Registration Document 2010

Groupe Steria SCA

This document includes the annual financial report

→ creativity → simplicity → independance → respect → open mindedness

Contents

2010 Registration Document

Annual financial report

This document includes the annual financial report

Groupe Steria SCA
Partnership limited by shares *(Société en Commandite par Actions)* with a share capital of €30,084,326
Head Office: 12 rue Paul Dautier
78140 Velizy Villacoublay
344 110 655 RCS Versailles

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This document is an English language translation of the French Registration Document filed with the *Autorité des marchés financiers* on 15/04/2011, in accordance with article 212–13 of its standard regulations. It may be used to support any financial transaction if it is supplemented by a prospectus approved by the Autorité des marchés financiers. This document was prepared by the issuer and engages the responsibility of its signatories.

Pursuant to Article 28 of European Commission directive EC 809/2004, references to the following information included in the reference are provided:

- the management report, consolidated and statutory financial statements as well as the corresponding Statutory Auditors' reports relating to agreements referred to in Article L. 226-10 of the French Commercial Code and concluded by Groupe Steria SCA for fiscal year 2008 as presented on pages 55 to 157 (inclusive) of the Registration Document, filed with the *Autorité des marchés financiers* on April 29, 2009, under reference No D.09-333;
- the management report, consolidated and statutory financial statements as well as the corresponding Statutory Auditors' reports relating to agreements referred to in Article L. 226-10 of the French Commercial Code and concluded by Groupe Steria SCA for fiscal year 2008 as presented on pages 62 to 163 (inclusive) of the Registration Document, filed with the *Autorité des marchés financiers* on April 29, 2010, under reference No D.10-0360.

  The parts not included in these documents are of no interest to investors, or they are covered in another section of the Registration Document.

The aforementioned Registration Documents may be consulted on the AMF website (**www.amf-france.org**) or on the issuer's website **(www.steria.com).**

Key figures

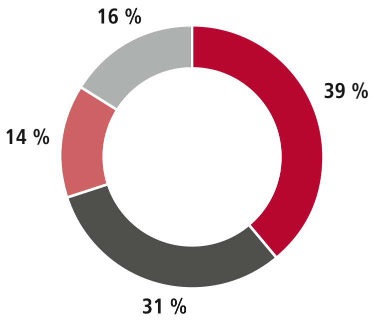
2010 consolidated results

		2008	2009	2010
Revenue	€M	1,765,7	1,630,0	1,692,7
Operating margin (1)	€M	135,5	118,9	120,4
% of revenue	%	*7,7%*	*7,3%*	*7,1%*
Operating income (2)	€M	110,0	92,0	81,9
Attributable net income	€M	51,6	48,2	42,9
% of revenue	%	*2,9%*	*3,0%*	*2,5%*
Attributable underlying (3) net income	€M	75,9	70,4	70,9
Underlying diluted earnings (3) per share	€	2,42	2,23	2,19
Shareholders' equity	€M	545,5	634,5	723,3
Net financial debt	€M	253,3	187,0	101,2
Average workforce numbers (full time equivalent) (4)		18,775	18,916	18,674

(1) Audit of items shown performed. Audit of specific verifications underway.
Before amortization of intangible assets related to business combinations. In 2010 this takes into account the abolition of the Taxe Professionnelle (French business tax) in France whose corresponding expense in 2009 was €6.8M. The operating margin is the key indicator for the Group. It is defined as the difference between revenue and operating expenses, these being equal to the total cost of services provided (expenses required to carry out projects), marketing costs, and general and administrative expenses.
(2) Operating income includes restructuring costs, gains realized on disposals, expenses related to stock-related benefits granted to employees and other income and operating expenses.
(3) Restated attributable net profit, after tax, on other operating income and expenses, amortization of assets and unrecognized deferred tax assets.
(4) Full time equivalent (FTE): Taking into account the actual percentage activity of part-time employees. e.g.: An employee working at 80% is counted as 0.8 FTE.

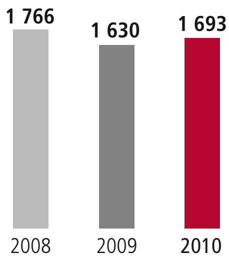
Group profile and key figures

Revenue by country in 2010

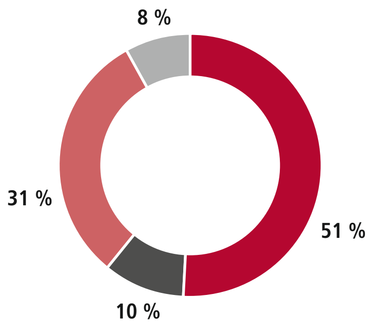


- United Kingdom
- France
- Germany
- Rest of Europe

Revenue *(in millions of euros)*

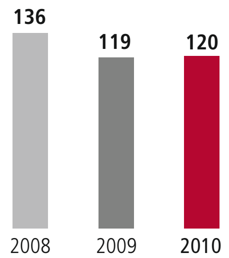


Revenue by business line in 2010



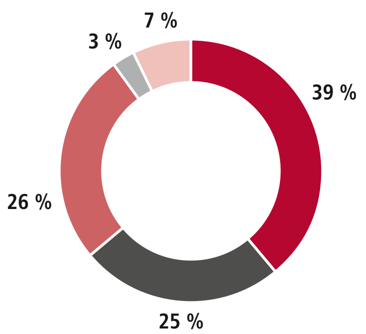
- Consulting and Systems Integration
- Third-party Applications Maintenance
- IT Infrastructure Management
- Business Process Outsourcing

Operating margin* *(in millions of euros)*



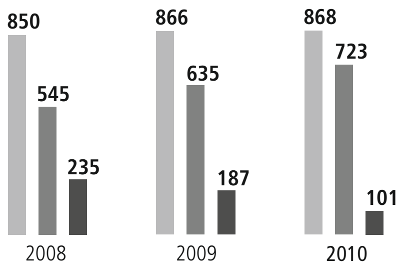
(*) Before amortization of intangible assets linked to business combinations.

Revenue in 2010 by business sector



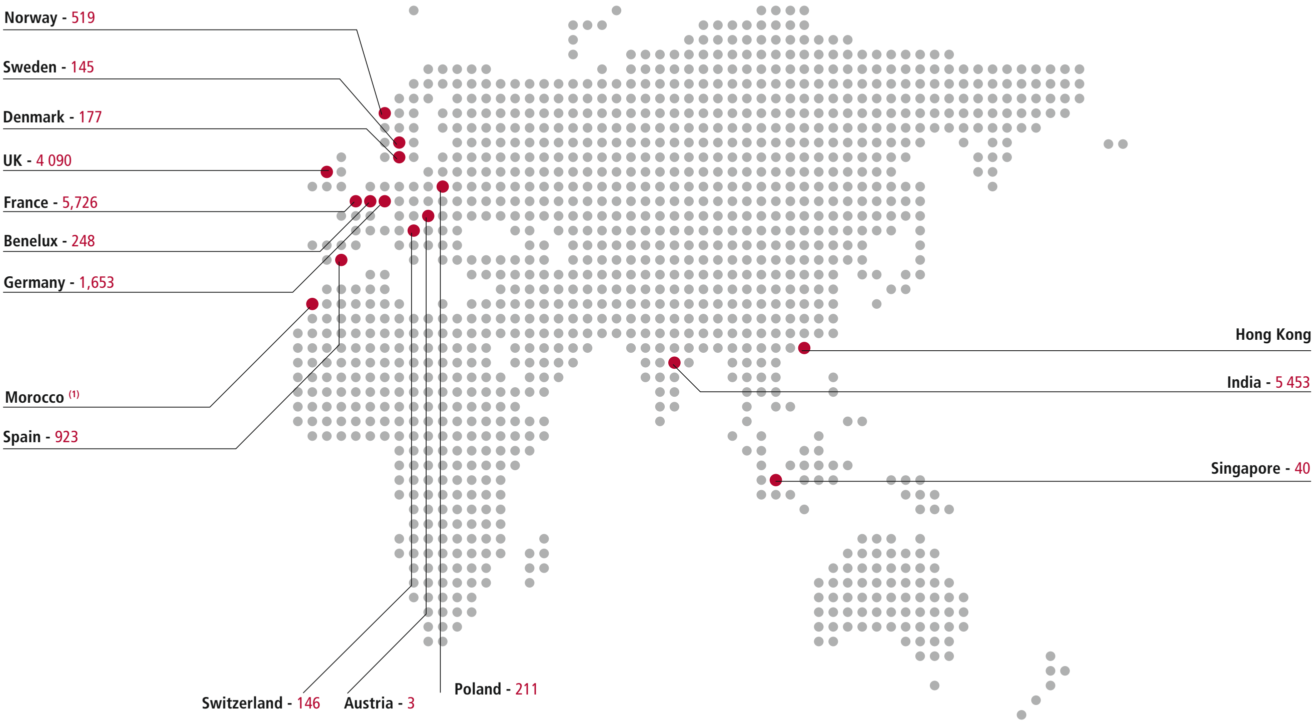
- Public sector
- Finance
- Utilities (Energie, Telecommunication, Transport)
- Distribution
- Industrie and others

Balance sheet *(in millions of euros)*



- Capital used
- Equity
- Net financial debt

Group sites and workforce at December 31, 2010

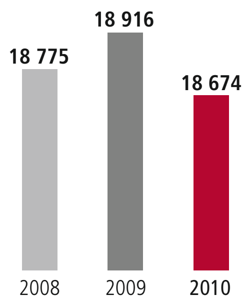


(1) *Steria has a 50% JV in Casablanca employing 26 persons and an office in Rabat that employs 53 persons (workforce is classified under French workforce).*

19 334 Group working

16 Group sites

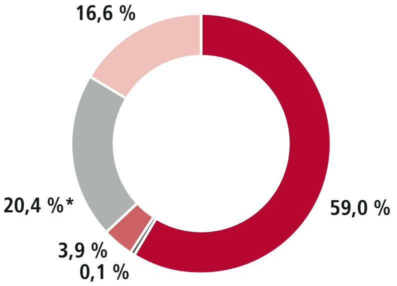
Average number of employees - Full time Equivalent (FTE) employees*



* *Full time equivalent (FTE): taking into account the actual percentage active time of part-time employees, e.g an employees working 80% of the time is counted as 0.8 FTE.*

Information on capital and changes in the share price

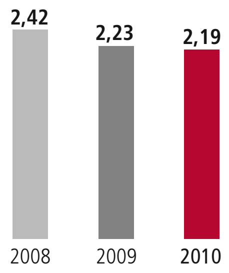
Breakdown of capital as of 31/01/2011



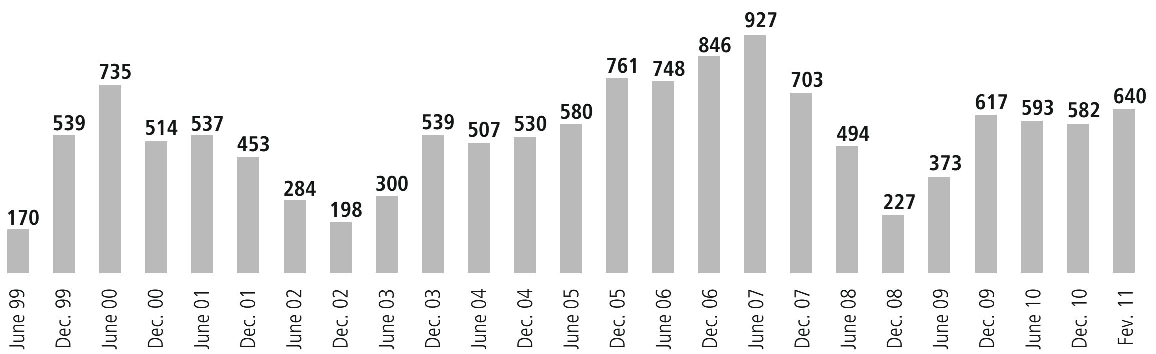
- Institutional
- Treasury stock
- Carteron Family (Founder)
- Employees*
- Individuals and not allocated

** O/w "SET Trust" and "XEBT Trust" (4.72% of capital); trusts subjects to English law the assets of which are destined to boost employee shareholdings.*

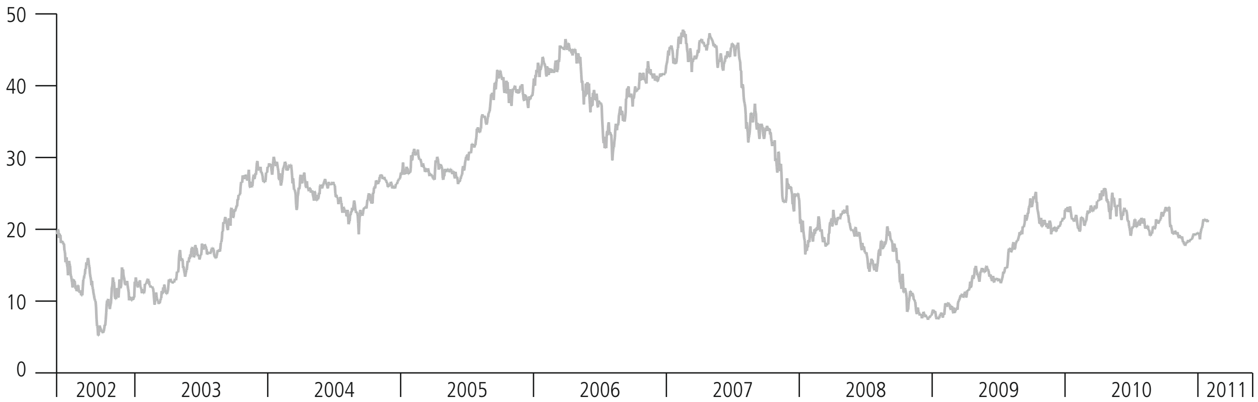
Changes in underlying earnings per share *(in euros)*



Stock market capitalization since June 1999 *(in millions of euros)*



Changes in the share price as of 01/02/2011 *(in euros)*



Corporate governance

General Manager:

- François Enaud

Group Executive Committee:

- François Enaud
  General Manager, Groupe Steria SCA
- Laurent Lemaire
  Senior Executive Vice-President, Group Financial and Group transformation Director
- John Torrie
  Senior Executive Vice-President, General Manager, U.K. and India, with responsibility for the industrialization and supervision of the Spanish market
- Olivier Vallet
  Senior executive Vice-President, General Manager, Steria France, with responsibility for innovation and supervision of Scandinavian and Benelux markets
- Mukesh Aghi
  Executive Vice-President, General Manager, Asia, Group Sales Director, with responsibility for partnerships
- Johan Vermeule
  Executive Vice-President, Group Human Resources and employee shareholdings Director
- Karine Brunet
  Executive Vice-President, General Manager, Groupe Steria industrial service business lines
- Patricia Langrand
  Executive Vice-President, General Manager, business development and marketing
- Oliver Nazet
  Executive Vice-President, General Manager, Steria Mummert Consulting, Germany
- Kjell Rusti
  Executive Vice-President, General Manager, Steria Scandinavia
- Emilio Yoldi
  Executive Vice-President, General Manager, Steria Spain

Supervisory Board:

- Jacques Bentz
  Chairman of the Board
  Manager of Tecnet Participations
- Eric Hayat
  Vice-President of the Board
  Chairman of the Public Interest Group, modernization of Social Security declarations
- Patrick Boissier
  Chairman and CEO of DCNS
- Séverin Cabannes
  Deputy CEO of the Société Générale Group
- Elie Cohen
  Economist, Research Director at CNRS, Professor at Sciences PO-CAE
- Pierre-Henri Gourgeon
  CEO of Air France-KLM
- Jacques Lafay
  Chairman of FCPE Steria
- Charles Paris de Bollardière
  Secretary of the board, Total SA
- Jean Carteron
  Honorary Board Chairman

Statutory auditors:

- ERNST & YOUNG et Autres
  41, rue Ybry
  92576 Neuilly-sur-Seine cedex
  SAS with variable capital
  Statutory Auditors
  Member of the Versailles regional chapter

- PIMPANEAU & ASSOCIES
  NEXIA INTERNATIONAL
  23, rue Paul Valéry
  75116 Paris
  SAS with capital of €120,000
  Statutory Auditors
  Member of the Paris regional chapter

General partner:

- Soderi SAS
  Representing employees of the Group

1

"Presentation of the Group

1.1 History of the Group

1969 Steria founed by Jean Carteron: The IT services company specializes in major contracts.

1973 1973 Automation contract signed with Agence France Presse.

1978 Steria begins to expand internationally: subsidiary created in Switzerland.

1981 Prime contractor for Télétel 3V project, which marked the launch of Minitel in France.

1986 Signature of the largest ever export contract by a French IT services provider: full computerization of the Saudi Arabian Monetary Agency (country's central bank).

1987 Steria strengthens its strategic positioning in systems integration and managed services.

Large-scale projects carried out, such as automatic train operation for Line A of the Paris RER.

1990 Subsidiaries created and offices opened in Germany, Spain and Saudi Arabia.

1993 Information system developed for Jakarta airport.

1994 Steria wins major contracts with various key account customers, such as the development of a management system for the Centrale des Règlements Interbancaires (French inter-bank clearing house).

1998 François Enaud appointed Chairman and CEO of the Group.

1999 Listed on the Paris Stock Exchange.

2000 Acquisitions of Tecsi and Groupe Eqip.

Acquisition of Experian's managed services activity.

2001 Acquisition of most of Bull's European IT service businesses (Integris): United Kingdom, Germany, Denmark, Norway, Sweden, Belgium, Luxembourg, Switzerland and Spain.

2002 Group General Management: Séverin Cabannes joins the Group in June 2002 as Deputy CEO. He is appointed Joint CEO on June 11, 2003 by the board of directors of Steria SA.

2003 The corporate savings plan is opened to the group's European employees.

2005 Acquisition of Mummert Consulting in Germany (effective January 1, 2005).

Steria wins the OMNI (Offender Management National Infrastructure) contract in the United Kingdom for €365 million over 10 years.

2006 The 10,000th employee joins the Group.

Wins Orange Business Services - Syntec Informatique Trophées de l'Innovation (Innovation awards): Steria wins the "MobilitySolutions, New Technology Solutions" award.

Steria is named best NICT employer in Scandinavia.

2007 Change in the Company's bye-laws to implement "participative governance" involving employee shareholders.

Steria signs the "Chorus" contract with the French Ministry of Finance, the biggest SAP project in France.

Opening of two nearshore centers in Poland and Morocco

Xansa is acquired on 17 October 2007, increasing the Group's revenue to nearly €1.9 billion and doubling its workforce to nearly 19,000 people, including 5,000 in India.

2008 Steria's innovative policy of employee shareholding is recognized: Steria wins the "2008 Employee Shareholding Grand Prix in the SBF 250 category" and the "Special Prize for the Best Improvement" for its actions undertaken over two years to develop employee shareholding among its employees.

Steria conferred the "Best Corporate Social Responsibility Practice" award by Mumbai Stock Exchange Ltd for its educational program aimed at disadvantaged people in India.

2009 Steria celebrates its 40th anniversary.

Steria receives the "BPO Project of the Year" award from Britain's NOA (National Outsourcing Association). The prize recognizes services provided to the UK Ministry of Health, through the joint venture NHS Shared Business Services.

NelsonHall (in its BPO Market Assessment, 2009-2013) ranks Steria no. 1 in the European BPO purchase-to-pay market (accounts payable) and no. 3 in multi-process BPO F&A (finance and accounting).

Signature of a comprehensive managed services contract with SFR for approximately €100 million over four years. This is the largest contract Steria France has been awarded since it was founded.

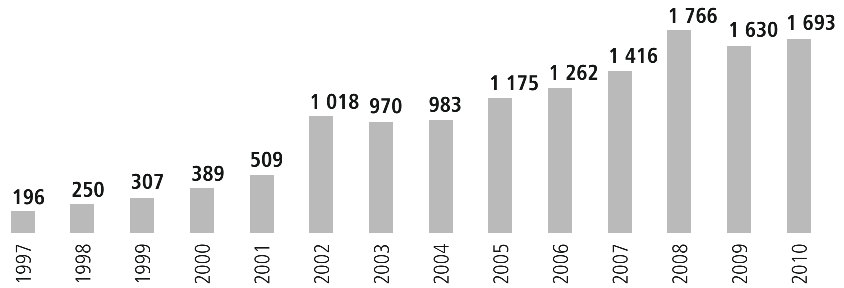
1,500 additional employee shareholders – whose investments total 19% of the Group's capital.

Award for the best Corporate Social Responsibility policy in India awarded by the NASSCOM foundation and the Bombay Stock Exchange.

2010 Steria signs a contract with the Cleveland Police Authority in the UK for £175M which, in addition to IT outsourcing for this regional police force, includes the outsourcing and management of part of its business processes (management of the control/command room). As a result of this contract, Steria will enable the Cleveland Police Authority to make savings of £50M compared to the previous period over 10 years.

Steria wins the "Employee Shareholding Grand Prix" for the second time in the SBF 250 category.

Change in the revenue of Groupe Steria since 1997 (in millions of euros)



1.2 Markets – Competitive environment

The IT services market in Western Europe

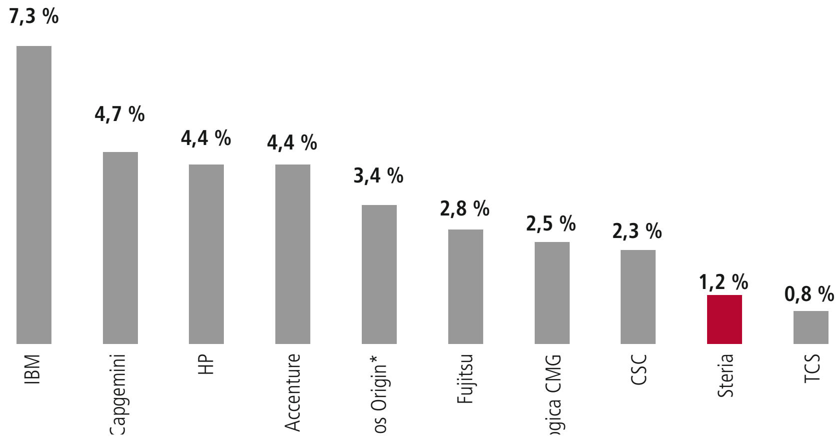
The IT Services market in Western Europe was worth €141 billion in 2010 [1] (excluding the sale of IT hardware, software packages and related maintenance services).

This market presents three main characteristics:

- three countries (the UK, Germany and France) generate 62% of expenditure in Europe [*]. In 2010, Steria carried out 84% of its business in these three countries;
- the managed services business (in the widest sense of the term, i.e. including applications management, infrastructure management and "Business Process Outsourcing") account for 53% of this expenditure [1]. This proportion is similar at Steria which realizes 49% of its revenue in this area. It should be noted that the market for Business Process Outsourcing is worth €21 billion in Western Europe [2], or 15% of the total market;
- finally, the sectors with the highest demand for IT services are banks and insurance companies, and public authorities. In total they represent 43% of expenditure in Europe [1]. Steria generates 64% of its revenue from these two sectors.

One of the principal features of the IT services market in Europe is that it is very fragmented with a significant number of participants.

Market share of the 10 largest global IT service companies providers in Western Europe (based on 2009 revenues)



(*) Source: Gartner Report April 2010.

With €1.7 billion in revenue at the end of 2010, and more than 1% market share, Steria is among the largest European service companies.

1.3 Groupe Steria's businesses

Information systems are perceived by the directors of private sector companies and public authorities as one of the most important factors for optimizing performance, winning market share, managing regulatory compliance and limiting risk. IT infrastructure and applications are a major asset for helping companies and governments to accomplish the transformations they need to make to keep abreast of a fast-paced, changing environment.

Groupe Steria's aim is to provide large businesses and public authorities with solutions which allow them to keep up in a fast-changing economic and regulatory environment. With its 16 sites and over 19,000 employees at December 31, 2010, Groupe Steria meets such demand not only by offering services for reengineering business processes for its customers (IT consultancy, Business consultancy, Systems integration) but also as a result of its capability to take care of the management of its systems and business processes (Application Maintenance, IT Infrastructure Management, Business Process Outsourcing).

1.3.1 Consultancy services

Consultants help customers in making decisions about information systems by defining needs, systems architecture or implementing optimum solutions for organizing and transforming their major functions (finance, human resources, purchasing) and their business processes. The consultants and experts deployed on these missions are experienced professionals with extensive knowledge of the specific features of the sectors in which they work. They are involved in the development of Groupe Steria offers and are integrated with the operational market sectors to facilitate the synergies and give credibility to the approach. This constitutes a real difference in business model compared with most major IT service companies where consultancy activities are generally managed independently.

1.3.2 Systems Integration

Systems integration involves the design and development of a complete system by the prime contractor, incorporating specific developments and heterogeneous elements from different vendors. This service therefore includes the selection of the software packages, the configuration and integration of these software packages, the development of "modules" for specific programs, the development of interfaces with existing customer applications, the optimization of the customer's information system in its new configuration and assistance for the change.

To improve its customers' day-to-day operations, Groupe Steria draws firstly on core business expertise that has been developed across Europe for a certain number of activity sectors in which the Company specializes. These are vertical offers for the public sector, finance, telecommunications, utilities and transport, combining an in-depth knowledge of the customer's business and packaged solutions aimed at transforming or managing a specific business process. Reengineering of customer processes may also require the use of more technical skills that the Group offers through innovative cross-functional offers (Enterprise Information Management, Right Testing, Customer Relationship Management, Business Process Management, Security, etc.).

At December 31, 2010, consulting and systems integration activities represented 51% of the group's revenue.

1.3.3 Third party application maintenance

The objective of third-party applications maintenance is to maintain in operational condition according to predefined service levels, all or part of an organisation's portfolio of applications. Maintenance involves the supervision of the stages in the life cycle of software applications. Maintenance carried out may be of two types:

- corrective maintenance realized, notably, through the processing of anomalies, training, etc.;
- dynamic (or adaptive) maintenance: updates, taking into account new regulations, adaptation to a new technical, economic and social environment, etc.

Application maintenance activities accounted for around 10% of Group revenue in 2010.

1.3.4 Management of IT infrastructure

Steria ensures all or part of the IT infrastructure operation by delivering services such as:

- service desk: technical and business assistance to users or help desk customers;
- supervision of systems and network infrastructures;
- administration and operation of systems and network infrastructures;
- hosting infrastructures in "data centers" and the associated business continuity plans.

IT infrastructure management accounted for 31% of Group revenue in 2010.

1.3.5 Business Process Outsourcing (BPO)

Business Process Outsourcing involves taking over the operation of part or all of a business function on behalf of the customer. Steria operators in three main fields:

- operation of Finance & Administration (F&A) functions;
- operation of Human Resources functions, notably in relation to personnel administration;
- operation of specialized business processes, as for example the operation and performance of Control/Command room processes for police forces, the management of fraud detection on bank cards for financial institutions, the management of loyalty card programs for large-scale retailers, etc.

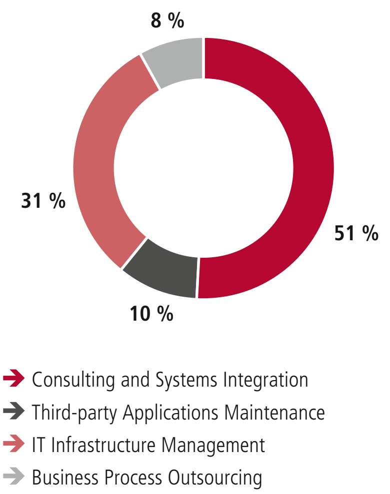
Steria has a key position in the Business Process Outsourcing market in Europe. In particular, the Group operates the largest platform for shared services in Europe handling financial processes (NHS SBS) and is the first IT service provider to take over the operation of part of the business processes for a police force (Cleveland police force in the United Kingdom) in Europe. Nelson Hall (in its BPO Market Assessment, 2009-2013) ranks Steria no. 1 in the European BPO P2P Business Process Outsourcing purchase-to-pay market (or accounts payable) and no. 3 in multi-process BPO F&A (finance and administration).

In 2010, Business Process Outsourcing activities accounted for 8% of the Group's revenue and more than 130 customers.

1.3.6 Changes in the breakdown of revenue by core business

	2008		2009		2010	
	€M	% revenue	€M	% revenue	€M	% revenue
Consulting and systems integration*	1,084	61%	1,043	64%	1,036	61%
Managed services and BPO	681	39%	587	36%	656	39%
Total	**1,766**	**100%**	**1,630**	**100%**	**1,693**	**100%**

* *Including TPAM (third-party application maintenance).*



1.4 The delivery model

The Group has developed an international, integrated and industrialized delivery model.

It is based on service centers specializing in infrastructure management, application development and third-party applications maintenance. These centers are located in France, Morocco, Poland and India. At 31 December 2010, 30% of the group's workforce was in offshore or nearshore zones. Steria's Global Delivery Model provides solutions that combine an industrial approach to production and selective sourcing with the possibility of providing some or all of the services from offshore (India) and nearshore (Poland or Morocco) centers.

In addition to the total production model and the geographic breakdown of employees that results, production organization is fully integrated: responsibility for the resources that contribute to a project is entrusted to a single person who has trans-geographic responsibility, whatever the location of the production resources used.

This integrated model is the culmination of more than 12 years of building and integrating onshore, nearshore and offshore capabilities and integration experience. In this context, Steria's industrial production model can be considered one of the most advanced in Europe. This factor provides a definite competitive advantage.

To guarantee its customers an optimum level of quality and constantly increased productivity, Groupe Steria is developing a global coordination strategy for all of its production platforms. The platforms combine secure production centers, shared third-party applications maintenance and acceptance activities and user helpdesks. These pooled service centers share tools and processes as far as possible to deliver standardized service levels all over the world.

The group runs a number of shared service centers:

- for technical support (at Roanne in France, Warrington in the United Kingdom, Noida in India and Katowice in Poland);
- for the infrastructure management (at Leuven in Belgium, Copenhagen in Denmark, Nanterre and Sophia-Antipolis in France, Madrid in Spain, Oslo in Norway, London in the United Kingdom, Stockholm in Sweden and Noida in India);
- for system integration (Vélizy in France, Casablanca in Morocco and in India) but also in Germany, Austria, Spain, Scandinavia and in Switzerland.

Groupe Steria's service centers are interconnected, ensuring redundancy in terms of service deliver and combining onshore (Western Europe), offshore and nearshore (India and Poland) production.

Group development teams work in accordance with the latest quality standards in force in the industry: CMMI for the project management and quality assurance of IT developments, with the objective of reaching Level 5 approval, for the process of designing, correcting and development of applications.

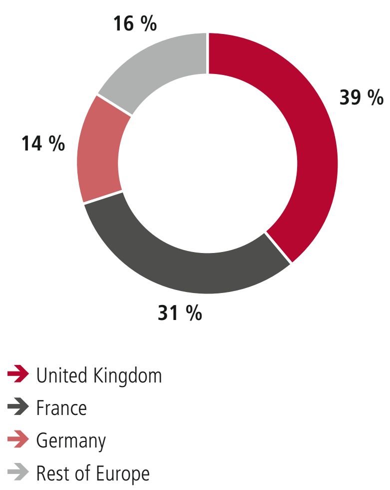
Steria pursues an active partnership policy both with leading software publishers and with customers, industrial players and even other IT services providers, sometimes within dedicated structures. Steria also maintains relationships with a network of specialized companies that participate on a subcontracting basis in projects managed by Steria. Subcontracting is used for both systems integration and managed services projects.

1.5 Clients

The Group's clients are mainly constituted of very large accounts for the most significant public-or private-sector organizations of the countries in which the Group operates.

Breakdown of revenue by geographic area (financial year 2010)

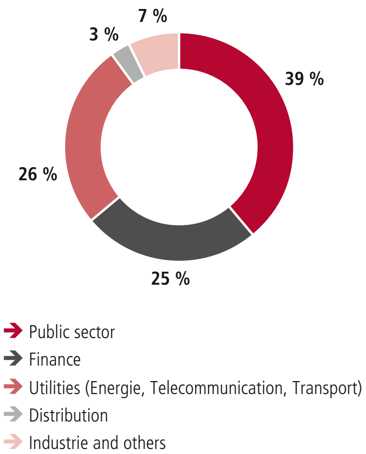
(in thousands of euros)	France	United Kingdom	Germany	Rest of Europe	Total Group
Revenues	532	655	237	268	1693
% of revenues	31%	39%	14%	16%	100%



Steria's 20 largest clients account for approximately 37% of revenue, with the largest customer representing 5.4% of the group's revenue.

Changes in revenue breakdown by business sector

	2008		2009		2010	
	€M	% revenue	€M	% revenue	€M	% revenue
Public Sector	653	37%	639	39%	663	39%
Banks & Insurance Companies	477	27%	414	25%	431	25%
Utilities (Energy, Transport, Telecommunications)	424	24%	399	25%	440	26%
Distribution	88	5%	86	5%	48	3%
Industry and Other	124	7%	93	6%	112	7%
Total	**1,766**	**100%**	**1,630**	**100%**	**1,693**	**100%**



1.6 Strategy

Over the last ten years the Group's strategy has been based on the development of a position of *"prime contractor"* so as to ensure visibility and eligibility to take on the management of major IT transformation projects for large customers in the public and private sector.

In 2010, with almost €1,700 million in revenue and over 19,000 employees spread across 16 countries, Steria features amongst the top 10 global companies in the IT services industry in Europe [(1)].

It covers the entire value chain of IT systems for businesses, and is equipped with an offshore production model featuring amongst the most developed in the industry, Steria has acquired amongst its customers the status of a leading player. Amongst its major competitors, Steria can be distinguished by its ability to accompany its customers over the long term develop with them relationships of trust based on its capacity to commit to results whilst retaining the necessary flexibility and the adaptability promoting the introduction of its service offers.

The decentralized organizational mode, placing the decision-making center as near to clients as possible, also makes Steria a favored partner, combining the accessibility and the agility of a "local" operator, on the one hand, and the efficiency and productivity of a "global" player, on the other.

Bolstered by this position, the Steria strategy is one of resolute growth that aims to gain market share.

This growth strategy will take place through an increased focus on the strengths of the Group and market segments where it has developed particular skills and experience.

This focus has resulted in the choice of three priority markets, the public sector including central and regional government and public services such as health and social services, financial services (banking and insurance) and network operators (energy, transport, telecoms,etc).

In terms of geography, the Group's traditional market is Western Europe where it has risen into the top 10 for which growth in market share remains a priority. Outside Europe, the Group is targeting development in the Asian region in order to benefit from its booming growth and investment. Efforts will be focused on India and the Singapore region where Steria already has a recognized local presence.

In terms of leverage, the Group is working on two main thrusts.

1/ Development of targeted fields of excellence and expertise in order to increase value added of offers:

- introduction of a structured process of capitalization and the sharing of expertise between the countries deployed for each of the market segments in the form *"Business Communities"* that combine the main contributors in a transversal network in the geographies;
- formalization, for each of the customer segments, of "Fields of Excellence" in which the Group is capable of putting forward a specific solution in relation to the strategic issue for the customer;
- the increasing strength of the consultancy business in an integrated model similar to the one that characterizes the positioning of the Group in Germany.

2/ Industrialization of service delivered

This involves developing industrial service lines that secure for customers, at the end of a transformation period, quantifiable productivity gains and service quality.

This strategy of industrial services lines is deployed in three levels of the IT system: infrastructure, applications and procedures. The offer of these service lines (*Infrastructure Management, Application Management, Testing and Business Process Outsourcing*) as well as their industrialization are assured overall at Group level through the branches. They are sold locally and delivered globally from industrial services centers spread across various geographies (Europe, India, Poland and Morocco).

The success of the growth strategy is based above all the attractiveness and the perpetuity of the Steria model.

The attractiveness of the Group goes beyond the scope of its capabilities and its solutions. It is based on the cultural identity and the values that differentiate Steria. This Steria signature is based on two original features of the business and is positioned at the heart of the Group strategy:

- Excellence

  Since its beginning Steria has specialized in the completion of fixed-price contracts. We give undertakings to our customers about the results in terms of performance and service quality. The Group has thus been able to develop recognized know-how in the management of complex projects as a result of the 1,800 project managers that it has at its disposal and who benefit from an international training program;
- Human Resources

  Simplicity, openness and respect are deep-rooted values in the culture of the business. They are experienced and recognized both by employees as well as customers in surveys carried out at regular intervals;

(1) *This does not include consideration of "captive" services companies of industrial corporations and services companies lacking a global profile..*

The significant share that employee shareholders represent in the company's capital structure (5,000 employee shareholders owning more than 20% of the share capital) and the associated participative governance model [(1)].

Finally, it is also a question of reconciling development and social responsibility. Steria has established a Foundation dedicated to the fight against the digital divide and exclusion and its policy of education support for the most disadvantaged in India enabling, notably, the Group associating its customers in its actions for responsible development of its businesses.

1.7 Innovation policy Research and Development

Innovation is essential to the Group's differentiation strategy and in its positioning towards its customers. This point becomes even more essential when faced with customers who make innovation a criterion for selecting their business partners. Steria undertook a number of initiatives to effectively address this issue. Notably, the group created a "Group Innovation Agency" whose purpose is to lead and spread a culture of innovation within the Group. The group has also chosen to prioritize certain themes where innovation stakes are high, such as cloud computing, mobility, security, and green initiatives.The group aims to offer innovative services through the use of new technologies or innovative processes.

To concretise this ambition, the group has set several objectives:

- "Discovery": encouraging a creative culture that gives new ideas free rein;
- "Focus": identifying potential for success at an early stage, and investing in it;
- "Follow-Through": taking new ideas to market by demonstrating their advantages;
- "Creation": create innovative solutions in response to new needs within our environment;
- "Exchange": linking identified needs for innovation with potential solution drivers.

"Discovery"

Encouraging the teams to devise innovative ideas by asking them to participate in innovation contests. Every year, an innovation competition is open to all of the Group's employees and entries candidacies from all of the Group's entities. In 2009, these competitions resulted in 164 innovative proposals across the Group's core "business communities". The group Executive Committee selected four finalists and granted the 2010 prize to the "Virtual Business Intelligence" concept, which offers a modular market-oriented business intelligence solution on a cloud infrastructure.

"Focus"

The Group's investments in innovation focus on solutions, which drive new services or added value. In the UK, for example, the teams worked with the Department of Work and Pensions to develop the "Jobs by Phone" voice recognition system designed for job seekers. This automated system is easy to use and provides an affordable alternative to face-to-face customer contact. This application highlighted how innovation can reduce costs while confirming the potential for developing new services in the DWP.

"Follow-Through"

The group set up an international innovation centre for mobility solutions in Singapore. The innovative vehicle registration solution developed for the Singapore Police Department illustrates how teams can roll out cutting-edge mobile technology and get practical results for their customers.

"Creation"

The solutions used at Heathrow airport in the United Kingdom illustrate the group's capacity to identify its customers' needs for innovation. For this major world transport hub, Steria developed a taxi management system for all of Heathrow. By combining RFID technology with the group's traffic management expertise, Steria created a service that channels taxi activity, managing operators' billing and improving passenger pick-up, while channeling and optimizing flows.

(1) For more details on employee stockholding, see Sections 3.1 and 5.2.1 of this registration document.

"Exchange"

To facilitate exchange, the group has invested in a collaborative idea development environment .This platform enables the company to drive creativity, build virtual teams to develop specific ideas and identify key innovation trends.

Based on these objectives, innovation is key to the group's governance and is seen as essential to its position on the market and its growth strategy.

1.8 Investments

The main investments made by Group companies, excluding acquisitions of companies and/or premises/land (point developed below), included IT equipment, software licenses, tools, both for the internal requirements and to improve production capacity and develop the industrialization or be it to enable delivery of customer contracts (See note 4.3 in the notes to the consolidated financial statements). These investments are essentially financed from own resources.

The company's property policy is to favor the use of leases for offices and production sites. With the exception of the two subjects dealt with hereafter (leasing of the head office and land in India), the Group's policy is not to own its premises and/or offices.

The purchase option for the head office building at Vélizy in France included in the lease contract signed in June 1990 was exercised in 2010. This building was therefore acquired by the Group for the residual value laid down in the lease contract.

The Group also owns land and buildings in India with a net worth at December 31, 2010 totaling €24.5 million.

Groupe Steria made the following industrial investments in the last three fiscal years:

Industrial investment expenditure as a % of annual revenue

	2008	2009	2010
	% revenue	% revenue	% revenue
Industrial investments	1.7%	1.4%	1.5%

These amounts include, notably, investments in production capacity, investments relating to the Group industrialization processes, investments in internal tools and IT equipment and investments dedicated to customers in relation to contracts.

Principal investments underway

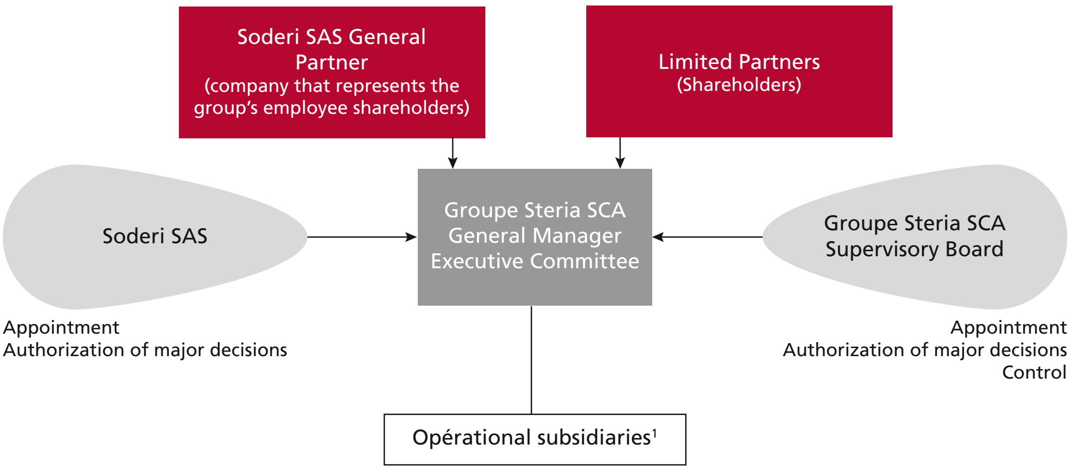
At December 31, 2010, the main investments approved for 2011 concern the rationalization and optimization projects of Group premises in the Paris area, Toulouse and Noïda in India.

2

"Corporate Governance

2.1 A model of governance involving employee shareholders

2.1.1 A structure based on the limited share partnership (*société en commandite par actions*) to involve employee shareholders in governance



1. Refer to the simplified legal organizational structure, below.

Groupe Steria has set up a particularly innovative and unique governance system designed to help the company distinguish itself from the competition and to develop and enhance its appeal. This governance system uses the legal structure of a limited share partnership (*Société en Commandite par Actions*) under French law (SCA) in an original way where the General Partner is a simplified stock company called Soderi, which represents exclusively the Group employee shareholders.

The idea is to use the legal structure of the *Société en Commandite* par Actions to enable employees who have decided to become shareholders of their company to participate in the governance of their company.

This governance system aims to promote entrepreneurial spirit amongst Group employees insofar as it constitutes a significant advantage in a service activity where the company's main asset is its "human capital". It encourages the involvement and commitment of employees as well as being a significant asset to the Group's appeal in the labor market.

It enables the Group to offer existing and future employees the opportunity to become involved in a project that goes far beyond their job at the company. Such a project involves an entrepreneurial dimension that encourages employee shareholders to participate in defining the Group's strategy.

This governance model, based on a strong employee shareholding, representing around 20% of the Group's share capital, has twice won awards from the French Federation of Associations of Employee and Former Employee Shareholders. This federation awarded Steria the "2008 Employee Shareholding Grand Prix" and the "2008 Special Prize" for the best improvement in terms of employee shareholdings and in 2010 the "2010 Employee Shareholding Grand Prix for SBF 250 companies outside the CAC 40".

2.1.2 A single General Manager distinct from the general partner whose remuneration is fixed by the shareholders

Unlike traditional limited share partnerships, Groupe Steria does not seek to protect a founder or management in that the General Manager and the General Partner are two separate persons.

The General Manager is appointed by the shareholders on the proposal of the Supervisory Board after agreement with the General Partner. His term of office is limited to a maximum renewable period of six years.

The remuneration of the General Manager is presented to and approved by the General Meeting of Shareholders, on proposal of the Supervisory Board. This legal structure not only ensures a large measure of transparency for shareholders about remuneration paid to the General Manager but also to grant them real power in relation to this.

2.1.3 A clear separation between Management and Control bodies

Corporate Governance of Groupe Steria is based on a separation between the powers of the Management of the Group that is assured by a General Manager and the control powers entrusted to a Supervisory Board completely separate from the Management, and reporting directly to shareholders.

2.2 Two types of partner

2.2.1 The limited partners (the shareholders).

The limited partners provide capital. They own the company's shares. They meet at least once a year in Ordinary and/or Extraordinary General Meeting(s) of Shareholders in order to decide upon the resolutions submitted for their approval and, notably, to appoint the General Manager, approve his remuneration, appoint members of the Supervisory Board as well as the Statutory Auditors and approve the annual financial statements. Their liability is limited to the amount of their contributions. They receive a share of the profits in the form of dividends.

2.2.2 The General partner: Soderi

The General partner is represented by the simplified joint-stock company *(société par actions simplifiée)*, Soderi, whose unique feature is to bring together the community of Group employee shareholders.

In consideration for its undefined and joint and several liability, Soderi receives a specific remuneration set by the Groupe Steria Articles of Association (Article 19) at 1% of attributable consolidated net earnings for the financial year considered, up to a limit of €600,000 and 0.5% above that. This remuneration totaled €516,010 in 2009 and €481,886 in 2010.

Soderi partners should own over 5% of the shares of Groupe Steria

In accordance with the Groupe Steria Articles of Association (article 1) the partners of Soderi should own directly or, through a mutual fund intermediary, at least 5% of the share capital of Groupe Steria. If this condition is no longer met, the General Manager is required to convene an Extraordinary General Meeting in order to modify this condition, appoint a new general partner or change the legal structure of Groupe Steria.

Eligibility to become a partner of Soderi is restricted, according to its Articles of Association, to employees, retired employees and executives of Groupe Steria or its subsidiaries, who own, directly or through a mutual fund intermediary, registered shares in Groupe Steria.

Persons who fulfill the conditions referred to above have the right to subscribe to or to acquire a Soderi share for each directly- or indirectly-owned Groupe Steria registered share, without being able to acquire more Soderi shares than Groupe Steria shares, up to a maximum limit of 100,000 Soderi shares per shareholder.

In accordance with the Articles of Association of (Article 13.10) the Supervisory Board is responsible for verifying that the statutory condition for Soderi continuing to be a general partner is complied with. The person responsible for Group employee shareholdings monitors the equity interest held by Soderi partners in the share capital of Groupe Soderi and provides the Supervisory Board with a report in the form of a table on any changes in this interest at each Board meeting.

Missions

The General Partner is not involved in the management of the company but in accordance with the Articles of Association has specific powers:

- it gives advice on in advoner major strategic directions of the Group, on operations having a notable impact on the capital, finances and cash position of the Groupe Steria and its subsidiaries and more generally for all matters of general interest;
- it provides its prior agreement for significant commitments such as defined in Article 14.10 bye-laws and similarly for any decision relating to an Ordinary or Extraordinary General Meeting of Shareholders, other than those relating to the appointment and removal of members of the Supervisory Board and the Statutory Auditors as well as the setting or the change of the remuneration of the General Manager;
- it gives its approval for the appointment of the General Manager and has the power to remove him after receiving the advice of the Supervisory Board.

Soderi has also responsibility for stimulating and developing employee shareholdings in the Steria Group. To do this, it has introduced communication and training tools dedicated to employee shareholders of the Group and is involved in the implementation of employee shareholder plans proposed to Group employees.

Governance

The company Soderi is directed by a Chairman assisted by a Board of Directors that today consists of 17 members, of whom 6 are women, elected by the Soderi partners. The international character of the Group is reflected in the composition of the Board, with Scandinavian, British, Indian, German and French members.

Half of the Soderi Board appointments are renewed every two years.

The Board of Directors elects a Chairman to represent the Board from among its members.

Yves Rouilly was appointed Chairman of Soderi on February 1, 2007.

Decisions of the Board are taken by simple majority when at least two thirds of the directors in office are present or represented.

These specific governance rules aims to ensure that decisions by Soderi are taken collegially, in a concerted and balanced manner.

The share capital of Soderi at December 31, 2010 totaled €106,931 divided into 2,673,277 shares. Total shareholders' equity at this same date is €852,307.

2.3 Management and control bodies

2.3.1 The General Manager

The company is run by a single General Manager.

The General Manager is appointed by the General Meeting of Shareholders on the proposition of the Supervisory Board and after agreement from the General Partner for a maximum, renewable, term of six years.

He can be dismissed in accordance with the procedure set down in the bye-laws in the appendix to this document. In all cases of General Management vacancy that result from the events specified in by the Articles of Association, General Management is assured, ipso jure by the General Partner that may therefore delegate all or part of the necessary powers for the management of the Company and must put in place as early as possible the process for the appointment of the new General Manager.

General Management of Groupe Steria is under the responsibility of François Enaud.

The remuneration of the General Manager is presented and approved by the Ordinary General Meeting of Shareholders on the proposal of the Supervisory Board. The remuneration paid to the General Manager is detailed in paragraph 2.4.1.

The General manager acts in the general interest of the Company, within the limits of its corporate purpose, and in compliance with the powers that are granted by law or the Bye-laws to the Supervisory Board, General Meetings of Shareholders and the General Partner. The strategic directions and the major decisions of the General Manager such as defined in the Bye-laws (acquisitions, sales, significant investments) are subject to the prior agreement of the Supervisory Board and the General Partner, as described below.

In discharging its management role the General Manager is assisted by an Executive Committee composed, since January 1, 2011, of three "Senior Executive Vice-Presidents" who meet every week and seven "Executive Vice-presidents", two of whom are female. This Executive Committee meets monthly. The Executive Committee ensures that all Group businesses, geographies and business lines are represented, as well as the marketing, finance and human resources functions.

The composition of the Executive Committee is detailed in page 7. The principles for setting their remuneration as well as the total amount of this remuneration appear in paragraph 2.4.2.

2.3.2 The Supervisory Board

The Supervisory Board has responsibility for ongoing control of the management of the Company on behalf of shareholders.

It examines the company's financial statements and consolidated financial statements, as well as the budget; it receives the report of the Statutory Auditors.

It may propose, during the life of the company, except in the event of vacancy, the appointment or renewal of the term of office of any General Manager, which will be decided by the Ordinary General Meeting following agreement of the General Partner. It may initiate a request to dismiss any General Manager. The General Partner must be notified of any such requests, which must comply with the rules and procedures set forth in the Bye-laws.

It proposes, on the advice of the Appointments and Remuneration Committee, the remuneration of the General Manager to the Ordinary General Meeting of Shareholders, which approves or rejects the proposal

The Supervisory Board gives its prior advice on the major strategic directions of the Company, operations with a significant impact on the capital, the trends and the cash position of the Company and its subsidiaries and transactions significantly impacting the constitution of the Company's capital.

The prior agreement of the Supervisory Board is required for significant commitments defined in Article 13.10.3 of the Bye-laws.

At the annual Ordinary General Meeting, it gives a report on the management of corporate dealings and on the financial statements for the financial year ended. It also makes a report at each Extraordinary General Meeting.

It may convene any General Meeting of Shareholders.

The composition, functions and the rules of operation of the Supervisory Board are described in the report of the Chairman of the Supervisory Board appearing in paragraph 3.7.2 hereafter.

2.3.3 The Congress

A procedure for managing disputes which may arise between the Supervisory Board and the General Partner, is set out in the Articles of Association. In the event of differences in opinion between these two bodies, a Congress - made up in equal parts of members from the company's Supervisory Board who are not employees and members nominated by the General Partner - is convened and meets in order for its members to reach an agreement by consensus. The General Manager may also refer specific questions to the Congress.

2.4 Remuneration and benefits granted to management and control bodies

2.4.1 General Manager

Remuneration

The remuneration of the General Manager is presented and approved by the Ordinary General Meeting of Shareholders on the proposal of the Supervisory Board.

The principles voted by the shareholders during the combined General Meeting of June 6, 2008 remained applicable in 2010, are:

- fixed remuneration of €400,000;
- variable remuneration of €300,000, for 100% of annual objectives attained, with these objectives being set by the Supervisory Board, on the advice of the Appointments and Remuneration Committee.

In the event that targets are exceeded, the amount of fixed and variable remuneration is capped at €850,000.

The remuneration of the General Manager in relation to the years 2010 and 2009 was unchanged compared to that of 2008.

The objectives related to the variable component for 2010, fixed by the Supervisory Board, break down as follows:

- 70% of the total of the variable component is related to the Group's performance (revenue, operating margin, cash generation), weighted by a coefficient according to the relative change in the Steria stock price for 2010 compared to an index consisting of the stock prices of listed companies in the European IT sector;
- 30% of the variable remuneration is linked to qualitative objectives based on the Group's strategy.

The remuneration received by the General Manager for 2010 amounted to €737,152; €400,000 fixed and €337,152 variable remuneration (112% of the nominal amount of the variable remuneration, as approved by the Supervisory Board of March 24, 2011 and following consultation with the Appointments and Remuneration Committee).

François Enaud does not receive any other remuneration or advantage from affiliated companies of Group Steria

Allocation of free performance shares or stock options

Free performance shares

Pursuant to the approval given by the General Meeting of May 28, 2010 in its fifteenth resolution, the Supervisory Board, on advice from the Appointments and Remuneration Committee, approved the allocation of 12,000 free performance shares to the General Manager subject to continued presence and performance terms and conditions related to changes in the operating margin of the Group over a period of three years running from the 2010 financial year.

The Supervisory Board took note of the compliance by the company with the conditions laid down by Article L 225-197-6 of the French Commercial Code for the allocation of bonus shares to executive officers.

In addition, the General Manager was permanently allocated 7,150 free performance shares in relation to the bonus share allocation plan of December 19, 2007. These free performance bonus shares were also subject to continued presence and performance conditions related to the change in the operational margin of the Group over a period of three years running from the 2007 financial year.

Pursuant to Article L 225-197-1 II paragraph 4 of the French commercial code and in accordance with the advice of the Supervisory Board after consultation with the Appointments and Remuneration Committee, the

General Manager will retain at least 30% of the permanently allocated shares during the full period of his appointment.

Stock options

No authorization for the allocation of stock options plans is in force and no stock options plans have been put in place in the Group since 2005.

During the 2010 financial year, François Enaud exercised 16,346 stock options in connection with Plan no. 6 of April 11, 2003, at a price of €11.93 per share.

In accordance with AFEP/MEDEF recommendations, François Enaud has made a commitment not to put in place hedging instruments for the risks related to bonus shares and options that are allocated to him.

Supplementary pension plan

François Enaud does not have any supplementary pension plan.

Absence of employment contract and indemnity for termination of functions

The Supervisory Board, in its April 13, 2010 meeting, noted the wish of François Enaud to end to his employment contract that had been suspended, binding him to Steria SA, so as to comply with the AFEP/MEDEF recommendation relating to the principle of the non-accumulation of roles between employment contract and corporate officer without waiting for this to be renewed.

Having taken into account François Enaud's length of service within the Group before his current appointment as Group General Manager and as compensation for the relinquishment of benefits linked to the termination of his employment contract, the Supervisory Board decided to grant the General Manager the right to a severance payment in certain cases in which his appointment as General Manager may be terminated, under the following conditions:

Severance will be due to François Enaud in the event of a forced departure (dismissal or non-renewal of his appointment as General Manager) or resignation following a change in control, except in the event of serious misconduct or gross negligence. The payment will not be due in the event of voluntary retirement or resignation not linked to a change in control.

The amount of the payment will be calculated in accordance with the following three performance criteria assessed over the full term of the appointment of the General Manager.

1st criterion: Growth:

The Group's growth in revenue must be greater than the average revenue growth of other IT companies in Western Europe (source: Gartner) for the reference period.

2nd criterion: Operating margin:

The increase in the average operating margin, (average over the last three years), should be at least 5% a year on average for the reference period.

3rd criterion: Current fully diluted earnings per share:

The increase in current fully diluted earnings per share (average for the last three years) should be greater than 10% a year on average for the reference period.

It should be noted that the General Manager's term of office began in 1997 and the benchmark indices used for calculation of performance criteria are those for financial year 1997, with the reference period beginning from this date.

- If the three criteria above are respected: 100% of the severance shall be paid;
- If two of the three criteria above are respected: 66% of the severance shall be paid;
- If one criterion is respected: 33% of the severance shall be paid;
- If no criterion is respected: no indemnity shall be paid.

Subject to the performance-related conditions being met, the severance paid cannot exceed two years of the General Manager's gross remuneration (fixed and variable). The basis for calculating the "compensation year" will be (i) the fixed annual remuneration for the year in which service was terminated and (ii) the average of the last two annual variable remuneration amounts paid prior to the date on which service was terminated.

In the event of termination of service following a change in control within the company, except in the event of serious misconduct or gross negligence, the severance payment will not be lower than one year's remuneration, irrespective of whether the performance criteria were met, in order, notably, to compensate François Enaud's length of service with the company.

This agreement was approved at the General Meeting of May 28, 2010 in relation to regulated agreements pursuant to Article L 225-42-1 of the French Commercial Code

It was effective from this date. The termination of the employment contract binding François Enaud to Steria SA occurs on the same date.

Summary schedules

Summary schedule of General Manager's remuneration

François Enaud	2009 Amounts calculated for 2009	2009 Amounts paid in 2009*	2010 Amounts calculated for 2010	2010 Amounts paid in 2010*
Fixed remuneration (gross before tax)	400,000 €	400,000 €	400,000 €	400,000 €
Variable remuneration	332,000 €	210,000 €	337,152 €	332,000 €
Director's fees	none	none	none	none
Benefits in kind	1,528 €	1,528 €	none	none
Total	**733,528 €**	**611,528 €**	**737,152 €**	**732,000 €**

* *Fixed remuneration for the year- Variable share in year N-1 paid in year N.*

	Employment contract	Complementary pension plan	Allowances or benefits in kind likely to become due as a result of termination or a change in functions	Indemnities in relation to non-compete clauses
François Enaud	No	No	Yes*	No

* *See detail above, in paragraph "absence of employment contract and indemnite for termination of functions".*

Free performance shares granted to the General Manager in 2010

Authorization	No and plan date	Number of shares granted during the year	Valuation of shares in accordance with the method selected for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Shareholders' General Meeting of May 28, 2010	Plan no. 8 of 06.07.10	12,000	211,920	06.07.13	July 6, 2015*	See paragraph on "free performance shares" below

* *Subject to compliance with the conservation conditions specified above, in paragraph "free performance shares".*

Free performance shares acquired by the General Manager in 2010

Authorazation	No and plan date	Number of shares acquired during the year	Valuation of shares in accordance with the method selected for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Shareholders' General Meeting of 15.06.05	Plan no. 4 of 19.12.07	7,150	165,675	20.12.10	December 20, 12*	See paragraph on "free performance shares" below

* *Subject to compliance with the conservation conditions specified above, in paragraph "free performance shares".*

Free performance shares becoming available in 2010

No and plan date	Number of shares becoming available during the financial year	Acquisition conditions
Plan no. 1 of September 13, 2005	7,082	no

2.4.2 Members of the Executive Committee

The members of the Executive Committee, whilst exercising responsibilities at group level, retain their functions in the entity of their home. Each member is therefore remunerated by the company to which he belongs.

The members of the Executive Committee, in its 2010 configuration (six members), received aggregate gross remuneration of €2,479,682 in 2010, broken down into €1,661,139 in fixed remuneration and €818,543 in variable remuneration.

Remuneration, fixed and variable components:

Remuneration of Executive Committee members includes a fixed component and a variable component.

The variable component is determined according to the fixed objectives by the General Manager and examined by the Appointments and Remuneration Committee of the Supervisory Board. These objectives are related to Group performance (revenues, profitability, generation of cash flow and the success of transversal strategic projects) as well as individual objectives related to their role or to the performance of the entity to which they are attached.

For 2010 these objectives are broken down on average, as 38% for the performance of the Group and 62% for individual objectives.

Allocation of free shares or stock options

The members of the Executive Committee are granted free performance shares under free share grant plans set up as motivational and loyalty-building techniques for the Group's main managers.

The members of the Executive Committee, in its 2010 configuration (six members), received in aggregate 37,000 free performance shares. These shares are subject to continued employment and performance conditions linked to the growth in revenue or the improvement of the Group's operating margin assessed over a three-year period starting in 2010.

There is no approval for the allocation of stock options in place, no stock option plan and/or share purchases have been introduced in the Group since 2005.

2.4.3 Members of the Supervisory Board:

Director's fees

The amount allocated to directors' fees is decided by the General Meeting. The amount authorized by the General Meeting of June 6, 2008, applicable for 2010, is €170,000. The allocation of directors' fees is decided by the Supervisory Board following consultation with the Appointments and Remuneration Committee.

Directors' fees comprise a fixed element, different for each of the members, and a variable element related to presence at sessions of the Supervisory Board and specialist committees, fixed at €1,000 per meeting.

Jacques Bentz, Chairman of the Supervisory Board, Eric Hayat, ex-employee of Groupe Steria and Jacques Lafay, Steria SA employee, do not receive directors' fees.

Other remuneration paid to directors

Pursuant to a provision of services contract entered into with Tecnet Participations, of which Mr Jacques Bentz is the General Manager, the latter invoiced a total amount of €84,962 (excluding taxes) for services provided during the 2010 financial year.

Pursuant to a provision of services contract entered into with Eric Hayat Conseil, of which Mr Eric Hayat is the General Manager, the latter invoiced a total amount of €105,000 (excluding taxes) for services provided during the 2010 financial year.

Mr Jacques Lafay, member of the Supervisory Board representing FCPE (the Group's mutual fund) received, in 2010, in accordance with his employment contract with Steria SA for his position as Director of Transport Development, a fixed remuneration of €106,800 and a variable remuneration of €29,868.

Allocation of free shares or stock options

No performance-related bonus shares were allocated to Members of the Supervisory Board during the 2010 financial year. No performance-related free shares previously allocated became available during the 2010 financial year.

There is no approval for the allocation of stock options in place, no stock option plan and/or share purchases have been introduced in the Group since 2005.

Summary schedules of remuneration paid to members of the Supervisory Board

Members of the Supervisory Board	Amounts paid in 2009 fiscal year	Amounts paid in 2010 fiscal year
Jacques Bentz		
Director's fees	-	-
Other payments (1)	€57,116	€84,962
Séverin Cabannes		
Director's fees	€18,500	€18,500
Other payments	-	-
Elie Cohen		
Director's fees	€25,000	€26,000
Other payments	-	-
Patrick Boissier		
Director's fees	€17,500	€16,500
Other payments	-	-
Pierre-Henri Gourgeon		
Director's fees	€14,500	€19,500
Other payments	-	-
Eric Hayat		
Director's fees	-	-
Other payments (2)	€139,000	€105,000
Jacques Lafay		
Director's fees	-	-
Other payments (3)	€128,370	€136,668
Charles Paris de Bollardière		
Director's fees	€24,500	€27,500
Other payments	-	-

(1) In respect of the services agreement between Tecnet Participations and Groupe Steria SCA.
(2) In respect of the services agreement between Eric Hayat Conseil and Steria SCA.
(3) In respect of his employment contract with Steria SA.

2.5 Other information relating to the company's directors

2.5.1 Declarations

Family associations

François Enaud, Manager of Groupe Steria SCA, and Patrick Boissier, Member of the Supervisory Board, are first cousins. There are no other family associations between Members of General Management and the Supervisory Board

Absence of sentence for fraud, connection with bankruptcy, indictment and/or public sanction

To the best of the company's knowledge, no member of General Management or the Supervisory Board has:

- been convicted of fraud over the last five years;
- been associated with a bankruptcy, or been subject to sequestration or liquidation;
- been convicted and/or received an official public sanction from statutory or regulatory authorities;
- been prohibited by a court from acting as a member of an administrative, management or supervisory body or to take part in the management or business of an issuer over the last five years.

No conflicts of interest

To the company's knowledge at the date of preparation of this Registration Document, no member of General Management or the Supervisory Board had any conflicts of interest between their duties to the company, members of the Supervisory Board and General Management and their personal, or other, interests.

No understandings or agreements with the principal shareholders, customers or suppliers

To the company's knowledge at the date of preparation of this Registration Document, there are no agreements or understandings concluded with shareholders, customers or suppliers under whose terms any of the member of the Supervisory Board or General Management has been appointed to their position.

No restrictions on sale of investments in the Company's capital

To the company's knowledge at the date of preparation of this Registration Document, there is no restriction accepted by members of the Supervisory Board or General Management concerning the sale of their investments in the Company's capital, other than that attached to the bonus shares that have been allocated to them.

Agreements entered into between the company and one of the members of the Supervisory Board or General Management

Except for the agreements referred to in the Statutory Auditors' special report, no agreement has been entered into between the Company and members of the Supervisory Board or General Management.

2.5.2 Appointments and functions

General Management

FRANÇOIS ENAUD - *Age 50*

Current appointments and functions:

Within the Group:
Groupe Steria SCA General Manager
CEO and director of Steria SA
Chairman and director of Steria Holdings Limited (United Kingdom)
Director of Steria Limited (United Kingdom)
Director of Steria Services Limited (United Kingdom)
Director of Steria UK Limited (United Kingdom)
Member of the Supervisory Board of Steria Mummert Consulting AG (Germany)

Outside the Group:
Director of Arkema (France)
Chairman of the Board of Directors of the Agence Nouvelle des Solidarités Actives (France)

Appointments and functions exercised during the last five years:

Within the Group:
Chairman and director of Steria Iberica (Spain)
Chairman and Director of Steria Solinsa (Spain)
Joint General Manager of Steria GmbH Langen (Germany)

Outside the Group:
Director of Harrison & Wolf SA

Curriculum vitae:
Graduate of the École Polytechnique and the Ecole des Ponts et Chaussées (civil engineering) – Knight of the Legion of Honour – François Enaud has been Chairman-CEO of Steria since 1998.
After two years spent with the Colas company as a works engineer (1981-1982), François Enaud joined Steria SA in 1983 where he occupied different management functions (Technical and Quality, CEO of subsidiaries, Transport Division, Telecoms Division) before becoming the Company's Chief Executive Officer.

Supervisory Board

JACQUES BENTZ - *Age 69*

Current appointments and functions:

Within the Group:
Chairman of the Supervisory Board of Groupe Steria SCA;
Member of the Supervisory Board of Steria Mummert Consulting AG;

Outside the Group:
Manager of Tecnet Participations EURL (since 1996),
Director of Ipanema Technologies SA
Director of TDF SA
Chairman of the Supervisory Board of Linedata Services
Member of the Management Board of the Institut Montaigne.

Appointments and functions exercised during the last five years:

Within the Group:
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Outside the Group:
Chairman of the Supervisory Board of Danet GmbH
Manager of SAI-Danet GmbH [Danet Group]
Member of the Board of Directors of Danet SA,
Vice-President and Member of the Board of Ineum Conseil et Associés
Director of SVP Management & Participations

Curriculum vitae:
Former student of the Ecole Polytechnique – Knight of the Legion of Honour – Jacques Bentz has been General Manager of Tecnet Participations since 1996. He has occupied various management functions: Chairman of Tecsi (1996-2000), Chairman of GSI (1993-1995), General Manager of GSI (1986–1993).

PATRICK BOISSIER - *Age 61*

Current appointments and functions:

Within the Group:
Member of the Supervisory Board of Groupe Steria SCA

Outside the Group:
Chairman and CEO of DCNS
Member of the Supervisory Board of Vallourec, SA, a dual board company
Member of the Board of Trustees of the Institut Français de la Mer, recognized as a public interest organization by decree of June 6, 1979
Member of the Board of Trustees of the French Maritime Museum (Musée de la Marine)

Appointments and functions exercised during the last five years:

Within the Group:
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Outside the Group:
General Manager of CEGELEC
Member of the Management Board of Cegelec Holding SAS
Chairman of the Chambre des Constructeurs de Navires
Member of the Board of Directors of Aker Yard SA
Chairman and CEO of Chantiers de l'Atlantique, Alstom Leroux Naval and Ateliers de Montoir, Alstom Group subsidiaries.
Member of the Board of Directors of Sperian Protection (formerly Bacou Dalloz)

Curriculum vitae:
Former student of l'Ecole Polytechnique – Patrick Boissier has been Chairman of DCNS since January 14, 2009. He was previously CEO of CEGELEC (from 01/09/2007 to 31/12/2008); Chairman and CEO of Chantiers de l'Atlantique (from 1997 to 2007); Vice-Chairman and CEO of Tréfimétaux (1987-1993); CEO of the heating and air conditioning arm of Elfi (1994-1997); Chairman of the Supervisory Board of Chaffoteaux & Maury (1994-1997).

SÉVERIN CABANNES - *Age 52*

Current appointments and functions:

Within the Group:
Member of the Supervisory Board of Groupe Steria SCA

Outside the Group:
Deputy CEO of the Société Générale Group
Director of Crédit du Nord,
Director of Amundi
Director of TCW

Appointments and functions exercised during the last five years:

Within the Group:
Deputy CEO of Steria SA
Chairman and director of Steria Iberica (Spain)
Chairman and Director of Steria Solinsa (Spain)
Chairman and director of Steria Suisse (Switzerland)
Director of Steria SA/NV (Belgium)
Director of Steria Benelux SA/NV (Belgium)
Director of Steria Infogerance
Director of Steria A/S (Norway)
Director of Steria A/B (Sweden)
Director of Steria A/S (Denmark)
Director of Imelios
Permanent representative of Steria SA on the Board of Directors of Imelios
Permanent representative of Steria SA on the BSGL Conseil Board of Directors
Official representative of Steria SA at GIE Eurocis General Meetings
Director of Steria SA
Member of the Supervisory board of Steria Mummert Consulting AG
Director of Steria Holdings Limited
Director of Steria Limited

Outside the Group:
Director of Napac SA.
Chairman of the audit Committee and Member of the Supervisory Board of Komercni Banca (Czech Republic)
Director of Geneimo,
Director of Société Générale Globale Solution Centre (India).

Curriculum vitae:
Former student of the Ecole Polytechnique, Civil Engineering qualification from the Ecole des Mines – Sévérin Cabannes was formerly CEO of Steria SA and CEO of Steria Group (2002 to end 2006); Financial director and member of the General Management Committee of the Société Générale Group (2001-2002); Strategy Director, financial director and Deputy General Manager of La Poste Group (1997 to end 2001); Séverin Cabannes has also occupied various functions at Elf and Crédit National.

ELIE COHEN - *Age 61*

Current appointments and functions:

Within the Group:
Member of the Supervisory Board of Groupe Steria SCA

Outside the Group:
Scientific researcher Research director at CNRS
Professor at Sciences PO
Research director with the public policy analysis group and then with Cevipof at the Centre National de la Recherche Scientifique (CNRS),
Director of Pages Jaunes
Director of EDF Energies Nouvelles

Appointments and functions exercised during the last five years:

Within the Group:
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Outside the Group:
Member of the Prime Minister's Economic Analysis Committee (1997).
Director of Vigeo
Director of Orange

Curriculum vitae:
Prize-winning graduate of IEP Paris (Economics and Finance section - 1972), Doctorat in Management (Université Paris Dauphine) and Doctorat in Political Science (holder of a Director of Research Accreditation), Elie Cohen has lead a dual career as a researcher and university professor. An Associate Professor and then Professor, Elie Cohen has taught at
IEP (Macro-Economics, Micro-Economics, Public Economy, Public Policies, Public Management);
ENS Ulm (Organization Sociology), ENA (Industrial Economy);
Harvard (Political Economy);
and Collège des Ingénieurs (Industrial and Financial Strategy).
Author of many articles in scientific publications, Elie Cohen has published several works on Industrial Economy and Public Policy.

PIERRE-HENRI GOURGEON - *Age 65*

Current appointments and functions:

Within the Group:
Member of the Supervisory Board of Groupe Steria SCA

Outside the Group:
CEO of Air France KLM
Representative of Air France-KLM on the Board of Directors of Air France
Vice Chairman of Amadeus GTD (Spanish company).

Appointments and functions exercised during the last five years:

Within the Group:
Director of Steria SA

Outside the Group:
Chairman of the Supervisory Board of Amadeus France SNC
CEO and Director of Amadeus de France Service SA
Director of Autoroutes du Sud de la France

Curriculum vitae:
Former student of l'Ecole Polytechnique; engineering graduate of Ecole Nationale Supérieure de l'Aéronautique – Pierre-Henri Gourgeon previously carried out the duties of director of military programs (1985-1988) at the Société nationale d'études et de constructions de moteurs d'avions (Snecma); civil aviation ministerial advisor to Michel Delebarre (French Minister of Facilities, Housing, Transport and the Sea) (1988-1990); Director general of Civil Aviation (DGAC) (1993); Within the Air France group, Pierre-Henri Gourgeon has been successively Chairman and CEO of the Servair group (1993-1996), Esterel (1996-1997); Advisor to the Chairman and CEO (1996-1997); deputy CEO, responsible for international affairs and development (1997-1998); CEO (since 1998), CEO Air France KLM (since January 2009).

ERIC HAYAT - *Age 70*

Current appointments and functions:

Within the Group:
Vice Chairman and Member of the Supervisory Board of Groupe Steria SCA
Director of Steria SA
Outside the Group:
Chairman of the Public Interest Group "Modernization of Social Security Declarations" (since 2000),
Director of Rexecode

Member of the supervisory Board of ACOSS

Appointments and functions exercised during the last five years:

Within the Group:
Chairman of the Supervisory Board of Groupe Steria SCA
Permanent representative of Steria SA on the board of directors of Medsoft (Tunisia)

Outside the Group:
Elected member of the Paris Chamber of Commerce and Industry
Chairman of the Centre d'Observation Economique of the Paris Chamber of Commerce and Industry (since 2001)
Vice Chairman of CODIL (Approvals committee) of the FNTC (Fédération Nationale des Tiers de Confiance)
Director of the Agence Nationale des Services à la Personne
Member of the Paris Chamber of Commerce and Industry

Curriculum vitae:
Engineering graduate of the Ecole Supérieure d'Aéronautique – Eric Hayat was Vice Chairman (1989), then Chairman (1991-1997) of Syntec Federation (consulting, management, engineering, training, IT); Chairman of the GPA innovation taskforce (since 1999) of the Conseil National du Patronat Français (CNPF) which then became the Mouvement des Entreprises de France (MEDEF) in 1998. Eric Hayat was Co-founder (1969), Sales Manager (1976), then Deputy CEO (1979) of Steria SA.

JACQUES LAFAY - *Age 63*

Current appointments and functions:

Within the Group:
Director of Transport Development, Steria SA
Member of the Supervisory Board of Groupe Steria SCA
Chairman of the Steria FCPE (Fond Commun de Placement Entreprise Steria – Mutual Fund) Supervisory Board (since March 2006)
Member of the Supervisory Board of SODERI (General partner of Groupe Steria)
Outside the Group:
Chairman of PROAVIA (French Airport & ATC Technology Trade Association).

Appointments and functions exercised during the last five years:

Within the Group:
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Outside the Group:
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Curriculum vitae:
Electronics Engineer (ISEP) – 1970; Specialized Engineering qualification from ENSAE (Ecole Supérieure Nationale de l'Aéronautique et de l'Espace) – 1971; Master of Science Engineering Economics Systems Dept, Stanford University (USA) – 1973. Jacques Lafay has been employed by the Steria Group since 1973.

CHARLES PARIS de BOLLARDIÈRE - *Age 55*

Current appointments and functions:

Within the Group:
Member of the Supervisory Board of Groupe Steria SCA

Outside the Group:
Secretary, Total SA
Chairman of SOCAP SAS
Director of the Société Financière d'Auteuil
Director of Petrofina
Director of Total Pensions Belgium

Appointments and functions exercised during the last five years:

Within the Group:
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Outside the Group:
Group Treasurer, Total
Member of the Supervisory Board of Socap SAS
Chairman of Total Treasury SAS
Chairman of Financière Haussmann Messine
Chairman of Total Finance
Chairman of Total Finance Exploitation
Chairman of the Board of Directors of Total Capital
CEO of Total Capital
Director of Total Capital
Director on the board of Directors of Total Capital Canada Ltd
CEO of Sofax Banque
Chairman of the Supervisory Board of Sofax Banque
Director of Sofax Banque
General Manager of Constance International SARL
Chairman of Petrofina International Group SA
Director of the Board of directors of Petrofina International Group SA
General manager of Rouvray Immobilier

Curriculum vitae:
Engineering graduate of the Ecole Supérieure d'Electricité

2.6 Report of the Chairman of the Supervisory Board on corporate governance, internal control and risk management

In accordance with the provisions of Article L. 226-10-1 of the French Commercial Code the Report prepared by the Chairman of the Supervisory Board, in collaboration with the corporate departments concerned, is presented below. It was approved by the Supervisory Board at its meeting on February 25, 2011.

2.6.1 Corporate governance code

As decided by the Supervisory Board at its meeting on December 19, 2008 and brought to the general public's attention by means of a release published and posted on the company's website on December 22, 2008, the company refers to the December 2008 AFEP/MEDEF Business Governance Code, which results from the consolidation of AFEP/MEDEF reports dated October 2003, January 2007 and October 2008 (the "AFEP/MEDEF Recommendations") complemented by the AFEP/MEDEF recommendation of April 19, 2010. This code can be consulted on the MEDEF website (**www.medef.fr**).

Each year the Supervisory Board assesses the present report's compliance with the AFEP/MEDEF Recommendations before approving it.

As required by Article L. 225-68 of the French Commercial Code, this report mentions which provisions of the code have not been applied by the company.

We would like to point out that the AFEP/MEDEF Recommendations were established in relation to *sociétés anonymes* (limited companies) and that in consequence the company applies them insofar as they are applicable and transferable in a relevant and effective manner to a partnership limited by shares under French law (*Société en Commandite par Actions*).

2.6.2 Preparation and organisation of the work of the Supervisory Board

Composition of the Board

As of 31 December 2010, the Supervisory Board comprises:

	Title Experience Sector	Independent Member*	Number of offices held in listed companies	Member of Committee	First appointment	Date of renewal	Term of office in listed companies	Number of shares held	Age
Jacques Bentz (Chairman)	General Manager of Tecnet Participations IT consultancy	no	2	– Strategy – Audit – Appointments and Remuneration	08/2000	06/2008	06/2012	13,318	Age 69
Eric Hayat (Vice Chairman)	Chairman of the «Social Contribution Declarations Modernisation» Public Interest Group (GIP)	no	1	– Strategy	03/1999	06/2008	06/2012	135,038	Age 70
Patrick Boissier	CEO of DCNS	no	2	– Strategy	06/2004	05/2010	05/2014	303	Age 61
Séverin Cabannes	Deputy CEO of the Société Générale Group	no	3	– Audit	02/2007	----	06/2011	6,626	Age 52
Elie Cohen	Economist Research director at CNRS	yes	3	– Strategy	05/2000	06/2008	06/2012	5,540)	Age 61
Pierre-Henri Gourgeon	CEO of Air France KLM Group	yes	2	– Appointments and Remuneration	06/2004	05/2010	05/2014	150	Age 65
Jacques Lafay	Chairman of the Steria FCPE (mutual fund)	no	1	-----	06/2006	06/2008	06/2012	2 556	Age 63
Charles Paris De Bollardière	Secretary, Total SA	yes	2	– Audit – Appointments and Remuneration	05/2000	06/2008	06/2012	220	Age 55

* *Pursuant to criteria for independence set out by the AFEP/MEDEF Recommendations, reviewed each year by the Supervisory Board on the recommendation of the Appointments and Remuneration Committee.*

Groupe Steria SCA has chosen to have a multidisciplinary Board comprising members with complementary skills and experience. Members of the Board have been chosen for their skills, expertise, diversity and availability. Financial and industrial expertise is a key factor. The Supervisory Board would like to recruit at least one new member as a matter of priority, to achieve a profile that is more independant, international and representative of both genders.

The appointment of a new member meeting these criteria will be proposed at the General Meeting to be held on May 13, 2011.

If the resolution is passed, the company will be in compliance with both the AFEP/MEDEF recommendation issued on April 19, 2010 and French law 2011-103 dated January 27, 2011 on the subject of balanced representation of men and women on executive and supervisory boards.

The term of office of the members of the Supervisory Board is laid down in the Articles of Association as six years maximum.

In practice, each of the members of the Board has been appointed or re-appointed for a period of four years. Their reappointments are spread over 2011, 2012 and 2014.

There is no limit in the Articles of Association for the renewal of terms of office.

In accordance with the provisions of the Articles of Association, Board members must hold at least 150 company shares. At least half of its members must be under 65 years of age.

The appointments held by each member are set out in section 2.5.2 of this Registration Document.

Independence of members of the Supervisory Board

A member of the Supervisory Board is considered to be independent when he has no relationship of any sort whatsoever with the company, the Group or its management.

The criteria for independence applied are those defined in the AFEP/MEDEF Recommendations, i.e. the independent member must not:

- be an employee or director of the company, an employee or director of the parent company or any consolidated company and not have been so over the last five years;
- be a director of a subsidiary or of a company in which the company holds either directly or indirectly a directorship or in which an employee appointed as such or a director of the company (currently or who has been so within the last five years) has a directorship;
- be linked or to have been linked during the last financial year either directly or indirectly to any significant client, supplier, investment banker or financing banker of the company or Group, or for whom the company or group represents a significant share of the business;
- have close family ties (as defined in Article R. 621-43-1 of the Monetary and Financial Code) with a company director;
- have been the company's Statutory Auditor during the last five years;
- have been a director of the company for more than 12 years.

Each year, the Appointments and Remuneration Committee and the Supervisory Board verify the situation of each of its members regarding the criteria for independence. Following this verification, the Supervisory Board has noted that three of its eight members are independent.

Missions

The Supervisory Board exercises continuous control over the management of the company.

For this, it can have the General Manager communicate any information or any document of use in carrying out its general mission of control.

At the annual Ordinary General Meeting, it gives an annual report on the management of corporate dealings and on the financial statements for the period. It also makes a report at each Extraordinary General Meeting.

It can convene General Meeting of Shareholders.

It also acts in the following circumstances:

- it examines the company's financial statements and consolidated financial statements, as well as the budget; it receives the report of the Statutory Auditors;
- it issues an opinion on any proposals for an increase or reduction in capital submitted by the General Manager to the shareholders;
- it may propose, during the term of the company, except in the event of vacancy, the appointment or renewal of the term of office of any General Manager, which will then be decided by the Ordinary General Meeting following approval from the General Partner;
- it may initiate a request to dismiss a General Manager. The General Partner must be notified of any such request, which must comply with the rules and procedures set forth in the Articles of Association;
- it submits a proposal, on the advice of the Appointments and Remuneration Committee, regarding the payment of the General Manager to the Ordinary General Meeting of Shareholders, which approves or rejects the proposal;
- it gives an opinion to the General Manager concerning:
  - **a)** the company's main strategic orientations: medium- and long-term plans, consolidated budgets, acquisitions policy, significant acquisitions, major investments,
  - **b)** operations having a noticeable impact on the capital, financing and cash position of the Company and its subsidiaries,
  - **c)** operations significantly affecting the allocation of the Company's corporate capital;
- it gives prior approval to all major commitments, as listed below:
  - **a)** any company borrowing once the total amount of borrowings exceeds 50% of the total consolidated net assets of Groupe Steria SCA, as resulting from consolidated financial statements drawn up from the last approved financial statements (the "Net Assets"),
  - **b)** the setting up of any securities, preconditions or guarantees, or any pledges or mortgages on the company's assets, once the total of the secured debt represents more than 50% of the Net Assets,
  - **c)** the founding of any company, or any acquisition of holdings, in any commercial, industrial, financial, securities, property or other operation, in any form whatsoever, once the total amount of the applicable investment represents more than 20% of the Net Assets,
  - **d)** any decision whose purpose or impact entails, immediately or in the future, the loss of the majority holding in a subsidiary's capital, directly or indirectly, if the company represents more than 10% of the consolidated revenue of Groupe Steria SCA, where this revenue results from the Group's last consolidated financial statements.

It verifies that the conditions set forth in Article 1 of the Articles of Association, for Soderi to be and to remain the General Partner of Groupe Steria SCA, are fulfilled.

Operation of the Supervisory Board

The Supervisory Board has adopted a Charter and Internal Regulations describing professional ethical behaviour and rules to be respected by its members (loyalty, acting in good faith, confidentiality, assiduousness, professionalism, etc.) as well as the mission, obligations and operating rules of the Board (appointment of members, information, description of the three committees created within the Board). These documents also define the concept of "independent member" and outline the rules concerning insider information. Supervisory Board members are subject to stock market code of conduct rules which, together with the financial communication calendar for the year and the "blackout period" dates, are included in an internal "Insider Code".

The company's rules of procedure were updated and modified on February 25, 2011 in response to certain of the AMF's recommendations issued on November 3, 2010.

The rules may be viewed on the company's internet site.

Invitations to attend meetings of the Supervisory Board are sent out at least eight days prior to each meeting, except in exceptional circumstances justifying a shorter notice period.

To enable each Board member to be available as far as possible, a meeting schedule is drawn up at the end of the year for the following year.

The Statutory Auditors also attend the Supervisory Board meetings held to examine the annual and half-yearly financial statements.

Since October 13, 2005, when Groupe Steria SCA first joined the Group's Economic and Social Union (UES), and in accordance with the regulations in force, two members of the Works Council have been invited to attend meetings.

The identities of absent members are indicated in the minutes of each meeting.

The minutes of previous meetings are sent to Board members by the company prior to the next meeting, as well as all relevant information concerning the different points on the proposed agenda.

The Board is assisted by a permanent secretary in the person of the Group Legal Director.

Depending on the time of year at which meetings are held, minimum standard agendas are drawn up for meetings.

In 2010, the average length of Board meetings was four hours.

Activity of the Supervisory Board in 2010

The Board has held eight meetings over the last year. The attendance rate in 2010 was 92.18%, and 100% for independent members.

In 2010, the Board dealt mainly with the following subjects:

- Review of the Group's business;
- Examination of the 2009 corporate and consolidated financial statements
- Preparation of the Annual General Meeting and approval of the Chairman's Report on internal control;
- Proposal for the General Manager's remuneration, based on the recommendation of the Appointments and Remuneration Committee;
- decision to grant the General Manager a termination benefit, subject to ratification at the Annual General Meeting;
- Examination of the half-yearly financial statements and the half-yearly financial report;
- Examination of the committee reports
- Examination of the Group's strategic plan
- Plan for free shares for performance in 2010;
- Increase in capital reserved for employees for 2010;
- Examination of the financial-cash position
- Assessment of the Board's composition;
- Self-assessment of the Board;
- Examination of the 2011 budget.

The Board pays particular attention to the Group's strategy and results and to monitoring the cash position, the budget, acquisition proposals and risks.

Self-assessment of the Supervisory Board

In line with the AFEP/MEDEF Business Governance Code, the Board performs an annual self-assessment.

As part of the self-assessment performed in December 2009, the Supervisory Board decided to recruit one new member to achieve a profile that is more independant, international and representative of both genders.

The Board pursued its reflection on this subject in 2010 and finally selected a new member meeting the above criteria whose appointment will be proposed at the General Meeting to be held on May 13, 2011.

In 2010, the Board again addressed the topic of self-assessment at its meeting on December 17, 2010 and expressed satisfaction with the response to the objective of enhancing its composition set in 2009.

The Board equally felt it had improved its functioning in particular as a result of the specific information on the Group's operations now provided by the General Managers responsible for France and the United Kingdom, thereby providing better visibility as to the group's BPO and offshore operations.

Resources of the Supervisory Board

The company provides the Supervisory Board with appropriate resources for its meetings and training and provides it with assistance from the Group's various departments as required.

The Supervisory Board's committees

The Board has created three Committees:

- the Strategy Committee;
- the Appointments and Remuneration Committee;
- the Audit Committee.

Each Committee appoints a Chairman and a secretary. The minutes are drawn up by the secretary. They are approved and then given to the Chairman for presentation at the next following Supervisory Board meeting. They are safeguarded in the Group Legal Department.

Strategy Committee

Composition and operation of the Strategy Committee

As of December 31, 2010, the Strategy Committee included the following Supervisory Board members:

- Eric Hayat, Chairman of the Committee;
- Jacques Bentz;
- Patrick Boissier;
- Elie Cohen.

The members of this Committee had their appointments renewed at the Supervisory Board meeting of March 12, 2010 for a period of three years, subject to their term of office on the Board.

Missions of the Strategy Committee

This Committee examines the Group's medium- and long-term development and positioning:

- acquisitions/sales proposals;
- business lines;
- offer strategy;
- technological evolution;
- business model.

It reviews and assesses the financial consequences of the hypotheses reviewed.

The Strategy Committee has no decision-making power and reports solely to the Supervisory Board, making recommendations and providing information.

Activity of the Strategy Committee in 2010

The Strategy Committee met three times in 2010 and examined:

- the 2010-2014 strategic plan;
- the Business Community strategic reviews performed by the Group in June.

The attendance rate in 2010 was 83.3%.

Appointments and Remuneration Committee

Composition and operation of the Appointments and Remuneration Committee

As of 31 December 2010, the members of this Committee comprised:

- Pierre-Henri Gourgeon, Chairman of the Committee;
- Jacques Bentz;
- Charles Paris De Bollardière,

The members of this Committee had their appointments renewed at the Supervisory Board meeting of March 12, 2010 for a period of three years, subject to their term of office on the Board.

The Appointments and Remuneration Committee has no decision-making power and reports solely to the Supervisory Board, making recommendations and providing information.

It meets as often as required. It may seek the advice of the General Manager, any Executive Committee member, particularly the Group's Human Resources Director, and any managers of subsidiaries. It may also seek the opinion of any other person in carrying out its mission. It reports to the Supervisory Board, giving the Board sufficient time to enable it to deliberate effectively, and presents its opinions, proposals and recommendations. It may incur external costs with the prior approval of the General Manager and the Supervisory Board.

The company provides the Appointments and Remuneration Committee with the resources needed to organise meetings and provides (if necessary) the assistance of Group departments.

Missions of the Appointments and Remuneration Committee

The duties of the Committee are as follows:

- provide the Supervisory Board with information on global payment packages and any related benefits granted to members of the Group Executive Committee, and issue any useful recommendations to the Chairman of the Supervisory Board;
- provide information on and submit proposals to the Supervisory Board regarding the remuneration of the General Manager;
- review applications to become a member of the Supervisory Board of the company, ensure that the person has appropriate skills, is available and honourable, give its opinion and make recommendations to the Board;
- examine the Group's succession plan for the General Manager and members of the Group Executive Committee and provide the Supervisory Board with advice and recommendations for communication to the General Manager;
- examine and assess any conflicts of interest reported by members of the Supervisory Board and determine whether the situations involved are liable to procure any undue advantage for the member concerned or disadvantage the company; provide the Supervisory Board with advice and recommendations for dealing appropriately with any such conflicts of interest;

- make proposals to the Supervisory Board on the structure and operations of the other Committees;
- review the Company's stock option or performance share schemes and issue proposals, recommendations and opinions to the Board.

Activity of the Appointments and Remuneration Committee in 2010

The Committee met five times in 2010 and discussed the following key issues:

- salary (fixed and variable) of the General Manager;
- remuneration of members of the Executive Committee;
- termination of the General Manager's contract of employment and payment of a termination benefit;
- selection of a new Supervisory Board member;
- plan for allocation of free shares for performance in 2010;
- increase in capital reserved for employees in 2010;
- review of the independence of Supervisory Board members;
- examination of the Group's succession plan;
- definition of a procedure for declaring and assessing conflicts of interest on the part of members of the Supervisory Board:

The attendance rate in 2010 was 100%.

Audit Committee

Composition and operation of the Audit Committee

As of December 31, 2010 the members of this Committee comprised:

- Charles Paris De Bollardière, Chairman of the Committee;
- Jacques Bentz;
- Séverin Cabannes.

The members of this Committee had their appointments renewed at the Supervisory Board meeting of March 12, 2010 for a period of three years, subject to their term of office on the Board.

The composition of the Audit Committee was fixed by the Supervisory Board with regard to the particular skills of Charles Paris de Bollardière and Séverin Cabannes in terms of accounting and finance, due to the roles and responsibilities they have held in these fields at large companies.

The Committee Chairman meets the criteria set out in the AFEP/MEDEF Business Governance Code.

Its operating rules are outlined in internal regulations specific to the Audit Committee.

At its meeting of March 12, 2010, the Supervisory Board noted that albeit one of the three members of the Audit Committee meets the independence criteria set out in the AFEP/MEDEF Business Governance Code, the company is nevertheless not entirely compliant with the Code in this respect.

The Audit Committee has no decision-making powers and reports solely to the Supervisory Board, making recommendations and providing information.

The Audit Committee meets as often as required, on the initiative of its Chairman, with at least two meetings a year to review the annual and half-yearly financial statements before they are submitted to the Supervisory Board.

The Audit Committee may seek the advice of the General Manager, Executive Committee members, the Finance Director and members of the financial management of the Group and its subsidiaries. It may also seek the advice of any member of management from Groupe Steria SCA subsidiaries. It gathers observations from the Statutory Auditors without necessarily consulting the General Manager or subsidiaries' directors. It may request and discuss with them the programme for verifying the corporate and consolidated financial statements.

The Audit Committee reports in a timely manner to the Supervisory Board on its work to enable the latter to review the financial statements, and presents the Supervisory Board with its opinions, proposals and recommendations.

The Audit Committee may not incur any external costs without prior approval from the General Manager and must also obtain the approval of the Supervisory Board.

Missions of the Audit Committee

These missions are mainly to:

- monitor the process of establishing financial information;
- verify that the accounting policies used to prepare the corporate and consolidated financial statements are relevant and consistently applied and that major group transactions are dealt with appropriately, review the scope of the consolidated financial statements and, if need be, the reasons for not including certain companies;
- monitor the audit of the annual corporate and consolidated financial statements by the Statutory Auditors;
- check that internal procedures for collecting and controlling information ensure that such information is reliable; review the Group's internal audit programme and the Statutory Auditors' work programme;
- enhance the Supervisory Board's understanding regarding the identification, processing and reasonable assessment of the main risks incurred by the Group, and review such risks as well as significant off-balance sheet commitments;
- monitor the effectiveness of the Group's internal control and risk management systems;
- provide an opinion on the renewal or appointment of the Statutory Auditors and on their fees, propose candidates, and ensure that rules intended to ensure the statutory auditors' independence are applied, obtain information on fees of any sort paid to the Statutory Auditors and, if need be, to the networks to which they belong;

- check the reliability of the Group's cash forecasts and cash management systems, the monitoring of important financial commitments and the Group's borrowing policy;
- review any questions of a financial or accounting nature submitted to it by the Chairman of the Supervisory Board, as well as any matters of conflict of interest that may come to its attention, and give its opinion concerning any agreements within the scope of Article L. 225-38 of the French Commercial Code.

Activity of the Audit Committee in 2010

The Audit Committee met six times in 2010 and dealt in particular with the following points:

- examination of the financial statements for the financial year ended December 31, 2009 and the half-yearly financial statements;
- examination of the Chairman's report on internal control;
- the amount of dividends to be distributed for financial year 2009;
- monitoring of the audit and internal control action plans;
- examination of the 2010 internal audit plan;
- examination of the preparation process for financial information and the ensuing action plans;
- examination of the Group's cash position and in particular banking covenants and hedging exchange rates;
- examination of the situation of the Group's pension funds;
- examination of the Group's financing position;
- examination of the Group's statutory audit appointments.

The attendance rate in 2010 was 89%.

2.6.3 Principles and rules determining the remuneration of company officers

2.6.3.1 The General Manager:

In compliance with the rules of governance implemented by the company and described in section 3 above, all the elements of remuneration paid to François Enaud, General Manager, are fixed by the General Shareholders' general Meeting on the proposal of the Supervisory Board after recommendation by the Appointments and Remuneration Committee.

Fixed and variable remuneration

The fixed and variable remuneration of the General Manager is set by the General Meeting on the proposal of the Supervisory Board after recommendation by the Appointments and Remuneration Committee.

The targets connected to the variable portion, set by the Supervisory Board after recommendation by the Appointments and Remuneration Committee, break down as follows for 2010:

- 70% of the total of the variable component is related to the Group's performance (revenue, operating margin, cash generation), weighted by a coefficient according to the relative change in the Steria stock price for 2010 compared to an index consisting of the stock prices of listed companies in the European IT sector.
- 30% of the amount of the variable portion is linked to qualitative targets related to the definition and deployment of the Group's strategy.

Supplementary pension plan

François Enaud does not have any complementary pension plan.

Payment for termination of appointment

At its meeting of April 13, 2010 the Supervisory Board decided to discontinue François Enaud's contract of employment with Steria SA, the application of which had already been suspended. As compensation for his relinquishment of the benefits assocatiated with that contract of employment in the event of other termination, the Board decided to provide the General Manager with a right to compensation in certain circumstances in the event of the termination of his appointment as General Manager, subject to performance conditions and limited to two years' gross fixed and variable remuneration.

The agreement reached was approved at the Annual General Meeting held on 28 May 2010, inasmuch as it constituted a regulated agreement within the scope of Article L. 225-42-1 of the French Commercial Code, and was duly mentioned in the Statutory Auditors' special report. It was effective from this date. and François Enaud's contract of employment with Steria SA equally expired on that date.

The agreed payment for termination of appointment complies with the AFEP/MEDEF Business Governance Code in all but two respects:

- as recommended by the Code, the payment is only due in the event of forced departure of the General Manager, but such forced departure is not obligatorily associated with a change in control of the company or in the company's strategy;

- the amount of any payment in the event of departure following a change in control of the company is set, in the absence of any serious misdemeanour, at a minimum amount equating with one year's gross remuneration.

These exceptions were retained by the Supervisory Board to compensate the termination of François Enaud's employment contract, which had been suspended up until then, and to take into account his length of service within the Group before his nomination as company director.

Allocation of free performance shares or stock options:

The allocation of free performance shares to the General Manager, with regard to the principle and the number of shares liable to be allocated, is decided by the Shareholders' General Meeting on the proposal of the Supervisory Board after recommendation by the Appointments and Remuneration Committee.

The free shares allocated to the General Manager are subject to performance conditions linked to the evolution of the Group's operating margin over a period of three years from the date of allocation.

By virtue of the provisions of Article L. 225-197-1 II (paragraph 4) of the French Commercial Code and as agreed by the Supervisory Board after consultation of the Appointments and Remuneration Committee, the General Manager must keep at least 30% of shares definitively acquired throughout the duration of his appointment.

The General Manager's remuneration is set out in detail in paragraph 2.4.1 of this Registration Document.

2.6.3.2 Members of the Supervisory Board:

Director's fees

The total amount of directors' fees paid to the Supervisory Board is decided by the General Meeting. The allocation of directors' fees is decided by the Supervisory Board based on the opinion of the Appointments and Remuneration Committee.

Directors' fees comprise a fixed element, different for each of the members, and a variable element related to presence at Supervisory Board and committee meetings.

Details of the amount of the directorss fees received by each of the members of the Supervisory Board are given in section 2.4.3 of this Registration Document.

Other remuneration received by Supervisory Board members

Mr Jacques Lafay, Supervisory Board member representing the Group FCPE (mutual fund), is employed by Steria SA as Director of Transport Business Development and receives remuneration for this position.

Eric Hayat Conseil, of which Mr Eric Hayat is the General Manager, entered into a provision of services contract with Steria SA, renewed in 2010, to provide assistance in developing major accounts, in particular in the public sector. This contract is subject to the law governing regulated agreements.

Tecnet Participations, of which Mr Jacques Bentz is the General Manager, entered into a provision of services contract with Steria SA to assist the company and its subsidiaries in their development, in particular with regard to international acquisitions and partnerships. This contract is subject to the law governing regulated agreements.

The total amount of payments mentioned above is set out in detail in section 2.4.3 of the present Registration Document.

2.6.4 Procedures for the participation of shareholders in General Meetings

The procedures for the participation of shareholders in General Meetings are described in Article 17 (shareholders' meetings) of the Articles of Association mentioned in the last part of this Registration Document.

2.6.5 Internal control and risk management

2.6.5.1 Internal control scope and frame of reference

This report describes the Group's internal control system (including Groupe Steria SCA, the holding company and the companies it controls and that are fully consolidated).

Groupe Steria has retained the internal control definition laid out in the Financial Markets Authority Framework ("AMF Framework") published in July 2010 and dealing with risk management and internal control.

According to the Financial Markets Authority definition, internal control is a set of measures put in place by the company, and defined and implemented under its responsibility, which are designed to ensure:

- compliance with laws and regulations in force;
- implementation of instructions and orientations defined by General Management;
- the correct functioning of corporate internal control processes, in particular those designed to safeguard corporate assets;
- the reliability of financial information.

Nevertheless, internal control cannot provide an absolute guarantee that the company's objectives will be attained.

2.6.5.2 Methodology for establishing internal control

The Group refers to both the conceptual framework defined by COSO and to the AMF Framework when establishing its internal control system.

2.6.5.3 Improvement of internal control

In the context of continuous improvement of its internal control system and compliance with the AMF Framework, since 2008 Steria has considerably reinforced its internal control, in particular via:

- the publication of a Group internal control manual (the "Book of Internal Control Rules" or BOICR) for its operational entities. Implemented at the beginning of 2008, these internal controls continue to be applied, mainly through a self-appraisal procedure implemented in the majority of the Group's operational entities;
- the distribution of an ethical code in 2008, in addition to the stock exchange Code of Conduct rules, translated into the language of each of its subsidiaries and addressed to a wide community of managers as well as made available on the Group intranet and local intranets;
- the implementation in 2008 of a new Group internal audit charter;
- the increase in the frequency and number of audits thanks to the outsourcing of some internal audits to an internationally respected independent service-provider;
- the increase in size of the Group's Internal Audit Department which employed five persons at December 31, 2010,
- implementation of a system of internal control reporting towards Company Management and the Audit Committee.

2.6.5.4 Summary description of the internal control procedures implemented

The aim of this section is to briefly describe the organisation of the Company's internal control system based on the five main principles defined by COSO, which are: the control environment, risk management activities, control activities, data and communication processes and the management of control activities.

Organisation and responsibilities

Consistent with Steria's organisation, the main entities involved in internal control within the Group are as follows:

- the General Manager, assisted by the Group Executive Committee;
- Group corporate departments (Human Resources, Finance, Operations etc.) in charge, in their respective areas, of formalising internal control procedures in line with Group policy and overseeing their application;
- local operating entities in charge, under the responsibility of the local finance director and assisted by local internal control correspondents, of implementing a consistent internal control policy in line with Group policy.

The Internal Control and Audit Department is responsible for the overall control of the Group's internal control provisions and of their consistent application.

The Groupe Steria SCA Supervisory Board is also involved in Group internal control given its role as a corporate body supported by the Audit Committee it created.

Control environment

Internal control procedures put in place by the Group form part of an internal control environment the basic elements of which are:

- the Group's ethical code. This document specifies the main ethical principles to which the Group subscribes. In particular, it deals with the manner in which Steria considers business, and the behaviour to be adopted in the event of situations of conflict of interest. This document is under the responsibility of the General Manager,

- a training policy that aims to raise the awareness of all new employees about the Group's policies and procedures, and to ensure that employees have, at all times, suitable skill levels to cope with their responsibilities;
- a fair salary policy, based on attainable targets;
- clear allocation of responsibilities, resulting in the implementation of procedures for the delegation of authority and responsibility established by General Management under the control of the Group Legal Department and in conjunction with the other corporate departments concerned, including Human Resources Management. These procedures define limitations of authority and responsibility at various Group management levels, in particular regarding commitments to clients, suppliers, partners and staff;
- a strict recruiting policy;
- a policy of regular assessment of performance, with sanctions in the event that the rules laid down by the Group are not respected;
- quality Management Systems at the Area Unit level, implementing best practices for Steria's activities and General Management's instructions by adapting them into suitable local procedures.

Risk management

Groupe Steria has based its risk management system on the principles laid out in the Financial Markets Authority Framework published in July 2010 and dealing with risk management and internal control.

Mapping of the Group's major risks was reviewed in 2010 and presented to the Audit Committee. Under the Group's approach:

- the company's objectives were established on the basis of Steria's external publications and internal messages from General Management;
- the events likely to prevent these objectives from being achieved were identified during meetings with the different process managers;
- risks were assessed using a qualitative approach based mainly on the financial impact of the (financial, human, legal or reputational) risk;
- responses to risks are a combination of methods of avoiding risky operations (decision to cancel following pre-sales review for example), spreading risks (insurance, partnership) and reinforcing control measures.

Concerning information and communication, the Group particularly monitors all the project risks, legal risks, financial risks and human resources risks, together with client disputes, during the monthly Risk Committees regrouping the Group's functional managers (Management Accounting, Finance, Legal, Human Resources, Operations, Information Systems and Internal Control).

Based on a common model, each operational entity draws up a report on risks a few days before the Group Risk Committee meeting. Each corporate director analyses the risks in his functional area for discussion in the Committee meeting. The Committee sends a summary to General Management accompanied by action plans.

Finally, concerning the control of the entire system, the list of the Group's risks, together with the associated action plans, are kept up to date, in particular by assessments concerning the implementation of internal control and by the reports on the internal audit missions conducted within the Group.

Control activities

Control activities are addressed by the policies and procedures issued within the Group.

The Group has a common frame of reference (the BOICR - Book of Internal Control Rules) for internal control, precisely setting out the requirements for internal control which are then incorporated into the policies and procedures of the Group's operational entities. Annual self-appraisal based on this document was initiated in 2009. The Group's Internal Audit Department also carries out regular tests in order to assess the effectiveness of internal control. The results of these tests, and the related action plans, are documented in a specific tool (the GIAMS - Group Internal Audit Management System database) developed by the Group.

At the project management level, we would like to point out that the Quality System of each operational entity also plays an important role in defining the mandatory common controls. In this respect, all the Group's operational entities are ISO 9001 certified.

Most of these control activities are carried out at the operational entity level, under the joint responsibility of the entity's General Manager and Finance Director. In particular, this responsibility results in the signature of a letter confirming that the financial statements for their entity are properly prepared.

Information and communication

The Group's internal communications and information tools comprise in particular:

- the Group's intranet and the Group's knowledge management platform;
- local intranets in each country;
- shared spaces that improve synergies and information sharing between operational entities.

The Group intranet is a coherent information portal for Group staff. It allows easy access to regular tools such as Group policies and procedures (including the internal control manual), Group information, the internal directory, management messages etc. It also has a search engine for all the operational entities' intranets.

In addition, each country has a local intranet from which the Quality Management by System and local policies and procedures of the country can generally be accessed.

Twice a year in general, the Group organises a meeting of its key managers. These events are used to share the Group's main values, to work on the main strategic orientations, to get staff to commit to the Group's challenges and development targets and circulate messages concerning the compliance with and application of the Group's rules.

Management and supervision of internal control

Management and supervision of Steria's internal control is based on:

- informing key managers in the company on existing rules via the availability of information on the intranets and discussions during coordination meetings organised by Control and Internal Audit Management and corporate departments;
- regular reporting on improvements underway, in particular to the Group's Audit Committee and Finance Director. In 2009 the company set up a self-assessment process of its internal control system (based on the internal control manual). Since 2010, the General Managers and Finance Directors of each operating entity receive a quarterly report on the implementation of the Group's internal control action plans issued by the Internal Control and Audit Department;
- independent control of internal control quality during internal audit missions.

This process is managed and coordinated by Control and Internal Audit Management.

2.6.5.5 Internal controls concerning preparation of Groupe Steria financial and accounting information

The objective of this section is to describe in detail the accounting and financial internal control procedures set up within Steria, taking into account the reference framework of the Financial Markets Authority, in a manner suitable for the Group's decentralised context.

General provisions Steria's financial and accounting organisation is managed by the Group's Finance Director who reports directly to the General Manager.

Each operational entity comprises a decentralised accounting function that reports to the Finance Director of the operational entity, who reports to the operating entity CEO and functionally to the Group Finance Director.

The Group Controlling and Consolidation Director, who reports to the Group Finance Director, manages the accounting and controlling teams in the operational entities. He is able to draw on the services of Group management controllers for each geographic area, who are responsible for ensuring the consistency of information received and correct application of management principles.

Companies within the Group's consolidation scope use a common manual of accounting procedures and principles drawn up by the Group's Controlling and Consolidation Department.

All subsidiaries close their accounts on a monthly and half-yearly basis. The timetable for accounts closing is defined each year by the Group's Controlling and Consolidation Department.

The Group has a structured forecasting process in which, each month, each operational entity assesses its view of the operations of the business for the financial year and implications for the main corporate financial indicators. This information, after discussion and approval during a monthly performance review, is then aggregated at Group level and given to General Management.

The accounting and financial information system is based on standard software packages:

- an ERP (Enterprise Resource Planning) system, common to all Group entities with the exception of the German subsidiary Steria Mummert, for entering, calculating and retrieving accounting and management data; This system processes data on projects, clients and suppliers and permits a single set of parameters to be set covering Group management rules, controls and reports;
- a reporting application, the majority of whose data is interfaced with the ERP system;
- an accounts consolidation package;
- the account plan used in the Group data processing system is common to all the operational entities with the exception of Steria Mummert Consulting. However the latter, in its ERP, uses an account plan and accounting rules that are consistent with the IFRS data used for Group reporting and consolidation, in order to ensure homogeneity of financial and accounting information within the Group.

The different participants involved in the processes of establishment of accounting and financial information are above all those responsible for producing financial information in each legal entity, i.e. operational entity Finance Directors who are entirely responsible for ensuring compliance with Group procedures and local accounting, legal and tax requirements.

Financial information concerning each entity, processed by the Group's accounting and financial information system, is available and accessible to all duly-authorised Group personnel.

Application and control of accounting rules

Companies within the Group's consolidation scope must, under the responsibility of their Finance Directors, apply Group accounting procedures and principles.

Regular discussions take place between central accounting staff and operational entity staff to ensure standards are understood and applied correctly. In the event of major changes to the accounting framework, the Group organises specific training modules.

The Group Information System includes application controls that ensure certain standards are applied, either by complete automation of certain inputs or by generation of alerts in the event of inconsistencies.

The Group internal control system is subjected to regular appraisals and internal audit missions, and specific controls have been in put in place covering the most critical accounting rules.

Finance Directors and CEOs of operational entities co-sign a document each year certifying that Group accounting standards have been applied and that the information supplied is correct.

Organisation and security of the accounting and financial information system

A project management team reporting to the Group Controlling and Consolidation Director has been given the task of ensuring that the financial and accounting information system continues to respond to the operational needs and requirements of the Group and the IFRS accounting framework.

The manager of this project, who reports to the Group Finance Director, is responsible for operational changes, maintenance and operation of the system. No modifications can be made to the system directly by Group operating entities without the prior approval of the management team.

Three types of change may be necessary:

- corrections of anomalies discovered during operations, gradually implemented after a test phase on a computer environment that is different from the operational system;
- changes, whether they result from user requests, the evolution of the Group or regulations, are subject to a change and processing request procedure. A software package underpins and documents this process;
- expressions of needs in terms of operational changes are produced by the project management team of the Controlling and Consolidation Department (to ensure in particular that the key controls needed for compliance with accounting rules are integrated into the system), in collaboration with operational entity user representatives;
- these elements are then taken into account by the project manager, who is responsible for technical aspects in the form of specifications to ensure the technical coherence of the system. ERP configuration and possible developments are carried out by an application maintenance team from Steria's industrial organisation. Deliveries are broken down into stages which are subject to user acceptance on a computer environment that is different from the operating system prior to production;
- major projects such as the migration of operational entities are organised on an ad hoc basis and associate the project managers of the countries concerned.

System operations are entrusted to Steria's overall industrial organisation to ensure that the facilities benefit from an environment providing physical security, data conservation and continuity of operations.

Operating procedures for monthly closings include a certain number of stages with control points and alerts as the process unfolds to ensure the closing timetable and controls determined by the project manager are respected.

The Group pays particular attention to ongoing reinforcement and control of access rights to its accounting and financial information system. In the operating entities, access management is the responsibility of the Finance Director.

A systematic process of updating access rights is carried out at the beginning of each financial year in addition to ongoing changes carried out during the year to respond to changes in staff.

All system interventions are also logged and date stamped with identification of the user.

Budgetary control and management

Budgetary control and management accounting are based on a process of monthly reports (Reporting Reviews) carried out for each operating level of the organisation:

- at the operational entity level, organised by the entity CEO and Finance Director to analyse with sector managers the situation of their entity;
- at Group level, organized by the Group Controlling and Consolidation Director in collaboration with the entity General Manager and Finance Director, Group Finance Director and CEO, in order to review the situation in each operational entity; The situation in each operational entity is summarised every month at Group level in a report prepared by the Group Controlling Director.

During these performance reviews, key business indicators are systematically analysed and compared to budget targets:

- details on the financial situation of the entity considered and a comparison with budget;
- movements in revenue, margins and profitability;
- billable resources and overhead rate;
- summary sales information;
- risk monitoring;
- generation of cash flow, industrial investment and working capital requirements.

Monitoring of the cash flow position and cash management are reported on each month by each operational entity, in the presence of the Group Corporate Finance Director, the Group treasury manager and the Financial Director and Treasurer of the operational entity.

These different reviews automatically incorporate revised projections.

Financial statement consolidation procedures

The Controlling and Consolidation Department draws up quarterly consolidated accounts:

- accounting procedures that are common to all consolidated subsidiaries in conformity with IFRS rules, and mapping of charts of accounts with the single consolidation chart of accounts, ensure the reliability and consistency of financial and accounting information;
- reporting and consolidation processing rely on standard data processing solutions. Group subsidiaries fill in their consolidation packages which enable the consistency of their financial statements to be checked and provide information on accounting flows during the financial year as well as additional information (repayment schedules, off-balance sheet commitments, staff, tax information etc.);
- consolidation instructions are sent out each quarter: they provide details on consolidation planning for the period, work that has to be carried out by subsidiaries for accounts closings and provide information on how the consolidation packages function. The consolidation work to be carried out by the consolidation department is set out in a consolidation procedures manual.

Intervention of the Statutory Auditors

The Controlling and Consolidation Department approves the timetable and takes cognisance of the audit plan and audit points of the Group's Statutory Auditors:

- it is responsible for monitoring the external audit work of the Statutory Auditors, coordination with local Statutory Auditors and examining reports on work carried out;
- it coordinates additional tasks, ensuring they are consistent with regulations in force;
- it centralises operating budgets.

These missions are carried out in close collaboration with Group Internal Audit Management.

The Audit Committee also reviews the budget of the Group Statutory Auditors.

Control of consolidated financial statements prior to publication

Prior to publication of the consolidated financial statements, General Management and the Financial Department:

- authorizes the closing options; and
- receives reports from the Statutory Auditors on their work and findings, and defines the financial communication and the terms of financial press releases.

The Supervisory Board examines all of the above elements and gives its approval prior to publication of the accounts. It draws on the preparatory work of the Audit Committee.

2.6.5.6 Outlook – ongoing work

Steria has launched a process of ongoing improvements to its internal controls and its risk management system. In this context, the company intends to achieve the following main goals in 2011:

- undertake audit initiatives to continue developing internal control;
- improve documentation of the Group's embedded IT controls;
- continue to reinforce communication at all levels in respect of Group policies and procedures.

The Chairman of the Supervisory Board

Jacques Bentz

2.7 Statutory auditors' report, prepared in accordance with article L. 226-10-1 of the French commercial code (Code de commerce), on the report prepared by the Chairman of the Supervisory Board of Groupe Steria S.C.A

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Groupe Steria S.C.A and in accordance with article L. 226-10-1 of the French commercial code (Code de commerce), we hereby report on the report prepared by Chairman of your company in accordance with article L. 226-10-1 of the French commercial code (Code de commerce) for the year ended December 31, 2010.

It is the Chairman's responsibility to prepare and submit for the supervisory board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 226-10-1 of the French commercial code (Code de commerce) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- confirm that the report also includes the other information required by article L. 226-10-1 of the French commercial code (Code de commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the supervisory board in accordance with article L. 226-10-1 of the French commercial code (Code de commerce).

Other information

We confirm that the report prepared by the Chairman of the supervisory board also contains the other information required by article L. 226-10-1 of the French commercial code (Code de commerce).

Paris and Neuilly-sur-Seine, March 25, 2011

The statutory auditors

French original signed by

PIMPANEAU ET ASSOCIES	ERNST & YOUNG et Autres
Olivier Lelong	Denis Thibon

2.8 Statutory auditors' report on regulated related party agreements and commitments

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and is constructed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

Our responsibility is to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments that have been indicated to us or that we would have identified performing our role. We are not required to comment as to whether they are beneficial or appropriate, or to ascertain the existence of any other agreements or commitments. It is your responsibility, in accordance with Article R.226-2 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

However, we are required, if any, to inform you in accordance with Article R.226-2 of the French Commercial Code of the implementation during the year of related party agreements and commitments already approved by the Shareholders' Meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

1. Authorized agreements and commitments submitted to the approval of the shareholders' meeting

We inform you that we have not been advised of any agreement or any commitment authorized during the financial year to submit for approval by the Shareholders' Meeting under the provisions of Article L. 226-10 of the French Commercial Code.

2. Authorized agreements and commitments already approved by the shareholders' meeting

2.1. Authorized agreements and commitments approved in prior years

In accordance with Article R.226-2 of the French Commercial Code, we have been advised that the following agreements and commitments, which were approved in prior years, remained current during the year.

With Tecnet Participations

2.1.1. Provision of services agreement

Nature and purpose

Services agreement according to which Tecnet Participations, whose manager is Mr. Jacques Bentz, assists your company and its subsidiaries in their development, particularly at international level during acquisitions and partnerships agreements.

Terms and conditions

In 2010, Tecnet Participations invoiced your company € 84,962 excluding tax.

2.1.2. Domicile agreement

Nature and purpose

Domicile agreement between Steria S.A. (wholly owned by your company) and Tecnet Participations (offices at Issy-les-Moulineaux) for services linked to those offices.

Terms and conditions

In 2010, this agreement was granted for free.

With Eric Hayat Conseil

Nature and purpose

Services agreement concluded as of February 1, 2008 according to which Eric Hayat Conseil, whose manager is Mr. Eric Hayat provides Steria S.A. (wholly owned by your company) with consulting services on strategy, particularly in acquisition policy of the Area Unit France, and assistance in developing the business with major customers, in particular in public sector, tertiary sector and telecom.

Terms and conditions

In 2010, Eric Hayat Conseil invoiced Steria S.A. € 105,000 excluding tax.

2.2. Authorized agreements and commitments approved during the year

We have also been advised of the conclusion, during the financial year, of the following agreements and commitments, previously approved by the Shareholders' Meeting held on May 28, 2010, on special report of Auditors dated April 15, 2010.

With Mr. François Enaud, manager

Nature and purpose

Your company decided that Mr. François Enaud was entitled to benefit from compensation in certain cases of termination of his mandate as manager of the company.

The compensation will be due to the manager following involuntary departure (removal from office or non-renewal of the manager's term of office) or resignation resulting from a change in control, except in cases of serious misconduct or gross negligence. It will not be due in cases of a non-compulsory retirement or resignation not resulting from a change of control.

Terms and conditions

The payment of the compensation is based on the three following performance criteria of the group, which shall be assessed over the entire duration of Mr. François Enaud's term, the growth of revenues, of the group's operating margin and of the net operating earnings diluted per share. The amount of the compensation may not exceed two years' salary, fixed and variable.

In the event of a termination of employment resulting from a change of control of your company, and except for cases of serious misconduct or gross negligence, compensation shall not be less than one year of salary, regardless of the achievement criteria performance, particularly in order to compensate the seniority of the manager in your company.

Paris and Neuilly-sur-Seine, March 25, 2011

The statutory auditors

French original signed by

ERNST & YOUNG et Autres	PIMPANEAU ET ASSOCIES
Denis Thibon	Olivier Lelong

3

"Social policy and Human Resources

The Group's Human Resources policies and practices aim to give Group employees the means to implement their knowledge and expertise to support their customers.

Furthermore, Steria adopts a governance model where the employee-shareholders are involved in the Group's main strategic decisions, encouraging employee involvement in the company. This specific and unique governance system is a major benefit for a service company where the company's main asset is its "human capital".

The Group's core values -respect, openness, independence and creativity- are at the heart of its identity. In living these values we are united across countries and across businesses throughout the Group. Our core values guide us in achieving our missions and creating success in cooperation with all our stakeholders.

Based on these fundamental values, the Human Resources team works on several priorities: recruitment, development, promotion, motivation, and compensation.

3.1 Workforce and recruitment

Average number of employees on December 31, 2010 per geographic region

France	5,726
United Kingdom	4,090
India	5,453
Germany and Austria	1,656
Spain	923
Scandinavia	841
Belgium and Luxembourg	248
Poland	211
Switzerland	146
Singapore	40
Group Total	**19,334**

Recruitment evolution:

	2008	2009	2010
Recruitments*	4,958	2,425	5,004

* *Annual average workforce.*

In 2010 Steria recruited 5,004 new employees (of which over 55% were new joiners):

France	773
Germany and Austria	210
United Kingdom	459 (+ over 500 TUPE)
India	2,479
Other countries	571

In 2010, the Group witnessed an increased need for recruitment in most countries. Reasons for this increase differ by country.

In France, for example, the main driver was organic growth. To cope with the organic growth in France, the Group stepped up its recruitment throughout 2010 to reach 773 new employees. The internal referral program has proved to be a very successful means of recruitment, as 32% of our new recruits were recommended by Steria employees.

In the United Kingdom, a combination of organizational changes and growth in specific areas caused these new needs.

In India, the significant number of 2010 recruits is mainly due to an increase in turnover. The number of voluntary resignations has increased in almost all of the country's industrial sectors. NASSCOM, trade body and the chamber of commerce for the IT-BPO industries in India, confirmed increasing levels of turnover in the IT and sub-contracting sectors. Steria has implemented targeted programs to reduce turnover. At the same time, the Group has increased its targeted recruitment efforts to maintain quality of service for our customers.

In the United Kingdom, Steria focused its recruiting efforts in the testing and system architecture fields, as well as in sales. The profiles demonstrating business intelligence and knowledge management expertise as well as data storage knowledge are more and more sought-after. To cope with increasing flexibility requirements from clients, efforts have been made to engage new employees who are fully mobile.

It is worth highlighting that the Group was also able to attract the attention of numerous potential candidates thanks to a very successful communication campaign through which gender equality and the recruitment of disabled people were given special attention.

Where appropriate, the Group initiated programs to reduce the involvement of external contractors and backfill them with permanent resources.

Recruitment of young professionals is an important part of Steria recruitment strategy across the organization. In Scandinavia, Steria has established strong relationships with most renowned universities. To attract young people into our organization a target Graduate recruitment program has been developed. The program has helped develop Graduates and fostering cooperation across the different Scandinavian countries.

To further improve our on-line communication with potential candidates, we have engaged in projects to use new social media.

3.2 Remuneration

Offering a market competitive compensation and benefit package to employees is a key element of Steria's remuneration strategy. The Group's remuneration policies aims to recognize talented individuals by rewarding individual as well as team efforts. In order to remain competitive, Steria regularly leads compensation and benefits benchmark surveys and studies.

For certain employees, a policy including a combination of fixed and variable compensation structures is implemented to incentivize high performance. As such, remuneration for finance managers, account managers, consultants, and project managers, as well as certain functional roles, contains a variable portion.

The main part of this variable remuneration is based on achieving annual individual and collective objectives. The corresponding objectives are set by line management and reviewed annually. Quantitative objectives are based on achieving measurable budget objectives. Objectives for operational managers are set in line with the company's general orientations in terms of growth, profitability and cash, as well as with its transformation programmes.

In 2010, objectives for Executive Committee members were determined based on Group performance (revenue, profitability, financial debt, and the success of company-wide strategic projects), in addition to the performance of the entity for which they are responsible. These objectives are set by the General Manager after they are reviewed by the Appointments and Remuneration Committee of Groupe Steria's Supervisory Board.

The General Manager's remuneration is described in detail in paragraph 3.4.1. of the present document.

For the other operational managers, the objectives have a collective performance element (revenue, profitability and cash) and a personal objectives element (namely revenue, profitability, cash and transformation programmes, such as offshore, of the entity to which they belong).

The variable remuneration system is reviewed annually, taking into account changing business strategies and specific challenges. Key success factor for the structure is the direct relationship between the company performance and the performance of the individual contributor and the level of variable remuneration.

Reward review policies, including fixed and variable pay, are approved annually on the basis of Group guidelines and taking into account any local collective agreements. Annual salary review considerations are based on company performance and market conditions.

Collective negotiations are carried out with employee representation bodies in those countries whose law provides for these circumstances.

3.3 Training

Training and Development is at the heart of ensuring that each of us knows how we can truly develop our competencies and maximize our potential. Steria's "Global Career Framework" helps employees define and achieve their personal development goals. The new framework provides Steria with a consistent expertise and knowledge database that the Group relies on to identify the necessary resources for projects and to fulfill vacant positions. At the same time it helps to define levels of expertise and competency requirements and it supports employees to define their career objectives. In this way, the framework is an important pillar for our training and development strategy. In some areas we have started the development of a career framework training matrix ensuring that for every role in the structure we have a recommended training.

	2009	2010
Number of days of training for all employees	33,852	50,949
Average number of days of training per person	1.8	2.6
Cost of training	9.484 Keuro	13.039 Keuro

"The Steria Academy"

The "Steria Academy" is the Group's training and development school.

This training is for high-level International Project and Program Managers across the entire Group. In 2010, the first module of a new Sales and Marketing Academy has been developed and conducted. The overall objective of this Academy is to improve account planning and move towards more strategical sales relations.

In the design and delivery of the training modules, we often involve senior members of the organization. The Academy therefore serves as a platform for knowledge transfer and better dissemination of shared tools and practices. This method of organization encourages networking and building inter-departmental relationships.

Another Global initiative is the "Steria Ambassadors" program. This program aims to enable participants to fully adopt Group strategy and understand what sets Steria apart from its competitors. The Ambassadors programme is being pursued by disseminating specific Steria information throughout the organisation. Its content is available via the group intranet, therefore providing a permanent reference for participants.

Training programs within different entities

Within the local entities, Human Resources and Training Management focuses on the development of technical expertise and innovative technologies, as well as on behavioral and managerial skills.

For example, in the UK a new management training suite called management essentials, core management and stepping into leadership was launched in 2010 with over 200 participants. In addition, a local version of the sales and marketing academy was successfully conducted.

In Norway, Steria implemented training courses comprised of modules dedicated to consulting, project management, and systems architecture skills.

In France, restructuring of the training department has made it possible to provide value added services and business support more effectively. The internal training Institute based in Velizy ensures efficient handling of our internal training offerings including the Steria Project Institute, fully dedicated to project managers and project directors, the Steria University for Sales and the S2A training dedicated to architects. They also provide support for specific expertise training and e-learning.

To develop our future leaders in Germany, we launched a next generation leadership program. Over a total running period of 18 months, young managers are exposed to different experiences in the area of personal effectiveness and leadership. During training, participants dedicate themselves to a project, sponsored by a senior manager. This therefore offers them the opportunity to demonstrate the skills that they have developed during the course. Supporting our expertise in SAP, we have launched different fast track programs aimed at developing the next generation of SAP specialist. In a short time frame we offer participants dedicated SAP training concluded with an SAP certification. The first batches of employees have successfully completed the training focussed on SAP in BI, Business Intelligences

3.4 Mobility

As an international service provider Steria encourages employees to develop international cooperation and work across geographies. Steria aim is to provide consistently high quality of services to Group international clients from wherever operate. Progress has been made in implementing business processes and community networks that connect people across the organization to deliver integrated solutions for clients within our global delivery model. The Group considers that internal mobility as well as mobility across geographies supports employees to broaden their scope of the business and helps the organization to transfer knowledge across the business.

3.5 Employee relations

Across the Steria organization a number of collective agreements are in place. These agreements have been established under local legislation in the respective country. Any extensions and renewals of these agreements are subject to local negotiations.

Steria has established employee representation forums in most local organizations. For transnational issues, we have created a "European Works Council". In 2010, the Council met twice.

Topics of discussion at the meetings in 2010 included the Group's key objectives and financial results as well as principal HR processes and tools, such as the Steria Global Career Framework, an employee opinion survey, and the roll out of the dedicated HR Information System. All meetings are conducted in English and French, with a translation service. Brief summaries of the meetings as well as all the materials presented at the meetings are made available to all employees via the "European Works Council" website, accessible from the Steria Corporate website.

3.6 Employee profit-sharing in Group development

3.6.1 Participation, profit-sharing and corporate savings plan

Employee profit-sharing agreements, depending on the results and performance of their company, differ from country to country due to local legislation.

In June 2010, employee profit-sharing and incentive agreements were concluded in France with union organizations for 2010-2013. These agreements were put in place on the Economic and Social Unit level composed of Group Steria SCA and Steria SA.

Upon signing these agreements, French employees will, for the first time, benefit from a new incentive system reinforcing the association of their performance with the company, in addition to the legal system of employee profit-sharing. The incentive amount is calculated based on the Operating income of the financial year concerned contingent upon the level of change in revenue on one hand and the operating profit on another.

Furthermore, a Group Savings Plan is open to all French employees who have the possibility to invest in Steria Group shares, a monetary fund, or a solidarity fund at any time.

Among the 20.4% of Group Steria shares belonging to Group employees, all countries included, 12.46% of its shares are held by the intermediary of FCPE.

3.6.2 Free share grants

In order to develop loyalty among the Group's managers and high-potential employees, Steria put in place a specific policy to more closely align them to the Group results through a free performance share grant program.

Free performance share plans are therefore implemented every year in favor of these managers and high-potential employees. Free share grants are subject to continued employment and performance conditions based upon the change in operational margin or the appreciated growth of the Group, assessed generally over a three year period. The shares granted are subject to variable vesting periods which differ according to the country, understanding that the Manager and the Executive Committee members are obliged to hold 30% and 20% of the shares respectively definitively allocated throughout the entire duration of their appointements.

These plans are described in note 4.6 notes to the company, paragraph 6.3 of the present Registration Document.

They replaced, starting from 2005, the stock options plans previously applicable.

3.6.3 Employee shareholders

Since its creation in 1969, Steria has put in place an original mode of governance which is described in paragraph 3 of the present Registration Document, associating the employee shareholders with the development and success of the Group.

Today, employees are still the largest shareholders of the Group with a 20.4% capital investment at January 31, 2011 (1). This is one of the highest levels observed for French companies.

Each year, in order to develop this employee investment in capital, Steria puts an employee shareholder plan in place, including various offers adapted to local regulations, mostly for tax purposes.

Therefore, in 2010 a shareholding plan was deployed within 13 countries of the Group, including:

- a capital increase reserved for the 18,300 employees located in these 13 countries, comprised of two offers:
  - a classic offer accompanied with an employer matching contribution in the form of free shares,
  - a leverage offer with a minimum guaranteed yield.

  In both cases, the shares, obtained through the intermediary FCPE, are subject to a 5 year vesting period.

  The total amount of options carried out under the framework of the two offers amounted to more than €8 million;
- the continuation of the "share incentive plan" (from British law) implemented in 2008, allowed British and Indian employees to subscribe in 2010, with an employer matching contribution of 75,306 free shares. These shares are subscribed for by the intermediary of a British trust called "SIP trust", holding 242,648 shares representing 0.81% of capital, until January 31, 2011;
- the establishment, at the beginning of 2011, of a specific share incentive plan reserved for the benefit of the Group's Indian employees, subject to certain specific local criteria, providing for additional share grants by the company.

(1) *It includes former employees and English trusts, namely the "SIP trust", "SET Trust" and "XEBT Trust". For more information on Trusts, refer to the details below in addition to those in paragraph 8.2.1 of the present Registration Document.*

3.7 Key figures

Key figures	2008	2009	2010
Average headcount	18,775	18,834	18,874
Number of days of training	30,972	33,852	50,949
Cost of training	€11,022K	€9,484K	€13,039K
Recruitments	4,958	2,425	5,004
Attrition*	16%	9.7%	16.5%
Average employee age	35.9 years	36.7 years	37.1 years

* *Staff attrition is calculated as follows: sum of voluntary departures of employees with permanent or fixed term contracts during the year, divided by the total workforce of December 31 of previous year.*

Average inter-contract rate

The average inter-contract rate in the year 2010 was 1,1%. This refers to the number of fully available people in relation to the total number of workers in the period. "Fully available people" means those with no assignment planned in the short term (i.e. in the following week), excluding those in structure (management, secretarial, commercial etc.) and those who are absent (holidays, illness, training etc.).

The average 2010 inter-contact rate cannot be directly compared to that of 2009 and 2008 due to the lack of reliable data following the Xansa acquisition at the end of 2007.

4

"Corporate Responsibility – Sustainable Development

Steria was founded in 1969 by Jean Carteron as a social project as much as an enterprise, in which employee shareholding was combined with a culture of innovation, entrepreneurship and solidarity, thus creating a unique governance.

Steria continues to build on and to improve this governance model, by managing its business in a way that encourages sustainable growth, shareholder respect and equality, and a genuine social purpose to our business.

Corporate responsibility is one element in the Group's strategy that is integrated into the Group's various activities, such as the service customers are given, human resources management, environment and relationships with local communities.

4.1 Steria Corporate Responsibility policy and organization

Steria is a member of "Global Compact", which is an initiative created in 2004 by the United Nations to encourage companies to promote ten universal principles in the areas of human rights, working conditions, the environment and the fight against corruption (www.unglobalcompact.org).

Following this commitment, Steria developed its own Code of Ethics in 2008. It is available on the Group web portal so that each employee is aware of their role in the day-to-day compliance with the specific ethical standards drawn up by the Group in the context of its activities.

There are four Corporate Responsibilities areas:

- marketplace;
- employees;
- environment;
- community;

The overall approach to corporate responsibility is the General Manager's responsibility and each member of the Executive Committee supervises a specific area. A team of network leaders in charge of each area is in charge of implementing action plans throughout the Group, under the guidance of a Program Director.

This organization ensures a steady flow of information throughout the Group, the tangible implementation of the actions at all levels and discussion at the highest level in the company of the issues related to sustainable development.

To benefit from an external point of view, Steria has put in place a Corporate Responsibility Advisory Board. This Advisory Board consists of independent Government experts, private companies, non-governmental organizations, and Corporate Responsibility network leaders. In 2010, the Advisory Board met 3 times and welcomed a new member, with a special expertise in Corporate Responsibility. The following topics were discussed: governance, objectives, rating, communications, suppliers charter.

In order to better integrate the existing best practices, Steria is a member of the *Institut du Mécénat Social* (IMS), a French network dedicated to corporate responsibility which brings together 200 international companies.

Lastly, in 2010, Steria ranked in fifth position in the service sector in the Gaïa sustainability index launched in 2009 on the Paris Stock Exchange for medium capitalizations. The Group also improved its scores in the Vigeo social notation and ranks 4 in the IT services sector for 2010.

4.2 Steria's four Corporate Responsibility areas

4.2.1 Human Resources: acting as a responsible employer

4.2.1.1 Participative Governance

Right from its foundation in 1969, Steria set up an original system of governance involving employee shareholders. Steria has given this governance concrete shape by bringing together the community of employee shareholders within Soderi, the pillar of participative governance. This governance is described in section 3.2 of this Registration Document.

Today, the Group's main shareholder is its employees, who hold 20.4% of capital (including the Steria Employee Trust for 4.63%).

In 2010, as in previous years, a new employee shareholding plan, known as GESP (Group Employee Shareholding Plan), was launched with the aim of significantly increasing number of employee shareholders and strengthen the number of Soderi shareholders, in line with the development of the Group.

As a result of this employee shareholding operation, the proportion of Steria's capital owned by the employees increased by 1.57%.

Number of new shareholders: 442.

This year, Steria has won the "2010 Employee Shareholding Grand Prix" in the SBF 250 category, an award previously presented to the company in 2008. This award once again recognizes Steria's work in promoting a high level of employee shareholding and in involving Steria employee shareholders in the governance of their company through Soderi, the company that represents their interest. The jury was impressed by the dual role of Steria employee shareholding – as it is both entrepreneurial (for strategic decisions) and asset-based (promoting growth based on share performance).

4.2.1.2 Group Disability policy

In 2009, the Group launched the Disability Policy and it was presented to the different countries in 2010. Each country now has one person responsible for its implementation. The policy underpins our commitment to equal opportunities for all employees, including potential employees with disabilities. To implement this, the Group's plan is to respect the standards defined in the Web Content Accessibility Guidelines (WCAG) pertaining to intranet and internet sites and particularly their accessibility to the disabled.

In the area of disability, different initiatives are undertaken on a national level. In the UK, HR teams have started educating their managers on the Disability Discrimination Act, an EU measure aiming to prevent discrimination against the disabled. In India, our teams participate in job fairs for disabled persons. In Norway and Spain, available jobs at Steria are published on a specific job market website for disabled people. In Spain an agreement was signed with the biggest organization in Spain for disability issues to buy office merchandise from them.

In France, the agreement with Agefiph, a government organization in charge of developing employment opportunities for disabled people in the private sector, was renewed for two years. In 2010, it included:

- 4 training sessions organized for managers working with disabled people in their teams;
- a specific focus on retaining and encouraging disabled people to make themselves known and have access to their rights;
- communications: information campaigns continued with a special focus during the week for disability in November and the participation to recruitment fairs. During our yearly community event, the *One Day Challenge*, the focus was on disabilities and the fundraising was dedicated to a charity whose purpose is to make IT accessible to disabled people.

In 3 years, (2008-2010) Steria France has more than doubled the number of disabled people within its workforce. Negotiations with the employee representatives started at the end of the year to put in place a company agreement on disability in 2012.

An innovative initiative was launched in 2009 in partnership with GTM Ingénierie. It involved training 10 disabled people in new IT technologies. These people were recruited by Steria and continue their training for one week per month. This project was evaluated by Syntec, the French trade union representing IT services industries, and there are plans to reproduce this initiative in training programs.

Whenever possible, Steria adapted notably through Steria Fondation the working environment of disabled people: home working, adjusting workstations to disabilities, giving priority access to our training program. Civikey, a virtual keyboard for people with motor disabilities is now included in all new computers in France. Civikey is the result of a partnership between the Garches hospital near Paris, the Intech Info engineering school and the Steria – Institut de France Foundation.

Steria has developed the use of sub-contracting with institutions employing disabled people in the areas of IT equipment recycling, catering and mailing.

4.2.1.3 Gender equality and age related policies

Promoting women and seniors in the workplace is part of the Group's commitment to diversity.

In terms of gender equality, Steria's goal in 2010 was that the Executive Committees of every entity would include one woman. This goal was achieved.

In Spain, a two-year program was launched in 2009 to ensure equal opportunities between male and female employees. Steria Spain has joined the government's initiative to be one of the first IT companies developing an action plan in that area. It includes in-depth analysis of the situation and a survey among female employees. Topics addressed in this program include maternity leaves, family friendly working schedules, the number of women being recruited or promoted, and sexual harassment prevention.

In Scandinavia, significant efforts are made to increase the proportion of women in the IT business. In Norway, Steria is supporting an organization at Trondheim's University of Science and Technology that aims to inspire female students to consider a career in IT. In Sweden, where our rate of women managers reaches 66%, Steria began a partnership with an organization called Womentor, which is very well established in this industry.

In France, the percentage of females in the Executive Committee exceeded 50%. In April 2010, an audit took place in France regarding gender equality in the workplace. Meetings are to be conducted with trade unions in order to reach an agreement in 2011.

A particular focus was given in France to age-related issues. Following meetings in 2009 with trade unions, the action plan decided for 2010-2012 will focus on keeping seniors (starting at 55 years old) in their jobs. In the Performance and Development Interviews, a special part is dedicated to information on retirement rights, presentation of various training possibilities, mobility wishes of the employee, professional project, description of mentoring opportunities and training of managers in this area.

Work-life balance

At Group level, the topic of work life balance has been addressed as a part of our Corporate Responsibility Program. In 2010, a "toolkit" for managers whose employees are dealing with stress was developed. It will be rolled out at the beginning of 2011. According to the country, the topic of work life balance is addressed in different training programs. In Norway, the topic is addressed both in induction training and leadership training. In the UK a training program on time management was designed by the learning and engagement department, and e-learning modules are also addressing the topic. All countries now have solutions to support employees in times of need and most countries have established hotlines with external medical personnel for their employees. In France, another approach was chosen: 100 employees were trained to be ready to support their colleagues if necessary, and to offer individual assistance.

In France, the «Zen'IT» programme was launched in the summer of 2009, following a qualitative audit made by an external company on working conditions and well being of employees. An Observatory, composed of representatives from health and safety committees of all 12 sites and managers worked on an action plans for 2010, which are currently implemented or finalized:

- the opening of a job position for a social worker as of January 2011;
- training of all employees involved in the process: human resources teams, health and safety representatives, managers;
- a special tool kit for managers to make them aware of stress work-related risks;
- the implementation, in coordination with the Work Health Department of a follow-up process for employees.

In Norway, the topic of work-life balance and self management is included in mandatory training classes for all consultants.

In Spain, a work-life balance plan was launched in 2009, offering employees one step further than the legislation. For instance, various combinations of non-remunerated leave are offered to employees, with social security charges guaranteed by Steria.

In India, a number of policies have been put in place to ensure our employees' well-being at work: working from home, mandatory vacations, part-time work, day-nurseries or day-care facilities for children, training programs on stress management, in-house fitness centers and recreation facilities (such as libraries, ping-pong tables, etc.).

Indicators (chosen from the GRI reporting framework)

	2009	2010
Percentage of employees receiving regular performance and career development reviews	83.25%	91.54%
Percentage of employees covered by agreements	68%	69.5

4.2.2 Marketplace: for responsible management of our company with regard to our customers

All the services provided by Steria help to optimize the customers' performance, increase their market share, ensure that they comply with the regulations and limit their risk. Steria's customers rely on Steria to assist them in their activities. Steria's role is to help them to carry out their projects, keep their commitments and comply with the standards and legal obligations. Steria thus has an impact on millions of people, for example by contributing to the best health-care systems, more reliable transport and ever more effective public services.

To ensure that all managers and employees live our values several actions have been taken to further improve compliance awareness. The way we manage our business is clearly linked to our values and Steria's reputation on the market is linked to the conduct, the degree of commitment, and the expertise of Steria employees. It is why it is important to provide them guidance on how Steria do business through a Compliance Management which includes ethical business practices.

In 2009, a Code of Ethics was launched. Stemming from Steria's values, it defines the way we do business, Steria's commitments in terms of human rights and diversity, labor standards, fighting fraud, conflicts of interest, the protection of intellectual property rights, and the environment.

The Code of Ethics is available to all employees on the Group intranet.

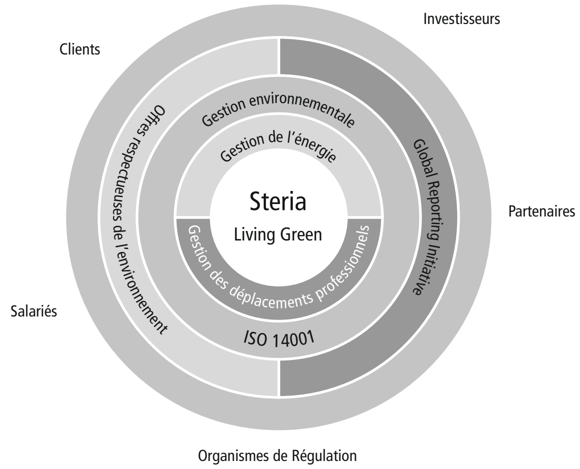
In addition to the code of ethics, the Book of Internal Control Rules (BOICR), the companies shared internal control reference, is available on our Group intranet.

4.2.3 Environment: pro-actively participating in the support of a sustainable world for all

Sustainability, and more specifically climate change, has become one of the greatest challenges that the world faces today. It will, in all likelihood, affect every aspect of society and will influence the way companies operate in the future. As a responsible organization with a commitment to sustainability, Steria embraces the wider thinking; leading by example and supporting clients with thought leadership, consultancy services and solutions to their environmental challenges. Today, Steria commits, from the very top management through to the company's grass roots level, to bring the entire organization collectively and cohesively to think, plan, and operate as truly green company.

The Environment strategic work stream is supported by the Executive Committee and a network leader who is the guarantor. A Program Director is also appointed to lead the implementation of the Environment work stream across the Steria Group companies. The Environment Network Leader and the Program Director have established a Group Green Committee (GGC) with representation from the countries, and this GGC collectively are responsible for the implementation of the policy within their own countries. Overall, 800+ Executives at all levels are pro-actively involved in the Environment work stream across all countries.

Steria's six green objectives



Living Green: Every employee understands and actively contributes in our Company to living with more respect towards the environment and supporting more sustainable development. Initiatives in this area include more and smarter recycling, water conservation, less printing and better use of video and conference calling technologies and support of the ISO 14001 program.

Business Travel Management: Steria has pro-actively begun to measure and reduce our business travel without compromising commitment to clients. Starting in 2010, Steria will become Carbon Neutral (1) on air and road business travel.

Energy Management: As a technology company, Steria is extending an Energy Payment and Analysis Service that it had developed for two major clients and is in the process of implementing it to the Steria Group of companies.

ISO 14001 Certification: Steria has initiated several projects to become an ISO 14001 certified company. The Group has obtained this certification in Spain, Germany, Austria, Poland, Sweden, Norway and the United Kingdom (two offices). Processes are in place to achieve this in other countries.

Global Reporting Initiative (GRI): As an integral part of our Corporate Responsibility program, Steria decided to implement, both internally and externally, reports based on GRI Performance Indicators and has defined the Group's own measurement criteria, which are already in force. Steria also participated in the Carbon Disclosure Project 2010. The Group scored a grade of 89% and received the qualification, "A Banding". Steria is the only IT Services company to achieve this grade.

Green offers: Whilst IT contributes to 2% of the carbon emission of the world, but leveraging IT to improve business process within our client base can very significantly reduce the carbon footprint in their businesses. Steria developed several propositions, spanning from consultancy to solution research for Steria's clients and prospects.

Steria's Domains of Excellence to help Steria's clients to become more environmentally sustainable, improve efficiency and reduce cost are summarized below:

- **Sustainability Consulting:** Experienced consultants with practical knowledge and know-how with the ability to bring methods, practices and 'best in class' partners to provide a fully integrated set of services.
- **Energy Management:** expertise, methods and software for measuring consumption, verification, CO_2 calculation and reporting: these elements allow to be developed and implemented an energy consumption reduction strategy.
- **Transport Solutions:** Solution highlights include:
  - expertise in intelligent telematics to support clients to transform their vehicle fleet (cars, buses,…) to lower fuel consumption, carbon emissions band enhance security of drivers;
  - Traffic Expert supervision solution which provides information to drivers to help them through traffic congestion and optimize their routes, thereby reducing traffic jams and reducing emissions;
  - Taxi Expert solution which optimizes movements of taxis in airports to improve traffic fluidity and reduce pollution.
- **Field Service Management:** expertise combining innovative technology (mobile devices, data transfer) and business knowledge to reduce costs and carbon foot print.

(1) all business travel, excluding home to word travel

- **Electronic Document & Records Management Systems** sharply reduce the need for paper, reduction of on-line storage, thereby reducing emissions associated with hardware.
- **Managed Print Services** help to reduce waste of assets, space, paper and energy.
- **Server and application virtualization** lowers capital and operating costs and emissions.
- **Desktop Energy Management** minimizes energy consumption and associated emissions.

4.2.4 Communities: bringing greater independence to disadvantaged people

4.2.4.1 Give access to education, to IT and to a job

Helping people to help themselves is the best way to reduce poverty and promote self-respect. Steria's commitment to community involvement translates into a number of initiatives in the various countries where the Group is located. It also provides access to education, to IT and to a job, with the help of volunteers and our clients. Three transversal programs serve this goal, described in the following paragraph "Significant actions at country level":

- Local IT and Education Enablement Programs:
- One Steria, One country, One School Program in India
- One Certifying Training Program

4.2.4.2 Volunteer-driven programmes

These programs, all volunteer-driven, are implemented on our employees' free time. They form an innovative community model, involving Steria, its employees and its customers.

The aim is to encourage our employees' initiatives and to help them find opportunities for personal and professional development that would complement their professional growth. On November 19, 2010 the third annual solidarity day, called One Day Challenge, was organized on Steria sites around the world. The goal was to draw attention to the situation of the most disadvantaged and to encourage local volunteering. Despite the economic crisis and business pressure, this event, prepared well-0ahead produced outstanding results. Ten clients participated in joint community activities and two more countries, Switzerland and Belgium, joined the School Program in India.

Results from One Day Challenge, Steria's community event in 2010:

- Fundraising: 111,444 Euros
- Number of Steria employees volunteers: 4,383
- Number of activities: 309
- Number of charities supported: 58

4.2.4.3 Significant actions at country level

In France, the Steria - Institut de France Foundation supports IT projects which contribute to reduce the digital gap in three areas: education and training, innovative solutions to make everyday life easier for disadvantaged populations and social entrepreneurship.

The Foundation was created in 2001 thanks to substantial donations from 20 Steria managers and has supported up to know 30 projects in France, Morocco, Niger, Benin, Burkina Faso and Cambodia, with the help of 100+ Steria volunteers. A Steria volunteer acting as project leader is dedicated to each organization supported, bringing the appropriate skills with the help of other volunteers if necessary. In 2010, 11 IT projects were on-going, each benefiting from up to €15,000 per project. For example, the Interface Handicap first multi-accessible internet site for differently-abled people was launched in 2010 or our partnership with Digital Bridges in Cambodia to train disadvantaged youngsters to become IT engineers and to find a job. This project, at the heart of our "One Certifying Training Program", has allowed 25 young people to find jobs and 50 students to be trained in 2010, thanks to Steria France sponsorship and the missions organized by the Foundation. It was extended to the Philippines in 2010, with Indian volunteer teaching hardware skills for two weeks.

In the United Kingdom, Steria grants bonuses to support the employees' volunteer work on community projects. In 2010, our employees volunteered over 7,000 hours to community projects and raised over €105,000 for more than 100 charities and communities. Our match funding and enabling grants during this period reached over €70,000.

Steria UK's priorities in community service have led the Group to invest in community-led partnerships with our clients and the formation of local Community Action Groups (CAG). For example, our CAG volunteers on the Royal Mail Group (RMG) account have become closely involved in RMG's charity involvement with a local day center for the homeless.

In Germany, the 2010 CSR award was granted to three employees involved in community projects with an overall company participation of €4,000. Within the framework of a recently launched leadership program for consultants, participants are planned to spend a week in India. During that week, they will be working the days for the German sponsored school there. Lastly, all 600 German employees agreed to donate each month the part of cents in their salary to a local charity.

In India, the socio-economic and literacy scenario sets the direction for focusing almost exclusively on education especially among children of the less privileged and rural communities with a special emphasis on the girl child. But it is also important to go up the value chain, and provide these children with certified training leading to a job.

In order to address these issues, the community model in India is made up of an education program addressing 38 schools, impacting 47,000 children and aiming to provide computer literacy, English language skills, and counseling and guidance with the help of 600+ volunteers. Other concerns include affordability of higher education: the Graduate Scholarship Scheme was developed two years ago to provide funding for bright young children from Steria supported schools to pursue higher education. This program has so far supported the college education of 62 scholars, who are studying to achieve graduate degrees in engineering, computer sciences and commerce. It is entirely financed through internal fund raising. This community model received for the third year the Bombay Stock Exchange award for best practice in promoting community educational programs, in December 2010.

Three key initiatives were launched in 2010:

- The first Career Development Center in Noida was set up in partnership with NIIT Affirmative Action mainly to provide qualified training for children from Steria supported schools, leading to a job. This center provides short term courses, required for entry level jobs in India's booming hospitality and retail sectors.
- Quality of teaching is a critical factor which influences the learning and academic experience of the child. In many of the Steria supported schools, computer teachers have been appointed and Steria volunteers supplement the teaching efforts in special classes and tutorials. The "smart classroom" initiative was launched in a pilot school in Chennai, where two classes have been converted to "smart classrooms" with the use of technology as a teaching aid. The teachers can use and adapt ready made teaching content with the help of a computer and interactive board. This project will be extended to more classes in 2011
- Another pilot project in 2010 was the establishment of a "solar powered computer center" in a school in Pune. The initial goal was to answer the chronic power shortage in the area, shortage. The solar panels raised a lot of curiosity and awareness among the students, about the need to adopt green attitudes, therefore enhancing their learning experience. More such centers will be proposed in the future.

The 'One Steria One Country One School' (OSOCOS) program in India proposes to the different countries where the Group is present to sponsor one school in India, based on a three-year partnership. This program continues today and has spread to eight additional countries. Each country adopts one school and sponsors the computer centre, library, play area and other expenses incurred in setting up the project. Interactions between country employees and the pupils in the schools are also planned, such as sponsoring orphans, e-tutoring, teaching in the school…

The Group has also developed community collaboration procedures with some of its customers, such as The Co-operative Financial Services and Britannia. Currently, eight customers developed partnerships with Steria and than 67 participated in our community event One Day Challenge.

Our programs are volunteer-driven	2008	2009	2010
Number of employees who have participated in volunteer-driven projects, including One Day Challenge	+ 1,000	+ 3,000	+ 4,000
Give access to education			
Number of children and young people benefiting from education or training programs	40,000	46,000	47,000
Number of Steria scholars	11	28	62
Give access to IT			
Number of IT projects contributing to the reduction of the digital gap	54	65	70
Give access to a job			
Number of people who have found a job or decided to continue studies following training	25	25	28

5

"Risk factors

The description below concerns the Group's exposure to certain risks deemed significant, given the Group's businesses. Risk management procedures and risk coverage are described in paragraphs 5-4 and 5-5 of this document.

5.1 Market and business risks

The IT services market is highly competitive and constantly changing.

It is characterised by:

- a level of consolidation that is still low, although increasing, with a certain number of mergers and acquisitions;
- new leading players continually appearing, in particular in India;
- very rapid development of the technological environment;
- constant transformation of the offerings and capital structure of the software and hardware industries;
- constantly changing customer needs and expectations, impacting upon the organisation of their IT services.

Steria has numerous competitors:

- major international groups with activities in Europe;
- large companies established in countries with low labour costs, with major ambitions within the European market;
- numerous local players in the various countries where the Group is present, including a large proportion of small companies, either positioned in high value-added niche segments or providing general-purpose services.

Moreover, there is traditionally a close correlation between the activities of the IT services market and business cycles, which may cause the players to adjust their strategies.

- In this context of rapid and constant change in its competitive environment, resulting in both opportunities in risks, Steria continually adapts its strategy.

It should also be noted that given the current economic climate, our clients are experiencing strong pressure on their cost structure and profitability and are therefore seeking to optimise their IT budgets by renegotiating their existing contracts, exerting strong pressure on pricing or delaying the deployment of certain projects. However the wide variety of our contracts, our balanced presence within the various market sectors, the volume of our medium or long-term contracts and our strong public sector presence, are all factors enabling Steria to mitigate the potential negative impacts of our clients' behaviour. Over 50% of the Group's revenue is generated by recurring medium- or long-term contracts.

Furthermore, the market is strongly subject to pricing pressure exerted by clients, a phenomenon that is particularly marked in difficult economic times.

5.1.1 Customer risks

At December 31, 2010, the Group's top twenty clients accounted for about 39% of Group revenue. No one customer accounted for more than 5.4% of Group revenue.

It should be noted, moreover, that 39% of Group revenue came from European administrations and government bodies. A marginal proportion of the turnover is realised with customers resident outside the OECD (less than 1%), and a preponderant proportion of the turnover is realised with major accounts, in accordance with the Group's business strategy. Steria's exposure to client credit risk thus seems limited.

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

For private sector customers, apart from major accounts, financial investigations are conducted prior to making any commitments and a financial plan to secure cash flow is systematically introduced when necessary. In addition, the Group has an Export Policy strictly controlling these activities according to the applicable political, financial, legal and human risks.

Each month the Group Finance Department conducts a detailed cash review, with the operational entities. This includes a specific analysis of the main key indicators for managing customer accounts (average terms of payment, receivables due, changes in risk provisions etc.) and the defining of specific action plans when necessary.

The Group may have to cope with certain major contracts not being renewed, for commercial reasons or, in some cases, due to a change of control of the customer. Although no customers account for more than 5.4% of revenue, this issue could possibly affect Steria's economic performance. Customer relationship management is afforded great importance and global accounts are closely monitored and with a centralised follow up at Group level.

5.1.2 Supplier & partner risks

Integration and managed services contracts are becoming increasingly complex and are obliging providers to work in association with many partners (editors, manufacturers, consultants, IT service companies etc.).

To some extent, this multiplicity of actors reduces the risk of dependency. The Group nevertheless remains subject to a residual risk of default by its suppliers.

In the event of default by one of its suppliers, Steria may not be able to fulfil its contractual obligations towards its customers, which could have a significant negative impact on its turnover, business, financial position or outlook.

In order to control this risk, framework partnership agreements with carefully selected partners have thus been introduced and are monitored at Group or local level.

In addition, the Group has introduced procedures for referencing and controlling suppliers and partners under the authority of its Purchasing Department.

Steria only uses sub-contractors in two particular circumstances:

- either when, for a particular aspect of the service provided to a final customer, we do not have the required expertise in-house and therefore have recourse to the skills and reputation of a specialist sub-contractor;
- or when the tasks involved have low added value.

5.1.3 Human Resources Risks

Steria's success depends to a large extent on the skills, experience, performance and commitment of its employees and key managers.

In the event of recruitment difficulties, a high level of employee departures or employee skills that do not meet customer requirements, Steria's financial performance may be affected due to its inability to perform certain contracts in accordance with the specified economic conditions, or because it is unable to win new contracts since it does not have the skilled personnel required to perform them.

The main human resources risks incurred by the company are linked to:

- recruitment and selection processes;
- employee commitment and working conditions;
- employee skills and whether they meet customer requirements;
- retaining key personnel, and the replacement plan for such employees;
- employee turnover.

The Human Resources Department has an essential role in controlling these risks, with the support of the Human Resources Managers located within operational departments, to help them with the recruitment, monitoring, training and career advancement of employees.

A centralised Group report is drawn up each month presenting key human resources data for each of the operational entities, and providing the indicators required to understand the current situation and make it possible to implement the required action plans swiftly.

Recruitment is carried out by the operational departments, in accordance with the processes and criteria defined by the Human Resources Department, to ensure that quality requirements are met and that the Group's strategy is respected.

All of the Human Resources Department's actions to secure the risks described and meet the Group's strategy are described in detail in part 4 of this document.

5.1.4 Project and contract risk

As part of its activity, Steria signs IT service contracts (integration of services and/or managed services and/or Business Process Outsourcing, BPO) with resource and/or result commitments. Failure to provide the services specified in these contracts, or provision of sub-standard services, may result in a risk for the Group (penalties, customer complaints, claims for damages, excess cost, non-payment, early termination of the contracts, image). Given the current economic environment, customers are ever more demanding in terms of contractual commitments and guarantees.

Projects always involve a certain level of risk, in spite of the care taken and the controls implemented during their performance. Steria has a specific organization and processes to control these risks over the various phases of projects and limit them as far as possible:

- a pre-contract review procedure subject to strict rules, designed to provide an accurate assessment of the likely technical, human, contractual and financial risks so as to implement the appropriate actions;
- while they are being carried out, projects are regularly reviewed by the operational entities in the presence of the local risk management, finance and legal teams; these reviews are complemented by a monthly committee meeting attended by these players; major operations are also reviewed as needed by the Group's Project Risk Department;
- a monthly review and reporting procedure by the operational entities and the Group results in a report which is submitted to the General Management of the Group;
- operational departments in close proximity to customers and projects (Sector Units or Profit Centres) allow risks to be identified quickly and enable the company to deal with them immediately;
- functional departments provide active support for the operational departments:

– the Human Resources Department and the Project Risk Department are responsible for the training programmes designed for the Group's most experienced project directors,

– the Project Risk Department runs the overall process for controlling project risks, provides continuous improvement of this process (tools, exchange of best practices, training programs) and ensures that it is disseminated and applied,

– The Legal Department provides support to the operational departments to control and prevent risks regarding contractual obligations,

– the Internal Control and Audit Department assesses the application of internal rules and rules relating to operations.

As regards contracts, Groupe Steria has introduced an approval process for its commercial contracts which applies both when proposals are submitted and when contracts are signed. In addition to the review conducted at local level, this process includes a specific review and approval system by operating teams at headquarters, and by General Management, for important operations at Group level (large deal reviews).

Contracts are managed and signed by the various operational entities in question, depending on the level of authority delegated to them, either by means of standard contracts drawn up by the Legal Department or with the assistance of the Legal Department and other Corporate Departments pursuant to the delegation of authority rules in force.

The various Group managers receive training to increase their awareness of legal and contractual aspects.

The directive on «Delegation of authority and responsibility within the Group» specifies delegation powers, signing contracts and responsibility as well as the processes that must be respected within the Group according to the various commitments involved. This directive has been adapted on a country-by-country basis in order to take local legal constraints into account.

5.1.5 Business continuity risk

5.1.5.1 Production facilities, telecommunications networks

In view of its development model, with production facilities located a long way from the marketing zone (nearshore and offshore models), it is essential for Steria that its production facilities and telecommunications networks function properly.

Any breakdown in an IT production facility or in the telecommunications networks could have a considerable impact on the Group's operations and the services provided to customers, and may affect its reputation, business, turnover, financial situation and outlook.

Production facilities have the necessary hardware, software and data redundancy depending on the criticality of their activities. Production resumption plans are tested regularly.

In terms of telecommunications networks, Steria disposes of broadband virtual networks (MPLS) and each connection to its network is doubled, providing emergency connections for all of the main lines in place. A service contract has been signed with an international telecommunications operator that subcontracts to local operators according to their geographic coverage.

The Group call centres (in France, UK, Poland etc.) are interconnected for both voice and data, allowing any centre to take over calls from another centre in the event of a temporary interruption of the service.

Finally, regarding business continuity, several Group entities have been awarded ISO 27001 certification (this standard includes a business continuity element).

The Group also has a crisis management protocol that is applied at the level of the Group's operational entities.

5.1.5.2 Operations in India

A large and increasing proportion of the Group's production activity is carried out in India.

India has various characteristics that may constitute factors of instability. Political, economic and social disruption, natural disasters and certain pandemic diseases in this part of the world may make it far more complex, or temporarily very difficult, to carry out the operations required for the smooth running of the Group and may have considerable financial consequences.

To control these risks, Steria has introduced a management structure in India responsible for business continuity and crisis management, comprising a dedicated manager and business continuity committees for each site. These committees report to the site director are made up of local management representatives and of the communications, finance, human resources, central services and information systems departments. The applicable business continuity procedures are also available to all staff *via* the intranet.

It should be noted that the Group has three production facilities located at a great distance from each other in India, in three different regions (Noida, Pune, Chennai), which considerably limits the consequences of certain incidents or risks that may arise in a specific region.

In spite of the measures taken, the Group remains subject to a residual risk which could, under certain circumstances, significantly affect its disability to function.

5.2 Legal risk

Steria takes care to comply with the legal and regulatory requirements governing its relationships with customers and other partners. The company is not subject to any laws, regulations, tax or employment requirements, nor to any requirement for operating licences, liable to have any material impact on its financial position.

The Group is exposed to legal risk in terms of its consulting, integration and IT service activities (maintenance, facilities management, BPO etc.). The Group's constant efforts in the areas of service quality, service performance and business continuity are expected to enable it to control any such exposure.

The Group is most likely to encounter such exposure in the areas of commercial or civil disputes or in matters of intellectual property and employment law.

Disputes – litigation

In view of its size and level of turnover, the Group has a low number of disputes and litigation. This is mainly due to high quality project management, but also to the internal processes for approving offers and contracts as well as to special monitoring by the Project Risk Department which is responsible for operational risk management and can call on the services of numerous experts within the framework of a specific management approach facilitating interaction and reactivity:

- the Group Legal Department has authority over the Global Risk Manager and the Insurance Department;
- monthly Risk Committee meetings are held both at Group country level. They bring together operating, financial, human resources, IT and legal management.

Disputes and other proceedings are reviewed by the Legal Department of the entity concerned, reported to and examined by the Group Legal Department and regularly appraised at the monthly Risk Committee meetings.

An internal directive specifies that all disputes must be immediately referred to the Group Legal Department, which makes it possible to immediately inform the insurance companies, and where appropriate to refer the matter to a lawyer.

The assessment of risks is carried out based on an analysis by the operating department in question, the Project Risk Department, the Finance Department and the Legal Department. Any necessary provisions are recognised following this joint analysis to cover the actual risk incurred, in accordance with current accounting policies.

In the course of their business, certain Group companies are involved in a limited number of judicial proceedings. Although their outcomes cannot be forecast, at this time the Group does not believe that they will have any material unfavourable impact on the Group's financial position.

To the company's knowledge, there is no other governmental, judiciary or arbitration procedure, whether ongoing, in abeyance or threatened, which is likely to have (or has had in the past 12 months) any significant effects on the company's and/or the Group's financial situation or profitability.

5.3 Financial risks

5.3.1 Liquidity risk

The Group's main financial liabilities the repayment of which might expose it to liquidity risk are:

- the five year multicurrency credit agreement signed on July 29, 2007;
- the subordinated hybrid convertible bonds which may be exchanged for new company shares until December 31, 2012.

The Group's financing structure and associated covenants are described in section 6.2.5 of this document, notes 4.10 and 4.11 to the consolidated financial statements.

5.3.2 Interest rate risk

Interest rate risk is addressed in section 6.2.5 of this document, note 4.17 to the consolidated financial statements.

5.3.3 Foreign exchange risk

Investment risk is addressed in section 6.2.5 of this document, note 4.17 to the consolidated financial statements.

5.3.4 Counterparty risk & credit risk

This point is discussed in detail in paragraph "Customer risks" and below, and in note 4.9 to the consolidated financial statements of this document.

5.3.5 Investment risk

Investment risk is addressed in section 6.2.5 of this document, note 4.17 to the consolidated financial statements.

5.3.6 Risk linked to pension fund obligations

This risk is addressed in section 6.2.5 of this document, note 4.12 to the consolidated financial statements.

Steria provides pension benefits in several countries in which it operates. Such benefits are usually provided by associated pension funds or directly by the Group. These pensions are either based on defined benefits (where the individual is guaranteed a certain percentage of his salary as a pension) or on defined contributions (where the pension is determined based on the investment returns experienced over the contribution period). Defined benefit plans are recorded in Steria's financial statements in accordance with IAS 19.

In the UK the assets of the defined benefit pension plans are usually held in separate trustee administered funds, and employees are entitled to retirement benefits based on their salary and length of service.

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

It is worth noting that in 2009, the Group signed, with British employee representatives and trade unions, an agreement terminating the vesting of rights under its British defined benefit pension plans. They were replaced by defined contribution plans. The defined benefits plans are now maintained only in connection with outsourcing projects relating to the public sector. This agreement took effect on April 1st, 2010.

The contributions paid by the Group in the United Kingdom in 2010 were based on the most recent funding valuations of the principal funds in the UK, *i.e.*:

Fund		Valuation date*
Steria Retirement Plan (SRP)	March 2007	March 2010
Steria Management Plan (SMP)	March 2007	March 2010
Xansa Pension Plan (XPP)	December 2006	December 2009

(*) An agreement with the Trustees concerning the level of annual contributions must be put in place within 15 months of the value date.

By the date this registration document was finalized, the negotiations carried out with the Trustees of the defined benefit pension plans had concluded in an in-principle agreement providing that the annual cash contributions for the next three years should be comparable with those paid in 2010.

During 2010, the Group has continued to work with the trustees of the defined benefit pension plans regarding investment and risk management strategies, with a view to reducing the financial risks of each fund by investigating an asset liability management approach designed to reduce the future volatility of the assets and obligations.

A breakdown of the asset portfolio of the UK pension funds at December 31, 2010 is shown below (based on average market values):

	2009	2010
Shares	44%	46%
Bonds	44%	43%
Property	3%	3%
Other assets	9%	8%
TOTAL	**100%**	**100%**

For further information, see note 4.12 of the consolidated financial statements which give a breakdown of the assets and obligations of the defined benefit pension plans and the impact of the end of future accrual.

The current value of pension obligations for schemes with defined benefits is calculated based on actuarial assumptions and is therefore subject to changes in macro-economic conditions. The main factors concerned are long-term interest rates, inflation and mortality. As an illustration, a 0.5 point reduction in the discount rate would cause a €94.7 million increase in commitments.

Assets invested in different asset classes (including shares) are subject to fluctuations in financial markets. As an illustration, a 10% decrease in the asset yield rate would cause a €40.0 million reduction in asset yield.

Deficits resulting from these variations in assets and/or liabilities, which do not necessarily go in the same direction, and any changes in accounting standards or regulations, could lead to an increase in commitments and impact the Group's financial statements.

5.3.7 Risk linked to amortisation of goodwill

In compliance with current standards, each year the Group conducts fair value tests to ensure that the value of the assets included on the balance sheet is consistent with the Group's future economic performance.

The Group has pursued a sustained policy of growth by acquisition in recent years, with the acquisition of the European IT service activities of Bull in 2002, of Mummert Consulting in Germany in 2005 and of Xansa in the UK and India in October 2007, and its balance sheet therefore includes goodwill valued at €728 million at December 31, 2010. The value of the goodwill is tested regularly to check whether it is necessary to recognize any impairment loss.

For further information, see notes 1.5 and 4.1 in the notes to the consolidated financial statements.

5.4 Risk management policy

The Group has a structured risk management policy including the following processes:

- risk mapping designed to identify the main business risks and provide for compensating controls both at headquarters and at the level of individual operating units;
- risk monitoring, reporting and remediation: each of our Areas is required to prepare a structured risk report addressing their main categories of risk such as project risk, litigation risk, human resource risk, IT risk and financial risk. These reports are examined at monthly meetings of the Group Risk Committee, thereby providing a multidisciplinary and independent viewpoint on the issues raised. Ad hoc corrective action may be decided on and implemented. A summary of the risks and the related action plans is provided to General Management. Each Audit Committee is also presented with a review of the various financial and operational risks;
- crisis management in the event of occurrence of any unforeseeable or unforeseen event.

These processes are placed under the overall authority of Group Financial Management and more particularly, of the Group Risk Manager who chairs the Group Risk Committee which is attended by specialists and managers representative of each risk category (including the Group Operations Department, Project Risk Department, the Legal and Insurance Departments, the Human Resources Department, the IT Department, the Controlling Department, the Internal Control and Audit Department and the Finance Department), thus ensuring improved interaction and reactivity.

The Compagny reviewed risks that could have a significant negative impact on its activity its financial situation or its results, and considers that there are no other significant risks than those described above..

5.5 Insurance against risk

To optimise its risk coverage policy, the Group has introduced general insurance programmes negotiated centrally with leading international insurers. All the companies in which the Group has a 50% or higher stake benefit from guarantees granted under master policies taken out for them by Groupe Steria SCA through an international insurance broker.

The guarantee limits are reviewed each year with regard for changes in the Group's size and its risk, and they are adjusted in line with these findings. The Group is supported in this exercise by an insurance broker. The deductibles vary according to the risks covered. Deductibles are set at various levels depending on the type of exposure and to encourage risk management and control of premium levels.

In some cases, and to meet regulatory requirements, local policies are issued and the master policy serves as a «DIC/DIL» (difference in conditions/difference in limits) mechanism complementing these local policies.

The Group's main insurance programmes are as follows:

- operational and professional civil liability insurance: the civil liability insurance plan covers (subject to applicable exclusions) all subsidiaries more than 50% owned by the Group, worldwide, for monetary consequences arising as a result of their civil and professional liability as part of their activities, due to material or immaterial bodily harm to third parties. This global programme is organised in several insurance lines with leading insurance companies. Overall benefit is limited to €135 million per loss and per year of insurance;
- property damage and business interruption: this program covers all the Group's sites in all countries, for any direct material damage and resulting loss of business. Overall benefit (for all types of damage and loss of business) is limited to €150 million per loss and per year of insurance;
- risks related to acts of fraud and malice, in particular concerning computing, assistance and repatriation of group employees working abroad, are also insured by these group-level insurance programs. The same applies for the employer's responsibility to employees (Employment Practice Liability) and to executives' and corporate officers' civil liability.

6

"Review of financial position and results

6.1 Business Report

6.1.1 Position and business of the Group during the 2010 financial year – Progress and changes achieved

The Group renewed the organic growth of its businesses starting in early 2010, taking its place among the sector's leading players in Europe.

Revenue improved by 1.5% like-for-like, with H2 2010 slightly outperforming H1 2010 in terms of organic growth (1.6% versus 1.4%).

In most of the Group's areas of operation, this return to growth was reflected in major commercial successes, both in terms of size and the models implemented.

Revenue picked up 2.6% in the UK to €655.2 million. On a like-for-like basis, revenues decreased 1.3% while tense negotiations were under way with the UK Cabinet Office; these negotiations led to a Memorandum of Understanding being signed on October 19, 2010. In an environment characterized by a decline in the level of discretionary spending, the Group demonstrated the robustness of its model with a 10.6% operating margin [(1)] (11.3% in 2009). 2010 was also marked by the June 2010 signing of the Group's biggest contracts for an initial amount of €211 million over 10 years, with the Cleveland Police. This very large-scale contract (IT transformation, IT infrastructure management, back-office and business BPO) illustrates the potential for business process outsourcing opportunities in the UK's public sector, as these solutions meet the sector's determination to cut down on costs.

The Group maintained brisk business in France in 2010. Organic growth picked up the pace over the year, rising from 3.7% in H1 2010 to 5.7% in H2 2010. The Group achieved some major commercial successes, symbolic of its change in profile: Chorus applications maintenance for the Government, service desk for BNPP, broad industrial transformation of applications supervision for a major European bank, etc. The operating margin [(1)] grew to €34.3 million (€32.6 million in 2009) for a stable margin of 6.4% (taking into account the abolition of the taxe professionnelle (French business tax).

In Germany, in a weak global IT services market in 2010, revenues grew 0.6% and the operating margin (1) was 6.6%, versus 7.1% in 2009. 2010 was marked by the success achieved in terms of extension of the Group's business in the country to include application maintenance and by the dynamism of the banking sector.

In the Other Europe region, revenues grew 3.0% on a like-for-like basis. The situation improved considerably in Spain, with a return to growth in the second half. This resulted in stabilization of revenues for 2010. In Scandinavia, business was strong, with 6.6% organic growth. The operating margin [(1)] improved by X% (0.4 points).

6.1.2 Results for the financial year

Operating margin [(1)] was €120.4 million, for a margin of 7.1%.

This performance should be considered against the best backdrop of pursuing in 2010 significant investments to accelerate the industrialization of the business lines, enhance the portfolio of innovative offerings and deploying common high-performance tools to strengthen the Group's profitable growth model in the future.

Other operating income and expenses for the 2010 financial year include €11.4 million in net consolidation and restructuring expenses (€20.2 million in 2009), a non-cash expense of €10.5 million for the fraction of actuarial losses recorded according to the corridor method used to determine pension commitments, and a provision for non-recurring costs of €6.5 million related to the streamlining and optimization of the Group's offices scheduled for 2011.

Financial income (-€22.0 million) includes a decrease in net financing (-€10.6 million versus -€14 million).

(1) Before amortization of intangible assets related to business combinations. The operating margin is the key indicator for the group. It is defined as the difference between revenue and operating expenses, these being equal to the total cost of services provided (expenses required to carry out projects), marketing costs, and general and administrative expenses.

Equity affiliates' contribution was €1.6 million versus €0.8 million in 2008. This is explained primarily by the net improvement of the earnings of the joint venture with the NHS in the United Kingdom ("NHS SBS") which were €1.9 million.

After an €18.1 million tax charge, the Group's net earnings for 2010 were €42.9 million versus €48.2 million in 2009, with the difference essentially due to the above-mentioned non-recurring provision for streamlining premises. Excluding non-recurring items, attributable underlying net income was relatively stable at €70.9 million versus €70.4 million in 2009.

The Group's cash generation was strong, achieving a sum of €85.8 million for 2010. This performance confirms the robustness of the Group's cash generation model which enabled it to reduce its net financial debt over the last three financial years from €307 million to €101 million. As of December 31, 2010, the Group's net financial debt was only 14% of equity.

Capital employed was €867.6 million versus €866.1 million as of December 31, 2009. The main changes were:

- a decline in working capital requirements (-€10.1 million versus €11.9 million in 2009);
- currency effects on balance sheet assets, particularly on goodwill, which rose by €21.6 million owing to the appreciation in the pound sterling at December 31, 2010 compared to December 31, 2009 (+3.2%).

The increase in the Group's equity to €723.3 million (€634.5 million in 2009) is explained primarily by 2010 earnings (€42.9 million) and the strengthening of the pound sterling (€37.6 million impact).

6.1.3 Foreseeable developments and outlook

In an improving IT services market the Group expects faster organic growth in 2011. The positive business trends since early 2010 were confirmed by a steady pace of orders during the year, particularly at the end of the year. In the fourth quarter of 2010, orders increased considerably in all the Group's operating areas, with an average increase, net of currency translation effect, of 32.5%, with order growth for the year at +6.2% versus 2009. As of December 31, 2010, the ratio of orders to revenues for all businesses was 1.07 (1.03 as of December 31, 2009) and 1.01 for consulting and systems integration activities.

For full-year 2011, the Group's targets for organic revenue growth are 3% to 4% and an operating margin [1] at least equal to that of 2010.

6.1.4 Significant post-closing events

No significant events have taken place since December 31, 2010.

6.1.5 Subsidiaries and Holdings

The table of subsidiaries and holdings is appended to the balance sheet in the annual financial statements (note 4.10). For more information, see paragraph 7.1.1 – Overall Business of the Group.

(1) Before amortization of intangible assets related to business combinations. The operating margin is the key indicator for the group. It is defined as the difference between revenue and operating expenses, these being equal to the total cost of services provided (expenses required to carry out projects), marketing costs, and general and administrative expenses.

6.2 Consolidated and company financial statements

6.2.1 Consolidated Financial Statements for the year ended 31 December 2010

(in thousands of euros)	Notes	31/12/10	31/12/09
Revenue	**4.18**	**1,692,668**	**1,629,977**
Cost of sales and sub-contracting costs		(303,040)	(283,740)
Personnel costs		(1,001,318)	(945,949)
Bought-in costs		(246,712)	(235,327)
Taxes (excluding income taxes)		(18,109)	(23,938)
Change in inventories		412	(19)
Other current operating income	4.19	20,969	21,015
Other current operating expenses	4.19	(839)	(265)
Net charges for depreciation and amortisation		(31,818)	(35,608)
Net charges for provisions	4.20	4,894	(10,938)
Net charges for current asset impairment	4.20	(1,407)	(817)
Operating margin*		**115,700**	**114,391**
% of revenue		*6.8%*	*7.0%*
Other operating income	4.21	81	14,616
Other operating expenses	4.21	(33,916)	(36,978)
Operating profit		**81,865**	**92,029**
Income from cash and cash equivalents		4,490	3,049
Cost of gross borrowings		(15,123)	(17,065)
Cost of net borrowings	*4.22*	*(10,633)*	*(14,016)*
Other financial income	4.22	11,626	12,685
Other financial expenses	4.22	(22,968)	(19,201)
Net financial expense		**(21,975)**	**(20,532)**
Income tax expense	4.7	(18,084)	(23,565)
Share of profit/(loss) of associates	4.4	1,617	775
Net profit from continuing operations		**43,423**	**48,707**
Net profit/(loss) from operations held for sale		-	-
Net profit for the year		**43,423**	**48,707**
Attributable to equity holders of the parent		**42,936**	**48,189**
Attributable to non-controlling interests		**487**	**518**
Earnings per share (in euros):			
-from continuing operations		1.33	1.56
-from operations held for sale	4.23	-	-
Diluted earnings per share (in euros):			
-from continuing operations		1.33	1.52
-from operations held for sale	4.23	-	-

* *After amortisation of the customer relationships recognised on acquisition of Xansa in the amount of €(4,724) thousand in 2010 and €(4,550) thousand in 2009*

Statement of comprehensive income

(in thousands of euros)	Notes	31/12/10	31/12/09
Net profit for the year		**43,423**	**48,707**
Income and expenses not recognised in profit or loss:			
-Exchange differences arising from foreign entities		37,618	39,707
-Gains and losses on cash flow hedging financial instruments	4.24	8,487	(7,519)
-Tax impact of cash flow hedges		(2,939)	2,584
Total of income and expenses not recognised in profit or loss, net of taxes		**43,166**	**34,772**
Total net profit for the period		**86,589**	**83,479**
Attributable to equity holders of the parent		**86,000**	**83,006**
Attributable to non-controlling interests		**589**	**473**

6.2.2 Consolidated balance sheet

Assets

(in thousands of euros)	Notes	31/12/10	31/12/09 corrected*	01/01/09 corrected*
Goodwill	4.1	727,977	706,417	672,015
Other intangible assets	4.2	67,041	66,301	62,050
Property, plant and equipment	4.3	70,365	74,004	85,453
Investments in associates	4.4	7,941	6,181	5,222
Available-for-sale financial assets	4.5	1,808	1,809	2,203
Other financial assets	4.6	3,234	3,977	12,466
Retirement benefit obligations	4.12	44,592	42,230	3,440
Deferred tax assets	4.7	14,149	10,560	15,310
Other non-current assets		3,525	2,900	2,189
Non-current assets		**940,632**	**914,379**	**860,348**
Inventories	4.8	8,165	9,194	6,201
Net trade receivables and similar accounts	4.9	271,031	281,445	281,284
Amounts due from customers*	4.9	167,164	170,292	174,401
Other current assets	4.9	31,731	36,017	26,186
Current portion of non-current assets	4.9	3,743	2,963	2,838
Current tax assets	4.9	28,160	27,340	15,837
Prepaid expenses	4.9	24,043	24,491	27,885
Cash and cash equivalents	4.11	177,246	149,859	141,138
Current assets		**711,283**	**701,601**	**675,770**
Non-current assets classified as held for sale				
Total assets		**1,651,915**	**1,615,980**	**1,536,118**

* *See note 1.2 Error correction*

Equity and liabilities

(in thousands of euros)	Notes	31/12/10	31/12/09 corrected*	01/01/09 corrected*
Issued share capital		30,084	29,349	28,535
Share premium		409,502	400,025	389,242
Treasury shares		(35,770)	(35,259)	(35,788)
Subordinated hybrid convertible bonds	4.10	150,300	150,300	150,300
Exchange differences		(119,451)	(156,954)	(196,661)
Other reserves		243,756	197,529	209,332
Net profit for the year		42,936	48,189	-
Equity attributable to equity holders of the parent		**721,357**	**633,179**	**544,960**
Non-controlling interests		1,897	1,283	555
Total equity		**723,254**	**634,462**	**545,515**
Long-term borrowings	4.11	204,110	270,001	325,837
Retirement benefit obligations	4.12	35,052	33,698	39,898
Provisions for non-current liabilities and charges	4.13	17,936	17,529	13,688
Deferred tax liabilities	4.7	17,780	16,750	14,293
Other non-current liabilities	4.14	5,313	5,466	18,146
Non-current liabilities		**280,190**	**343,444**	**411,862**
Short-term borrowings	4.11	74,332	66,866	50,583
Provisions for current liabilities and charges	4.13	34,763	35,590	19,216
Net trade payables and similar accounts	4.15	145,719	148,386	134,493
Gross amounts due to customers	4.15	76,900	78,024	76,928
Advances and payments on account received*	4.15	3,687	4,533	12,223
Current tax liabilities	4.15	43,197	34,900	31,366
Other current liabilities*	4.15	269,873	269,776	253,932
Current liabilities		**648,471**	**638,075**	**578,741**
Liabilities directly associated with non-current assets classified as held for sale				
Total equity and liabilities		**1,651,915**	**1,615,980**	**1,536,118**

* *See note 1.2 Error correction.*

6.2.3 Consolidated cash flow statement

(in thousands of euros)	Notes	31/12/10	31/12/09
Net consolidated profit (including non-controlling interests)		**43,423**	**48,707**
Adjustments for:			
Share of profit/(loss) of associates		(1,617)	(775)
Net charges to depreciation, amortisation and provisions (excluding current assets)		50,980	56,106
Calculated expenses and income related to stock options and equivalent		1,889	2,911
Fair value adjustment gains and losses		2,987	(738)
Capital gains/(losses) on disposal		368	872
Cash flow from operating activities after net borrowing costs and taxes		**98,030**	**107,083**
Net borrowing costs		10,633	14,016
Income tax expense (including deferred tax)		18,084	24,075
Cash flow from operating activities before net borrowing costs and taxes		**126,747**	**145,174**
Income tax paid		(15,299)	(18,498)
Change in working capital requirements	4.16	21,851	(2,348)
NET CASH FROM OPERATING ACTIVITIES		**133,299**	**124,328**
Purchases of intangible assets		(11,907)	(12,576)
Purchases of property, plant and equipment		(13,416)	(9,941)
Purchases of non-consolidated investments		-	(50)
Proceeds from disposals of intangible assets and property, plant and equipment		224	135
Proceeds from disposal of non-consolidated investments		-	118
Loans and advances granted		(1,693)	(424)
Repayments received on loans and advances granted (including factoring)		297	5,048
Impact of changes in Group structure			
-Acquisition of consolidated companies, net of cash acquired		-	-
-Disposal of consolidated operations and companies, net of cash transferred		-	(16)
Net interest received		78	117
Dividends received (associates, non-consolidated investments)		-	74
NET CASH USED IN INVESTING ACTIVITIES		**(26,416)**	**(17,515)**
Amounts received from shareholders as part of a share capital increase		8,812	11,523
Dividends paid during the year:			
-Dividends paid to shareholders of the parent company and similar*		(11,222)	(12,629)
-Dividends paid to minority interests in consolidated companies		248	(980)
Disposals/(acquisitions) of treasury shares		(192)	351
Proceeds from new borrowings		248	4,802
Repayment of borrowings (including finance leases)		(63,264)	(59,646)
Additional disbursements relating to retirement benefit obligations		(16,768)	(37,797)
Interest paid (including finance leases)		(9,591)	(13,066)
NET CASH USED IN FINANCING ACTIVITIES		**(91,729)**	**(107,442)**
Impact of changes in exchange rates		11,915	10,004
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**27,070**	**9,375**
Cash and cash equivalents at the beginning of the year		145,312	135,937
Cash and cash equivalents at the end of the year	4.11	172,382	145,312

(*) Including the coupon paid in respect of perpetual subordinated bonds, convertible and/or exchangeable into new shares: €(8,690) thousand in 2009 and 2010.

6.2.4 Statement of changes in equity

(in thousands of euros)	Number of shares issued	Share capital	Share premium	Treasury shares	Subordinated hybrid convertible bonds	Consolidated reserves and earnings	Gains and losses recognised directly in equity	Equity – Holders of the parent	Equity – Non-controlling interests	Total equity
As at 1 January 2009	**28,535,232**	**28,536**	**389,242**	**(37,767)**	**150,300**	**211,816**	**(197,167)**	**544,960**	**555**	**545,515**
Share capital increase	813,307	813	10,783			(74)		11,522		11,522
Dividends paid*						(9,639)		(9,639)		(9,639)
Measurement of share-based payments						2,914		2,914		2,914
Treasury share transactions				412				412		412
Other						13		13	239	252
Gains/losses on hedging instruments							(4,899)	(4,899)	(36)	(4,935)
Exchange differences							39,707	39,707	7	39,714
Net profit/(loss)						48,189		48,189	518	48,707
As at 31 December 2009	**29,348,539**	**29,349**	**400,025**	**(37,355)**	**150,300**	**253,219**	**(162,359)**	**633,179**	**1,283**	**634,462**
Share capital increase	735,787	735	9,477			(86)		10,126		10,126
Dividends paid*						(9,544)		(9,544)		(9,544)
Measurement of share-based payments						1,853		1,853	27	1,880
Treasury share transactions				(191)				(191)		(191)
Other						(65)		(65)	(2)	(67)
Gains/losses on hedging instruments							5 ,561	5,561	(13)	5,548
Exchange differences							37,502	37,502	115	37,617
Net profit/(loss)						42,936		42,936	487	43,423
As at 31 December 2010	**30,084,326**	**30,084**	**409,502**	**(37,546)**	**150,300**	**288,313**	**(119,296)**	**721,357**	**1,897**	**723,254**

(*) Including the coupon paid in respect of perpetual subordinated bonds, convertible and/or exchangeable into new shares, net of tax: €(5,698) thousand in 2009 and 2010.

Groupe Steria SCA's share capital comprises 30,084,326 shares with a nominal value of €1 each.

A 2009 net dividend of €0.12 per share was paid in 2010 (excluding the coupon payable in respect of perpetual subordinated bonds, convertible and/or exchangeable into new shares, and the share of profit paid to the General Partner in the amount of €482 thousand).

The increases in the share capital in 2010 were attributable to the exercise of stock options in the amount of €893 thousand, the allocation of free shares in the amount of €66 thousand and share issues under the Group Savings Plan in the amount of €8,172 thousand. Furthermore, a portion of the 2009 dividend was paid in shares, resulting in a share capital increase of €1,313 thousand. Net expenses of €232 thousand relating to share capital increases were offset against the share premium.

Treasury shares are primarily held by the UK trusts included in the scope of consolidation for a total of 1,455,491 Groupe Steria SCA shares and by the Group's parent company, Groupe Steria SCA, under a liquidity contract set up in 2006 (35,668 shares). Their market value as at 31 December 2010 was €28.93 million, calculated using the most recent closing share price (€19.40).

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6.2.5 Notes to the consolidated financial statements

Detailed table of contents of the notes

Note 1. Accounting policies

Note 1.1 Standards applied

The Groupe Steria SCA is consolidated financial statements for the year ended 31 December 2010 include Groupe Steria SCA and its subsidiaries (hereafter referred to as the "Group") and the Group's share in associates and jointly controlled companies.

Pursuant to EC regulation no.1606/2002 of 19 July 2002, the 2010 consolidated financial statements of Groupe Steria SCA are prepared in accordance with International Financial Reporting Standards (IFRS) applicable as at 31 December 2010, as adopted by the European Union and available for consultation on the following website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The consolidated financial statements and the notes thereto for fiscal year 2010 were approved by the General Management on 25 February 2011 after consulting the Supervisory Board.

The policies used for the preparation of this financial information arise from the application of standards and interpretations adopted by the European Union and of mandatory application as at 31 December 2010.

They are consistent with those used in preparing the annual consolidated financial statements for the year ended 31 December 2009, with the exception of the adoption of the following new standards and interpretations of mandatory application as of 1 January 2010:

- IFRS 3 revised – Business Combinations and IAS 27 amended – Consolidated and Separate Financial Statements;
- IFRS 2 amended – Group Cash-settled Share-based Transactions;
- IAS 39 amended – Financial Instruments: Recognition and Measurement;
- IFRS 5 amended – Non-current Assets Held for Sale and Discontinued Operations;
- IFRIC 12 – Service Concession Arrangements;
- IFRIC 15 – Agreements for the Construction of Real Estate;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation;
- IFRIC 17 – Distributions of Non-cash Assets to Owners;
- IFRIC 18 – Transfers of Assets from Customers;
- Improvements to IFRS, resulting in amendments to:

– IAS 1 revised – Presentation of Financial Statements,
– IAS 7 – Statement of Cash Flows,
– IAS 17 – Leases,
– IAS 36 – Impairment of Assets,
– IAS 38 – Intangible Assets,
– IAS 39 – Financial Instruments: Recognition and Measurement,
– IFRS 8 – Operating Segments,
– IFRIC 9 – Reassessment of Embedded Derivatives,
– IFRIC 16 – Hedges of a Net Investment in a Foreign Operation.

These amendments and interpretations had no impact on the consolidated financial statements.

Groupe Steria elected not to apply in advance the following texts adopted by the European Union but not of mandatory application on 1 January 2010:

- IAS 24 revised – Related Party Disclosures;
- Amendment to IAS 32 – Classification of rights issue;
- Amendment to IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements;
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.

Nor has the Group elected to apply in advance the following texts which were not adopted by the European Union as at 31 December 2010:

- Amendments/Improvements to IFRS (05/10);
- Amendment to IFRS 7 – Financial Instruments: Transfers of Financial Assets;
- Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets;
- IFRS 9 – Financial Instruments.

The Group considers that at this stage, it is not possible to assess the application of these new standards with sufficient accuracy.

Note 1.2 Error correction

An error involving the 2009 balance sheet and its opening balance was identified and corrected in 2010.

An amount of interim project invoices was incorrectly classified in the balance sheet as at 31 December 2009 and 1 January 2009. The purpose of this reclassification as at 31 December 2009 was to:

- reduce Advances and payments on account received by €26,300,000;
- reduce Amounts due from customers by €21,733,000;
- increase Other current liabilities by €4,567,000.

As at 1 January 2009, the purpose of this reclassification was to:

- reduce Advances and payments on account received by €24,551,000;
- reduce Amounts due from customers by €16,033,000;
- increase Other current liabilities by €8,518,000.

This error correction had no impact on operating margin, operating profit, net financial expense, net profit for the year attributable to equity holders of the parent or equity.

Note 1.3 Consolidation methods

Companies over which Groupe Steria SCA exercises control, directly or indirectly, are fully consolidated.

Companies over which the Group exercises joint control with a limited number of other shareholders are consolidated using the equity method.

Companies over which the Group exercises a significant influence are consolidated using the equity method.

All inter-company transactions are eliminated on consolidation.

Note 1.4 Business combinations and goodwill

Business combinations are recognised using the acquisition method: the assets, liabilities and contingent liabilities of the acquired company are recognised at their fair value. The residual difference between the acquisition cost and the share in net assets measured at fair value is recognised in goodwill.

Goodwill represents the difference between the cost of the shares (including any contingent price adjustments which are recognised when they are probable and their amount can be measured reliably) and the acquired share of the fair value of the assets, liabilities and contingent liabilities identified at the acquisition date.

Goodwill recognised in the balance sheet is not amortised but is subject to impairment tests annually or when indications of impairment are identified.

Note 1.5 Impairment of intangible assets, property, plant and equipment and goodwill

Impairment tests are performed on the cash-generating unit (CGU) or units to which goodwill is allocated by comparing their recoverable amounts and carrying amounts. The cash-generating unit is the country.

The recoverable amount of a cash-generating unit is the higher of the fair value (generally the market price), net of costs to sell, and the value in use. The value in use is determined based on the net present value of future cash flows after taxes. These calculations are based on 5-year plans prepared by the management of the country and reviewed by the Group's Executive Management and Financial Management. Cash flows arising after the 5-year period are extrapolated using an estimated 1.75% perpetual growth rate (identical to that used as at 31 December 2009). All of these cash flows are discounted using a discount rate of 8.6% corresponding to the weighted average cost of capital of Groupe Steria after tax (identical to that used as at 31 December 2009).

The assumptions used for these calculations include, as for all estimates, an element of uncertainty and thus may be adjusted during subsequent periods.

If the carrying amount of a cash-generating unit exceeds the recoverable amount, the assets of the cash-generating unit are reduced to their recoverable amount. The impairment loss is deducted in priority from goodwill and recognised in the income statement.

Note 1.6 Foreign currency translation

The consolidated financial statements of the Group are prepared in euro.

The assets and liabilities of foreign subsidiaries, whose functional currency is not the euro, are translated into euro at the closing exchange rate. Income and expense items and cash flows are translated into euro at the average rate for the period.

All resulting gains and losses are recognised as a separate component of equity ("Exchange differences"). When a foreign entity leaves the Group structure, cumulative exchange differences are recognised in the income statement as a component of the profit or loss generated on the removal of this entity.

All goodwill and fair value adjustments arising from the acquisition of a foreign entity are recognised as an asset or liability of the acquired company and are therefore denominated in the functional currency of the foreign business and translated at the closing rate.

Transactions denominated in a currency other than the functional currency are translated at the exchange rate prevailing on the transaction date. At the year-end, assets and liabilities denominated in foreign currencies are translated at the closing exchange rate. Resulting exchange differences are recognised in the income statement in "Other current operating income and expenses" for transactions subject to exchange rate hedging and in "Other financial income and expenses" for other transactions.

Derivative instruments are measured and recognised in accordance with the general principles set out in note 1.23. As such, currency derivatives are recognised in the balance sheet at fair value.

Note 1.7 Significant judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that have an impact on the amounts of the assets, liabilities, income and expenses recognised therein as well as on the information provided in respect of contingent liabilities.

The final outcome of the underlying transactions may, by reason of their inherent uncertainty, require material adjustments to the amounts recognised in subsequent accounting periods.

The use of judgements and estimates is of particular importance when accounting for:

- contracts (in particular, estimated costs to completion);
- post-employment benefits;
- provisions for liabilities (in particular for contract losses or disputes);
- the recoverable amount of intangible assets and property, plant and equipment, including goodwill in particular;
- deferred tax assets;
- the fair value of derivative financial instruments.

Note 1.8 Intangible assets

In accordance with IAS 38, intangible assets acquired separately are recognised at cost where the future economic benefits attributable to their capitalisation flow to the Group and if this cost can be measured reliably.

Intangible assets acquired as part of business combinations are recognised at their fair value at the date of the transaction, and separately from goodwill if they satisfy the conditions set forth in IFRS 3.

Intangible assets whose useful lives are finite are amortised on a straight-line basis over their respective useful lives.

Customer relations are amortised over their estimated useful lives.

Concessions, patents, computer licences and software are amortised over a period of 2 to 4 years.

Intangible assets with indefinite useful lives are not amortised but are subject to annual impairment tests which compare their recoverable amount to their carrying amount. Any impairment losses are recognised in the income statement. Intangible assets which may be amortised are also subject to impairment tests when there is an indication that an impairment loss is likely to have occurred.

Intangible asset impairment tests are based on the discounted future cash flow method.

Development costs are recognised in intangible assets when the criteria set forth in IAS 38 can be demonstrated, notably:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the Group's intention to complete the intangible asset and use or sell it;
- that the intangible asset will generate probable future economic benefits.

If the intangible asset is to be used internally:

- its usefulness is recognised;
- the availability of adequate technical, financial and other resources to complete the development, and to use or sell the intangible asset, is assured;
- the costs attributable to the intangible asset during its development can be measured reliably.

Development costs which do not satisfy these criteria are expensed in the period in which they are incurred.

Capitalised production costs in respect of the development of software to be used internally include only the costs related to the detailed design of the application, programming and testing and the drafting of technical documentation.

Development costs recognised under intangible assets are amortised pro rata to the utilisation of the future economic benefits they generate, e.g. the term of customer contracts.

Note 1.9 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses.

Where necessary, the total cost of an asset is broken down between its various components when their estimated useful lives are different and each component is therefore depreciated over a different period.

Depreciation is calculated using the straight-line method based on the estimated useful life of the asset as follows:

Buildings	20 to 50 years - straight-line
Fittings and fixtures	4 to 10 years – straight-line
Vehicles	4 to 5 years – straight-line
Office furniture and equipment	4 to 10 years - straight-line
Computer hardware	3 to 8 years – straight-line

Items of property, plant and equipment held under finance leases are recognised under assets on the balance sheet and depreciated in accordance with their useful lives. The debt corresponding to the principal to be repaid is recorded under liabilities on the balance sheet in the line item "Borrowings". Interest paid on this debt is recognised in financial expenses.

Note 1.10 Investments in associates

Investments over which the Group exercises a significant influence (associates) are recognised using the equity method. They are initially recognised at cost and then adjusted to take into account changes in the Group's share in their net assets. The balance of this share appears under assets in the balance sheet. Movements over the period are recognised in the income statement ("Share of profit/(loss) of associates").

Note 1.11 Financial assets

All investments are initially recognised at cost which corresponds to the fair value of the price paid, including transaction costs relating to the investment.

- Loans and receivables:

Loans and receivables are recognised at amortised cost. Where necessary, provisions for impairment loss may be raised. Such impairment corresponds to the difference between the net carrying amount and the recoverable amount and is recognised in profit or loss. This provision may be reversed in the event of a favourable change in the recoverable amount.

- Financial assets held for trading:

Marketable securities are included in financial assets held for trading and are therefore recognised at fair value. Gains and losses are recognised in profit or loss.

- Available-for-sale assets:

In accordance with IAS 39, available-for-sale assets comprise financial assets other than:

- loans and receivables originated by the enterprise (other financial assets);
- held-to-maturity investments;
- or financial assets held for trading (marketable securities).

This heading includes all equity investments in non-consolidated companies. After initial recognition, investments classified in "Available-for-sale assets" are recognised at fair value at the balance sheet date. Fair value gains and losses on available-for-sale assets are recognised in equity under a specific line item until the investment is sold or until it has been demonstrated that it is impaired, at which time cumulative fair value gains and losses previously recognised in equity are released to profit or loss.

Equity investments in non-consolidated companies, whose fair value may not be determined reliably (unquoted equity investments), are recognised at cost.

- Derecognition of financial assets:

Financial assets as defined by IAS 32 Financial Instruments: Presentation are partially or totally derecognised if the Group no longer expects them to generate future cash flows and has transferred substantially all the risks and rewards associated with them.

Note 1.12 Deferred tax

Deferred tax is recognised on all temporary differences between the tax value and the accounting value of assets and liabilities on consolidation.

Deferred tax assets are only recognised if it is probable that the enterprise will recover them as a result of taxable income expected in future fiscal years.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced when it is no longer probable that sufficient taxable income will be available to enable the utilisation of all or part of them. Deferred tax assets not recognised are assessed at each balance sheet date and are recognised if it becomes probable that future taxable income will enable recovery.

Tax assets and liabilities are measured using the prevailing tax rates and rules in effect as at 31 December 2010.

Deferred tax assets and liabilities, regardless of their expiry date, are offset when they relate to the same tax entity.

Note 1.13 Inventories and work-in-progress

Inventories are recognised at the lower of cost (on a first-in, first-out basis) and net realisable value.

Costs incurred in the start-up phase of a contract may be deferred over the term of the contract and be recognised on the balance sheet as work-in-progress when they relate to future activities of the contract and provided it is probable that they will generate future economic benefits.

Note 1.14 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, short-term deposits and all highly liquid money market investments, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

This classification is not called into question by the tax costs arising from the verification of exchange rates or withholding taxes applied in certain countries.

Note 1.15 Treasury shares

Treasury shares are deducted from equity.

Note 1.16 Contract revenue recognition

Service contracts break down into three types:

- technical assistance and maintenance contracts which are invoiced based on the time actually spent and purchases and expenses effectively incurred: revenue equals the invoice issued and the margin is generated pro rata to the costs incurred;
- fixed-price contracts which are invoiced at various predefined stages and whose revenue and margin are generated using the percentage of completion method. This principle results in the recognition of deferred income or sales invoice accruals when amounts invoiced are not in line with the progress of work. If uncertainties exist with respect to customer acceptance, revenue is only recognised up to recoverable incurred costs;

- fixed-price contracts which are invoiced at various predefined stages and whose revenue and margin are generated based on services rendered. This principle results in the recognition of deferred income or sales invoice accruals when amounts invoiced are not in line with services rendered. Moreover, costs incurred in the start-up phase of a contract may be recognised on the balance sheet as work-in-progress when they relate to future activities of the contract and provided it is probable that they will generate future economic benefits. Work-in-progress is recognised at direct production cost and does not include administrative or commercial costs.

More generally, revenue is recognised at the fair value of the consideration received or receivable.

If the re-estimated outcome of a contract is a loss, provisions for losses to completion are systematically recorded in "Provisions for liabilities and charges".

Services rendered but not yet invoiced are recognised in "Amounts due from customers".

Services invoiced by the Group to its customers but not yet performed are recognised in "Gross amounts due to customers".

Partial payments received on contracts, before the corresponding work has begun, are recognised in "Customer advances and payments on account" under liabilities on the balance sheet.

Services invoiced to the Group by external service providers are recognised in "Prepaid expenses" under assets on the balance sheet if the services have not yet been realised.

Revenue determined using the percentage of completion method is based on an estimate of the cost to completion of a contract. This estimate may modified in subsequent periods and lead to adjustments to revenue and possibly the recording of provisions for losses to completion.

Moreover, the Group recognises revenue on sales of computer hardware and software once all the conditions for recognition of sales of goods are satisfied, as recommended by IAS 18.

Note 1.17 Post-employment benefits

Depending on the country, the Group has defined contribution and defined benefit plans.

For defined contribution plans, the Group expenses the contributions to be paid when they are due and no provision is recognised, since the Group is not responsible for amounts beyond the contributions paid.

For defined benefit plans, post-employment benefits are determined as follows:

- the actuarial valuation method used is the projected unit credit method, which stipulates that each period of service gives rise to an additional unit of benefit entitlement, and measures each unit separately to obtain the final obligation;
- these calculations include assumptions of life expectancy, employee turnover and projected future salary increases;
- the expense representing current service cost and past service cost (cost of employee service in prior periods modified by the introduction of changes or new defined benefit plans) is recognised under personnel costs in the operating margin;
- the corridor method is applied. Hence, a portion of actuarial gains and losses is recognised in the income statement if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed the greater of the following two values: 10% of the present value of the obligation or 10% of the fair value of any plan assets. The portion to be recognised in the income statement of the period is the excess determined which is then divided by the expected average remaining working lives of the employees participating in that plan. The recognised actuarial gains or losses are recorded in the income statement in other operating income or other operating expenses;
- gains or losses on the curtailment or settlement of a defined benefit plan are recognised when the curtailment or settlement occurs. Where a curtailment relates to only some of the employees covered by a plan, the gain or loss includes a proportionate share of the previously unrecognised past service cost and actuarial gains and losses determined on the basis of the present value of the obligations before and after the curtailment or settlement. Recognised gains or losses are recorded in the income statement under other operating expenses or other operating income;
- the interest cost of the liability less the return on the plan assets is recognised in the income statement under other financial expenses or other financial income for its net amount.

Any additional contribution to service cost is treated as a cash outflow related to financing activities.

The actuarial calculation of defined benefit retirement obligations includes uncertainties which may affect the value of financial assets and obligations towards employees. Assumptions are reviewed annually and may result in accounting adjustments.

Note 1.18 Provisions

Present obligations resulting from past events involving third parties are recognised in provisions only when it is probable that such obligations will give rise to an outflow of resources to third parties, without consideration from the latter that is at least equivalent.

Contingent liabilities are not recognised and are described in the notes to the financial statements when they are material, except in the case of business combinations where they are considered as identifiable items.

As provisions are estimated based on future risks and expenses, such amounts include an element of uncertainty and may be adjusted in subsequent periods. The impact of discounting provisions is taken into account if significant

Provisions for restructuring:

In the specific case of restructuring, an obligation is recognised as soon as the restructuring has been publicly announced and a detailed plan presented or the plan implementation has commenced.

This cost mainly corresponds to severance payments, early retirement, costs related to notice periods not worked, training costs for departing employees and other costs relating to site closures. A provision is recognised for the rent and related costs to be paid, net of estimated sub-leasing income, in respect of any property if the asset is sub-leased or vacant and is not intended to be used in connection with main activities.

Scrapped assets and impairment of inventories and other assets directly related to the restructuring measures are also recognised in restructuring costs.

Provisions for litigation:

The Group recognises a provision each time a risk related to a legal proceeding or litigation of any type (business, regulatory, tax or employee-related) is identified, that it is probable that an outflow of resources will be necessary to extinguish this risk and that the cost related to this risk can be reliably estimated. In such cases, the amount of the provision is determined based on the best estimate of the probable costs related to the proceedings or litigation.

Note 1.19 Borrowings

Borrowings are initially recognised at cost which corresponds to the fair value received, net of issue costs.

Subsequent to the initial recognition, borrowings are recognised at amortised cost using the effective interest rate method, which takes into account all borrowing costs and repayment discounts or premiums.

Note 1.20 Stock options and free shares

The fair value of options and free shares granted to employees is recognised in "Other operating income and expenses" over the vesting period.

The binomial valuation model is used to measure the fair value of options granted. This model enables options available for exercise to be measured at any time during the term of the option. Free shares are valued at the share price on the date of grant. When these equity instruments are subject to conditions of non-transferability, the cost of non-transferability is taken into account in their fair value. Where appropriate, the inability to collect dividends is also taken into account in the fair value calculation.

Note 1.21 Presentation of the financial statements

The Group presents its financial statements in accordance with IAS 1, the IFRS conceptual framework and recommendation no. 2009-R.03 of the French National Accounting Council (Conseil National de la Comptabilité) dated 2 July 2009 relating to the format for company financial statements under the international accounting framework. Accordingly, the following principles have been adopted by the Group:

- the income statement is presented by nature of income and expense in order to best represent the Group's type of business activity;
- the Group's main financial performance indicator is its operating margin which is defined as the difference between revenue and expenses of current activities. Internally, this aggregate is monitored in priority by the chief operating decision-maker;
- operating profit is determined by deducting from the operating margin other unusual, infrequent and unpredictable operating income and expenses of a particularly significant amount which are presented separately in order to facilitate the understanding of performance relating to the Group's ordinary activities. They mainly comprise the estimated fair value of share-based payments, the impact of impairment tests of intangible assets with indefinite useful lives, restructuring expenses and other income and expenses such as profit or loss arising from post-employment benefit plan settlements or amendments, actuarial gains or losses recognised in connection with the recognition (corridor method) of such plans, etc;
- net financial expense presents the Group's borrowing cost separately from other financial income and expenses;
- the balance sheet presents a breakdown of current and non-current assets and liabilities.

Note 1.22 Earnings per share

Earnings per share is calculated by dividing net profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting net profit attributable to equity holders of the parent and the weighted average number of ordinary shares outstanding to include the impacts of all potentially dilutive shares.

Note 1.23 Derivative instruments

The Group uses derivative instruments such as currency forwards, swaps and options to hedge its exposure to interest rate risk and fluctuations in foreign currencies. Derivative instruments are recognised at fair value.

Any gains or losses resulting from fair value movements in derivatives not designated as hedging instruments are recognised directly in profit or loss.

The fair value of currency forwards is calculated by reference to current exchange rates for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to the market value of similar instruments.

For hedge accounting purposes, hedges are classified as either:

- fair value hedges, which hedge exposure to changes in the fair value of a recognised asset or liability or a firm commitment (except currency risk);
- cash flow hedges, which hedge exposure to fluctuations in cash flows attributable either to a specific risk associated with a recognised asset or liability or a highly probable future transaction or currency risk on a firm commitment;
- hedges of a net investment in a foreign operation.

Hedging instruments that satisfy IAS 39 hedge accounting criteria are recognised as follows:

- Fair value hedges

Changes in the fair value of a derivative designated as a fair value hedge are recognised in profit or loss (other current operating income or expenses or other financial income or expenses according to the type of hedged item). The ineffective portion of the hedges is recognised immediately on the income statement under other financial income or other financial expenses. Fair value gains and losses on the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are also recognised in profit or loss.

- Cash flow hedges

The gain or loss corresponding to the effective portion of the hedging instrument is recognised directly in equity, while the ineffective portion is taken to profit or loss, under other financial income or other financial expenses.

Amounts recognised directly in equity are released to profit or loss in the period during which the hedged transaction impacts profit or loss.

If the Group does not expect the realisation of the forecast transaction or commitment, amounts previously recognised directly in equity will be released to profit or loss. If the hedging instrument matures, is sold, cancelled or exercised and is not replaced or renewed or if its designation as a hedging instrument is revoked, amounts previously recognised in equity will be held in equity until realisation of the forecast transaction or firm commitment.

- Hedges of a net investment

Hedges of a net investment in a foreign operation, including hedges of monetary items recognised as part of a net investment, are recognised in the same way as cash flow hedges.

The gain or loss corresponding to the effective portion of the hedging instrument is recognised directly in equity, while the ineffective portion is taken to profit or loss.

On the disposal of the foreign operation, cumulative gains and losses recognised directly in equity are released to profit or loss.

Note 2. Scope of consolidation

Note 2.1 Changes in the scope of consolidation and legal restructurings

In 2010, there were no changes in the scope of consolidation.

In France, the Group merged Sternet with Steria SA. This had no impact on the consolidated financial statements.

Note 2.2 Scope of consolidation as at 31 December 2010

	Location	Consolidation method as at 31/12/10	% interest as at 31/12/10	% control as at 31/12/10	Consolidation method as at 31/12/09	% interest as at 31/12/09	% control as at 31/12/09
Parent company							
Groupe Steria SCA	France						
Operating segment France							
Steria	France	FC	100	100	FC	100	100
Diamis	France	EA	40	40	EA	40	40
Intest	France	EA	43.99	43.99	EA	43.99	43.99
Sternet	France	-	-	-	FC	100	100
Stepar	France	FC	100	100	FC	100	100
U-Services	France	FC	100	100	FC	100	100
Steria Asia	Singapore	FC	100	100	FC	100	100
Steria Medshore SAS	Morocco	EA	50	50	EA	50	50
Xansa SAS	France	FC	100	100	FC	100	100
Operating segment United Kingdom							
Steria Holdings Limited	United Kingdom	FC	100	100	FC	100	100
Steria Limited	United Kingdom	FC	100	100	FC	100	100
Steria Services Limited	United Kingdom	FC	100	100	FC	100	100
Caboodle	United Kingdom	FC	100	100	FC	100	100
ASL Information Services Limited	United Kingdom	FC	100	100	FC	100	100
Druid Group Limited	United Kingdom	FC	100	100	FC	100	100
OSI group Holdings Limited	United Kingdom	FC	100	100	FC	100	100
Xansa Employee Trustee company Limited	United Kingdom	FC	100	100	FC	100	100
Xansa Trustee Company limited	United Kingdom	FC	100	100	FC	100	100
FI Group Limited	United Kingdom	FC	100	100	FC	100	100
Druid Quest Limited	United Kingdom	FC	100	100	FC	100	100
OSI Group Limited	United Kingdom	FC	100	100	FC	100	100
Barclays Xansa Partnership Limited	*United Kingdom*	FC	100	100	FC	100	100
NHS Shared Employee Services Limited	*United Kingdom*	FC	51	51	FC	51	51
NHS Shared benefit Services Limited	*United Kingdom*	EA	50	50	EA	50	50
Steria Holding Corporate UK	*United Kingdom*	FC	100	100	FC	100	100
Mummert Partner UK Limited	*United Kingdom*	FC	100	100	FC	100	100

	Location	Consolidation method as at 31/12/10	% interest as at 31/12/10	% control as at 31/12/10	Consolidation method as at 31/12/09	% interest as at 31/12/09	% control as at 31/12/09
Zansa Limited	*United Kingdom*	FC	100	100	FC	100	100
Xansa Cyprus (n 1).Limited	*Cyprus*	FC	100	100	FC	100	100
Xansa Cyprus (n 2).Limited	*Cyprus*	FC	100	100	FC	100	100
Steria India Limited	*India*	FC	100	100	FC	100	100
Xansa Pte Ltd	*Singapore*	FC	100	100	FC	100	100
Xansa Holdings Inc.	*USA*	FC	100	100	FC	100	100
Xansa U.S Inc.	*USA*	FC	100	100	FC	100	100
Operating segment Germany							
Steria Mummert Consulting GmbH Vienna	*Austria*	FC	100	100	FC	100	100
Steria Mummert ISS GmbH	*Germany*	FC	100	100	FC	100	100
Steria Mummert Consulting.AG	*Germany*	FC	100	100	FC	100	100
Operating segment rest of Europe							
Steria Benelux	*Belgium*	FC	100	100	FC	100	100
Steria Luxembourg	*Luxembourg*	FC	100	100	FC	100	100
Steria A/S	*Denmark*	FC	100	100	FC	100	100
Steria Iberica	*Spain*	FC	100	100	FC	100	100
Steria A/S	*Norway*	FC	100	100	FC	100	100
Steria Poland	*Poland*	FC	100	100	FC	100	100
Steria A.B	*Sweden*	FC	100	100	FC	100	100
Iocore	*Sweden*	FC	100	100	FC	100	100
Steria Schweiz Ag	*Switzerland*	FC	100	100	FC	100	100

FC: Full Consolidation
EA: Equity Associate

Note 3. Segment information

As required by IFRS 8 Operating Segments, the information presented reflects the internal performance reporting used by management to assess the various segments. Segment reporting is based on operating margin.

Groupe Steria SCA is managed on the basis of eight geographical operating segments. Three are major individual countries: France, the UK and Germany. The other segments comprising Spain, Scandinavia (Norway, Sweden and Denmark), Benelux (Belgium and Luxembourg), Switzerland and Poland have been grouped together in a joint geographical area denominated "Rest of Europe" for the purposes of IFRS 8 presentation. Group companies operate mostly in the countries in which they are located, except for Africa and Asia where operations are undertaken by Steria SA, and Austria where operations are undertaken by Steria Mummert Consulting AG. Since these operations are not yet material, they have been retained in the countries from which they are managed.

India is grouped with the UK given that its activity consists primarily in the provision of industrialised offshore services mainly for customers under the operational management of the UK operating segment.

Each segment conducts its activity in two businesses:

- Managed Services which involves managing all or part of the information technology infrastructure of companies or their business processes (Business Process Outsourcing);
- Systems Integration (SI) which involves designing, developing and implementing projects for integration of systems and development of applications. SI includes Third-party Applications Maintenance, Consulting and any related equipment sales.

The columns of the table below show the quantified information representing each operating segment. The operating segments identified are distinct Group components that earn revenues and incur expenses, whose operating results are regularly reviewed by management and for which separate financial information is available.

The "Reconciling items" column comprises intercompany eliminations and shared Group expenses. It enables segment information to be reconciled with the Group's consolidated financial statements.

2010

(in thousands of euros)	France	United Kingdom	Germany	Rest of Europe	Reconciling items: Eliminations	Reconciling items: Group expenses	Group total
Third party revenue	**532,004**	**655,154**	**237,485**	**268,025**			**1,692,668**
% total revenue	*31.4%*	*38.7%*	*14.0%*	*15.8%*			*100.00%*
Inter-segment sales	1,647	9,258	2,633	13,955	(27,494)		-
Total revenue	533,651	664,412	240,119	281,980	(27,494)		1,692,668
Operating margin [(1)]	29,710	58,521	13,477	13,466		525	115,700
% of revenue	*5.58%*	*8.93%*	*5.67%*	*5,02%*			*6.84%*
Group expenses	4,591	6,195	2,121	2,343		(15,249)	-
Operating margin [(1)] [(2)]	**34,301**	**64,716**	**15,598**	**15,808**		**(14,724)**	**115,700**
% of revenue	*6.45%*	*9.88%*	*6.57%*	*5.90%*		*-0.87%*	*6.84%*
Operating profit/(loss)	**18,074**	**44,476**	**13,418**	**9,305**		**(3,409)**	**81,865**
Cost of net borrowings							(10,633)
Other financial income and expenses							(11,342)
Tax charge							(18,084)
Share of profit/(loss) of associates							1,617
Net profit/(loss) from operations held for sale							-
Net profit							**43,423**
Attributable to equity holders of the parent							**42,936**
Employees:							
Average employees	5,669	8,992	1,640	2,287		86	18,674
Of which in India		*5,208*					*5,208*
Employees at the end of the year	5,679	9,543	1,656	2,369		87	19,334
Of which in India		*5,453*					*5,453*

(1) After amortisation of customer relationships in the amount of €(4,724) thousand recognised on acquisition of Xansa in 2010.
(2) Before Group expenses.

2009

(in thousands of euros)	France	UK	Germany	Rest of Europe	Reconciling items Eliminations	Reconciling items Group expenses	Group total
Third party revenue	**507,335**	**638,683**	**236,053**	**247,907**			**1,629,977**
% total revenue	*31.1%*	*39.2%*	*14.5%*	*15.2%*			*100.00%*
Inter-segment sales	1,633	4,854	3,046	8,695	(18,229)		0
Total revenue	508,968	643,537	239,100	256,602	(18,229)		1,629,977
Operating margin (1)	27,466	60,201	14,537	11,224		964	114,391
% of revenue	*5.41%*	*9.43%*	*6.16%*	*4.53%*			*7.02%*
Group expenses	5,087	7,168	2,144	2,376		(16,775)	0
Operating margin (1) (2)	**32,553**	**67,370**	**16,681**	**13,600**		**(15,812)**	**114,391**
% of revenue	*6.42%*	*10.55%*	*7.07%*	*5.49%*		*-0.97%*	*7.02%*
Operating profit/(loss)	**18,553**	**69,561**	**14,427**	**(6,520)**		**(3,993)**	**92,029**
Cost of net borrowings							(14,016)
Other financial income and expenses							(6,516)
Income tax expenses							(23,565)
Share of profit/(loss) of associates							775
Net profit/(loss) from operations held for sale							-
Net profit							**48,707**
Attributable to equity holders of the parent							**48,189**
Employees:							
Average employees	5,774	9,246	1,655	2,159		72	18,916
Of which in India		*5,574*					*5,574*
Employees at the end of the year	5,679	8,809	1,651	2,166		80	18,393
Of which in India		*5,289*					*5,289*

(1) After amortisation of customer relationships in the amount of €(4,550) thousand recognised on acquisition of Xansa in 2009.
(2) Before Group expenses.

For each business, third party revenue may be broken down as follows:

(in thousands of euros)	31/12/10	31/12/09
SI Revenue	1,036,194	1,043,372
Managed services revenue	656,474	586,605
Consolidated revenue	**1,692,668**	**1,629,977**

No single customer represents more than 10% of the Group’s revenue within the meaning of section 34 of IFRS 8 Operating Segments.

Note 4. Explanations on the consolidated financial statements

Preliminary comment: all amounts are expressed in thousands of euros, unless stated otherwise.

Note 4.1 Goodwill

(in thousands of euros)	Goodwill 31/12/09	Impairment	Exchange differences	Other items	Goodwill 31/12/10
UK	565,196		17,958		583,154
France	10,337				10,337
Germany	88,273				88,273
Norway	20,990		1,345		22,335
Sweden	7,456		1,070		8,526
Denmark	2,206		(3)		2,203
Spain	-				-
Benelux	5,581				5,581
Switzerland	6,378		1,190		7,568
Total Goodwill	**706,417**		**21,560**		**727,977**

(in thousands of euros)	Goodwill 31/12/08	Impairment	Exchange differences	Other items	Goodwill 31/12/09
UK	526,752		38,197	248	565,196
France	10,336				10,337
Germany	88,274				88,273
Norway	17,868		3,122		20,990
Sweden	7,032		424		7,456
Denmark	2,202		3		2,206
Spain	7,598	(7,598)			-
Benelux	5,581				5,581
Switzerland	6,372		6		6,378
Total Goodwill	**672,015**	**(7,598)**	**41,752**	**248**	**706,417**

The Group performs impairment tests annually and when key indicators suggest a loss in value. These tests did not lead to the recognition of any impairment losses in 2010.

Furthermore, sensitivity tests regarding changes in key assumptions (discount or perpetual growth rate) were performed for all cash-generating units. An increase of 0.5 points in the discount rate or a decrease of 0.5 points in the perpetual growth rate would not generate any additional charge. An increase of 0.5 points in the discount rate and, concomitantly, a decrease of 0.5 points in the perpetual growth rate would not generate any new impairment.

The impairment tests carried out demonstrate that an increase of 1.3 points in the discount rate would make the recoverable amount of United Kingdom assets equal to their carrying amount.

For other CGUs, considering their value in use, management believes that there is no reasonably possible change in a key assumption (discount or perpetual growth rate) that could make the carrying amount of the CGU exceed its recoverable amount.

As at 31 December 2009, the Group decided to fully impair the goodwill of its Spanish subsidiary and recorded a non-recurring expense of €7,598 thousand, in addition to the €1,000 thousand impairment loss already recorded as at 31 December 2008.

Note 4.2 Other intangible assets

(in thousands of euros)	Total	Development costs	Concessions, patents, licences, hardware, software	Other intangible assets
Gross value as at 31/12/09	**128,074**	**11,180**	**59,813**	**57,711**
Purchases	11,174	1,417	2,532	7,225
Disposals – scrapping	(2,453)		(2,323)	(130)
Other movements	3,144	(600)	8,523	(4,779)
Gross value as at 31/12/10	**140,569**	**11,997**	**68,545**	**60,027**
Amortisation as at 31/12/09	**62,403**	**3,344**	**48,107**	**10,952**
Charges	11,521	1,753	4,844	4,924
Reversals – removals	(2,130)		(2,000)	(130)
Other movements	1,734	(600)	2,028	306
Amortisation as at 31/12/10	**73,528**	**4,497**	**52,979**	**16,052**
Net value as at 31/12/09	**66,301**	**7,836**	**11,706**	**46,759**
Net value as at 31/12/10	**67,041**	**7,500**	**15,566**	**43,975**

Intangible assets have finite useful lives.

The net impact of exchange differences on intangible assets is included in "Other movements" in the amount of €1,409,000.

The increase in development costs mainly reflects customer solutions development in Germany.

Other intangible assets mainly comprise customer relations recognised following the acquisition of Xansa in the gross amount of €51,815,000. They are amortised over a period of eleven years.

In order to improve its efficiency and reduce costs, the Group implements solutions for its own requirements. The increase in other intangible assets reflects the advancement of these projects under development.

Note 4.3 Property, plant and equipment

(in thousands of euros)	Total	Technical facilities including finance leases	Land and buildings held under finance leases	Fittings, fixtures and facilities including finance leases	Other PPE [1]
Gross value as at 31/12/09	**239,554**	**11,554**	**40,100**	**57,399**	**130,501**
Purchases	14,166	65	139	3,011	10,951
Disposals – scrapping	(13,618)	(46)		(1,347)	(12,225)
Other movements	10,517	685	13,477	(9,217)	5,572
Gross value as at 31/12/10	**250,619**	**12,258**	**53,716**	**49,846**	**134,799**
Amortisation as at 31/12/09	**165,550**	**8,884**	**8,296**	**41,944**	**106,426**
Charges	21,328	820	1,220	5,165	14,123
Reversals	(13,349)	(46)		(1,299)	(12,004)
Other movements	6,725	610	11,209	(9,483)	4,389
Amortisation as at 31/12/10	**180,254**	**10,268**	**20,725**	**36,327**	**112,934**
Carrying amount as at 31/12/09	**74,004**	**2,670**	**31,804**	**15,455**	**24,075**
Carrying amount as at 31/12/10	**70,365**	**1,990**	**32,991**	**13,519**	**21,865**

(1) Other PP&E include office and computer equipment, furniture, vehicles and other items.

The net impact of exchange differences on property, plant and equipment is included in "Other movements" in the amount of €3,793 thousand and represents the main change for the period with acquisitions, scrapping and depreciation charges.

No items of PP&E were under construction as at 31 December 2010. No items of PP&E had been under construction as at 31 December 2009.

Note 4.4 Investments in associates

(in thousands of euros)	Value of shares as at 31/12/09	Change in Group structure	Net profit/(loss) for the period	Exchange differences	Distribution	Value of shares as at 31/12/10
Diamis	1,393		(34)			1,359
Intest	204					204
Steria Medshore	(475)		(248)	(11)		(734)
NHS Shared Business Services Ltd	5,059		1,899	154		7,112
Total equity associates	**6,181**		**1,617**	**143**		**7,941**

In 2010, the breakdown of assets, liabilities, revenue and profit or loss of the main associates was as follows:

(in thousands of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity value	Revenue	Profit/(loss)
NHS Shared Business Services Ltd	22,741	19,778	8,105	27,302	7,112	31,029	1,899
Diamis	49	2,391	66	1,015	1,359	2,688	(34)
Steria Medshore	94	1,054	-	1,882	(734)	1,311	(248)

In 2009, the breakdown was as follows:

(in thousands of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity value	Revenue	Profit/(loss)
NHS Shared Business Services Ltd	20,085	21,259	8,526	27,761	5,059	26,642	1,194
Diamis	34	2,378	52	967	1,393	2,654	(30)
Steria Medshore	129	621	-	1,224	(474)	983	(400)

The joint venture, NHS Share Business Services (NHS SBS), was formed with the UK Health Ministry on 1 April 2005. It provides accounting and financial services to certain UK public health bodies. Its equity value comprised goodwill of €13,187 thousand recognised on its date of creation.

Note 4.5 Available-for-sale financial assets

Non-consolidated equity investments are classified under the IFRS balance sheet category of available-for-sale assets, irrespective of whether the Group wishes to sell these investments.

(in thousands of euros)	Total	Travelsoft	Other shares
Gross value as at 31/12/09	**1,864**	**1,781**	**83**
Additions			
Decreases	(2)		(2)
Gross value as at 31/12/10	**1,862**	**1,781**	**81**
Impairment of shares as at 31/12/09	**55**		**55**
Additions			
Decreases	(1)		(1)
Impairment of shares as at 31/12/10	**54**		**54**
Net carrying amount as at 31/12/09	**1,809**	**1,781**	**28**
Net carrying amount as at 31/12/10	**1,808**	**1,781**	**27**

Groupe Steria does not exercise any significant influence over these investments.

Available-for-sale financial assets are measured at fair value using the following assumptions:

- level 1: quoted data: 0%;
- level 2: observable data: 0%;
- level 3: internal models: 100% (see note 1.11 Financial assets).

Note 4.6 Other financial assets

(in thousands of euro)	Total	Loans	Deposits and guarantees	Other	Derivative financial instruments – foreign exchange *	Derivative financial instruments – interest rates *
Gross value as at 31/12/09	**3,977**	**363**	**589**	**364**	**2,661**	**0**
Change in Group structure						
Additions	338	7	171			160
Decreases	(500)	(46)	(10)		(917)	473
Other movements	(581)	8	12	44	(645)	
Gross value as at 31/12/10	**3,234**	**332**	**762**	**408**	**1,099**	**633**
Impairment as at 31/12/09						
Impairment as at 31/12/10						
Net carrying amount as at 31/12/09	**3,977**	**363**	**589**	**364**	**2,661**	**0**
Net carrying amount as at 31/12/10	**3,234**	**332**	**762**	**408**	**1,099**	**633**

* *See note 4.17.*

The net impact of exchange differences on other financial assets was included in "Other movements" in the amount of €360,000.

Deposits essentially comprise cash balances held by UK trusts included in the Group's scope of consolidation. The assets held by these trusts are primarily earmarked for payment to Group employees. Due to the legal form of these entities, the Group cannot recognise these liquid assets as cash and cash equivalents as defined by IFRS. These assets totalled €248 thousand as at 31 December 2010 (€110 thousand as at 31 December 2009).

Amounts recognised in respect of deposits represent a reasonable approximation of their fair value.

Note 4.7 Income tax

Reconciliation of the total income tax charge recognised and the theoretical charge

(in thousands of euros)	31/12/10	31/12/09
Consolidated net profit	43,423	48,707
Income tax expense	18,084	23,565
Net profit before tax	**61,507**	**72,272**
Tax rate applicable in France	**34.43%**	**34.43%**
Theoretical tax charge	**21,177**	**24,883**
Impairment of goodwill	-	2,616
Effect of tax losses carried forward net of losses not recognised	1,387	2,371
Contribution on Added Value	4,469	-
Coupon paid on equity instruments (see note 4.10)	(2,992)	(2,992)
Effect of permanent differences	(2,275)	1,469
Effect of profit/(loss) of associates	(557)	(267)
Effect of different tax rates	(2,573)	(3,414)
Other items	(551)	(1,101)
Effective tax charge	**18,084**	**23,565**
Effective tax rate	**29.40%**	**32.61%**

In December 2009, the Group decided to qualify the Contribution on Added Value payable under the Territorial Economic Contribution, the new tax introduced in France by the Finance Bill for 2010, as income tax in order to ensure consistency with the accounting treatment of similar taxes in other foreign countries. It represented an income tax expense of €6,816,000 (or €4,469,000 after the tax impact). As at 31 December 2010, the related deferred tax liability totalled €391 thousand.

Excluding the qualification of the Contribution on Added Value as income tax, the decrease in the Group tax rate compared to 2009 was primarily due to:

- expenses taken to pre-tax income and non-recurring income tax expenses recorded in 2009 but not renewed in 2010, mainly the impairment of Spanish goodwill and the non-recognition of Spanish deferred tax assets;
- one-off favourable events which benefitted the Group in 2010 but which are not likely to reoccur in future years, and the more positive impact of various tax measures, particularly the decrease in the UK corporate income tax rate from 28% to 27%.

As at 31 December 2010, the items relating to "Effect of tax losses carried forward net of losses not recognised" mainly comprised unrecognised Spanish loss carryforwards. As a matter of prudence, and given the economic environment in Spain, it was deemed improbable that sufficient taxable profit would be available to offset a portion of these losses, which have a limited carry-forward period. The increase in the income tax expense relating to this event totalled €1,773,000 in 2010 (compared to €3,711,000 in 2009).

Breakdown between current and deferred taxes in the income statement

(in thousands of euros)	France 31/12/10	International 31/12/10	Total 31/12/10	Total 31/12/09
Current tax	(10,940)	(13,607)	(24,547)	(14,168)
Deferred tax	8,775	(2,312)	6,463	(9,397)
Tax	**(2,165)**	**(15,919)**	**(18,084)**	**(23,565)**

Deferred taxes recognised as at 31 December 2010

(in thousands of euros)	31/12/09	Profit or loss impact	Impact on reserves	Translation and other mvts	31/12/10
Intangible assets	(16,527)	579		(449)	(16,397)
Property, plant and equipment	6,106	317		72	6,495
Property, plant and equipment finance lease	(5,688)	2,663	4	18	(3,003)
Non-current financial assets	(362)	(14)			(376)
Inventories and work-in-progress	(3,158)	488		2	(2,668)
Other current assets	6,351	1,815	(7,616)	(165)	385
Retirement benefit obligations	(6,626)	720	(335)	(370)	(6,611)
Provisions	2,101	(535)		70	1,636
Other current liabilities	(5,113)	96	4,573	192	(252)
Tax loss carry-forwards	16,726	334		99	17,159
Total net deferred tax assets	**(6,190)**	**6,463**	**(3,374)**	**(531)**	**(3,632)**
Deferred tax assets recognised	**10,560**				**14,149**
Deferred tax liabilities recognised	**16,750**				**17,780**

Exchange differences had a total impact of €(525,000).

Deferred tax assets not recognised as at 31 December 2010

Deferred tax assets not capitalised as at 31 December 2010 totalled €25,618 thousand:

- on tax losses carried forward: €24,178 thousand
- on other temporary differences: €1,440 thousand

Breakdown of deferred tax assets not recognised by country (in thousands of euros)	Total as at 31/12/09	Total as at 31/12/10	Expiry date < 2 years	Expiry date > 2 years
Germany (2)	859	868		868
Austria	930	1,001		1,001
Denmark	1,564	1,240		1,240
Spain	9,503	11,048		11,048
France (2)	3,119	2,870		2,870
UK	773	798		798
Sweden	4,511	4,838		4,838
Singapore (2)	844	912		912
Other countries (1) (2)	1,951	2,043		2,043
Total unrecognised deferred tax assets	**24,054**	**25,618**		**25,618**

(1) Canada, Cyprus, USA, Luxembourg.
(2) Deferred tax assets mainly arising from the takeover of Xansa.

Note 4.8 Inventories and work-in-progress

(in thousands of euros)	
Gross value as at 31/12/09	**9,835**
Net change during the period	(1,554)
Gross value as at 31/12/10	**8,281**
Impairment of inventories as at 31/12/09	**641**
Net change during the period	(525)
Impairment of inventories as at 31/12/10	**116**
Net carrying amount as at 31/12/09	**9,194**
Net carrying amount as at 31/12/10	**8,165**

The increase in inventories and work-in-progress was primarily due to the outstanding services relating to the start-up phase of major contracts, mainly in France and, to a lesser extent, the United Kingdom.

Note 4.9 Trade receivables and other debtors

Group policy is to verify the financial soundness of all clients and client balances are monitored on a constant basis. In addition, outstanding receivables are reviewed monthly by the Group's Finance Department, which analyses any potentially high-risk receivables. The impairment of a receivable may be decided and recorded where there is objective evidence (such as probability of bankruptcy or the debtor is in serious financial difficulty) that the Group will be unable to recover the amounts due pursuant to the contractual terms and conditions of the invoice.

Trade receivables do not bear interest and are generally payable within 30 to 90 days.

(in thousands of euros)	31/12/10	31/12/09 corrected[(2)]
Trade receivables - gross value	273,797	283,598
Impairment	(2,766)	(2,152)
Trade receivables and related accounts	**271,031**	**281,445**
Amounts due from customers	**167,164**	**170,292**
Customer deposits and advances	470	638
Receivables from employees and social security and tax authorities	23,177	20,540
Current accounts	485	427
Debtors – gross value	2,349	6,107
Derivative financial instruments – interest rates [(1)]		1,802
Derivative financial instruments – foreign exchange [(1)]	5,419	6,515
Impairment	(169)	(13)
Other current assets	**31,731**	**36,017**
Current loans and guarantees	3,743	2,963
Short–term portion of non-current assets (< 1 year)	**3,743**	**2,963**
Current tax assets	**28,160**	**27,340**
Prepaid expenses	**24,043**	**24,491**
Trade receivables and other debtors	**525,872**	**542,548**

(1) See note 4.17.
(2) See note 1.2 Error correction.

In December 2010, the Group sold trade receivables in the amount of €13,107 thousand in France and in the amount of €1,986 thousand in Spain without recourse. Trade receivables transferred without recourse against the transferor in the event of non-payment by the debtor are considered to have resulted in the transfer of substantially all the risks and rewards associated with the assets, thus enabling these receivables to be derecognised from the balance sheet, as the risk of late payment is considered marginal for the receivables in question.

Trade receivables break down by maturity as follows:

(in thousands of euros)	TOTAL	Not past due or impaired	< 30 days	30 < 60 days	60 < 90 days	90 < 120 days	> 120 days
2010	273,797	178,804	42,712	12,625	3,582	4,117	31,957
2009	283,598	180,518	56,065	16,200	2,762	310	27,743

Trade receivables not past due or impaired as at 31 December 2010 totalled €178,804 thousand and represented 65.3% of total trade receivables. This balance plus trade receivables past due less than 30 days, totalled €221,516 thousand and represented 80.9% of total trade receivables.

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Trade receivables presenting objective evidence of irrecoverability, such as a probability of bankruptcy or serious financial difficulties, are impaired. Impairment of trade receivables breaks down as follows:

(in thousands of euros)	2010	2009
As at 1 January	(2,152)	(1,920)
Change in Group structure	-	-
Charges for the year	(1,312)	(364)
Reversals utilised (losses on irrecoverable receivables)	636	894
Reversals not utilised	125	-
Reclassification	(63)	(735)
Translation differences	-	(27)
As at 31 December	**(2,766)**	**(2,152)**

Note 4.10 Equity instruments

On 12 November 2007, and in order to finance the acquisition of Xansa, the Group issued perpetual subordinated bonds, convertible and/or exchangeable for new shares. As at 14 November 2007, 4,080,549 bonds had been issued for a total of €152,449 thousand, or €150,300 thousand after deduction of the issue costs.

These bonds were classified as equity instruments in accordance with IFRS. Indeed, in accordance with the contractual terms of these bonds presented in the AMF prospectus no. 07-394 dated 12 November 2007, the Group has no contractual obligation to make payments to the bondholders since all decisions as to payment are at its discretion:

1. the payment of coupons may be suspended by the Group whenever no dividend distribution or interim dividend payment has been decided since the last interest payment date. Deferred interest is cumulative and also bears interest, but its payment remains at the Group's discretion for so long as no distribution of dividend has been decided;
2. other than any early redemption provided for at the option of the Group, the only instances of mandatory redemption of the bonds are in the event of liquidation or the expiry of the Company's corporate term as provided for by its articles of association. These two situations do not disqualify the bonds from classification as equity instruments under IFRS;
3. finally, the bondholders' option to convert their bonds into ordinary shares does not disqualify the bonds from classification as equity instruments inasmuch as the conversion parity is a fixed one.

Subject to any decision by the Group to suspend payment, the bonds bear interest at the annual rate of 5.70% until 1 January 2013 and at three month Euribor plus 800 basis points thereafter. These rates would be increased by 500 basis points in the event of a change of control of the company. In accordance with their classification as equity instruments, the interest paid on the bonds is treated as a dividend payment and has no impact on the income statement. The payment made on 31 December 2010 amounted, after tax, to €5,698 thousand (€5,698 thousand on 31 December 2009).

Note 4.11 Cash and cash equivalents and net financial indebtedness

Net cash and cash equivalents per the cash flow statement:

(in thousands of euros)	31/12/10	31/12/09
Other marketable securities	132,891	108,189
Cash at bank and in hand	44,356	41,670
Cash and cash equivalents	**177,247**	**149,859**
Current bank facilities	(4,762)	(4,304)
Accrued interest payable on bank overdrafts	(102)	(242)
Net cash and cash equivalents per the cash flow statement	**172,382**	**145,312**

Other marketable securities comprise short-term money market investments, other short-term deposits and the funds advanced for use under the liquidity contract. They are subject to an insignificant risk of changes in value.

Net cash and cash equivalents included an amount of €99,607 thousand in India.

Breakdown of borrowings recorded in the balance sheet and determination of net indebtedness:

(in thousands of euros)	31/12/09	Change in Group structure	Net change during the period	31/12/10
Bank borrowings	269,938		(65,875)	204,074
Borrowings – property-related finance leases				
Borrowings – other finance leases				
Other borrowings	63		(27)	36
Total long-term borrowings (a)	**270,001**		**(65,902)**	**204,110**
Current bank facilities	4,304		458	4,762
Bank borrowings	60,437		8,832	69,269
Other related liabilities	216		(22)	194
Borrowings in respect of property and other finance leases	1,667		(1,662)	5
Accrued interest payable on bank overdrafts	242		(141)	101
Total short-term borrowings (b)	**66,866**		**7,466**	**74,332**
Total borrowings (c) = (a) + (b)	336,867		(58,436)	278,442
Total cash and cash equivalents (d)	149,859		27,388	177,247
Net indebtedness (e) = (c) – (d)	**187,008**		**(85,824)**	**101,195**

Borrowing issue costs to be amortised totalled €2,863 thousand as at 31 December 2010 (€3,974 thousand as at 31 December 2009).

Liquidity risk management:

The Group's general hedging policy is aimed at securing and optimising liquidity. External financing decisions are centralised at Group level under the responsibility of the Finance Department. The cash position and undrawn lines of credit are reviewed once a month with the Group Finance Director, and with the members of the Audit Committee at each of its meetings.

The Group concluded a multi-currency credit agreement with a first-rate bank on 29 July 2007, for a total of about €1 billion, with a five-year term. This multicurrency loan was syndicated at the end of 2007 with a pool of twelve leading banks. The use of this syndicated multi-currency credit agreement explains the change in borrowings.

At 31 December 2010, the Group had floating-rate lines of credit totalling €523.5 million, 54% of which were utilised. They break down as follows:

	Amount authorised at 31 December 2010		Utilisation at 31 December 2010		Utilisation rate at 31 December 2010	Maturity	Rate at 31 December 2010
	in M€	in M£	in M€	in M£			
Syndicated loan							
Facility A1 A	171.2		171.2		100%	Repayable in instalments: 2012	1.30%
Facility A1 B		28.8		28.8	100%	Repayable in instalments: 2012	1.09%
Facility A2		33.8		33.8	100%	Repayable in instalments: 2012	1.09%
Facility C	31.0		31.0		100%	*Repayable on maturity:* 2012	1.30%
Revolving credit	200.0		0.0		0%	*Repayable on maturity:* 2012	N/A
Other	0.0	1.2	0.0	1.2	100%	Repayable in instalments: 2012	1.07%
Overdraft	47.3	0.0	4.8	0.0	10%	N/A	1.08%
Total per currency	449.5	63.7	206.9	63.7			
Equivalent total in €		**523.5**		**281.0**	**54%**		**1.24%**

The interest rates on the syndicated loan equal the interbank rate for the currency concerned at the time of the drawdown, plus a margin specified for a period of six months according to the leverage ratio.

The bank terms and conditions to which the syndicated loan is subject notably include a commitment to comply with certain bank covenants.

The Company must comply with two financial ratios calculated every six months based on the published consolidated financial statements, on a 12-month rolling basis: the first, the leverage ratio, is equal to net debt/EBITDA and the second, the interest coverage ratio, is equal to operating margin before amortisation of customer relationships/net financial debt cost.

The first financial ratio, the leverage ratio, which is equal to net debt/EBITDA, must not exceed 2.25 at each calculation date (level required for periods from December 2008 to December 2012).

Net debt is defined on a consolidated basis as all loans and related borrowings (excluding inter-company liabilities), plus pension fund shortfalls net of tax, less cash and cash equivalents.

EBITDA is the consolidated operating margin before amortisation of customer relationships plus charges to depreciation and amortisation and current provisions.

As at 31 December 2010, the net debt to EBITDA ratio requirement was satisfied, amounting to 0.70 compared with the applicable covenant of 2.25.

It is calculated as follows:

	31/12/10	31/12/09
Net debt (including retirement benefit obligations) in millions of euros		
Short-term borrowings (< 1 year)	74.3	66.9
Long-term borrowings (> 1 year)	204.1	270.0
Cash and cash equivalents	(177.2)	(149.9)
Retirement benefit obligations provided	(9.5)	(8.5)
Deferred Tax Assets on retirement benefit obligations	6.6	6.6
Total net debt	**98.3**	**185.1**
EBITDA in millions of euros		
Total EBITDA	**139.8**	**159.6**
Net debt/EBITDA ratio	**0.70**	**1.16**

The second financial ratio, the interest coverage ratio, is equal to the consolidated operating margin before amortisation of customer relationships/net financial debt cost. This ratio must not fall below 5 at each calculation date (level required for periods from June 2009 to December 2012).

The consolidated operating margin defined by the covenants is calculated before amortisation of customer relationships and on a 12-month rolling basis.

The net financial debt cost is also calculated on a 12-month rolling basis.

As at 31 December 2010, the ratio requirement was satisfied, amounting to 11.33 compared with the applicable covenant of 5.00. It was calculated as follows:

	31/12/10	31/12/09
Operating margin before amortisation of customer relationships in millions of euros		
Total operating margin before amortisation of customer relationships	**120.4**	**118.9**
Net financial debt cost in millions of euros		
Total net financial debt cost	**10.6**	**14.0**
Operating margin before amortisation of customer relationships/net financial debt cost ratio	**11.33**	**8.49**

In addition to satisfying the financial ratio prerequisites described above, the loan agreement also stipulates a number of:

- performance requirements, standard for this type of financing;
- restrictions, such as limits on the Group's ability to carry out restructurings, acquisitions, joint-ventures, collateralisation, additional borrowings, etc;
- cases of default such as default of payment, inaccurate tax returns, cross-default, bankruptcy, occurrence of an event having an adverse material effect, etc.

The loan agreement also stipulates a number of cases where the loan must be repaid early, in whole or in part as appropriate, or renegotiated with the banks:

- early repayment in full in the event the ownership of the Company changes, or if all or a substantial number of the Company's assets are sold;
- repayment using proceeds from asset disposals (beyond a specified threshold);
- repayment of a sum equal to each new borrowing subscribed by the Company (beyond a specified threshold);
- renegotiation of the financing terms and conditions in the event of financial market disruption – i.e. market disruption clause. This clause is only applicable if a minimum number of banks are unable to obtain refinancing on the capital market as of the date on which the financing is requested, given rate fluctuations. The purpose of this clause is to find a replacement rate.

As at 31 December 2010, the schedule for repayment of the Group's gross debt was as follows:

(in millions of euros)	2011*	2012	More than 5 years	Total
Fixed-rate debt	-	-	-	-
Floating-rate debt	71.5	206.9	-	278.4
Total	**71.5**	**206.9**	**-**	**278.4**

* *Of which €68.2 million due of 31 July 2011.*

A breakdown of the Group's gross indebtedness as at 31 December 2010, by type of debt and currency, is shown below:

	Currency of origin			
(in millions of euros)	EUR	EUR	EUR	EUR
Loans with credit institutions	154.2	52.7	-	206.9
Loans with credit institutions - short term	47.9	21.3	-	69.2
Loans and interest linked to finance leases	-	-	-	-
Bank loans (cash liabilities)	3.0	1.6	0.1	4.7
Other	(2.5)	0.1	-	(2.4)
Gross debt	**202.6**	**75.7**	**0.1**	**278.4**

The Group's portfolio of market securities as at 31 December 2010 breaks down as follows:

(in millions of euros)	Short-term investments	Liquidity agreement cash advance	Total portfolio of marketable securities
Net asset value	131.9	1.0	132.9
Off-balance sheet	-	-	-
Net position	**131.9**	**1.0**	**132.9**

Short-term investments are subject to approval by the Group, and comply with the principles of prudence defined internally.

At constant exchange rates compared to 31 December 2010 and considering the short-term investments held at such date, a 50 base point decrease in floating rates would reduce annual financial income by €0.66 million.

Counterparty risk management:

All foreign currency and interest rate hedges are carried out with leading banks belonging to the group banking pool, with which market transaction agreements have been signed.

Any financial investments are carried out either via short-term bank deposits with banks belonging to the banking pool, or via monetary instruments managed by leading financial institutions, which are themselves subsidiaries of banks belonging to the pool. These investments are subject to approval by the Group, and comply with the principles of prudence defined by the Group.

For example, each bank can only hold a certain percentage of a subsidiary's investments, unless it receives special authorisation from the central Treasury Department. Similarly, monetary investments must not include ABS (Asset-Backed Securities), and must be systematically approved by the Group Treasury Department if their value exceeds a certain threshold.

The Group gives priority to short-term investments and systematically analyses the composition of the investment fund portfolios proposed by the banks.

The Group also assess its customers' risk of solvency. This solvency takes into account factors that are exclusively internal to the Group and contextual factors such as geographical location, overall economic situation and segment growth forecasts.

Thanks to these various measures, the Group considers that it has introduced a mechanism that noticeably reduces its counterparty risk in the current economic context. The Group, nevertheless, remains subject to a residual risk which may affect its performance, under certain conditions.

Note 4.12 Retirement benefit obligations

The liabilities relating to retirement cover the obligations of Groupe Steria towards its employees with respect to lump-sum retirement benefits in France (1.5% of the Group's total obligations) and defined benefit plans in the UK (94.1%), Germany (2.4%), Benelux (1%) and Norway (1%). As at 31 December 2010, they represent a net amount of €(9,540) thousand corresponding to an excess of prepaid expenses over accrued expenses.

Assets and obligations are valued annually on 31 December.

The amounts recognised in the income statement and the balance sheet are based on forecasts performed at the end of 2009 for service cost, interest cost on the liability and the expected return on plan assets.

The majority of the Group's retirement benefit obligations involve the United Kingdom and the changes in the obligations and assets in this country over the last five years are as follows:

(in thousands of euros)	31/12/10	31/12/09	31/12/08	31/12/07 restated	31/12/06
Present value of the obligation at the beginning of the period	**919,573**	**640,914**	**940,295**	**556,596**	**532,317**
Obligations resulting from a business combination				426,874	
Exchange differences	29,084	47,244	(200,085)	(69,503)	11,142
Current service cost	5,966	12,185	20,130	10,109	5,013
Past service cost				56	
Interest	53,575	43,591	51,206	32,574	26,123
Employee contributions	343	249	696	237	3,219
Actuarial (gains) and losses	10,675	219,845	(147,024)	2,121	(6,198)
Plan amendment		(17,367)			
Benefits provided	(24,317)	(27,089)	(24,304)	(18,769)	(15,020)
Present value of the obligation at the end of the period	**994,899**	**919,573**	**640,914**	**940,295**	**556,596**
Fair value of plan assets at the beginning of the period	**768,198**	**613,935**	**881,743**	**492,064**	**441,602**
Assets acquired during a business combination				416,800	
Exchange differences	24,160	44,882	(189,883)	(64,606)	9,702
Expected return	47,959	37,573	52,055	34,601	29,022
Actuarial gains and (losses)	38,351	47,490	(155,162)	(615)	8,853
Employer contributions	22,970	51,157	48,790	22,031	14,686
Employee contributions	343	249	696	237	3,219
Benefits provided	(24,317)	(27,089)	(24,304)	(18,769)	(15,020)
Fair value of plan assets at the end of the period	**877,663**	**768,196**	**613,935**	**881,743**	**492,064**

The corridor limits, i.e. 10% of the amount of obligations or the market value of plan assets, were exceeded in 2010, as was the case in 2009, considering the unfavourable changes in actuarial criteria and the resulting actuarial gains and losses.

In accordance with the accounting policies applicable to post-employment benefits described in note 1.17, the Group recognises an actuarial gain or loss in other operating income or other operating expenses. The same applies to the income or loss arising from the curtailment or settlement of post-employment benefit plans.

This actuarial difference will be amortised over the average remaining working life of the employees (between 7.4 and 14 years) who are included in the plans, representing an expense of GBP 8,895 thousand or €10,364 thousand in 2010. In 2011, this expense will amount to GBP 5,526 thousand.

In 2009, the Group signed, with British employee representatives and trade unions, an agreement terminating the vesting of rights under its defined benefit plans. These plans were replaced by defined contribution plans. The defined benefit plans will only be maintained as part of public sector outsourcing projects. This agreement came into effect as at 1 April 2010.

The purpose of this plan amendment was to reduce, as at 31 December 2009, the Group's retirement obligations in the United Kingdom by GBP 16,506 thousand. The related gain, i.e. €14,487 thousand (excluding the impact of unrecognised actuarial gains and losses), was recognised in 2009 on the signature date of the agreement that approved the new plan.

The UK pension fund assets belong to four investment categories:

(in thousands of euros)	31/12/10	31/12/09
Shares	399,497	342,265
Bonds	377,809	334,995
Property	29,788	24,893
Other assets	70,568	66,044
Total	**877,661**	**768,196**

The discount rate used for employee obligations is based on the return on AA bonds in line with the life of the liabilities rounded to the nearest decimal point. In the United Kingdom where most of the Group's obligations are assumed, the reference used is the Mercer yield curve.

A 0.5 point decrease in the discount rate would increase the benefit obligation by €94.7 million. A 10% reduction in the rate of return on plan assets would reduce their value by €40.0 million.

Experience adjustments represent the effects of differences between previous actuarial assumptions and what has actually occurred. Hence, in the United Kingdom, experience adjustments on assets and liabilities represented a gain of €37.9 million and a loss of €11.2 million, respectively.

Movements in net liabilities arising from the main retirement benefit obligations during 2010 are presented in the following table:

	Defined benefit pension funds – UK	Defined benefit pension funds – Germany	Lump-sum retirement benefits – France	Defined benefit pension funds – Norway	Defined benefit pension funds – Belgium
Calculation assumptions for actuarial liabilities					
Discount rate	5.40%	4.30%	4.60%	3.20%	3.70%
Average return on assets	6.02%	-	-	4.60%	4.00%
Inflation rate	3.20%	-	2%	3.75%	2.50%
Rate of salary increase	3.45%	2% / 0%	2%	-	3%
Retirement age	Variable	60/63 years	63 years	-	-
Amounts recognised in the balance sheet					
Present value of the obligation financed including the corridor	994,899	24,952	15,666	10,618	10,162
Fair value of plan assets	877,661			9,660	8,115
Difference	117,237	24,952	15,666	958	2,046
Unrecognised actuarial gains/(losses)	(161,830)	(7,115)	(847)	1,154	(423)
Unrecognised past service cost			(2,876)		
Net liabilities on the balance sheet (provision after charge for the year)	**(44,593)**	**17,838**	**11,942**	**2,113**	**1,624**
Of which:					
Assets	*44,593*	-	-		
Liabilities		*17,838*	*11,942*	*2,113*	*1,624*
Amounts recognised in the income statement					
Current service cost	5,966	22	1,253	315	432
Interest cost on obligation	53,575	1,174	692	418	450
Expected return on plan assets	(47,959)			(494)	(408)
Net actuarial (gains) losses recognised for the period	10,364	89		5	
Past service cost			220		
Gains arising from the plan amendment				(12)	54
Total expense	21,946	1,284	2,166	233	528
Movements in liabilities					
Net liability at the beginning of the period (with corridor)	**(42,230)**	**17,459**	**10,623**	**2,151**	**1,650**
Net expense recognised in the income statement	21,946	1,284	2,166	233	528
Contributions	(22,970)	(906)	(846)	(404)	(554)
Foreign exchange differences	(1,339)			133	
Liabilities assumed as part of business combinations					
Changes in method					
Net liability at the end of the period	**(44,593)**	**17,838**	**11,942**	**2,113**	**1,624**
Of which:					
Assets	*44,593*	-	-		
Liabilities		*17,838*	*11,942*	*2,113*	*1,624*

Short or medium-term obligations with respect to early retirement obligations were also recognised in Germany and Belgium in the amount of €770 thousand and €766 thousand, respectively.

For comparison, movements in net liabilities arising from the main retirement benefit obligations during 2009 are presented in the following table:

	Defined benefit pension funds – UK	Defined benefit pension funds – Germany	Lump-sum retirement benefits – France	Defined benefit pension funds – Norway	Defined benefit pension funds – Belgium
Calculation assumptions for actuarial liabilities					
Discount rate	5.70%	5.75%	5.20%	4.40%	4.25%
Average return on assets	6.06%	-	-	5.60%	4.75%
Inflation rate	3.40%	-	2%	4%	2.50%
Rate of salary increase	4.15%	2% / 0%	2%	-	-
Retirement age	Variable	60/63 years	63 years	-	-
Amounts recognised in the balance sheet					
Present value of the obligation financed including the corridor	919,573	20,850	13,312	11,087	10,609
Fair value of plan assets	768,196			8,672	8,313
Difference	151,377	20,850	13,312	2,415	2,296
Unrecognised actuarial gains/(losses)	(193,607)	(3,390)	(326)	(264)	(646)
Unrecognised past service cost			(2,364)		
Net liabilities on the balance sheet (provision after charge for the year)	**(42,230)**	**17,459**	**10,623**	**2,151**	**1,650**
Of which:					
Assets	*42,230*	-	-		
Liabilities		*17,459*	*10,623*	*2,151*	*1,650*
Amounts recognised in the income statement					
Current service cost	12,185	33	1,027	413	381
Interest cost on obligation	43,591	1,256	673	435	627
Expected return on plan assets	(37,573)			(536)	(409)
Net actuarial (gains) losses recognised for the period	(212)	104	(10)	22	
Past service cost	1,157		220		
Gains arising from the plan amendment	(14,487)				105
Total expense	4,662	1,393	1,911	334	705
Movements in liabilities					
Net liability at the beginning of the period (with corridor)	**4,122**	**16,931**	**9,342**	**1,841**	**2,385**
Net expense recognised in the income statement	4,662	1,393	1,911	334	705
Contributions	(51,157)	(865)	(630)	(346)	(1,440)
Foreign exchange differences	145			321	
Liabilities assumed as part of business combinations					
Changes in method					
Net liability at the end of the period	**(42,230)**	**17,459**	**10,623**	**2,151**	**1,650**
Of which:					
Assets	*42,230*	-	-		
Liabilities		*17,459*	*10,623*	*2,151*	*1,650*

As at 31 December 2009, short or medium-term obligations with respect to early retirement obligations were also recognised in Germany and Belgium in the amount of €1,085 thousand and €730 thousand, respectively.

Note 4.13 Provisions for liabilities and charges

In 2010, provisions for liabilities and charges break down as follows:

(in thousands of euros)	31/12/09	Charges	Reversals	Other movements	Exchange differences	31/12/10	*Non-current*	*Current*
Provisions for litigation	10,405	3,319	(2,710)		70	11,084	*1,036*	*10,048*
Provisions for losses on contracts	2,305	3,013	(2,716)		74	2,676		*2,676*
Other provisions for liabilities	24,667	8,204	(13,982)	706	672	20,267	*11,973*	*8,294*
Provisions for restructuring	12,996	11,129	(5,344)	(632)	247	18,396	*4,927*	*13,469*
Provisions for taxes	2,746		(2,470)			276		*276*
Total provisions for liabilities and charges	**53,119**	**25,665**	**(27,222)**	**74**	**1,063**	**52,699**	**17,936**	**34,763**

In 2009, the breakdown was as follows:

(in thousands of euros)	31/12/08	Charges	Reversals	Other movements	Exchange differences	31/12/09	*Non-current*	*Current*
Provisions for litigation	3,206	8,344	(1,312)	98	69	10,405	*1,589*	*8,816*
Provisions for losses on contracts	2,987	953	(1,760)		125	2,305		*2,305*
Other provisions for liabilities	16,688	10,508	(2,881)	(609)	961	24,667	*9,090*	*15,577*
Provisions for restructuring	6,458	10,374	(4,280)	22	422	12,996	*6,850*	*6,146*
Provisions for taxes	3,565	566	(1,385)			2,746		*2,746*
Total provisions for liabilities and charges	**32,904**	**30,745**	**(11,618)**	**(489)**	**1,577**	**53,119**	**17,529**	**35,590**

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Provisions for litigation primarily concern employee disputes in France and the United Kingdom and major contract disputes deemed as non-recurring.

The majority of provisions for losses to completion primarily concern the UK operating segment.

Other provisions for liabilities mainly concern client risks in France and the United Kingdom in the amount of €7,896 thousand and the cost of refurbishing UK premises in the amount of €10,389 thousand.

Provisions for restructuring mainly concern the cost of premises left vacant. In the United Kingdom, following the Xansa Group acquisition, premises left vacant were provided for in the amount of €6,147 thousand. In France, infrastructure reorganisation measures costing €8,311 thousand resulted in vacant premises and refurbishment costs. Finally, resource adaptation costs in France, the United Kingdom and Spain were provided for in the amount of €3,548 thousand.

The provision for liabilities set aside by French entities for the 2005, 2006 and 2007 tax audits was fully reversed following the payment of the notified reassessments.

Reversals of unused provisions for liabilities and charges totalled €11,029 thousand and were attributable to the elimination of certain client risks. They correspond to other provisions for liabilities.

Note 4.14 Other non-current liabilities

(in thousands of euros)	31/12/09	Net change during the period	31/12/10
Governments grants	19	(19)	-
Other long-term liabilities	4,547	(443)	4,104
Derivative financial instruments – interest rate (1)	0	251	251
Derivative financial instruments – foreign exchange (1)	900	58	958
Long-term portion of deferred income	-	-	-
Total	**5,466**	**(153)**	**5,313**

(1) See note 4.17.

Other non-current liabilities comprise, in particular, French profit-sharing liabilities in the amount of €4,077 thousand.

Note 4.15 Trade payables and other creditors

(in thousands of euros)	31/12/10	31/12/09 corrected (2)
Suppliers of goods and services and related accounts	**145,719**	**148,386**
Gross amounts due to customers	**76,900**	**78,024**
Advances and payments on account received	**3,687**	**4,533**
Current tax liabilities, corporate income tax	**43,197**	**34,900**
Employee-related liabilities	166,205	150,012
Tax-related liabilities	92,841	95,519
Interest payable		3
Dividends payable	9,287	9,029
Derivative financial instruments – interest rate (1)	118	11,044
Derivative financial instruments – foreign exchange (1)	465	25
Other sundry liabilities	957	4,143
Total other current liabilities	**269,873**	**269,776**
Total trade payables and other creditors	**539,376**	**535,619**

(1) See note 4.17.
(2) See note 1.2 Error correction.

Trade payables do not bear interest and are generally payable within 30 to 90 days, depending on the general terms and conditions applicable in the country. Exceptionally, payment conditions of less than 30 days may be granted if they reflect local practice.

Note 4.16 Breakdown of the cash flow statement

Change in working capital requirements (WCR) breaks down as follows:

(in thousands of euros)	31/12/10	31/12/09 corrected*	Net change	Of which non-WCR items	Of which WCR items	Of which WCR items with no cash impact – Change	Of which WCR items with no cash impact – Other	Of which cash flow statement items
Change relating to inventories			*(1,029)*	-	(1,029)	78	-	1,107
Trade receivables	271,031	281,445	*(10,414)*	-	(10,414)	4,599	5,033	20,047
Advances and payments on account received	(3,687)	(4,533)	*846*	-	846	(12)	4,469	3,611
Amounts due from customers	167,164	170,292	*(3,128)*	-	(3,128)	3,538	(4,123)	2,542
Gross amounts due to customers	(76,900)	(78,024)	*1,124*	-	1,124	(1,704)	5,033	(7,861)
Change relating to trade receivables			*(11,572)*	-	(11,572)	6,421	346	18,339
Trade payables and similar accounts	(145,719)	(148,386)	*2,668*	(39)	2,707	(1,900)	-	(4,607)
Change relating to trade payables			*2,668*	(39)	2,707	(1,900)	-	(4,607)
Other non-current assets	1,843	1,059	*784*	-	784	65	-	(719)
Other current assets (excluding derivative financial instruments)	50,356	52,191	*(1,835)*	-	(1,835)	1,427	1,459	4,722
Other non-current liabilities	(4,105)	(4,546)	*441*	-	441	(233)	(5)	(679)
Other current liabilities	(259,994)	(249,679)	*(10,315)*	-	(10,315)	(4,921)	(1,706)	3,688
Change relating to other receivables and payables			*(10,925)*	-	(10,925)	(3,661)	(252)	7,012
Change in working capital requirements relating to operations					(20,819)	937	94	21,851

(*) See note 1.2 Error correction.

Note 4.17 Financial instruments and interest rate and foreign exchange risk management

Financial instruments per the balance sheet break down as follows:

(in thousands of euros)	31/12/10 Carrying amount	31/12/10 Fair value	At fair value through profit or loss	Available for-sale assets	Loans, receivables and other liabilities	Debt at amortised cost	Derivative instruments
Available-for-sale assets	1,808	1,808		1,808			
Other financial assets	3,234	3,234			1,502		1,732
Other non-current assets	1,844	1,844			1,844		
Net trade and similar receivables	271,031	271,031			271,031		
Other current assets	31,731	31,731			26,312		5,419
Current portion of non-current assets	3,743	3,743			3,743		
Cash and cash equivalents	177,246	177,246	177,246				
Total assets	**490,637**	**490,637**	**177,246**	**1,808**	**304,432**		**7,151**
Borrowings (>1 year)	204,099	204,099				204,099	
Other non-current liabilities	1,247	1,247			38		1,209
Borrowings (<1 year)	74,342	74,342				74,342	
Net trade and similar payables	145,719	145,719			145,719		
Advances and payments on account received	3,687	3,687			3,687		
Other current liabilities	269,873	269,873			269,290		583
Total liabilities	**698,967**	**698,967**			**418,734**	**278,441**	**1,792**

(in thousands of euros)	31/12/09 corrected* Carrying amount	Fair value	Breakdown by category of instrument At fair value through profit or loss	Available for-sale assets	Loans, receivables and other liabilities	Debt at amortised cost	Derivative instruments
Available-for-sale assets	1,809	1,809		1,809			
Other financial assets	3,977	3,977			1,316		2,661
Other non-current assets	1,059	1,059			1,059		
Net trade and similar receivables	281,445	281,445			281,445		
Other current assets	36,017	36,017			27,699		8,316
Current portion of non-current assets	2,963	2,963			2,963		
Cash and cash equivalents	149,859	149,859	149,859				
Total assets	**477,129**	**477,129**	**149,859**	**1,809**	**314,483**		**10,978**
Borrowings (>1 year)	270,001	270,001				270,001	
Other non-current liabilities	1,328	1,328			428		900
Borrowings (<1 year)	66,866	66,866				66,866	
Net trade and similar payables	148,386	148,386			148,386		
Advances and payments on account received	4,533	4,533			4,533		
Other current liabilities	269,776	269,776			258,707		11,069
Total liabilities	**760,890**	**760,890**			**412,054**	**336,867**	**11,969**

* *See note 1.2 Error correction.*

Items measured at fair value through profit or loss, and derivative hedging instruments, are valued by reference to quoted inter-bank interest rates (Euribor etc.) and to the foreign exchange rates set daily by the Central European Bank. All the financial instruments of this category are financial assets and liabilities classified as such from their inception.

Available-for-sale assets are, as provided for by IAS 39, recognised at fair value in the balance sheet.

Borrowings are recognised at amortised cost using their effective interest rate. They may be subject to hedging arrangements.

The profit and loss impact of these financial instruments is as follows:

(in thousands of euros)	31/12/10 Profit or loss impact	Breakdown by category of instrument At fair value through profit or loss	Available for-sale assets	Loans, receivables and other liabilities	Debt at amortised cost	Derivative instruments
Total interest income	4,559			4,559		
Total interest expense	(4,845)				(4,845)	
Revaluation	(10,347)	9				(10,356)
Net gains or (losses)	**(10,633)**	**9**		**4,559**	**(4,845)**	**(10,356)**

	31/12/09	Breakdown by category of instrument				
(in thousands of euros)	Profit or loss impact	At fair value through profit or loss	Available for-sale assets	Loans, receivables and other liabilities	Debt at Amortised cost	Derivative instruments
Total interest income	2,907			2,907		
Total interest expense	(8,915)				(8,915)	
Revaluation	(8,008)	198				(8,206)
Net gains or (losses)	**(14,016)**	**198**		**2,907**	**(8,915)**	**(8,206)**

Within the framework of its overall risk management policy and due to the considerable size of the production activities in India and Poland, the Group undertakes transactions designed to hedge its exposure to foreign currency risk through the use of derivatives and firm or optional instruments listed on regulated markets, or concluded by mutual agreement with first-class counterparties.

The Group also hedges against interest rate fluctuation by swapping part of its floating-rate debt for fixed-rate debt.

As provided for by IAS 39, derivative financial instruments are measured at fair value in the consolidated balance sheet.

If a derivative is designated as a fair value hedge of assets or liabilities recognised in the consolidated balance sheet, changes in the fair value of both the derivative and the hedged item are recognised in profit or loss of the same period.

If a derivative is designated as a cash flow hedge, the change in value of the effective portion of the derivative is recognised in equity and transferred to profit or loss when the hedged item is itself recorded in profit or loss. The change in fair value of the ineffective portion of the derivative is credited or charged directly to profit or loss.

Changes in fair value of derivatives not qualifying for hedge accounting are credited or charged directly to profit or loss.

The fair value of the Group's interest rate and foreign currency hedging instruments breaks down as follows:

Interest rate risk management:

The Group's aim is to protect itself against interest rate fluctuations by covering part of the floating-rate debt and investing its liquidities over periods of less than three months.

The derivative financial instruments used to cover the debt are interest rate swap contracts or options, which may or may not be eligible for hedge accounting.

The eligible counterparties for interest rate hedging and investments are leading financial institutions which belong to the Steria banking pool. These financial instruments are managed by the Group Finance Department.

All interest rate coverage for the Group is carried out through the parent company (Groupe Steria SCA).

The Group's total gross borrowings subject to interest rate risk amounted to €278.4 million. This exposure was reduced to €116.8 million based on interest rate hedging agreements in place as at 31 December 2010.

The Group has taken out several interest rate swap contracts, a breakdown of which is given below:

(in thousands of euros)	Fair value 31/12/10					Maturities		
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amounts	< 1 year	1 to 5 years	> 5 years
Swap (cash flow hedge) in euros	372		122	118	120,000	35,000	85,000	
Swap (cash flow hedge) non euros	42				11,618		11,618	
Options eligible for hedge accounting in euros	219		129		30,000		30,000	
Total interest rate hedges	**633**		**251**	**118**	**161,618**	**35,000**	**126,618**	

(in thousands of euros)	Fair value 31/12/09					Maturities		
	Non-current assets	Current assets	Non-current liabilities	Non-current assets	Notional amounts	< 1 year	1 to 5 years	> 5 years
Swap (cash flow hedge) in euros				7,001	247,000	247,000		
Swap (cash flow hedge) non euros				2,606	67,560	67,560		
Options eligible for hedge accounting in euros				791	28,000	28,000		
Options eligible for hedge accounting (non euros)				646	16,890	16,890		
Options not eligible for hedge accounting in euros		1,801			70,000	70,000		
Total interest rate hedges		**1,801**		**11,043**	**429,450**	**429,450**		

The remeasurement of these financial instruments in equity is accounted for in gains and losses arising from hedging financial instruments.

The remeasurement of these financial instruments in profit or loss is accounted for in other financial income and expenses.

The profit or loss and equity impacts of the Group's interest rate hedging instruments break down as follows:

	Balance sheet amounts (1)			Changes in fair value (2)			
					Profit or loss impact		
(in thousands of euros)	**31/12/09**	**Change**	**31/12/10**	**Equity impact**	**Ineffective portion of cash flow hedges**	**Fair value hedges**	**Trading**
Swap (cash flow hedge) in euros	(7,001)	7,133	131	7,133			
Swap (cash flow hedge) non euros	(2,606)	2,648	42	2,648			
Options eligible for hedge accounting in euros	(790)	881	90	858	23		
Options eligible for hedge accounting (non euros)	(646)	646	-	643	3		
Options not eligible for hedge accounting in euros	1,801	(1,801)	-				(1,801)
Total pre-tax impact	**(9,242)**	**9,506**	**264**	**11,281**	**26**		**(1,801)**

(1) Negative amounts are liabilities and positive amounts are assets.
(2) Changes in fair value are a component of changes in balance sheet amounts that also includes any changes arising from exchange differences and premiums paid.

	Balance sheet amounts (1)			Changes in fair value (2)			
					Profit or loss impact		
(in thousands of euros)	**31/12/08**	**Change**	**31/12/09**	**Equity impact**	**Ineffective portion of cash flow hedges**	**Fair value hedges**	**Trading**
Swap (cash flow hedge) in euros	(6,483)	(518)	(7,001)	(518)			
Swap (cash flow hedge) non euros	(3,060)	454	(2,606)	454			
Swaps not eligible for hedge accounting in euros	57	(57)	-				(57)
Swaps not eligible for hedge accounting (non euros)	189	(189)	-				(189)
Options eligible for hedge accounting in euros	(665)	(125)	(790)	(143)	18		
Options eligible for hedge accounting (non euros)	(762)	117	(646)	103	14		
Options not eligible for hedge accounting in euros	1,413	388	1,801				502
Options not eligible for hedge accounting (non euros)	(5)	5					5
Total pre-tax impact	**(9,317)**	**75**	**(9,242)**	**(104)**	**32**		**262**

(1) Negative amounts are liabilities and positive amounts are assets.
(2) Changes in fair value are a component of changes in balance sheet amounts that also includes any changes arising from exchange differences and premiums paid.

The sensitivity of the interest-rate derivatives portfolio to an increase or decrease by 50 basis points on the euro and pound sterling curves as at 31 December 2010 is as follows:

	-50 bp		+50 bp	
(in millions of euros)	Equity impact	P&L impact (hedge ineffectiveness)	Equity impact	P&L impact (hedge ineffectiveness)
Swap (cash flow hedge) in euros	(1.2)	-	1.2	
Swap (cash flow hedge) non euros	(0.1)	-	0.1	
Options eligible for hedge accounting in euros	(0.2)	(0.1)	0.1	0.1
TOTAL	**(1.5)**	**(0.1)**	**1.4**	**0.1**
i.e.	*(1.6)*		*1.5*	

The fair value of interest-rate hedging derivatives is measured using the following assumptions:

- level 1: quoted data: 0%
- level 2: observable data: 100%
- level 3: internal models: 0%

Foreign exchange risk management:

The Group is subject to two main types of risks linked to fluctuations in the exchange rates. Firstly, the risk of converting the Group's consolidated financial statements into individual financial statements for business conducted in countries where the euro is not the functional currency. Secondly, the transaction risk linked to purchases and sales of services, where the transaction currency is different from that of the country where the service is entered in the accounts.

As a part of its general risk management policy, the Group systematically covers business risks that constitute significant risks for the Group as a whole. To manage its exposure to foreign exchange risks, the Group uses derivative instruments.

The Group Finance Department provides this hedging via firm or optional instruments concluded by mutual agreement with first-class counterparties, which belong to the banking pool.

The Group's policy is not to conduct speculative transactions on financial markets.

Finally, the structure of the Group's indebtedness, part of which is denominated in GBP, provides a natural, if only partial, hedging against the currency translation risk to the net assets, recognised directly on the balance sheet.

Foreign exchange risk hedging mainly relates to GBP / INR and EUR / PLN hedges for the Group's production platforms in India and Poland. The hedges taken out apply both to invoiced items and to future cash flows. The corresponding changes in fair value of the hedges are taken to profit or loss for invoiced items and to equity for future cash flows.

The profit or loss valuation adjustment of these financial instruments that hedge balance sheet items is offset by the adjustment for the period to the Group's foreign currency receivables.

The balance sheet valuation of the Group's foreign currency hedges, and applicable notional amounts hedged, were as follows:

(in thousands of euros)	Fair value 31/12/10 Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amounts	Maturities < 1 year	1 to 5 years	> 5 years
Fair value hedges								
Foreign currency forwards		1,596			12,944	12,944		
Foreign currency options		2,790		13	20,912	20,912		
Cash flow hedges								
Foreign currency forwards	563	566	511	3	53,021	15,844	37,177	
Foreign currency options	536	456	446	109	20,727	10,432	10,294	
Instruments not designated for hedging*		11		345	31,531	31,531		
Total foreign currency hedges	**1,099**	**5,419**	**958**	**470**	**139,135**	**91,664**	**47,471**	

* *The Group hedges against transactional foreign exchange risk but does not apply hedge accounting in certain cases*

(in thousands of euros)	Fair value 31/12/09 Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amounts	Maturities < 1 year	1 to 5 years	> 5 years
Fair value hedges								
Foreign currency forwards		4,251			31,168	31,168		
Foreign currency options								
Cash flow hedges								
Foreign currency forwards	484	1,760			47,490	34,129	13,361	
Foreign currency options	2,177	36	900	25	46,836	3,200	43,636	
Instruments not designated for hedging*		468			8,355	8,355		
Total foreign currency hedges	**2,661**	**6,515**	**900**	**25**	**133,848**	**76,851**	**56,997**	

* *The Group hedges against transactional foreign exchange risk but does not apply hedge accounting in certain cases.*

The fair value of these financial instruments is adjusted by crediting or debiting other current operating income and expenses, with the exception of the time value and the impact of financial instruments not eligible for hedge accounting classified in other financial income and expenses.

The profit or loss and equity impacts of the Group's foreign currency hedges break down as follows:

(in thousands of euros)	Balance sheet amounts (1) 31/12/09	Change	31/12/10	Changes in fair value (2) Equity impact	Profit or loss impact Ineffective portion of cash flow hedges	Fair value hedges	Trading
Fair value hedges							
Foreign currency forwards	4,251	(2,655)	1,596			(3,168)	
Foreign currency options		2,776	2,776			2,736	
Cash flow hedges							
Foreign currency forwards	2,245	(1,630)	614	(1,888)			
Foreign currency options	1,288	(851)	437	(907)	(626)		
Instruments not designated for hedging	**468**	**(801)**	**(333)**				**(854)**
Total pre-tax impact	**8,251**	**(3,161)**	**5,090**	**(2,795)**	**(626)**	**(432)**	**(854)**

(1) Negative amounts are liabilities and positive amounts are assets.
(2) Changes in fair value are a component of changes in balance sheet amounts that also includes any changes arising from exchange differences and premiums paid.

(in thousands of euros)	Balance sheet amounts (1) 31/12/08	Change	31/12/09	Changes in fair value (2) Equity impact	Profit or loss impact: Ineffective ortion of ash flow edges	Fair value edges	Trading
Fair value hedges							
Foreign currency forwards	4,633	(383)	4,251			(462)	
Cash flow hedges							
Foreign currency forwards	10,343	(8,098)	2,245	(8,280)			
Foreign currency options	54	1,234	1,288	866	263		
Instruments not designated for hedging		**468**	**468**				**466**
Total pre-tax impact	**15,030**	**(6,779)**	**8,251**	**(7,414)**	**263**	**(462)**	**466**

(1) Negative amounts are liabilities and positive amounts are assets.
(2) Changes in fair value are a component of changes in balance sheet amounts that also includes any changes arising from exchange differences and premiums paid.

Foreign exchange risk exposure is as follows:

(in millions of euros)	EUR	GBP	INR
Receivables	(0.1)	33.3	(33.2)
Payables	50.9	(50.9)	0.0
Balance sheet position	**50.9**	**(17.7)**	**(33.2)**
Off-balance sheet position	0.0	0.0	0.0
Balance sheet net position	**50.9**	**(17.7)**	**(33.2)**
Hedges	17.2	16.2	(33.5)
Net position after factoring equivalent in EUR	**33.6**	**(33.9)**	**0.3**
Net position after factoring in foreign currency	33.6	(29.2)	16.3
Overall exposure		**(33.6)**	

The sensitivity of the foreign exchange derivatives portfolio to an increase or decrease by 5% as at 31 December 2010 is as follows:

(in millions of euros)	-5% Equity impact	-5% P&L impact	+5% Equity impact	+5% P&L impact
Balance sheet position	(1.78)	(0.01)	1.61	(0.01)
Foreign exchange derivatives	3.01	0.31	(2.78)	(0.91)
Total sensitivity to foreign exchange risk	**1.22**	**0.30**	**(1.16)**	**(0.89)**
i.e.	*1.52*		*(2.05)*	

The fair value of foreign exchange hedging derivatives is measured using the following assumptions:

- level 1: quoted data: 0%
- level 2: observable data: 100%
- level 3: internal models: 0%

Note 4.18 Sales and provision of services

(in thousands of euros)	31/12/10	31/12/09
Sales of goods	23,214	21,804
Provision of services	1,669,454	1,608,173
Sales and provision of services	**1,692,668**	**1,629,977**

Note 4.19 Other current operating income and expenses

Other current operating income and expenses mainly comprised foreign exchange impacts of €7,649 thousand for Steria India and €229 thousand for Steria Polska. As at 31 December 2009, foreign exchange impacts totalled €9,539 thousand.

These include foreign exchange gains and losses arising from trade receivables and gains and losses arising from the foreign exchange hedging transactions relating to these receivables. The latter corresponds to the changes in fair value (excluding any ineffective portions) defined in accordance with hedge accounting and the unwinding of these hedging positions.

Note 4.20 Net charges to provisions

(in thousands of euros)	31/12/10	31/12/09
Charges to provisions	(11,150)	(16,358)
Reversals of provisions	16,044	5,420
Net (charges to) / reversals of operating provisions	**4,894**	**(10,938)**
Charges in respect of current assets	(1,454)	(840)
Reversals in respect of current assets	47	23
Net (charges to) / reversals in respect of current assets	**(1,407)**	**(817)**
Net (charges to) / reversals of provisions	**3,487**	**(11,755)**

Note 4.21 Other operating income and expenses

(in thousands of euros)	31/12/10	31/12/09
Stock options and other share-based payments	(2,007)	(2,911)
Disposal of activities	-	(28)
Impairment of assets	(1,031)	(7,598)
Net restructuring and integration costs	(11,406)	(20,222)
Amortisation of actuarial gains and losses and retirement plan amendments	(10,453)	14,610
Provision for non-recurring contract litigation	(2,414)	(5,700)
Other operating income	-	6
Other operating expenses	(6,525)	(520)
Other operating income and expenses	**(33,836)**	**(22,362)**
-of which other operating income	*81*	*14,616*
-of which other operating expenses	*(33,916)*	*(36,978)*

Stock options and other share-based payments:

Stock option and free share plans taken into account as at 31 December 2010:

- On 19 December 2007, the Group set up a free share plan in favour of certain employees. At the end of the vesting period, i.e. 19 December 2010, 66,379 shares were granted. These shares may not be transferred until 19 December 2012, during which time the employee will receive dividends. Under this plan, income of €14 thousand was recognised in 2010.
- On 16 December 2008, the Group set up a free share plan in favour of certain employees, pursuant to which a maximum of 96,900 shares will be granted to employees present in the Group at the end of the vesting period, i.e. 16 December 2011, and subject to the achievement of performance criteria expressed in terms of the three year trend in consolidated operating margin. These shares may not be transferred until 16 December 2013, during which time the employee will receive dividends. The fair value of the free shares at the grant date was €6.70. An income of €184 thousand was recognised in 2010 in the form of an adjustment as no share will be granted on expiry of this plan, as the performance conditions were not satisfied.
- On 29 July 2009, the Group set up a free performance share plan in favour of certain employees in different countries, pursuant to which a maximum of 110,550 shares will be granted to employees present in the Group at the end of the vesting period, i.e. 29 July 2011 for Spain, 29 July 2012 for France and 29 July 2013 for other countries, and subject to the achievement of performance criteria expressed in terms of the 2009 trend in consolidated operating margin and compliance with banking covenants assessed over a two-year period as from the grant date. For France and Spain, these shares may not be transferred until 29 July 2014, during which time the employee will receive dividends. For countries with a four-year vesting period, these shares may be transferred. According to these criteria, the fair value of the free shares on the grant date was €12.44 for France, €12.75 for Spain and €12.43 for the other countries, and the expense for 2010 totalled €248 thousand.
- On 16 April 2010, the Group set up a free performance share plan in favour of certain employees in different countries, pursuant to which a maximum of 35,761 shares will be granted to employees present in the Group at the end of the vesting period, i.e. 16 July 2012 for Spain, 16 April 2013 for France and 16 April 2014 for other countries, and subject to the achievement of performance criteria expressed in terms of the 2010 trend in Group consolidated revenue. For France and Spain, these shares may not be transferred until 16 April 2015, during which time the employee will receive dividends. For countries with a four-year vesting period, these shares may be transferred. According to these criteria, the fair value of the free shares on the grant date was €23.02 for France, €23.13 for Spain and €23.34 for the other countries, and the expense for 2010 totalled €141 thousand.
- On 6 July 2010, the Group set up a free performance share plan in favour of certain employees in different countries, pursuant to which a maximum of 159,250 shares will be granted to employees present in the Group at the end of the vesting period, i.e. 6 July 2013 for Spain and France and 6 July 2014 for other countries, and subject to the achievement of performance criteria expressed in terms of the 2010, 2011 and 2012 trends in Group operating margin. For France and Spain, these shares may not be transferred until 6 July 2015. According to these criteria, the fair value of the free shares on the grant date was €17.66 for France and Spain and €18.05 for the other countries, and the expense for 2010 totalled €328 thousand

The other characteristics of the stock option and free share plans are as follows:

	Free shares 6/07/2010	Free shares 16/04/2010	Free shares 29/07/2009	Free shares 16/12/2008
Share price	€19.57	€25.30	€14.63	€8.14
Strike price				
Risk-free rate	2.0% / 1.63%	2.39% / 2.01%	2.69% / 2.37%	2.77%
Dividends	2%	2%	4%	4%
Volatility	NA	NA	NA	45.0%

Changes in all the stock option and free share plans are summarised in the table below:

	2010		2009	
	Number	Average strike price	*Number*	Average strike price
Number of shares which can be subscribed at the beginning of the period	581,863	*8.51*	1,070,211	*18.80*
Number of options and shares cancelled during the period	(118,645)	*1.17*	(481,518)	*0.85*
Number of shares subscribed during the period	(163,200)	*1.60*	(117,380)	*2.23*
Number of conditional free shares created during the period	175,011	-	110,550	-
Number of shares adjusted during the period	-	-	-	-
Number of shares which can be subscribed at the end of the period	475,029	*8.42*	581,863	*8.51*

Share-based payments also include the expenses relating to Group employee benefits granted under the Group Employees Share Plan.

By a decision of 16 December 2010, General Management performed a share capital increase reserved for the members of the Group Savings Plan, with respect to the Group Employees Share Plan, comprising a standard formula and a leverage formula. The leveraged formula offered in 2010 enabled subscribing employees to receive additional bank funds, enabling the employee mutual fund (invested in Group shares) to invest 10 times the amount of employees' personal contributions. Under this formula, employees are guaranteed to recover their personal contribution, plus either a percentage, based on the number of purchased shares, of the protected average increase in the share price, or a guaranteed minimum annual return. Under the standard formula, employees are granted a certain number of free shares. For both formulas, the employees benefited from a subscription price with a 20% discount compared to the reference price. The total share capital increase amounted to €511 thousand. The value of the benefit granted to the employee corresponds to the share market value less the cost of non-transferability and totalled €1,298 thousand.

The benefits granted to employees are calculated using the following main assumptions:

- measurement date (corresponding the end of the withdrawal period): 21 November 2010;
- benchmark price: €19.93;
- subscription price: €15.94;
- risk-free rate: 1.93% for the standard formula and 2.07% for the leveraged formula;
- dividend rate: 2% of the share price;
- volatility: 44%.

By a decision of 15 December 2009, General Management performed a share capital increase reserved for the members of the Group Savings Plan, with respect to the Group Employees Share Plan, comprising a standard formula and a leveraged formula. The leveraged formula offered in 2009 enabled subscribing employees to receive additional bank funds, enabling the employee mutual fund (invested in Group shares) to invest 10 times the amount of employees' personal contributions. Under this formula, employees are guaranteed to recover their personal contribution, plus either a percentage, based on the number of purchased shares, of the protected average increase in the share price, or a guaranteed minimum annual return. For both formulas, the employees benefited from a subscription price with a 20% discount compared to the reference price of €16.61. The total share capital increase amounted to €611 thousand. The value of the benefit granted to the employee corresponds to the share market value less the cost of non-transferability and totalled €1,086 thousand.

Net restructuring and integration costs

The Group's restructuring and integration measures in 2010 continued to focus on the reorganisation of activities following the acquisition of Xansa, particularly the optimisation of infrastructures. These costs totalled €4,719 thousand (€9,961 thousand in 2009).

The Group continued to adapt its resources in a rapidly changing environment. These expenses totalled €6,687 thousand (€9,938 thousand in 2009).

Amortisation of actuarial gains and losses and amendment of retirement plans (see note 4.12)

Corridor limits were exceeded due to changes in retirement obligations, mainly in the United Kingdom, and in the actuarial criteria used for their measurement. Thus, actuarial gains and losses representing over 10% of the amount of obligations or the market value of the investments were recognised and amortised over the expected average working lives of the employee beneficiaries. Accordingly, the Group recognised an actuarial loss of €10,453 thousand (of which €10,364 thousand for plans in the United Kingdom).

In 2009, the Group had recorded a non-recurring gain of €14,487 thousand relating to the reduction in its obligations following the approval obtained in the United Kingdom to terminate the vesting of benefits under defined benefit retirement plans.

Impairment of assets and other operating expenses

Substantial changes to premises are planned in France in 2011, primarily in the Ile-de-France region. To meet these costs in 2011, the Group provided for the impact of these changes in the amount of €6,537 thousand. It mainly breaks down into double lease payments and property refurbishing costs. For scrapping purposes, the Group recorded accelerated depreciation charges for assets and fixtures and fittings that will not be transferred to the future premises. The impact of this additional depreciation compared to the initial useful life totalled €1,031 thousand.

In 2009, asset impairments corresponded to the goodwill impairment of the Spanish subsidiary in the amount of €7,598 thousand.

Provision for non-recurring contract litigation

A provision for an unusually significant dispute was recognised and represented a non-recurring expense of €2,414 thousand (see note 4.13). In 2009, the charge represented €5,700 thousand. The balance of this provision amounted to €8,114 thousand as at 31 December 2010.

Note 4.22 Net financial expense

In thousands of euros	31/12/2010	31/12/2009
Interest income from cash and cash equivalents	4,490	3,049
Interest income from cash and cash equivalents	**4,490**	**3,049**
Interest expense on financing operations	(4,767)	(8,859)
Gains/(losses) on hedging transactions related to cash equivalents	(10,356)	(8,206)
Gross cost of financial debt	**(15,124)**	**(17,065)**
Net cost of financial debt	**(10,633)**	**(14,016)**
Foreign currency gains on cash management operations	10,383	10,857
Foreign currency losses on cash management operations	(7,189)	(7,184)
Discounts granted	(1,355)	(1,168)
Disposal of equity investments (non-consolidated)	-	(402)
Change in fair value of interest-rate derivatives – Income	18	294
Change in fair value of interest-rate derivatives - Expense	(1,680)	-
Change in fair value of foreign exchange derivatives - Income	312	777
Change in fair value of foreign exchange derivatives - Expense	(1,797)	(49)
Net interest expense on retirement benefit obligations	(7,448)	(8,140)
Discounting of provisions for liabilities and charges	(1,632)	(873)
Other financial income	913	757
Other financial expenses	(1,865)	(1,385)
Total other financial income and expenses	**(11,341)**	**(6,516)**
-of which other financial income	*11,626*	*12,685*
-of which other financial expenses	*(22,968)*	*(19,201)*
Net financial expense	**(21,974)**	**(20,532)**

Other financial expenses primarily concern the amortisation of debt issue costs.

Note 4.23 Earnings per share

Potential dilutive ordinary shares notably include free shares, stock options and the 4,080,549 perpetual subordinated bonds, convertible and/or exchangeable for new shares, issued on 14 November 2007 and classified as equity instruments.

The coupons paid on these bonds are deducted from Group profit when determining profit attributable to shareholders.

	31/12/10	31/12/09
Numerator (in thousands of euros)		
Net profit attributable to equity holders of the parent (a)	42,936	48,189
Net profit attributable to shareholders (b)	37,239	42,491
Of which: net profit/(loss) from operations held for sale		-
Denominator		
Weighted average number of shares outstanding (c)	29,443,521	28,634,002
Weighted average number of treasury shares (d)	(1,460,731)	(1,453,928)
Weighted average number of shares outstanding excluding treasury shares (e) = (c) + (d)	27,982,790	27,180,075
Weighted average number of subordinated hybrid convertible bonds	4,202,965	4,202,965
Dilutive effect of stock options	-	17,164
Dilutive effect of free shares reserved for employees	194,449	253,411
Theoretical weighted average number of equity instruments (f)	32,380,204	31,653,615
Earnings per share (in euros) (b/e)	1.33	1.56
-Of which: from continuing operations	1.33	1.56
-Of which: from operations held for sale	-	-
Diluted earnings per share (euros) (a/f)	1.33	1.52
-Of which: from continuing operations	1.33	1.52
-Of which: from operations held for sale	-	-

Note 4.24 Information on income and expense items not recorded in profit or loss

In thousands of euros	31/12/10	31/12/09
Gains and losses on cash flow hedges:		
-Gains/(losses) arising during the period	11,638	3,106
-Less: reclassification of (gains)/losses in the income statement	(3,152)	(10,625)
Total	**8,486**	**(7,519)**

Note 5. Off-balance sheet commitments

Group off-balance sheet commitments given and received are as follows:

(in thousands of euros)	31/12/10	31/12/09
Commitments given		
Endorsements, pledges and guarantees	8,550	7,035
Commitments given on customer contracts (1)	278,411	228,419
Vendor warranties	271	187
Individual legal right to training	3,783	3,586
Other commitments given	6,375	4,479
Total commitments given	**297,390**	**243,706**

(in thousands of euros)	31/12/10	31/12/09
Commitments received		
Endorsements		
Bank guarantees on contracts (joint venture)		
Overdraft facilities (current bank loans)		
-authorised	45,675	44,682
-utilised (balance sheet)	4,762	4,304
-not utilised (off-balance sheet)	40,913	40,378
Medium-term loan		
-authorised	200,000	200,000
-utilised (balance sheet)	-	-
-not utilised (off-balance sheet)	200,000	200,000
Total commitments received	**240,913**	**240,378**

(1) With respect to the information technology service contracts it enters into with its customers, the Group may, following formal requests by its customers, provide parent company guarantees to its subsidiaries in respect of the performance of their obligations under the contracts signed directly with their customers.
Such guarantees are mainly requested by English and Scandinavian public sector customers.
To date, no use has ever been made of any such guarantee.

In addition to the aforementioned information, the Group took or received other commitments.

The nominal value of future rental payments under operating leases amounted to €132,510 thousand with respect to real property contracts and €17,220 thousand with respect to non-property contracts. In addition, the nominal value of future rental payments receivable under Group sub-lease contracts is €13,088 thousand.

Risks regarding the repayment of borrowings are described in note 4.11.

Since the date of acquisition of Xansa (17 October 2007), all Group companies are covered by a Master General and Professional third-party liability policy, with a contractual general indemnity limit of €135,000,000 per claim and per year. Similarly, since this date, all Group companies are covered by a Master property damages and business interruption (PDBI) policy with a contractual general indemnity limit (all damages and business interruption losses combined) of €150,000,000 per year and for 2010.

In connection with the acquisition of Mummert Consulting, warranties to cover liabilities were given to Groupe Steria SCA under normal business conditions. These warranties expired on 11 January 2007, except for those concerning matters governed by company law and tax matters which will expire in January 2015.

In connection with the sale of Sysinter in January 2008 to Kobaltt Groupe, the Group had provided vendor warranties. Those warranties expired on 31 December 2010 with the exception of any tax (or similar), customs or employee-related liabilities which will remain in force until such time as any applicable claims become time-barred.

Various commitments were given by the Group to guarantee the valuation of the interest held in Travelsoft (currently 23.3% of share capital), notably in the event of a share capital increase and to enable the Group to withdraw from the company.

Other commitments given or received are immaterial.

NOTE 6. Related party transactions

Material transactions with related parties consist of the remuneration paid to directors, namely the General Manager and the members of the Supervisory Board, and of the transactions entered into with NHS SBS, equity accounted in the consolidated financial statements (see note 4.4).

Note 6.1 Directors' remuneration

The short-term benefits granted to directors in 2010 and in 2009 amounted to:

(in thousands of euros)	2010	2009
General Manager	732	612
Members of the Supervisory Board	245	228
Total	**977**	**840**

As at 31 December 2010, the General Manager of Groupe Steria SCA, Mr. François Enaud, is entitled to compensation with respect to termination of his duties under certain conditions. This compensation, subject to performance conditions, may not exceed two years of the General Manager's gross fixed and variable remuneration. No expense was recorded in 2010 in respect of this compensation.

The General Manager and the members of the Supervisory Board are not entitled to any specific post-employment benefits or other long-term benefits.

The amount of fees invoiced in respect of services rendered totalled €209 thousand in 2010 (€200 thousand in 2009).

The stock options and free shares allocated to directors during the year and previously (at the indicated cost to the Company) are as follows:

	2010	2009
Stock options or free shares allocated during the period	-	-
Stock options or free shares allocated at the balance sheet date	28,327	58,389
Free shares subject to conditions allocated during the period	12,000	-
Free shares subject to conditions allocated at the balance sheet date	22,000	20,000
Estimated cost to the Company (in thousands of euro)	**58**	**96**

Note 6.2 Transactions with NHS SBS:

Receivables and payables in respect of NHS SBS are as follows:

(in thousands of euros)	31/12/10	31/12/09
Operating receivables	3,647	4,171
Operating payables	(597)	(976)

The sale and purchase transactions performed by the Group with NHS SBS are as follows:

(in thousands of euros)	31/12/10	31/12/09
Sales	40,084	33,948
Purchases	-	(17)

All transactions were undertaken on an arm's length basis.

NOTE 7. Statutory Auditors' Fees

	Ernst & Young				Pimpaneau & Associés			
	Amount		*%*		*Amount*		*%*	
(in thousands of euros)	2010	2009	2010	2009	2010	2009	2010	2009
Audit	**1,596**	**1,621**	*78%*	*76%*	**192**	**207**	*98%*	*98%*
-Auditing, certification, review of the individual and consolidated annual and interim financial statements	1,594	1,595	*78%*	*71%*	192	207	*98%*	*98%*
Issuer	252	220	*12%*	*10%*	69	99	*35%*	*47%*
Fully consolidated subsidiaries	1,342	1,375	*66%*	*61%*	123	108	*63%*	*51%*
-Other secondary duties and other audit engagements	3	26	-	*5%*				
Issuer								
Fully consolidated subsidiaries	3	26	-	*5%*				
Other services	**452**	**524**	*22%*	*24%*	**4**	**5**	*2%*	*2%*
-Legal, tax, employee-related	402	321	*20%*	*15%*	4	5	*2%*	*2%*
-Other	50	203	*2%*	*9%*				
TOTAL	**2,049**	**2,145**	***100%***	***100%***	**196**	**212**	***100%***	***100%***

6.2.6 Statutory Auditors' Report on the consolidated financial statements year ended 31 December 2010

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying consolidated financial statements of Groupe Steria S.C.A;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by management. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31,2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Your group applies the "Percentage of completion" accounting method in the recognition of its revenue and profit from fixed price contracts, as set out in note 1.16 to the financial statements. We made sure of the proper application of this method by reviewing existing procedures within your group and implementing reviews, on sample basis, of contracts together with financial and operational managers.
- Impairment tests on goodwill are performed using mainly future discounted cash-flows based on estimates and forecasts, as described in notes 1.4 and 1.5 to the financial statements. As part of the justification of our assessments, we made sure, based on information available, of the reasonableness of these estimates and forecasts and the resulting valuation of goodwill.
- A deferred tax asset is recorded for a M€ 14.1 amount in the consolidated balance sheet based upon estimates, as set out in note 1.12 to the financial statement. As part of the justification of your assessments, we made sure, based on information available as of today, of the reasonableness of these estimates, of the overall consistency and the resulting valuation of deferred tax assets.
- The group allocates a provision for its retirement benefit commitments towards its employees based on the projected credit unit method, as indicated in note 1.17 to the consolidated financial statements. As part of the justification of our assessments, we have examined the data used, assessed the actuarial assumptions retained, verified the overall consistency of these assumptions and the resulting measurements, as well as the appropriateness of the information provided in the aforesaid note.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, March 25, 2011

The statutory auditors

French original signed by

PIMPANEAU ET ASSOCIES	ERNST & YOUNG et Autres
Olivier Lelong	Denis Thibon

6.3 Parent Company Financial Statements for the Year Ended 31 December 2010

6.3.1 Balance sheet

Assets

(in thousands of euros)	Gross	Depreciation, amortisation, provisions	31/12/10	31/12/09
Intangible fixed assets				
Concessions, patents and similar rights	15,018	4,516	10,502	5,828
Other intangibles	6,802		6,802	5,488
Tangible fixed assets				
Other tangible fixed assets	893	392	501	513
Long-term investments				
Equity investments	991,406		991,406	920,953
Other long-term investment securities	958	296	662	485
Loans	39,409		39,409	48,081
Other long-term investments	1,031		1,031	1,213
Total non-current assets	**1,055,517**	**5,205**	**1,050,313**	**982,562**
Payments on account of orders	30		30	63
Operating receivables				
Trade receivables and related accounts	18,880		18,880	15,553
Other operating receivables	12,982		12,982	44,202
Cash and cash equivalents				
Marketable securities	2,800		2,800	
(including treasury shares):				
Cash at bank and in hand	540		540	145
Prepayments and accrued income				
Prepaid expenses	1,736		1,736	285
Total current assets	**36,968**		**36,968**	**60,248**
Unrealised foreign exchange losses	10,351		10,351	14,318
Total Assets	**1,102,836**	**5,205**	**1,097,632**	**1,057,127**

Liabilities and shareholders' equity

(in thousands of euros)	31/12/10	31/12/09
Share or individual capital (of which paid up: 30,084)	30,084	29,349
Share premiums	409,502	400,025
Revaluation reserve (of which equity accounting evaluation: 88,339)	88,339	17,886
Legal reserve	2,935	2,816
Regulated reserves	240	240
Other reserves	2,513	2,600
Retained earnings	60,138	1,242
Net profit for the year	**1,655**	**63,015**
Tax-driven provisions	5,139	3,536
Shareholders' equity	600,546	520,708
Proceeds from issues of participating securities	161,139	161,139
Equity equivalents	161,139	161,139
Provisions for liabilities	178	
Provisions for charges	664	2,838
Provisions for liabilities and charges	842	2,838
Borrowings		
Bank borrowings	274,911	330,554
Operating liabilities		
Trade payables and related accounts	10,109	10,490
Tax and employee-related liabilities	5,875	4,800
Other operating liabilities	23,478	126
Sundry		
Amounts payable in respect of fixed assets and related accounts	2,319	1,649
Accruals and deferred income		
Deferred income	69	72
Total liabilities	**316,761**	**347,691**
Unrealised foreign exchange gains	18,345	24,751
Total liabilities and shareholders' equity	**1,097,632**	**1,057,127**

6.3.2 Income statement

(in thousands of euros)	31/12/10	31/12/09
Net sales	37,351	26,507
Own production of goods and services capitalised	4,905	2,619
Reversals of depreciation, amortisation and provisions	110	85
Expense reclassifications	2,874	2,081
Other income		(22)
Total operating income	**45,241**	**31,269**
Other purchases and external charges	32,500	21,524
Taxes, duties and related amounts	662	286
Wages and salaries	8,591	6,875
Social security contributions	3,385	2,850
Depreciation and amortisation of fixed assets	1,659	1,221
Provisions for liabilities and charges	294	91
Other charges	854	771
Total operating expenses	**47,946**	**33,619**
Operating loss	**(2,705)**	**(2,349)**
Financial income from equity investments	24,000	64,039
Revenues from other marketable securities and long-term loans	929	1,293
Other interest and similar income	6,471	12,933
Reversals of provisions and expense reclassifications	230	16,403
Foreign exchange gains	6,817	9,096
Net proceeds from sale of marketable securities		2
Total financial income	**38,447**	**103,765**
Amortisation and charges to provisions for financial items	41	255
Interest and similar charges	28,662	35,467
Foreign exchange losses	5,686	4,546
Total financial expenses	**34,389**	**40,268**
Financial profit	**4,058**	**63,497**
Profit from ordinary activities before tax	**1,353**	**61,148**
Exceptional income from capital transactions	177	346
Reversals of provisions and expense reclassifications	1,949	
Exceptional income	**2,126**	**346**
Exceptional charges on non-capital transactions	2,938	2,090
Exceptional charges on capital transactions	71	523
Exceptional depreciation, amortisation and provisions	1,603	1,655
Exceptional charges	**4,613**	**4,267**
Net exceptional items	**(2,487)**	**(3,922)**
Corporate income tax	(2,789)	(5,789)
Total income	**85,814**	**135,380**
Total expenses	**84,159**	**72,365**
Net profit for the year	**1,655**	**63,015**

6.3.2 Statement of source and application of funds

APPLICATIONS	31/12/10	31/12/09
Dividends paid during the year	4,003	3,940
Purchases of non-current assets		
-Intangible fixed assets	7,468	5,833
-Tangible fixed assets	166	50
-Long-term investments	221	34,513
Deferred charges		
Decrease in shareholders' equity		
-Share capital or share premium		
-Equity equivalents		
Repayments of borrowings		
-Medium/long-term borrowings	71,437	60,985
-Group current account		
Total applications	**83,295**	**105,321**
Net sources		

SOURCES	31/12/10	31/12/09
Cash flow from operating activities	2,963	49,750
Disposals of non-current assets		
-Intangible fixed assets		
-Tangible fixed assets		
-Long-term investments	12,828	8,855
Increase in shareholders' equity		
-Share capital or share premium	736	813
-Equity equivalents	9,509	10,709
Increases in borrowings		
-Medium/long-term borrowings	8,690	8,690
-Group current account		
Total sources	**34,726**	**78,817**
Net applications	**48,569**	**26,504**

Change in total net working capital	Increases (B)	Decreases (D)	(D) - (B)	31/12/09
Changes in operations				
Changes in operating assets				
-Stock and work-in-progress				
-Payments on account for orders		33		
-Trade receivables, related accounts and other		26,424		
Changes in operating liabilities				
-Payments received on account for work-in-progress				
-Trade payables, related accounts and other liabilities		25,345		
Total		51,802		23,786
A – Net change in operations			**51,802**	**23,786**
Changes in non-operating activities				
-Changes in other receivables		8		
-Changes in other payables	20			
Total	20	8		10
B – Net change in non-operating activities			**(12)**	**10**
TOTAL (A) + (B) Net decrease in working capital			**51,790**	**23,796**
Changes in cash				
-Changes in cash at bank and in hand	3,308			
-Changes in current bank loans, credit bank balances		87		
Total	3,308	87		2,708
C – Net change in cash			**(3,221)**	**2,708**
Change in total net working capital (A+B+C): Net source			**48,569**	**26,504**

6.3.4 Notes to the parent company financial statements

Detailed table of contents of the notes

As at 31 December 2010, the balance sheet before appropriation of earnings presents total assets of €1,097,632,194. The income statement, presented in list format, shows total income of €85,814,433, total expenses of €84,159,285 and a profit of €1,655,148.

The accounts have been prepared for a 12-month period extending from 1 January 2010 to 31 December 2010.

The notes presented below represent an integral part of the financial statements.

Note 1. Accounting policies and methods and major events

Note 1.1 Accounting policies

The financial statements have been prepared in accordance with the fundamental accounting principles of prudence, going concern, consistency and accruals and the general preparation and presentation rules for annual financial statements.

Items are recorded in the accounts in accordance with the historical cost convention, with the exception of equity investments.

A consolidated balance sheet and income statement have been prepared for Groupe Steria SCA.

The main accounting methods used are outlined in the following notes.

Note 1.2 Intangible fixed assets

Software purchased by the Group is amortised on a straight-line basis over a period of three years.

Patents and other intangible assets are amortised on a straight-line basis over a period of three years.

Internal research expenditures are expensed in the year incurred. Internal development costs are recognised in intangible assets when the criteria set forth in PCG 311-3 can be demonstrated. Otherwise they are expensed in the year incurred.

Registration duties relating to the acquisition of business goodwill are expensed in the year incurred.

The amortisation period for the new information systems commissioned under the One Steria project is defined so that all the amortisation plans expire on 31 December 2016, i.e. a maximum of 7 years for assets commissioned as of 1 January 2010.

Note 1.3 Tangible fixed assets

Tangible fixed assets are measured at cost (purchase price plus incidental expenses, excluding acquisition costs).

Depreciation is calculated on a straight-line basis, according to the expected useful life and nature of the assets.

The following depreciation periods are generally applied for purchased fixed assets:

- Fixtures and fittings 7 to 10 years – straight-line
- Computer hardware 3 years - straight-line (PCs, small items of office equipment)
- Other computer hardware 5 years - straight-line

Note 1.4 Investments

To harmonise the parent company and consolidated financial statements of Groupe Steria SCA, the investments in companies over which the Group has exclusive control are recorded for the percentage shareholding they represent.

The option for this equity method of accounting is provided by article L.232-5 of the French Commercial Law (Code de commerce), introduced by the Law of 3 January 1985 and the application decree of 17 February 1986.

- the method applies to fully consolidated companies;
- the shareholders' equity of these companies is calculated using the accounting policies adopted for consolidation;
- when valuing a subsidiary, shares held by the subsidiary in companies over which the Group has exclusive control are valued using the same method;
- when the purchase cost exceeds the equity accounting value, a provision for financial liabilities is recognised;
- investments in companies over which the Group does not have exclusive control are stated on the balance sheet at the lower of acquisition cost or value in use;
- acquisition costs are included in the entry cost of securities.

Note 1.5 Receivables

Receivables are stated at nominal value. A provision for write-down is recorded where the recoverable value is less than its balance sheet value.

Note 1.6 Financial income

Subsidiary dividends are recorded in financial profit or loss, provided the shareholders of these companies have met and decided on the payment of a dividend prior to the Groupe Steria SCA year-end.

Note 1.7 Marketable securities

Marketable securities are stated at their balance sheet value. An impairment loss is recognised for any unrealised capital losses.

The balance sheet value of listed securities and treasury shares is determined using the average closing share price of the last month preceding the closing date.

Note 1.8 Foreign currency denominated transactions

Foreign currency denominated income and expense items are recorded at their euro equivalent at the transaction date.

Foreign currency denominated receivables and payables are recorded in the balance sheet at their euro equivalent determined using the closing exchange rate. Any gains or losses arising on the retranslation of foreign currency denominated receivables and payables are recorded in the balance sheet in "Unrealised foreign exchange gains or losses".

A provision for liabilities and charges is recorded in respect of unrealised foreign exchange losses in the amount of such losses, unless the term of such transactions is sufficiently close, in which case the unrealised gains and losses are considered to form part of the overall foreign exchange position and the charge to the provision is restricted to the amount by which losses exceed gains

Note 1.9 Recognition of retirement obligations

Contributions paid to defined contribution plans are expensed in the year paid.

Obligations arising from industry agreements applicable within the Group are recognised under "Provisions for liabilities and charges". They are calculated on an individual employee basis, taking into account discounted salaries, life expectancy, the probability of employees remaining with the Company until the expected date of retirement and the ratio of current length of service to future length of service at retirement age.

The obligation is calculated using the Projected Unit Credit method.

Pursuant to the French National Accounting Council (CNC) Recommendation 2003-R01, actuarial gains and losses representing over 10% of the amount of obligations or the market value of the investments were recognised and amortised over the expected average working lives of the employee beneficiaries.

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As at 31 December 2010, actuarial liability calculation assumptions for retirement termination payments and long-service medals are as follows:

(in thousands of euros)	2010 rate	2009 rate
Discount rate	4.60%	5.20%
Rate of salary increase	2.00%	2.00%
Retirement age	63 years	63 years

In addition, the retirement age reform adopted in 2010 had no impact on the retirement age applied by Groupe Steria that was set at 63 at the end of 2009.

Note 1.10 Net sales

The Company's net sales correspond to the invoicing of services rendered on behalf of Group companies, as well as cost reinvoicing.

Note 1.11 Major events

Fiscal year 2010 was primarily marked by the capital increase of €736 thousand and the share premium increase of €9,477 thousand attributable to:

- payment of a portion of the 2009 dividend, resulting in the issue of 62,698 shares in the amount of €1,313 thousand, including share premiums of €1,251 thousand;
- exercise of subscription options, resulting in the issue of 74,850 shares in the amount of €893 thousand, including share premiums of €818 thousand;
- definitive grant of free shares resulting in the issue of 66,379 shares in the amount of €66 thousand, offset against other reserves;

- issue of 511,361 shares under the Group Savings Plan for a total amount of €8,151 thousand including share premiums of €7,640 thousand, in addition to the allocation of 20,499 free shares, in replacement of the employer's contribution, amounting to €20 thousand, offset against other reserves.

The expenses arising from the share capital increases totalling €232 thousand, net of taxes, were allocated to share premiums.

Note 2. Notes to the balance sheet

All tables are presented in thousands of euros and the mandatory tables are only included insofar as they provide additional significant disclosures compared to the balance sheet and income statement.

No add-backs were recorded for the general expense categories as stipulated in article 27 of the Law of 12 July 1965.

Note 2.1 Fixed assets

Fixed assets

(in thousands of euros)	Gross value as at 31/12/09	Acquisitions or increases	Reclassifications	Disposals, scrappings or decreases	Gross value as at 31/12/10
Concessions, patents, software	8,863	243	5,912		15,018
Intangible fixed assets in the course of development (1)	5,488	7,225	(5,912)		6,802
Intangible fixed assets	**14,351**	**7,468**	**0**		**21,820**
Tangible fixed assets	**728**	**166**			**893**
Equity investments	920,953	70,452			991,406
Other long-term investment securities	740	218			958
Loans	48,081			8,672	39,409
Other long-term investments	1,213	3		185	1,031
Long-term investments	**970,988**	**70,673**		**8,857**	**1,032,804**
Gross value as at 31/12/10	**986,067**	**78,307**	**0**	**8,857**	**1,055,517**

(1) *An amount of €5,912 thousand corresponding to the Group's information system (People One) and project management system (Project One) was capitalised as at December 2010.*

Depreciation and amortisation

(in thousands of euros)	Depreciation and amortisation as at 31/12/2009	Additions and charges	Decreases and reversals	Depreciation and amortisation as at 31/12/2010
Intangible fixed assets	**3,035**	**1,481**		**4,516**
Tangible fixed assets	**214**	**178**		**392**
Total depreciation and amortisation	**3,250**	**1,659**		**4,909**

Evolution of asset provisions

(in thousands of euros)	Write-downs as at 31/12/09	Additions and charges	Decreases and reversals	Write-downs as at 31/12/10
Treasury shares	255	41		296
Total evolution of asset provisions	**255**	**41**	**0**	**296**

Equity investments

(in thousands of euros)	31/12/09	Additions	Decreases	31/12/10
Acquisition costs	903,068			903,068
Equity value	920,953	70,452		991,406
Equity difference	**17,886**	**70,452**		**88,339**

The increase in equity investments was primarily due to the contributory earnings of equity affiliates, fluctuations in the pound sterling and Indian rupee exchange rates, and the distribution of subsidiary dividends.

Since the purchase cost exceeded the equity value, the 2010 equity value of €88,339 thousand was recorded in shareholders' equity.

Note 2.2 Operating receivables

Maturity of operating receivables

(in thousands of euros)	31/12/10	Less than 1 year
Supplier payments on account	**30**	**30**
Trade receivables and related accounts	**18,880**	**18,880**
Trade supplier accounts in debit	22	22
Employees	41	41
French State and local authorities	3,776	3,776
Current accounts	9,137	9,137
Sundry debtors	6	6
Other receivables	**12,982**	**12,982**

Accrued income

(in thousands of euros)	Gross	Less than 1 year
Current account accrued interest receivable	73	73
Accrued interest receivable on *swaps*	5	5
Total	**78**	**78**

Note 2.3 Unrealised foreign exchange losses

(in thousands of euros)	31/12/10
Long-term investments	10,344
Operating receivables	2
Operating liabilities	5
Total	**10,351**

The unrealised foreign exchange losses of €10,344 thousand mainly involved a loan of GBP 33,572 thousand to Steria SA's subsidiary in the United Kingdom.

Note 2.4 Fungible assets

Treasury shares

(in number of shares)	31/12/09	Additions	Decreases	31/12/10
Liquidity contract	418	224,863	212,880	12,401
Other	23,267			23,267
Total treasury shares	**23,685**	**224,863**	**212,880**	**35,668**

In accordance with CNC notice 98-D concerning short-term transactions, the treasury shares held by Groupe Steria SCA in order to adjust its share price are recorded as investment securities.

(in thousands of euros)	Treasury shares
Acquisition value	958
Market value	662

Liquidity contract with Société Générale Securities SAS

On 31 October 2006, Groupe Steria SCA signed a liquidity contract with Société Générale Securities SAS in order to promote transaction liquidity, share price consistency and a reduction in share price volatility on the market and to avoid price differences not justified by market trends. Accordingly, the issuer "Groupe Steria SCA" provided the broker "Société Générale Securities SAS" with an amount of €735 thousand and 22,500 shares.

As at 31 December 2010, the following resources appeared in the liquidity account:

- 12,401 Groupe Steria shares;
- cash of €1,028,044.

Note 2.5 Shareholders' equity

Change in shareholders' equity

(in thousands of euros)	Number of shares issued	Share capital	Share premium	Reserves and retained earnings	Revaluation difference (equity investments)	P&L	Tax-driven provisions	Total shareholders' equity
As at 31 December 2009	**29,348,539**	**29,349**	**400,025**	**6,897**	**17,886**	**63,015**	**3,536**	**520,708**
Appropriation of 2009 earnings and dividends paid				59,016		(63,015)		(3,999)
Change	735,787	736	9,477	(87)	70,452		1,603	82,181
2010 net profit						1,655		1,655
As at 31 December 2010	**30,084,326**	**30,084**	**409,502**	**65,826**	**88,339**	**1,655**	**5,139**	**600,546**

Breakdown of share capital

As at 31 December 2010, the Groupe Steria SCA share capital totalled €30,084,326 representing an increase of 735,787 shares in 2010 and breaks down into 30,084,326 shares each with a par value of €1.

Share capital transactions during the fiscal year

The following transactions were performed during the fiscal year:

- General Management decision of 3 May 2010: share capital increase for a nominal amount of €60,684 (share premium of €663,276) via the issue of 60,684 new shares with a par value of €1 each following the exercise of share subscription options.
- General Management decision of 7 July 2010: share capital increase for a nominal amount of €62,698 (share premium of €1,250,825) via the issue of 62,698 new shares with a par value of €1 each subsequent to the distribution of a portion of the 2009 dividend in shares.
- General Management decision of 30 September 2010: share capital increase for a nominal amount of €14,166 (share premium of €154,835) via the issue of 14,166 new shares with a par value of €1 each following the exercise of share subscription options.
- General Management decision of 16 December 2010: share capital increase for a nominal amount of €531,860 (share premium of €7,639,733) subsequent to the share capital increase reserved for Group employees following the delegation granted by the Combined Shareholders' Meetings of 28 May 2010 via the issue of 511,361 new shares with a par value of €1 each.
- General Management decision of 20 December 2010: share capital increase for a nominal amount of €66,379 subsequent to the definitive grant of 66,379 free shares offset against other reserves.

The expenses arising from the share capital increases totalling €232 thousand, net of taxes, were allocated to share premiums.

Note 2.6 Other equity

On 12 November 2007, Groupe Steria launched an issue of perpetual subordinated bonds, convertible and/or exchangeable for new shares, in order to raise funds for the partial repayment of one of the two tranches of the bridging loan secured for the acquisition of Xansa. This issue was performed at the same time as the share capital increase with retention of shareholder subscription rights, comprising the issue of 8,663,204 new shares at a subscription price of €23.2 per share (representing a total share capital increase of €197,786 thousand).

The unit value of the bonds was set at €37.36 plus an issue premium of 25% and annual interest up to 31/12/12 of 5.7%. From 1 January 2013, those bonds not converted into shares or redeemed early shall cease to be convertible and shall bear interest quarterly at an annual rate of Euribor 3 months +8%.

As at 14 November 2007, 4,080,549 bonds were issued for a total amount of €152.4 million. To take into account the change in the Company's share capital on 27 December 2007, General Management decided, in accordance with legal provisions, to adjust the terms and conditions for the conversion of 4,080,549 perpetual subordinated bonds, convertible and/or exchangeable for new or existing shares until 31 December 2012, starting from 11 December 2007 on the following basis: 1.03 Steria shares each with a par value of €1.00 for each perpetual subordinated bond, convertible and/or exchangeable for new or existing shares until 31 December 2012.

The coupon for the year amounted to €8,690 thousand. The bonds and coupon are recognised in Equity equivalents.

No bonds were redeemed as at 31 December 2010.

Note 2.7 Provisions for liabilities and charges

(in thousands of euros)	31/12/09	Charges	Reversals used	Reversals not used	31/12/10
Provisions for redundancies		178			178
Total provisions for liabilities	**0**	**178**	**0**	**0**	**178**
Provision for tax reassessments	2,179		2,179		0
Provision for retirement benefits	659	116	110		664
Total provisions for charges	**2,838**	**116**	**2,289**	**0**	**664**
Total	**2,838**	**294**	**2,289**	**0**	**842**

Note 2.8 Bank borrowings

(in thousands of euros)	Gross 31/12/10	< 1 year	1 to 5 years	> 5 years
Borrowings with an initial maturity of between 1 and 5 years	274,770	68,256	206,515	0
Accrued interest on bank borrowings	10	10	0	0
Credit bank balances	92	92	0	0
Fee payable on undrawn amounts	40	40	0	0
Total bank borrowings	**274,911**	**68,396**	**206,515**	**0**

With a view to the acquisition of Xansa, the Company entered into a five-year, multi-currency loan agreement with a leading bank on 29 July 2007, for an amount of approximately €1 billion. This multi-currency loan was subsequently syndicated at the end of 2007 with a pool of twelve leading banks. The change in borrowings is primarily due to the draw-down of this multi-currency syndicated loan.

As at 31 December 2010, the Group had credit lines in the amount of €474.8 million that were 58% drawn down. They break down as follows:

	Amount authorised as at 31/12/2010		Draw-down as at 31/12/2010		Draw-down rate 31/12/2010	Maturity	Interest rate as at 31/12/2010
	in M€	in M£	in M€	in M£			
Syndicated loan							
A1 A Facility	171.2		171.2		100%	Repayable in instalments until 2012	1.30%
A1 B Facility		28.8		28.8	100%	Repayable in instalments until 2012	1.09%
A2 Facility		33.8		33.8	100%	Repayable in instalments until 2012	1.09%
C Facility	31.0		31.0		100%	*Repayable on maturity* 2012	1.30%
Revolving credit	200.0		0.0		0%	*Repayable on maturity* 2012	N/A
Total € equivalent		**474.8**		**274.8**	**58%**		**1.25%**

Interest rates payable on the syndicated loan equal the inter-bank rate of the currency concerned at the time of draw-down, plus a margin set for a period of six months based on the leverage ratio.

The bank terms and conditions to which the syndicated loan is subject notably include a commitment to comply with certain bank covenants.

The Company must comply with two financial ratios calculated every six months based on the published consolidated financial statements, on a 12-month rolling basis: the first, the leverage ratio, is equal to net debt/EBITDA and the second, the interest coverage ratio, is equal to operating margin before amortisation of customer relationships/net financial debt cost.

The first financial ratio, the leverage ratio, is equal to net debt/EBITDA. This ratio must not exceed 2.25 at each calculation date (level required for periods from December 2008 to December 2012).

Net debt is defined on a consolidated basis as all loans and related borrowings (excluding inter-company liabilities), plus pension fund shortfalls, net of tax, less cash and cash equivalents.

EBITDA is the consolidated operating margin before amortisation of customer relationships plus charges to depreciation and amortisation and current provisions.

As at 31 December 2010, the net debt to EBITDA ratio requirement was satisfied, amounting to 0.70 compared with the applicable covenant of 2.25.

It was calculated as follows:

	31/12/10	31/12/09
Net debt (including retirement benefit obligations) in millions of euros		
Short-term borrowings	74.3	66.9
Long-term borrowings	204.1	270.0
Cash and cash equivalents	(177.2)	(149.9)
Retirement benefit obligations provided	(9.5)	(8.5)
DTA on retirement benefit obligations	6.6	6.6
Total net debt	**98.3**	**185.1**
EBITDA in millions of euros		
Total EBITDA	**139.8**	**159.6**
Net debt/EBITDA ratio	**0.70**	**1.16**

The second financial ratio, the interest coverage ratio, is equal to the consolidated operating margin before amortisation of customer relationships/net financial debt cost. This ratio must not fall below 5 at each calculation date (level required for periods from June 2009 to December 2012).

The consolidated operating margin defined by the covenants is calculated before amortisation of customer relationships and on a 12-month rolling basis.

The net financial debt cost is also calculated on a 12-month rolling basis.

As at 31 December 2010, the ratio requirement was satisfied, amounting to 11.33 compared with the applicable covenant of 5.00. It was calculated as follows:

	31/12/10	31/12/09
Operating margin before amortisation of customer relationships in millions of euros		
Total operating margin before amortisation of customer relationships	**120.4**	**118.9**
Net financial debt cost in millions of euros		
Total net financial debt cost	**10.6**	**14.0**
Operating margin before amortisation of customer relationships/net financial debt cost ratio	**11.33**	**8.49**

In addition to satisfying the financial ratio prerequisites described above, the loan agreement also stipulates a number of:

- performance requirements, standard for this type of financing;
- restrictions, such as limits on the Group's ability to carry out restructurings, acquisitions, joint-ventures, collateralisation, additional borrowings, etc.;
- cases of default such as default of payment, inaccurate tax returns, cross-default, bankruptcy, occurrence of an event having an adverse material effect, etc.

The loan agreement also stipulates a number of cases where the loan must be repaid early, in whole or in part as appropriate, or renegotiated with the banks:

- early repayment in full in the event the ownership of the Company changes, or if all or a substantial number of the Company's assets are sold;
- repayment using proceeds from asset disposals (beyond a specified threshold);
- repayment of a sum equal to each new borrowing subscribed by the Company (beyond a specified threshold);
- renegotiation of the financing terms and conditions in the event of financial market disruption – i.e. market disruption clause. This clause is only applicable if a minimum number of banks are unable to obtain refinancing on the capital market as of the date on which the financing is requested, given rate fluctuations. The purpose of this clause is to find a replacement rate.

Note 2.9 Operating liabilities

Maturity of operating liabilities

(in thousands of euros)	31/12/10	Within 1 year
Trade payables and related accounts	**10,109**	**10,109**
Personnel and related accounts	3,839	3,839
Employee-related liabilities	690	690
Tax liabilities	1,345	1,345
Tax and employee-related liabilities	**5,875**	**5,875**
Amounts payable in respect of fixed assets	**2,319**	**2,319**
Group current account	23,236	23,236
Other sundry liabilities	242	242
Other sundry liabilities	**23,478**	**23,478**
Total trade payables and other creditors	**41,781**	**41,781**

Accrued expenses

(in thousands of euros)	Gross amount as at 31/12/10	Less than 1 year
Accrued interest on bank borrowings	10	10
Fees payable on undrawn amounts	39	39
Bank borrowings	**48**	**48**
Trade payables and related accounts	**3,648**	**3,648**
Liabilities in respect of personnel and related accounts	3,784	3,784
Employee-related liabilities	45	45
Tax liabilities	300	300
Tax and employee-related liabilities	**4,129**	**4,129**
Amounts payable in respect of fixed assets	**2,305**	**2,305**
Other sundry liabilities	**18**	**18**
Total trade payables and other creditors	**10,148**	**10,148**

Note 2.10 Unrealised foreign exchange gains

(in thousands of euros)	31/12/10
Borrowings	17,690
Other liabilities	641
Operating liabilities	14
Total	**18,345**

The unrealised foreign exchange gains of €18,345 thousand mainly concern the portion of a multi-currency loan from a pool of leading banks in the amount of GBP 62,500 thousand.

Note 2.11 Foreign currency and interest rate hedging policy

The Group has entered into several interest rate swaps and options in order to protect itself against fluctuations in interest rates.

As at 31 December 2010, the Company did not use commodity hedges.

The fair value of interest-rate derivatives totalled €264 thousand, and the fair value of foreign exchange hedges amounted to €(253) thousand.

Note 2.12 Post-balance sheet events

There were no post-balance sheet events.

Note 3. Notes to the income statement

Note 3.1 Financial profit

(in thousands of euros)	31/12/10
Dividends received from participating interests	24,000
Interest on bank borrowings and similar charges	(4,090)
Interest on subordinated bonds	(8,690)
Interest received and paid on Group loans	929
Interest received and paid on Group current accounts	1,038
Foreign exchange gains or losses	1,130
Other financial provision charges and reversals	189
Interest on hedging instruments	(10,356)
Other financial income and expenses	(93)
Financial profit	**4,058**

Note 3.2 Net exceptional items

(in thousands of euros)	31/12/10
Capital loss arising from buybacks of treasury shares relating to the liquidity contract	(71)
Integration costs (1)	(2,850)
Accelerated depreciation of Xansa acquisition costs	(1,603)
Donations	(84)
Tax penalties, fines and miscellaneous items	(5)
Exceptional expenses	**(4,613)**
Surplus arising from buybacks of treasury shares relating to the liquidity contract	111
Miscellaneous	66
Reversal of tax reassessment provision	1,949
Exceptional income	**2,126**
Net exceptional items	**(2,487)**

(1) *The Group's integration measures in 2010 continued to focus on the reorganisation of activities following the acquisition of XANSA, particularly the optimisation of infrastructures. These costs totalled €2,850 thousand.*

Note 3.3 Breakdown of corporate income tax

Tax consolidation

Groupe Steria SCA is the head company of the tax consolidation group.

The companies included in the tax group are: Steria SA, Stepar and U-Services.

The allocation of corporate income tax is based on Group earnings. Pursuant to the provisions of article 223A of the French General Tax Code, Groupe Steria SCA is solely liable for the income tax charge, plus any additional income tax contributions and the minimum income tax charge payable in respect of the group comprising itself and its subsidiaries.

The subsidiaries must pay to Groupe Steria SCA the income tax amount, additional income tax contributions or minimum income tax charge that would have been payable to the French Treasury had they not been members of the consolidation group.

The income tax charge and additional contributions are determined based on Form 2058-A bis, i.e. after offset, pursuant to general law, of losses, tax credits, receivables on the French Treasury, etc.

Allocation of corporate income tax between profit from ordinary activities and exceptional items

(in thousands of euros)	Total	Ordinary	Exceptional
Profit/(loss) before tax and profit-sharing	(1,134)	1,353	(2,487)
Profit/(loss) before tax	**(1,134)**	**1,353**	**(2,487)**
Groupe Steria SCA gross tax	(53)	(53)	
Tax reassessment	(1,937)		(1,937)
Tax consolidation expense on Steria SA tax reassessment	(44)		(44)
Impact of tax consolidation on taxes	4,823	4,823	
Corporate income tax	**2,789**	**4,770**	**(1,981)**
Net profit/(loss)	**1,655**	**6,123**	**(4,468)**

Deferred taxes

(in thousands of euros)	Tax base	Future tax receivable
Unrealised foreign exchange gains or losses	(10,351)	
Deferred tax liabilities	**(10,351)**	**(3,564)**
Provision for retirement benefits	664	
Provision for liabilities	178	
Organic (sales-related social security contributions)	38	
Unrealised foreign exchange gains or losses	18,345	
Tax loss carryforwards	35,937	
Deferred tax assets	**55,161**	**18,992**
Total deferred tax assets	**44,810**	**15,428**

Income tax saving

(in thousands of euros)	31/12/10
Corporate income tax expense on tax reassessment	(1,937)
Tax consolidation expense on Steria SA tax reassessment	(44)
Contribution paid by Steria SA	4,823
Income tax on capital increase costs	(122)
Patronage tax credit	69
Total tax saving	**2,789**

The net corporate income tax saving, arising from the application of the Group tax regime for a given year shall be acquired immediately by Groupe Steria SCA at the year-end.

Difference between reported income tax expense and income tax incurred in the absence of tax consolidation

(in thousands of euros)	31/12/10
Income tax reported following tax consolidation	2,789
Income tax incurred in the absence of tax consolidation	(53)
Total tax consolidation impact	**2,841**

Tax loss carryforwards

(in thousands of euros)	31/12/10
Tax loss carryforwards as at 31/12/2009	(20,353)
Allocation of tax losses	-
Fiscal 2010 tax losses	(15,584)
Total tax loss carryforwards	**(35,937)**

Note 3.4 Own production of goods and services capitalised and expense reclassifications

(in thousands of euros)	31/12/10
Own production of goods and services capitalised (1)	4,905
Total own production of goods and services capitalised	**4,905**
Insurance reimbursement	24
Integration costs (2)	2,850
Total operating expense reclassifications	**2,874**

(1) In order to improve its efficiency and reduce costs, the Group implements solutions for its own requirements and those of its subsidiaries. Own production of goods and services capitalised reflects the advancement of these projects under development.
(2) Integration costs recorded in the operating expense reclassifications account were transferred to exceptional expenses.

Note 4. Other information

Note 4.1 Average number of employees

	31/12/10	31/12/09
Management staff	78	65
Non-management staff	9	5
Total	**87**	**70**

Note 4.2 Individual legal right to training (IRT)

Expenses relating to the individual legal right to training are not provided for since, as specified by the French National Accounting Council (Conseil National de la Comptabilité or CNC) opinion rendered on 13 October 2008, the company can obtain a future benefit from the training based on its agreement with the employee. As at 31 December 2010, available IRT credit amounted to 616 hours for a total of €138 thousand.

Note 4.3 Remuneration of management bodies

The remuneration paid to the General Manager in 2010 totalled €732 thousand, being €400 thousand in fixed remuneration and €332 thousand in variable remuneration (in respect of 2009).

Directors' fees paid to members of the Supervisory Board in 2010 totalled €108 thousand.

The General Manager and members of the Supervisory Board did not receive any advances, loans or termination benefits in 2010.

Note 4.4 Transactions with Group Companies

(in thousands of euros)	31/12/10
Long-term investments	942,476
Trade receivables	18,732
Debit balance current accounts	9,137
Trade payables	3,880
Credit balance current accounts	23,236
Deferred income	69
Financial income (including dividends received)	26,227
Financial expenses	17

Note 4.5 Retirement obligations

Amounts recognised in the balance sheet

(in thousands of euros)	31/12/10
Present value of the obligation financed including the corridor	792
Fair value of plan assets	-
Difference	792
Present value of the obligation financed:	
Unrecognised actuarial losses (difference)	(127)
Unrecognised past service cost	-
Net liabilities on the balance sheet (provision after charge for the year)	664
Of which:	
Liabilities	664
Assets	
Net obligation	**664**

Amounts recognised in the income statement

(in thousands of euros)	31/12/10
Current service cost	53
Interest cost on obligation	36
Net actuarial losses recognised for the period	-
Past service cost	-
Losses (gains) on curtailments and settlements for the period	-
Total recorded in "employee expenses"	**89**
Actual return on plan assets	-
Net liability at the beginning of the period (with corridor)	659
Net expense recognised in the income statement	89
Contributions	(110)
Intra-group transfers	27
Net liability at the end of the period	**664**

Note 4.6 Employee share allocations as at 31 December 2010

Share subscription options

Date of Shareholders' Meeting	28/05/2002	
	Plan no. 6	Plan no. 7
General Management grant date	11/04/2003	20/04/2004
Total number of options available for subscription:	230,000	200,000
Additional shares issued following the share capital adjustment of 11.12.2007	8,702	13,770
Number of shares available for subscription by:		
-corporate officers (1)	14,500	28,317
-top ten employee beneficiaries (2)	77,500	61,234
Exercise start date	12/04/2006	21/04/2007
Expiry date	11/04/2010	20/04/2011
Subscription price (in €)	11.93	26.16
Exercise terms and conditions (when the plan contains several tranches)		
Number of shares subscribed as at 31 December 2010	185,023	11,500
Share subscription options cancelled as at 31 December 2010	53,679	49,400
Outstanding share subscription options	0	152,870

(1) Groupe Steria SCA corporate officers, i.e. François Enaud, General Manager, for 14,708 options and Séverin Cabannes, member of the Supervisory Board for 13,619 options.
(2) Of the Group.

There are no share purchase options.

Free performance shares

	Plan no. 5 (1)	Plan no. 6(2)	Plan no. 7 (3)	Plan no. 8 (1)
Date of Shareholders' Meeting	06/06/2008	06/06/2008	06/06/2010	28/05/2010
General management grant date	16/12/2008	29/07/2009	16/04/2010	06/07/2010
Total number of shares granted	96,900	110,550	35,761	139,250
Number of shares granted to:				
-Corporate officers (5)	10,000	0	0	12,000
-Top ten employee beneficiaries (6)	30,300	33,000	12,834	31,000
Date of vesting	16/12/2011			
-Spain		29/07/2011	16/04/2012	06/07/2013
-France		29/07/2012	16/04/2013	06/07/2013
-Other countries		29/07/2013	16/04/2014	06/07/2014
Holding period end date	16/12/2013			
-Spain and France		29/07/2014	16/04/2015	06/07/2015
-Other countries		(4)	(4)	(4)
Entitlements cancelled as at 31/12/2010	96,900	11,000	1,600	0
Definitive grants as at 31/12/2010	-	-	-	-
Outstanding shares as at 31/12/2010	0	99,550	34,161	139,250

(1) Plan with conditional allotment relating to the presence of the beneficiary and performance requirements according to changes in operating margin over a three-year period.
(2) Plan with conditional allotment relating to the presence of the beneficiary and changes in operating margin in 2009 as well as bank covenants over a period of 2 years as of the allotment date.
(3) Plan with conditional allotment relating to the presence of the beneficiary and the organic growth in net sales in 2010.
(4) No holding period.
(5) The corporate officer in question is the Company's General Manager.
(6) Of the Group.

Share subscription warrants

With respect to the share capital increase reserved for Group employees carried out on 27 August 2007, 49,198 share subscription warrants were issued and subscribed to by German employees under the Group Corporate Mutual Fund in place of the discount.

Note 4.7 Off-balance sheet commitments

The Group's off-balance sheet commitments given and received are as follows:

(in thousands of euros)	31/12/10
Commitments given	
Endorsements and bank guarantees	
Non-bank guarantees	128,822
Individual legal right to training	138
Nominal value of future property operating lease payments	4,668
Nominal value of future equipment operating lease payments	253
Total commitments given	**133,882**

(in thousands of euros)	31/12/10
Commitments received	
Endorsements	
Cash facilities (overdrafts)	
-authorised	
-utilised (balance sheet)	
-not utilised (off-balance sheet)	
Medium-term loans	
-authorised	200,000
-utilised (balance sheet)	0
-not utilised (off-balance sheet)	**200,000**
Total commitments received	**200,000**

Complex commitments

Warranties received by Groupe Steria SCA and Steria as part of the acquisition of Mummert Consulting:

A warranty to cover liabilities was given to Groupe Steria SCA under normal business conditions.

The warranty expired on 11 January 2007, except for matters governed by French company law and tax matters for which it will expire in January 2015.

Groupe Steria SCA designated Steria SA as nominee. As such, the Mummert securities are held by Steria SA, which is subject to all the rights and obligations underwritten by Groupe Steria SCA in the acquisition agreement. Groupe Steria SCA remains joint and severally liable in respect of the obligations now incumbent on Steria SA.

Other off-balance sheet commitments

It should be noted that, since 17 October 2007, the Xansa acquisition date, all Group companies are covered by a Master General and Professional third-party liability policy (differences in terms and conditions/differences in limits) with a contractual general indemnity limit of €135,000,000 per claim and per year of insurance.

Similarly, all Group companies are covered by a Master property damages and business interruption (PDBI) policy, with a contractual general indemnity limit (all damages and business interruption losses combined) of €150,000,000 per year and per claim.

Note 4.8 Transactions with related parties

The short-term benefits granted to directors in 2010 and 2009 amounted to:

(in thousands of euros)	2010	2009
General Manager	732	612
Members of the Supervisory Board	108	100
Total	**840**	**712**

As at 31 December 2010, corporate officers were not entitled to benefits with respect to the termination of their duties.

The General Manager and the members of the Supervisory Board are not entitled to any specific post-employment benefits or other long-term benefits.

The amount of fees invoiced in respect of services rendered totalled €85 thousand in 2010 (€57 thousand in 2009).

The stock options and free shares allocated to directors during the year and previously (at the indicated cost to the Company) are as follows:

The General Manager of Groupe Steria SCA, Mr. François Enaud, is entitled to compensation with respect to termination of his duties under certain conditions. This compensation, subject to performance conditions, may not exceed two years of the General Manager's gross fixed and variable remuneration.

	2010	2009
Stock options or free shares allocated during the period	-	-
Stock options or free shares allocated at closing	28,327	58,389
Free shares subject to conditions allocated during the period	12,000	-
Free shares subject to conditions allocated at closing	22,000	20,000

Furthermore, all transactions were undertaken on an arm's length basis.

Note 4.9 Statutory auditors' fees

(in thousands of euros)	Ernst & Young	Pimpaneau & Associés
Audit		
Auditorship, certification, review of the individual and consolidated annual and interim financial statements	252	69
Other secondary duties and other audit engagements	-	-
Other services		
Legal, tax, employee-related	-	-
Other	-	-
TOTAL	**252**	**69**

Note 4.10 Five-year summary

(in euros)	31/12/10	31/12/09	31/12/08	31/12/07	31/12/06
Fiscal year (in months)	12	12	12	12	12
SHARE CAPITAL AT YEAR-END					
Share capital	30,084,326	29,348,539	28,535,232	28,155,419	18,623,257
Number of ordinary shares	30,084,326	29,348,539	28,535,232	28,155,419	18,623,257
Maximum number of shares to be created	475,029	581,863	1,070,211	1,167,694	1,459,275
OPERATIONS AND RESULTS					
Net profit before income tax, profit-sharing, depreciation, amortisation and provisions	173,756	43,961,266	11,066,512	18,495,069	6,203,226
Corporate income tax	(2,788,790)	(5,788,908)	(6,677,508)	(5,350,821)	8,408,209
Depreciation, amortisation and provisions	1,307,398	(13,264,604)	21,569,356	1,724,827	(78,086)
Net profit/(loss)	1,665,148	63,014,778	(3,825,336)	22,121,063	(2,126,897)
EARNINGS PER SHARE					
Net profit after income tax, profit-sharing, but before depreciation, amortisation and provisions	0.10	1.70	0.63	0.85	(0.12)
Net profit after income tax, profit-sharing, depreciation, amortisation and provisions	0.06	2.15	(0.13)	0.79	(0.11)
PERSONNEL					
Total payroll charges	8,591,270	6,874,797	7,032,824	2,179,373	111,278
Employee-related benefits (Social Security, social welfare initiatives, etc.)	3,385,754	2,849,927	2,640,588	929,363	987

Note 4.11 List of subsidiaries and affiliates

(in thousands of euros)	Share capital Shareholders' equity (excluding share capital)	Shareholding / Dividends	Gross value of shares / equity value	Loans, advances / Guarantees	Net sales / Net profit/(loss)
SUBSIDIARIES (+ de 50 % shareholding)					
STERIA SA	14,877	99.99%	199,890	7,468	546,045
12 rue Paul Dautier 78140 VELIZY	299,517	24,000	338,090		25,041
STEPAR	950	99.99%	1,141	1,596	0
12 rue Paul Dautier 78140 VELIZY	(760)	0	109		(10)
STERIA CORPORATE LTD *	20,718	100.00%	698,322	39,003	0
Three Cherry Trees Lane	130,575	0	647,837		(402)
Hemel Hempstead, HP27AH / United Kingdom					
STERIA POLSKA **	4,638	100.00%	3,714	406	9,045
Ul. Uniwersytecka 13 40-007 Katowice / Poland	1,364	0	5,369		1,364

Figures in local currency have been converted at the period-end exchange rate, *i.e.*:

(*) Exchange rate as at 31/12/2010: €1 = GBP 0.86075
(**) Exchange rate as at 31/12/2010: €1 = PLN 3.975

6.3.5 Statutory Auditors' Report on the annual financial statements year ended 31 December 2010

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying financial statements of Groupe Steria S.C.A;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by management. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31,2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Your company applies the "Equity method valuation", provided for in article L. 232-5 of the French commercial code (Code de commerce) to assess its equity interest, as set out in note 1.4 to the financial statements. Valuation of its equity interests is performed using the consolidation accounting policies and methods used to establish the consolidated financial statements.

To review the valuation, we relied on results of our consolidation testing performed on the group consolidated accounts as of December 31, 2010.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management's report and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

6

Paris and Neuilly-sur-Seine, March 25, 2011

The statutory auditors

French original signed by

PIMPANEAU ET ASSOCIES	ERNST & YOUNG et Autres
Olivier Lelong	Denis Thibon

7

"General information – Share capital

7.1 Legal information concerning the company

Name and registered office

Groupe Steria SCA

12, rue Paul Dautier – 78140 Vélizy-Villacoublay.

Legal form (article 1 of the Articles of Association)

Partnership limited by shares under French law (SCA).

The company exists as a limited joint stock company under French law (*société en commandité par actions*) between:

- its Limited Partners; and
- its General Partner, Soderi, a French simplified company with variable share capital, whose registered office is located at 46 rue Camille Desmoulins – 92130 Issy les Moulineaux, registered under number 404 390 486 RCS Nanterre, represented, pursuant to its Articles of Association, either by its Chairman or its Chief Executive Officer. Soderi's partners undertake to own, either directly or through the company mutual fund, a number of Groupe Steria SCA shares representing at least 5% of the capital of Groupe Steria SCA. If this condition is no longer met, the procedures set forth in clause 14.2 of the Articles of Association shall apply.

Corporate purpose

The object of the company is described in article 2 of the Articles of Association presented in the Appendix to this Registration Document.

Date of creation

Group Steria was incorporated on February 18, 1988 as a public limited company (*société anonyme*). It was transformed into a partnership limited by shares following a decision taken at the Extraordinary General Meeting of July 18, 1996.

Term

The term of the company is 99 years from its date of creation, unless an early liquidation occurs or this period is extended.

Trade and Company Register

RCS Versailles 344 110 655 (88 B 00 665)

APE – NAF (trade sector) Code

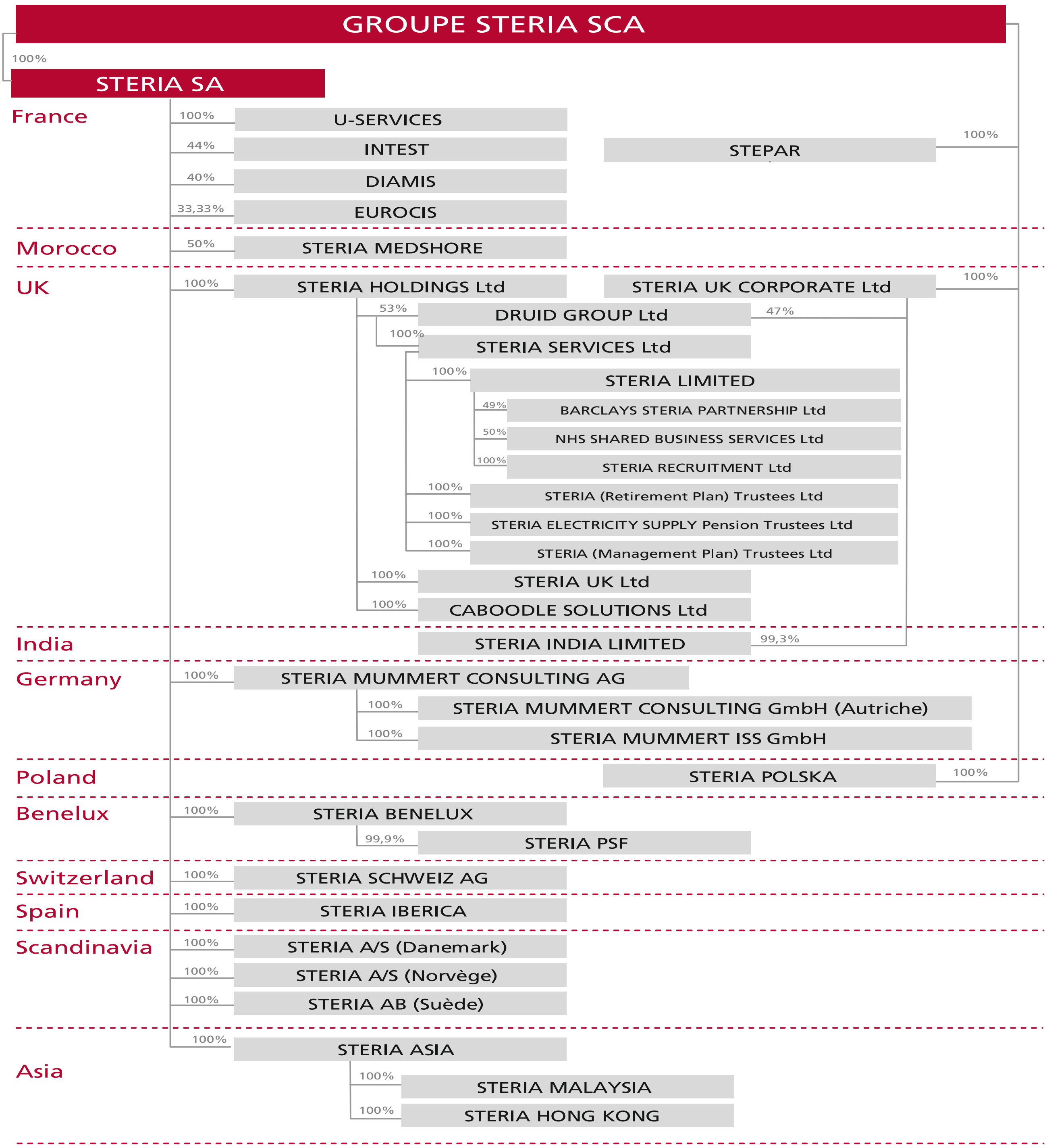
6202 A

Memorandum and Articles of Association

A copy of the latest version of Groupe Steria SCA's Articles of Association (dated December 20, 2010) is included in the Appendix to the Registration Document.

7.2 Group Legal Organisation

7.2.1 Simplified Legal organisation chart (as per 31 December 2010)



7.2.2 Parent-Subsidiary relationships

Groupe Steria SCA is an operational holding company, which oversees the activities of the group.

In this respect, Groupe Steria SCA oversees the group and manages all its subsidiaries.

All the corporate departments (Communication, Strategy, Marketing, Internal Control and Audit, Human Resources, Information Systems, Finance, Purchasing, Project Risk Management, Legal and Overall Risks) are grouped together under the parent company.

To ensure efficiency, Groupe Steria SCA also provides certain centralized services to subsidiaries, for which they are invoiced specifically.

For example, Groupe Steria SCA negotiates, contracts and follows up the group's insurance, which it then invoices to the subsidiaries.

At 31 December 2009, Groupe Steria SCA had 87 employees.

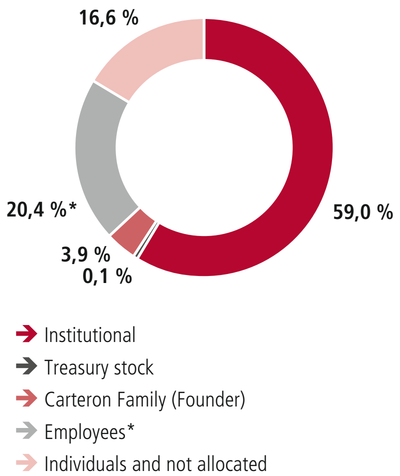
7.3 Share capital and shareholder structure

7.3.1 Share capital

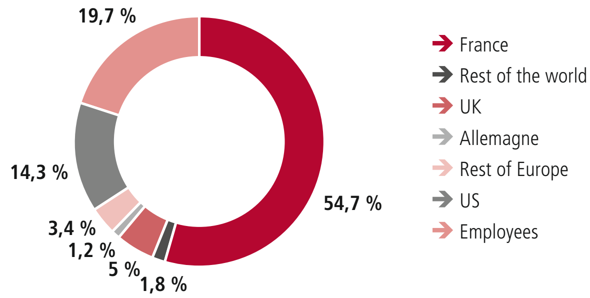
At January 31, 2011, the share capital totaled €30,084,326 divided into shares with a nominal value of €1 each.

7.3.2 Shareholding structure

a) Shareholding structure at January 31, 2011



** O/w "SET Trust" and "XEBT Trust" (4.72% of capital); trusts subjects to English law the assets of which are destined to boost employee shareholdings.*



b) Current breakdown of capital and voting rights; changes during the last three years

Shareholder structure	At January 31, 2011			At January 26, 2010			At February 6, 2009		
	Number of shares	% of capital	% of voting rights (1)	Number of shares	% of capital	% of voting rights (1)	Number of shares	% of capital	% of voting rights (1)
Employee share ownership (2)	6,149,978	20.44	23.14	5,767,475	19.65	23.40	4,942, 218	17.32	21.20
Carteron family (founder) (3)	1,165,308	3.87	6.43	1,160,508	3.95	6.85	1,224,584	4.29	7.34
Fidelity Management & Research Company	1,849,022	6.15	5.15	0	0	0	0	0	0
Financière de l'Échiquier	1,760,100 (4)	5.85	4.89	1,681,200 (5)	5.73	5.00	2,167,220 (6)	7.59	6.65
Nobel	1,301,441	4.33	7.24	0	0	0	0	0	0
Groupe Steria SCA (treasury stock)	25,877	0.09	0	32,768	0.11	0	91,716	0.32	0
Free float	17,832,600	59.28	49.63	20,706,588	70.55	64.75	20,109,494	70.47	64.78
TOTAL	**30,084,326**	**100.00**	**100.00**	**29,348,539**	**100.00**	**100.00**	**28,535,232**	**100.00**	**100.00**

(1) Total voting rights (excluding treasury stock).
(2) Including the "SET Trust" and "XEBT Trust" (4.72% of capital). These trusts are subject to English law and the purpose of their assets is to promote employee shareholding.
(3) Shares held in full ownership and usufruct (family).
(4) Identifiable bearer shares 01/31/2011.
(5) Identifiable bearer shares 02/06/2009.
(6) Identifiable bearer shares 02/28/2009.

To the best of the company's knowledge, there are no other shareholders holding 5% or more of the capital or voting rights, either directly, indirectly or jointly.

Double voting rights are granted to shares that have been nominally registered to the same shareholder for at least two years.

The total number of voting rights (excluding treasury stock) that may be exercised at the Ordinary and Extraordinary General Meeting on January 31, 2011 amounts to 35,928,984 voting rights.

7.3.3 Change in share capital over the past five years

Date of completion	Type of transaction Capital increase through	Nominal	Issue/ subscription premium	Number of shares created	Total number of shares	Share capital
01.07.05	Exercise of stock options granted to employees	€1	€6,62	25,500	17,978,373	€17,978,373
06.15.05	Exercise of stock options granted to employees	€1	€6,62	17,050	17,995,423	€17,995,423
12.08.05	Company mutual fund subscription and by direct employee subscription	€1	€24	96,501	18,091,924	€18,091,924
	Exercise of stock options granted to employees	€1	€6,62	3,150	18,095,074	€18,095,074
10.17.05	Exercise of stock options granted to employees	€1	€6,62	26,578	18,121,652	€18,121,652
01.16.06	Exercise of stock options granted to employees	€1	€6,62	7,650	18,129,302	€18,129,302
06.16.06	Exercise of stock options granted to employees	€1	€6,62	5,850		
		€1	€42,33	300		
		€1	€35	4,000	18,139,452	18,139,452
	Exercise of warrants issued to certain option holders	€1	€0	136,839	18,276,291	€18,276,291
08.25.06	Exercise of stock options granted to employees	€1	€42,33	138	18,278,201	€18,278,201
		€1	€35	1,772		
	Reserved for Group employees (via the company mutual fund and by direct subscription)	€1	€31,70	33,556	18,612,757	€18,612,757
10.23.06	Exercise of stock options granted to employees	€1	€35	7,500	18,623,257	€18,623,257
		€1	€12	3,000		
04.18.07	After exercise of stock options granted to employees	€1	€42,33	58,122		
		€1	€42,33	5,550		
		€1	€35	48,995		
		€1	€12	10,180	18,746,104	€18,746,104
05.28.07	After exercise of stock options granted to employees	€1	€42,33	25,445		
		€1	€42,33	258		
		€1	€35	625		
		€1	€12	13,500	18,785,932	€18,785,932
06.29.07	Exercise of warrants issued to certain option holders	€1	€26,50	133,400	18,919,332	€18,919,332
08.27.07	After exercise of stock options granted to employees	€1	€42,33	476		
		€1	€42,33	4,310		
		€1	€35	23,000		
		€1	€12	34,400		
	Reserved for Group employees (classic offer)	€1	€37,38	90,658		
	Reserved for Group employees (leverage offer)	€1	€37,38	320,706		
	Reserved for Calyon	€1	€37,38	24,102	19,416,984	€19,416,984

Date of completion	Type of transaction Capital increase through	Nominal	Issue/ subscription premium	Number of shares created	Total number of shares	Share capital
10.31.07	After exercise of stock options granted to employees	€1	€42,33	10,931		
		€1	€35	20,100		
		€1	€12	31,200		
		€1	€27,50	11,500		
		€1	€12	1,500	19,492,215	€19,492,215
12.11.07	With pre-emptive subscription rights	€1	€22.20	8,663,204	28,155,419	€28,155,419
01.31.08	After exercise of subscription warrants	€1	€26,50	145,590	28,301,009	€28,301,009
06.27.08	After exercise of stock options granted to employees	€1	€10,93	1,090	28,302,099	€28,302,099
07.29.08	Reserved for employees	€1	€15,23	197,853	28,535,232	€28,535,232
07.07.09	After payment of dividend in shares	€1	€11,53	106,132	28,641,364	€28,641,364
09.18.09	After allocation of free shares through the creation of new shares	€1	€0	65,673	28,707,037	€28,707,037
12.15.09	Reserved for Group employees (classic offer)	€1	€15,61	90,254	28,797,291	€28,797,291
	Reserved for Group employees (leverage offer)	€1	€15,61	521,123	29,318,414	€29,318,414
	After exercise of stock options granted to staff	€1	€10,93	21,953	29,340,367	€29,340,367
	After allocation of free shares through the creation of new shares	€1	€0	8,172	29,348,539	€29,348,539
05.03.10	After exercise of stock options granted to staff	€1	€10,93	60,684	29,409,221	€29,409,221
07.07.10	After payment of dividend in shares	€1	€19,95	62,698	29,471,921	€29,471,921
09.30.10	After exercise of stock options granted to staff	€1	€10,93	14,166	29,486,087	€29,486,087
12.16.10	Reserved for Group employees (classic offer)	€1	€14,94	130,078		
	Through the creation of free shares allocated in lieu of top-up contributions (classic offer)	€1	€0	20,499		
	Reserved for Group employees (leverage offer)	€1	€14,94	381,283	30,017 ,947	€30,017,947
12.20.10	After allocation of free shares through the creation of new shares	€1	€0	66,379	30,084,326	€30,084,326

7.3.4 Potential capital and securities with an equity component

Stock options, free shares and warrants

All information concerning potential capital, including stock options that have been granted or exercised, free shares and/or warrants during the 2010 financial year have been described in the notes to the parent company and consolidated financial statements (note 4.6) to the consolidated financial statements).

Bonds with options for conversion and/or exchange into new or existing shares.

In accordance with the decisions taken on November 12, 13 and 16, 2007, the General Manager, exercising the powers granted by the Extraordinary General Meeting of June 14, 2006, issued 4,080,549 undated subordinated bonds with options for conversion and/or exchange into new or existing shares, with a nominal unit value of EUR 37.36, *i.e.* a total nominal issue of EUR 152,449,310.64.

All of the details concerning this bond issue have been included in the notes to the parent company financial statements and in note 4.10 to the consolidated financial statements.

There are no other securities with an equity component.

Summary of information concerning potential dilution of capital as of December 31, 2010

Share capital: EUR 30,084,326

Type of potentially dilutive instruments	Date of allocation or issue (a)/ date of authorization (A) if not yet allocated	Performance conditions	Exercise price In euros	Identity of holders of said instruments	Exercise period	Remaining number of shares for which the holders of said instruments are eligible	Potential dilution liable to result from the exercise of said instruments As % of current capital
1. Stock options awarded	20/04/2004	-	26.16	Certain employees and directors of the Group	From 21.04.07 to 20.04.11	153,889	0.51%
Total 1						**153,889**	**0.51%**
2. Warrants	27/08/2007	-	47.97	Company mutual fund Groupe Steriactions (employees)	From August 27, 2007 to September 3, 2012	49,198	0.16
Total 2						**49,198**	**0.16**
3. Free performance shares (1)	16/12/2008	Change in operating margin over a three-year period as from allocation	0.0	Certain employees and directors of the Group	date of award: 16/12/2011 holding period: 2 years as from December 16, 2011	93,400	0.31
	29/07/2009	Change in operating margin over the 2009 financial year Compliance with bank covenants over a two-year period as from allocation	0.0	Certain employees and directors of the Group	date of award: July 29, 2011 (Spain), July 29, 2012 (France) or July 20, 2013 (other countries) holding period: 2 years (France), 3 years (Spain), no holding period (other countries)	110,550	0.37
	16/04/2010	Growth in consolidated revenue in 2010 versus 2009	0.0	Certain employees and directors of the Group	date of award: April 16, 2012 (Spain), April 16, 2013 (France) or April 16, 2014 (other countries) holding period: 2 years (France), 3 years (Spain), no holding period (other countries)	35,761	0.12
	06/07/2010	Change in operating margin over a three-year period as from allocation	0.0	Certain employees and directors of the Group	date of award: July 6, 2013 (Spain and France) and July 6, 2014 (other countries) holding period: 2 years (Spain and France), no holding period (other countries)	139,250	0.46
Total 3						**378,961**	**1.26**
4. Undated subordinated bonds with options for conversion and/ or exchange for shares	12.11.07	-		37.36	At any time through to December 31, 2012	4,202,965*	14.32
Total 4						**4,202,965**	**14.00**
Total potential dilution						**4,785,013**	**15.94**

* *On the basis of a conversion ratio of 1.03 share for one bond.*
(1) *Allocation subject to continued employment and performance conditions.*

7

7.3.5 Authorizations pertaining to share capital and use of authorizations

The table below summarizes the currently valid authorizations to increase the company's share capital granted to the General Management by the General Meeting of Shareholders with respect to capital increases, and which were used over the course of the financial year.

Decision	End of validity	Amount or percentage of capital authorized	Use over the course of the financial year	Authorization remaining at December 31, 2010
Combined General Meeting of 29.05.09				
Power granted to the General Management to increase the share capital with pre-emptive subscription rights	29/07/2011	€14 million (nominal value) for the issuance of marketable securities €150 million (nominal value) for the issuance of debt securities	None	All
Power granted to the General Management to increase the number of shares in the event of a capital increase carried out in virtue of the above authorizations	29/07/2011	15% of initial issue	None	All
Power granted to the General Management to increase the share capital without pre-emptive subscription rights in exchange for shares tendered to a public exchange offer carried out by the company on the shares of another company	29/07/2011	€4.2 million (nominal value)	None	All
Power granted to the General Management to increase the share capital in exchange for contributions in kind	29/07/2011	10% of share capital	None	All
Combined General Meeting of May 28, 2010				
Power granted to the General Management to increase the share capital with elimination of pre-emptive subscription rights, and with the possibility of a priority subscription period, via a public offer	28/07/2011	€4.2 million (nominal value) for the issuance of marketable securities €150 million (nominal value) for the issuance of debt securities	None	All
Power granted to the General Management to increase the share capital with elimination of pre-emptive subscription rights, via an offer provided for in article L. 411-2-II of the French Monetary and Financial Code	28/07/2011	€4.2 million (nominal value) for the issuance of marketable securities €150 million (nominal value) for the issuance of debt securities	None	All
Power granted to the General Management to increase the number of shares in the event of a capital increase carried out in virtue of the above authorisations	28/07/2011	15% of initial issue	None	All
Power granted to the General Management to allocate free shares	28/09/2012	300,000 shares	139,250 shares	160,750 shares
Power granted to the General Management to carry out capital increases reserved for members of the Group Savings Plan	28/07/2012	€1 million	531,860 €	468,140 €
Power granted to the General Management to carry out capital increases reserved for any entity or bank, within the framework of the implementation of employee share ownership plans outside France	28/11/2011	€1 million	None	All

7.3.6 Share buybacks

7.3.6.1 Description of the share buyback program

I – Legal framework

This description is provided in accordance with the provisions of articles 241-2 *et seq* of the General Regulations of the French securities regulator (Autorité des marchés financiers) as well as European Regulation No. 2273/2003 of December 22, 2003.

This program will be submitted for the approval of the General Meeting on May 13, 2011.

II – Number of shares and share of capital held by the Company

As of February 28, 2011, company's share capital comprised 30,084,326 shares.

As of this day, the company held 26,049 treasury shares, representing 0.08% of the capital.

III – Breakdown by purpose of treasury shares held by the company

As of February 28, 2011, the treasury shares held by the company could be broken down by purpose, as follows:

Implementation for the employees and/or company directors of all Group Savings Plans in accordance with articles L. 3332-2 et seq. of the French Labor Code or of all free allocations of shares in accordance with the provisions of articles L. 225-197-1 et seq. of the French Commercial Code	16,602
Allocation of shares to the holders of convertible debt securities in the Company	6,507
Purchase of shares by Groupe Steria SCA for holding purposes and to be subsequently exchanged or used as payment in any future acquisitions	158
Implementation of liquidity contract	2,782
TOTAL	**26,049**

IV – Objectives of the new share buyback program:

The objectives of this program are:

- implementation for the employees and/or company directors of all Group Savings Plans in accordance with articles L. 3332-2 *et seq.* of the French Labor Code or of all free allocations of shares in accordance with the dispositions of articles L. 225-197-1 *et seq.* of the French Commercial Code;
- allocation of shares to the holders of convertible debt securities in the Company;
- purchase of shares by Groupe Steria SCA for holding purposes and to be subsequently exchanged or used as payment in any future acquisitions;
- transactions concerning the secondary market or the liquidity of Groupe Steria SCA stock *via* the intermediation of an investment services provider acting independently in the scope of a liquidity contract, in accordance with the AMAFI Compliance Charter, and approved by the Autorité des marchés financiers;
- possible cancellation of shares purchased subject to the approval of the resolution included in the agenda of this General Meeting;
- implementation of any market practice that is permitted, or which could be permitted in the future, by the Autorité des marchés financiers, and more generally to carry out any other operation in compliance with the regulations in force.

V – Maximum share of capital, maximum number and characteristics of equity securities: maximum share of company capital liable to be bought back – characteristics of equity securities

The maximum share of capital liable to be bought back is equal to 10% of Groupe Steria SCA's existing capital at the time that the buyback program is implemented.

The share capital amounts to €30,084,326 divided into 30,084,326 shares, each with a nominal value of €1. On this basis, Groupe Steria SCA would be authorized to purchase a maximum of 10% of its capital, *i.e.* 3,008,432 shares, not taking into account shares already held.

Maximum purchase price and maximum authorized amount of funds that may be committed

The total maximum amount of share buybacks that Groupe Steria SCA is authorized to carry out under the share buyback program may not exceed €120,337,280 (excluding fees), based on a maximum price per share of EUR 40.

Buyback procedure details

The purchase, sale or transfer by the Company of its own shares may be conducted by any method at all times (excluding public offers), including over the counter, in blocks of shares or through the use of derivative financial instruments, on one or more occasions, in the proportions and during the periods determined at the discretion of the General Management.

VI – Term of buyback program

The program has a term of 18 months as from the approval of the resolution submitted at the General Meeting, *i.e.* through to November 13, 2012.

7.3.6.2 Implementation of the share buyback program

Liquidity contract

Based on a contract signed on October 30, 2006, tacitly renewable at the end of each year, Groupe Steria entrusted SG Securities (Paris) SAS, a simplified company with a share capital of €2,400,000, whose registered office is located at Tour Société Générale, 17 cours Valmy, 92987 Paris La Défense Cedex, 212registered under the single identification number 784 198 483 RCS Nanterre, to put in place a liquidity contract covering the company's ordinary shares, in accordance with the AMAFI Code of Conduct dated March, 14 2005 and approved by the AMF in its decision of 22 March 2005, published in the *Bulletin des annonces légales obligatoires* on April 1, 2005.

At December 31, 2010, the liquidity account contained the following assets: 12,401 Groupe Steria SCA shares, €1,028,044.40 in cash.

7.4 Shareholder structure

7.4.1 Market data

Groupe Steria SCA has been a listed company since June 4, 1999. It is currently listed in Compartment B of Euronext Paris.

Codes and classification of the Groupe Steria SCA share

ISIN code (International Securities Identification Number):
FR 0000072910

Ticker:	RIA
Euronext code:	FR 0000072910
Market:	Euronext Paris – Eurolist – Local stocks
CFI code:	ESEUFB

(E=equity ; S=shares ; E=enhanced voting ; F=fully paid ; B=Bearer)

Type:	Ordinary – Ordinary share – Continuous trading
Compartment:	B (Mid-caps)

Characteristics of the Groupe Steria SCA share

Industry:	9000, Technology
Super sector:	9500, Technology
Sector:	9530, Software and IT services
Sub-sector:	9533, Sof tware and IT services

Eligible for Share Savings Plan: Yes

Eligible for Deferred Settlement Service: Yes

Local: 7291

Main tickers for the Groupe Steria SCA share

Euronext:	RIA
Bloomberg:	RIA FP
Reuters:	TERI.PA

Main indices including the Steria share

CAC ALL SHARES

CAC MID&SMALL 190

CAC MID 100

CAC Soft&CS

CAC Technology

EURONEXT FAS IAS

Indice Général SBF 120

SBF 250

SBF 80

CAC IT

NEXT 150

The table below shows the changes in Groupe Steria SCA's quoted share price since June 2002.

STOCK MARKET DATA

2010 – Month	01	02	03	04	05	06	07	08	09	10	11	12
Average trading volume/day	59,878	57,974	65,065	92,432	112,912	198,616	77,341	74,021	64,241	166,137	114,382	82,173
High (€)	23.33	22.37	23.45	26.57	25.46	24.84	21.81	21.81	22 .84	23.19	19.94	19.5
Low (€)	21.00	19.52	20.74	22.92	20.80	20.15	19.11	18.92	19.39	19.15	17.64	17.54
Capital in millions of euros *	26.65	24.42	33.74	45.98	55.45	95.39	34.98	33.14	29.94	72.92	47.60	34.97

2009 – Month	01	02	03	04	05	06	07	08	09	10	11	12
Average trading volume/day	102,938	117,192	97,906	123,742	113,867	112,512	104,808	80,508	165,503	130,481	95,397	64,014
High (€)	8.81	10.32	11.30	14.83	15.65	15.10	17.00	19.35	25.19	25.29	21.50	21.60
Low (€)	7.30	7.61	8.10	10.29	12.60	12.50	12.08	16.21	18.62	20.15	18.42	19.50
Capital in millions of euros *	17.52	21.50	21.04	30.24	32.00	34.20	33.26	29.98	77.02	66.59	41.13	28.65

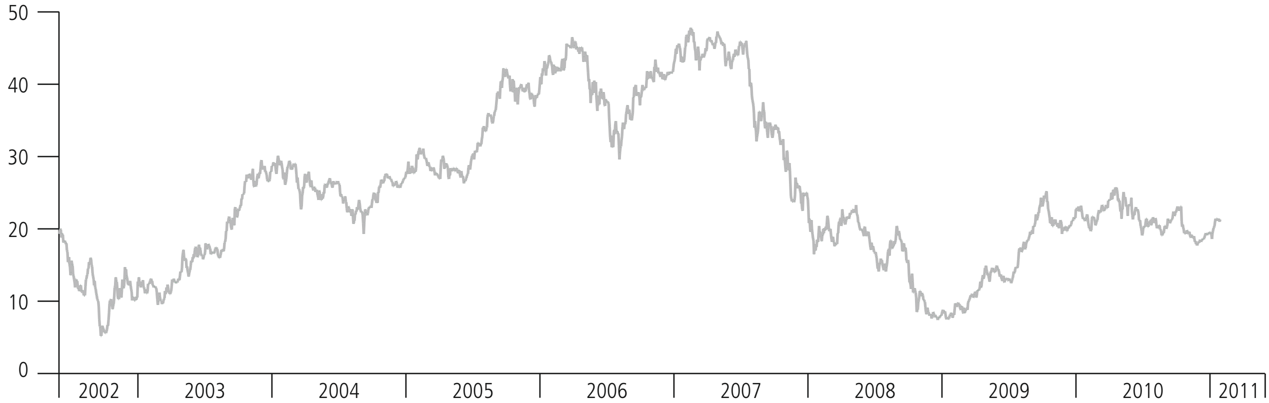
2008 – Month	01	02	03	04	05	06	07	08	09	10	11	12
Average trading volume/day	257,798	201,115	145,657	141,753	110,412	141,370	224,774	192,173	198,183	282,509	229,775	156,552
High (€)	25.20	21.99	21.20	23.00	23.38	21.50	17.71	18.60	20.65	16.10	11.55	8.88
Low (€)	15.53	17.65	17.40	20.30	19.55	16.91	13.43	13.91	14.80	8.22	8.08	7.35
Capital in millions of euros *	107.63	84.0	52.9	67.0	49.58	56.88	82.38	68.33	79.51	76.05	45.70	26.04

2007 – Month	01	02	03	04	05	06	07	08	09	10	11	12
Average trading volume/day	70,119	85,106	76,706	58,367	92,319	93,154	89,976	146,575	68,210	101,585	346,597	276,844
High (€)	49.67	47.87	46.33	46.72	47.27	45.42	46.02	41.01	37.77	35.18	30.84	27.33
Low (€)	45.51	43.14	41.76	44.15	42.27	41.85	37.69	31.30	32.45	29.42	23.25	22.37
Capital in millions of euros *	74.39	85.61	81.22	55.25	99.5	92.98	93.37	130.88	51.37	82.06	201.72	131.28

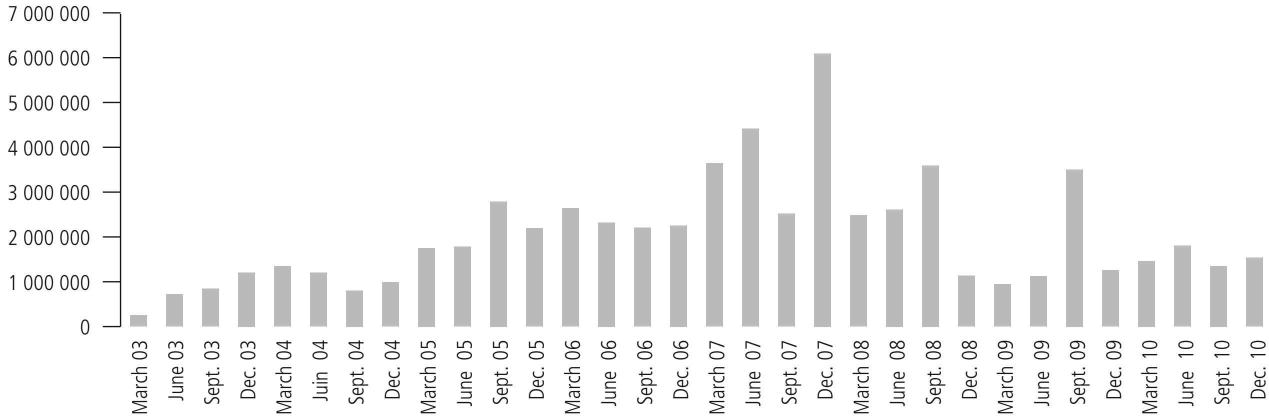
2006 – Month	01	02	03	04	05	06	07	08	09	10	11	12
Average trading volume/day	62,383	50,451	56,998	36,784	67,928	55,815	64,894	59,416	48,429	49,928	60,879	46,734
High (€)	48.05	47.33	50.65	50.45	48.74	43.99	41.71	40.95	43.45	46.25	48.38	45.99
Low (€)	42.10	44.50	45.25	45.00	40.27	39.10	31.37	31.33	38.01	40.20	43.51	43.80
Capital in millions of euros *	62.77	46.29	63.18	32.50	66.85	50.86	50.27	49.32	41.64	47.80	61.33	39.83

Source: EURONEXT
(1) Amount of capital traded over the month.

Changes in Steria's quoted share price since June 2002 (share price at February 1, 2011)

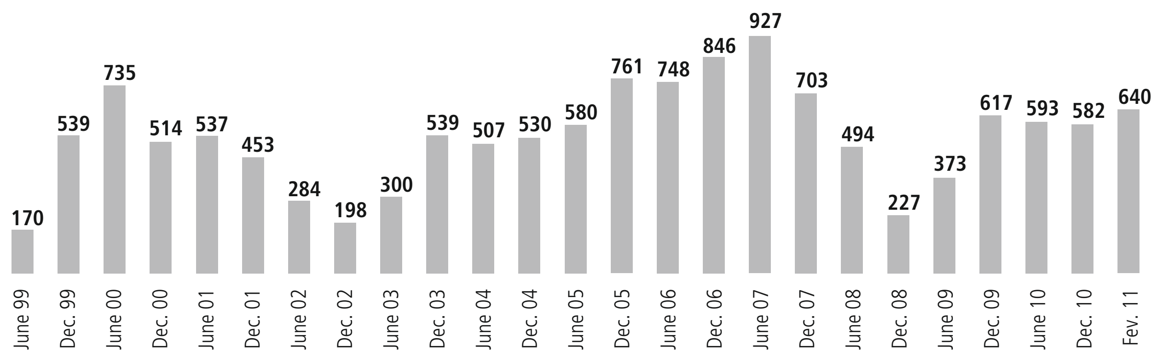


Changes in average capital traded per day (in €)



Source: Factset

Changes in market capitalization (in € millions) since June 1999



Source: Factset

7.4.2 Shareholdings exceeding statutory limits

Over the course of the 2010 financial year, the following threshold crossing notices were filed and published with the AMF:

- the company Nobel declared by letter dated April 30, 2010 (No. 210C0382) that it had dropped below the threshold of 5% of capital;
- the company Financière de l'Echiquier declared by letter dated May 3, 2010 (No. 210C0385), on behalf of funds under its management, that it had dropped below the threshold of 5% of capital;
- the company FMR LLC (holding company of the Fidelity Group) declared by letter dated October 13, 2010 (No. 210C1154), corrected on dated November 10, 2010, that it had risen above the threshold of 5% of capital;
- the company HSBC HOLDING Plc declared by letter dated November 19, 2010 (No. 210C1190) that, through the companies Nobel, Internationale Kapitalanlagegesellschaft (Inka) and HSBC Private Wealth Managers (Hpwm), it indirectly dropped below the threshold of 5% of capital.

7.4.3 Shareholder agreements

To the best of the company's knowledge, there is no shareholder agreement or clause in any agreement establishing preferential share sale or purchase rights on at least 0.5% of the capital or voting rights.

7.4.4 Dividend

Dividends paid over the past three financial years

Amounts paid to limited partners (in euros):

Financial year	Net dividend per share	Tax credit/discount
2007	€0.42	Discount at rate in force at this date
2008	€0.12	Discount at rate in force at this date
2009	€0.12	Discount at rate in force at this date

Dividend proposal for the financial year ended December 31, 2010 – subject to the approval of the General Meeting of May 13, 2011.

Financial year	Net dividend per share	Discount
2010	€0.24	Discount at rate in force at this date

Option to receive dividend payment in cash or shares

Subject to the approval of the General Meeting of May 13, 2011, shareholders will be given the option of taking the dividend payment in cash or shares. This option will concern the entire dividend to be paid, *i.e.* €0.24 per share.

The issue price of new shares is set at 90% of the average share price quoted in the 20 trading sessions prior to the General Meeting, minus the net dividend amount. The General Management will be able to round up this price to the next whole number.

Shareholders wishing to obtain the payment of their dividend in shares will be given a period from June 6 to 23, 2011 to submit their request to the authorized intermediaries.

If no such request is submitted by the time this period has expired, the dividend will be paid in cash as from July 6, 2011.

7.4.5 Financial Communication Calendar – Contacts

Person responsible for financial information:

Mr. Olivier Psaume

Division of Investor Relations and Corporate Development

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E-mail: olivier.psaume@steria.com

Website: www.steria.com

2011 Financial Communication Calendar

January 13 and 14	Analyst Day
February 28, 2011 (after market closure)	Q4 2010 revenue and 2010 annual results
March 1, 2011 at 11:30 a.m.	Financial analysts meeting (at Issy les Moulineaux)
May 2, 2011 (after market closure)	Q1 2011 revenue
May 13, 2011 at 2:00 p.m.	Annual General Meeting
July 28, 2011 (after market closure)	Q2 2011 revenue and H1 2011 results
July 29, 2011 at 9:00 a.m.	Financial analysts meeting (by webcam)
November 2, 2011 (after market)	Q3 2011 revenue

7.5 Documents on display

Legal documents (Articles of Association, minutes of General Meetings, Statutory Auditors' reports, etc.) can be consulted at the Group Legal Department, 46 rue Camille Desmoulins – 92130 Issy les Moulineaux, France.

Press releases		
2010 annual results	28/02/2011	Steria website / AMF website
Q4 2010 revenue	28/02/2011	Steria website / AMF website
Q3 2010 revenue	18/10/2010	Steria website / AMF website
Combined General Meeting: voting results	03/06/2010	Steria website / AMF website
2010 interim results	29/07/2010	Steria website / AMF website
Q2 2010 revenue	29/07/2010	Steria website / AMF website
Preparatory document for the Combined General Meeting of May 28, 2010	30/04/2010	Steria website / AMF website
Meeting notice for the Combined General Meeting of May 28, 2010	23/04/2010	Steria website / AMF website
Capital increase reserved for Group employees	02/08/2010	Steria website / AMF website
Q1 2010 revenue	11/05/2010	Steria website / AMF website
2009 annual results	15/03/2010	Steria website / AMF website
Other documents filed with the French securities regulator (AMF)		
Interim review of the liquidity contract (H2 2010)	07/01/2011	Steria website / AMF website
2011 Financial Communication Calendar	13/12/2010	Steria website / AMF website
Capital increase reserved for employees	02/08/2010	Steria website / AMF website
2010 interim financial report	22/10/2010	Steria website / AMF website
Dividend for the 2009 financial year	08/07/2010	Steria website / AMF website
Interim review of the liquidity contract (H1 2010)	07/07/2010	Steria website / AMF website
Option to receive payment of dividend for the 2009 financial year in shares	07/06/2010	Steria website / AMF website
2009 Registration Document	29/04/2010	Steria website / AMF website
Interim review of the liquidity contract (H2 2009)	14/01/2010	Steria website / AMF website
Notices of threshold crossings	25/11/2010	AMF website / STERIA administrative office
Notices of threshold crossings	22/11/2010	AMF website / STERIA administrative office
Notices of threshold crossings	10/11/2010	AMF website / STERIA administrative office
Notices of threshold crossings	13/10/2010	AMF website / STERIA administrative office
Notices of threshold crossings	04/05/2010	AMF website / STERIA administrative office
Declaration of securities transactions by company directors	10/08/2010	AMF website / STERIA administrative office

Other documents posted on the Steria website		
Monthly voting rights (February 2011)	04/03/2011	Steria website
Monthly voting rights (January 2010)	07/02/2011	Steria website
Monthly voting rights (December 2010)	07/01/2011	Steria website
Monthly voting rights (November 2010)	06/12/2010	Steria website
Monthly voting rights (October 2010)	05/11/2010	Steria website
Monthly voting rights (September 2010)	05/10/2010	Steria website
Monthly voting rights (August 2010)	13/09/2010	Steria website
Monthly voting rights (July 2010)	09/08/2010	Steria website
Monthly voting rights (June 2010)	08/07/2010	Steria website
Monthly voting rights (May 2010)	07/06/2010	Steria website
Voting rights – General Meeting of May 28, 2010	03/06/2010	Steria website
Monthly voting rights (April 2010) – rectification	09/06/2010	Steria website
Monthly voting rights (April 2010)	07/05/2010	Steria website
Monthly voting rights (March 2010)	08/04/2010	Steria website
Monthly voting rights (February 2010)	05/03/2010	Steria website
Monthly voting rights (January 2010)	08/02/2010	Steria website
Information published in the *Bulletin des annonces légales obligatoires*		
Meeting notice replacing the convocation for the Combined General Meeting of May 28, 2010 (Balo No. 48)	21/04/2010	

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Person responsible for the Registration Document

Person responsible for the Registration Document

Mr. François Enaud, General Manager of Groupe Steria SCA..

Declaration by the person responsible for the reference document

«I hereby declare that having taken all reasonable steps in my power, the information contained in this reference document is, to the best of my knowledge, correct and does not contain any omission that might alter its meaning.

I hereby declare that to the best of my knowledge, the accounts have been established in line with applicable accounting standards and give a fair image of the assets, financial situation and results of the company and all the companies in the consolidation and that the General Manager's report on page 94 of this document presents a fair view of the business, the results and the financial situation of the company and all the companies in the consolidation as well as a description of the main risks and uncertainties facing them.

I have obtained a letter from our Statutory Auditors marking the end of their work on this report and in which they declare that they have verified the information relating to the financial position and the financial statements presented in this reference document and have read the entire reference document.

The historic financial information in this document is the subject of reports from the Statutory Auditors included in pages 151 and 178 of this document.

It should be noted that in their report on the consolidated financial statements at 31 December 2008, the Statutory Auditors drew the attention of the shareholders to Note 1.1 of the Notes relating to the change in accounting policy arising from the application of IFRS8 – Operational segments.

François ENAUD

General Manager of Groupe Steria SCA

Person responsible for the audit of the financial statements

	Date of first appointment	Date on which current term will end (Ordinary General Meeting called to approve the financial statements for the financial year ended)
Statutory Auditors		
Pimpaneau & Associés Nexia International	December 18, 1998	December 31, 2011
Represented by Mr. Olivier Lelong		
23 rue Paul Valéry		
75116 Paris		
Ernst & Young & Autres (1)	June 17, 1993	December 31, 2010
Represented by Mr. Denis Thibon		
41 rue Ybry		
92576 Neuilly-sur-Seine cedex		
Substitute Statutory Auditors		
IDF Expertise et Conseil	June 14, 2006	December 31, 2011
23 rue Paul Valéry		
75016 Paris		
Ms. Brigitte Geny	June 4, 2003	December 31, 2010
Tour Franklin		
92042 Paris La Defense cedex		

(1) Continuation of term assigned on June 17, 1993 to PGA, first under the name Barbier Frinault & Associés, then under the name Barbier Frinault & Cie, then Barbier Frinault et Autres, then Ernst & Young & Autres.

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This Registration Document includes all components of the Annual Financial Report covered by articles L. 451-1-2 I of the French Monetary and Financial Code and article 222-3 of the General Regulations of the AMF. The following concordance table concerns extracts from the Registration Document corresponding to the different headings in the Annual Financial Report.

"ARTICLES OF ASSOCIATION OF GROUPE STERIA SCA

(Articles of Association updated on December 20, 2010)

TITLE I THE COMPANY

Article 1 Form

The public limited company (*société anonyme*) «Groupe Steria», having its registered office at Vélizy-Villacoublay (78140) – 12, rue Paul Dautier, incorporated by private deed on February 18, 1988, was transformed into a limited joint stock company («SCA»), on the decision of the Extraordinary General Meeting of July 18, 1996. It adopted the articles of association herein by decision of the Combined Meeting of Shareholders of February 1, 2007.

The company exists as a limited joint stock company under French law (*société en commandité par actions*) between:

- its Limited Partners (referred to herein as the «Shareholders»); and
- its General Partner (referred to herein as the «General Partner» or «Partner»), Soderi, a limited joint stock company with variable capital, having its registered office at 46 rue Camille Desmoulins – 92130 Issy les Moulineaux, registered with the Nanterre Trade and Company Register under number 404 390 486, represented in accordance with its Articles of Association by either its Chairman or its Chief Executive Officer. Soderi's partners undertake to own, either directly or through the company mutual fund, a number of Groupe Steria SCA shares representing at least 5% of the capital of Groupe Steria SCA. If this condition is no longer met, the procedures set forth in clause 14.2 of the Articles of Association shall apply.

It should be noted that in this document, the term «Associates» refers collectively to the General Partner and the Limited Partners.

It is governed by the legislative and regulatory provisions in force pertaining to partnerships limited by shares and by these Articles of Association.

Article 2 Object

The company's direct or indirect objects worldwide are as follows:

- promotion, management, research and the implementation of projects and services in the field of information technology and company management, as well as the acquisition and management of all stakes in companies of the same nature;
- management and coordination of the Group, including advisory and assistance services, particularly in the legal, employee relations, financial and administrative fields;
- participation in all commercial or industrial operations that may be connected to the aforementioned objects through the creation of new companies, equity interests, general partnerships, subscriptions or purchase of securities or corporate rights, mergers, alliances, associations through investment or otherwise;
- and, in general, all commercial, industrial, financial, securities or real estate transactions which are related, even indirectly, to the aforementioned objects, and which can contribute to its development.

Article 3 Registered name

The name of the company is: «Groupe Steria».

In all the articles and documents issued by the company, this company name must be immediately followed or preceded by the words "partnership limited by shares under French law" (*société en commandite par actions*), or the initials "S.C.A." and by the indication of the total amount of its capital.

Article 4 Registered office

4.1 Head Office

The head office is located in Vélizy-Villacoublay (78140),

12 rue Paul Dautier.

4.2 Transfer

It may be transferred to any other location in the same "département" or in an adjoining department, by decision of the General Managers, who may as a result modify the text of this article, subject to this decision being ratified by the next Ordinary General Meeting, and above all by decision of the Extraordinary General Meeting.

4.3 Secondary establishments

Agencies, branches, offices or other secondary establishments may be created, transferred or abolished by simple decision of the General Managers.

Article 5 Duration

The duration of the company remains 99 years from the date of its creation, except for early dissolution or extension.

The general partner and the limited partners must be consulted on any dissolution of the company at least one year before it expires.

TITLE II CAPITAL – ASSOCIATES

Article 6 Share capital

6.1 Amount issued

Share capital amounts to €30,084,326, divided into 30,084,326 shares, each with a nominal value of €1.

6.2 Modifications

The corporate capital may be increased, reduced or amortized, in accordance with the terms and conditions required by law, either by issuing ordinary shares or preferential shares, or by increasing the nominal value of the existing capital shares, by the Extraordinary General Meeting of Shareholders, after having received the agreement of the General Partner. The General Meeting may delegate this power to the General Managers. The General Meeting that has decided on an increase in capital may also delegate the authority to establish the procedures for the issue to the General Managers.

The General Managers have complete authority to modify the Articles of Association arising from an increase or reduction in capital and to carry out the subsequent formalities.

In the context of the General Meeting's decisions, the General Managers carry out the calls for funds required to pay up the shares.

Any late payment on the share amount automatically bears interest in favor of the company, at the official rate of interest plus three points, without requiring legal action or formal notice, and without prejudice to the personal action that the company may exercise against the defaulting shareholder and the compulsory enforcement provided for by law.

6.3 The General Partner, Soderi SAS, has made a contribution in kind to the company, in return for its share in the profits.

Article 7 Transmission of shares

7.1 The shares issued by the company are registered shares until they are fully paid up. Fully paid-up shares are registered or bearer shares, at the shareholder's discretion. They are registered on the books under the terms and conditions provided for by law. All shares held by members of the Supervisory Board must be registered.

7.2 At any time the company may, in accordance with the legal and regulatory provisions in force, request from the central custodian or any other establishment responsible for clearing the securities any information identifying the holders of securities entitling them, either immediately or in the future, to voting rights at the General Meetings, the quantity of shares held by each shareholder, and, where applicable, any restrictions applicable to the shares.

Article 8 Transmission of shares

The company's shares are freely transferable. Transfers must be carried out under the terms and conditions provided for by law.

Article 9 Rights attached to each share

9.1 Rights to assets and profits

Each share gives the right, within the ownership of the corporate assets and within the share of profits to be paid to the Shareholders, by virtue of article 19, to a share proportional to the percentage of the corporate capital that it represents, taking into account, where appropriate, paid-up and non-paid-up, amortized and non-amortized, capital, the nominal total amount of the shares, and the rights of different classes of shares; in particular and under these reservations, any share gives the right, during the company's life or on its liquidation, to the payment of the same net sum for any split or reimbursement, so that, if the case arises, all shares shall be considered as a whole without taking into account any tax exemption, as well as any taxation likely to be borne by the company.

9.2 Consolidations

Each time that it is necessary to own a number of shares in order to exercise any right whatsoever – in particular in the case of the exchange or allotment of securities arising from an operation such as: consolidation or division of shares, reduction in the capital, increase in the capital by incorporating reserves, merger, division, partial investment, etc... giving right to a new security against the return or the proof of ownership of a number of old229shares – isolated shares, or shares where the number held is less than the required number, shall not give their holders any right against the company. The Shareholders are personally responsible for consolidating the required number of shares or the associated rights, or for transferring or acquiring the fractional rights or shares.

9.3 Voting rights

Except for the double voting right defined below, the voting right attached to capital shares or dividend-right shares is proportional to the percentage of the capital that they represent. Each share gives right to one vote.

A double voting right is attributed to all the fully paid up shares documented by a nominative registration for at least two years in the name of the same shareholder, either of French nationality or from a member state of the European Union.

The share loses the aforementioned double voting right if it is converted to a bearer share, if its ownership is transferred or if its owner should lose his/her status as a European Union member.

Nevertheless, transfer following succession, liquidation of communal estate by married couple or donation to spouse or relative as inheritance does not entail the loss of the acquired right and does not interrupt the aforementioned time limits.

Furthermore, in the event of capital increase by incorporation of reserves, profits or share premiums, the double voting right may be granted, on their issue, to registered shares attributed free of charge to a shareholder for existing shares for which he/she holds this right.

Except where voting rights or expiry date are concerned, all new shares created during the company's life will be entirely assimilated into existing shares of the same class. The different taxes that may become due in the event of total or partial reimbursement of capital carried out during the Company's life or on its liquidation must be borne uniformly, taking into account their respective nominal value, by all shares existing at the time of reimbursement and participating in it, so that each share receives, for the same nominal value, the same net amount from the Company, regardless of its origin or date of creation.

9.4 Redemption

Shares may be fully or partially redeemed, according to the decision of the Extraordinary General Meeting. So long as they are not fully redeemed, they shall continue to be entered in the accounts as capital shares; this entry shall mention the reimbursement made. Where they are fully redeemed, they shall be entered in the accounts as bonus shares.

9.5 Indivisibility

Each company share is indivisible with respect to the company.

Co-owners of undivided shares must be represented to the company and at General Assemblies by one of them, by their spouse, or by a duly authorized single shareholder.

In the event of disagreement between co-owners of undivided shares, the duly authorized representative chosen from the Shareholders is appointed by the president of the "Tribunal de Commerce" (Commercial Court) to issue a ruling at the request of the first co-owner to so request.

9.6 Separations

Except for contrary agreement notified to the company, the beneficial owners of shares represent the bare owners with regard to the company.

Notwithstanding, the voting right belongs to the beneficial owner in the Ordinary General Meetings and to the bare owner in the Special or Extraordinary General Meetings.

Article 10 Information on significant holdings – Shareholdings exceeding statutory limits

Any private individual or corporate entity, acting alone or in concert with others, coming to own a number of shares exceeding the limits set forth in article L 233.7 of the French Commercial Code must satisfy the obligation to inform required by article L 233.7 of the French Commercial Code. This obligation must also be met whenever an investing party exceeds or falls below a multiple of 2.5% of capital or voting rights.

TITLE III GENERAL MANAGEMENT

Article 11 General Management

11.1 General Managers

The company is managed and administered by one or more private individuals or corporate entities serving as General Managers. Where there is more than one General Manager, any provision of these Articles of Association addressing the «General Manager» or «General Management» shall apply to each General Manager acting either separately or in concert, except where their unanimous approval is required by other provisions of these Articles of Association.

11.2 Term of office

The General Manager is appointed for a maximum period of six years, which shall come to an end upon the conclusion of the Ordinary General Meeting called to approve the financial statements for the year ended, said Meeting taking place during the year in which the term of office expires.

11.3 Appointment, renewals

During the term of the company, and except in the event of vacancy, the appointment or renewal of any General Manager is decided by the Ordinary General Meeting, on the proposal of the Supervisory Board and on the approval of the General Partner.

11.4 Termination of appointment, dismissal

General Managers' appointment are ended by the expiry of their term of office, death, invalidity, prohibition, court-supervised liquidation or bankruptcy, dismissal, resignation or by reaching the age of 65.

The company will not be dissolved in the event the functions of a General Manager are terminated, regardless of the reason.

Any General Manager who resigns must notify the General Partner and the Supervisory Board at least six months in advance, by registered letter, unless the General Partner has agreed, after having obtained the Supervisory Board's opinion, on reducing the timeframe for this notice.

The dismissal of any General Manager may be called for at the initiative of the Supervisory Board, the General Partner, or a group of shareholders meeting the terms of article 17.3 of these Articles of Association.

Where this is an initiative of the General Partner, the latter cannot make a decision without obtaining the Supervisory Board's opinion, which must be given within 20 days following the General Partner notifying the Chairman of the Supervisory Board of the proposed dismissal.

Where this is an initiative of the Supervisory Board, the latter must submit the matter to the General Partner.

In the event of a disagreement, the Congress, as defined in article 18 of these Articles of Association, must be convened in order to reach a consensus.

Should the disagreement not be resolved within forty days of notification of the proposed dismissal, the General Partner shall be responsible for taking the final decision.

11.5 Vacancy of General Management positions

As regards any vacancies of General Management positions resulting from the cases set forth in clause 11.4 of the Articles of Association, the General Management shall automatically be assumed by the General Partnership, which may delegate any and all necessary powers for the purposes of managing the Company until the appointment of the new General Manager(s). On assuming the General Management of the company, the General Partnership must conduct the appointment and/or renewal procedure, set forth in clause 11.3 of the Articles of Association, in a timely manner.

11.6 Remuneration

The compensation of the General Management is established by the Ordinary General Meeting, on the proposal of the Supervisory Board. The General managers are also entitled to the reimbursement of their costs and expenses.

Article 12 Powers of the General Management

12.1 Relations with third parties

The General Manager is invested with the broadest of powers to act on behalf of the company in all circumstances. These powers are exercised within the limits of the objects of the company and subject to those matters expressly reserved by law to the Supervisory Board and the General Meetings of Shareholders, and also subject to the necessary opinions or agreements from the General Partner and/or the Supervisory Board according to the provisions set forth in these Articles of Association.

12.2 Relations between partners

With regard to relations between partners, the General Managers hold the broadest of powers to perform all the acts of management but solely in the company's interest and respecting the powers reserved by these Articles of Association to the General Partner and the Supervisory Board.

In particular, the General Managers must obtain the prior opinion and/or prior agreement of the General Partner and the Supervisory Board for the decisions mentioned in clauses 14.9 and 14.10 of these Articles of Association, and under the terms and conditions set forth in the said clauses and in clause 13.10.

12.3 Delegations of powers

The General Management may, at its own discretion, carry out any and all delegations of powers deemed necessary for the proper operation of the company and its Group, particularly during periods of temporary unavailability. It may also carry out a general restricted or unrestricted delegation to one or more company executives, which is may also authorize to use the title of Chief Executive Officer or Deputy Chief Executive Officer.

12.4 Reports

The General Manager may submit a report on the activity of the company and the Group over the year ended to the General Partner and the Supervisory Board, as often as required and at least four times per year.

TITLE IV SUPERVISORY BOARD

Article 13 Supervisory Board

13.1 Structure

A Supervisory Board has been established, consisting of at least three members (individuals or corporate entities).

No member of the Supervisory Board may be a General Partner, General Manager, or legal representative of the company, or a General Partner of Groupe Steria SCA.

At least half the members of the Supervisory Board must be under the age of 65 at the date of the Ordinary General Meeting called to approve the financial statements for the last financial year ended.

Each member of the Board must hold at least five-hundred shares in the company. All shares held by members of the Supervisory Board must be registered.

13.2 Appointment – Term of office

The members of the Supervisory Board are appointed for a maximum period of six years, which shall come to an end upon the conclusion of the Ordinary General Meeting called to approve the financial statements for the year ended, said Meeting taking place during the year in which the term of office expires. All members of the Supervisory Board may be re-elected, without restriction.

13.3 Dismissal

The members of the Supervisory Board can be dismissed at any time, on the decision of the Ordinary General Meeting, either at the initiative of the shareholders under the terms of article 17 of these Articles of Association, or on the proposal of the Supervisory Board. Such a dismissal may be decided even if it does not appear on the agenda of the Meeting. Any Shareholders serving as General Partners may not participate in either the election or the dismissal of Supervisory Board members.

13.4 Permanent representatives

Any legal entity appointed as a member of the Supervisory Board must, upon its appointment, designate a permanent representative, who is subject to the same conditions and obligations and hold the same responsibilities as if he were a member of the Supervisory Board in his own right, without prejudice to the joint and several responsibility of the legal entity represented. Should the legal entity dismiss its representative, it must notify the company of the dismissal immediately by registered letter, along with the identity of its new permanent representative. The same obligation applies in the event of the death, resignation or extended unavailability of the permanent representative.

13.5 Vacancy

In the event one or more seats on the Board should become vacant, the Supervisory Board may temporarily appoint new members; it must do so within 15 days if the number of members falls below three. Temporary appointments are subject to ratification by the next Ordinary General Meeting. Barring ratification, the decisions taken and acts accomplished by the Supervisory Board shall nevertheless be deemed valid.

The temporary member shall nevertheless remain in office until the expiry of the predecessor's term.

13.6 Bureau and meetings of the Supervisory Board

The Board appoints a Chairman from among its members and a Secretary, who may or may not be taken from among its members. It may also elect one or two Vice-Chairmen. In the Chairman's absence, the eldest Vice-Chairman in attendance shall chair the Board or elect a Chairman for the Meeting.

Board meetings are convened by the Chairman of the Board, half of the Board's members, General management, or the General Partner, as often as required in the company's interests, and at least four time per year, to hear the report of the General Management, either at the registered office or in any other location indicated in the Meeting notice.

Meeting notices are delivered by post or by any means establishing proof in commercial matters, at least eight days before the scheduled date of the Meeting, barring an emergency, in which case the Board may be convened by any means and with a shorter notice period. Insofar as it is possible, the person who issued the invitation shall, prior to the Meeting, send the Board the documents on which it will deliberate or which are necessary for its deliberations.

The Board may only deliberate in a valid manner if at least half of its members are present.

Any Board member may be represented by another Board member. Each Board member may only receive one single mandate.

Deliberations are made on the basis of the majority of the members present or represented.

The General Managers must be invited to attend and can take part in the Board meetings, but without right of discussion and vote.

The founder of the Company is also invited to attend and can take part in the Board meetings, without right of discussion and vote.

Supervisory Board members are deemed to be present for the calculation of the quorum and majority when they take part in the Meeting *via* communication methods that allow the members to follow the debates and to take part in them orally, such as telephone calls, video-conferencing, or any other means of long distance transmission that makes it possible to identify them. When a member is not physically present, the Chairman is responsible for verifying the identity of the member taking part in the Meeting.

When members have taken part in the Meeting without being physically present, this is mentioned expressly in the minutes.

The Supervisory Board may be assisted by and appoint specialist committees from within its members, as provided for by article 13.8 of these Articles of Association.

13.7 Minutes of the Meetings

The discussions of the Board are recorded in Minutes in a special register, signed by the Chairman and the Secretary, or by the majority of the members in attendance.

13.8 Internal regulations

The Board can establish internal regulations specifying the methods of its operation and, if it so judges, establish any committees that may be useful.

13.9 Director's fees

The General Meeting may allocate an annual payment of directors' fees to the Supervisory Board; this amount is chargeable to general expenses. The Board decides upon the distribution of the directors' fees between the Supervisory Board members.

13.10 Powers of the Supervisory Board

The Supervisory Board exercises continuous control over the management of the company.

13.10.1 For this, it can have the General Managers communicate any information or any document of use in carrying out its general mission of control.

13.10.2 Prior opinions

The Supervisory Board, through its role of control, issues a prior opinion to the General Management concerning:

- the company's main strategic orientations: medium and long-term plans, consolidated budgets, acquisitions policy, significant acquisitions, major investments;
- operations having a noticeable impact on the capital, financing and cash position of the Company and its subsidiaries;
- operations significantly affecting the allocation of the Company's corporate capital.

13.10.3 Prior approval of certain decisions

In addition to the prior approval of the General Partner, the General Management must receive approval of the Supervisory Board prior to making any of the major commitments listed below:

a) any company borrowing once the total amount of borrowings exceeds 50% of the total consolidated net accounting position of Groupe Steria, as resulting from consolidated financial statements drawn up from the last approved financial statements (the "Net Assets");

b) the setting up of any securities, preconditions or guarantees, or any pledges or mortgages on the company's assets, once the total of the secured debt represents more than 50% of the total Net Assets;

c) the founding of any company, or any acquisition of holdings, in any commercial, industrial, financial, securities, property or other operation, in any form whatsoever, once the total amount of the investment in kind represents more than 20% of the total Net Assets;

d) any decision whose purpose or impact entails, immediately or in the future, the loss of the majority holding in a subsidiary's capital, directly or indirectly, of the company representing more than 10% of the consolidated revenue of Groupe Steria SCA, where this revenue results from the Group's last consolidated financial statements.

At the annual Ordinary General Meeting, it gives an annual report on the management of corporate dealings and on the financial statements for the period. It also makes a report at each Extraordinary General Meeting.

It can convene the General Meeting of Shareholders.

It verifies that the terms and conditions set forth in article 1 of these Articles of Association, so that the Soderi Company is or remains the General Partner of the company Groupe Steria SCA, are complied with.

13.11 Liability

The functions of the Supervisory Board do not interfere with the functions of the General Management, nor do they entail any liability for acts of management or their results.

TITLE V GENERAL PARTNER

Article 14 Liability, appointment, structure and powers of the General Partner

14.1 Liability and rights

The General Partner shall be liable for the company's third-party debts jointly and for an indefinite period.

The corporate rights associated with the capacity of the general partner are granted intuitu personae. They are not transferable.

14.2 Structure

The General Partner is the company Soderi SAS, whose partners must at all times, as the pre-requisite for the status of General Partner, respect (i) all the terms and conditions set forth in article 1 of the Articles of Association of Soderi SAS and (ii) the condition set forth in article 1 of these Articles of Association of holding directly or *via* the medium of the company mutual fund a number of Groupe Steria SCA shares representing in total at least 5% of the capital of the company Groupe Steria SCA, failing which it shall lose, by the sole operation of the law, the capacity of General Partner.

The company Groupe Steria SCA may at any time request the Company Soderi SAS to provide proof that its partners meet this dual condition.

If this proof is not provided within two months of the request being made, the General Managers shall be bound to convene, within a timeframe of one month, an Extraordinary General Meeting whose purpose is: modifying the condition defined in article 1, or appointing a new General Partner, or changing the legal form of the company Groupe Steria SCA.

If the General Managers do not convene said Meeting within the required timeframe, it may be convened by the Supervisory Board or an authorized agent appointed for this purpose by the president of the "Tribunal de Commerce" (Commercial Court) hearing in chambers.

14.3 Appointment

The appointment of one or more new General Partners is decided by the Extraordinary General Meeting, on the proposal of the Partnership, with the exception of the cases provided for in article 23, where there are no longer any General Partners.

14.4 Withdrawal

General Partners may withdraw from the company at any time, thus losing their partnership status, without prejudice to any rights obtained as General Partners. To do this, they must give three months' notice of their decision to each of the General Managers and to the Chairman of the Supervisory Board.

14.5 General Partners who are not Management Partners do not take a direct role in the management of the company. They exercise the prerogatives granted to them by law and by the Articles of Association. In particular, they can obtain any information and documents considered necessary from the General Managers.

14.6 Power to appoint and dismiss General Managers

The General Partner gives its agreement to the appointment of the General Manager in accordance with the provisions set forth in article 11 of these Articles of Association. The General Partner has the power to dismiss any General Manager, under the terms and conditions set forth in the same article.

14.7 Vacancy of General Management positions

If the General Manager position is vacant, the General Partner who is not a General Manager becomes, by the sole operation of the law, the manager of the company during the time required to appoint the new General Manager(s), as provided for in article 11 of these Articles of Association.

14.8 Collective decisions

A deliberation in the General Meeting of the Company cannot come into force without the agreement of the General Partner.

In this context, the General Partner gives its agreement, if possible in advance, to any decision issuing from a General Meeting of Shareholders, whether Ordinary or Extraordinary, as set forth in article 17 of these Articles of Association, except for those relating to the appointment of Supervisory Board members, the appointment of Statutory Auditors, their dismissal, or to setting or changing the General Manager's compensation.

14.9 Prior opinions

The General Partner:

a) can issue opinions to the General Management on any issues of general interest for the Group;

b) is the General Management's contact for everything concerning the Group's employee shareholders;

c) issues a prior opinion to the General Management concerning:

- the Company's main strategic orientations: medium and long-term plans, consolidated budgets, acquisitions policy, significant acquisitions, major investments;
- operations having a noticeable impact on the capital, financing and cash position of the Company and its subsidiaries;
- operations significantly affecting the allocation of the Company's corporate capital.

14.10 Prior approval of certain decisions

In addition to the prior approval the Supervisory Board, the General Management must receive the approval of the General Partner prior to any major commitment as listed below:

a) any company borrowing once the total amount of borrowings exceeds 50% of the total consolidated net accounting position of Group Steria, as resulting from consolidated financial statements drawn up from the last approved financial statements (the "Net Assets");

b) the setting up of any securities, preconditions or guarantees, or any pledges or mortgages on the company's assets, once the total of the secured debt represents more than 50% of the total Net Assets;

c) the founding of any company, or any acquisition of holdings, in any commercial, industrial, financial, securities, property or other operation, in any form whatsoever, once the total amount of the investment in kind represents more than 20% of the total Net Assets;

d) any decision whose purpose or impact entails, immediately or in the future, the loss of the majority holding in a subsidiary's capital, directly or indirectly, of the company representing more than 10% of the consolidated revenue of Groupe Steria SCA, where this revenue results from the Group's last consolidated financial statements.

14.11 Minutes of the Meetings

Any decision by the General Partner is recorded by minutes of meetings recorded in a journal.

14.12 General Partner's right to the results

As a result of its tasks and responsibilities, the General Partner receives the share of the corporate profits established in article 19 of these Articles of Association.

TITLE VI SHAREHOLDERS – GENERAL MEETINGS

Article 15 Rights and responsibilities of shareholders

The rights of shareholders are proportional to the number of shares they own. As limited partners, they are only liable for losses not exceeding their contributions.

Article 16 Collective decisions – General rules

The decisions taken by the partners are only enforceable against the partners, the company or third parties upon formal recognition of the consensus of opinion as expressed by the General Partner, with the vote of the General Meeting.

This concordance comes either from an official report drafted by the General Managers, or simply from the General Partner's signature on the minutes of the General Meeting. Nevertheless, this consensus of opinion between the General Partner and the decisions of the General Meeting is only required for the appointments or dismissals of Supervisory Board members, the appointment or dismissal of the Statutory Auditors, and the setting or changing the General Manager's compensation.

The records of the decisions of the General partner and the General Meeting, and the certificate of consensus established by the General Management, as stated above, are drawn up one after another in the special register of the Partners' deliberations, in accordance with article 10 of the Decree of March 23, 1967.

All shareholder decisions are taken by the General Meeting.

Article 17 General Meetings

The provisions applicable to Meetings of Shareholders are those established for the general meetings of shareholders of public limited companies (*sociétés anonymes*).

17.1 Nature of the Meetings

Ordinary General Meetings are the meetings that are called to take all the decisions that do not modify the articles of association.

Extraordinary General Meetings are the meetings that are called to decide or authorize direct or indirect modifications to the articles of association. Extraordinary General Meetings may validly deliberate on any amendment to the Articles of Association, including but not limited to:

- any change in the company's share capital;
- the amendment of the terms and conditions for selling securities issued by the company;
- the amendment of the corporate purpose, duration or registered office, subject to the powers granted to the General Manager, or the transformation of the company to a different form;
- the winding-up of the company;
- the merger or spin-off of the company.

Special meetings convene holders of shares of a specific category for the purpose of approving any modifications to the rights attached to shares in said category.

modifying the objects of the company, the duration, the registered office subject to the powers conferred on the General Manager, the transformation of the company into a different form;

17.2 Notification to attend

The Shareholders meet every year within six months of the closing of the corporate accounting period at an Ordinary General Meeting.

Furthermore, General Meetings, either Ordinary General Meetings convened extraordinarily or Extraordinary General Meetings, may be called at any time of the year.

General Meetings are held at the Registered Office or in any other place indicated on the invitation to attend sent out by the General Managers, the Supervisory Board, the General Partner or, by default, the Statutory Auditors, or by an authorized agent appointed by the President of the "Tribunal de Commerce" (Commercial Court) hearing in chambers at the request either of any interested party in the event of an emergency, or by one or more Shareholders holding the minimum legal quota of the corporate capital, or by an association of Shareholders that meets the relevant legal conditions.

The invitation to attend will be sent out fifteen days before the Meeting date, either by a normal or a registered letter addressed to each shareholder, or by a notice in a legal journal for the French administrative region in which the Head Office is located. In the latter case, each shareholder must be notified to attend by letter or, upon the shareholder's request and at the shareholder's costs, by registered mail.

17.3 Agenda

The Agenda is established by the person issuing the Meeting notice.

One or more Shareholders, representing at least the required corporate capital quota and acting under the terms and conditions and within the timeframe established by law, may request draft resolutions to be put on the Meeting agenda by means of a registered letter with delivery acknowledgement.

17.4 Admission – Organization of meetings

With the exception of cases expressly provided for by law, all shareholders have the right to attend General Meetings and to participate in the discussions, either personally, by proxy, voting by correspondence, or by any means of telecommunication or remote transmission, regardless of the number of shares held, upon presentation of proof of identity and share ownership. For shareholders to enjoy the right to participate in General Meetings or discussions, their shares must be registered in their name or in the name of their intermediary, at least three business days prior to the Meeting (at midnight, Paris time), either in the register kept by the company, or in the bearer share accounts kept by the authorized intermediary, upon proof thereof, in accordance with the regulations in force.

This deadline may be shortened by the Supervisory Board.

Shareholders may only be represented by their spouse or another shareholder holding proof of mandate.

Any person invited by the General Managers or the Chairman of the Supervisory Board, and the General Partner, can also take part in the Meetings.

The General Managers attend and take part in the General Meeting.

The General Meeting is chaired by the Chairman of the Supervisory Board. When the Managers and the Chairman of the Supervisory Board are absent, the participants in the Meeting designate their own Chairman.

However, if the Meeting is convened by another person duly authorized by the law, the Meeting is chaired by the person who issued the invitation to attend.

The vote tellers' functions are performed by the two members of the Meeting, present and acceptor, who have the largest number of votes.

The Executive Committee designates a secretary, who does not have to be one of the shareholders.

An attendance register is kept, duly signed by the participants and certified accurate by the executive committee of the Meeting.

The minutes recording the deliberations of the Meeting are signed by the executive committee.

Copies or extracts from the minutes are certified by a General Manager or by a member of the Supervisory Board.

17.5 Quorum, majority and voting

17.5.1 Ordinary General Meeting

On the decision of the General Management, shareholders may participate in Ordinary General Meetings by video-conferencing, and may vote by any means of telecommunication or remote transmission, including Internet, under the terms and conditions provided for by the regulations in force at the time of use. This decision is transmitted in the Meeting notice published in the *Bulletin des annonces légales obligatoires* (BALO).

The Ordinary General Meeting convened following the first invitation to attend may only deliberate in a valid manner if the shareholders present or represented own at least a quarter of the shares with voting rights provided for in article L. 225-98 of the French Commercial Code. This quorum is calculated based on the voting forms that the Company receives by post before the General Meeting, in accordance with the terms and conditions and the timeframe set forth in the regulations in force. The electronic form can be completed and signed on this website by any means provided for by the General Manager and which meets the terms and conditions set forth in sentence one, paragraph 2 of article 1316-4 of the French Civil Code, i.e. the use of a reliable identification process guaranteeing the link between the signature and the form, for example consisting of a login ID and password.

The proxy or vote transmitted electronically to the General Meeting, and the associated acknowledgement of receipt, shall be considered as an irrevocable written form enforceable against all parties, with the understanding that in the event the shares are sold prior to the third business day before the General Meeting (at midnight Paris time), the company shall accordingly invalidate or modify the proxy or vote transmitted prior to said date and time.

For the second invitation to attend, no quorum is required.

Decisions are taken on the basis of the majority vote of those shareholders present or represented. In the case of postal votes, distance voting forms returned without giving a specific choice or an express abstention will be considered as negative votes.

With the exception of those relating to the decisions mentioned in article 14, a deliberation may only be adopted at an Ordinary General Meeting with the prior, unanimous agreement of the general partner(s). The General Managers must obtain this agreement prior to the Ordinary General Meeting.

17.5.2 Extraordinary General Meeting

On the decision of the General Management, shareholders may participate in Extraordinary General Meetings by video-conferencing, and may vote by any means of telecommunication or remote transmission, including Internet, under the terms and conditions provided for by the regulations in force at the time of use. This decision is transmitted in the Meeting notice published in the *Bulletin des annonces légales obligatoires* (BALO).

The Extraordinary General Meeting convened following the first and second invitation to attend may only deliberate in a valid manner if the shareholders present or represented own at least a quarter of the shares with voting rights provided for in article L. 225-96 of the French Commercial Code.

This quorum is calculated based on the voting forms that the company receives by post before the General Meeting, in accordance with the terms and conditions and the timeframe set forth in the regulations in force. The electronic form can be completed and signed on this website by any means provided for by the General Manager and which meets the terms and conditions set forth in sentence one, paragraph two of article 1316-4 of the French Civil Code, i.e. the use of a reliable identification process guaranteeing the link between the signature and the form, for example consisting of a login ID and password.

The proxy or vote transmitted electronically to the General Meeting, and the associated acknowledgement of receipt, shall be considered as an irrevocable written form enforceable against all parties, with the understanding that in the event the shares are sold prior to the third business day before the General Meeting (at midnight Paris time), the company shall accordingly invalidate or modify the proxy or vote transmitted prior to said date and time.

Decisions are validated if two-thirds of the votes are obtained for the shareholders present or represented, or by postal votes. In the case of postal votes, distance voting forms returned without giving a specific choice or an express abstention will be considered as negative votes. If a capital increase by incorporation of reserves, profits or share premiums has to be decided or an authorization to do so has to be granted to the General Managers, the necessary quorum is only a quarter on receipt of the first invitation to attend. The deliberation is valid on receipt of the second invitation to attend regardless of the number of shares represented.

A deliberation can only be adopted during an Extraordinary General Meeting with the prior, unanimous agreement of the general partner(s). However, when there are several general partners, the deliberations to decide to convert the company into a *société anonyme* (French public limited company) or *société à responsabilité limitée* (French limited liability company) only require the prior agreement of the majority of the general partners.

The Management must obtain the agreement of the General Partner(s) prior to the Extraordinary General Meeting.

17.5.3 All members of the Meeting have as many votes as the shares that they own or represent confer on them.

TITLE VII CONGRESS

Article 18 Congress of the Supervisory Board and the General Partner

18.1 Structure and meetings

The company has established a Congress of the Supervisory Board and the General Partner (the «Congress»).

In all cases for which these Articles of Association provide for the Congress to be convened, or any time the Congress must be convened in the interests of the company, the General Management, the Chairman of the Supervisory Board or the General Partner may convene the Congress or have a meeting of the Congress convened.

Meeting notices can be transmitted by all possible means establishing proof in commercial matters, at least seven business days prior to the Meeting. This deadline may be shortened with the unanimous approval of the Chairman of the Supervisory Board or the General Partner.

The Congress is comprised of an equal number of members of the Supervisory Board, who are not employees, and members designated by the General Partner, and is convened in accordance with the terms established jointly by the legal representative of the General Partner and the Chairman of the Supervisory Board. These terms are, as needed, stipulated by the Internal Rules of the Company.

18.2 Meetings and bureau

The Congress meets at the location indicated in the Meeting notice. It is chaired by the Chairman of the Supervisory Board or, in his absence, by a Vice-Chairman of the Supervisory Board or, failing that, by the eldest member of the Supervisory Board in attendance.

The General Manager may be convened and participate, without a deciding vote, in the meetings of the Congress, on the joint decision of the Supervisory Board and the General Partner.

The Congress appoints its own Secretary.

18.3 Role

The Congress is a body set up to facilitate communications between the General Partner and the Supervisory Board, and as such may serve as a place of consensus.

It is informed of all matters submitted to the Congress by the person responsible for issuing the Meeting notice or brought before the Congress itself, without taking precedence over the decision-making bodies to which these powers are granted by law or the Company's Articles of Association.

The General Management may submit special matters to the Congress.

18.4 Minutes of the Meetings

The discussion held during the meetings of the Congress are recorded in the Minutes, signed by the Chairmen of both bodies comprising the Congress and its Secretary. The Minutes are kept in a special register.

TITLE VIII ACCOUNTS – APPROPRIATION OF EARNINGS –RELATED PARTY AGREEMENTS

Article 19 Financial year – Parent Company accounts – Profits

19.1 Each financial year begins on January 1 and ends on December 31.

19.2 At the closing of each financial year, the annual financial statements and their notes are prepared and approved under the terms and conditions set forth by the legal and regulatory provisions in force.

19.3 From the profit available for distribution, the General Partner is entitled to 1% of Groupe Steria SCA's attributable consolidated net earnings for the financial year, up to a limit of €600,000, and 0.5% of net earnings above this amount.

Shareholders are entitled to the balance of the profit available for distribution for the financial year after this deduction.

The balance is divided between the shareholders pro-rata to the number of their shares.

19.4 Appropriation of earnings

The profit available for distribution comprises the profit for the accounting period less retained earnings, accumulated earnings and,

where necessary, less any amounts required to constitute the statutory reserve as required by law.

Firstly, the deduction attributable to the General Partners is taken from this profit available for distribution, as defined in article 19.3 above.

The balance is divided between the shareholders pro-rata

to the number of their shares.

For each dividend payout, in part or in whole, each shareholder may be given the option of receiving payment in cash or shares, under the terms and conditions provided for by law.

The General Meeting may, on the proposal of the General Management, decide to deduct from the share of the remaining profits attributable to shareholders any amounts deemed appropriate to be brought forward, in favor of said shareholders, to the subsequent financial year, or to be allocated to one or more non interest-bearing exceptional, general or special reserve funds, to which the General Partner has no entitlement in this capacity.

Moreover, it may be decided at the General Meeting to distribute all amounts deducted from the reserve available, by expressly indicating the reserve items on which the deductions are carried out.

This distribution will be carried out insofar as the reserves distributed have been constituted by means of deductions from the profit share coming to the Shareholders only in proportion to the number of shares they own.

Other than the case of capital reduction, no distribution can be made to the Shareholders when the shareholders' equity is, or will be after this reduction, less than the amount of capital, increased by the reserves, which the law or Articles of Association do not allow to be distributed. The revaluation variance cannot be distributed. It can either be incorporated in full or in part into the capital.

Article 20 Related party agreements

The agreements covered by article L. 226-10 of the French Commercial Code are authorized or approved under the terms and conditions provided for by law.

TITLE IX STATUTORY AUDITORS

Article 21 Statutory Auditors

The company's financial statements are audited by one or more Statutory Auditors, under the terms and conditions required by law.

TITLE X FINAL PROVISIONS

Article 22 Winding up – Liquidation

The company is wound up and liquidated under the terms and conditions provided for by law.

The net proceeds from the liquidation are used to repay the paid-up and non-amortized share capital, once all liabilities have been settled.

The balance, where applicable, is divided between the General Partner and the Shareholders, in the proportions set forth by article 19 above. The share attributable to the General Partner is taken from the winding-up dividend, after the deduction of the positive retained earnings, where applicable, and of any other reserves.

Article 23 Death, prohibition, personal bankruptcy, court-supervised, liquidation or bankruptcy of a partner

23.1 Shareholders

The company shall not be wound up as a result of the death, prohibition,

personal bankruptcy, court-supervised liquidation or bankruptcy of a Shareholder.

23.2 General Partner

23.2.1 The company shall not be wound up as a result of the prohibition from exercising a commercial profession, personal bankruptcy, court-supervised liquidation or bankruptcy of the General Partner, who thus automatically loses, by the sole operation of the law, its capacity of General Partner.

23.2.2 In all cases where the company no longer comprises a General Partner, it is not dissolved. The Extraordinary General Meetings of Shareholders must nevertheless meet as soon as possible, either to designate one or more new General Partners or to modify the form of the company. This modification does not imply the creation of a new legal entity.

Any General Partner which loses this capacity is entitled to payment by the company, on a pro rata temporis basis, of its entitlement to profits until the date on which it loses said capacity.

Article 24 Disputes

Disputes relating to corporate issues arising during the company's life up to its liquidation, either between the Shareholders, the General Partner, the General Managers and the company, or between the Shareholders and/or the General Partner itself, are submitted to the "Tribunal de Commerce" (Commercial Court) with jurisdiction.

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