	
Operating expenses	-1,053.1		-878.7	
Operating profit on business activity	**116.8**	**10.0%**	**85.7**	**8.9%**
Expenses related to stock options	-0.2		-0.2	
Amortisation of allocated intangible assets	-2.6		-0.7	
Profit from recurring operations	**114.0**	**9.7%**	**84.8**	**8.8%**
Other operating income and expenses	-4.7		-1.1	
Operating profit	**109.3**	**9.3%**	**83.7**	**8.7%**
Cost of net financial debt	-5.8		-5.6	
Other financial charges and expense	-1.4		0.4	
Capital gains on Axway shares	-		46.0	
Tax charges	-27.3		-30.3	
Share of profits (loss) from equity-accounted associates	-		7.0	
Net profit from discontinued activities	-		-	
Net profit	**74.8**	**6.4%**	**101.2**	**10.5%**
Group share	74.8		101.2	
Minority interests	-		-	

In previous financial years, Sopra Group has published within its Reference Document, under segment information, financial data relating to Axway on the one hand and to the various constituent parts of Sopra Group's operations excluding Axway on the other hand. The combination of the economic data relating to these various segments, namely Systems and Solutions Integration in France, Systems and Solutions Integration in Europe and Consulting represent the economic performance of Sopra Group in its configuration in the aftermath of the spin-off.

Therefore, the spin-off process has no impact on the operating performance of Sopra Group in its post spin-off configuration since the various consolidated items (operating profit on business activity, profit from recurring operations and operating profit) as presented in the pro forma financial statements and under segment information in the Reference Document are strictly identical.

Adjustments made for the purposes of the pro forma financial statements relate to the following:

- the revenue figure shown is slightly different from that provided under segment information. The services rendered on behalf of Axway (mainly by Sopra Group India) are now recognised under revenue whereas in the past they were eliminated on consolidation. This adjustment, representing the amount of €2.9 million in 2010, has no impact on Sopra Group's operating profit on business activity;
- the pro forma net financial expense is adjusted to reflect financial interest paid and recharged to Axway. Axway's financing is guaranteed by Sopra Group by means of a current account, offset under financial income in the amount of €1.5 million in 2010. This financial income eliminated on the consolidation of Sopra Group's financial information is thus deducted from Sopra Group's financing costs in the aftermath of the spin-off;
- the share of income in equity-accounted associates, in an amount corresponding to the equity accounting of 26.5% of Axway's net profit for 2010, or €7.0 million;
- the distribution of Axway shares has an impact on the pro forma income statement for the year ended 31 December 2010. Under IAS 27, the capital gains arising from the difference between the expert valuation and the carrying amount of consolidated equity is recognised through the income statement for the 26.5% of Axway shares retained, in the amount of €46.0 million;
- capital gains arising on the 73.5% of Axway shares distributed, in the amount of €127.7 million, are recognised directly in equity;
- excluding capital gains in the amount of €46.0 million arising on the retained Axway shares, pro forma net profit totals €55.2 million.

3. Pro forma condensed balance sheet

(in millions of euros)	31/12/2010 Published	31/12/2010 Pro forma
Goodwill	369.9	204.2
Allocated intangible assets	22.0	1.2
Other fixed assets	44.6	40.4
Equity-accounted investments	-	79.5
Axway current account	-	90.2
Total fixed assets	**436.5**	**415.5**
Trade accounts receivable (net)	368.4	306.4
Other assets and liabilities	-383.1	-329.8
Operating assets and liabilities	**-14.7**	**-23.4**
ASSETS + WCR	**421.8**	**392.1**
Equity	364.6	268.1
Net financial debt	57.2	124.0
CAPITAL INVESTED	**421.8**	**392.1**

The pro forma balance sheet is prepared on the basis of the Group's consolidated financial statements and takes into account two types of adjustments:

- a first adjustment consists in deducting intangible assets, property and equipment, current assets and liabilities, financial liabilities other than the current account as well as Axway's free cash flow from the consolidated balance sheet. All of these items are included in the Axway Prospectus;
- a second series of adjustments to the balance sheet involves shareholders' equity, financial liabilities, the current account with Axway and the value of investments in associates.

The pro forma balance sheet is presented on page 21.

3.1. Change in consolidated shareholders' equity

(in millions of euros)	
Position at 31 December 2010 (published)	**364.6**
Distribution in kind (73.5% of Axway at market value)	-220.5
Capital gain on the 73.5% of Axway distributed	127.7
Capital gain on the 26.5% of Axway maintained	46.0
Cash distribution	-46.5
Taxes on distribution	-3.2
POSITION AT 31 DECEMBER 2010 (PRO FORMA)	**268.1**

Changes in consolidated shareholders' equity break down as follows:

- the distribution in kind corresponds to €220.5 million, thus 73.5% of consolidated equity according to the expert valuation, which is €300.0 million;
- the exceptional distribution paid in cash is €3.92 per share, thus a total of €46.5 million;
- capital gains arising on the distribution of Axway shares (both distributed and retained shares) amount to €173.7 million on the basis of the expert valuation. These are recognised directly in equity in the amount of €127.7 million for the distributed shares and through the income statement in the amount of €46.0 million for the retained shares.

The pro forma statement of changes in equity is presented on page 23.

This capital gain on the distribution of Axway shares breaks down as follows:

(in millions of euros)	
Position at 31 December 2010 of Axway's consolidated equity	**148.1**
Dividend distribution (to Sopra Group)	-7.9
Distribution of exceptional dividends (to Sopra Group)	-13.9
POSITION AFTER DIVIDEND DISTRIBUTION	**126.3**
Appraisal value of Axway's equity	**300.0**
Global capital gain on distribution	173.7
o/w capital gain on the 73.5% of Axway distributed	*127.7*
o/w capital gain on the 26.5% of Axway maintained	*46.0*

3.2. Pro forma financial debt

Pro forma financial debt breaks down as follows:

(in millions of euros)	
Position at 31 December 2010 (published)	**57.2**
Adjustment of free cash flow of Axway	22.4
Adjustment of debt relating to employee profit sharing at Axway	-2.0
Adjustment of other financial debt at Axway	-0.1
Position after restatement of net debt of Axway	**77.5**
Cash distribution	46.5
POSITION AT 31 DECEMBER 2010 (PRO FORMA)	**124.0**

Sopra Group's net debt at 31 December 2010, based on published figures, was €57.2 million. It amounts to €124.0 million in the pro forma financial statements, which reflect the following adjustments:

- Axway's free cash flow at 31 December 2010, which was €22.4 million, is added to Sopra Group's net debt;
- the debt relating to employee profit sharing, a charge of €1.7 million, together with other financial liabilities, a charge of €0.3 million, are subtracted from Sopra Group's debt;
- the cash distribution paid, in the amount of €46.5 million, is also added to Sopra Group's net debt.

Sopra Group's net debt in the pro forma financial statements thus amounts to €124.0 million at 31 December 2010. This must be set against Sopra Group's current account balance with Axway, in the amount of €90.2 million at year-end 2010, which will be repaid in part by way of Axway's cash flow and in part via a capital increase by Axway.

3.3. Current account with Sopra Group SA

The balance of Sopra Group SA's current account with Axway amounted to €68.4 million at 31 December 2010. In the pro forma financial statements, this position is adjusted to reflect a dividend payment by Axway to Sopra in the amount of €21.6 million, thus resulting in a total balance of €90.2 million at 31 December 2010.

3.4. Equity-accounted securities

Equity-accounted securities in the pro forma financial statements take into account the equity accounting of 26.5% of the value of the investment in Axway according to the expert valuation (including the profit for the year), which thus amounts to €79.5 million.

This total breaks down as follows:

(in millions of euros)	
Appraisal value of Axway's equity	**300.0**
o/w net profit for financial year 2010	26.6
Value of equity-accounted shareholders' equity	**79.5**
o/w net profit for financial year 2010	7.0

4. Statement of changes in net debt

Groupe Sopra's pro forma statement of changes in net debt at 31 December 2010 is as follows:

(in millions of euros)	**2010 Published**	**2010 Pro forma**
Net debt at beginning of the year (A)	**137.4**	**146.9**
Cash flow from operations excluding net cost of borrowings and taxes	124.7	96.5
Taxes paid	-33.8	-27.2
Change in working capital requirements	20.9	17.5
Net cash from operating activities	**111.8**	**86.8**
Changes related to financial investment activities	-15.0	-12.1
Net interest paid	-6.0	-5.8
Net cash available	**90.8**	**68.9**
Impact of changes in the scope of consolidation	-0.2	-0.2
Distribution in cash	-9.4	-55.9
Capital increase by exercising share options	2.6	2.6
Change in current account	-	8.2
Other changes	-3.6	-1.0
Total net change during the year (B)	**80.2**	**22.6**
Impact of changes in foreign exchange rates (C)	-	0.3
Net debt at year-end (A-B-C)	**57.2**	**124.0**

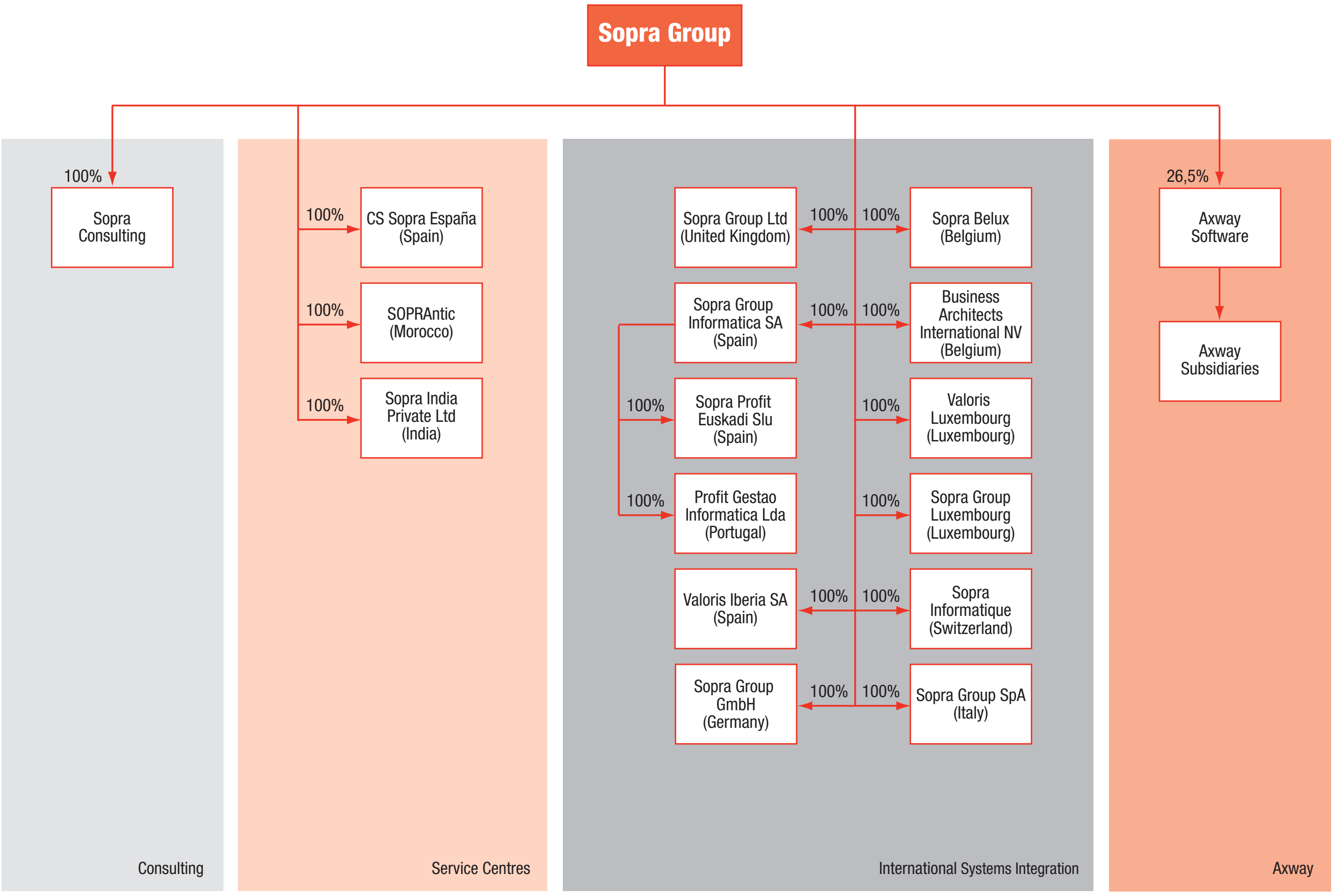
This statement of changes in net debt derives from that of Sopra Group published in the Reference Document, after deducting Axway's cash flows (the corresponding figures are those included in the Prospectus).

Pro forma net cash from operating activities shown in this statement of changes in net debt corresponds to the performance of Sopra Group upon the completion of the spin-off. Pro forma net cash from operating activities amounts to €86.8 million, compared to €111.8 million at 31 December 2010 based on published figures.

Adjustments made for the purposes of the pro forma financial statements and points meriting particular attention relate to the following items:

- pro forma net debt is increased to reflect the amount of the cash distribution, thus by €46.5 million;
- the distribution in cash paid by Axway to Sopra Group in connection with the preliminary transactions does not appear in the statement of changes in net debt, as it is offset by an increase in the current account between Axway and Sopra Group.

5. Organisation chart for the Group post spin-off



6. Workforce

Workforce at year end	Sopra Group post spin-off	Axway	Sopra Group
	2010		
France	8,228	597	8,825
International	3,421	1,064	4,485
TOTAL	11,649	1,661	**13,310**

Average workforce	Sopra Group post spin-off	Axway	Sopra Group
	2010		
France	8,112	603	8,715
International	3,238	1,037	4,275
TOTAL	11,350	1,640	**12,990**

7. Annexes: Summary of reconciliations between the consolidated financial statements and the pro forma financial statements

7.1. Balance sheet

(in millions of euros)	31/12/2010 Published	Axway	Pro forma restatements	31/12/2010 Pro forma
Goodwill	369.9	-165.7	-	204.2
Allocated intangible assets	22.0	-20.8	-	1.2
Other fixed assets	44.6	-4.2	-	40.4
Equity-accounted investments	-	-	79.5	79.5
Axway current account	-	-	90.2	90.2
Total fixed assets	**436.5**	**-190.7**	**169.7**	**415.5**
Trade accounts receivable (net)	368.4	-65.8	3.8	306.4
Other assets and liabilities	-383.1	60.3	-7.0	-329.8
Operating assets and liabilities	**-14.7**	**-5.5**	**-3.2**	**-23.4**
ASSETS + WCR	**421.8**	**-196.2**	**166.5**	**392.1**
Equity	364.6	-148.1	51.6	268.1
Net financial debt	57.2	-48.1	114.9	124.0
CAPITAL INVESTED	**421.8**	**-196.2**	**166.5**	**392.1**

7.2. Income statement

	2010 Published	Axway	Intra-group	2010 Pro forma	
(in millions of euros)	*€M*	*€M*	*€M*	*€M*	*%*
Revenue	**1,169.9**	**-208.4**	**2.9**	**964.4**	
Operating expenses	-1,053.1	177.3	-2.9	-878.7	
Operating profit on business activity	**116.8**	**-31.1**	**-**	**85.7**	**8.9%**
Expenses related to stock options	-0.2	-	-	-0.2	
Amortisation of allocated intangible assets	-2.6	1.9	-	-0.7	
Profit from recurring operations	**114.0**	**-29.2**	**-**	**84.8**	**8.8%**
Other operating income and expenses	-4.7	3.6	-	-1.1	
Operating profit	**109.3**	**-25.6**	**-**	**83.7**	**8.7%**
Cost of net financial debt	-5.8	1.7	-1.5	-5.6	
Other financial charges and expense	-1.4	0.3	1.5	0.4	
Capital gains on Axway shares	-	46.0	-	46.0	
Tax charges	-27.3	-3.0	-	-30.3	
Share of profits (loss) from equity-accounted associates	-	7.0	-	7.0	
Net profit from discontinued activities	-	-	-	-	
Net profit	**74.8**	**26.4**	**-**	**101.2**	**10.5%**
Group share	74.8	26.4	-	101.2	
Minority interests	-	-	-	-	

7.3. Statement of changes in net debt

(in millions of euros)	2010 Published	Axway	Pro forma restatements	2010 Pro forma
Net debt at beginning of the year (A)	**137.4**	**-67.1**	**76.6**	**146.9**
Cash flow from operations excluding net cost of borrowings and taxes	124.7	-29.7	1.5	96.5
Taxes paid	-33.8	6.6	-	-27.2
Change in working capital requirements	20.9	-0.7	-2.7	17.5
Net cash from operating activities	**111.8**	**-23.8**	**-1.2**	**86.8**
Changes related to financial investment activities	-15.0	2.9	-	-12.1
Net interest paid	-6.0	1.7	-1.5	-5.8
Net cash available	**90.8**	**-19.2**	**-2.7**	**68.9**
Impact of changes in the scope of consolidation:	-0.2	-	-	-0.2
Distribution in cash	-9.4	-	-46.5	55.9
Capital increase by exercising share options	2.6	-	-	2.6
Change in current account	-	-	8.2	8.2
Other changes	-3.6	-0.1	2.7	-1.0
Total net change during the year (B)	**80.2**	**-19.3**	**-38.3**	**22.6**
Impact of changes in foreign exchange rates (C)	-	0.3	-	0.3
Net debt at year-end (A-B-C)	**57.2**	**-48.1**	**114.9**	**124.0**

3

CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS

1. Basis of preparation of the pro forma financial statements 20
2. Pro forma statement of financial position 21
3. Pro forma consolidated income statement and statement of gains and losses recognised directly in equity 22
4. Pro forma statement of changes in equity 23
5. Pro forma statement of cash flows 24
6. Notes to the pro forma financial statements 26
7. Statements of reconciliations between the historical consolidated financial statements and the pro forma financial statements 57
8. Statutory auditors' report on the pro forma information 60

1. Basis of preparation of the pro forma financial statements

Groupe Sopra has launched a strategic project to spin-off Axway, its business segment specialising in the development and distribution of software packages used in the management of Business Interaction Networks.

The separation of Axway's business from those of Sopra Group is contingent upon the approval of the spin-off and listing transaction by the General Meeting of Sopra Group shareholders to be held on 8 June 2011.

Consequently, in connection with Axway's initial public offering and in order to present an economic perspective encompassing all of Sopra Group's operations once Axway has achieved the status of an independent group, pro forma financial statements have been prepared in respect of the 2010 financial year on the basis of the financial statements of companies whose accounts have long been included in Groupe Sopra's consolidated financial statements.

These financial statements are intended to simulate the effects of the spin-off of the Axway group on Groupe Sopra's balance sheet, income statement, cash flow statement and statement of changes in shareholders' equity if this transaction had taken place at 31 December 2010 at 1 January 2010, with the understanding that the gain arising on the remeasurement to fair value of the residual ownership interest that will be held by Sopra Group SA in Axway upon the completion of the spin-off has been determined on the basis of Axway's consolidated equity at 31 December 2010, after taking into account the Axway dividend mentioned below (*Preliminary transactions – a) Distribution of an Axway dividend*).

These pro forma financial statements are published for illustrative purposes only. As such, they are not necessarily representative of the financial position or performance that would have been observed had the transaction or event occurred at a date earlier than that on which it actually occurred or is planned to occur. Neither should they be taken as a prediction of Sopra Group's financial position or performance in future financial years.

The pro forma financial statements analysed in this section were prepared in accordance with IFRS as adopted within the European Union.

Scope of consolidation

For the purposes of these pro forma financial statements, the scope of consolidation includes:

- companies held directly or indirectly within the Consulting and Systems and Solutions Integration business segment, which are fully consolidated;
- a 26.5% ownership interest in the Axway group, accounted for using the equity method.

Intercompany transactions between the Axway group and the other entities of Groupe Sopra

All balances relating to recurring transactions between the Axway group and the other entities of Groupe Sopra have been presented in the pro forma balance sheet as third-party assets or liabilities.

The current account balance between Sopra Group and Axway Software has been presented as a financial asset in the pro forma financial statements.

Principal adjustments in the pro forma financial statements

The pro forma adjustments described below are based on accounting conventions that, by definition, are simulations performed by applying the described methodology and conventions. This pro forma financial information cannot and should not be considered as representative of the results, financial position, liquid resources and performance that would have been reported if the business of the Axway group had been separated from those of the Group with effect from 1 January 2010. Nevertheless, the Group has decided to make the pro forma adjustments it has deemed necessary in order to provide the best possible indication of the impact that the spin-off of the Axway group might have had.

The entirety of the accounting impact (capital gains, taxes, etc.) has been included under "Consolidated reserves", with the exception of the remeasurement to fair value of the residual holding, which is recognised through the income statement, under "Capital gains arising on retained Axway shares".

Preliminary transactions

a) Distribution of an Axway dividend

Axway has distributed dividends in the amount of €7.920 million, together with an exceptional distribution in the amount of €13.864 million charged to "Other reserves" (see Axway Prospectus § 26.1.1.4), thus a total of €21.784 million received by Sopra Group.

b) Reduction of Sopra Group's capital

At the most recent General Meeting, it was decided to reduce Sopra Group's capital by way of a €3.00 reduction in the par value of each share, from €4.00 to €1.00.

On the basis of total share capital comprised of 11,853,945 shares at 31 December 2010, a share capital reduction of €35.562 million was recognised to offset the increase in share premiums (see the ninth resolution approved by Sopra Group's General Meeting of shareholders dated 10 May 2011).

Spin-off and listing transaction

To this end, it is planned that Sopra Group SA distribute to its shareholders, in respect of each Sopra Group SA share entitled to receive the distribution:

- one Axway Software share; and
- a payment in the amount of €3.92, to offset the major portion of the French tax impact from this distribution.

a) Number of shares

The distribution of Axway shares entails the removal of a portion of the Axway group from the scope of consolidation and the recognition of the retained ownership interest (26.5%) using the equity method.

On the basis of an equity valuation of €300 million, the retained Axway shares accounted for using the equity method are reported in the balance sheet in the amount of €79.5 million.

In accordance with IAS 27 as revised, the difference between this amount and the historical consolidated carrying amount of the retained shares has been recognised through the income statement under "Capital gains arising on retained Axway shares".

b) Cash distribution

On the basis of a share capital comprised of 11,853,945 shares at 31 December 2010, a cash distribution in the amount of €46.467 million is planned.

c) Tax impact

Dividends received by Sopra Group from Axway, together with the distribution of Axway shares by Sopra Group, generate estimated tax of €3.211 million.

2. Pro forma statement of financial position

Assets

(in thousands of euros)	*Notes*	2010
Goodwill	*4*	204,242
Intangible assets	*5*	2,868
Property and equipment	*6*	35,801
Financial assets	*7*	93,202
Equity interests accounted for under the equity method	*7*	79,500
Deferred tax assets	*8*	16,428
Other non-current assets	*9*	126
Non-current assets		**432,167**
Stocks and work in progress		292
Trade accounts receivable	*10*	306,400
Other current receivables	*11*	22,715
Cash and cash equivalents	*12*	32,518
Current assets		**361,925**
TOTAL ASSETS		**794,092**

Liabilities and equity

(in thousands of euros)	*Notes*	2010
Share capital		11,854
Capital reserves		92,873
Consolidated reserves		81,895
Profit for the year		101,248
Losses taken directly to equity		-19,807
Equity – Group share		**268,063**
Minority interests		**-**
TOTAL EQUITY	*13*	**268,063**
Financial debt – long-term portion	*14*	72,649
Deferred tax liabilities	*8*	118
Provision for post-employment benefits	*15*	35,728
Non-current provisions	*16*	750
Other non-current liabilities	*17*	11,172
Non-current liabilities		**120,417**
Financial debt – short-term portion	*14*	83,743
Trade payables	*18*	49,839
Other current liabilities	*19*	272,030
Current liabilities		**405,612**
TOTAL LIABILITIES		**526,029**
TOTAL LIABILITIES AND EQUITY		**794,092**

3. Pro forma consolidated income statement and statement of gains and losses recognised directly in equity

Pro forma income statement

(in thousands of euros)	*Notes*	2010 Amount	2010 %
Revenue	*20*	964,406	*100.0%*
Purchases consumed	*21*	-113,208	*-11.7%*
Staff costs	*22*	-652,113	*-67.6%*
External expenses	*23*	-99,530	*-10.3%*
Taxes and duties		-11,368	*-1.2%*
Depreciation	*24*	-10,040	*-1.0%*
Provisions and impairment	*24*	-3,013	*-0.3%*
Other operating income		12,007	*1.2%*
Other operating expenses		-1,456	*-0.2%*
Operating profit on business activity		**85,685**	***8.9%***
Expenses related to stock options		-197	*0.0%*
Amortisation of allocated intangible assets	*25*	-655	*-0.1%*
Profit from recurring operations		**84,833**	***8.8%***
Other operating income and expenses	*26*	-1,090	*-0.1%*
Operating profit		**83,743**	***8.7%***
Income from cash and cash equivalents	*27*	15	*0.0%*
Cost of gross financial debt	*27*	-5,639	*-0.6%*
Cost of net financial debt		**-5,624**	***-0.6%***
Foreign exchange gains and losses	*27*	-948	*-0.1%*
Other financial income and expenses	*27*	1,314	*0.1%*
Capital gain on Axway shares retained	*28*	46,027	*4.8%*
Tax charge	*29*	-30,312	*-3.1%*
Net share of profit from equity-accounted associates		7,048	*0.7%*
Profit after tax from discontinued operations or operations in the course of being discontinued		**101,248**	***10.5%***
Profit after tax from discontinued operations		-	-
NET PROFIT		**101,248**	***10.5%***
Attributable to Group		**101,248**	***10.5%***
Minority interests		-	-

Earnings per share *(in euros)*	*Notes*	2010
Basic earnings per share	*30*	8.59
Diluted earnings per share	*30*	8.57

Pro forma gains and losses recognised directly in equity

(in thousands of euros)	2010
Net profit	**101,248**
Translation differential	7,230
Actuarial gains and losses on pension plans	-1,696
Change in the value of derivatives	797
Total gains and losses recognised directly in equity	**6,331**
NET PROFIT AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	107,579
Attributable to Group	**107,579**
Minority interests	-

4. Pro forma statement of changes in equity

(in thousands of euros)	Share capital	Capital reserves	Consolidated reserves	Profit for the year	Translation reserves	Actuarial gains and losses recognised for post-employment obligations	Change in the fair value of derivatives	Total Group share	Minority interests	Total
Equity at 31/12/2010 – Published	**47,416**	**57,311**	**201,935**	**74,768**	**-8,467**	**-8,195**	**-217**	**364,551**	**3**	**364,554**
Dividends received from Axway	-	-	21,784	-	-	-	-	21,784	-	21,784
Capital transactions – par value reduction	-35,562	35,562	-	-	-	-	-	-	-	-
Deconsolidation of Axway subsidiary	-	-	-117,517	-26,595	-5,186	1,203	-	-148,095	-2	-148,097
Recognition of Axway shares at fair value	-	-	25,370	53,075	1,374	-319	-	79,500	-	79,500
Cash distribution	-	-	-46,467	-	-	-	-	-46,467	-	-46,467
Taxes on distribution	-	-	-3,211	-	-	-	-	-3,211	-	-3,211
Other movements	-	-	1	-	-	-	-	1	-1	-
EQUITY AT 31/12/2010 – PRO FORMA	11,854	92,873	81,895	101,248	-12,279	-7,311	-217	268,063	-	268,063

5. Pro forma statement of cash flows

(in thousands of euros)	**2010**
Consolidated net profit (including minority interests)	**101,248**
Net increase in depreciation, amortisation and provisions	13,808
Unrealised gains and losses relating to changes in fair value	-520
Calculated gains and losses related to stock options and similar	841
Other calculated income and expense	-1,381
Gains on Axway shares retained	-46,027
Gains and losses on disposal	-335
Share of profit related to equity accounted associates	-7,048
Cash from operations after cost of net debt and tax	**60,586**
Cost of net financial debt	5,624
Income taxes (including deferred tax)	30,312
Cash from operations before cost of net debt and tax (A)	**96,522**
Tax paid (B)	-27,191
Changes in operating working capital requirements (included liabilities related to employee benefits) (C)	17,441
Net cash from operating activities (D) = (A+B+C)	**86,772**
Purchase of tangible and intangible fixed assets	-9,835
Proceeds from sale of tangible and intangible fixed assets	937
Purchase of financial assets	-297
Proceeds from sale of financial assets	197
Impact of changes in scope	-183
Changes in loans and advances granted	8,179
Net cash from (used in) investing activities (E)	**-1,002**
Amounts received by shareholders on the occasion of a capital increase	-
Proceeds on the exercise of stock options	2,580
Purchase and proceeds from disposal of treasury shares	-508
Dividends paid during the year	
- Dividends paid to shareholders of parent company	-55,869
- Dividends paid to minority interests of consolidated companies	-
Change in borrowings	-76,413
Net interest paid (including finance leases)	-5,774
Other cash flow relating to financing activities	2,351
Net cash from (used in) financing activities (F)	**-133,633**
Effect of foreign exchange rate changes (G)	477
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G)	**-47,386**
Opening cash position	32,226
Closing cash position	-15,160

Notes to the pro forma financial statements

ACCOUNTING PRINCIPLES AND METHODS

Note 1 | Summary of main accounting principles 26

Note 2 | Scope of consolidation 26

Note 3 | Comparability of the accounts 27

NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 4 | Goodwill 27

Note 5 | Intangible assets 28

Note 6 | Property and equipment 29

Note 7 | Financial assets and equity interests accounted for under the equity method 30

Note 8 | Deferred tax assets and liabilities 31

Note 9 | Other non-current assets 33

Note 10 | Trade accounts receivable 33

Note 11 | Other current receivables 33

Note 12 | Cash and cash equivalents 34

Note 13 | Shareholders' equity 34

Note 14 | Financial debt investment securities 37

Note 15 | Provisions for pensions and similar commitments 38

Note 16 | Non-current provisions 40

Note 17 | Other non-current liabilities 41

Note 18 | Trade accounts payable 41

Note 19 | Other current liabilities 41

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 20 | Revenue 42

Note 21 | Purchases consumed 43

Note 22 | Staff costs 43

Note 23 | External expenses 44

Note 24 | Depreciation, amortisation and provisions 44

Note 25 | Amortisation of allocated intangible assets 44

Note 26 | Other operating income and expenses 44

Note 27 | Financial income and expense 45

Note 28 | Capital gains on axway shares retained 45

Note 29 | Tax expense 46

Note 30 | Earnings per share 47

OTHER INFORMATION

Note 31 | Segment information 48

Note 32 | Financial instruments 49

Note 33 | Financial risk factors 50

Note 34 | Related party transactions 53

Note 35 | Off balance sheet commitments and contingent liabilities 55

Note 36 | Exceptional events and legal disputes 56

Note 37 | Post balance sheet events 56

Note 38 | Rates of conversion of foreign currencies 56

6. Notes to the pro forma financial statements

ACCOUNTING PRINCIPLES AND METHODS

Note 1 I Summary of main accounting principles

The pro forma financial statements for 2010 comply with IFRS as applicable at 31 December 2010, as described in Note 1.2 of the 2010 Reference Document.

The accounting principles applied in preparing the pro forma 2010 financial statements are identical to those applied by the Group in preparing its 2010 consolidated financial statements (an overview of these principles is provided in Notes 1.3 to 1.23 of the 2010 Reference Document).

Note 2 I Scope of consolidation

2.1. List of consolidated companies in 2010

Company	Country	% Control	% Held	Consolidation method
Sopra Group	France	-	-	Parent company
Axway Holding SA	France	100.0%	100.0%	FC
Sopra Consulting	France	100.0%	100.0%	FC
Sopra Group Ltd	United Kingdom	100.0%	100.0%	FC
Sopra Belux	Belgium	100.0%	100.0%	FC
Business Architects International NV	Belgium	100.0%	100.0%	FC
Sopra Group Luxembourg	Luxembourg	100.0%	100.0%	FC
Valoris Luxembourg	Luxembourg	100.0%	100.0%	FC
Sopra Group GmbH	Germany	100.0%	100.0%	FC
Sopra Informatique	Switzerland	100.0%	100.0%	FC
Sopra Group SpA	Italy	100.0%	100.0%	FC
Sopra Group Informatica SA	Spain	100.0%	100.0%	FC
Sopra Group Euskadi SL	Spain	100.0%	100.0%	FC
Valoris Iberia	Spain	100.0%	100.0%	FC
CS Sopra España	Spain	100.0%	100.0%	FC
PROFit Gestao Informatica Lda	Portugal	100.0%	100.0%	FC
SOPRAntic	Morocco	100.0%	100.0%	FC
Sopra India Private Ltd	India	100.0%	100.0%	FC
Axway group	France	26.5%	26.5%	EA

FC: Fully consolidated.
EA: Equity-accounted.

The scope of consolidation includes companies held directly or indirectly by Sopra Group as part of its Consulting and Systems and Solutions Integration business segment, which are fully consolidated, and the Axway group, accounted for using the equity method.

2.2. Changes in the scope of consolidation

No entities were consolidated over the course of the 2010 financial year.

Note 3 I Comparability of the accounts

Not applicable.

NOTES TO THE CONSOLIDATED BALANCE SHEET

Note 4 I Goodwill

4.1. Changes in goodwill

The principal movements in 2010 are as follows:

(in thousands of euros)	Gross value	Impairment	Net carrying amount
1 January 2010	**244,004**	**41,757**	**202,247**
Translation differential	2,239	244	1,995
31 DECEMBER 2010	**246,243**	**42,001**	**204,242**

4.2. Impairment tests

Impairment tests were performed using the criteria shown below:

	Discount rate 2010	Perpetuity growth rate in 2010
France	9.2%	2.5%
United Kingdom	9.2%	2.5%
Spain	9.2%	2.5%
Other European countries	9.2%	2.5%
Other zones	9.2%	2.5%

Impairment tests as of 31 December 2010 did not give rise to the recognition of any impairment.

Analysis of the sensitivity of the recoverable amount to changes in key assumptions for 2010:

	Discount rate used in 2010	Increase in the discount rate of 0.5 points
Growth rate used in 2010	-	-7.4%
Decrease in the growth rate of 0.5 points	-5.3%	-11.8%

With the exception of the CGUs Systems Integration Spain and Systems Integration UK, declines in value-in-use resulting from these combined changes in assumptions (-12.3%) would not have prompted the recognition of impairment for these CGUs at the balance sheet date.

4.3. Translation adjustments

The increase of €2.0 million in the translation differential results mainly from changes in the value of the euro against:

(in millions of euros)	2010
GBP (Sopra Group Ltd)	1.7
INR (Sopra India Private Ltd)	0.3
Other	-
TOTAL	2.0

4.4. Breakdown of goodwill by CGU

The Group has adopted a segmentation into cash-generating units (CGUs), consistent with the operational organisation of its business lines, the management control and reporting system and published segment reporting.

The summarised statement of net carrying amounts for goodwill attributed to CGUs is presented below:

(in thousands of euros)		2010
Consulting and Systems and Solutions Integration	France	72,571
Solutions Integration – Europe	United Kingdom	54,255
	Spain	66,297
	Italy	8,119
	Belgium – Sopra Belux	3,000
	Spain – Valoris Iberia	-
TOTAL		204,242

Note 5 I Intangible assets

(in thousands of euros)	Gross value	Amortisation	Net carrying amount
1 January 2010	**21,652**	**17,802**	**3,850**
Changes in scope	-	-	-
Acquisitions	353	-	353
Disposals	-54	-54	-
Translation differential	80	68	12
Amortisation charge	-	1,347	-1,347
31 DECEMBER 2010	22,031	19,163	2,868

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

No expense was incurred in developing the Group's solutions and software was capitalised, either in 2010 or in previous years.

Note 6 I Property and equipment

(in thousands of euros)	Land and buildings	Furniture, fixtures, and fittings	IT equipment	Total
GROSS VALUE				
1 January 2010	**10,864**	**55,828**	**40,170**	**106,862**
Translation differential	-	164	260	424
Acquisitions	125	8,132	4,128	12,385
Disposals	-	-4,786	-9,053	-13,839
Changes in scope	-	-	-	-
31 DECEMBER 2010	**10,989**	**59,338**	**35,505**	**105,832**
DEPRECIATION				
1 janvier 2010	**8,520**	**35,291**	**29,665**	**73,476**
Translation differential	-	136	210	346
Charges	231	3,943	5,175	9,349
Reversals	-	-4,139	-9,001	-13,140
Changes in scope	-	-	-	-
31 DECEMBER 2010	**8,751**	**35,231**	**26,049**	**70,031**
Net value				
1 January 2010	**2,344**	**20,537**	**10,505**	**33,386**
31 DECEMBER 2010	**2,238**	**24,107**	**9,456**	**35,801**

- Land and buildings include the premises of Sopra Group's registered office at Annecy-le-Vieux. A portion of these premises was acquired as part of a property finance lease arrangement completed in 2003. These contracts have, since their inception, been restated in the consolidated financial statements and are included in the balance sheets for the following amounts:

(in thousands of euros)	2010
Land	255
Buildings	3,861
Depreciation	-3,669
NET VALUE	**447**

- Investments made by the Group in property and equipment primarily include office equipment in France and abroad and information technology equipment: central systems, work stations, and networks.

- Amounts included under disposals during the year correspond primarily to the scrapping of computer equipment each year after taking inventory, and premises for which leases were not renewed that the Group no longer occupies.

- Finance lease contracts relating to IT investments (see Note 1.10 of the 2010 Reference Document) are presented in the balance sheet in the following amounts:

(in thousands of euros)	2010
Gross value	25,637
Depreciation	-17,635
NET VALUE	**8,002**

Note 7 I Financial assets and equity interests accounted for under the equity method

(in thousands of euros)	2010
Assets at fair value through profit and loss	-
Held to maturity assets	-
Available for sale assets	196
Loans and receivables: Axway current account	90,216
Other loans and receivables	2,790
Financial assets	**93,202**
Axway equity interests accounted for under the equity method	**79,500**
TOTAL	**172,702**

7.1. Available for sale assets

(in thousands of euros)	Gross value	Impairment	Net carrying amount
1 January 2010	**23,860**	**23,664**	**196**
Increase	-	-	-
Decrease	-13,856	-13,856	-
Changes in scope	-	-	-
Translation differential	3	3	-
31 DECEMBER 2010	**10,007**	**9,811**	**196**

Available for sale assets, as understood in IAS 39, mainly comprise non-consolidated investments in Valoris' subsidiaries that were in the process of being wound up or divested at the date that Valoris was acquired by Sopra Group. The subsidiary Valoris Maxim Ltd (UK) was wound up in February 2010. The corresponding equity investments, totalling €13.9 million, were written down in full and are no longer considered as among Sopra Group's assets.

7.2. Loans and receivables: Axway current account

All bank borrowings are contracted directly by Sopra Group, which refinances its subsidiaries under the terms of a cash management agreement. In the past, Axway Software's financing has mainly been provided by way of current account transfers between Sopra Group and Axway. The spin-off and listing will not result in any changes to Axway's financial structure: the credit facilities and the bank overdraft that will be available at the listing date may not be allocated to the repayment of current account advances. The Axway capital increase that will be carried out upon the completion of the spin-off will be allocated to the reduction of its debt, in other words to the repayment of the Sopra Group current account.

7.3. Other loans and receivables

(in thousands of euros)	2010
Receivables from unconsolidated equity interests – gross value	899
Provisions for receivables from unconsolidated equity interests	-899
Receivables from unconsolidated equity interests – net value	**-**
Loans	23
Deposits and other non-current financial assets	2,767
Provisions for loans, deposits and other non-current financial assets	-
Loans, deposits and other non-current financial assets – net value	**2,790**
TOTAL	**2,790**

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

Deposits and other non-current financial assets (€2.7 million) consist mainly of guarantees given for the leased premises. Non-remunerated deposits are maintained at their nominal value, given that the effect of discounting is not significant.

7.4. Axway equity interests accounted for under the equity method

The consistency of the fair value measurement for the equity of the Axway group (€300.0 million) was validated by an independent expert. The portion retained by Sopra Group (26.50%), based on this appraisal value is €79.5 million.

Note 8 I Deferred tax assets and liabilities

8.1. Breakdown by maturity

(in thousands of euros)	2010
Deferred tax assets (DTA)	
- less than one year	3,304
- more than one year	13,124
TOTAL DTA	**16,428**
Deferred tax liabilities (DTL)	
- less than one year	-118
- more than one year	-
TOTAL DTL	**-118**
NET DEFERRED TAX	**16,310**

8.2. Change in net deferred tax

(in thousands of euros)	2010
At 1 January 2010	**14,038**
Changes in scope	-
Tax – income statement impact	1,826
Tax – equity impact	418
Translation differential	28
AT 31 DECEMBER 2010	**16,310**

8.3. Breakdown of net deferred tax by type

(in thousands of euros)	**2010**
Differences related to consolidation adjustments	
Actuarial gains and losses recognised for post-employment obligations	3,091
Derivatives	329
Finance leases	46
Discounting of employee profit sharing	803
Temporary differences from tax returns	
Provision for pensions	7,948
Provision for employee profit sharing	2,842
Provision for Organic tax	462
Differences in amortisation periods	140
Activated tax losses	389
Other	260
TOTAL	**16,310**

With regard to the *cotisation sur la valeur ajoutée des entreprises* (CVAE), a component based on the value added each year by the business and forming part of the new *contribution économique territoriale* (CET), the replacement for the professional tax introduced by the French Finance Act for 2010, the Group has decided to recognise this component under corporate income tax in order to ensure consistency with the treatment of similar taxes in other countries. This approach is also consistent with the position adopted by Syntec Informatique and made public on 10 February 2010. At 31 December 2009, no deferred tax assets or liabilities had been recognised, as their impact was not material.

8.4. Deferred tax assets not recognised by the Group

(in thousands of euros)	**2010**
Tax losses carried forward	4,084
Temporary differences	164
TOTAL	**4,248**

8.5. Maturity of tax losses carried forward

(in thousands of euros)	**2010**
N+1	-
N+2	-
N+3	-
N+4	1,627
N+5 and subsequent years	8,838
Tax losses carried forward with a maturity date	**10,465**
Tax losses which may be carried forward indefinitely	**4,565**
TOTAL	**15,030**
Deferred tax basis – activated	1,414
Deferred tax basis – not activated	13,616
Deferred tax – activated	389
Deferred tax – not activated	4,084

At 31 December 2010, deferred tax assets not activated on tax loss carry forwards came to €4.1 million and mainly concerned the following subsidiaries: Sopra Group GmbH in Germany (€1.1 million), Valoris Iberia in Spain (€1.0 million), BAI in Belgium (€0.8 million) and Sopra Group Ltd in the United Kingdom (€0.5 million).

Note 9 I Other non-current assets

(in thousands of euros)	2010
Derivative financial instruments	126
OTHER NON-CURRENT ASSETS	**126**

Derivatives consist of interest rate hedging contracts (see Note 33.3.a).

Note 10 I Trade accounts receivable

(in thousands of euros)	2010
Trade accounts receivable	236,243
Accrued income	83,844
Accrued credit notes	-11,698
Provision for doubtful debtors	-1,989
TOTAL	**306,400**

Net trade accounts receivable, expressed in terms of months of revenue, corresponded to about 2.3 months of revenue at 31 December 2010. This ratio is calculated by comparing *Net trade accounts receivable* with the revenue generated in the final quarter of the year. *Net trade accounts receivable* is obtained by stripping out VAT from the *Trade accounts receivable* balance and subtracting the deferred income balance appearing under liabilities.

Unbilled revenue is comprised essentially of work performed in respect of fixed-price projects recognised using the percentage-of-completion method (see Note 1.20.a of the 2010 Reference Document). Invoices are generally prepared for these contracts upon completion of the services rendered and the latter are paid over the lifespan of the projects through payments on account.

Note 11 I Other current receivables

(in thousands of euros)	2010
Staff and social security	3,489
Tax receivables	11,474
Corporate income tax	5,047
Leased equipment	406
Other receivables	587
Prepaid expenses	1,322
Derivatives	390
TOTAL	**22,715**

Tax receivables primarily correspond to deductible VAT payments.

Derivatives consist of interest rate hedging contracts (see Note 33.3.b).

Note 12 I Cash and cash equivalents

The cash flow statement is presented on page 24.

12.1. Statement of net cash and cash equivalents

(in thousands of euros)	2010
Investment securities	-
Cash and cash equivalents	32,518
Cash and cash equivalents	**32,518**
Current bank overdrafts	-47,678
TOTAL	**-15,160**

Net cash and cash equivalents include available liquid funds (cash and positive bank balances), liquid marketable securities that meet the definition of cash equivalents as indicated in Note 1.15 of the 2010 Reference Document, bills of exchange presented for collection and falling due before the balance sheet date and temporary bank overdrafts. It is closely related to the mobilisation of the medium term loans at the end of the financial year. Net debt, presented in Note 14.1, is more representative of the Group's financial position.

12.2. Investment securities

Not applicable.

Note 13 I Shareholders' equity

The consolidated statement of changes in equity is presented on page 23.

13.1. Changes in the share capital

At 31 December 2010, Sopra Group had share capital of €47,415,780 comprising 11,853,945 shares with a nominal value of €4.

Movements occurring in 2010 included the exercise of stock options: 101,402 shares were created corresponding to a capital increase of €405,608 and a share premium of €2,174,537, for a total of €2,580,145.

The pro forma financial statements take into account the decision by the General Meeting to reduce the par value of the Sopra Group share from €4.00 to €1.00, which brings the amount of the share capital to €11.854 million.

13.2. Share subscription option plans

Grant date	Number of options allocated initially	Beginning of option exercise period	End of option exercise period	Exercise price	Number of lapsed options at 31/12/2010	o/w cancelled in 2010	Number of options exercised at 31/12/2010	o/w options exercised in 2010	Number of options outstanding at 31/12/2010	Fair value of options at grant date
Plan no. 3 – 1998 stock option plan (General Meeting of 7/1/98): maximum of 721,250 shares										
13/01/1998	614,000	01/10/2002	12/01/2006	€15.37	70,175	-	543,825	-	-	not applicable
04/12/1998	25,000	25/02/2003	24/08/2006	€46.86	25,000	-	-	-	-	not applicable
03/03/1999	20,000	04/03/2004	02/03/2007	€48.50	10,000	-	10,000	-	-	not applicable
12/10/1999	51,750	13/10/2004	12/10/2007	€46.20	49,000	-	2,750	-	-	not applicable
16/12/2002	129,250	17/12/2007	15/12/2010	€22.50	42,250	2,000	87,000	1,000	-	€6.36
TOTAL	**840,000**				**196,425**	**2,000**	**643,575**	**1,000**	**-**	
Plan no. 4 – 2000 stock option plan (General Meeting of 29/6/00): maximum of 714,774 shares										
29/06/2000	33,900	30/06/2005	29/06/2008	€73.00	33,900	-	-	-	-	not applicable
22/03/2001	301,500	23/03/2006	22/03/2009	€61.40	301,500	-	-	-	-	not applicable
19/12/2001	34,600	20/12/2006	19/12/2009	€61.40	34,600	-	-	-	-	not applicable
24/04/2002	6,000	25/04/2007	23/04/2010	€61.40	6,000	3,000	-	-	-	not applicable
16/12/2002	303,200	17/12/2007	15/12/2010	€22.50	45,750	2,200	257,450	72,582	-	€6.36
03/09/2003	88,000	04/09/2008	02/09/2011	€32.50	13,800	-	39,260	21,820	34,940	€12.15
13/01/2004	23,000	14/01/2009	12/01/2012	€35.90	4,000	-	10,000	6,000	9,000	€11.36
TOTAL	**790,200**				**439,550**	**5,200**	**306,710**	**100,402**	**43,940**	
Plan no. 5 – 2005 stock option plan (General Meeting of 26/5/05): maximum of 321,958 shares										
25/07/2006	30,000	26/07/2011	24/07/2014	€57.85	30,000	-	-	-	-	€13.10
21/12/2006	67,000	22/12/2011	20/12/2014	€58.80	14,500	3,000	-	-	52,500	€17.47
08/01/2007	5,000	09/01/2012	07/01/2015	€60.37	5,000	-	-	-	-	€15.28
18/03/2008	50,000	19/03/2013	17/03/2016	€45.30	9,500	-	-	-	40,500	€10.98
TOTAL	**152,000**				**59,000**	**3,000**	**-**	**-**	**93,000**	
Plan no. 6 – 2008 stock option plan (General Meeting of 15/5/08): maximum of 350,145 shares										
17/03/2009	20,000	18/03/2014	16/03/2017	€27.16	-	-	-	-	20,000	€5.85
15/04/2010	30,000	16/04/2015	16/04/2018	€53.68	-	-	-	-	30,000	€13.64
TOTAL	**50,000**				**-**	**-**	**-**	**-**	**50,000**	
TOTAL FOR PLANS						**10,200**		**101,402**	**186,940**	

- 101,402 subscription options were exercised in 2010 under Plans No. 3 and No. 4.
- 10,200 options were cancelled, their beneficiaries having left the company before completing their vesting period.
- Options may no longer be allocated under Plan No. 3, Plan No. 4 or Plan No. 5. In 2010, a total of 30,000 options were allocated under Plan No. 6.
- The total number of options already allocated that may be exercised comes to 186,940, with 300,145 options remaining to be allocated at 31 December 2010, bringing the maximum total number of shares that may be created to 487,085.

- The fair value of options granted during financial year 2010 was obtained by means of the Black & Scholes model (Note 1.16 of the 2010 Reference Document) using the following calculation parameters:

Grant date	Number of options allocated initially	Exercise price	Share price at grant date	Volatility for a 5-year maturity	Volatility for an 8-year maturity	5-year interest rate	8-year interest rate	Value of options for a 5-year maturity	Value of options for an 8-year maturity	Average value of options
15/04/2010	30,000	€53,68	€58,83	25,00%	25,00%	2,43%	3,04%	€11,88	€15,40	€13,64

The average share price in 2010 was €54.67.

The amount recognised for financial year 2010, in accordance with the method indicated in Note 1.16 *Share-based payment* of the 2010 Reference Document, is €0.841 million. The current expense relating to the valuation of services provided by beneficiaries in exchange for the granting of stock options was recorded in the income statement in the amount of €0.197 million. Non-recurring expenses were recognised in the amount of €0.644 million, corresponding to the cost of services rendered by employees benefiting from share subscription options whose right to exercise their options was maintained despite the fact that they left the Group in 2010.

13.3. Capital reserves

(in thousands of euros)	2010
Share issue, merger and contribution premium	88,172
Legal reserve	4,701
TOTAL	**92,873**

The principal movements in 2010 are as follows:

- exercise of share options: €2.174 million;
- value of services rendered related to the share options: €0.841 million;
- reduction in Sopra Group's capital in connection with the Axway spin-off by way of a decrease in the par value of the Sopra Group share and a corresponding increase in the "Share premiums" account: €35.562 million (see Note 13.1);
- appropriation of 2009 Sopra Group profit to the legal reserve: €19 thousand.

13.4. Transactions in treasury shares

At 31 December 2010, Sopra Group held 10,500 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €591,124, representing an average purchase price of €56.30.

All transactions in treasury shares are taken directly to shareholders' equity. The impact at 31 December 2010 is a deduction of €478 thousand (see *Statement of changes in consolidated shareholders' equity* of the 2010 Reference Document).

13.5. Dividends

Sopra Group's General Meeting of 22 June 2010, resolved to distribute a dividend of €9.402 million, i.e. €0.80 per share. This dividend was paid on 7 July 2010. The dividend paid the previous financial year totalled €19.313 million, i.e. €1.65 per share.

Upon approval of the financial statements for financial year 2010, the 2011 General Meeting is invited to distribute a dividend of €0.80 per share, representing a total of €9.483 million.

13.6. Capital management objectives, policy and procedures

The company's capital is uniquely comprised of the items disclosed in the balance sheet. There are no financial liabilities considered as components of capital and, conversely, there are no equity components not considered to be part of the company's capital.

The company does not operate under any external capital constraints, with the exception of the covenants contained within the current syndicated loan agreement that its gearing ratio (net debt to equity) must remain below 1 over the entire term of the loan. At 31 December 2010, this ratio was 0.38.

Note 14 I Financial debt investment securities

14.1. Net debt

(in thousands of euros)	Current	Non-current	2010
Bank loans	29,669	48,703	78,372
Liabilities on finance lease contracts	3,825	4,110	7,935
Employee profit sharing	2,569	19,826	22,395
Other sundry financial debt	2	10	12
Current bank overdrafts	47,678	-	47,678
FINANCIAL DEBT	**83,743**	**72,649**	**156,392**
Investment securities	-	-	-
Cash and cash equivalents	-32,518	-	-32,518
NET DEBT	**51,225**	**72,649**	**123,874**

a. Bank loans

At 31 December 2010, the Group had access to two reducible, multi-currency revolving credit facilities.

The aim of these credit facilities set up with the Group's six partner banks, the first in October 2005 and the second in April 2008, is to ensure the financing of acquisitions and internal growth, lengthen debt maturity, and optimise repayment conditions.

The first line of credit, in a notional principal amount of €200 million, has a maturity of seven years and is repayable in half-yearly instalments.

The second line of credit, in a notional principal amount of €132 million, has a maturity of six years with the option for a one-year extension and is repayable in half-yearly instalments, each corresponding to one-quarter of the total amount, over the last two years of its term to maturity.

At 31 December 2010, the total authorised amount was €190 million. The reductions will be €15 million at 21 April 2011 and €14 million at 21 October 2011, resulting in an authorised amount of €161 million at 31 December 2011.

The applicable interest rate is the Euribor rate for the drawdown period concerned plus a margin adjusted on a half yearly basis as a function of the leverage ratio (net debt to gross operating profit). The net debt in question does not take into account the employee profit sharing liability but does include liabilities related to earnouts. The margin may range from 0.30% to 0.65%. The margin applied in 2008 was 0.35%. A commitment fee equivalent to 0.30% of the margin also applies.

Three financial ratios must be met under covenants entered into with partner banking establishments (see Note 35.4).

b. Liabilities on finance lease contracts

The carrying amount of liabilities on finance lease contracts is €7.935 million, and the corresponding future financial expense amounts to €0.262 million, representing a total minimum future payment for finance leases of €8.197 million.

	2010		
(in thousands of euros)	Minimum payments for finance leases	Future financial expense	Present value of future lease payments
Less than one year	3,999	174	3,825
One to five years	4,198	88	4,110
More than five years	-	-	-
TOTAL	**8,197**	**262**	**7,935**

c. Employee profit sharing

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

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

d. Current bank overdrafts

In the pro forma financial statements, a dividend payment in the amount of €46.467 million was financed in full through the use of available bank overdrafts.

14.2. Statement of changes in net debt

(in thousands of euros)	2010
NET DEBT AT 1 JANUARY (A)	**146,926**
Cash from operations after cost of net debt and tax	**60,586**
Cost of net financial debt	5,624
Income taxes (including deferred tax)	30,312
Cash from operations before changes in working capital	**96,522**
Income taxes paid	-27,191
Changes in working capital requirements	17,441
Net cash from operating activities	**86,772**
Change related to investing activity	-12,157
Net interest paid	-5,774
Available net cash flow	**68,841**
Impact of changes in scope	-183
Financial investments	-100
Change in Axway current account	8,179
Dividends	-55,869
Capital increase by exercising share options	2,580
Other changes	-873
TOTAL NET CHANGE DURING THE YEAR (B)	**22,575**
Impact of changes in foreign exchange rates	477
NET DEBT AT 31 DECEMBER (A-B)	**123,874**

Note 15 I Provisions for pensions and similar commitments

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

(in thousands of euros)	01/01/2010	Change in scope	Charge for the year	Recovery for the year (provision used)	Recovery for the year (provision not used)	Change in actuarial differences	31/12/2010
France	26,667	-	3,304	-338	-	2,430	32,063
Italy	3,119	-	741	-195	-	-	3,665
TOTAL	**29,786**	**-**	**4,045**	**-533**	**-**	**2,430**	**35,728**
Impact (net of expenses incurred)							
Profit from recurring operations			2,769		-		
Financial items			1,276		-		
TOTAL			**4,045**		**-**		

In France, the defined benefits scheme relates to the payment of retirement benefits. The Group provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement with respect to the retirement scheme modified in 2004 pursuant to the retirement reform measures introduced by the Loi Fillon of 21 August 2003. Provisions for retirement benefits are recognised in accordance with the conditions in Note 1.18 of the 2010 Reference Document.

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

	31/12/2010
Benchmark for discounting	Bloomberg rate
Discount rate for commitments	4,10%
Future salary growth rate	2,50%
Age at retirement	65 years
Mortality table	Insee 2004-2006

Assumptions referring to mortality rates are based on published statistical data.

Turnover tables are established for each company concerned by five-year age groups and are updated at each balance sheet date to reflect separation data for the last five years.

Retirement benefit commitments are discounted using a discount rate corresponding to the interest rate of prime corporate bonds (carrying a rating of AA or higher) denominated in the payment currency, the maturity period of which is close to the average estimated length of the retirement obligation concerned.

Since 31 December 2009, the Group has used Bloomberg rates for the euro zone as the benchmark for the discounting of its retirement obligations. At 31 December 2010, a discount rate of 4.10% was used by the Group.

A ±1.0 point change in the discount rate would have an impact of about -€5.0 million/+€6.1 million on the total commitment.

Assumptions relating to procedures for departures take into account legal developments in order to reflect the Group's best estimates at the balance sheet date.

- With effect from 1 January 2009, an employer may no longer unilaterally require employees to retire unless they have reached the age of 70. For employees between the ages of 65 and 70, the employer may not make any retirement decisions of its own accord before asking the employees whether or not they would like to retire voluntarily.
- The French pension reform signed into law on 9 November 2010 raised the minimum retirement age from 60 to 62. The pensionable age will increase by four months each year starting on 1 July 2011, to reach 62 years by 2018 for employees born in 1956. The age at which the full rate is granted automatically when the required time period for insurance has not been reached has also been raised: it will increase from 65 to 67 years progressively from 1 July 2016 until 2023.

The series of changes are considered by the Group as changes in actuarial assumptions for the following reasons:

- the changes introduced by the new legal provisions do not have a direct impact on the gross amount received by employees;
- the agreements in force at the date of entry into application of the Act have not been amended: benefits awarded to employees may change at a later date once a new agreement has been concluded;
- the abandonment of an existing departure procedure and the introduction of a new contribution to the benefits paid in the event of retirement at the request of the employer entail the adjustment by the Group of its actuarial assumptions as defined under IAS 19.

Table showing the change in provision for retirement indemnities (France)

(in thousands of euros)	Present value of the obligation not financed	Unrecognised actuarial differences	Net commitments recognised in the balance sheet	Taken to the income statement
1 January 2010	**26,667**	**-**	**26,667**	
Change in scope	-	-	-	-
Past service cost	2,028	-	2,028	2,028
Financial cost	1,276	-	1,276	1,276
Benefits paid to employees	-338	-	-338	-338
Change in actuarial differences in 2010	2,430	-	2,430	-
31 DECEMBER 2010	**32,063**	**-**	**32,063**	**2,966**

Analysis of the change in recognised actuarial differences

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

These differences include the effects of changes in actuarial assumptions and the effects of the differences between the actuarial assumptions used and actual experience (experience adjustments detailed below).

The actuarial loss recognised in 2010 (€2.430 million) was mainly the result of:

- experience impacts on liabilities (downward adjustment in the commitment amounting to €0.274 million);
- the 0.40 percentage point fall in the discount rate used compared with 31 December 2009 (increase in liabilities of around €1.780 million);
- the updating of turnover rates over five years (increase in the obligation of around €0.376 million).

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

(in thousands of euros)	**31/12/2010**
Present value of defined benefit scheme obligations	32,063
Experience adjustments on scheme liabilities	274
Experience adjustments on scheme liabilities (as % of obligations)	0,85%

The breakdown by maturity of the French retirement benefit commitment, discounted to the present value of 4.10%, is as follows:

(in thousands of euros)	**2010**
Present value of theoretical benefits to be paid by the employer:	
- less than one year	392
- 1 to 2 years	622
- 2 to 3 years	287
- 3 to 4 years	538
- 4 to 5 years	1,022
- 5 to 10 years	6,436
- 10 to 20 years	14,706
- more than 20 years	8,060
TOTAL COMMITMENT	**32,063**

In Italy, the defined benefits scheme relates to the payment of regulatory termination benefits *(Trattamento di Fine Rapporto).* These payments are calculated as a proportion of the employee's gross annual salary and are linked to the price index issued by the Italian Institute of Statistics (ISTAT).

Note 16 I Non-current provisions

(in thousands of euros)	**01/01/2010**	**Change in scope**	**Charge for the year**	**Recovery for the year (provision used)**	**Recovery for the year (provision not used)**	**31/12/2010**
Provisions for disputes	693	-	314	-212	-102	693
Other provisions for contingencies	457	-	-	-400	-	57
Sub-total provisions for contingencies	**1,150**	**-**	**314**	**-612**	**-102**	**750**
Other provisions for losses	-	-	-	-	-	-
Sub-total provisions for losses	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**1,150**	**-**	**314**	**-612**	**-102**	**750**
Impact (net of expenses incurred)						
Profit from recurring operations			314		-102	
Financial items			-		-	
TOTAL			**314**		**-102**	

Note 17 I Other non-current liabilities

(in thousands of euros)	2010
Fixed asset liabilities – portion due in more than one year	-
Employee profit sharing during the year	9,290
Contingent advances	171
Derivatives	1,711
TOTAL	**11,172**

- Employee profit sharing represents amounts booked to staff costs for the year by Sopra Group SA. These amounts increase financial debt for the following year.
- Contingent advances relate to subsidies received from OSEO.
- Derivatives consist of interest rate hedging contracts (see Note 33.3.a).

Note 18 I Trade accounts payable

(in thousands of euros)	2010
Trade accounts payable	50,193
Trade accounts payable – advances and payments on account, accrued credit notes	-354
TOTAL	**49,839**

Note 19 I Other current liabilities

(in thousands of euros)	2010
Fixed asset liabilities – portion due in less than one year	541
Staff cost liabilities	133,244
Tax liabilities (excluding corporate income tax)	70,358
Corporate income tax	6,323
Deferred income	60,852
Other liabilities	712
Derivatives	-
TOTAL	**272,030**

- Staff cost liabilities include only amounts owed to social security bodies and employees and profit sharing for employees of Sopra Consulting, which was transferred to a management body the following year.
- Accrued taxes primarily correspond to value added tax collected from clients (€66 million at 31 December 2010): the amount payable in respect of the month of December and the VAT collected on trade accounts receivable.
- Deferred income corresponds essentially to services invoiced but not yet performed, based on their stage of completion (see Note 1.21 of the 2010 Reference Document).
- Derivatives consist of interest rate hedging contracts (see Note 33.3.a).

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 20 I Revenue

20.1. Revenue by division

(in millions of euros)	Financial Year 2010	
Consulting and SSI France	789.0	81.8%
SSI Europe	175.4	18.2%
TOTAL	**964.4**	**100.0%**

SSI : Systems and Solutions Integration.

20.2. Revenue by business sector

	Financial Year 2010
Banking	20.6%
Services (including Real Estate)	19.2%
Public sector	17.9%
Manufacturing	16.7%
Telecom	11.7%
Insurance	7.1%
Retail	6.8%
TOTAL	**100.0%**

20.3. International revenue

(in millions of euros)	Financial Year 2010	
Systems Integration – European subsidiaries	175.4	18.2%
Systems Integration – Excluding European subsidiaries	43.9	4.6%
International revenue	**219.3**	**22.7%**
TOTAL REVENUE	**964.4**	**100.0%**

Note 21 I Purchases consumed

(in thousands of euros)	2010
Purchases of subcontracting services	102,842
Purchases held in inventory of equipment and supplies	4,815
Purchases of merchandise and change in stock of merchandise	5,551
TOTAL	**113,208**

Note 22 I Staff costs

22.1. Analysis

(in thousands of euros)	2010
Salaries	456,119
Social charges	184,469
Employee profit sharing and incentive scheme	11,525
TOTAL	**652,113**

22.2. Workforce

Workforce at year end	2010
France	8,228
International	3,421
TOTAL	**11,649**

Average workforce	2010
France	8,112
International	3,238
TOTAL	**11,350**

22.3. Employee profit sharing and incentive schemes

Pursuant to the application of IAS 32 and IAS 39, liabilities in respect of profit sharing were subject to a restatement described in Notes 1.20 and 14.1.

Employee profit sharing totalled €9.289 million for Sopra Group.

A Group-wide incentive agreement was concluded in 2009 for a term of three years. It covers the companies Sopra Group and Sopra Consulting. The total incentive amount for 2010 was €2.236 million.

Note 23 I External expenses

(in thousands of euros)	2010	
Leases and charges	27,652	27.8%
Maintenance and repairs	7,126	7.2%
External structure personnel	1,156	1.2%
Remuneration of intermediaries and fees	6,296	6.3%
Advertising and public relations	2,227	2.2%
Travel and entertainment	40,038	40.2%
Telecommunications	6,321	6.4%
Sundry	8,714	8.8%
TOTAL	**99,530**	**100%**

Note 24 I Depreciation, amortisation and provisions

(in thousands of euros)	2010
Amortisation of intangible assets	692
Depreciation of property and equipment	4,910
Depreciation of assets held under finance lease	4,438
Depreciation and amortisation	**10,040**
Impairment of current assets net of unused reversals	32
Provisions for contingencies and losses net of unused reversals	2,981
Provisions and impairment	**3,013**
TOTAL	**13,053**

Note 25 I Amortisation of allocated intangible assets

This item corresponds to the amortisation expense in respect of intangible assets allocated in connection with acquisitions of companies and relates to the companies CIBF and BAI.

Note 26 I Other operating income and expenses

In 2010, this item included:

- non-recurring expenses related to the proposed spin-off of Axway's business in the total amount of €0.446 million. These expenses mainly consist of fees for external consultants and other costs incurred specifically by Sopra Group in connection with this planned separation;
- non-recurring expenses related to stock options in the amount of €0.644 million. These expenses correspond to the cost of services rendered by employees benefiting from share subscription options whose right to exercise their options was maintained despite the fact that they left the Group in 2010.

Note 27 I Financial income and expense

27.1. Cost of net financial debt

(in thousands of euros)	**2010**
Income from cash and cash equivalents	15
Interest charges	-2,063
Net result of hedges (yield spread)	-3,358
Impact of the change in the value of the syndicated loan	-218
TOTAL	**-5,624**

The average cost of borrowings after hedging was 3.22%. Taking into account bank overdrafts, the average cost of borrowings came to 2.82%.

27.2. Foreign exchange gains and losses

Foreign exchange gains and losses mainly relate to commercial transactions denominated in foreign currencies. Foreign exchange gains and losses relating to inter-company loans are considered as an integral part of the Group's net investment in the foreign subsidiaries concerned and are recognised as a distinct component of equity under *Translation reserves* in application of IAS 21.

27.3. Other financial income and expense

(in thousands of euros)	**2010**
Reversals of provisions	-
Proceeds on the disposal of financial assets sold	-
Other financial income	1,741
Total other financial income	**1,741**
Charges of provisions	-5
Discounting of retirement commitments	-1,276
Discounting of employee profit sharing	379
Change in the value of derivatives	520
Net carrying amounts of financial assets sold	-
Other financial expense	-45
Total other financial expense	**-427**
TOTAL OTHER FINANCIAL INCOME AND EXPENSE	**1,314**

Discounting of retirement commitments: see Note 15.

Discounting of employee profit sharing: see Note 14.1.

Change in the value of derivatives: see Note 33.3.a.

Note 28 I Capital gains on Axway shares retained

In accordance with IAS 27 as revised, in recognition of the loss of exclusive control of an entity, the Group proceeded with the remeasurement of the retained ownership interest in Axway at its fair value.

Capital gains recognised in the amount of €46.027 million correspond to the difference between:

- the fair value of the residual ownership interest retained in the Axway group, in the amount of €79.500 million (see Note 7.1); and
- the share that this interest represents in the consolidated carrying amount for the Axway group, which is €33.473 million.

Note 29 I Tax expense

29.1. Analysis

(in thousands of euros)	2010
Current tax	32,138
Deferred tax	-1,826
TOTAL	**30,312**

29.2. Reconciliation between the theoretical and effective tax charge

(in thousands of euros)	2010
Net profit	101,248
Net profit from equity-accounted associates	7,048
Capital gain on Axway shares retained	46,027
Tax charge	-30,312
Profit before tax	78,485
Theoretical tax rate	**34.43%**
Theoretical tax charge	**-27,022**
Reconciliation	
Permanent differences	61
Impact of non-capitalised losses for the year	-56
Use of non-activated losses carried forward	666
Impact of tax credits	2,198
Tax rate differences – France/Other countries	479
Prior year tax adjustments	96
CVAE reclassification (net of tax)	-6,110
Other	-624
Actual tax charge	**-30,312**
Effective tax rate	**38.62%**

The Group has decided to recognise the CVAE *(cotisation sur la valeur ajoutée des entreprises),* a component based on the value added each year by the business and forming part of the new CET *(contribution économique territoriale),* which is the replacement for the TP (*taxe professionnelle* or local business tax) introduced by the French Finance Act for 2010, under corporate income tax in keeping with the treatment of similar taxes in other countries. This approach is also consistent with the position adopted by Syntec Informatique and made public on 10 February 2010.

Note 30 I Earnings per share

(in euros)	2010
Net profit – Group share	101,247,994
Weighted average number of ordinary shares in issue	11,780,090
BASIC EARNINGS PER SHARE	**8.59**

(in euros)	2010
Net profit – Group share	101,247,994
Weighted average number of ordinary shares in issue	11,780,090
Weighted average number of securities retained in respect of dilutive items	29,709
Weighted average number of shares retained for the calculation of diluted net earnings per share	11,809,799
FULLY DILUTED EARNINGS PER SHARE	**8.57**

The methods for calculating earnings per share are described in Note 1.23 of the 2010 Reference Document. The only diluting instruments are the stock options presented in Note 13.2.

For the calculation of diluted earnings per share, only potential dilutive ordinary shares have been taken into account, except those that have an earnings-enhancing effect. The shares considered to have an enhancing effect are potential ordinary shares resulting from share subscription options with an exercise price above the average price of the share (€54.67) during the financial year. A total of 52,500 options allocated on 21 December 2006 under Plan No. 5 fall into this category, at an exercise price of €58.80.

OTHER INFORMATION

Note 31 I Segment information

31.1. Results by division

a. Consulting, Systems and Solutions Integration – France

(in millions of euros)	2010	
Revenue	789.0	
Operating profit on business activity	78.1	9.9%
Profit from recurring operations	77.2	9.8%
Operating profit	76.1	9.6%

b. Systems Integration – Europe

(in millions of euros)	2010	
Revenue	175.4	
Operating profit on business activity	7.6	4.3%
Profit from recurring operations	7.6	4.3%
Operating profit	7.6	4.3%

c. Group

(in millions of euros)	2010	
Revenue	964.4	
Operating profit on business activity	85.7	8.9%
Profit from recurring operations	84.8	8.8%
Operating profit	83.7	8.7%

31.2. Geographical breakdown of revenue

(in thousands of euros)	France	United Kingdom	Spain	Other European countries	United States	Other zones	Total
Revenue	745.1	57.9	68.0	83.2	0.1	10.1	964.4

31.3. Segment breakdown of the main assets

(in thousands of euros)	CSSI France	SI Europe	Total
Goodwill	72,571	131,671	204,242
Intangible assets	2,438	430	2,868
Property and equipment	29,910	5,891	35,801
Trade accounts receivable	249,337	57,063	306,400

CSSI: Consulting and Systems & Solutions Integration.

SI: Systems Integration.

31.4. Geographical breakdown of the main assets

(in thousands of euros)	France	United Kingdom	Spain	Other European countries	Other regions	Total
Goodwill	52,707	54,255	66,297	27,960	3,023	204,242
Intangible assets	984	-	38	1,743	103	2,868
Property and equipment	29,038	620	4,963	391	789	35,801
Trade accounts receivable	236,544	12,907	26,078	30,138	733	306,400

Note 32 I Financial instruments

32.1. Derivatives reported in the balance sheet

	31/12/2010		Breakdown by class of derivative instrument					
(in thousands of euros)	Balance sheet value	Fair value	Assets and liabilities at fair value through profit and loss	Available for sale assets	Loans, receivables and other liabilities	Financial debt at amortised cost	Derivatives at fair value through profit or loss	Derivatives at fair value through equity
Financial assets	172,702	172,702	-	79,696	93,006	-	-	-
Other non-current assets	126	126	-	-	-	-	126	-
Trade accounts receivable	306,400	306,400	-	-	306,400	-	-	-
Other current receivables	22,715	22,715	-	-	22,325	-	-	390
Cash and cash equivalents	32,518	32,518	32,518	-	-	-	-	-
FINANCIAL ASSETS	**534,461**	**534,461**	**32,518**	**79,696**	**421,731**	**-**	**126**	**390**
Financial debt – long-term portion	72,649	72,649	23,946	-	-	48,703	-	-
Other non-current liabilities	11,172	11,172	9,290	-	171	-	968	743
Financial debt – short-term portion	83,743	83,743	54,074	-	-	29,669	-	-
Trade payables	49,839	49,839	-	-	49,839	-	-	-
Other current liabilities	272,030	272,030	-	-	272,030	-		
FINANCIAL LIABILITIES	**489,433**	**489,433**	**87,310**	**-**	**322,040**	**78,372**	**968**	**743**

The fair value of trade accounts receivable, other current receivables, trade payables and other current liabilities is the same as the balance sheet value, owing to their very short settlement times.

The fair value of financial debt is considered as close to its book value, since most of it is bank borrowing at variable rates of interest.

Derivatives are accounted for at their fair value and taken either directly to profit or loss for the ineffective portion of cash flow hedges or to equity capital, based on the hedge accounting method.

32.2. Impact of derivatives on profit or loss

The impact of the change in value of syndicated borrowing (see Note 27.1) on profit or loss is (-)€0.218 million.

The impact of derivatives on profit or loss is described in Note 33.3.a.

Note 33 I Financial risk factors

33.1. Credit risk

a. Ageing balance of trade accounts receivable

				o/w: not impaired at balance sheet date but past due, with the following breakdown					
(in thousands of euros)	Carrying value	Of which impaired	Of which: neither impaired nor past due at the balance sheet date	Less than 30 days	Between 30 and 60 days	Between 61 and 90 days	Between 91 and 180 days	Between 181 and 360 days	More than 360 days
Receivables (including doubtful debtors)	236,243	2,071	162,185	50,997	11,107	3,417	4,138	1,688	640

b. Statement of changes in provisions for doubtful receivables

(in thousands of euros)	Financial Year 2010
Provisions for trade accounts receivable at 1 January	**2,190**
Activities in progress of being discontinued	-
Charges	176
Reversals	-383
Changes in scope	-
Translation differential	6
PROVISIONS FOR TRADE ACCOUNTS RECEIVABLE AT 31 DECEMBER	**1,989**

33.2. Liquidity risk

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

The Group carried out a specific review of its liquidity risk and considers that it is in a position to meet its cash disbursement obligations.

At 31 December 2010, the Group had access to credit facilities in the amount of €190 million (of which €78 million was used) and authorised bank overdrafts in the amount of €83 million (of which €1.2 million was used), making a total of €273 million. The Group also had €32.5 million in cash and cash equivalents.

The following table shows the non-discounted contractual cash flows of consolidated net debt:

(in thousands of euros)	Carrying value	Total contractual flows	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bank loans	78,372	79,872	29,854	29,521	296	13,426	6,775	-
Finance lease liabilities	7,935	8,197	3,999	2,505	1,311	382	-	-
Employee profit sharing	22,395	25,124	2,598	4,422	5,371	6,849	5,884	-
Other sundry financial debt	12	12	2	-	-	-	-	10
Current bank overdrafts	47,678	47,678	47,678	-	-	-	-	-
Loans and financial debt	**156,392**	**160,883**	**84,131**	**36,448**	**6,978**	**20,657**	**12,659**	**10**
Investment securities	-	-	-	-	-	-	-	-
Cash and cash equivalents	-32,518	-32,518	-32,518	-	-	-	-	-
CONSOLIDATED NET DEBT	**123,874**	**128,365**	**51,613**	**36,448**	**6,978**	**20,657**	**12,659**	**10**

33.3. Market risk

a. Interest rate risk

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

Hedging of borrowings

Sopra Group entered into hedging contracts in connection with taking out two reducible, multi-currency, revolving credit facilities.

The interest rate applicable to these facilities is Euribor: the purpose of the hedging contracts is to protect against the risk of a rise in this rate.

At 31 December 2010, four swap agreements were in place. These relate to the first reducible, multi-currency, revolving credit facility (€200 million, October 2005) for a notional amount equal to the amount of the total credit commitment (€58 million at 31 December 2010). They mature in October 2012.

The details are as follows:

- for 2/3 of the notional amount: Euribor 1-month +0.3075% swap against Euribor 12-month post-fixed rate (E12M post) with a ceiling of 3.68% and a floor of 3.00%, if E12M post is less than 1.99%;
- for 1/3 of the notional amount: swap of 1-month Euribor against a fixed rate (4.55%).

At 31 December 2010, the valuation of these various hedging contracts was a net expense of €1.6 million (€0.1 million in assets and €1.7 million in liabilities), versus a net expense of €3.1 million at 31 December 2009.

The difference in valuation of +€1.5 million, impacts:

- the income statement *(Other financial income and expense)* for agreements not benefiting from the qualification of perfect hedge as defined in IAS 39, i.e. €0.6 million;
- equity capital for agreements benefiting from the qualification of perfect hedge as defined in IAS 39, i.e. €0.9 million.

Summary of exposure to interest rate risk

The table below summarises the Group's exposure to interest rate risk on the basis of commitments at 31 December 2010.

	Rate	31/12/2010	Less than 1 yr	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs	Over 5 yrs
Cash and cash equivalents	Fixed interest rate	32,518	32,518	-	-	-	-	-
Financial assets	**Fixed interest rate**	**32,518**	**32,518**	-	-	-	-	-
Bank loans	Floating interest rate	-78,372	-29,669	-29,005	-288	-12,934	-6,476	-
Finance lease liabilities	Fixed interest rate	-7,934	-3,825	-2,436	-1,293	-380	-	-
Employee profit sharing	Fixed interest rate	-22,395	-2,569	-4,185	-4,864	-5,915	-4,862	-
Other financial debt	Floating interest rate	-12	-2	-	-	-	-	-10
Current bank overdrafts	Floating interest rate	-47,678	-47,678	-	-	-	-	-
	Fixed interest rate	**-30,329**	**-6,394**	**-6,621**	**-6,157**	**-6,295**	**-4,862**	-
Financial liabilities	**Floating interest rate**	**-126,062**	**-77,349**	**-29,005**	**-288**	**-12,934**	**-6,476**	**-10**
	Fixed interest rate	**2,189**	**26,124**	**-6,621**	**-6,157**	**-6,295**	**-4,862**	-
Net exposure before hedging	**Floating interest rate**	**-126,062**	**-77,349**	**-29,005**	**-288**	**-12,934**	**-6,476**	**-10**
	Fixed-rate payer swaps	**19,726**	**9,975**	**9,751**	-	-	-	-
Interest rate hedging instruments	**Knock-in collar**	**38,292**	**19,364**	**18,928**	-	-	-	-
	Fixed interest rate	**-17,537**	**16,149**	**-16,372**	**-6,157**	**-6,295**	**-4,862**	-
	Floating interest rate with cap and floor	**-38,292**	**-19,364**	**-18,928**	-	-	-	-
Net exposure after hedging	**Floating interest rate**	**-68,044**	**-48,009**	**-327**	**-288**	**-12,934**	**-6,476**	**-10**

Analysis of the sensitivity of the cost of net financial debt to changes in interest rates

For the 2010 financial year, on the basis of average outstanding borrowings and current bank accounts, a rise in interest rates of 100 basis points would have had a positive impact of €0.5 million on the Group's cost of net financial debt. In contrast, a fall in interest rates of 100 basis points would have had a negative impact of €0.1 million on the Group's cost of net financial debt.

Analysis of the sensitivity of the portfolio of derivatives to changes in interest rates

(in millions of euros)	Impact on profit	Impact on equity
Impact of a 1% increase in interest rates	0.8	0.2
Impact of a 1% decrease in interest rates	-0.4	-0.2

b. Foreign exchange risk

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

The exposure to risk arising from trade transactions is limited, since each of the entities involved mainly carries out business in its own country and its own currency. When this is not the case, and for contracts that are significant in nature, the Group makes use of exchange rate hedging instruments to mitigate the associated risk.

At 31 December 2010, these instruments are hedges of the US dollar against the euro. They consist of contracts for forward purchases with a term to maturity of less than one year corresponding to a total equivalent value of €6.1 million. At 31 December 2010, the fair value of these various hedging instruments was €0.4 million (recognised under current assets). The cumulative gains or losses on the effective portion of these instruments hedging future cash flows, in the amount of €0.4 million, was taken to equity.

Furthermore, as part of its intra-group transactions, the Group is exposed to the risk of currency fluctuations in respect of:

- the invoicing of services provided from centres located in India and Morocco. The impact of these currency fluctuations on profit or loss is in principle negligible in view of the regularity of settlements;
- the invoicing of licence fees by the Group to subsidiaries operating in a functional currency other than the euro. The impact of these currency fluctuations on profit or loss is not significant;
- borrowings and loans in foreign currencies related to intra-group financings. The impact of these currency fluctuations is taken to equity. These money flows are not systematically hedged. However, the Group contracts specific hedges for all large individual foreign currency transactions.

At 31 December 2010, the net carrying amount of assets and liabilities recognised by Group entities in a currency other than their functional currency was as follows:

Inter-company commercial transactions

(in thousands of euros)	GBP	EUR	MAD	Other	Total
Assets	1,083	2,711	86	168	4,048
Liabilities	560	297	474	49	1,380
Foreign currency commitments	-	-	-	-	-
Net position before hedging	**523**	**2,414**	**-388**	**119**	**2,668**
Hedging instruments	-	-	-	-	-
Net position after hedging	523	2,414	-388	119	2,668

Sensitivity analysis

(in thousands of euros)	GBP	EUR	MAD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	
Impact on profit	26	121	-19	6	134
Impact on equity	-	-	-	-	-

Current accounts

(in thousands of euros)	GBP	CHF	MAD	Other	Total
Assets	-	-	1,454	-	1,454
Liabilities	6,970	7,589	-	-	14,559
Foreign currency commitments	-	-	-	-	-
Net position before hedging	**-6,970**	**-7,589**	**1,454**	**-**	**-13,105**
Hedging instruments	-	-	-	-	-
Net position after hedging	**-6,970**	**-7,589**	**1,454**	**-**	**-13,105**

Sensitivity analysis

(in thousands of euros)	GBP	CHF	MAD	Other	Total
Currency change assumption (appreciation)	5%	5%	5%	5%	
Impact on profit	**-**	**-**	**-**	**-**	**-**
Impact on equity	**-349**	**-379**	**73**	**-**	**-655**

c. Equity risk

At 31 December 2010, Sopra Group held 10,500 of its own shares, acquired under the terms of the share repurchase programmes authorised by the General Meeting, for a total amount of €591,124, representing an average purchase price of €56.30.

All transactions in treasury shares are taken directly to shareholders' equity. The impact at 31 December 2010 is a deduction of €478 thousand (see *Statement of changes in consolidated shareholders' equity* in the 2010 Reference Document).

Note 34 I Related party transactions

34.1. Remuneration of senior management

The items shown in the remuneration table concern the directors and Executive Management.

(in thousands of euros)	2010
Short-term employee benefits	880
Post-employment benefits	22
Other long-term employee benefits	-
Termination benefits	652
Equity compensation benefits	529
TOTAL	**2,083**

The Ordinary General Meeting of 22 June 2010 set the amount of fees to be apportioned among the directors at €150,000.

Post-employment benefits correspond to retirement benefits established in accordance with collective bargaining agreements (see Notes 1.18 and 15). There are no commitments in favour of executive managers with respect to post-employment benefits or other long-term employee benefits.

Termination benefits relate to the termination of Dominique Illien's employment contract (see Chapter 3 of the 2010 Reference Document).

In its meeting of 15 April 2010, the Board of Directors decided to grant 20,000 share subscription options to Dominique Illien, in application of contractual agreements entered into with him when he joined the Group in 2007.

The value of the services rendered by Dominique Illien that were compensated through the granting of options on 18 March 2008, 17 March 2009 and 15 April 2010 is recorded under *Equity compensation benefits* in the amount of €0.508 million (see Chapter 3 of the 2010 Reference Document).

No loans were granted either to directors or to members of Executive Management (nor to any of their close family members).

34.2. Subsidiaries and associated entities

Transactions and balances between Sopra Group and its subsidiaries were eliminated in full on consolidation, since all of the subsidiaries are fully consolidated.

Transactions and balances between Sopra Group and its associates are not eliminated on consolidation. This relates to the Axway group: detailed information on these transactions is provided in Note 34.3.

Non-consolidated equity investments are included under *Available for sale financial assets*. These all relate to companies in the process of liquidation, for which no significant transactions have been undertaken since 2005.

34.3. Transactions with the Axway group

(in thousands of euros)	2010
Transactions between Sopra Group and Axway group	
Operating income	11,179
Operating expenses	-2,970
Operating receivables	2,617
Operating liabilities	-330
Financial income	1,503
Financial receivables (current account)	90,216
Transactions between Sopra Group subsidiaries and Axway group	
Operating income	2,727
Operating expenses	-67
Operating receivables	725
Operating liabilities	-96
Financial income	-
Financial receivables (current account)	-

34.4. Relationships with other related parties

Sopra Group maintains material relationships with two of its shareholders: Société Générale group and Crédit Agricole group. At 31 December 2010, these two banking groups respectively held 12.10% and 0.99% of the company's capital.

Société Générale and Crédit Agricole are both major clients and important banking partners for Sopra Group.

Note 35 I Off balance sheet commitments and contingent liabilities

35.1. Contractual obligations

Contractual obligations *(in thousands of euros)*	Payments due per period Less than one year	One to five years	More than five years	2010
Long-term liabilities	29,669	48,703	-	78,372
Finance lease obligations	3,825	4,110	-	7,935
Employee profit sharing	2,569	19,826	-	22,395
Other sundry financial debt	2	10	-	12
Current bank overdrafts	47,678	-	-	47,678
TOTAL RECOGNISED COMMITMENTS	**83,743**	**72,649**	**-**	**156,392**

Other commercial commitments *(in thousands of euros)*	Amount of commitments per period Less than one year	One to five years	More than five years	2010
Credit lines	-	-	-	-
Letters of credit	-	-	-	-
Guarantees	-	3,108	2,021	5,129
Purchase obligations	-	-	-	-
Other commercial commitments	4,448	-	-	4,448
TOTAL RECOGNISED COMMITMENTS	**4,448**	**3,108**	**2,021**	**9,577**

35.2. Commitments given related to recurring operations

(in thousands of euros)	2010
Discounted notes not yet due	-
Bank guarantees / deposits on leased premises	3,108
Bank guarantees for effective project completion	4,448
Lease guarantees granted to subsidiaries	2,021
Collateral, mortgages and sureties	-
Exchange rate hedging instruments	-

35.3. Collateral, guarantees and surety

a. Registered shares used as collateral

Name of registered shareholder	Beneficiary	Start date	Expiry date	Conditions for freeing collateral	Number of shares pledged by the issuer	% of capital pledged
Sopra GMT	Lyonnaise de Banque	November 2009	July 2014	Repayment of loan for €5.000 million	330,000	2.78%
Sopra Développement	Société Générale	November 2009	August 2015	Repayment of loan for €4.929 million	191,615	1.62%
TOTAL					**521,615**	**4.40%**

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

No such assets were pledged in this manner.

35.4. Covenants

Within the framework of the syndicated loans implemented in October 2005 and April 2008, Sopra Group assumed the following covenants:

- the ratio of net financial debt to EBITDA is required to be lower than 3 for the entire term of the facility. At 31 December 2010, this ratio was 1.15;
- the ratio of net debt to equity is required to be lower than 1 for the entire term of the facility. At 31 December 2010 this ratio was 0.38;
- the ratio of operating profit to net financial debt is required to be greater than 5 for the entire term of the facility. At 31 December 2010 this ratio was 14.89.

35.5. Real collateral given in guarantee

No real collateral was given to guarantee bank financing.

Net financial debt applied in these calculations includes the earnouts relating to the acquisitions recognised under fixed asset liabilities (see Note 17), and does not include employee profit sharing.

35.6. Contingent liabilities

There are no contingent liabilities to be recognised.

Note 36 I Exceptional events and legal disputes

To the Company's knowledge, there are no exceptional events or legal disputes that may have a material effect on its financial position, revenue, business assets, or net profit, or those of the Group as a whole.

Note 37 I Post balance sheet events

Apart from the planned spin-off and listing of Axway, no other material event has occurred since the balance sheet date.

Note 38 I Rates of conversion of foreign currencies

(€1/Currency)	Average rate for the period 2010	Period-end rate 2010
Swiss franc	1.3795	1.2504
Pound Sterling	0.8576	0.8608
Moroccan dirham	11.1495	11.1744
Rupee (India)	60.5327	59.7729

7. Statements of reconciliations between the historical consolidated financial statements and the pro forma financial statements

Statement of financial position

Assets

(in thousands of euros)	31/12/2010 Published	Distribution Axway Shares	Intra-group	Restated Pro forma	31/12/2010 Pro forma
Goodwill	369,914	-165,672	-	-	204,242
Intangible assets	23,713	-20,845	-	-	2,868
Property and equipment	39,279	-3,478	-	-	35,801
Financial assets	3,636	21,134	68,432	-	93,202
Equity interests accounted for under the equity method	-	79,500	-	-	79,500
Deferred tax assets	34,370	-17,942	-	-	16,428
Other non-current assets	126	-	-	-	126
Non-current assets	**471,038**	**-107,303**	**68,432**	**-**	**432,167**
Stocks and work in progress	797	-505	-	-	292
Trade accounts receivable	368,396	-65,765	3,769	-	306,400
Other current receivables, prepayments and accrued income	33,884	-11,171	2	-	22,715
Cash and cash equivalents	54,897	-22,379	-	-	32,518
Current assets	**457,974**	**-99,820**	**3,771**	**-**	**361,925**
TOTAL ASSETS	**929,012**	**-207,123**	**72,203**	**-**	**794,092**

Liabilities and equity

(in thousands of euros)	31/12/2010 Published	Distribution Axway Shares	Intra-group	Restated Pro forma	31/12/2010 Pro forma
Share capital	47,416	-	-	-35,562	11,854
Capital reserves	57,311	-	-	35,562	92,873
Consolidated reserves	201,935	-24,336	1	-95,705	81,895
Net profit for the year	74,768	-19,547	-	46,027	101,248
Profits recognised directly in equity	-16,879	-2,928	-	-	-19,807
Equity - Group share	**364,551**	**-46,811**	**1**	**-49,678**	**268,063**
Minority interests	**3**	**-2**	**-1**	**-**	**-**
TOTAL EQUITY	**364,554**	**-46,813**	**-**	**-49,678**	**268,063**
Financial debt – long-term portion	74,423	-70,206	68,432	-	72,649
Deferred tax liabilities	9,300	-9,182	-	-	118
Provision for post-employment benefits	40,934	-5,206	-	-	35,728
Non-current provisions	1,905	-1,155	-	-	750
Other non-current debt	13,080	-1,909	1	-	11,172
Non-current liabilities	**139,642**	**-87,658**	**68,433**	**-**	**120,417**
Financial debt – short-term portion	37,629	-352	-1	46,467	83,743
Trade payables	53,531	-7,460	3,768	-	49,839
Other current liabilities	333,656	-64,840	3	3,211	272,030
Current liabilities	**424,816**	**-72,652**	**3,770**	**49,678**	**405,612**
TOTAL LIABILITIES	**564,458**	**-160,310**	**72,203**	**49,678**	**526,029**
TOTAL LIABILITIES AND EQUITY	**929,012**	**-207,123**	**72,203**	**-**	**794,092**

Income statement

(in thousands of euros)	FY 2010 Published	Distribution Axway Shares	Intra-group	FY 2010 Pro forma
Revenue	1,169,893	-208,421	2,934	964,406
Purchases consumed	-121,647	13,531	-5,092	-113,208
Staff costs	-783,463	130,878	472	-652,113
External expenses	-131,969	34,948	-2,509	-99,530
Taxes and duties	-12,851	1,486	-3	-11,368
Amortisation	-11,494	1,454	-	-10,040
Provisions and impairment	-3,286	273	-	-3,013
Other operating income	12,832	-5,023	4,198	12,007
Other operating expenses	-1,245	-211	-	-1,456
Operating profit on business activity	**116,770**	**-31,085**	**-**	**85,685**
Expenses related to stock options	-197	-	-	-197
Amortisation of allocated intangible assets	-2,599	1,944	-	-655
Profit from recurring operations	**113,974**	**-29,141**	**-**	**84,833**
Other operating income and expenses	-4,673	3,583	-	-1,090
Operating profit	**109,301**	**-25,558**	**-**	**83,743**
Income from cash and cash equivalents	25	-10	-	15
Cost of gross financial debt	-5,862	1,725	-1,502	-5,639
Cost of net financial debt	**-5,837**	**1,715**	**-1,502**	**-5,624**
Foreign exchange gains and losses	-1,108	160	-	-948
Other financial charges and expense	-321	133	1,502	1,314
Capital gains on Axway shares retained	-	46,027	-	46,027
Tax charges	-27,266	-3,046	-	-30,312
Share of net profits (loss) from equity-accounted associates	**-**	**7,048**	**-**	**7,048**
Net profits (loss) excluding discontinued activities or activities in progress of being discontinued	**74,769**	**26,479**	**-**	**101,248**
Net profits (loss) including discontinued activities or activities in progress of being discontinued	**-**	**-**	**-**	**-**
NET PROFIT	**74,769**	**26,479**	**-**	**101,248**
Group share	**74,768**	**26,480**	**-**	**101,248**
Minority interests	1	-1	-	-

Statement of changes in shareholders' equity

(in thousands of euros)	Total
Shareholders' equity at 31/12/2010 – Published	**364,554**
Dividends in kind (distribution of 73.5% of Axway at market value)	-220,500
Capital gain on the 73.5% of Axway distributed	127,660
Capital gain on the 26.5% of Axway maintained	46,027
Cash dividends	-46,467
Taxes on distribution	-3,211
SHAREHOLDERS' EQUITY AT 31/12/2010 – PRO FORMA	**268,063**

Cash flow statement

(in thousands of euros)	2010 Published	Distribution of Axway Shares	Intra Group	Pro forma restatements	2010 Pro forma
Consolidated net profit (including minority interests)	**74,769**	**-19,548**	**-**	**46,027**	**101,248**
Net increase in depreciation, amortisation and provisions	17,671	-3,863	-	-	13,808
Unrealised gains and losses relating to changes in fair value	-520	-	-	-	-520
Share-based payment expense	841	-	-	-	841
Other calculated income and expense	-837	-544	-	-	-1,381
Capital gain on retained Axway shares	-	-	-	- 46,027	- 46,027
Gains and losses on disposal	-297	-38	-	-	-335
Share of profit (loss) attributable to companies accounted for under the equity method	-	-7,048	-	-	-7,048
Cash from operations after cost of net debt and tax	**91,627**	**-31,041**	**-**	**-**	**60,586**
Cost of net financial debt	5,837	-1,715	1,502	-	5,624
Income taxes (including deferred tax)	27,266	3,046	-	-	30,312
Cash from operations before cost of net debt and tax (A)	**124,730**	**-29,710**	**1,502**	**-**	**96,522**
Tax paid (B)	-33,778	6,587	-	-	-27,191
Changes in operating working capital requirements (included liabilities related to employee benefits) (C)	20,870	-701	-2,728	-	17,441
Net cash from operating activities (D) = (A+B+C)	**111,822**	**-23,824**	**-1,226**	**-**	**86,772**
Purchase of tangible and intangible fixed assets	-12,711	2,876	-	-	-9,835
Proceeds from sale of tangible and intangible fixed assets	939	-2	-	-	937
Purchase of financial assets	-338	41	-	-	-297
Proceeds from sale of financial assets	320	-123	-	-	197
Impact of changes in scope	-187	4	-	-	-183
Changes in loans and advances granted	-	-	8,179	-	8,179
Net cash from (used in) investing activities (E)	**-11,977**	**2,796**	**8,179**	**-**	**-1,002**
Proceeds on issue of shares	-	-	-	-	-
Proceeds on the exercise of stock options	2,580	-	-	-	2,580
Purchase and proceeds from disposal of treasury shares	-508	-	-	-	-508
Dividends paid during the year	-	-	-	-	-
- Dividends paid to shareholders of Sopra Group SA	-9,402	-	-	-46,467	-55,869
- Dividends paid to minority interests of consolidated companies	-	-	-	-	-
Change in borrowings	-76,413	-	-	-	-76,413
Net interest paid (including finance leases)	-5,987	1,715	-1,502	-	-5,774
Other cash flow relating to financing activities	-165	7,967	-5,451	-	2,351
Net cash from (used in) financing activities (F)	**-89,895**	**9,682**	**-6,953**	**-46,467**	**-133,633**
Effect of foreign exchange rate changes (G)	119	358	-	-	477
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F+G)	**10,069**	**-10,988**	**-**	**-46,467**	**-47,386**
Opening cash position					32,226
Closing cash position					-15,160

8. Statutory auditors' report on the pro forma information

To the Chairman of the Board of Directors,

In our capacity as Statutory Auditor and in accordance with regulation (EC) No. 809/2004, we have drawn up the present report on the pro forma information of the Sopra Group SA group for the financial year to 31 December 2010 included in part 3 of its updated Reference Document dated 20 May 2011.

This pro forma information has been prepared for the sole purpose of demonstrating the effect that the separation of its Axway business would have had on the consolidated financial statements of Sopra Group SA at 31 December 2010, if the operation had become effective on 1 January 2010. By its nature, it describes a hypothetical situation and is not necessarily representative of the financial situation or performance that would have been achieved if the operation or event had occurred before the planned date.

This pro forma information was drawn up under your responsibility in accordance with the provisions of regulation (EC) No. 809/2004 and CESR recommendations concerning pro forma information.

Our task is to express a conclusion based on our work, in the terms required by Annex II, point 7 of Regulation (EC) 809/2004, as to whether the pro forma information has been prepared in a satisfactory manner.

We have carried out the verifications we deemed necessary in accordance with the professional standards and doctrine of the National Auditors' Association (*Compagnie Nationale des Commissaires aux Comptes* – CNCC) relating to this assignment. These verifications, which do not include a review of the underlying financial information used in preparing the pro forma information, have mainly consisted of verifying that the basis upon which the pro forma information was prepared is in agreement with the source documents as described in the note to the financial statements entitled "Basis of preparation of the pro forma financial statements", reviewing the key evidence in support of pro forma adjustments and speaking with Sopra Group's management to gather the information and explanations we deemed necessary.

It is our opinion that:

- the pro forma information has been appropriately prepared on the basis stated;
- this basis is in accordance with the issuer's accounting policies.

This report is issued for the sole purpose of submitting the update of the Reference Document to the AMF and cannot be used for other purposes.

Paris and Courbevoie, 20 May 2011

The Statutory Auditors

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

4

ORDINARY GENERAL MEETING OF 8 JUNE 2011

1. Agenda for the Meeting 62
2. Proposed resolutions 62

1. Agenda for the Meeting

Ladies and Gentlemen,

We have convened this Ordinary General Meeting to submit the following items of business for your approval:

- distribution of amounts in cash in the form of an exceptional distribution of premiums and reserves;
- distribution of Axway Software shares in the form of an exceptional distribution of premiums and reserves;
- ratification of the co-opting of Ms. Delphine Inesta as member of the Board of Directors;
- necessary powers granted to carry out formalities.

2. Proposed resolutions

First resolution

Distribution of amounts in cash in the form of an exceptional distribution of premiums and reserves

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and having heard the following:

- the Board of Directors' report,
- the opinion of employee representative bodies issued on 15 April 2011,
- the prospectus relating to the admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris, approved by the *Autorité des marchés financiers* on 29 April 2011 under its visa number 11-137 and the completion of the Preliminary Transactions mentioned therein,
- the press release published by Sopra Group prior to the date of this General Meeting indicating a valuation of Axway Software for 100% of the equity of this company, to be used when adjusting the distribution of Axway Software shares pursuant to the subsequent resolution against Sopra Group's equity, this valuation having been submitted for independent expert evaluation by Horwath Audit France;

- takes note of the amount of Sopra Group's available equity following the exercise of Sopra Group share subscription options from 1 January 2011, the approval of the 2010 financial statements, the appropriation of 2010 earnings, and the reduction in Sopra Group's capital by way of a transfer to the share premium account, in accordance with decisions passed at Sopra Group's Combined General Meeting on 10 May 2011, including the amount of Sopra Group's legal reserve that will have become available due to the said capital reduction;
- decides, in accordance with Article L. 232-11, paragraph 2 of the French Commercial Code, under conditions precedent:
  - to publish the final opinion relating to the admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris, and
  - to adopt the subsequent resolution relating to the distribution of Axway Software shares,
  - to distribute, in respect of each Sopra Group share held for which the shareholder is entitled to receive the distribution, a cash payment in the amount of €3.92, corresponding, on the basis of a maximum total of 11,897,885 Sopra Group shares entitled to receive the distribution, to a maximum overall amount of €46,639,709.20, with the understanding that the total amount of the cash distribution is to be determined, dependent upon the precise number of shares entitled to receive the distribution, on the evening of the day preceding the ex-date for the distribution,
  - that the holders of shares entitled to receive the distribution will be those Sopra Group shareholders whose shares admitted for trading on Compartiment B of NYSE Euronext Paris under ISIN code FR0000050809 (in relation to which the shares admitted for trading on Compartiment B of NYSE Euronext Paris under ISIN code FR0010989145 are considered as equivalent for the purposes of this distribution) will have been registered for accounting purposes in their name at the close of the accounting day preceding the ex-date for the distribution, in other words, for all intents and purposes, 13 June 2011 in the evening (i.e. after taking into account any orders executed during the day of 13 June 2011, even if the settlement and delivery of said orders occur after the ex-date for the distribution), with the understanding that any shares held by Sopra Group itself will not be entitled to receive the distribution pursuant to this resolution, in accordance with Article L. 225-210 of the French Commercial Code,
  - to set 14 June 2011 as the payment date for the exceptional distribution of amounts in cash. The ex-date for the distribution will fall on the same day as the payment date,
  - to adjust this distribution, conducted in the form of an exceptional distribution of premiums and reserves, against the "Share premium" account, which will thus be reduced by the maximum amount of €46,639,709.20, on the basis of a maximum total of 11,897,885 Sopra Group shares entitled to receive the distribution,
  - to grant all powers to the Board of Directors, including the option to sub-delegate such powers to the Chairman and Chief Executive Officer, in order to implement this decision and in particular to:
    - record the fulfilment of the conditions precedent above and the payment date for the distribution,

- record the precise number of shares entitled to receive the distribution on the evening of the day preceding the ex-date for the distribution and the corresponding amounts to be adjusted against Sopra Group's equity, in accordance with the terms and conditions set forth by the General Meeting,
- record and approve the resulting deductions from equity and the remaining balance of Sopra Group's equity,
- take any necessary or useful measures in order to complete the distributions pursuant to this resolution,
- more generally, establish any and all records, make any and all disclosures, enter into any and all confirmatory or supplementary instruments and proceed with any other formalities that may prove to be necessary;

■ takes note that the rights of the holders of Sopra Group options will be adjusted in accordance with Article L. 225-181 of the French Commercial Code;

■ takes note that this distribution of amounts in cash will be eligible, under French tax regulations, for the tax deduction set forth in Article 158-3-2 of the French Tax Code applicable to natural persons resident in France for tax purposes. However, any shareholder having opted for the standard withholding tax provided by Article 117 *quater* of the French Tax Code is not entitled to take this deduction.

Second resolution

Distribution of Axway Software shares in the form of an exceptional distribution of premiums and reserves

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings and having heard the following:

- the Board of Directors' report,
- the opinion of employee representative bodies issued on 15 April 2011,
- the prospectus relating to the admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris, approved by the *Autorité des marchés financiers* on 29 April 2011 under its visa number 11-137 and the completion of the Preliminary Transactions mentioned therein,
- the press release published by Sopra Group prior to the date of this General Meeting indicating a valuation of Axway Software for 100% of the equity of this company, to be used when adjusting the distribution of Axway Software shares pursuant to this resolution against Sopra Group's equity, this valuation having been submitted for independent expert evaluation by Horwath Audit France;

■ takes note of the amount of Sopra Group's available equity following the exercise of Sopra Group share subscription options from 1 January 2011, the approval of the 2010 financial statements, the appropriation of 2010 earnings, and the reduction in Sopra Group's capital by way of a transfer to the share premium account, in accordance with decisions passed at Sopra Group's Combined General Meeting on 10 May 2011, including the amount of Sopra Group's legal reserve that will have become available due to the said capital reduction;

■ decides, in accordance with Article L. 232-11, paragraph 2 of the French Commercial Code, under conditions precedent:

- to publish the final opinion relating to the admission to trading of Axway Software shares on the NYSE Euronext regulated market in Paris, and
- to adopt the preceding resolution relating to the exceptional cash distribution of premiums and reserves,
- to distribute, in respect of each Sopra Group share held for which the shareholder is entitled to receive the distribution, one (1) Axway Software share (thus in the ratio of one (1) Axway Software for every one (1) Sopra Group share held), corresponding, on the basis of a maximum total of 11,897,885 Sopra Group shares entitled to receive the distribution, to a maximum total of 11,897,885 Axway Software shares, with the understanding that the precise number of Axway Software shares distributed will be determined, depending upon the precise number of Sopra Group shares entitled to receive the distribution, on the evening of the day preceding the ex-date for the distribution,
- that the holders of shares entitled to receive the distribution of Axway Software shares will be those Sopra Group shareholders whose shares are admitted for trading on Compartment B of NYSE Euronext Paris under ISIN code FR0000050809 (in relation to which the shares admitted for trading on Compartment B of NYSE Euronext Paris under ISIN code FR0010989145 are considered as equivalent for the purposes of this distribution) will have been registered for accounting purposes in their name at the close of the accounting day preceding the ex-date for the distribution, in other words, for all intents and purposes, 13 June 2011 in the evening (i.e. after taking into account any orders executed during the day of 13 June 2011, even if the settlement and delivery of said orders occur after the ex-date for the distribution), with the understanding that any shares held by Sopra Group itself will not be entitled to receive the distribution pursuant to this resolution, in accordance with Article L. 225-210 of the French Commercial Code,
- to set the payment date and the settlement/delivery date for the exceptional distribution of Axway Software shares so that they fall on the same day as the payment date for the exceptional cash distribution of premiums and reserves provided for under the preceding resolution, thus 14 June 2011. The ex-date for the distribution will fall on the same day as the payment date,
- to adjust the distribution of Axway Software shares, carried out in the form of an exceptional distribution of premiums and reserves, on the basis of a valuation of three hundred million (300,000,000) euros for 100% of the equity of Axway Software, a valuation which has been submitted for independent expert evaluation by Horwath Audit France, against Sopra Group's equity, to the extent necessary, in the following order:
  - adjustment against the balance of the "Share premium" account after the adjustment for the cash distribution pursuant to the preceding resolution, then
  - against the "Merger premium" account, then
  - against the "Contribution premium" account, then

- against the free reserve portion of the legal reserve made available as a result of the reduction in capital by way of an allocation to the share premium account, in accordance with the decisions passed by Sopra Group's Combined General Meeting of 10 May 2011, then
- against the "Discretionary reserves" account;
- to grant all powers to the Board of Directors, including the option to sub-delegate such powers to the Chairman and Chief Executive Officer, in order to implement this decision and in particular to:
  - record the fulfilment of the conditions precedent above and the payment date and settlement/delivery date for the corresponding Axway Software shares,
  - record the precise number of shares entitled to receive the distribution on the evening of the day preceding the ex-date for the distribution and the corresponding amounts to be adjusted against Sopra Group's equity, in accordance with the terms and conditions set forth by the General Meeting,
  - record and approve the resulting deductions from equity and the remaining balance of Sopra Group's equity, on the basis of the abovementioned valuation for Axway Software,
  - take any necessary or useful measures in order to complete the distributions pursuant to this resolution,
  - proceed with any formalities required with a view to completing the distribution of Axway Software shares and finalising their admission to trading on the NYSE Euronext regulated market in Paris,
  - more generally, establish any and all records, make any and all disclosures, enter into any and all confirmatory or supplementary instruments and proceed with any other formalities that may prove to be necessary;

- takes note that the rights of holders of Sopra Group options will be protected in accordance with Article L. 225-181 of the French Commercial Code, that Sopra Group's Board of Directors will be granted all necessary powers to this end and that, in particular, it may, at its discretion:
  - either apply rules for the adjustment of the exercise price and the number of shares covered by Sopra Group options,
  - or, in accordance with Articles L. 225-181 and L. 228-99 2° of the French Commercial Code, retain a number of Axway Software shares equal to the number to which option holders would have been entitled had they been shareholders at the time of this distribution, so as to remit these shares to them should they exercise their options at a later date;
- takes note that this distribution of Axway Software shares will be considered, under French tax regulations, as follows:
  - in part, as a distribution eligible for the tax deduction set forth in Article 158-3-2 of the French Tax Code applicable to natural persons resident in France for tax purposes, in the amount of €8.56 for each Axway Software share distributed. Any shareholder having opted for the standard withholding tax provided by Article 117 *quater* of the French Tax Code will not be entitled to take this deduction,

    and,
  - in part, as a repayment of a contributed assets in an amount equal to the difference between the actual value of the Axway Software shares distributed and the taxable value of the distribution,
  - with the understanding that these amounts will be adjusted on the evening of the day preceding the ex-date for the distribution, depending upon the number of Sopra Group shares determined as entitled to receive the distribution.

Third resolution

Ratification of the coopting of Ms. Delphine INESTA as member of the Board of Directors

The required quorum and majority having been achieved, in replacement of Mr. Pierre-André Martel, who has resigned, the General Meeting ratifies the co-opting of Ms. Delphine Inesta as director for the remainder of his term of office, i.e. until the General Meeting called to approve the financial statements for the financial year to 31 December 2011.

Fourth resolution

Powers granted to carry out all legal formalities

The General Meeting, having fulfilled the quorum and majority requirements for Ordinary General Meetings, grants all powers to the bearer of an original, copy or extract of the minutes of this meeting to carry out all legally required formalities, including publications and the filing of documents.

We hope that you accept these proposals and that you vote in favour of the corresponding resolutions.

The Board of Directors

5

ADDITIONAL INFORMATION

1.	Corporate governance	66
2.	Share capital	66
3.	Shareholders' agreements	66
4.	Authorisations granted by the General Meeting of 10 May 2011	66
5.	Amendment to the Articles of Association	67
6.	Provisional calendar	67
7.	Related party transactions	67
8.	Risk factors	68
9.	Appointments	68
	Documents on display	69
	Annual disclosure document	70
	Certification by the person responsible for the Reference Document	71

1. Corporate governance

No changes have been made in the Group's governance structure apart from the resignation of Pierre-André Martel and the co-optation of Delphine Inesta as a member of Sopra Group's Board of Directors, ratified in its meeting of 13 May 2011.

Furthermore, Henri Saint-Sauveur, who serves as an independent director of Sopra Group, was appointed as a member of Axway's Board of Directors at Axway's General Meeting of 28 April 2011.

2. Share capital

The Combined General Meeting of 10 May 2011 approved a reduction in share capital not due to losses by way of a decrease in the par value of shares of three euros (€3), thereby reducing the par value of shares from four euros (€4) to one euro (€1) with the corresponding amount recognised under the "Share premiums" account.

This transaction had no impact on the number of shares comprising the share capital of Sopra Group SA, which corresponded to a total of 11,863,245 shares at the date of this Combined General Meeting.

3. Shareholders' agreements

In respect of Axway, Sopra Group S.A.'s holding company Sopra GMT acts in concert with:

- on the one hand, the Pasquier and Odin family groups, Sopra Développement and Sopra Group S.A.'s senior managers, under a shareholders' agreement dated 7 December 2009 relating to Sopra Group S.A., such that the provisions of said agreement are extended to Axway's shares for the same period. The specific provisions of this agreement are described in Chapter 18 of the Axway Prospectus approved by the AMF on 29 April 2011 under its visa number 11-137;
- on the other hand, Geninfo and Sopra Group S.A., with the understanding that these two companies are not party to any shareholders' agreement relating to Axway. It should be noted that, under an agreement dated 16 November 2004, Sopra GMT and Messrs. Pasquier and Odin, on the one hand, and Geninfo on the other hand act in concert vis-à-vis Sopra Group S.A., of which they together hold about 43.60% of the capital and voting rights (47.45% after taking into account the shares held in concert by Sopra GMT, the Pasquier family group and the Odin family group with Sopra Développement and Sopra Group's senior managers).

In all, Sopra GMT will hold, in concert with the Pasquier family group, the Odin family group, Sopra Développement, Sopra Group's senior managers, Geninfo and Sopra Group S.A., approximately 61.34% of Axway's voting rights when its shares are made available for trading on the NYSE Euronext regulated market in Paris.

4. Authorisations granted by the General Meeting of 10 May 2011

The Combined General Meeting of 10 May 2011 authorised the Board of Directors, subject to a single ceiling of 3% of the Company's share capital:

- to grant share subscription options to employees or officers of the Company or of any of its affiliated undertakings (tenth resolution);
- to issue warrants to subscribe to and/or acquire redeemable shares (BSAAR) to employees or officers of the Company or of any of its affiliated undertakings (eleventh resolution).

5. Amendment to the Articles of Association

The Combined General Meeting of 10 May 2011 voted to include an express provision within the Company's Articles of Association allowing for the authorisation of a distribution in kind. The new Article 39 reads as follows:

Article 39 "Distribution in kind":

"The Ordinary General Meeting may authorise the distribution of investment securities held by the company as dividends for the current financial year (including any interim dividend) or the distribution of reserves, premiums or any other items available comprising shareholders' equity.

The terms and conditions for this distribution will be determined by the General Meeting, or if the Meeting fails to do so, by the Board of Directors.

In accordance with Article 12.3 of the Articles of Association, the shareholders, where applicable, must take it upon themselves to obtain a whole number of investment securities thus allocated."

6. Provisional calendar

- 8 June 2011: General Meeting of Sopra Group shareholders convened to vote upon the distribution of Axway shares and an exceptional cash distribution.
- 14 June 2011: Completion of the distribution and date of admission to trading of Axway's shares on the NYSE Euronext regulated market in Paris.

7. Related party transactions

In connection with the proposal for the admission of Axway's shares to trading on the NYSE Euronext regulated market in Paris, it is worth mentioning that, in the past, Axway has benefited from various services and will continue to benefit, during a transitional period, from services provided contractually by Sopra Group SA involving certain support functions, including finance, accounting, legal and logistics, and in the areas of human resources and information systems (services are rendered under (i) a functional management assistance agreement, (ii) an agreement for the provision of IT resources and (iii) a secondment agreement, all of which were concluded at year-end 2001).

On a case-by-case basis, Sopra Group SA and Axway may continue to prepare joint bids in response to some tender offers.

Under agreements between Groupe Sopra companies, in 2010 Axway sold €3 million in goods and services to Sopra Group SA and companies affiliated with Sopra Group SA and purchased €13.9 million in goods and services from Sopra Group SA and companies affiliated with Sopra Group SA.

For its operations in India, the Group will continue to dispose of the material and human resources (65 people) made available to it by Sopra Group SA under an agreement executed on 31 May 2010 between Sopra India Private Limited, Sopra Group SA's Indian subsidiary, and Axway, and for which it will be billed at prices negotiated annually. The charge per employee and per day of work in 2010 was €110.

Axway will also continue to use the premises made available to it by Sopra Group SA in Annecy and Puteaux, France under an agreement between Sopra Group SA and Axway executed on 19 December 2001 and modified by its third amendment executed on 15 December 2010.

Sopra Group SA has also guaranteed the lease payments for which Axway's subsidiary, Axway Inc., will be liable under a lease agreement.

Axway will continue to be provided with credit through current account advances, which totalled €42.8 million at 31 March 2011 (€68.4 million at 31 December 2010), under a cash management agreement with Sopra Group SA executed on 19 December 2001 whose interest rate, set at 2.5% for 2011, is adjustable annually depending on market conditions. In an instrument dated 27 April 2011, Sopra Group SA and Axway agreed to maintain this agreement until 31 December 2012 and that Axway may use the funds made available to it until this date, unless these funds are repaid in advance from the proceeds of the planned capital increase, as agreed.

A framework assistance agreement was entered into with Sopra GMT as from 27 April 2011, under which Sopra GMT will provide various services to Sopra Group SA and Axway. In particular, this agreement stipulates that Sopra GMT will ensure:

- the coordination, between Sopra Group SA and Axway, of general policy and the development of synergies upon the completion of the spin-off;
- support for strategic planning, particularly with respect to acquisition projects and possible affiliations with larger companies, or independent development, if appropriate;
- other services relating to strategy development, together with consultancy and assistance services, in the areas of finance and internal control.

8. Risk factors

Risk factors affecting the Group and its business have not changed since the publication of the original French-language version of the 2010 Reference Document on 8 April 2011. The spin-off of Axway has no impact on risk factors as detailed in the published Reference Document.

With regard to the inter-contract rate, it has remained stable at 3% over the first several months of 2011.

9. Appointments

As announced in Sopra Group's press release dated 18 May 2011, Christian Levi has been named Managing Director of Sopra Consulting, the Group's consulting subsidiary. He will also serve as a member of Sopra Group's Executive Committee.

Name and position of the person responsible for the Reference Document

Mr. Pierre Pasquier, Chairman and Chief Executive Officer

Information Officer

Ms. Céline Dojwa, Communications Director

Persons responsible for auditing the financial statements

Statutory Auditors

- Auditeurs et Conseils Associés – 33, rue Daru, 75008 Paris.

  Represented by François Mahé

  Term of office expires at the General Meeting called to approve the 2015 financial statements.

  First appointed: June 1986.

- Cabinet Mazars – 61, rue Henri-Regnault, 92400 Courbevoie

  Represented by Christine Dubus

  Term of office expires at the General Meeting called to approve the 2011 financial statements.

  First appointed: June 2000.

Alternate Auditors

- AEG Finances – 4, rue de Châtillon, 75014 Paris

  Term of office expires at the General Meeting called to approve the 2015 financial statements.

- Jean-Louis Simon – 61, rue Henri-Regnault, 92400 Courbevoie

  Term of office expires at the General Meeting called to approve the 2011 financial statements.

Documents on display

The documents concerning Sopra Group and its subsidiaries that must be made available to the public (the articles of association, reports, historical financial information regarding Sopra Group and its subsidiaries included or mentioned in the Reference Document, and the information relating to each of the financial years preceding submission of the Reference Document and its update) may be consulted at the Communications Department, 9 bis rue de Presbourg, 75116 Paris, France. All of the financial information disclosed is available on the Group's website www.sopragroup.com and some of the information is available on the website of the *Autorité des marchés financiers* (ww.amf-France.org).

Annual disclosure document

The following information, which is available on the Company's website and in the Bulletin of Compulsory Legal Announcements (BALO), has been published or made public by Sopra Group since 8 May 2011 (date of submission of the Group Reference Document) in accordance with Article L. 451-1-1 of the French Monetary and Financial Code and Article 222-7 of the General Regulations of the French Financial Markets Authority:

- 22/04 – Notice to shareholders to attend the Combined General Meeting of 10 May 2011;
- 26/04 – Financial press release announcing the revenue for Q1 2011;
- 29/04 – Financial press release announcing the launch of the IPO for Axway Software and obtaining of approval of the Issue Prospectus;
- 04/05 – Notice to attend the Ordinary General Meeting of 8 June 2011;
- 05/05 – Declaration of the total number of voting rights and shares comprising the registered capital at 04 May 2011;
- 06/05 – Declaration of shares and voting rights at 30 April 2011;
- 12/05 – Outcome of the votes of the Combined General Meeting of 10 May 2011 (on the Sopra Group website);
- 13/05 – Press release concerning the accounting impact of the exceptional cash distribution and the distribution of Axway Software shares;
- 13/05 – Share buyback programme approved by the Board of Directors on 13 May 2011;
- 18/05 – Notice to shareholders to attend the Ordinary General Meeting of 8 June 2011;
- 18/05 – Appointment of Christian Levi as head of Sopra Consulting;
- 19/05 – Press release concerning the availability of documents in preparation for the Ordinary General Meeting of 8 June 2011.

Certification by the person responsible for the Reference Document

I declare, having taken all reasonable care to ensure that such is the case, that the information contained in this Updated 2010 Reference Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

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 Updated 2010 Reference Document and that they have read the Updated 2010 Reference Document as a whole.

Reports have been drawn up by the Statutory Auditors on the pro forma financial information presented in the update, which do not contain any comments or reservations and are given on page 60.

Paris, 20 May 2011

Pierre Pasquier

Chairman and Chief Executive Officer

This document was printed in France by an Imprim'Vert certified printer on recyclable,
elementary chlorine free and PEFC certified paper produced from sustainably managed forests.

Designed & published by Labrador +33 (0)1 53 06 30 80

Head Office
9bis, rue de Presbourg
FR 75116 Paris
Tel.: +33 (0)1 40 67 29 29
Fax: +33 (0)1 40 67 29 30
accueil@sopragroup.com
www.sopragroup.com