



Groupe Steria SCA Annual Financial Report

# 2011 Registration Document



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## 2011 Registration Document

Annual financial report



This document is an English language translation of the French Registration Document filed with the *Autorité des marchés financiers* on 11/04/2012, 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 2009 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 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 2010 as presented on pages 93 to 179 (inclusive) of the Registration Document, filed with the *Autorité des marchés financiers* on April 15, 2011, under reference No D.11-0308.

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](http://www.amf-france.org)) or on the issuer's website ([www.steria.com](http://www.steria.com)).



# → Key figures

## Consolidated results over the past three years

		2009	2010 <sup>(5)</sup>	2011
Revenue	€M	1,630.0	1,692.7	1747.7
Operating margin <sup>(1)</sup>	€M	118.9	120.4	129.9
% of revenue	%	7.3%	7.1%	7.4%
Operating income <sup>(2)</sup>	€M	92.0	81.6	81.9
Attributable net income	€M	48.2	43.5	55.0
% of revenue	%	3.0%	2.6%	3.2%
Underlying attributable <sup>(3)</sup> net income	€M	70.4	71.7	90.5
Underlying diluted earnings <sup>(3)</sup> per share	€	2.23	2.21	2.73
Shareholders' equity	€M	634.5	721.2	766.4
Net financial debt	€M	187.0	101.2	125.9
Average number of employees (Full Time Equivalent) <sup>(4)</sup>		18,916	18,674	19,754

(1) Before amortization of intangible assets related to business combinations. It is defined as the difference between revenue and operating expenses, these being equal to the total cost of service 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.

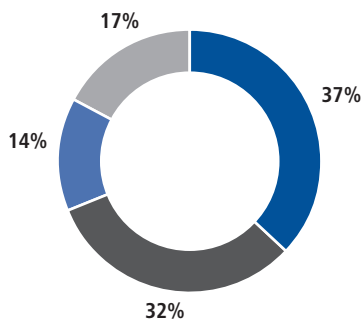
(3) Restated attributable net profit, after tax, on other operating income and expenses, amortization of assets and unrecognized deferred tax assets.

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

(5) See note 1.2 in the notes to the consolidated financial statements.

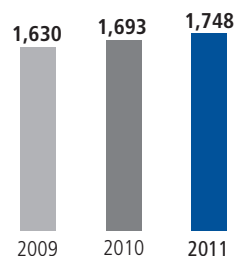
# → Group profile and key figures

## Revenue by country in 2011

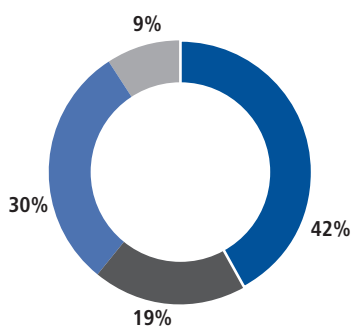


- UK
- France
- Germany
- Rest of Europe

## Revenue over the last three financial years (in millions of euros)



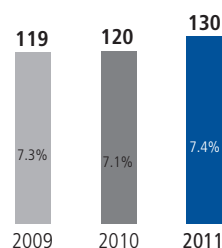
## Revenue by business line in 2011



- Consulting and Systems Integration
- Third-party Applications Maintenance
- IT infrastructure management
- Business Process Outsourcing

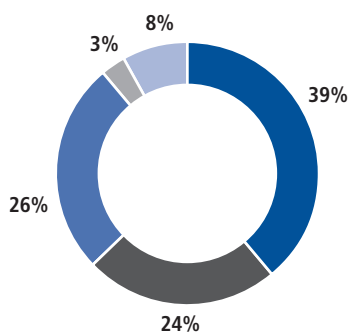
## Operating margin\* over the last three financial years

(in millions of euros)



\* Before amortization of intangible assets linked to business combinations.

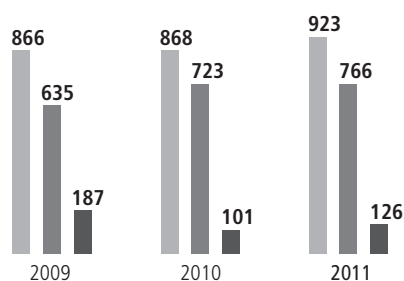
## Revenue by business sector in 2011



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

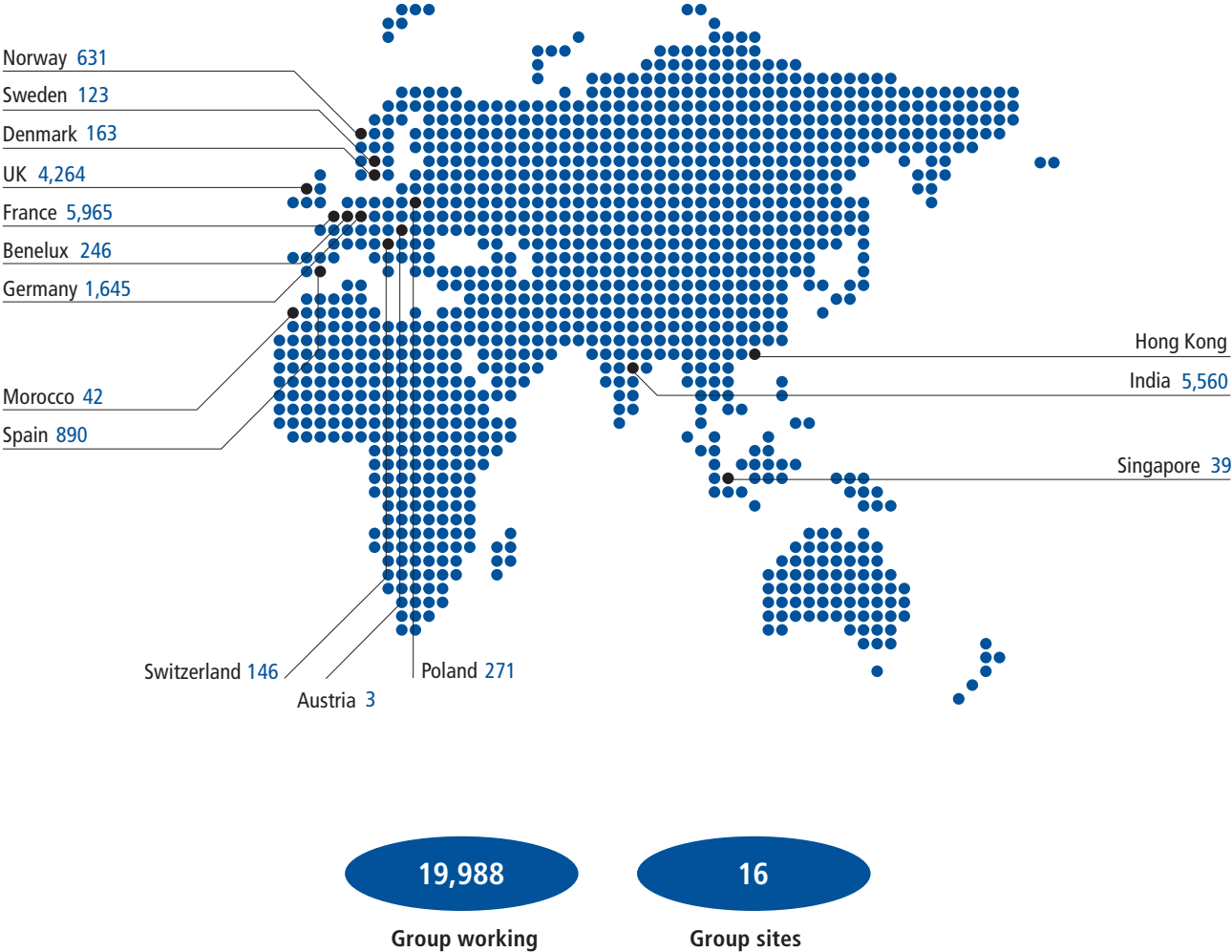
## Balance sheet items over the last three financial years

(in millions of euros)

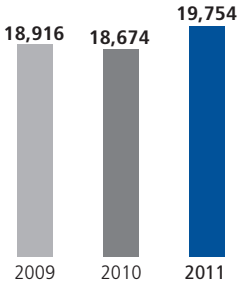


- Capital used
- Equity
- Net financial debt

Group sites and workforce at December 31, 2011



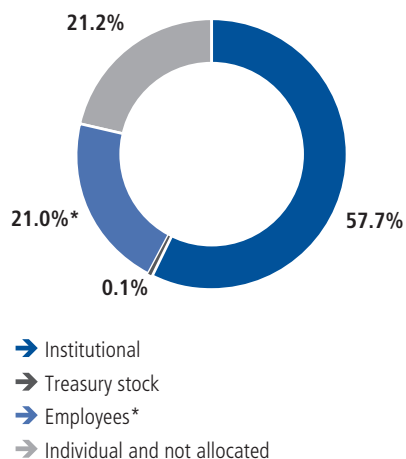
Average number of employees – Full Time Equivalent (FTE) employees \*



(\*) Full Time Equivalent (FTE): taking into account the actual percentage active time of part-time employees working 80% of the time is counted as 0.8 FTE.

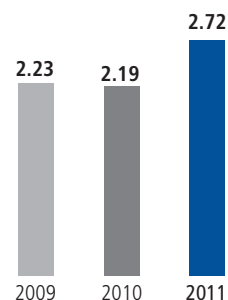
## Information on capital and changes in the share price

### Breakdown of capital as of December, 31/2011

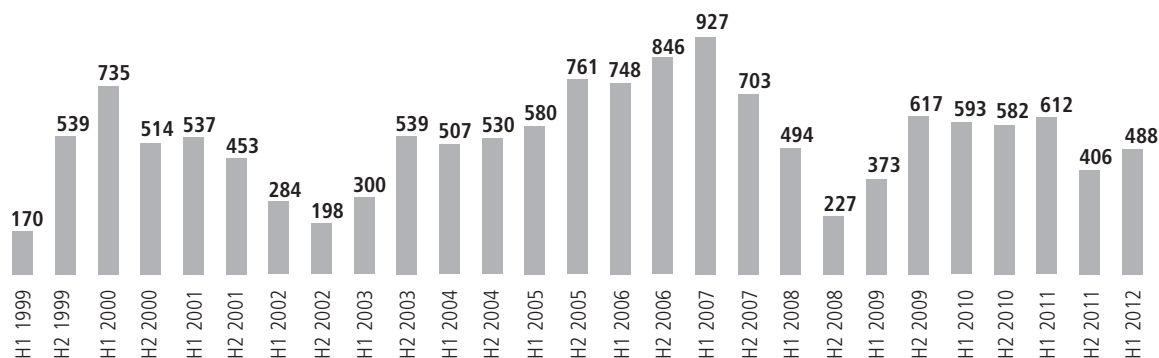


(\*) *Olv "SET Trust" and "XEBT Trust" (4,4% of capital), trusts subjects to English law the assets of which are destined to boost employee shareholdings.*

### Changes in underlying earnings per share (in euros) over the last three financial years

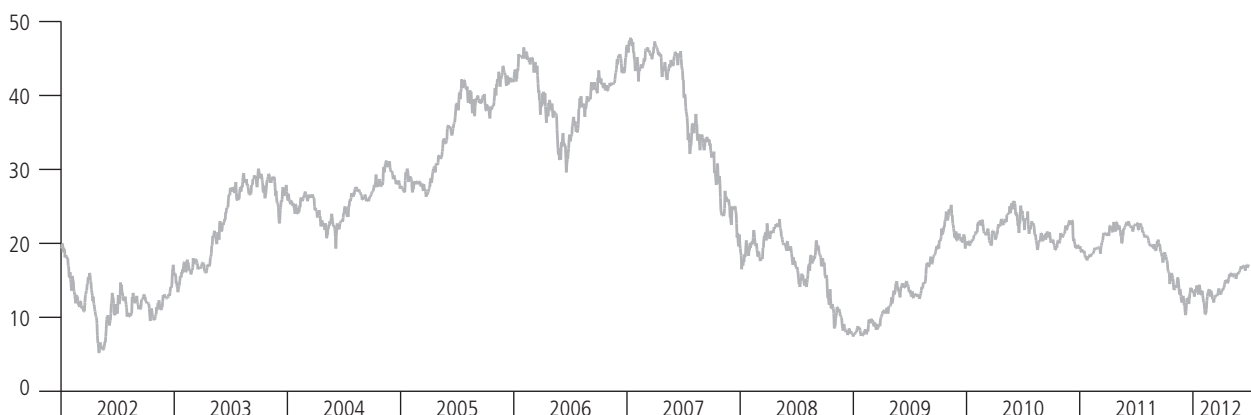


### Stock market capitalization since June 1999 (in millions of euros) – share price at February 7, 2012



Source: FACTSET.

### Changes in quoted share price since June 2002 (in euros) – share price at February 7, 2012



Source: FACTSET.



## Corporate governance on December 31, 2011

### 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., with responsibility for industrialization, offshore production and supervision of the Spanish market
- Olivier Vallet  
Senior Executive Vice-President, General Manager, Steria France, with responsibility for supervision of the Scandinavian and Benelux markets and commercial excellence programs
- Mukesh Aghi  
Executive Vice-President, General Manager, Asia, Group Sales Director, with responsibility for partnerships
- Karine Brunet  
Executive Vice-President, General Manager, Groupe Steria industrial service business lines
- Amaury Houdart  
Executive Vice-President, Group Human Resources and employee shareholding Director
- Patricia Langrand  
Executive Vice-President, General Manager, Marketing, Communication, and Innovation, with responsibility for coordinating and developing Group offerings
- Oliver Nazet  
Executive Vice-President, General Manager, Germany
- Kjell Rusti  
Executive Vice-President, General Manager, Scandinavia
- Emilio Yoldi  
Executive Vice-President, General Manager, Spain

### Statutory Auditors\*:

- ERNST & YOUNG et Autres  
Tour First  
1 Place des Saisons  
TSA 14444  
92037 Paris La Defense cedex  
SAS with variable capital  
Statutory Auditors  
Member of the Versailles regional chapter
- PIMPANEAU & ASSOCIÉS  
NEXIA INTERNATIONAL  
23, rue Paul-Valéry  
75116 Paris  
SAS with capital of €120,000  
Statutory Auditors  
Member of the Paris regional chapter

### 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
- Élie Cohen  
Economist, Research Director at CNRS, Professor at Sciences PO CAE
- Bridget Cosgrave  
Founder and Chairman of EveryEuropeanDigital (EED)
- Pierre-Henri Gourgeon  
Chairman of PH Gourgeon Conseil
- Charles Paris de Bollardière  
Secretary of the Board, Total SA

### General Partner:

- Soderi SAS  
Representing employee shareholders of the Group

(\*) For changes and evolution proposed in 2012, see the Company website ([www.steria.com](http://www.steria.com)).

# 1

## “Presentation of the Group



<b>1.1 History of the Group</b>	<b>10</b>	<b>1.5 Clients</b>	<b>19</b>
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<b>1.3 Groupe Steria’s businesses</b>	<b>15</b>	<b>1.7 Innovation policy-Research and Development</b>	<b>22</b>
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1.3.3 Application management	16	Innovation Centres	23
1.3.4 Management of IT infrastructure	16	Collaborative Innovation	24
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## ➔ 1.1 History of the Group

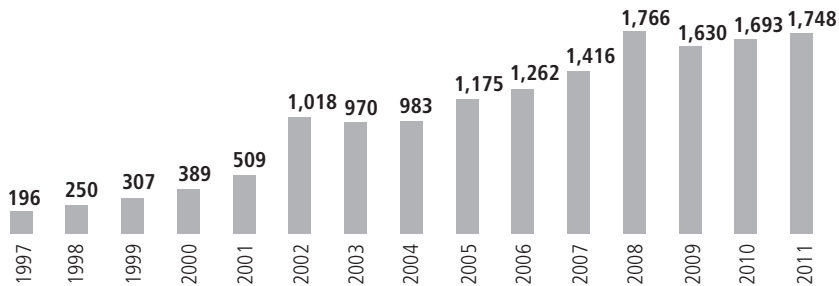
- 1969 Steria was founded by Jean Carteron around 3 values: innovation, entrepreneurship and independence.
- 1973 Automation contract signed with Agence France Presse.
- 1978 Steria begins to expand internationally: subsidiary created in Switzerland.
- 1981 Prime contractor for Télétel 3V project, which marked the launch of Minitel in France.
- 1986 Signing of the largest ever export contract to be won 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 ten 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 Articles of Association 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 October 17, 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 programme 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 investment totals to 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 £175 million, 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 Cleveland Police Authority to make savings of £50 million compared to the previous period over ten years. Steria wins the "Employee Shareholding Grand Prix" for the second time in the SBF 250 category.

2011 Ecotaxe contract won by Ecomouv' (Autostrade pre l'Italia, SFR, SNCF, Setria and Thales) for the construction and maintenance of a system for applying and collecting a tax on heavy goods traffic on 15,000 km of national and departmental highway in metropolitan France.

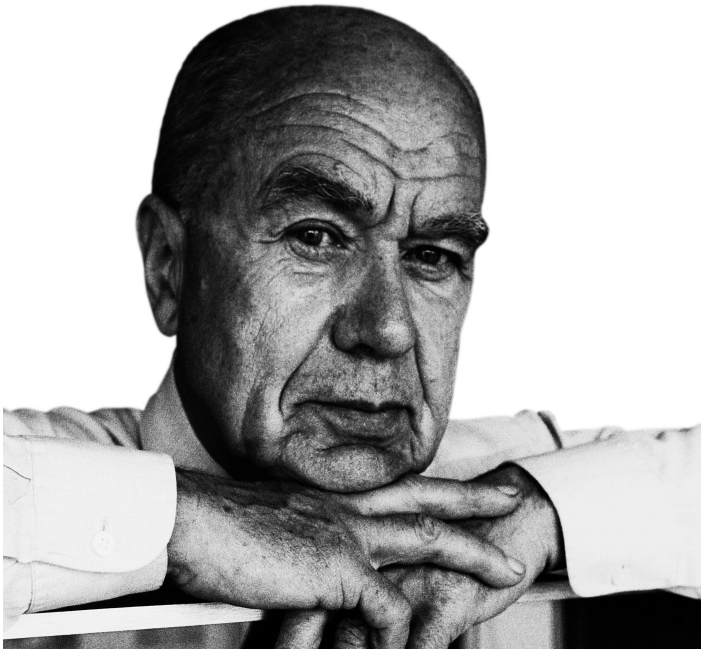
Confirmation of the Group's "zero carbon" certification for business travel by air and by road using company cars.

### Change in Groupe Steria's revenue since 1997 (in millions of euros)



# 1

## Presentation of the Group



### Jean Carteron

8 March 1926 - 22 July 2011

**I**t is with great sadness that we note the death of Jean Carteron, founder of Steria, who passed away in July 2011. Widely held to have been an outstanding and visionary pioneer, Jean realised the true economic and strategic importance of IT services back in the 1970s.

All those who knew Jean remember him as a true entrepreneur, free-spirited and independent, a man whose energy and vision attracted others to dedicate a large part of their professional lives to the collective adventure he started when he founded Steria back in 1969. We remember him as a man of conviction who always remained true to his vision of a company which brought together both human and economic values. Throughout the years, Jean worked tirelessly to protect the integrity of this organisation, to defend the values that were his own and to guard Steria's independence. It is to him that we owe our enduring commitment to employee shareholding, to giving something back to the community, as well as delivering excellence for our clients. It is to him that we owe the innovative, entrepreneurial and above all human culture that continues to be Steria's signature today.



*Jean Carteron was one of the people who realised the true economic and strategic importance of IT services back in the 1960s, and who built companies in France to do what the Americans were doing at the time - these companies gave us a real edge which other European competitors have never really overtaken."*

**Serge Kampf, Président Fondateur de Capgemini**



*Jean had two passions...  
Mastering technology  
and listening to people."*

**Yves Rouilly, Président de Soderi**



*Jean was a visionary, both  
in the development of his business  
and in the philanthropic activities  
he undertook.*

*I've always thought of him as one  
of the pioneers of corporate  
social responsibility."*

**Gabriel de Broglie, Chancelier de l'Institut  
de France et Président de la Fondation Steria**

## ➔ 1.2 Markets – Competitive environment

### The IT services market in Western Europe

The IT Services market in Western Europe was worth €146.7 billion in 2011 <sup>(1)</sup> (excluding the sale of IT hardware, software packages and related maintenance services).

#### The IT services market in Western Europe (not hardware and software)

##### Country – 2011 Forecasts (in thousands of euros)

Germany	24.7
France	19.2
United Kingdom	46.3
Rest of Europe	56.5
<b>Total</b>	<b>146.7</b>

This market presents three main characteristics:

- three countries (the UK, Germany and France) generate 61% of expenditure in Europe <sup>(1)</sup>. In 2011, Steria carried out 83% of its business in these three countries;
- the managed services business (in the widest sense of the term, *i.e.* including applications maintenance, infrastructure management and Business Process Outsourcing) accounts for 53% of this expenditure <sup>(1)</sup>. This proportion is similar at Steria which realizes 58% of its revenue in this area. It should be noted that the market

for Business Process Outsourcing is worth €21 billion in Western Europe <sup>(1)</sup> or 15% of the total market;

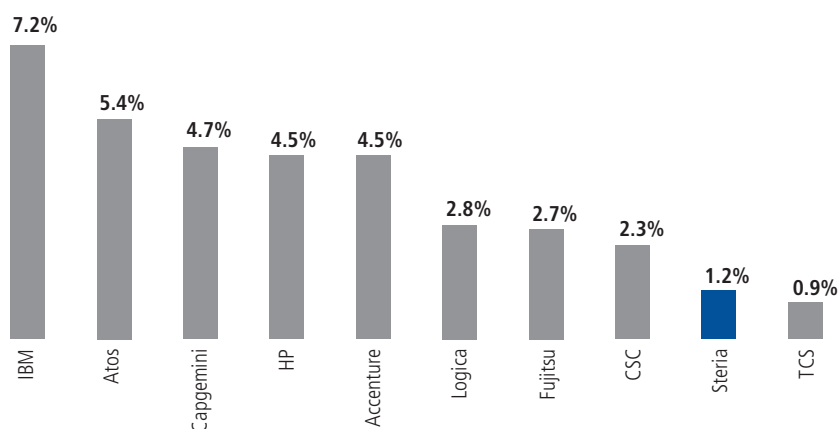
- finally, the sectors with the highest demand for IT services are banks and insurance companies, and public authorities. In total they represent 42% of expenditure in Europe <sup>(1)</sup>. Steria generates 64% of its revenue from these two sectors.

One of the principal features of the IT services market in Europe is that it is very fragmented and has a significant number of operators *i.e.* major international groups with activities in Europe; large companies in countries with low labour costs, with major ambitions within the European market; numerous local operators 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.

Steria's main competitors in Western Europe are primarily large groups. These fall into three main categories:

- US operators: IBM, HP EDS, CSC, Accenture, etc;
- Asian operators: Fujitsu, TCS, Cognizant, Wipro, Infosys, etc. Outside the UK, Indian operators do not currently have a significant presence but, nevertheless, look to be highly ambitious;
- operators not originating directly from the world of IT services, such as British Telecom.

#### Market share of the ten largest global IT service companies providers in Western Europe (based on 2011 revenues)



With €1.75 billion in revenue at the end of 2011, and more than 1.2% market share (1.2% in 2010), Steria is among the largest European service companies.

(1) Source Gartner Report, fourth quarter of 2011.



## Trends in the IT services market in Western Europe

### The IT services market in Western Europe (not hardware and software)

Country – 2011 Forecasts (in thousands of euros)	2010	2011	Growth
Consulting	18.2	18.6	+1.9%
Development and systems integration	48.4	49.2	+1.7%
Managed services	56.7	57.5	+1.4%
Business Process Outsourcing	21.2	21.5	+1.0%
<b>Total</b>	<b>144.5</b>	<b>146.7</b>	<b>+1.5%</b>

## → 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 and business processes are a major asset when it comes to 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 a presence in 16 countries and with 20,000 employees, 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

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. Unlike most major IT services providers,

Steria's organization is marked by full integration of consultants within operational market sectors, so as to provide customers with maximum integration between design and implementation. This organization also means that consultants can make a very active contribution to developing Group offers, thereby providing the benefit of their expertise and guaranteeing that the offers match customers' expectations.

## 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, 2011, consulting and systems integration activities represented 42% of the Group's revenue.

## 1.3.3 Application management

The objective of third-party applications maintenance is to maintain in operational condition according to predefined service levels, all or part of an organization'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 and error correction, etc.

- dynamic (or adaptive) maintenance: updates, taking into account new legislation, adaptation to a new technical, economic and social environment, etc.

Application maintenance activities accounted for around 19% of Group revenue at December 31, 2011.

## 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 centres" and the associated business continuity plans.

The Group's activity in these areas is marked by major reengineering work. Such reengineering aims, upstream of the operating phase, to guarantee responsible development of customers' practices and processes to meet the highest organizational and technological standards. The Group has acknowledged expertise in this area and references from its most prestigious customers.

IT infrastructure management accounted for 30% of Group revenue in 2011.

### 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 operates 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 programmes for large-scale retailers, etc.

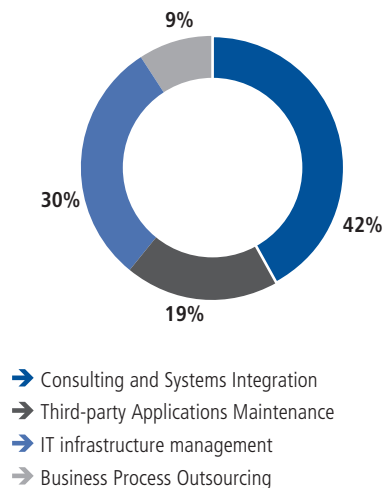
Steria has a key position in the Business Process Outsourcing market in Europe. In particular, the Group operates the largest platform for shared services in Europe handling financial processes (NHS SBS) and is the first IT service provider to take over the operation of part of the business processes 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).

Business Process Outsourcing activities accounted for around 9% of Group revenue at December 31, 2011.

### 1.3.6 Changes in the breakdown of revenue by core business

	2009		2010		2011	
	€ million	% revenue	€ million	% revenue	€ million	% revenue
Consulting and systems integration *	1,043	64%	1,036	61%	1,072	61%
Managed services and BPO	587	36%	656	39%	675	39%
<b>Total</b>	<b>1,630</b>	<b>100%</b>	<b>1,693</b>	<b>100%</b>	<b>1,748</b>	<b>100%</b>

(\*) Including TPAM (third-party application management).



## ➔ 1.4 The delivery model

The Group has developed a global, integrated and industrialized delivery model.

### **Pooled onshore, nearshore and offshore production centers**

In order to support its industrialized delivery model, Steria has developed pooled production centers with specialist technology and expertise that can deliver contracts for different customers.

These centers, primarily aimed at infrastructure management, application development, third-party applications maintenance, testing and security, have been set up in response to the complementary logics required by customers in line with their strategic guidelines and constraints:

- onshore centers located in Europe;
- offshore and nearshore centers.

The Group's offshore and nearshore service centers are:

- Noida, Pune and Chennai in India;
- Katowice in Poland;
- Casablanca in Morocco.

The Global Delivery Model implemented by Steria enables it to offer solutions combining an industrial approach to production and selective sourcing with the option to deliver services from offshore/nearshore or onshore centers depending on customer requirements.

Please note that with 27% of the Group's workforce located in offshore or nearshore centers on December 31, 2011, Steria is one of the leading European operators in this field.

### **An integrated model**

The model implemented by Steria involves a fully integrated delivery organization. In practice, this organization means that 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 15 years of experience and can be considered one of the most advanced in Europe.

### **High production and quality standards**

To guarantee its customers an optimum level of quality and constantly increased productivity, the pooled delivery centers are led by Group Service Lines which guide the effective deployment and use of tools, processes and shared benchmarks.

The Group uses major international certification standards:

- ISO for quality (1509000);
- CMMI for applications development and maintenance, TMMI for testing, ITIL for infrastructure management.

The Group regularly reviews the certifications obtained by the different entities and draws up any required action plans. In 2011, the Indian entity obtained CMMI 5, the highest level of certification.

In order to provide resources with the necessary technical expertise, the Group's employees are encouraged to attend a number of training courses and to obtain the appropriate technical certifications.

Over the last few years, Steria has also invested heavily in tools aimed at supporting its production activities, thereby making processes more robust and contributing to better guarantees in terms of the quality of work delivered.

### **An active partnership policy**

Steria pursues an active partnership policy both with leading software publishers and hardware manufacturers, thereby enabling it to call on the technical support required in order to successfully meet its commitments.

The Group regularly uses subcontractors to provide it with know-how on topics related to its traditional expertise or to enable it to manage temporary increases in workload.

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

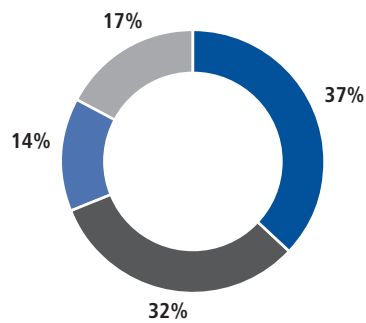
The Group's clients are mainly composed of very large accounts for the most significant public and private sector organizations of the countries in which the Group operates.

The Group mainly operates in Western Europe but also has a commercial presence in Asia (Singapore and India).

Group revenue broken down by customer location is as follows.

### Breakdown of revenue by geographic area (financial year 2011)

(in thousands of euros)	France	United Kingdom	Germany	Rest of Europe	Total Group
Revenue	552	656	240	300	1,748
% of revenues	32%	38%	14%	17%	100%



- UK
- France
- Germany
- Rest of Europe

Steria's 20 largest clients account for approximately 35% of revenue, with the largest customer representing 5.5% of the Group's revenue.

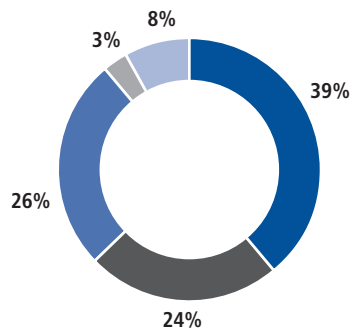
# 1

## Presentation of the Group Clients

In terms of economic sectors, Group customers break down as follows.

### Changes in revenue breakdown by business sector

	2009		2010		2011	
	€ million	% revenue	€ million	% revenue	€ million	% revenue
Public Sector	639	39%	663	39%	681	39%
Banks & Insurance companies	414	25%	431	25%	428	24%
Utilities (Energy, Transport, Telecommunications)	399	25%	440	26%	448	26%
Distribution	86	5%	48	3%	52	3%
Industry and Other	93	6%	112	7%	139	8%
<b>Total</b>	<b>1,630</b>	<b>100%</b>	<b>1,693</b>	<b>100%</b>	<b>1,748</b>	<b>100%</b>



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

## → 1.6 Strategy

Over the last decade, the Group's strategy has consisted of developing the position of "prime contractor" so as to ensure that it maintains its high profile and eligibility to take on the management of major IT transformation projects for large customers in the public and private sector.

In 2011, with €1.75 billion in revenue and 20,000 employees in over 16 countries, Steria is one of the top ten global companies in the IT services industry

Steria covers the entire value chain of IT systems for businesses, and is equipped with an offshore delivery model amongst the most advanced in the sector. 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 and develop with them relationships of trust based on its capacity to commit to results whilst retaining the necessary flexibility and adaptability and facilitating 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 with the efficiency and productivity of a "global" player.

Taking full advantage of this position, Groupe Steria's current strategy is one of growth with a view to increasing its market share. This will be based on an increased focus on the strengths of the Group and the market segments where it has developed particular skills and experience. This strategy involves the selection of three priority vertical markets:

- the public sector comprising central and local government and public services such as health and social services;
- financial services (banking and insurance);
- network operators (energy, transport, telecoms).

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

In terms of leverage, the Group is working on four main thrusts:

- 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.

- Industrialization of service delivered:

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

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

The success of this strategy is also highly dependent upon the attractiveness and the sustainability 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 formation, Steria has specialized in the completion of fixed-price contracts where the Company gives its customers undertakings about 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 2,000 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.

The significant share that employee shareholders represent in the Company's capital structure (6,000 employee shareholders owning 21,05% <sup>(1)</sup> of the share capital) and the associated participative governance model <sup>(2)</sup> means that employees have some control over their destiny and guarantees customers a consistent long-term strategy.

(1) Including the "SET Trust" and "XEBT Trust" (4,40% of the share capital). For more details on employee shareholding, see Sections 3.1. and 5.2.1. of this reference document.

For a number of years now, the Group has also been committed to an ambitious and well recognized Corporate Social Responsibility program. For example, Steria has a Foundation in France dedicated to the fight against the digital divide and exclusion. In India, the Group has a very

active policy of supporting education for the most disadvantaged which has won awards on two occasions and in which its customers are regularly involved <sup>(1)</sup>.

## ➔ 1.7 Innovation policy-Research and Development

### Steria's approach to Innovation and Research and Development (R&D)

Steria's continuing success as a technology and outsourced services provider depends on its ability to maintain its position as a leader in innovation. With a business model built on vendor independence and solving business challenges, Steria has invested in creating a Research & Development capacity that provides clients with solutions that meet the demands they face now and in the future.

Steria chooses to integrate Research & Development within the business rather than maintain a separate Research & Development function. This maintains a business proximity to Research & Development thinking and ensures that Steria embeds innovation within the culture of the

entire organisation and doesn't confine it within isolated laboratories or 'skunk works'.

This integrated Research & Development capacity is coordinated at a Group Executive Committee level to deliver three key strategic components:

- Horizon Scanning;
- Innovation Centres of Excellence;
- Collaborative Innovation.

### Horizon Scanning

Steria's horizon scanning activity ensures early identification of key trends that will affect its business over the next 5-20 years. Steria commissions long term research activities such as its annual 'Futures Report' – <http://www.the-power-of-sharing.com/future/>. The Futures Report is an open publication of the future as Steria sees it and it enabling the company to develop more detailed insights and propositions relating to Steria core business competences.

Steria Global Business Communities reflect horizon scanning into their strategic planning activity, bringing what Steria can anticipate about the future together with the deep expertise that sits in across its business worldwide. The Group's investment in the development of a global knowledge management platform enables Steria to share and develop thinking rapidly across its Business Community network.

(1) For more details on Corporate Responsibility, see Section 4.5 of this reference document.



## Innovation Centres

Steria's primary research and development activity is carried out in a series of innovation centres distributed across the world. The Innovation Centres allow Steria to bring clients, vendors and independent experts together to explore, evaluate and qualify emerging technologies; facilitating the generation and development of ideas in a cost effective and expert environment. By providing a low risk environment in which options can be explored, Steria's facilities offer genuine opportunities for innovation as well as considerable cost savings to the client.

### JAVA Agile Centre of Excellence (CoE)

Steria's Centre of Excellence for Java Agile Development opened on 28 April 2008 in Luxembourg. The purpose of the centre is to reach excellence in the development of high quality J2EE applications. The centre uses the latest cutting-edge technologies to foster real time control and management of applications implementation. The Steria Interconnection Box (SIB) project is currently the leading solution developed by the centre. The 'SIB' is our solution for interconnecting the national police and immigration control systems with the central Schengen visa information system database, the new information system rolled out by the European Commission within the Schengen area. To date, the SIB solution has been implemented in eight European countries with several others expressing an interest in the solution.

### Mobile Technology Centre of Excellence

Steria's centre of excellence for the development of mobility dedicated solutions and services is based in Singapore. The centre's expertise lies in its ability to combine the latest communication technologies (RFID, GPS, GSM, M2M, etc) in order to create innovative services supporting mobility. The vast range of applications covers various subjects, such as real time and personalised information for transport times, fleet management, mobility of senior citizens, delivery optimisation and emergency services management.

### Biometrics Centre of Excellence

Norway is the home of Steria's Biometrics Centre of Excellence and builds on Steria's long experience of Police and Immigration services. Steria's Biometrics Centre of Excellence has been responsible for developing the 'SteriaFIT' and SteriaAFIS suite of solutions which incorporate the latest in fingerprint technology into a robust delivery platform.

### Security Centre of Excellence

In its wider Security Centre of Excellence Steria focuses on three additional competence areas: Security Management Audit and Advisory, Identity and Access Management and Secure Infrastructure. The Centre of Excellence draws on the competence of over 400 security and risk specialists across the business to maintain Steria's position ahead of a rapidly changing marketplace

### EIM Centre of Excellence

Located in Germany, the EIM Centre of Excellence has sustained Steria's continuing development in the BI and Data Management field. With four domains – data management, information intelligence, architecture and technology, governance and strategy – and the expertise of approximately 800 people the Centre of Excellence is one of Steria's largest R&D environments in an important growth area for Steria.

### Simulation Centre of Excellence

Building on a strong relationship with the Aerospace community in Toulouse, Steria has established a successful Centre of Excellence focusing on Simulation. Steria merged industrial capabilities with software-as-service expertise to create GAIA, a flexible platform for air traffic simulation. The Centre of Excellence employed a collaborative R&D approach bringing together a range of public and private sector partners to create a pan-European 'Virtual Sky'. Partners are able to access GAIA as a service via a plug-and-run interface allowing simulation, validation and preoperational development of ATM systems.

### Retail Centre of Excellence

Our Retail CoE, inaugurated on 16 July 2010 in Noida, was set up to establish Steria as a leading partner to companies in the global retail industry. The purpose of the facility is to enable clients to increase business value through technology-driven and outsourced business process solutions. The CoE enables Steria to maintain its position as a retail expert and partner of choice for innovative technology and BPO solutions to leading retailers. Apart from providing value added retail solutions for Steria's clients in Europe, the CoE is also our test bed for the new but rapidly developing India retail sector.

## Collaborative Innovation

Steria has invested in the establishment of a collaborative approach to innovation. This approach encompasses our employees, customers, suppliers and state/EU research agencies.

IDEX is Steria's global innovation platform and is used by our employees to elicit and develop ideas and then managing them through to measurable benefit. IDEX is a truly web 2.0 environment, incorporating social networking features within a managed innovation lifecycle and a trading 'game' that motivates and rewards participation across the business. We run annual 'contests' – Steria's current contest features over two hundred ideas – which have been responsible for producing a series of successful breakthroughs in Steria's market. IDEX is a very visible demonstration of Group investment in a culture of innovation. It reflects Steria's policy of allocating up to 10% of its employees' time to the discovery and evaluation of new concepts and technologies that have previously not been used by Steria.

Steria's collaborative perspective is also extended deeply into its activities with customers. Steria has established collaborative innovation platforms within several of its key account where Steria employees work together with customer staff to develop new ideas. Extending this further, its reputation for leaders in collaborative innovation has resulted in us delivering what we call 'Innovation as a Service', managing our customers' innovation processes, from idea to benefit. Steria invest time and money in this, recognising the value of customer proximity in our R&D activity.

Of course a significant amount of Steria's collaborative effort is given towards working with suppliers and partners in R&D projects. For instance, Steria has partnered with Microsoft in the development of mobile personal health care services, coupling our deep expertise in service integration and identify management with software company's Azure and Windows 7 technologies. SteriaOn Command' Cloud services are the culmination of an comprehensive collaborative R&D programme with Cisco.

Finally, Steria recognises the importance of collaborating with State and EU agencies in major R&D programmes. A typical example of such collaboration has been Steria's activity as an ITEI (IT supporting Execution of Innovative Projects) partner. ITEI is part of the European IETA2 programme. The objective of this project was to improve the innovative capabilities of European software developers by the creation of a cyber space for innovation in products and development of innovative software. The specific contribution of Steria was to assess, via experiments based on specific platforms, prototypes, the integration of Web 2.0 technologies in different life cycle stages of the innovation process. Steria developed a prototype collaboration platform called Ideathlon and, through the associated research activity, contributed to the development of a proposed methodology to support innovation reflected in the ITEI programme's reference platform, SInnoBOK.

## ➔ 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 licences, tools, both for internal requirements and to improve delivery capacity and to develop the industrialization 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 rental of its 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 in 2010 for the residual value specified in the lease contract and was sold in 2011.

The Group also owns land in India with a net worth at December 31, 2011 totalling €21.1 million.

Groupe Steria made the following investments in the last three financial years:

**Investments made in the last three financial years**

	2009	2010	2011
Amount	€22.8 million	€25.1 million	€44.5 million
% revenue	1.4%	1.5%	2.8%

These amounts include, notably, investments in delivery capacity, investments relating to the Group industrialization processes, investments in internal tools and IT equipment and investments dedicated to customers in relation to contracts. In 2011, major investments were made in real estate infrastructure in France, the UK and India.

**Principal investments underway**

At December 31, 2011, the main investments approved for 2012 include the investments in internal tools, IT equipment and investments dedicated to customers.

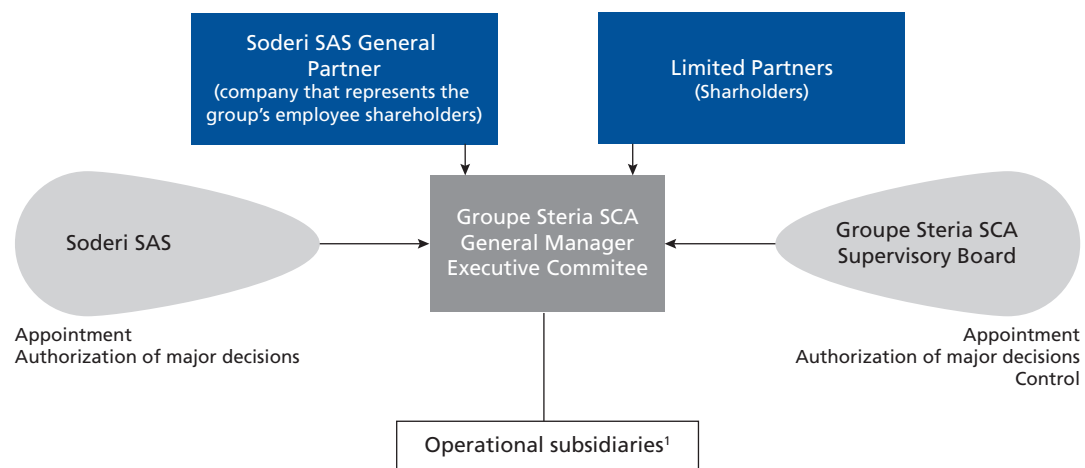
# 2

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## → 2.1 A governance model involving employee shareholders

### 2.1.1 A structure based on a 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 the Company.

This governance system aims to promote entrepreneurial spirit amongst Group employees given that employees are a service provider's major asset. In the IT services industry, a company's main asset is, in fact, its "human capital". This type of governance 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 21.05% <sup>(1)</sup> of the Group's share capital on December 31, 2011, 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 shareholding and in 2010 the "2010 Employee Shareholding Grand Prix for SBF 250 companies outside the CAC 40".

(1) Including the "SET trust" and "XEBT Trust" (4,40% of the share capital).

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## 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/her term of office, set by the General Meeting, is limited to a maximum six-year term which can be renewed.

The remuneration of the General Manager is presented to and approved by the General Shareholder's Meeting on proposal of the Supervisory Board. This legal structure ensures a great deal of transparency and decision-making power for shareholders when it comes to the remuneration paid to the General Manager.

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## 2.1.3 A clear separation between Management and Control bodies

The 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 partners

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## 2.2.1 The shareholders

Shareholders own shares in the Company corresponding to their role as capital contributors. 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, approve the

annual financial statements and appoint members of the Supervisory Board as well as the Statutory Auditors. 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 €429,363 for 2010 and €550,086 for 2011.

## Soderi partners must own over 5% of the shares of Groupe Steria

In accordance with the Groupe Steria Articles of Association (Article 1) the partners of Soderi must 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 verifies that the statutory condition for Soderi continuing to be a General Partner is complied with.

## 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 its prior advice on the 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 Articles of Association 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 shareholding 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 the 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 six 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, Belgian 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.

On October 27, 2011, Jean-Bernard Rampini was elected Chairman of Soderi, replacing Yves Rouilly.

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, 2011 totaled €114,377 divided into 2,859,417 shares. Total shareholders' equity at this same date is €889,535.



## → 2.3 Management and control bodies

### 2.3.1 The General Manager and the Executive Committee

The Company is run by a single General Manager.

The General Manager is appointed by the General Shareholder's Meeting 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 Articles of Association in the appendix to this document. In all cases of General Management vacancy that would 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.

François Enaud has been General Manager of Groupe Steria since February 1, 2007. François Enaud's term of office as General Manager may be renewed by vote of the General Meeting on May 15, 2012.

The remuneration of the General Manager is presented and approved by the Ordinary General Shareholder's Meeting 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 Articles of Association to the Supervisory Board, General Shareholder's Meetings and the General Partner. The strategic directions and the major decisions of the General Manager such as defined in the Articles of Association (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 ten members, two of whom are women. The Committee comprises three "Senior Executive Vice-Presidents" and seven "Executive Vice-Presidents". This Executive Committee meets formally on a monthly basis. The Executive Committee ensures that all Group businesses, geographies and business lines are represented, as well as the marketing, finance, legal and Human Resources functions.

The composition of the Executive Committee is detailed on page 7 of this Registration Document.

The principles for setting their remuneration, as well as the total amount of this remuneration, appear in paragraph 2.6.2.

### 2.3.2 The Supervisory Board

The Supervisory Board has responsibility for the 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 Articles of Association.

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 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 Articles of Association.

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 Shareholder's Meeting.

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 2.6.2 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 The 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 General Manager's remuneration for 2011, as approved by the shareholders at the Combined General Meeting held on May 13, 2011 comprises:

- fixed remuneration of €410,000;
- variable remuneration of €318,000, for 100% of annual objectives achieved, 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 €887,000.

The objectives related to the variable component for 2011, fixed by the Supervisory Board, break down as follows:

- 70% of the variable component is related to the Group's performance (revenue, operating margin, net debt), weighted by a coefficient according to the relative change in the Steria stock price for 2011 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.

For 2012, in addition to the performance indicators stated behind (revenue, operating margin, net debt), a new indicator based on the earning per share was added

The remuneration received by the General Manager for 2011 amounted to €731,736; €410,000 fixed remuneration and €321,736 variable remuneration (101% of the nominal amount of the variable

remuneration) as approved by the Supervisory Board of March 23, 2012 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 granted in 2011 to the General Manager under performance conditions

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 70% related to changes in the operating margin of the Group over a period of three years running from the 2011 financial year and 30% related to the change in the Steria stock price compared to that of a panel of companies in the same business sector over the period from July 29, 2011 to December 31, 2013.

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.

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.

Details of the free performance shares allocated to the General Manager are given below.

### Free performance shares definitively granted to the General Manager in 2011

No free performance share was definitively granted to the General Manager in 2011;

### Stock options

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

François Enaud did not exercise any stock options in 2011.

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 General Manager does not have a contract of employment with Groupe Steria SCA or any one of its subsidiaries. The employment contract binding him to Steria SA was suspended on May 13, 2010, so as to comply with the AFEP/MEDEF recommendation relating to the principle of the non-accumulation of roles between employment contracts and directorships, without waiting for the latter to be renewed.

The General Meeting on May 13, 2010, approved an undertaking to pay the General Manager compensation for termination of his duties under certain conditions. This undertaking was proposed by the Supervisory Board on April 13, 2010, taking into account François Enaud's long career within the Group prior to taking on the role of General Manager of the Group and to offset the loss of employment contract-related benefits should said contract be suspended.

Payment of this compensation is dependent on the following:

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.

- 1<sup>st</sup> 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 or other sectoral analysis agency) for the reference period.

- 2<sup>nd</sup> criterion: Operating margin:

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

- 3<sup>rd</sup> 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% per 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 severance 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 for François Enaud's length of service with the Company.

Since the General Manager's term of office may be renewed by vote of the General Meeting on May 15, 2012, renewal of the undertaking to pay compensation for termination of the duties listed above shall also be the subject of a resolution relating to regulated agreements to be voted on by shareholders in application of Article L. 225-42-1 of the French Commercial Code.

## General Manager's remuneration – Summary schedules

### Summary schedule of General Manager's remuneration

François Enaud	2010 financial year	2011 financial year
Fixed remuneration (gross before tax)	€400,000	€410,000
Variable remuneration	€337,152	€321,736
Director's fees	none	none
Benefits in kind	none	none
<b>Total</b>	<b>€737,152</b>	<b>€731,736</b>

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

	Employment contract	Supplementary 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
<b>François Enaud</b>	No	No	Yes*	No

(\*) See detail above, in paragraph "Absence of employment contract and indemnity for termination of functions".

### Free performance shares granted to the General Manager in 2011

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. 9 of July 29, 2011	12,000	€151,694	July 29, 2014	July 29, 2016*	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 2011

No free performance share was definitively acquired by the General Manager in 2011.

### Free performance shares granted to the General Manager becoming available in 2011\*

No and plan date	Number of shares becoming available during the financial year	Acquisition conditions
Plan no. 2 of September 13, 2006	8,172	no

(\*) Subject to compliance with the conservation conditions specified above, in paragraph "Free performance shares".

## 2.4.2 Members of the Executive Committee

The members of the Executive Committee, whilst exercising responsibilities at Group level, retain their local responsibilities. Each member is therefore remunerated by the Company to which he belongs.

### 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 objectives fixed 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 2012 these objectives are broken down on average, as 30% for the performance of the Group and 70% for individual objectives. A new corporate social responsibility objective has been added to the individual objectives.

The members of the Executive Committee received aggregate gross remuneration of €3,918,739 for 2011, broken down into €2,464,780 in fixed remuneration and €1,453,959 in variable remuneration.

### Allocation of free performance 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 principal managers.

In 2011, the members of the Executive Committee received 41,500 free performance shares. These shares are subject to continued presence and performance terms and conditions with 70% related to changes in the operating margin of the Group over a period of three years running from the 2011 financial year and 30% related to the change in the Steria share price compared to that of a panel of companies in the same business sector over the period from July 29, 2011 to December 31, 2013.

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

## 2.4.3 Members of the Supervisory Board

### Supervisory Board member's fees

The amount allocated to Supervisory Board member's fees is decided by the General Meeting. The amount authorized by the General Meeting of June 6, 2008, applicable for 2011, is €170,000. The allocation of Supervisory Board member's' fees is decided by the Supervisory Board based on the opinion of the Appointments and Remuneration Committee.

Supervisory Board member's 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, a Steria SA employee until 2011, do not receive Supervisory Board member's fees.

### Other remuneration paid to Supervisory Board members

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 €65,778 (excluding taxes) for services provided during the 2011 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 €135,000 (excluding taxes) for services provided during the 2011 financial year.

Mr. Jacques Lafay, member of the Supervisory Board representing FCPE (the Group's mutual fund putting together employee shareholders) received, in 2011, in accordance with his employment contract with Steria SA for his position as Director of Transport Development, a fixed remuneration of €50,496 and a variable remuneration of €185,484 (including an indemnity for retirement). He received this remuneration for the period January 1st to July 31, 2011, date of his retirement and has been in the Group for 37 years.

## Allocation of free performance shares or stock options

No performance-related shares were allocated to Members of the Supervisory Board during the 2011 financial year. No previously allocated performance-related bonus shares became available during the 2011 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. No stock option plans were exercised by Members of the Supervisory Board during the 2011 financial year.

## Summary schedules of remuneration paid to Supervisory board members

Members of the Supervisory Board	Amounts paid in 2011 financial year	Amounts paid in 2010 financial year
<b>Jacques Bentz</b>		
Director's fees	-	-
Other payments <sup>(1)</sup>	€65,778	€84,962
<b>Patrick Boissier</b>		
Director's fees	€21,500	€16,500
Other payments	-	-
<b>Séverin Cabannes</b>		
Director's fees	€21,500	€18,500
Other payments	-	-
<b>Élie Cohen</b>		
Director's fees	€28,000	€26,000
Other payments	-	-
<b>Bridget Cosgrave</b>		
Director's fees	€7,500	-
Other payments	-	-
<b>Pierre-Henri Gourgeon</b>		
Director's fees	€24,500	€19,500
Other payments	-	-
<b>Éric Hayat</b>		
Director's fees	-	-
Other payments <sup>(2)</sup>	€135,000	€105,000
<b>Jacques Lafay</b>		
Director's fees	-	-
Other payments <sup>(3)</sup>	€235,980	€136,668
<b>Charles Paris de Bollardière</b>		
Director's fees	€31,500	€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 Éric Hayat Conseil and Steria SCA.

(3) In respect of his employment contract with Steria SA i.e. For 2011 this amount is paid for the period from January 1 to July 31, 2011 and includes a retirement indemnity. He has been in the Group for 37 years.

## → 2.5 Other information relating to the company's directors

### 2.5.1 Declarations

#### Family relationship

François Enaud, Manager of Groupe Steria SCA, and Patrick Boissier, Member of the Supervisory Board, are first cousins. There are no other family relationship 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

Within the context of the assignment entrusted to the Appointments and Remuneration Committee to examine the conflicts of interest declared by members of the Supervisory Board and to assess whether such conflicts are likely to give the interested party an advantage or to adversely affect the Company, this Committee noted that the members of the Board did not declare any conflicts of interest, with the exception of Séverin Cabannes. With regard to business relations between Société Générale and Steria, the latter did, in fact, believe that he may find itself in a

potential conflict of interest situation when the Board examines topics relating to these business relations and that, under these circumstances, he would abstain from taking part in any deliberation and voting on these topics. This recommendation was approved by the Supervisory Board at its meeting on March 2, 2012.

#### 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 paragraph 3.4.3 above, no agreement has been entered into between the Company and members of the Supervisory Board or General Management.

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## 2.5.2 Appointments and functions

### General Management

François Enaud - Age 52

#### Current appointments and functions:

##### **Within the Group:**

General Manager, Groupe Steria SCA  
CEO and Director of Steria SA  
Chairman and Director of Steria Holdings 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)  
Director of Steria Limited (United Kingdom)  
Director of Steria Services Limited (United Kingdom)

##### **Outside the Group:**

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#### Curriculum vitae:

A former student of the École polytechnique and the École des Ponts et Chaussées (civil engineering) – Chevalier de la Légion d'Honneur – After two years with the company Colas as civil engineer (1981-1982), François Enaud joined Steria in 1983 where he had various management positions (Technical and Quality, Executive Director of affiliates, Transport division, Telecom division) before taking the General Management of the Company. François Enaud was appointed as General Manager of Groupe Steria SCA on February 2, 2007.



## The Supervisory Board

Jacques BENTZ - Age 70

### 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:**

A former student of the École polytechnique – Chevalier de la Légion d'Honneur – Jacques Bentz has been General Manager of Tecnet Participations since 1996. He has occupied various management roles: Chairman of Tecsi (1996-2000), Chairman of GSI (1993-1995), General Manager of GSI (1986-1993).

Patrick BOISSIER - Age 62

### Current appointments and functions:

#### **Within the Group:**

Member of the Supervisory Board of Groupe Steria SCA

#### **Outside the Group:**

Chairman and CEO of DCNS  
Vice-Chairman of the Supervisory Board of Vallourec, SA, a dual Board company  
Member of the Board of Directors of the Institut Français de la Mer, recognized as a public interest organization by decree of June 15, 1979  
Member of the Board of Directors 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  
Member of the Board of Directors of Sperian protection (formerly Bacou Dalloz)

#### **Curriculum vitae:**

A former student of the École polytechnique – Patrick Boissier has been Chairman of DCNS since January 14, 2009. He was previously CEO of Cegelec (from 09/01/2007 to 12/31/2008); Chairman and CEO of Chantiers de l'Atlantique (from 1997 to 2007); Vice-Chairman and CEO of Tréfinmétaux (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 53

#### 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 (United States)

#### Appointments and functions exercised during the last five years:

##### **Within the Group:**

Deputy CEO of Steria SA

Director of Steria A/S (Norway)

Director of Steria A/B (Sweden)

Director of Steria A/S (Denmark)

Permanent representative of Steria SA on the Board of Directors of Imelios

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:**

Chairman of the Audit Committee and Member of the Supervisory Board of Komerční Banca (Czech Republic)

Director of Geneimo

Director of Société Générale Globale Solution Centre (India)

#### Curriculum vitae:

A former student of the École polytechnique and Civil Mining Engineer – Séverin Cabannes previously performed the duties of Deputy CEO of Steria SA and CEO of Groupe Steria (2002 to the end of 2006); Financial Director and member of the General Management Committee of Société Générale Group (2001-2002); Head of Strategy, then Deputy CEO, Financial Director of La Poste Group (1997-2001); Séverin Cabannes has also carried out various duties at Elf and at Crédit National.

Élie COHEN - Age 62

**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 Énergies Nouvelles

**Appointments and functions exercised during the last five years:**

**Within the Group:**

-

**Outside the Group:**

Director of Vigeo

Director of Orange

**Curriculum vitae:**

Prize-winning graduate of IEP Paris (Economics and Finance section – 1972), Doctorate in Management (Université Paris Dauphine) and Doctorate in Political Science (holder of a Director of Research Accreditation), Élie Cohen has led a dual career as a researcher and university professor. An Associate Professor and then Professor, Élie 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);
- Collège des Ingénieurs (Industrial and Financial Strategy).

The author of many articles in scientific publications, Élie Cohen has published several works on Industrial Economy and Public Policy.

**Bridget COSGRAVE - Age 50**

**Current appointments and functions:**

**Within the Group:**

-

**Outside the Group:**

Founder and Chair of EveryEuropeanDigital (EED)  
Independent Non-executive Director at SES SA (Luxemburg)

**Appointments and functions exercised during the last five years:**

**Within the Group:**

-

**Outside the Group:**

CEO of DIGITAL EUROPE (since 2009)  
Independent Non-Executive Director at Essilor International SA (France)  
Founding Chair and Chair and CEO of Belgacom International Carrier Services  
Member of the Executive Committee of the Belgacom Group  
Member of the Board of Belgacom Mobile, Proximus

**Curriculum vitae:**

Holds a Master in business administration from the London Business School, (UK) and Bachelor of Arts with specialization (Economics and History) from Queen's University in Kingston, Canada. Bridget Cosgrave followed the "Chartered Director" program at the British Institute of Directors, the United Nations University Leadership Academy at the University of Jordan (Amman) and completed a corporate governance "mentoring" program run by CMI. She has dual Canadian and Irish nationality and has lived and worked in Europe since 1984. She speaks fluent English and French.

Bridget Cosgrave is currently founder of Every European Digital, distributor of broadband internet services via satellite for customers in Poland and Eastern Europe. Prior to founding Every European Digital, she was General Manager of DIGITAL EUROPE, an association working on behalf on the information technology consumers electronics and telecommunication industries to safeguard the European Digital economy. Before, she was first Deputy CEO of the European Telecommunications Standards Institute (ETSI) then founding Chairman and CEO of Belgacom International Carrier Services.

Bridget Cosgrave gained experience in the telecommunications sector with BT plc in 1993, where she was Project Manager with responsibility for joint ventures and acquisitions of infrastructures in Europe and in Australia. Prior to this, Bridget Cosgrave performed various managerial roles at the Financière Indosuez and ELDERS IXL merchant banks.

**Pierre-Henri GOURGEON - Age 65**

**Current appointments and functions:**

**Within the Group:**

Member of the Supervisory Board of Groupe Steria SCA

**Outside the Group:**

Director of Amadeus GTD (Spanish company)  
Chairman of PH Gourgeon Conseil

**Appointments and functions exercised during the last five years:**

**Within the Group:**

-

**Outside the Group:**

CEO of Air France KLM  
Representative of Air France-KLM on the Board of Directors of Air France

**Curriculum vitae:**

A former student of l'École polytechnique and an engineering graduate of École 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 (2009-2011).

**Eric HAYAT - Age 71**

**Current appointments and functions:**

**Within the Group:**

Vice-Chairman and Member of the Supervisory Board of Groupe Steria SCA

**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  
Chairman of the statutory Commission of Syntec Numérique

**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)  
Director of Steria SA

**Outside the Group:**

Elected member of the Paris Chamber of Commerce and Industry  
Chairman of the Centre d'Observation Économique 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:**

An engineering graduate of the École supérieure de l'Aéronautique – Chevalier de la Légion d'Honneur – Éric Hayat was Chairman of Syntec IT (1991-1997), of Syntec Federation (1997-2003) then member of the Executive Committee of the MEDEF (1997-2005) . Éric Hayat was Co-founder (1969) and Deputy CEO (1979) of Steria SA.

Charles Paris de Bollardière - Age 56

**Current appointments and functions:**

**Within the Group:**

Member of the Supervisory Board of Groupe Steria SCA

**Outside the Group:**

Secretary of the Board, Total SA

Chairman of Socap

Director of the Société Financière d'Auteuil

Director of Total Pensions Belgium

Member of the Board of Banque de France

**Appointments and functions exercised during the last five years:**

**Within the Group:**

-

**Outside the Group:**

Group Treasurer, Total

Member of the Supervisory Board of Socap

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 École supérieure d'électricité

## → 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 Friday, March 2, 2012.

### 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 Corporate 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](http://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 organization of the work of the Supervisory Board

### Composition of the Board

As of December 31, 2011, the Supervisory Board comprises:

	Title	Experience	Sector	Independent Member*	Number of offices held in listed companies	Committee Member	First appointment	Date of renewal	Expiry of term of office	Number of share held	Age
Jacques Bentz (Chairman)	Manager of Tecnet Participations	Information technology consultant		no	2	Strategy Audit Appointments and Remuneration	08/2000	06/2008	GM 2012	13,318	Age 70
Éric Hayat (Vice-Chairman)	Chairman of the "Social Contribution Declarations Modernisation" Public Interest Group (GIP)			no	1	Strategy	03/1999	06/2008	GM 2012	135,038	Age 71
Patrick Boissier	CEO of DCNS			no	2	Strategy	06/2004	05/2010	GM 2014	303	Age 62
Séverin Cabannes	Deputy CEO of the Société Générale Group			no	3	Audit	02/2007	05/2011	GM 2015	6,626	Age 53
Élie Cohen	Economist Research Director at CNRS			yes	3	Strategy	05/2000	06/2008	06/2012	5,540	Age 62
Bridget Cosgrave	Founder and Chair of EveryEuropeanDigital (EED)			yes	-		- 05/2011		GM 2015	150	Age 50
Pierre-Henri Gourgeon	Chairman of PH Gourgeon Conseil			yes	2	Appointments and Remuneration	06/2004	05/2010	05/2014	150	Age 66
Charles Paris de Bollardière	Secretary of the Board of Total SA			yes	2	Audit Appointments and Remuneration	05/2000	06/2008	06/2012	220	Age 56

\* 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.

### Composition of the Board

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.

In 2011 the Board decided to recruit a new member to supplement its multidisciplinary nature and increase its diversity.

Bridget Cosgrave, whose appointment was approved by the General Meeting on May 13, 2011, was, therefore, welcomed as a new member. Her appointment enabled the Board to take advantage of her specific expertise within the field of IT and Telecoms, her knowledge of European institutions and to reinforce the independence of the Supervisory Board.

On March, 2012, the Supervisory Board decides to appoint (subject to the ratification of the General Meeting) Léo Apotheker as new member of the Board, in place of Jacques Lafay, who resigned.



Moreover, on March 2, 2012, the Board decided to submit the appointment of Laetitia Puyfaucher and of Pierre Desprez, Chairman of the employee sharehold fund in place of Jacques Lafay, as new members of the Board for approval at the General Meeting on May 15, 2012.

The Company is 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 equal representation of men and women on Executive and Supervisory Boards.

### Term of office of members of the Supervisory Board

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.

So as to ensure that terms of office end at different times, those terms due to be renewed by the 2012 General Meeting were set by the Supervisory Board to last for two, three or four years.

Their reappointments would, therefore, be spread more evenly over 2014, 2015 and 2016.

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 noted on March 2, 2011, that on that date, four of its nine members were independent according to the AFEP/MEDEF definition.

### 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 Shareholder's Meeting.

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:
  - the Company's main strategic orientations: medium- and long-term plans, consolidated budgets, acquisitions policy, significant acquisitions, major investments,
  - operations having a notable 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;
- it gives prior approval to all major commitments, as listed below:
  - 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"),
  - 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,

- 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,
- 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.

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".

Every year, members of the Supervisory Board receive a file containing all the documents and rules applicable to them.

The Internal Regulations were updated and the new version adopted by the Supervisory Board on October 28, 2011 so as, in particular, to take into account AMF recommendations on conflicts of interest.

They can be viewed on the Company's website.

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.

Two members of the Works Council are invited to attend meetings, in accordance with current regulations.

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 supported 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 2011, the average length of Board meetings was four hours.

### Activity of the Supervisory Board in 2011

The Board has held six meetings over the last year. The attendance rate in 2011 was 90.38%.

In 2011, the Board mainly dealt with the following subjects:

- review of the Group's business;
- examination of the 2010 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;
- 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;
- examination of the Group's refinancing plan;
- plan for free performance shares for 2011;
- increase in capital reserved for employees for 2011;
- examination of the financial-cash position;
- assessment of the Board's composition;
- self-assessment of the Board;
- update and revision of the Internal Regulations and the Supervisory Board Charter;
- examination of the 2012 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.

### Evaluation of the Supervisory Board

In line with the AFEP/MEDEF Corporate Governance Code, the Board performs an annual evaluation.

In 2011, the Supervisory Board decided to carry out a self-assessment formalized by means of a questionnaire on its composition, missions, organization and operation, as well as of the various committees, sent to all members and supplemented with individual interviews conducted by the Group's Legal Department.

The Board thus demonstrated its desire to involve all the members in this initiative.

The results of this assessment were submitted, commented upon and debated at the Board meeting held on December 19, 2011.

Improvements made in 2011 were noted and, in particular, the appointment of Bridget Cosgrave as a new member thereby allowing the Board to benefit from new skills in the IT and Telecoms sectors and to reinforce the independent nature of its Board members. Initiatives implemented with a view to improving Board members' knowledge and awareness of the Group's functions and activities by the organization of a strategic seminar and presentations made to the Supervisory Board by the CEOs of Group subsidiaries (France, Spain, Germany) were also noted.

The desire to continue these initiatives in 2012, supplemented by site visits, was expressed.

The Board wished to think about an evolution of the Board and of the composition of the committees, given the re-elections due in 2012.

It also proposed improvements in the way it operates and, in particular, wanted an annual work program to be set up and debated by the Board so as to enable it to perform and scrutinize its missions and actions. Likewise, the Board wished to reinforce its role in terms of profiling and managing risks, via the Audit Committee.

### 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. It provides, (if necessary) the assistance of Group departments.

### 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.

At the Annual General Meeting, all the committee Chairs present the shareholders with a report of the missions and works carried out over the previous year by the committee that they chair.

## Strategy Committee

### Composition and organization of the Strategy Committee

As of December 31, 2011, the Strategy Committee had four members:

- Éric Hayat, Chairman of the Committee;
- Jacques Bentz;
- Patrick Boissier;
- Élie Cohen.

The members of this committee had their appointment 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 2011

The Strategy Committee met three times in 2011 and examined:

- the main topics (BPO, consultancy, cloud computing, infrastructures, etc.) presenting a strategic challenge for the Group;
- the Group's economic performance model;
- certain opportunities to make acquisitions;
- the 2011 strategic review conducted by the countries and by the Business Communities.

The attendance rate in 2011 was 83.3%.

## Appointments and Remuneration Committee

### Composition and activities of the Appointments and Remuneration Committee

As of December 31, 2011, the members of this committee comprised three members:

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

The members of this committee had their appointment 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 subsidiaries managers. 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 2011

The Committee met five times in 2011 and discussed the following key issues:

- salary (fixed and variable) of the General Manager;
- remuneration of members of the Executive Committee;
- examination of independence criteria for Board members;
- selection of a new Supervisory Board member;
- plan for allocation of free performance shares in 2011;
- review of the independence of Supervisory Board members;
- examination of the Group's succession plan;
- 2012 changes in the Board's composition;

- examination of declaration of conflicts of interest received from Board members.

The attendance rate in 2011 was 100%.

## Audit Committee

### Composition and operation of the Audit Committee

As of Saturday, December 31, 2011 the Audit Committee had three members:

- Charles Paris de Bollardi re, Chairman of the Committee;
- Jacques Bentz;
- S verin 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 Bollardi re, Chairman of the Committee, and S verin 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 Corporate Governance Code.

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

One of the three members of the Audit Committee should be independent, assessed in accordance with the criteria set in AFEP/MEDEF Recommendations. The Company did not, therefore, fully comply with the aforementioned Recommendations on this point.

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 Financial Director and members of the financial management of the Group and its subsidiaries. It gathers observations from the Statutory Auditors, if necessary, in the absence of any Group member. 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 equity forecasts and liquidity 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 2011

The Audit Committee met six times in 2011 and dealt in particular with the following points:

- examination of the financial statements for the financial year ended December 31, 2010 and the 2011 half-yearly financial statements;
- examination of the Chairman's report on internal control;
- the amount of dividends to be distributed for financial year 2010;
- monitoring of the audit and internal control action plans;
- examination of the 2012 internal audit plan;
- examination of the Group's liquidity position and, in particular, banking covenants and customer receivables;
- examination of the Group's financing position;
- examination of projects at-risk;
- examination of the Group's statutory audit appointments;
- examination of risk mapping.

The attendance rate in 2011 was 100%.

## 2.6.3 Director's remuneration: Principles and rules

### 2.6.3.1 General Manager

In compliance with the rules of governance implemented by the Company and described above, all of the remuneration elements 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.

#### Remuneration, fixed and variable components:

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 2011:

- 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; For 2012, a new performance indicator linked to the Earnings Per Share (EPS) has been added to the three indicators listed above;
- 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 supplementary 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 associated with that contract of employment in the event of 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 term of office as General Manager of the Company. This compensation, subject to performance conditions, may not exceed two years of the General Manager's gross fixed and variable remuneration.

The agreement reached was approved at the Annual General Meeting held on May 28, 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. François Enaud's contract of employment with Steria SA also expired on that date.

The agreed payment for termination of appointment complies with the AFEF/MEDEF Corporate Governance Recommendations 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. Such forced departure is not, however, 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 misdemeanor, 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.

The renewal of the benefit, under the terms listed above, will be voted on by shareholders at the General Meeting on May 15, 2012 together with the proposal made to this meeting to renew the General Managers' term of office.

### 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. The 2011 free shares plan combined this first condition with a second condition relating to the change in stock price.

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

### Supervisory Board member's fees

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

Supervisory Board member's 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 Supervisory Board member's 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) until October 2011, was employed by Steria SA as Director of Transport Business Development until July 31, 2011, when he retired, and received remuneration for this position.

Éric Hayat Conseil, of which Mr Éric Hayat is the General Manager, entered into a service contract with Steria SA 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 that 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 size of the Group's Internal Audit Department which employed five persons at December 31, 2011;
- implementation of a system of internal control reporting to Company Management and the Audit Committee. In addition, the Company is heavily reliant upon the annual self-assessment process (based on the internal control manual), as well as on the recommendations issued by the Internal Audit Department, to improve its internal control mechanism and risk management system. Over the last few years, the following topics have been the particular focus of attention:
  - review of internal control procedures in relation to the management of business proposals,
  - review of internal control procedures in relation to the security of company assets (cash, information, etc.),
  - review of internal control procedures in relation to the management of Human Resources,
  - review of internal control procedures in relation to the management of purchases and, more especially, within the Indian entity which presents specific inherent risks.

### 2.6.5.4 Summary description of the implemented internal control procedures

The aim of this section is to give a brief description of the organization 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 Financial 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;
- 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 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. As a

reminder, the risk management objectives formalized in the framework are as follows:

- to create and preserve the Company's value, assets and reputation;
- to secure corporate decision-making and systems in order to support the achievement of objectives;
- to encourage initiatives that are consistent with Company values;
- to mobilize Company employees around a shared perception of the main risks and raise their awareness of the risks inherent in their business.

A mapping of the Group's major risks was reviewed in 2011 and presented to the Audit Committee:

- 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 unit 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 procedures. The results of these tests, and the related action plans, are documented in a specific tool (the GIAM – 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 Financial Director. In particular, this responsibility results in the signing of a letter, on an annual basis, confirming that the financial statements for their unit have been 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.

The Group's knowledge management platform is a coherent information portal for all Group staff. It allows easy access to everyday tools such as Group policies and procedures (including the internal control manual). The Group's intranet contains various pieces of Group information, the internal directory as well as key management messages, etc. It has a search engine which is able to access all of 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 organizes a meeting of its 150 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 organized by the Internal Control and Audit Department and the Group's corporate departments;
- regular reporting on improvements underway, in particular to the Group's Audit Committee and Financial Director. In 2009 the Company set up a self-assessment process of its internal control system (based on the internal control manual). In addition, the General Managers and Financial Directors of each operational unit can access progress reports on internal audit action plans via the Group's knowledge management platform;
- independent monitoring 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 decentralized context.

#### General provisions

Steria's accounting and financial organization is managed by the Group's Financial Director, who reports to the General Manager direct.

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

The Group Controlling and Consolidation Director, who reports to the Group Financial Director, manages the accounting and controlling teams in the operational entities. They are 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. This solution 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 chart of accounts used in the Group's information system is shared by all the operational entities.

The different participants involved in the processes of preparing accounting and financial information are above all those responsible for producing financial information in each legal entity, *i.e.* operational unit Financial 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 Financial 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 the 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 place covering the most critical accounting rules.

Financial 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 is responsible for operational changes, maintenance and operation of the system. No modifications can be made to the system directly by Group operational units without the prior approval of the project management team.

Three types of change may be necessary:

- corrections of anomalies discovered during operations, 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 unit user representatives;
- these elements are then taken into account by the project manager, who is responsible for the technical aspects in the form of specifications to ensure the technical coherence of the system. ERP configuration and possible developments are carried out by a dedicated maintenance team. 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 units are organized on an *ad hoc* basis and associate the project managers of the countries concerned.

System infrastructure operations are entrusted to Steria's overall industrial organization 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 the ongoing reinforcement and control of access rights to its accounting and financial information system. In the operational units, access management is the responsibility of the Financial 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 the 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 organization:

- at operational unit level, organized by the unit CEO and Financial Director to analyze with sector managers their unit's situation;

- at Group level, organized by the Group Controlling and Consolidation Director in collaboration with the unit General Manager and Financial Director, Group Financial Director and CEO, in order to review the situation in each operational unit. The situation in each operational unit is summarized 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 unit in question and a comparison with budget;
- movements in revenue, margins and profitability;
- billable resources and overhead rate;
- summary sales information;
- risk monitoring;

Monitoring of the cash flow position and cash management are reported on each month by each operational unit, in the presence of the Group Corporate Financial 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. These packages 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.);
- 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 cognizance 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 centralizes 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; reviews the Statutory Auditors' work and findings, defines the financial communication and the contents of financial press reports.

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 2012:

- undertake audit initiatives to continue developing internal control;
- improve documentation of the Group's embedded IT controls;
- continue to reinforce communication and training at all levels in respect of Group policies and procedures;
- to work together, in partnership with the Company's social responsibility team, to deploy new communications media to raise awareness and provide training in line with the Company's code of ethics;
- to continue to consolidate the principle of segregation of duties within the Group.

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.

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 the chairman of your company in accordance with the aforementioned article for the year ended December 31, 2011.

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, and
- 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 the 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 Paris-La Défense, March 30, 2012

The statutory auditors

*French original signed by*

PIMPANEAU ET ASSOCIÉS  
Membre de Nexia International

Olivier Lelong

ERNST & YOUNG et Autres

Denis Thibon

## → 2.8 Statutory Auditors' report on regulated related party agreements and commitments

To the shareholders,

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

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

In addition, we are required, where applicable, to inform you in accordance with Article R. 226-2 of the French Commercial Code (Code de commerce) concerning the implementation during the year of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French National Auditing Body (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.

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### 1. Agreements and commitments submitted for approval by the general meeting of shareholders

In accordance with Article L. 226-10 of the French Commercial Code (Code de commerce), we have been advised of certain agreements and commitments which received prior authorization from your Supervisory board.

#### ■ Right to compensation of Mr François Enaud, General Manager

We have been advised of the following commitment, which has been subject to prior approval of the Shareholders' Meeting of May 28, 2011, to prior authorization of the Supervisory Board on April 13, 2010, renewed by the Supervisory Board of March 2 and March 23, 2012 and that you are requested to approve again, under the provisions of paragraph 4 of Article L. 225-42-1 of the French Commercial Code (Code de commerce), because of the reappointment of Mr François Enaud as General Manager.

Person involved: Mr François Enaud, General Manager of your company

Your company has decided to allow Mr François Enaud to enjoy a right to compensation in case of termination of his term as General Manager of the company.

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

The payment of the compensation is based on the three following performance criteria, which shall be assessed over the entire duration of Mr François Enaud's term, the growth of revenues, the group's operating margin and the net operating earnings diluted per share. These conditions remain unchanged from existing conditions of the commitment and were subject to approval of the Supervisory Board dated March 2 and March 23, 2012. 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 General Manager.

## 2. Agreements and commitments already approved by the general meeting of shareholders

In accordance with Article R. 226-2 of the French Commercial Code (Code de commerce), we have been advised that the implementation of the following agreements and commitments which were approved by the general meeting of shareholders in prior years continued during the year.

### ■ With Eric Hayat Conseil

Steria S.A. (subsidiary controlled by your company) has renewed on February 1, 2008 a services agreement with Eric Hayat Conseil, whose manager is Mr Eric Hayat, by which the latter performs consulting services in strategy, particularly in acquisition policy of the Area Unit France, and assistance in developing business with major customers, in particular in public sector, tertiary sector and telecoms.

Mr Eric Hayat has resigned from his position as director of Steria S.A. on May 12, 2011. For the period from January 1 to May 12, 2011, Eric Hayat Conseil invoiced Steria S.A. € 40,000 excluding tax.

### ■ With Tecnet Participations

#### 2.1.1. Services agreement

Your Company entered into a 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.

In 2011, Tecnet Participations invoiced your company an amount of € 65,778 excluding tax.

#### 2.1.2. Domicile agreement

Steria S.A. (subsidiary controlled by your company) has entered into a domicile agreement according to which it provides to TECNET Participations premises in Issy-les-Moulineaux (Hauts-de-Seine) and a series of services related to work office.

Steria S.A. granted the domiciliation agreement without charge until July 25, 2011, when the convention ended.

Paris-La Défense and Paris, March 30, 2012

The Statutory Auditors

*French original signed by*

ERNST & YOUNG et Autres

Represented by  
Denis Thibon

PIMPANEAU ET ASSOCIÉS

Represented by  
Olivier Lelong

# 3

## “ Social policy and Human Resources





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The Group's Human Resources policies and practices aim to give Group employees the means to make the most of 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, motivation, and compensation.

## → 3.1 Workforce and recruitment

### Average number of employees on December 31, 2011 per geographic region

France	6,007
United Kingdom	4,264
India	5,560
Germany and Austria	1,648
Spain	890
Scandinavia	917
Belgium and Luxembourg	246
Poland	271
Switzerland	146
Singapore	39
<b>Total Group</b>	<b>19,988</b>

At year-end, the workforce increased by 3.4% compared to the 2010 year-end.

## Recruitment evolution

### Recruitment evolution during the last 3 years

	2009	2010	2011
Recruitments*	2,425	5,004	5,340
	Permanent	Temporary	Total
France	1,203	278	1,481
Germany and Austria	312	6	318
United Kingdom	444	80	524
India	2,292	108	2,400
Other countries	519	98	617

In 2011, Steria recruited 5,340 new employees (of which over 53% were new joiners). In 2011, the Group maintained a high level of recruitment in most countries. This was in line with the Group's sound performance, on a global level, in a competitive jobs market which continued to be marked by a steady level of staff turnover on most markets. This was particularly marked in India, where the National Association of Software and Services Companies (Naascom) reported a growth in turnover over the period.

The Group continued to consolidate its recruitment of key job profiles (Project managers, Consultants, Architects) whilst still recruiting large numbers of young graduates, an initiative constituting one of the

main components of the recruitment strategy deployed by Steria in the different countries in which it operates.

To support this strategy, the Group is actively pursuing its policy of strengthening links with universities and *grandes écoles*, backing its initiative with an active communications policy and an increasingly prolific use of social media.

Particular attention continues to be focused on equal opportunities for men and women. For more details on the policy on equal opportunities for men and women, see paragraph 4.3.2 of the present Registration Document.

## → 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 are aimed at recognizing talented individuals by rewarding individual as well as team efforts. In order to remain competitive, Steria regularly undertakes 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 managers, sales professionals, 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 financial 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 2011, 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. For 2012, a new individual objective was added, based on Corporate Responsibility.

The General Manager and Executive Committee member 's remuneration is described in detail in paragraphs 2.6.3 and 2.4.3 . 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.

Remuneration 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 2011, the Group intensified its efforts to expand training initiatives, with a increase of 32% in the total number of training days and 25% in the number of days per employee.

	2010	2011
Number of days of training for all employees	50,949	67,149
Average number of days of training per person	2.6	3.4
Cost of training (in millions of euros)	13,039	11,669

The number of training days was up 32% in 2011. The cost of training dropped, however, due to streamlining of training purchases and the introduction of E-Learning to the curriculum.

### The "Steria Academy"

The "Steria Academy" provides the focus for the Group's training programs for its managers. More specifically, it covers Program Management, Sales and Marketing and Leadership courses. It is an international program.

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.

### 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.

By way of example, a new assessment and development center was set up in the UK in 2011 for the Project Management community. 100 managers have taken part in this initiative which includes simulations, self-appraisal and development plans. The focus on management skills continues with a series of modules which provide new managers with support or enable them to hone their skills. A new module which aims to raise the quality of recruitment interviews has also been developed.

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

In France, the integration process has been improved to facilitate the arrival of new employees by a combination of welcome sessions, intranet space, innovative e-learning systems adapted to each individual job profile and integration days where employees get to meet the managers and broaden their network of contacts. This system aims to supplement the work of the internal training Institute which ensures efficient handling of our skills development solutions, including the Steria Project Institute, fully dedicated to managers and project managers, the Steria University for Sales and the S2A training dedicated to architects.

To develop our future leaders and consolidate the Group's succession plans in Germany, we launched a new leadership program session. 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. The program also includes a week's work experience in a Non-Governmental Organization or at the Steria Foundation.

## → 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 it operates. 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".

## → 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" – UES – level composed of Groupe Steria SCA and Steria SA.

Upon signing these agreements, French employees benefit from an incentive system reinforcing their association with the Company's performance, 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 21.05% <sup>(1)</sup> of Groupe Steria shares belonging to Group employees, all countries included, 13.37% of its shares are held by the intermediary of the employee shareholders mutual fund (FCPE).

### 3.6.2 Free performance shares grants

In order to develop motivation and loyalty among the Group's managers, 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 attendance and performance requirements, performance being based upon the change in operating margin or the growth of the Group, generally assessed over a three year period. The free performance shares plan implemented in 2011 added a second condition relating to the change in the Steria stock price to the growth requirement.

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 appointments.

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 previously applicable stock option plans.

(1) Including the "SET trust" and "XEBT trust" (4,40% of the share capital).

### 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 2 of the present Registration Document, associating the employee shareholders with the development and success of the Group.

Today, the 6,000 employees are still the largest shareholders of the Group with a 21.05% capital investment at December 31, 2011 <sup>(1)</sup>.

This is one of the highest levels observed for French companies.

Generally speaking, 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 2011 a shareholding plan was deployed within 11 countries of the Group, including:

- a capital increase reserved for the employees located in these 11 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 of the employee shareholders mutual fund (FCPE), are subject to a five-year vesting period.

The total amount of subscriptions under the framework of the two offers amounted to more than €7 million;

- the continuation of the “share incentive plan” (governed by British law) implemented in 2008, with contributions in the form of free shares. These shares are subscribed for by the intermediary of a British trust called “SIP trust”, holding 279,109 shares representing 0.81% of capital, until December 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.

These plans in particular allowed British and Indian employees to subscribe for 65,414 shares.

In addition to the SIP trust mentioned above the Steria Employee Trust (SET) and the Xansa Employee Benefit Trust (XEBT) also aim to promote employee shareholding. These trusts, created by Xansa, and taken over upon its acquisition in 2007, are subject to British law and governed by a trust deed which defines their principles of governance. They are managed by an independent Trustee.

(1) It includes former employees and English trusts, namely the “SIP trust”, “SET Trust” and “XEBT Trust”.

## → 3.7 Key figures

Key figures	2009	2010	2011
Average workforce numbers (full time equivalent)*	18,916	18,674	19,754
Number of days of training	33,852	50,949	67,149
Cost of training (in K€)	€9,484K	€13,039K	€11,669K
Recruitments*	2,425	5,004	5,340
Attrition*	9.7%	16.5%	16.5%
Average employee age	Age 36.7	Age 37.1	Age 37.3

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

Average inter-contract rate*	2010	2011
	1.87%	1.89%

(\*) This rate 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.)..





# 4

## “ Corporate Responsability - Sustainable Development



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## → 4.1 Steria Corporate Responsibility: Governance and organization

When Steria was founded over 40 years ago, the concept of Corporate Responsibility rarely went beyond philanthropy. Yet Steria was different. The Company began as a social project as much as an enterprise, combining employee shareholding with a culture of innovation, entrepreneurship and solidarity. 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. Our Corporate Responsibility program 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.

Steria has divided its Corporate Responsibility program into four basic interrelated components:

- marketplace;
- workplace;
- environment;
- communities.

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, as illustrated below:



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 of the Company concerning issues related to sustainable development.

In addition to these internal resources, and in order to benefit from an external point of view, a Corporate Responsibility Board has been created. This Advisory Board, composed of 4 members at the end of 2010, consists of independent Government experts, private companies, non-governmental organizations, and Corporate Responsibility network leaders.

The primary missions of this Board are:

- to provide guidance on the Steria Corporate Responsibility strategy and priorities;

- to provide Steria management with useful benchmarking information related to Corporate Responsibility;
- to provide information on legal evolutions and Corporate Responsibility reporting standards.

At the end of 2011, this Board was composed as followed:

- Frédéric Thibergien, member of the French Council of State;
- Benoît Genuini, ex CEO Accenture France, co-founder with Martin Hirsch of the NGO Ansa (*Agence nouvelle des solidarités actives*) and Chairman of the NGO *Passerelles numériques*;
- Olaf Thommessen, Steria sustainability consultant, founding partner of Etheco, former head of Corporate Responsibility Norway.

In 2011, this Board met 3 times and notably discussed the following topics: governance of the Company, Global Reporting Initiative, ISO 26 000, communications, suppliers Charter.

In addition to this Advisory Board, our Corporate Responsibility program involves multiple external stakeholders, including:

External Stakeholder and/or rating agency	Major Role	Internet Site
Carbon Disclosure Project	The Carbon Disclosure Project is an independent not-for-profit organization holding the largest database of primary corporate climate change information in the world. Provide international environment rankings.	www.cdproject.net
ISO 14 001 certification companies	Auditors certified by the local organization for ISO standard (International Standard Organization)	-
Global Compact	UN initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.	www.unglobalcompact.org
VIGEO	Corporate Responsibility rating agency in the areas of environment, social and governance topics	www.vigeo.com
GAÏA	Sustainability Index for midcaps on the Paris Stock Exchange	www.gaïa-index.com
Institut du Mécénat Social	A network of companies promoting Corporate Responsibility in society	www.imsentreprendre.com
Global Reporting Initiative GRI	Association supporting Transparent sustainability reporting (development of reporting standards)	www.globalreporting.org

The relationships with these stakeholders and rating agencies are under the primary responsibility of each Corporate Responsibility network leader for their respective field of expertise.

The communication with the Corporate Responsibility rating agencies is under the responsibility of the Network leader for communities. Global

Compact and Global Reporting Initiative GRI initiatives are under the direct responsibility of the Corporate Responsibility Program Director.

In addition to the information available within this document, we have also released various Corporate Responsibility related materials such as:

Document	Content	Location
The Steria code of ethics	Make our people aware of how we should carry out our business activities	Website (www.steria.com)
The Steria Corporate Responsibility brochure	Explain in a brief our corporate responsibility commitments and actions	Website (www.steria.com)
Steria Global Reporting Initiative (GRI) report	Indicators and detailed information (GRI compliant) related to our corporate responsibility initiatives	Website (www.steria.com)

## ➔ 4.2 Steria Corporate Responsibility rewards, ratings and certifications

In 2010 and 2011, Steria has notably received the following rewards and certifications related to its Corporate Responsibility Program:

Reward/Certification	Purpose	CR component	Year
ISO 14 001	Environmental certification (see paragraph 4.5 below and <a href="http://www.iso.org">www.iso.org</a> )	Environment	See details in section 4.5
Asias's Best CR Practice Award (Asia)		Community	2011
Subir Raha Foundation Award at Hyderabad (India)	Sharing knowledge and best practices in CR	Community	2011
Best CR Practice award by Bombay Stock Exchange (India) , for 3 <sup>rd</sup> consecutive year	Best CR practice	Community	2010
INDY's Best CR Practice Award, presented by "Stars of the Industry"	Best CR practice	community	2010
Nasscom Social Innovation Honours Award 2010	Innovation using ICT to help communities	Community	2010
Golden Peacock Special Commendation for CR 2010, (Portugal)	Encouraging initiatives in CR promoting sustainable development	Community	2010
Catalan Government (Spain)	Supporting gender quality	Workplace	2010

We have also obtained the following ratings for our Corporate Responsibility initiatives:

Rating Agency/CR Index	2009/2010	Evolution vs 2008/2009
VIGEO <sup>(1)</sup>		
HR:	35	➔
Human rights:	46	➔
Environment:	42	➔
Business behaviour:	50	➔
Corporate governance:	43	➔
Community:	64	➔
GAIA <sup>(2)</sup>	85.1%	78.4%
	<b>2011</b>	<b>2010</b>
Carbone Disclosure Project	93%	89%

(1) See [www.vigeo.com](http://www.vigeo.com) to access criteria used for rating – VIGEO ratings are provided every 18 months.

(2) See [www.gaia-index.com](http://www.gaia-index.com) to access criteria used for rating

## → 4.3 Workplace

One of the key points for Steria, regarding its values, remains diversity.

### 4.3.1 Gender equality and age related policies

Promoting women in the workplace is part of our commitment for diversity.

The following table presents the number and percentage of women within our various management layers at the end of December 2011:

Management layer	Number of women	%
<b>Group Executive Committee</b>	<b>2</b>	<b>18%</b>
<b>Area Executive Committees</b>		
France	5	62%
UK	1	20%
Germany	1	11%
India	0	0%
Other Countries	4	27%
<b>Senior Leadership</b>		
France	18	19%
UK	21	17%
Germany	1	3%
India	1	8%
Other Countries	13	21%

Country	% of women within management (2011)
France	21%
UK	25%
Germany	13%
India	15%
Other Countries	23%
<b>Total</b>	<b>21%</b>

Country	% of people aged – < 30	% of people aged – 30-50	% of people aged – > 50
France	20%	70%	10%
UK	10%	57%	33%
Germany	16%	67%	18%
India	61%	39%	1%
Other Countries	26%	63%	11%
<b>Total</b>	<b>30%</b>	<b>57%</b>	<b>13%</b>

In addition, here is a non exhaustive list of various initiatives which have been taken within our locations, supporting diversity, equal opportunities and gender equality.

In Spain, a program was launched in 2009 to ensure equal opportunities between male and female employees, as part of a government initiative. Steria Spain is the first IT company developing an action plan in this area. It started out with an in-depth analysis of the situation and a survey among female employees. Topics addressed in the program include prevention of sexual harassment, maternity leave, family-friendly working schedules and the opinion of women on the recruitment and promotion processes. The program has been improved throughout 2011, and it will develop further in 2012. During the program period the total number of females in Steria Spain has increased from 30% in 2009 to 33% in 2011.

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, the local ExCom has 42% female representation. For the last 6 years they have been partnering with an industry wide organization called Womentor supporting women in the IT industry and they host

meetings for them on regular basis. Last year the CEO of Steria India made a presentation on one of their meetings.

In UK, diversity and equal opportunities topics are included in the suite of management programmes – Core Management, Management Essentials and Stepping into Leadership, In 2011, over 200 delegates participated in these programmes. The same topics are also included in induction programmes.

In France, meetings are conducted with trade unions on gender equity in order to reach an agreement in 2012. A particular focus was also given to age-related issues. Following meetings in 2009 with trade unions, the action plan decided for 2010-2012 is focused on maintaining senior people (from 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. A special 55 + kit is describing all this information. It will be possible for employees above 55 years to participate in knowledge and skills transfer through mentoring.

### 4.3.2 Group disability policy

The Steria Group Disability Policy has been designed and communicated among the Company. The key objectives of this policy are:

- to raise awareness and underline the need to be compliant with local laws;
- encourage decision makers in recruitment to pay special attention to disabled applicants in order to extend our recruitment base.

Each country has now one HR person appointed, who is in charge to strengthen its implementation.

We are currently working with our internal accessibility experts to implement accessibility changes in a staged approach so that each of the sites are aimed at meeting the level A standard as they go live. We will then work on meeting standard AA on all our sites by the end of the 2012. This means we will ensure that these websites will be accessible for people with disabilities. Whenever possible, Steria has adapted a working environment that is beneficial to disabled people. Home working is widely in use, most of our major office buildings are accessible to wheel chair users, and special equipment are required if necessary.

In the area of disability, local legislations are a key driver for different initiatives.

In the UK, training on the Disability Discrimination Act (EU directive) is a part of "Core Management" workshop which is given to all newly hired and promoted managers. A significant number of workshops for managers took place in 2011.

In Norway and Spain, available jobs at Steria are published on specific job market websites for people with disabilities. In Spain, an agreement is in place with the biggest organisation in Spain for disability issues to buy office merchandise from them.

In France, the agreement with Agefiph, a government organisation in charge of developing the employment of disabled people in the private sector, was renewed for two years and included in 2011. This agreement has given an extra focus on the topic of disabilities in Steria France. In 2011 different activities have taken place;

- training: 4 training sessions were organized for managers working with disabled people in their teams;
- a specific focus was put on job 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.



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

Following an innovative initiative in 2009 to train 10 disabled people to new IT technologies, in partnership with GTM Ingénierie, these persons were recruited by Steria while continuing to be trained for one week a month. This project was appraised by Syntec, the National Organization representing IT services industries and there are plans to reproduce this initiative in training programs.

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

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.

### 4.3.3 Ensuring the well-being of our employees

In a company that is as varied and international as Steria, ensuring dialogue with our employees and taking into account their well-being is an essential means of boosting involvement and satisfaction.

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.

As an international player in the IT business, working in different geographies across different time zones, we face specific challenges. Today, technology offers the possibility to be connected any time anywhere.

Working without traditional boundaries for many is a positive experience. However, there are also unintended consequences which need to be addressed. Examples are managing the workload, working as a team while members meet less frequently, etc. Through the implementation of common practices supporting our employees to realise a healthy balance in their work Steria aims to ensure the satisfaction of our long term customer requirements.

In Norway, the topic of working-life balance is addressed both in induction training and leadership training.

In the UK, a training program on time management is a part of the training offerings to the business from the Learning and Engagement Department, and e-learning modules are also addressing the topic.

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. The following action plan has been implemented:

- an hotline process communicated to all employees and accessible on the intranet;

- 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 Spain, a work-life balance plan was launched in 2009. Initiatives taken according to this plan are continuing and the alternatives proposed to employees go one step further than the Spanish legislation. For instance, various combinations of non-remunerated leave are offered to employees, with social security charges guaranteed by Steria. In 2011 Steria has implemented a new policy on paid leave in case of family illness and on the number of hours available to take care of children for medical visits, school meetings, etc.

In India, a number of policies have been put in place to ensure employees' well-being at work: working from home, 15 days compulsory leave, part-time work, crèche or day care facilities for children, training programs on stress management and fun at work, activities for all employees. Steria offices also have fitness centres and recreation facilities like libraries and table tennis courts. A Health Screening policy covers company sponsored medical check-up and includes a fully financed annual health check-up for its 40 years + employees. All employees, across levels are given a standard amount of money to get their health check up done. As an extension to the health screening policy, we have linked up with leading hospitals in each Steria location to offer discounted OPD and IPD consultation rates for Steria employees and their dependents. We also have fully fledged medical rooms in all three locations with Doctor visiting three times a week.

## → 4.4 Marketplace

All the services provided by Steria help to optimize 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, most reliable transport and ever more effective public services.

### 4.4.1 Developing and promoting our values

To ensure that all managers and employees live our values several actions have been taken to further improve ethical and compliance awareness within our organisation. 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.

In this context, we launched in 2009 a code of ethics, available to all our employees (at [www.steria.com](http://www.steria.com), and signed by the top 400 managers. This document defines the way we do business, Steria's commitments in terms of human rights and diversity, labour standards, fighting fraud,

conflicts of interest, the protection of intellectual property rights, insider information, and the environment.

In 2012, we intend to reinforce the communication, awareness and training initiatives related to this document notably by providing specific awareness modules (related to corruption, conflicts of interest...) and training (notably to our local Executive Committees).

In addition, as part of our Market Place initiatives, we have also launched in 2009 a conflict of interest declaration process for the Executive Committee members, CEOs and CFOs of the Group's subsidiaries.

### 4.4.2 Participative Governance

Right from its foundation in 1969, Steria set up an original system of governance involving employee shareholders. Employee shareholding translates the management's desire to encourage the employees to develop their entrepreneurial spirit and to adopt and get involved in the corporate mission. Such a system of governance is proof of a high level of commitment and motivation from employees, which is a key element in a services company. Steria thus promotes its original governance model which combines co-ownership of the Company

In addition to the values it represents, employee shareholding enables all Steria employees to take part in the Company's strategic decisions and to benefit from our Group's growth. It therefore combines two purposes:

- entrepreneurship: participation in corporate missions and strategic decisions;
- acquisition of assets: benefit from the Company's performance.

The Company's employee shareholders become Soderi shareholders and participate in the Group governance. They are thereby involved in the Group's strategic decisions through their appointed representatives. A complete description of our governance model is available within the section 2.1 of this report.

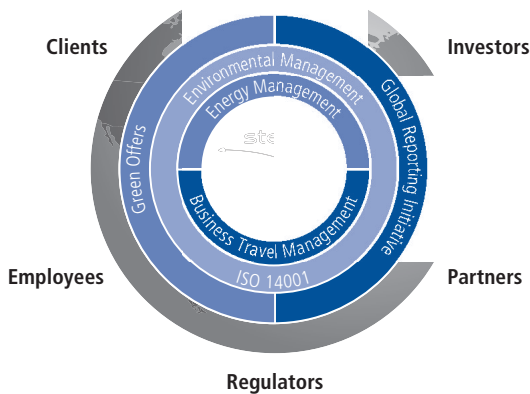
It is important to note that there is no other listed company in Europe where the employee shareholders hold such sway in corporate governance.

In addition to its legal obligations, Soderi has developed several communications tools in order to improve the economic and financial knowledge of the employee shareholders: a website ([www.soderi.com](http://www.soderi.com)), a monthly newsletter focused on stock markets and Steria competitors' news, a quarterly webzine dedicated to employee shareholding and e-learning courses on economics and finance.

## → 4.5 Environment

### 4.5.1 Vision and organisation

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 organisation 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 organisation collectively and cohesively to think, plan, and operate as truly green company. The scheme below represents our vision of the way environmental questions need to be addressed, and the place we need to give to our stakeholders.



Our Environment Strategy based on where we can have maximum positive impact.

In term of organization, A Senior Executive Vice-President (SEVP) of the Company's Group Executive Committee (Excom) is accountable for Climate Change and Environment for the Group. The SEVP leads a committee – the Group Green Committee (GGC) – consisting of senior managers/directors from each country in the Group who drive the strategy, plan, operations and performance measures in their countries. The GGC is an integral part of the Company's Corporate Responsibility (CR) program. Two Network Leaders (a director selected from one of the countries and a Group Program Director with a background and qualifications in Environment) facilitate and manage the GGC. Additionally, since January 2010 Steria has operated a cross-border Green Business Community responsible for making solutions developed in one country available in others, and for ensuring that market opportunities recognized in one country are considered in others.

### 4.5.2 Our key achievements

- Steria earned a disclosure score of 93% and "A-" for performance in the Carbon Disclosure Project 2011, one of the top performance ratings in our market sector;
- Steria has been certified CarbonNeutral® for flight and fleet travel since Jan 2010;
- Steria real-time taxi management solution at the UK's Heathrow airport reduces CO<sub>2</sub> emissions from taxis by at least 20 tonnes a day;
- Steria is a key player in the creation of the first district smart grid in France – IssyGrid;
- Steria France green HQ acts as a laboratory for Smart Energy Management offering and features 19,000 sensors monitoring energy use and generation in 23,000 m<sup>2</sup> of space;
- Steria won the Green Workplace award in the 2011 Green Business Awards from French media organization BFM;

- Steria's Environmental Management System is certified to ISO 14001 in 10 countries and a roll out program is in progress in the remainder;
- Steria won the "Best Supplier Challenge Award" at French telecoms company SFR for Innovation, Customer Satisfaction and Sustainable Development in 2010;
- Steria designed, built and operate a nationwide platform (VEMAGS IT) for route optimization (reducing fuel use) and administration of applications (cutting paper consumption) for the transportation of heavy and large-scale loads in German.

The key achievements are summarized in the table below:

Reward/Certification/Rating obtained by Steria	Purpose	Document available at:	Year(s)
<b>ISO 14 001 CERTIFICATION</b>			
ISO 14001 Certification	The Environmental Management System in Steria countries have been or in the process of being certified to this international ISO standard	<a href="http://www.steria.com">http://www.steria.com</a>	In 2011 a number of our operations in the following countries achieved or maintained their ISO 14001 certifications: Spain, Germany, Austria, Poland, UK, Sweden, Norway, Denmark, India and Switzerland
<b>Carbon Disclosure Project <sup>(1)</sup></b>			
93% for Disclosure and A- for Performance (One of the highest in our Market Sector in the world)	External and publicly available report and independently benchmarked relating to Climate Change Governance, Risks, Opportunities, Emission Targets & Performance and Stakeholder Communications	<a href="https://www.cdproject.net">https://www.cdproject.net</a>	November 2011
<b>Carbon Neutral Certification for Air &amp; Fleet Travel <sup>(2)</sup></b>			
CarbonNeutral certification for Air and Fleet Travel	As part of the Environmental Sustainability programme, Steria is leveraging technology to reduce business travel without compromising client commitment and then engaging with The CarbonNeutral Company to offset the remaining CO <sub>2</sub> with UN approved Projects in India and China	<a href="http://www.steria.com/media/press-releases">http://www.steria.com/media/press-releases</a>	CarbonNeutral certification applies for Air and Fleet since January 2010

(1) The Carbon Disclosure Project (CDP) is an independent not-for-profit organization working to drive greenhouse gas emissions reduction and sustainable water use by business and cities. Over 3,000 organizations in some 60 countries around the world now measure and disclose their greenhouse gas emissions, water management and climate change strategies through CDP, in order that they can set reduction targets and make performance improvements. This data is made available for use by a wide audience including institutional investors, corporations, policymakers and their advisors, public sector organizations, government bodies, academics and the public. The CDP acts on behalf of 551 institutional investors, holding US\$71 trillion in assets under management and some 50 purchasing organizations.

(2) The CarbonNeutral Company is a world leading provider of carbon reduction solutions. Since it began in 1997, they have worked with more than 300 large businesses and thousands of small and medium size companies in 32 countries, and contracted more than four million tonnes of carbon from 300 projects on six continents.

## 4.5.3 Some of our green initiatives in details

### 4.5.3.1 Favor “eco-friendly” buildings

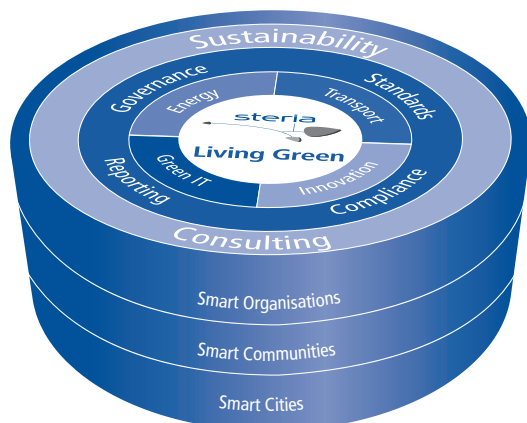
As part of Living Green initiatives, we are more and more operating in eco-friendly buildings, such as:

In Sweden, the Company has moved in 2010 to a cutting-edge green office in Stockholm. Kungsbrohuset is one of the world’s most eco-smart building whereby the excess body heat from 250,000 daily passengers who pass through the nearby Stockholm Central Station is siphoned off to heat the building. Energy consumption is now down by one sixth compared to the old office.

Steria in France has implemented France’s first energy performance contract in 2011 for its 25,000 m<sup>2</sup> Green Office® facility. This is the first large-scale energy-positive office building (BREEAM rating of Excellent) with Energy Performance Contract (EPC) that ensures the building is run under the best possible economic and environmental conditions – another first in France. This energy positive building is located in Meudon, Hauts-de-Seine.

### 4.5.3.2 Working with our clients to decrease CO<sub>2</sub> emissions

Our portfolio of sustainability solutions (Sustainability Consulting, Smart Energy Management, Smart Transport and GreenIT) is empowering the low-carbon economy in which “smart IT” will support a more sustainable and efficient environment. These sustainability solutions are complemented by our proven IT-enabled and consultancy services and technology solutions that give you the agility you need to make change happen as quickly as possible.



We are also working on several projects which will have a significant positive impact for the environment, such as:

**The smartgrid project** (energy): Steria, the city of Issy-les-Moulineaux and eight major industrial groups are creating IssyGrid, the first district smart grid in France managing energy production and consumption in a neighbourhood.

Solar panels, cogeneration units and other energy production resources will be installed, along with batteries, flywheels and other energy storage devices. Production, consumption and storage systems will be mutualised and managed as a whole to optimise energy use. Consumption of energy for different purposes will be measured, in offices, homes, shops, streets and electric vehicle recharging stations.

Steria is applying its experience in the energy industry and the development of an innovative management system for energy performance contracts in commercial buildings to integrate software bricks for collecting, processing and analysing data and for ensuring secure exchanges between systems in Issygrid. It is also providing expertise in hosting solutions.

See: [http://www.issy.com/index.php/fr/english/issy\\_a\\_smart\\_city/issygrid](http://www.issy.com/index.php/fr/english/issy_a_smart_city/issygrid)

**Real Time solution for Heathrow airport** (Transport): BAA (British Airports Authority) wanted to implement an intelligent taxi dispatching system at Heathrow to reduce congestion around the terminals, improve availability of taxis, introduce a variable tariff and payment system with incentives for green taxis, and reduce pollution and carbon emissions around the airport. Steria’s solution controls the release of taxis from a feeder park and their admission to terminal ranks, using a RFID card on the windscreen to identify the driver and vehicle wirelessly to readers. The system’s ability to respond in real-time to variations in demand significantly improves the flow of taxis around the airport and, by enabling taxis to park and turn their engines off while waiting for fares, reduces emissions of CO<sub>2</sub> by at least 20 tonnes each day.

See: <http://www.steria.com/your-business/transport/taxi-management/>

**The Eco-mouv’ project** (Transport): Steria is a key partner in the 14-year public-private partnership with Eco-Mouv’ created with Autostrade per l’Italia, SFR, SNCF, Steria et Thales designated by the French Government in 2011 to finance, design, construct, operate and maintain a heavy goods vehicle eco-tax collection and control system. One of the most important measures instigated by the French *Grenelle de l’environnement* law, the eco-tax project will calculate, collect and control the tax paid by French and foreign heavy goods vehicles weighing over 3.5 tons that use mainland France’s 15,000 km of national and departmental roads. Each heavy goods vehicle which is subject to the tax will carry onboard equipment for satellite global positioning and data communication

which will calculate the amount of tax payable (dependent on mileage and vehicle class). Controls will be conducted automatically by equipment distributed throughout the network, or manually, by Control Section agents. Steria is responsible for developing and implementing the central financial and technical management systems as well as the customer relationship system for the Ecomouv ' organisation. At the very core of the IT architecture, the financial management system will manage the information flow from the onboard equipment and provide

accounting and billing, and tax accounting functionality. The technical management system provides overall system management, data security and archiving, calculation of statistics and performance indicators and management of third party interfaces. Steria will host and operate the entire Ecomouv' information system for the duration of the contract.

See: <http://www.steria.com/media/press-releases/press-releases/article/heavy-goods-vehicle-eco-tax-thales-steria-sfr-and-sncf-take-equity-stakes-in-ecomouv/careers/>

## 4.5.4 Our Environmental impact in figures

Steria's commitment is to cut Carbon Intensity by 10% over 3 years starting 2009 (to end 2011) using 2008 as a baseline and has realized a reduction of approximately 11%. In absolute terms we have reduced our carbon emissions by approximately 12% over the same period. Numerous initiatives as part of our Living Green programme have supported this performance.

### Energy Management

The figures below, reported in the Carbon Disclosure Project 2011 (CDP2011) summarize our Energy Consumption relating to Oil and Gas (Scope 1 of the Greenhouse Gas Protocol) and Electricity (Scope 2 of the Greenhouse Gas Protocol).

Base year	Scope 1 base year emissions (metric tonnes CO <sub>2</sub> )	Scope 2 Base year emissions (metric tonnes CO <sub>2</sub> )
2010	2,822	24,508
2009	3,299	24,265
2008	2,423	25,968

Summary of initiatives undertaken (reported in CDP2011: 2009-2011) include:

#### Consolidation and virtualisation of servers in data centres

In Norway, the virtualisation of a new solution reduced power consumption by about 40% compared to the old solution.

In Belgium, the virtualisation of servers has been the default way of working since 2008 and is ongoing indefinitely. As we acquire new customer contracts and expand our own data centres in response to business growth, we apply virtualisation methods.

#### Office Space Consolidation and moves to eco-friendly buildings

In Switzerland, Steria completed two voluntary initiatives to reduce office space. The initiative in Urdorf, which took place over a year and once completed, reduced office space by 40% to 900 square meters. This has the effect of reducing our energy consumption and therefore our Scope 1 and Scope 2 emissions (the treating system in our Swiss office uses fuel). Our new Offices in Sweden and France (as detailed above) have also contributed to significant reduction of our energy consumption.

#### Leveraging technology

In Denmark, Steria continued to replace desktop computers with laptops, so now only 30% of staff members have desktops. This voluntary initiative contributes to a reduction in Scope 2 emissions because laptop computers use less energy than desktop computers.

#### Printing Reduction

In Denmark, the use of laptops with a wireless network has reduced the need for paper copies of documents, particularly at meetings, thereby reducing the demand for printing and paper by 20%. This initiative reduced our Scope 2 emissions by reducing energy that would have been used for printing.

#### Business travel management

Steria has pro-actively begun to measure and reduce our business travel (defined as Scope 3 in the Greenhouse Gas Protocol, GHG). Thus our carbon emissions have reduced since 2009 without compromising commitment to clients. We have now gone further by offsetting the remaining carbon emissions with the CarbonNeutral® certification for Air & Fleet travel since January 2010.

Scientific consensus states that carbon emissions must be reduced by 80% by 2050 to avoid catastrophic climate change. It is vital for businesses like Steria to play an important and essential role in meeting these targets and carbon offsetting enables us to play our part in the climate change battle. Carbon offsets are credits for reductions in greenhouse gas emissions made at another location, such as wind farms which create renewable energy and reduce the need for fossil-fuel powered energy. Carbon offsets are quantified and sold in metric tons of carbon dioxide equivalent (CO<sub>2</sub>). Buying one tons of carbon offsets means there will be one less ton of carbon dioxide in the atmosphere than there would otherwise have been.

During 2010, our carbon offset were in part supported by the following projects:

- **Tamil Nadu Wind Power Project:** The project involves the construction of 27 new wind turbines in India. The total emissions reductions are estimated to be 115 Ktonnes CO<sub>2</sub> equivalent. Located at a number of sites in the Erode district of Tamil Nadu, this project generates approximately 22 MW of clean electricity which is delivered to the Southern Regional grid. This displaces electricity that would otherwise have been derived from fossil fuel fired power stations, avoiding CO<sub>2</sub> emissions, local air pollutants and solid waste associated with the combustion of coal;
- **Tieling Coal Mine Methane Capture:** This project captures coal mine methane (CMM) and uses it as an energy source to supply gas to homes and local industry. Located across six coal mines in the Northwestern Province of Lianing in China, this project prevents

the potent greenhouse gas, methane, from being released into the atmosphere. Methane is a by-product of coal formation which is released during mining. At each of the project sites, technology has been installed to capture the CMM and blend it to a concentration suitable for use as a fuel source. This is a unique initiative as it is currently the only project in China to use CMM as fuel for gas supply.

During 2011, our carbon offset were in part supported by the following projects:

- **Thar Desert Wind Project:** This project, in the Jaisalmer District of Rajasthan, India, consists of 75 x 800 kW wind turbines with a total capacity of 60 MW. One of the first wind farms to be commissioned in the Thar Desert of Rajasthan, the project provides renewable electricity to the Northern regional electricity grid, reducing CO<sub>2</sub> emissions by replacing electricity generated from fossil-fuel based plants. The project is verified to the Verified Carbon Standard (VCS) and is now also registered with the Clean Development Mechanism (CDM);
- **Yugur Run-of-River Hydro Project:** Using the natural capacity of a section of the 800 km long Heihe River in the Gansu Province of The People's Republic of China, this run-of-river project consists of two 6.5 MW turbines to supply zero-emissions renewable electricity to the Northwest China Grid. The project is validated to the Verified Carbon Standard (VCS) and is now also registered with the Clean Development Mechanism (CDM).

The carbon offset details for Steria is currently being verified by the certification company, The CarbonNeutral Company.

#### The carbon offset details of Steria (reported within Carbon Disclosure Project):

Credit origination of credit purchase	Project type	Project identification	Verified to which standard	Nb. of credits (metric tonnes CO <sub>2</sub> )	Nb. of credits: risk adjusted volume (metric tonnes CO <sub>2</sub> )	Credit retired	Purpose e.g. compliance
Credit purchase	Coal mine/bed CH4	Tieling Coal Mine Methane Project	VCS	2,873	2,873	No	Voluntary Offsetting
Credit purchase	Wind	Tamil Nadu Wind Power Project	VCS	12,480	12,480	No	Voluntary Offsetting



## → 4.6 Communities

### 4.6.1 Our vision: give access to education, to IT and to an employment

Helping people to help themselves is the best way to reduce poverty and promote self-respect. Steria's essential commitment to local communities is to help disadvantaged people maximise their potential. This translates into a number of initiatives in the various countries where the Group is

located. Its main objective is to provide access to education, to IT and to an employment, through an innovative support model that involves Steria, its employees, and its customers.

### 4.6.2 Our global volunteer-driven programmes

Our employees, largely on a volunteer basis, implement community programs in the countries in which the Group operates. The aim is to encourage their initiative and to help them find opportunities for personal and professional development that will complement their professional growth. On November 17, 2011 the fourth annual community day, called One Day Challenge, was organized in Steria sites around the world. The goal was to draw attention and educate all employees of Steria Group to the situation of the most disadvantaged and to encourage local volunteering. Despite the economic crisis and a tight business agenda, this event, which was in advance prepared well-ahead continued to produce outstanding results. Forty-one clients and partners participated in joint community activities.

Results from One Day Challenge, Steria's community event in 2011:

- fundraising: €134,693;
- number of clients and partners who participated: 41;
- number of charity initiatives: 79.

The "One Steria One Country One School" (OSOCOS) program proposes to the different countries where the Group is present to sponsor a school in India, based on a three-year partnership. This program continues today and in 2011 included ten countries, with Belgium and Singapore recently joining. Each country adopts a school and sponsors the computer centre, library, play area and other expenses incurred in setting up the project. Some countries also support the studies of Steria scholars by funding their education.

Interaction between country employees and school children is also planned, for example, through sponsoring orphans, e-tutoring and teaching in schools.

### 4.6.3 Steria Foundation and other significant community actions

In France, the Steria – Institut de France Foundation supports IT projects which contribute to the social and professional inclusion of disadvantaged people in three areas:

- education and training;
- innovative solutions to make everyday life easier for these people and ;
- social entrepreneurship.

The Foundation was created in 2001 thanks to substantial donations from 20 Steria managers and has supported up to know 37 projects in France, Morocco, Niger, Benin, Burkina Faso, Cambodia and the Philippines, with the help of 150 + 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 2011, 10 IT projects were on-going, each benefiting from up to €10,000 per project. Two schools received student awards of €5000 each: the Institute of Political Sciences (Sciences Po) for a project to help young people find internships that will give them the opportunity to find out more about different careers and ESIGETEL for a remote medical expertise experimentation in Cameroon. The partnership with Digital Bridges in Cambodia to train disadvantaged youngsters to become IT engineers continued for its fourth year. On November 5, fifty students from the two Steria-sponsored classes received their diploma after two years of study and they have all found jobs. As a result of this partnership, 75 students are in jobs and have lifted their families out of poverty, which represents some 475 people. Four Steria volunteers went on community holidays in Cambodia to support the training center on various technical and strategic assignments.

In the United Kingdom, Steria provides match funding and enabling grants to support the employees' volunteer work on community projects. In 2011, our employees raised over €123,000 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, Steria and its client Yorkshire Water have joined forces to support a computer lab at a school in Noida, India. The school is sponsored by Steria's broader Corporate Responsibility 'schools in India' programme and its new computer lab is going from strength to strength. Alongside Steria's support, Yorkshire Water provides a range of materials to the school, such as reference books and equipment, to support the development of the facility. This equipment is either purchased locally or taken over to India from the UK on visits to the country.

In Germany, the 2011 CR (Corporate Responsibility) award was granted to two 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 spent a week in India in March. During that week, they worked for the German sponsored school there. Lastly, 690 German employees agreed to donate each month the part of cents in their salary to a local charity and the German sponsored school in India.

In Norway, a partnership with the Church City Mission in Oslo to conduct IT courses for immigrant women has been going on since 2009, with the participation of Steria volunteers. In 2011 job interview training courses were organized twice with the Church City Mission, for people who have difficulties entering the job market. The project's goal is to instill hope, confidence and strength and provide the right tools to help them change their own situation and find employment opportunities. A "dress for success" session run by the same project was also organized with clothes and accessories collected from Steria employees.

In Spain, all community fundraising is geared towards the school supported in India. Local initiatives are also supported with organizations such as Caritas, through donations of used clothes to second-hand shops employing job seekers. A specific focus is also set on disability with buying hand manufactured goodies in a special employment center for physically and mentally disabled people called FUPAR

## 4.6.4 An award-winning model of corporate commitment in India

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 girls. The next step is to provide these children with certified training that will lead to a job. In order to address these issues, the community model in India is made up of an education program addressing 40 schools, impacting 50,000 children and aiming to provide computer literacy, English language skills, and counselling and guidance with the help of 600 + volunteers. Other concerns include affordability of higher education: the Graduate Scholarship Scheme was developed three years ago to provide funding for young children with potential from Steria supported schools to pursue higher education. This program has so far supported the college education of 112 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 two awards in 2011:

- the Asia's Best CSR Practice Award in Singapore and;
- the Subir Raha Foundation Award at Hyderabad.

Key initiatives in 2011:

- following the opening in 2010 of the first Career Development Centre (CDC) in Noida in partnership with NIIT Affirmative Action, 110 students have been placed in jobs. The aim of the CDC is to provide short IT bases vocational training courses and placement 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

# 4

## Corporate Responsibility - Sustainable Development

### Communities

tutorials. Following the success of the “smart classroom” initiative in a pilot school in Chennai, with the use of technology as a teaching aid, it was extended to schools in Noida. The teachers can use and adapt readymade teaching content with the help of a computer and interactive Board;

- two solar powered computer centres at Chennai and in Pune have been successfully launched. 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 centres will be proposed in the future;

- the Group has also developed community collaboration procedures with some of its customers, such as The Co-operative Financial Services, Boots and National Health Services. Currently, eight customers developed partnerships with Steria.

## 4.6.5 Our commitment in figures

	2008	2009	2010	2011
<b>Providing access to education</b>				
– Number of children and young people benefiting from education or training programmes	40,000	46,000	47,000	50,000
– Number of Steria scholars	11	28	62	112
<b>Providing access to IT</b>				
– Number of IT projects contributing to the reduction of the digital gap	54	65	70	87
<b>Providing access to a job</b>				
– Number of people who have found a job or decided to continue studies following training	25	25	28	185

# 5

## “Risk factors



<b>5.1</b>	<b>Risks linked to business activity</b>	<b>92</b>	<b>5.3</b>	<b>Financial risks</b>	<b>97</b>
5.1.1	Strategic and commercial risks	92	5.3.1	Liquidity risks	97
5.1.2	Customer risks	92	5.3.2	Interest rate risks	97
5.1.3	Partner, supplier and subcontractor risks	93	5.3.3	Foreign exchange risks	98
5.1.4	Human Resources risks	93	5.3.4	Counterparty risks and credit risks	98
5.1.5	Risks linked to project performance and contracts	94	5.3.5	Investment risks – equities	98
5.1.6	Business continuity risks	95	5.3.6	Risks linked to pension fund obligations	98
5.1.7	Risks to reputation and image	96	5.3.7	Risks linked to amortisation of goodwill	99
5.1.8	Risks linked to the Group's strategic development and transformation	96	<b>5.4</b>	<b>Risk management policy</b>	<b>100</b>
<b>5.2</b>	<b>Legal risks</b>	<b>96</b>	<b>5.5</b>	<b>Insurance</b>	<b>101</b>

The Company regularly reviews risks that could have a significant negative impact on its business, its financial situation or its results, and considers that there are no significant risks other than those described above.

## → 5.1 Risks linked to business activity

### 5.1.1 Strategic and commercial 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 constant flow 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.

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.

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

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 paying special attention to their cost structure and are seeking to optimize their IT budgets by cutting resources in this area, 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. In 2011, 58% of the Group's revenue was generated by recurring multi-year contracts.

### 5.1.2 Customer risks

At December 31, 2011, the Group's top twenty clients accounted for 35% of Group revenue. No one customer accounted for more than 5% 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 revenue was realised with customers resident outside the OECD (less than 1%), and a preponderant proportion of the revenue was realised with major accounts, in accordance with the Group's business strategy. Steria's exposure to client credit risk thus seems limited.

In order to control and mitigate any potential risk 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% 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.

### 5.1.3 Partner, supplier and subcontractor 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. Although there are alternative solutions for most of the software, hardware and networks and although the Group has maintained commercial relations with most of the large suppliers, some projects could be affected by a residual risk of the potential failure of its suppliers.

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.

As is usual in the industry, the Group subcontracts some of its work.

Subcontracting is used to cover the following different scenarios:

- seeking highly specialized technological or industry expertise that the Group does not have or has in insufficient quantity;
- the contractual need to perform certain batches of services which are not/no longer part of the services offered by the Group;
- temporary needs linked to sudden workload increases or peaks during certain contracts.

Subcontracting is also a way for the Company to increase its operational flexibility within an uncertain economic context.

Human Resources Management and Purchasing Management are heavily involved in defining subcontracting processes and rules.

### 5.1.4 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;
- observance of constraints in terms of welfare legislation and labor law.

Human Resources Management plays 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.

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.

A centralized Group report is drawn up each month presenting key Human Resources data for each of the operational units, providing the indicators required to understand the situation and make it possible to implement the required action plans swiftly. In order to streamline its

practices, strengthen and automate its processes and boost the visibility of and control over Human Resources activities, the Group uses a Human Resources Management software package based on a leading market standard that is unified worldwide. At the end of 2011, this covered

85% of Group employees and is expected to cover close to 95% by the end of 2012.

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

## 5.1.5 Risks linked to project performance and contracts

As part of its activity, Steria signs IT service contracts (integration of services and/or managed services and/or Business Process Outsourcing, "BPO") in which the Company takes on a certain number of commitments.

Depending on the contractual commitments entered into, failure to provide the services specified in these contracts, or provision of sub-standard services, may result in a risk for the Group (penalties, customer claims, claims for damages, additional cost, non-payment, early termination of the contracts, risk to image).

Given the current economic environment, customers are ever more demanding in terms of contractual commitments and guarantees.

In the IT sector, there are two main types of contract:

- "fixed price" contracts, whereby the service provider undertakes to provide a specific service on the basis of a fixed price set in advance;
- "time and material" contracts, whereby the service provider bills the customer based on the time spent and the resources used in providing the service.

In the case of "fixed price" contracts, a poor assessment of the scale of the work to be done or an under-estimate of the cost to the Company of providing the service can lead to estimated costs being exceeded or to contractual deadlines not being met. This delay can, in itself, result in late penalties and/or budget overruns.

The proportion of the Group's revenue earned from fixed price contracts and time and material contracts over the last two financial years is as follows:

	2010	2011
Fixed price contracts	68%	69%
Time and material contracts	32%	31%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Furthermore, it should be noted that the Group may need to provide performance and/or financial guarantees for some customer contracts; said guarantees are granted by the Parent Company vis-à-vis certain subsidiaries.

These guarantees are limited in number, and they are described in detail, along with their procedures in note 4.7 to the consolidated accounts

Steria has an organization and processes deployed in the different Group units 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, legal, contractual and financial risks so as to decide whether or not to pursue the commercial opportunity. These reviews take place in the operational units and (those meeting clearly defined criteria) result in Group reviews and approval processes which involve the corporate departments and the General Management;
- during performance, projects are initially reviewed by project committees within operational units, then they are reviewed regularly by Operations Management with the support of local risk management, finance and legal teams; these project reviews are completed with a monthly summary Risks Committee meeting at local level, in the presence of these different bodies; major operations are also subject to timely review by the Group's "Project Risk" Management;
- 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 to 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, the Group has introduced an approval process for its contractual commitments which applies both when proposals



are submitted to the client 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.

Furthermore, despite the high level of care and control surrounding project performance, it is impossible to fully contain and control all risks.

## 5.1.6 Business continuity risks

### 5.1.6.1 Business continuity risks (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 specialized in-country 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 system that is applied at operational unit and Group level.

### 5.1.6.2 Risks relating to operations in India

A large and increasing proportion of the Group's production activity is carried out in India. As at December 31, 2011, India accounted for around 27.6% of the Group's total workforce.

India has various characteristics that may constitute factors of instability. Political, economic and social (wage inflation) 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 monitor and control these risks, Steria has introduced a strengthened 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 and are made up of local management representatives and representatives from 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 ability to function.

### 5.1.7 Risks to reputation and image

Due to its strategy of working with very large accounts and its renowned ability to manage complex development, transformation and performance problems on high profile and sensitive matters (infrastructure management on behalf of major telecoms operators, payment systems for large banking institutions, construction and operation of management and tax collection platforms for the Public Sector, etc.), the Group must deliver major or sensitive projects, which,

if not performed properly, could affect the Group's credibility and image as perceived by its clients.

The Group's reputation and image could also be affected by the reporting of corporate events in the media, as a result of staff protest movements or any workforce adjustments which may be required as a result of the economic situation or the loss of major contracts.

### 5.1.8 Risks linked to the Group's strategic development and transformation

As part of its strategy, and in response to an IT services market subject to continual structural changes, the Group may need to change its scope in terms of industries, technologies, vertical sectors or even countries, on a regular basis.

These operations, irrespective of whether they are performed via the purchase/sale of units, entail a significant performance risk which may affect Group performance. It should be emphasized that IT services market acquisitions present a specific risk in the integration phase, due to the very strong "human" dimension of the activity.

Changes in the sector have also led Steria to constantly evolve its organizations and processes in response to industrialization issues and the pursuit of productivity. These evolutions result in major changes in the internal functioning of the Company and in delivery organization which could, in certain cases, significantly affect the performance of certain contracts.

Despite the care taken by the Group to reduce and control risks relating to strategic development and transformation, some situations may result in difficulties impacting on the Company's performance.

## → 5.2 Legal risks

The Group's business is an unregulated activity, and therefore requires no special legal, administrative or regulatory authorization. Some services, such as managed services or systems integration provided to clients whose business activity is subject to special regulations may lead the Group to have to adhere to the contractual obligations linked to these regulations.

The Group is exposed to legal risk in terms of its consulting, integration and IT service activities (maintenance, facilities management, BPO, etc.) and in terms of its performance of associated contracts. These risks are outlined in paragraph 5.1.5 "Risk linked to the performance of projects and contracts" Generally, the Group could be involved, due to its business activity, in contractual, civil liability, intellectual and company law disputes.

### Disputes – litigation

In view of its size and level of turnover, the Group has a low number of disputes and litigation. This is partly due to high quality project management, 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 managing risks using multidisciplinary teams.

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.
- a monthly Risk Committee at both Group and country level, bringing together Operations, 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 Risk Committee meetings with the Project Risk Department, Legal Department, Finance Department and Human Resources Department.

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 risks

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 June 23, 2011;
- the subordinated hybrid convertible bonds which may be exchanged for new company shares until December 31, 2012.

This 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.

The Group has performed a specific liquidity risk review and considers itself able to meet its upcoming maturities.

### 5.3.2 Interest rate risks

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

### 5.3.3 Foreign exchange risks

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

### 5.3.4 Counterparty risks and credit risks

This point is discussed in paragraph "Customer risks" above, and in note 4.9 to the consolidated financial statements.

### 5.3.5 Investment risks – equities

This point is addressed in section 6.2.5 of this document, notes 4.5 and 4.17 to the consolidated financial statements.

### 5.3.6 Risks linked to pension fund obligations

This point is also 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 2011 were based on the most recent funding valuations of the principal funds in the UK, *i.e.*:

Fund	Valuation date*	Next valuation date *
Steria Retirement Plan (SRP)	March 2010	March 2013
Steria Management Plan (SMP)	March 2010	March 2013
Steria Pension Plan (SPP)	December 2009	December 2012

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

In 2011, the Group continued its discussions with trustees of defined benefit pension plans with a view to reducing the financial risks of each fund so as to lessen the variability of assets and obligations in the future.

A breakdown of the asset portfolio of the UK pension funds at December 31, 2011 is shown below (based on average market values):

	2010	2011
Shares	46%	41%
Bonds	43%	51%
Property	3%	3%
Other assets	8%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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 0.25 point reduction in the discount rate would cause a €51 million increase in commitments.

Assets invested in different asset classes (including shares) are subject to fluctuations in financial markets. As an illustration, a 10% drop in the share value would cause a €37 million reduction in share value.

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 Risks 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,

more recently, of Xansa in the UK and India in October 2007, and its balance sheet therefore includes goodwill valued at €748 million at December 31, 2011. 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 operational units in different countries; This process is performed every year and presented to and shared at the Group Executive Committee level so that action plans can be implemented to build on the management, control and reduction of the identified risks. It also results in a presentation to the Audit Committee, which then gives its conclusions and recommendations to the Group's Supervisory Board;
- risk monitoring, reporting, review, monitoring and management is performed monthly: each Area 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 risk reports by Area are reviewed by the Area Risks Committee which covers all functions. These different summaries, by country and risk type, are then reviewed by the Group Risk Committee,

comprising a multidisciplinary team which brings an external, independent perspective. *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.

All of these processes are placed under the overall responsibility of the Group's Financial Management, more specifically of the Group Risk Manager, who heads up the Group's Risk Committee, which includes industry experts and the managers of the various risk families (Project Risk Department, Legal Management, Human Resources Management, IT Department, Management Control Department, Financial Management Department). The Group's Risk Department, Legal Management, Insurance Department, Operations Management Department, Internal Control Department and Audit Department are grouped together so that they can interact better.

## → 5.5 Insurance

In addition to a voluntary risk prevention, assessment and management policy, the risk coverage and insurance policy is based on the following main principles:

To optimize its risk coverage policy, the Group has implemented global insurance programs negotiated centrally with leading international insurers. All companies in which the Group has at least a 50% interest are insured under Master policies taken out on their behalf by Groupe Steria SCA via 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





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## → 6.1 Business report

### 6.1.1 Position and business of the Group during the 2011 financial year – Progress and changes achieved

The Group enjoyed a rebound in growth in 2011, with organic revenue up 3.3% (+1.5% in 2010) and positive momentum in all geographies, including the United Kingdom. The Public Sector (+2.7%) and the Utilities/Energy/Transportation sector (+7.3%) were the main growth drivers; by contrast, momentum was less favorable in the Finance (stable) and Telecommunications (-4.7%) sectors.

This performance was achieved despite a significant disruption to the European environment since the start of the second half of 2011. Against this backdrop, the fourth quarter of 2011 showed a good measure of resilience, with organic growth of 2.3% and order intakes at a similar level to the fourth quarter of 2010.

Over the full year, order intakes were stable in 2011 (+0.5% compared with 2010). As of December 31, 2011, the ratio of new orders to revenue was 1.04 (compared with 1.07 as of end-2010).

The Group's full-year operating margin <sup>(1)</sup> firmed by 7.8% to €129.9 million, or 7.4% of revenue (a gain of 30 basis points compared with 2010).

This performance reflects the continuation in 2011 of investments made to strengthen the portfolio of offerings and to deploy efficient shared tools. These investments, the first effects of which are starting to become visible, are aimed at bolstering the Group's model of profitable growth.

In the United Kingdom, and in line with expectations, revenue increased by 0.8% at constant exchange rates. This performance was underpinned by the resilience of the Public Sector, where growth was 3.6%, and by the BPO activities, which recorded organic growth of 15.7%. Note too that NHS SBS <sup>(2)</sup>, the joint venture between Steria and the National Health Service, reported organic revenue growth of 17.2% over the year.

Order intakes were up 8.2% in the fourth quarter of 2011, allowing the ratio of new orders to revenue to reach 1.0 as of December 31, 2011. In a highly competitive market, the strength of the Group's model

is illustrated by the high operating margin. It was 10.6%, a gain of 20 basis points compared with 2010.

In France, business momentum was sustained, even in the fourth quarter. Full-year organic growth amounted to 4.4%, thanks largely to a particularly robust performance in Banking and Insurance (11.5%), and in the Public Sector (+4.5%). Order intakes were up 11.2% year-on-year, and the ratio of new orders to revenue was 1.1 as of December 31, 2011.

The operating margin <sup>(1)</sup> increased by 5.5% to €37.3 million in 2011. This represented 6.8% of revenue, a gain of 10 basis points compared with 2010.

In Germany, momentum was positive in the Public Sector, Telecommunications and Transportation, but negative in Finance, capping full-year growth at 1.0%. The Group's position nevertheless improved significantly in the major German banks in 2011, thanks to a breakthrough in respect of recurrent activities through the gain of substantially sized maintenance contracts, a field from which the Group had previously been absent. The outlook is positive, with order intakes up 25.7% compared with 2010. As of December 31, 2011, the ratio of new orders to revenue was 1.2.

The operating margin as a percentage of revenue firmed by a significant 110 basis points to 7.7%.

In the Other Europe region, revenue grew by 9.0% at constant exchange rates. Growth was strong in Scandinavia (+10%), Switzerland (+9.8%) and Belgium/Luxembourg (+19.3%), while the contraction in Spain was reined in to -5.4%.

As of December 31, 2011, the ratio of new orders to revenue was 1.0.

The appearance of risks on projects in Denmark and Norway in the first half—risks that have now been brought under control—led to a 30-basis-point deterioration in the operating margin <sup>(1)</sup> to 5.6%.

(1) Before amortization of the intangible asset related to the business combination. The operating margin is the Group's key indicator. It is defined as the difference between revenue and operating expense, the latter being equal to the total cost of services rendered (expenses necessary for the execution of the projects), of commercial expenses and of general and administrative expenses.

(2) NHS SBS is a joint venture 50% – owned by Steria, with revenue in 2011 amounting to €72 million. This entity's results are not fully consolidated in the Group's revenue or in its operating margin but are 50% consolidated in net income insofar as they are accounted for using the equity method.

## 6.1.2 Results for the financial year

As mentioned earlier, the Group's operating margin <sup>(1)</sup> totaled €129.9 million. Other operating income and expenses amounted to €43.3 million, an increase of €9.2 million compared with 2010, due mainly to an increase in restructuring and integration expenses (€22.9 million over the year), and a non-cash expense of €3.6 million related to goodwill impairment in Sweden.

Financial expenses were reined in significantly over the year, from €20.9 million in 2010 to €7.2 million in 2011. The reduction stemmed mainly from the decline in the average financing cost and the more favorable interest income on the Group's cash.

Despite an increase in non-recurring expenses over the year, the Group share of net income reached an all-time high of €55 million in 2011, an increase of 26.4% compared with 2010.

As of December 31, 2011, the Group's net financial debt stood at €125.9 million. The slight year-on-year increase was attributable to unfavorable exchange rates (€15 million) and non-recurring items relating to the streamlining of premises (€11 million).

At the close of the year, net financial debt represented 0.8x Group Ebitda.

The renewal of all bank credit facilities in June 2011, in the amount of €600 million, enabled the Group to secure its funding until June 2016.

Capital employed amounted to €923.1 million, compared with €868.3 million as of December 31, 2010. The main changes were:

- an increase in working capital requirements (€15.4 million, compared with a negative €9.4 million in 2010);
- the impact of currency fluctuations on balance sheet assets, particularly goodwill, which increased by €16.5 million (3.0% increase in sterling between December 31, 2010 and December 31, 2011).

The increase in equity to €766.4 million (€721.2 million in 2010) stemmed chiefly from 2011 earnings (€55 million) and favorable currency effects.

## 6.1.3 Foreseeable developments and outlook

In the prevailing uncertain economic environment, the Group's objectives for the 2012 financial year are to achieve slight organic revenue growth, with an operating margin <sup>(1)</sup> as a percentage of revenue in line with the

levels in the last three years. Free-cash-flow generation is expected to return to its normative level.

## 6.1.4 Important events after the reporting period

During the month of January 2012, the shareholder's agreement of the NHS Share Business Services joint venture, 50% owned by the Group and 50% owned by the English Ministry of Health, was modified.

This modification has resulted in a new distribution of powers within the company's Board of Directors and in the issuance of a supplementary

share for the Group. As a consequence, the Group has been given control of the company. From 2012 onwards, therefore, it will be fully integrated rather than being recognized with the equity method. The distribution of interest among the Group and the English Ministry of Health remains 50/50. Further information on this point is given in Note 8 to the consolidated financial statements.

## 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 6.1.1 "Overall Business of the Group".

<sup>(1)</sup> Before amortization of the intangible asset related to the business combination. The operating margin is the Group's key indicator. It is defined as the difference between revenue and operating expense, the latter being equal to the total cost of services rendered (expenses necessary for the execution of the projects), of commercial expenses and of general and administrative expenses.

## → 6.2 Consolidated financial statements for the year ended December 31, 2011

### 6.2.1 Consolidated income statement

(in thousands of euros)	Notes	12/31/2011	12/31/2010**
<b>Revenue</b>	<b>4.19</b>	<b>1,747,677</b>	<b>1,692,668</b>
Cost of sales and sub-contracting costs		(324,203)	(303,040)
Personnel costs		(1,031,087)	(1,001,318)
Bought-in costs		(230,429)	(246,712)
Taxes (excluding income taxes)		(19,043)	(18,109)
Change in inventories		1	412
Other current operating income	4.20	11,416	20,969
Other current operating expenses	4.20	(690)	(839)
Net charges for depreciation and amortisation		(28,914)	(31,818)
Net charges for provisions	4.21	2,832	4,894
Net charges for current asset impairment	4.21	(2,359)	(1,407)
<b>Operating margin*</b>		<b>125,202</b>	<b>115,700</b>
% of revenue		7.2%	6.8%
Other operating income	4.22	3,835	81
Other operating expenses	4.22	(47,136)	(34,149)
<b>Operating profit</b>		<b>81,900</b>	<b>81,632</b>
Income from cash and cash equivalents		7,150	4,490
Cost of gross borrowings		(8,783)	(15,123)
Cost of net borrowings	4.23	(1,633)	(10,633)
Other financial income	4.23	10,895	11,626
Other financial expenses	4.23	(16,506)	(21,919)
<b>Net financial expense</b>		<b>(7,244)</b>	<b>(20,926)</b>
Income tax expense	4.7	(21,032)	(18,312)
Share of profit/(loss) of associates	4.4	1,512	1,617
<b>Net profit from continuing operations</b>		<b>55,136</b>	<b>44,011</b>
Net profit/(loss) from operations held for sale		-	-
<b>Net profit for the year</b>		<b>55,136</b>	<b>44,011</b>
<b>Attributable to equity holders of the parent</b>		<b>55,008</b>	<b>43,524</b>
<b>Attributable to non-controlling interests</b>		<b>128</b>	<b>487</b>
Earnings per share (in euros):			
– from continuing operations	4.24	1.72	1.35
– from operations held for sale		-	-
Diluted earnings per share (in euros):			
– from continuing operations	4.24	1.66	1.34
– from operations held for sale		-	-

\* After amortisation of the customer relationships recognised on acquisition of Xansa in the amount of €-4,672 thousand in 2011 and €-4,724 thousand in 2010.

\*\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

## Statement of comprehensive income

(in thousands of euros)	Notes	12/31/2011	12/31/2010**
<b>Net profit for the year</b>		<b>55,136</b>	<b>44,011</b>
<i>Income and expenses not recognised in profit or loss:</i>			
– Exchange differences arising from foreign entities		(1,141)	37,618
– Gains and losses on cash flow hedging financial instruments	4.25	(8,399)	8,487
– Tax impact of cash flow hedges		2,733	(2,939)
<b>Total of income and expenses not recognised in profit or loss, net of taxes</b>		<b>(6,807)</b>	<b>43,166</b>
<b>Total net profit for the period</b>		<b>48,329</b>	<b>87,177</b>
<b>Attributable to equity holders of the parent</b>		<b>48,344</b>	<b>86,588</b>
<b>Attributable to non-controlling interests</b>		<b>(15)</b>	<b>589</b>

\*\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

## 6.2.2 Consolidated balance sheet

### Assets

(in thousands of euros)	Notes	12/31/2011	12/31/2010**	01/01/2010**
Goodwill	4.1	744,456	727,977	706,417
Other intangible assets	4.2	71,072	67,041	66,301
Property, plant and equipment	4.3	58,642	70,365	74,004
Investments in associates	4.4	10,938	7,941	6,181
Available-for-sale financial assets	4.5	2,273	1,808	1,809
Other financial assets	4.6	3,484	3,234	3,977
Retirement benefit and similar obligations	4.12	58,212	44,592	42,230
Deferred tax assets	4.7	27,332	14,149	10,560
Other non-current assets		3,418	3,525	2,900
<b>Non-current assets</b>		<b>979,826</b>	<b>940,632</b>	<b>914,379</b>
Inventories	4.8	9,218	8,165	9,194
Net trade receivables and similar accounts	4.9	299,468	271,031	281,445
Amounts due from customers	4.9	176,345	167,164	170,292
Other current assets	4.9	31,225	31,731	36,016
Current portion of non-current assets	4.9	3,565	3,743	2,963
Current tax assets	4.9	35,213	28,160	27,340
Prepaid expenses	4.9	23,001	24,043	24,491
Cash and cash equivalents	4.11	170,369	177,246	149,859
<b>Current assets</b>		<b>748,403</b>	<b>711,283</b>	<b>701,601</b>
Non-current assets classified as held for sale	4.18	9,095		
<b>Total assets</b>		<b>1,737,324</b>	<b>1,651,915</b>	<b>1,615,980</b>

\*\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

## Equity and liabilities

(in thousands of euros)	Notes	12/31/2011	12/31/2010**	01/01/2010**
Issued share capital		30,829	30,084	29,349
Share premium		416,682	409,502	400,025
Treasury shares		(35,900)	(35,770)	(35,259)
Subordinated hybrid convertible bonds	4.10	150,284	150,300	150,300
Exchange differences		(120,429)	(119,451)	(156,954)
Other reserves		268,018	241,145	243,109
Net profit for the year		55,008	43,524	-
<b>Equity attributable to equity holders of the parent</b>		<b>764,493</b>	<b>719,334</b>	<b>630,568</b>
Non-controlling interests		1,897	1,897	1,283
<b>Total equity</b>		<b>766,390</b>	<b>721,231</b>	<b>631,851</b>
Long-term borrowings	4.11	263,626	204,110	270,001
Retirement benefit and similar obligations	4.12	40,247	35,052	33,698
Provisions for non-current liabilities and charges	4.13	14,122	20,688	21,097
Deferred tax liabilities	4.7	20,939	17,780	16,750
Other non-current liabilities	4.14	6,817	5,313	5,465
<b>Non-current liabilities</b>		<b>345,750</b>	<b>282,943</b>	<b>347,012</b>
Short-term borrowings	4.11	32,648	74,332	66,866
Provisions for current liabilities and charges	4.13	34,638	34,763	35,590
Net trade payables and similar accounts	4.15	152,179	145,719	148,386
Gross amounts due to customers	4.15	65,845	76,900	78,024
Advances and payments on account received	4.15	5,055	3,687	4,533
Current tax liabilities	4.15	54,971	42,467	33,942
Other current liabilities	4.15	278,694	269,873	269,776
<b>Current liabilities</b>		<b>624,030</b>	<b>647,741</b>	<b>637,117</b>
Liabilities directly associated with non-current assets classified as held for sale	4.18	1,155		
<b>Total equity and liabilities</b>		<b>1,737,324</b>	<b>1,651,915</b>	<b>1,615,980</b>

\*\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

## 6.2.3 Consolidated cash flow statement

(in thousands of euros)	Notes	12/31/2011	12/31/2010**
<b>Net consolidated profit (including non-controlling interests)</b>		<b>55,136</b>	<b>44,011</b>
<b>Adjustments for:</b>			
Share of profit/(loss) of associates		(1,512)	(1,617)
Net charges to depreciation, amortisation and provisions (excluding current assets)		36,583	50,165
Calculated expenses and income related to stock options and equivalent		2,640	1,889
Fair value adjustment gains and losses		5,910	2,987
Capital gains/(losses) on disposal		(2,081)	368
<b>Cash flow from operating activities after net borrowing costs and taxes</b>		<b>96,675</b>	<b>97,802</b>
Net borrowing costs		1,633	10,633
Income tax expense (including deferred tax)		21,032	18,312
<b>Cash flow from operating activities before net borrowing costs and taxes</b>		<b>119,340</b>	<b>126,747</b>
Income tax paid		(18,743)	(15,299)
Change in working capital requirements	4.16	(43,562)	21,851
<b>Net cash from operating activities</b>		<b>57,035</b>	<b>133,299</b>
Purchases of intangible assets		(13,976)	(11,907)
Purchases of property, plant and equipment		(35,498)	(13,416)
Purchases of non-consolidated investments		(1,342)	-
Proceeds from disposals of intangible assets and property, plant and equipment		16,373	224
Proceeds from disposal of non-consolidated investments		-	-
Loans and advances granted		(2,317)	(1,693)
Repayments received on loans and advances granted (including factoring)		534	297
Impact of changes in Group structure			
– Acquisition of consolidated companies, net of cash acquired		(668)	-
– Disposal of consolidated operations and companies, net of cash transferred		3	-
Net interest received		80	78
Dividends received (associates, non-consolidated investments)		9	-
<b>Net cash used in investing activities</b>		<b>(36,802)</b>	<b>(26,416)</b>
Amounts received from shareholders as part of a share capital increase		6,816	8,812
Dividends paid during the year:			
– Dividends paid to shareholders of the Parent Company and similar*		(14,925)	(11,222)
– Dividends paid to minority interests in consolidated companies		-	248
Disposals/(acquisitions) of treasury shares		(967)	(192)
Proceeds from new borrowings		21,131	248
Repayment of borrowings (including finance leases)		(1,945)	(63,264)
Additional disbursements relating to defined retirement benefit obligations		(18,586)	(16,768)
Interest paid (including finance leases)		(5,345)	(9,591)
<b>Net cash used in financing activities</b>		<b>(13,822)</b>	<b>(91,729)</b>
Impact of changes in exchange rates		(12,394)	11,915
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(5,983)</b>	<b>27,070</b>
Cash and cash equivalents at the beginning of the year		172,382	145,312
Cash and cash equivalents at the end of the year	4.11	166,399	172,382

(\*) Including the coupon paid in respect of perpetual subordinated bonds, convertible and/or exchangeable into new shares: (€8,690) thousand in 2010 and 2011.

\*\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.



## 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
<b>As at January 1, 2010**</b>	<b>29,348,539</b>	<b>29,349</b>	<b>400,025</b>	<b>(37,355)</b>	<b>150,300</b>	<b>250,501</b>	<b>(162,251)</b>	<b>630,568</b>	<b>1,283</b>	<b>631,851</b>
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)						43,524		43,524	487	44,011
<b>As at December 31, 2010**</b>	<b>30,084,326</b>	<b>30,084</b>	<b>409,502</b>	<b>(37,546)</b>	<b>150,300</b>	<b>286,182</b>	<b>(119,188)</b>	<b>719,334</b>	<b>1,897</b>	<b>721,231</b>
Share capital increase	744,705	745	7,180		(15)	(54)		7,856		7,856
Dividends paid*						(12,843)		(12,843)		(12,843)
Measurement of share-based payments						2,625		2,625	15	2,640
Treasury share transactions				(865)				(865)		(865)
Other						(1)		(1)		(1)
Gains/losses on hedging instruments							(5,642)	(5,642)	(24)	(5,666)
Exchange differences							(978)	(978)	(118)	(1,096)
Net profit/(loss)						55,008		55,008	128	55,136
<b>As at December 31, 2011</b>	<b>30,829,031</b>	<b>30,829</b>	<b>416,682</b>	<b>(38,411)</b>	<b>150,285</b>	<b>330,917</b>	<b>(125,808)</b>	<b>764,494</b>	<b>1,897</b>	<b>766,391</b>

(\*) Including the coupon paid in respect of perpetual subordinated bonds, convertible and/or exchangeable into new shares, net of tax: (€5,698) thousand in 2010 and (€5,552) thousand in 2011.

\*\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

Groupe Steria SCA's share capital comprises 30,829,031 shares with a nominal value of €1 each.

A 2010 net dividend of €0.24 per share was paid in 2011 (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 €429 thousand).

The increases in the share capital in 2011 were attributable to share issues under the Group Savings Plan in the amount of €686 thousand and the allocation of free shares in the amount of €5 thousand.

Furthermore, a portion of the 2010 dividend was paid in shares, resulting in a share capital increase of €53 thousand. Net expenses of €193 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 1,433,004 Groupe Steria SCA shares and by the Group's Parent Company, Groupe Steria SCA, under a liquidity contract set up in 2006 (90,945 shares). Their market value as at December 31, 2011 was €20.05 million, calculated using the most recent closing share price (€13.16).

## 6.2.5 Notes to the consolidated financial statements

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## Note 1. Accounting policies

### Note 1.1 Standards applied

The Groupe Steria SCA consolidated financial statements for the year ended December 31, 2011 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 July 19, 2002, the 2011 consolidated financial statements of Groupe Steria SCA are prepared in accordance with International Financial Reporting Standards (IFRS) applicable as at December 31, 2011, 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](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

The consolidated financial statements and the notes thereto for fiscal year 2011 were approved by the General Management on March 2, 2012 after review by 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 December 31, 2011.

They are consistent with those used in preparing the annual consolidated financial statements for the year ended December 31, 2010, with the exception of the adoption of the following new standards and interpretations of mandatory application as of January 1, 2011:

- IAS 24 revised – Related Party Disclosures;
- Amendment to IAS 32 – Classification of Rights Issues;
- Amendment to IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements;
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments;
- Improvements to IFRS, resulting in amendments to:
  - IAS 1 – Presentation of Financial Statements,
  - IAS 21 – Changes in Foreign Exchange Rates,
  - IAS 28 – Investments in Associates,
  - IAS 31 – Interests in Joint Ventures,
  - IAS 32 – Financial Instruments: Presentation,
  - IAS 34 – Interim Financial Reporting,
  - IAS 39 – Financial Instruments: Recognition and Measurement,
  - IFRS 3 – Business Combinations,
  - IFRS 7 – Financial Instruments: Disclosures.

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

No text adopted by the European Union was of mandatory application after January 1, 2011.

The Group did not elect to apply in advance the following texts which were not adopted by the European Union as at December 31, 2011:

- IFRS 9 – Financial Instruments;
- IAS 27 – Separate Financial Statements;
- IAS 28 – Investments in Associates and Joint Ventures;
- IFRS 10 – Consolidated Financial Statements;
- IFRS 11 – Joint Arrangements;
- IFRS 12 – Disclosure of Interests in Other Entities;
- IFRS 13 – Fair Value Measurement;
- Amendment to IAS 19 – Employee Benefits;
- Amendment to IAS 12 – Deferred Taxes: Recovery of Underlying Assets;
- Amendment to IAS 1 – Presentation of Gains and Losses Recognised in Equity.

The impact arising from the adoption of the amendment to IAS 19 is currently being assessed. In particular, one of the impact will be the recognition of the actuarial gains and losses in equity.

Concerning the other texts not adopted by the European Union, 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 Correction of errors

The Group corrected an error in its prior financial statements. The Group's entities, more specifically those based in the United Kingdom, discount long-term provisions, primarily relating to vacant premises and restoration costs. This operating segment was using the weighted average cost of capital as the discount rate instead of a risk-free rate. This position was revised and resulted in the correction of prior financial statements.

Hence, in the 2010 opening balance sheet, this correction had a (€2,610) thousand impact on equity attributable to a €3,568 thousand increase in non-current provisions and a €958 thousand decline in current tax liabilities.

The 2010 income statement was also modified, resulting in a €587 thousand increase in net profit attributable to equity holders of the parent. This increase breaks down into a (€233) thousand rise in other operating expenses, a €1,049 thousand decrease in financial expenses and a (€228) thousand rise in tax expenses. This correction generated a €0.02 increase in basic and diluted earnings per share.

### Note 1.3 Consolidation methods

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

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

Companies over which the Group exercises or can exercise 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, based on the model of the internal reporting before Group expenses, for entities considered as independent, and customer relationships (non-cash item), prepared by the management of the country and reviewed by the Group's Executive Management and Financial Management. The cash flows arising after the 5-year period are extrapolated using an estimated 1.75% perpetual growth. The growth assumptions for discount rates of the cash flows by country are as follows:

	Discount rate
United Kingdom	8.7%
France	8.9%
Germany	8.5%
Other Europe	From 7.6% (Switzerland) to 10.5% (Spain)

As at December 31, 2010, cash flows arising after the 5-year period were extrapolated using an estimated 1.75% perpetual growth and all of these cash flows were discounted using a discount rate of 8.6% common for all the countries.

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 euros.

The assets and liabilities of foreign subsidiaries, whose functional currency is not the euro, are translated into euros at the closing exchange rate. Income and expense items and cash flows are translated into euros 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, the following criteria must be demonstrated:

- 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 recognized 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 entity will recover them as a result of taxable income expected in future fiscal years.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced when it is no longer probable that sufficient taxable income will be available to enable the utilisation of all or part of them in a reasonable period of time. 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 in a reasonable period of time.

Tax assets and liabilities are measured using the prevailing tax rates and rules in effect as at December 31, 2011.

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 out of foreign currency variations.

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 be 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 July 2, 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 scope of consolidation

In the first half of 2011, Group undertook the disposal of locore in Sweden and the liquidation of dormant companies Deltaworth Ltd and Gamut Technologies Trust Company Ltd in the United Kingdom.

The immaterial impacts are presented in note 4.22 – Other operating income and expenses.

In July 2011, the Group acquired all the share capital of the Scandinavian company Steria Biometrics, thus improving its expertise and offering in the biometrics recognition sector. The cost of this acquisition totalled €1,021 thousand. The provisional allocation of this acquisition price was as follows:

(in thousands of euros)	Historical value	Fair value adjustment	Fair value
Intangible assets and property, plant and equipment	249	310	559
Deferred taxes		(81)	(81)
Other non-current assets and liabilities			
Cash and cash equivalents	(317)		(317)
Other current assets and liabilities	(64)		(64)
<b>Net assets of Steria Biometrics</b>	<b>(132)</b>	<b>229</b>	<b>97</b>
Goodwill			924
<b>Acquisition price</b>			<b>1,021</b>

The acquisition price comprises success fees depending on the generated revenues.

Acquisition-related costs were immaterial.

In the second half of December, the Group acquired 50% of the capital of the Moroccan company Steria Medshore, the joint venture set up in

partnership with the Moroccan group FinanceCom in 2007, in addition to the 50% it already held. This acquisition will enable Steria Medshore to reinforce its capacities as a nearshore specialised services centre for French-speaking customers. The acquisition cost totalled €360 thousand. The provisional allocation of this acquisition price was as follows:

(in thousands of euros)	Historical value	Fair value adjustment	Fair value
Intangible assets and property, plant and equipment	144		144
Deferred taxes			
Other non-current assets and liabilities			
WCR	(871)		(871)
Cash and cash equivalents	80		80
Other current assets and liabilities	(10)		(10)
<b>Net assets of Steria Biometrics</b>	<b>(657)</b>		<b>(657)</b>
Goodwill			1,016
<b>Acquisition price</b>			<b>360</b>

Acquisition-related costs were immaterial.

The €326 thousand profit generated by this business combination was recognized in Other operating income.

## Note 2.2 Scope of consolidation as at December 31, 2011

	Location	Consolidation method as at 12/31/2011	% interest as at 12/31/2011	% control as at 12/31/2011	Consolidation method as at 12/31/2010	% interest as at 12/31/2010	% control as at 12/31/2010
<b>Parent Company</b>							
Groupe Steria SCA	France						
<b>Operating segment France</b>							
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
Stepar	France	FC	100	100	FC	100	100
U-Services	France	FC	100	100	FC	100	100
Steria Medshore SAS	Morocco	FC	100	100	EA	50	50
Xansa SAS	France	FC	100	100	FC	100	100
<b>Operating segment United Kingdom</b>							
Steria Holding 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
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
Steria Asia	Singapore	FC	100	100	FC	100	100
Xansa Pte Ltd	Singapore	FC	100	100	FC	100	100
Xansa Holdings Inc.	United States	FC	100	100	FC	100	100
Xansa U.S Inc.	United States	FC	100	100	FC	100	100

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## Review of financial position and results

## Consolidated financial statements for the year ended December 31, 2011

Scope of consolidation

	Location	Consolidation method as at 12/31/2011	% interest as at 12/31/2011	% control as at 12/31/2011	Consolidation method as at 12/31/2010	% interest as at 12/31/2010	% control as at 12/31/2010
<b>Operating segment Germany</b>							
Steria Mummert Consulting GmbH Vienna	<i>Austria</i>	FC	100	100	FC	100	100
Steria Mummert ISS GmbH	<i>Germany</i>	FC	100	100	FC	100	100
Steria Mummert Consulting.AG	<i>Germany</i>	FC	100	100	FC	100	100
<b>Operating segment Rest of Europe</b>							
Steria Benelux	<i>Belgium</i>	FC	100	100	FC	100	100
Steria Luxembourg	<i>Luxembourg</i>	FC	100	100	FC	100	100
Steria A/S	<i>Denmark</i>	FC	100	100	FC	100	100
Steria Iberica	<i>Spain</i>	FC	100	100	FC	100	100
Steria A/S	<i>Norway</i>	FC	100	100	FC	100	100
Steria Poland	<i>Poland</i>	FC	100	100	FC	100	100
Steria AB	<i>Sweden</i>	FC	100	100	FC	100	100
locore	<i>Sweden</i>	-	-	-	FC	100	100
Steria Biometrics AB	<i>Sweden</i>	FC	100	100	-	-	-
Steria Schweiz Ag	<i>Switzerland</i>	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 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.

Finally, activities in Asia, previously included within the France operating segment, are now under the operational control of the United Kingdom. Figures for the year ended December 31, 2010 were restated following this change.

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 inter-company eliminations and shared Group expenses. It enables segment information to be reconciled with the Group's consolidated financial statements.

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## Review of financial position and results

## Consolidated financial statements for the year ended December 31, 2011

## Segment information

2011

(in thousands of euros)	France	United Kingdom	Germany	Rest of Europe	Reconciling items		Group total(**)
					Eliminations	Group expenses	
<b>Third party revenue</b>	<b>551,670</b>	<b>656,469</b>	<b>239,781</b>	<b>299,757</b>			<b>1,747,677</b>
% total revenue	31.6%	37.6%	13.7%	17.2%			100%
Inter-segment sales	1,579	10,769	4,855	14,053	(31,256)		0
Total revenue	553,249	667,237	244,636	313,810	(31,256)		1,747,677
Operating margin <sup>(1)</sup>	33,211	59,176	16,625	14,464		1,726	125,202
% of revenue	6.02%	9.01%	6.93%	4.83%			7.16%
Group expenses	4,055	5,817	1,850	2,178		(13,901)	0
<b>Operating margin <sup>(1)(2)</sup></b>	<b>37,267</b>	<b>64,994</b>	<b>18,474</b>	<b>16,641</b>		<b>(12,174)</b>	<b>125,202</b>
% of revenue	6.76%	9.90%	7.70%	5.55%		(0.70%)	7.16%
<b>Operating profit/(loss)</b>	<b>23,369</b>	<b>45,913</b>	<b>12,983</b>	<b>4,315</b>		<b>(4,679)</b>	<b>81,900</b>
Cost of net borrowings							(1,633)
Other financial income and expenses							(5,611)
Tax charge							(21,032)
Share of profit/(loss) of associates							1,512
Net profit/(loss) from operations held for sale							0
<b>Net profit</b>							<b>55,136</b>
<b>Attributable to equity holders of the parent</b>							<b>55,009</b>
<b>Employees:</b>							
Average employees	5,813	9,744	1,666	2,430		101	19,754
Of which in India		5,463					5,463
Employees at the end of the year	5,903	9,863	1,648	2,470		104	19,988
Of which in India		5,560					5,560

(1) After amortisation of customer relationships in the amount of (€4,672) thousand recognised on acquisition of Xansa in 2011.

(2) Before Group expenses.

\*\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

## 2010 (2011 organisation)

(in thousands of euros)	France	United Kingdom	Germany	Rest of Europe	Reconciling items		Group total(**)
					Eliminations	Group expenses	
<b>Third party revenue</b>	<b>528,510</b>	<b>658,648</b>	<b>237,485</b>	<b>268,025</b>			<b>1,692,668</b>
% total revenue	31.2%	38.9%	14.0%	15.8%			100.00%
Inter-segment sales	1,515	9,400	2,633	13,955	(27,504)		-
Total revenue	530,025	668,048	240,119	281,980	(27,504)		1,692,668
Operating margin <sup>(1)</sup>	30,764	57,468	13,477	13,466		525	115,700
% of revenue	5.82%	8.73%	5.67%	5.02%			6.84%
Group expenses	4,561	6,225	2,121	2,343		(15,249)	-
<b>Operating margin <sup>(1)(2)</sup></b>	<b>35,324</b>	<b>63,693</b>	<b>15,598</b>	<b>15,808</b>		<b>(14,724)</b>	<b>115,700</b>
% of revenue	6.68%	9.67%	6.57%	5.90%		(0.87%)	6.84%
<b>Operating profit/(loss)</b>	<b>19,127</b>	<b>43,190</b>	<b>13,418</b>	<b>9,305</b>		<b>(3,409)</b>	<b>81,632</b>
Cost of net borrowings							(10,633)
Other financial income and expenses							(10,293)
Tax charge							(18,312)
Share of profit/(loss) of associates							1,617
Net profit/(loss) from operations held for sale							-
<b>Net profit</b>							<b>44,011</b>
<b>Attributable to equity holders of the parent</b>							<b>43,524</b>
<b>Employees:</b>							
Average employees	5,625	9,036	1,640	2,287		86	18,674
Of which in India		5,208					5,208
Employees at the end of the year	5,639	9,583	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.

\*\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

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## Review of financial position and results

Consolidated financial statements for the year ended December 31, 2011

Segment information

## 2010 published

(in thousands of euros)	France	United Kingdom	Germany	Rest of Europe	Reconciling items		Group total
					Eliminations	Group expenses	
<b>Third party revenue</b>	<b>532,004</b>	<b>655,154</b>	<b>237,485</b>	<b>268,025</b>			<b>1,692,668</b>
% 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 <sup>(1)</sup>	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)	-
<b>Operating margin <sup>(1)(2)</sup></b>	<b>34,301</b>	<b>64,716</b>	<b>15,598</b>	<b>15,808</b>		<b>(14,724)</b>	<b>115,700</b>
% of revenue	6.45%	9.88%	6.57%	5.90%		(0.87%)	6.84%
<b>Operating profit/(loss)</b>	<b>18,074</b>	<b>44,476</b>	<b>13,418</b>	<b>9,305</b>		<b>(3,409)</b>	<b>81,865</b>
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							-
<b>Net profit</b>							<b>43,423</b>
<b>Attributable to equity holders of the parent</b>							<b>42,936</b>
<b>Employees:</b>							
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.

For each business, third party revenue may be broken down as follows:

(in thousands of euros)	12/31/2011	12/31/2010
SI Revenue	1,072,313	1,036,194
Managed services revenue	675,364	656,474
<b>Consolidated revenue</b>	<b>1,747,677</b>	<b>1,692,668</b>

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 12/31/2010	Acquisition	Impairment	Exchange differences	Other items	Goodwill 12/31/2011
UK	583,156			17,768		600,924
France	10,336	1,016		(6)		11,346
Germany	88,274					88,274
Norway	22,335	924		139		23,398
Sweden	8,526		(3,588)	3		4,941
Denmark	2,202			6		2,208
Spain	-					-
Benelux	5,581					5,581
Switzerland	7,568			217		7,784
<b>Total goodwill</b>	<b>727,977</b>	<b>1,941</b>	<b>(3,588)</b>	<b>18,126</b>		<b>744,456</b>

(in thousands of euros)	Goodwill 12/31/2009	Acquisition	Impairment	Exchange differences	Other items	Goodwill 12/31/2010
UK	565,198			17,958		583,156
France	10,336					10,336
Germany	88,274					88,274
Norway	20,990			1,345		22,335
Sweden	7,456			1,070		8,526
Denmark	2,205			(3)		2,202
Spain	-					-
Benelux	5,581					5,581
Switzerland	6,378			1,190		7,568
<b>Total goodwill</b>	<b>706,417</b>			<b>21,560</b>		<b>727,977</b>

The Group performs impairment tests annually and when key indicators suggest a loss in value. In 2011, these tests led the Group to recognise impairment of €3,588 thousand for its Swedish operating segment due to operating performances lower than forecasted.

Furthermore, sensitivity tests regarding changes in key assumptions (discount or perpetual growth rate) were performed for all cash-generating units. A 0.5 point increase in the discount rate would give rise to an additional impairment loss of €0.6 million for only one operating segment (Sweden). A 0.5 point decrease in the perpetual growth rate would give rise to an additional impairment loss of €0.5 million for only one geographical area (Sweden). A 0.5 point increase in the discount rate and, at the same time, a 0.5 point decrease in the perpetual growth rate would give rise to an additional impairment loss of €0.9 million

for only one operating segment (Sweden) compared to the loss actually recorded.

A complete depreciation of the Swedish goodwill should be recognized from the first year in case of an operating margin rate 210 points lower than the current 5-years plan.

Regarding the recoverable amount of assets in the United Kingdom, the Group analysed the sensitivity of the key business assumptions. Hence, the following assumptions would make the recoverable amount of the operating segment assets equal to their carrying amount:

- If the revenues of the operating segment decrease by 3.4% over each year of the 5-years plan (all other parameters being equal);

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- or, if the United Kingdom's operating margin is 290 basis points lower than the 2011 operating margin for each period of the 5-years plan and for the perpetual value (all other parameters being equal).

For this CGU, there is no reasonably possible change in discount rate or perpetual growth rate that could make the carrying amount of the CGU exceed its recoverable amount.

For other CGUs, considering their value in use, management believes that there is no reasonably possible change in a key assumption (discount rate, perpetual growth rate, growth rate of revenues, percentage of operating margin) that could make the carrying amount of the CGU exceed its recoverable amount.

## Note 4.2 Other intangible assets

(in thousands of euros)	Total	Development costs	Concessions, patents, licences, hardware, software	Other intangible assets
<b>Gross value as at 12/31/2010</b>	<b>140,569</b>	<b>11,996</b>	<b>68,545</b>	<b>60,028</b>
Purchases	14,665	2,421	4,370	7,874
Disposals – scrapping	(2,787)		(2,787)	
Other movements	2,363	569	6,703	(4,908)
<b>Gross value as at 12/31/2011</b>	<b>154,810</b>	<b>14,986</b>	<b>76,830</b>	<b>62,994</b>
<b>Amortisation as at 12/31/2010</b>	<b>73,528</b>	<b>4,496</b>	<b>52,978</b>	<b>16,054</b>
Net charges	11,884	1,343	5,669	4,872
Disposals – scrapping	(2,600)		(2,600)	
Other movements	925	38	234	652
<b>Amortisation as at 12/31/2011</b>	<b>83,738</b>	<b>5,879</b>	<b>56,282</b>	<b>21,577</b>
<b>Net value as at 12/31/2010</b>	<b>67,041</b>	<b>7,500</b>	<b>15,567</b>	<b>43,974</b>
<b>Net value as at 12/31/2011</b>	<b>71,072</b>	<b>9,107</b>	<b>20,548</b>	<b>41,417</b>

Intangible assets have finite useful lives.

The net impact of exchange differences on intangible assets is included in "Other movements" in the amount of €843 thousand.

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 €53,394 thousand. 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 <sup>(1)</sup>
<b>Gross value as at 12/31/2010</b>	<b>250,619</b>	<b>53,716</b>	<b>12,258</b>	<b>49,845</b>	<b>134,799</b>
Purchases	35,062		148	21,768	13,147
Disposals – scrapping	(56,827)	(20,863)	(747)	(20,268)	(14,949)
Other movements	(15,302)	(13,065)	(743)	(1,140)	(355)
<b>Gross value as at 12/31/2011</b>	<b>213,553</b>	<b>19,788</b>	<b>10,917</b>	<b>50,206</b>	<b>132,642</b>
Depreciation as at 12/31/2010	180,254	20,936	10,268	36,788	112,261
Net charges	20,660	644	708	7,408	11,900
Disposals – scrapping	(42,401)	(7,226)	(732)	(19,696)	(14,748)
Other movements	(3,602)	(1,922)	(727)	(655)	(296)
<b>Depreciation as at 12/31/2011</b>	<b>154,911</b>	<b>12,432</b>	<b>9,517</b>	<b>23,845</b>	<b>109,117</b>
<b>Carrying amount as at 12/31/2010</b>	<b>70,365</b>	<b>32,780</b>	<b>1,990</b>	<b>13,057</b>	<b>22,538</b>
<b>Carrying amount as at 12/31/2011</b>	<b>58,642</b>	<b>7,356</b>	<b>1,399</b>	<b>26,361</b>	<b>23,526</b>

(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 €2,363 thousand and represents the main change for the period with acquisitions, scrapping and depreciation charges.

Purchases and disposals of property, plant and equipment were marked by the reorganisation of premises in France and India. Disposals comprise the sale of a building in France in the gross amount of €20,265 thousand

that was depreciated by €6,628 thousand. In India, the Group classified the relevant items of property, plant and equipment as non-current assets held for sale, generating an impact of €9,095 thousand presented in other movements (see note 4.18 – Non-current assets held for sale). Finally, the Group scrapped items during this reorganisation.

No items of PP&E were under construction as at December 31, 2011. No items of PP&E had been under construction as at December 31, 2010.

### Note 4.4 Investments in associates

(in thousands of euros)	Value of shares as at 12/31/2010	Change in Group structure	Distribution	Net profit/(loss) for the period	Exchange differences	Value of shares as at 12/31/2011
NHS Shared Business Services Ltd	7,112			1,784	286	9,183
Diamis	1,359			134		1,493
Intest	204		(9)	67		262
Steria Medshore	(734)	1,198		(473)	9	-
<b>Total equity associates</b>	<b>7,941</b>	<b>1,198</b>	<b>(9)</b>	<b>1,512</b>	<b>296</b>	<b>10,938</b>

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In December, the Group took over Steria Medshore (see note 2.1 – Changes in scope of consolidation).

In 2011, 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	25,178	21,718	21,449	16,264	9,183	35,972	1,784
Diamis	-	2,371	81	797	1,493	2,724	134
Steria Medshore				-	-		

In 2010, 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	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)

The joint venture, NHS Share Business Services (NHS SBS), was formed with the UK Health Ministry on April 1, 2005. It provides accounting and financial services to certain UK public health bodies. Its equity value

comprised goodwill of €13,589 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	Travel soft	Other shares
<b>Gross value as at 12/31/2010</b>	<b>1,862</b>	<b>1,781</b>	<b>81</b>
Additions	465		465
Decreases			
<b>Gross value as at 12/31/2011</b>	<b>2,327</b>	<b>1,781</b>	<b>546</b>
<b>Impairment of shares as at 12/31/2010</b>	<b>54</b>		<b>54</b>
Additions			
Decreases			
<b>Impairment of shares as at 12/31/2011</b>	<b>54</b>		<b>54</b>
<b>Net carrying amount as at 12/31/2010</b>	<b>1,808</b>	<b>1,781</b>	<b>27</b>
<b>Net carrying amount as at 12/31/2011</b>	<b>2,273</b>	<b>1,781</b>	<b>492</b>

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 1.10 – Financial assets).

## Note 4.6 Other financial assets

(in thousands of euros)	Total	Loans	Deposits and guarantees	Other	Derivative financial instruments – foreign exchange <sup>(1)</sup>	Derivative financial instruments – interest rate <sup>(1)</sup>
<b>Gross value as at 12/31/2010</b>	<b>3,234</b>	<b>331</b>	<b>763</b>	<b>408</b>	<b>1,099</b>	<b>633</b>
Additions	2,017	1,823	192	3		
Decreases	(927)	(69)	(82)		(178)	(598)
Other movements	(840)	1	(180)	(53)	(615)	8
<b>Gross value as at 12/31/2011</b>	<b>3,484</b>	<b>2,085</b>	<b>693</b>	<b>358</b>	<b>305</b>	<b>43</b>
<b>Impairment as at 12/31/2010</b>						
<b>Impairment as at 12/31/2011</b>						
<b>Net carrying amount as at 12/31/2010</b>	<b>3,234</b>	<b>331</b>	<b>763</b>	<b>408</b>	<b>1,099</b>	<b>633</b>
<b>Net carrying amount as at 12/31/2011</b>	<b>3,484</b>	<b>2,085</b>	<b>693</b>	<b>358</b>	<b>305</b>	<b>43</b>

(1) See Note 4.17.

The net impact of exchange differences on other financial assets was included in "Other movements" in the amount of €-175 thousand.

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 €254 thousand as at December 31, 2011 (€248 thousand as at December 31, 2010).

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)	12/31/2011	12/31/2010*
Consolidated net profit	55,136	44,011
Income tax expense	21,032	18,312
<b>Net profit before tax</b>	<b>76,168</b>	<b>62,323</b>
<b>Tax rate applicable in France</b>	<b>36.10%</b>	<b>34.43%</b>
<b>Theoretical tax charge</b>	<b>27,497</b>	<b>21,458</b>
Impairment of goodwill	1,295	-
Unrecognised tax losses/(Utilisation) of unrecognised tax losses	2,441	1,387
Contribution on Added Value	4,771	4,469
Coupon paid on equity instruments (see note 4.10)	(3,136)	(2,992)
Effect of other permanent differences	(4,693)	(2,275)
Effect of profit/(loss) of associates	(546)	(557)
Effect of different tax rates	(6,019)	(2,627)
Other items	(577)	(551)
<b>Effective tax charge</b>	<b>21,032</b>	<b>18,312</b>
<b>Effective tax rate</b>	<b>27.61%</b>	<b>29.38%</b>

\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

The Group qualifies 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 €7,467 thousand (or €4,771 thousand after the tax impact).

Excluding the qualification of the Contribution on Added Value as income tax, the decrease in the Group tax rate compared to 2010 was primarily due to:

- charges included in net profit before tax and non-recurring tax charges recognised in 2011 which did not prevail in 2010, such as the impairment of Swedish goodwill, or which exceeded those of 2010, such as the non-recognition of Spanish deferred tax assets and the use of Austrian tax losses not recognized before;
- one-off favourable events which benefitted the Group in 2011 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.

**Breakdown between current and deferred taxes in the income statement:**

(in thousands of euros)	France 12/31/2011	International 12/31/2011	Total 12/31/2011	Total 12/31/2010*
Current tax	(11,443)	(16,485)	(27,928)	(24,774)
Deferred tax	9,839	(2,943)	6,896	6,462
<b>Tax</b>	<b>(1,604)</b>	<b>(19,428)</b>	<b>(21,032)</b>	<b>(18,312)</b>

\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

**Deferred taxes recognised as at December 31, 2011**

(in thousands of euros)	12/31/2010	Profit or loss impact	Impact on reserves	Translation and other mvts	12/31/2011
Intangible assets	(16,397)	729		(468)	(16,136)
Property, plant and equipment	6,495	(121)		482	6,856
Property, plant and equipment finance lease	(3,003)	3,268		(30)	235
Non-current financial assets	(376)	85	945	2	656
Inventories and work-in-progress	(2,668)	424		1	(2,243)
Other current assets	385	(2,005)	1,714	177	271
Retirement benefit obligations	(6,611)	(1,579)		(433)	(8,623)
Provisions	1,636	(145)		42	1,533
Other current liabilities	(252)	3,349	70	(457)	2,710
Tax loss carry-forwards	17,159	2,891		(2)	20,048
<b>Total net deferred tax assets</b>	<b>(3,632)</b>	<b>6,896</b>	<b>2,729</b>	<b>(686)</b>	<b>5,306</b>
<b>Deferred tax assets recognised</b>	<b>14,149</b>				<b>27,332</b>
<b>Deferred tax liabilities recognised</b>	<b>17,780</b>				<b>20,939</b>

The liabilities associated with non-current assets held for sale include deferred tax liabilities in the amount of €1,086 thousand (see note 4.18 – Non-current assets held for sale).

Exchange differences had a total impact of (€609) thousand.

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#### Deferred tax assets not recognised as at December 31, 2011

Deferred tax assets not capitalised as at December 31, 2011 totalled €26,682 thousand:

- on tax losses carried forward: €25,504 thousand;
- on other temporary differences: €1,178 thousand.

Breakdown of deferred tax assets not recognised by country (in thousands of euros)	Total as at 12/31/2010	Total as at 12/31/2011	Expiry date < 2 years	Expiry date > 2 years
Germany <sup>(2)</sup>	868	873		873
Austria	1,001	286		286
Denmark	1,240	1,024		1,024
Spain	11,048	12,840		12,840
France <sup>(2)</sup>	2,870	2,873		2,873
UK	798	726		726
Sweden	4,838	4,925		4,925
Singapore <sup>(2)</sup>	912	930		930
Other countries <sup>(1) (2)</sup>	2,043	2,205		2,205
<b>Total unrecognised deferred tax assets</b>	<b>25,618</b>	<b>26,682</b>		<b>26,682</b>

(1) Canada, Cyprus, United States, Luxembourg.

(2) Deferred tax assets mainly arising from the takeover of Xansa.

## Note 4.8 Inventories and work-in-progress

(in thousands of euros)

<b>Gross value as at 12/31/2010</b>	<b>8,281</b>
Net change during the period	937
<b>Gross value as at 12/31/2011</b>	<b>9,218</b>
<b>Impairment of inventories as at 12/31/2010</b>	<b>116</b>
Net change during the period	(116)
<b>Impairment of inventories as at 12/31/2011</b>	<b>0</b>
<b>Net carrying amount as at 12/31/2010</b>	<b>8,165</b>
<b>Net carrying amount as at 12/31/2011</b>	<b>9,218</b>

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)	12/31/2011	12/31/2010
Trade receivables – gross value	302,870	273,797
Impairment	(3,401)	(2,766)
<b>Trade receivables and related accounts</b>	<b>299,468</b>	<b>271,031</b>
<b>Amounts due from customers</b>	<b>176,345</b>	<b>167,164</b>
Customer deposits and advances	787	470
Receivables from employees and social security and tax authorities	28,044	23,177
Current accounts	1	485
Other debtors – gross value	2,892	2,349
Derivative financial instruments – interest rates <sup>(1)</sup>	-	-
Derivative financial instruments – foreign exchange <sup>(1)</sup>	126	5,419
Impairment	(624)	(169)
<b>Other current assets</b>	<b>31,225</b>	<b>31,731</b>
<b>Short-term portion of non-current assets (&lt; 1 year)</b>	<b>3,565</b>	<b>3,743</b>
<b>Current tax assets</b>	<b>35,213</b>	<b>28,160</b>
<b>Prepaid expenses</b>	<b>23,001</b>	<b>24,043</b>
<b>Trade receivables and other debtors</b>	<b>568,816</b>	<b>525,872</b>

(1) See note 4.17.

In December 2011, the Group sold trade receivables in the amount of €15,415 thousand in France and in the amount of €1,076 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 (gross value) break down by maturity as follows:

(in thousands of euros)	Total	Not past due	< 30 days	30 < 60 days	60<90 days	90<120 days	> 120 days
Trade receivables 2011	302,870	191,248	72,290	13,470	4,477	4,570	16,815
Trade receivables 2010	273,797	178,804	42,712	12,625	3,582	4,117	31,957

Trade receivables not past due as at December 31, 2011 totalled €191,248 thousand and represented 63.1% of total trade receivables.

This balance plus trade receivables past due less than 30 days, totalled €263,538 thousand and represented 87.0% 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)	2011	2010
<b>As at January 1</b>	<b>(2,766)</b>	<b>(2,152)</b>
Change in Group structure		-
Charges for the year	(2,298)	(1,312)
Reversals utilised (losses on irrecoverable receivables)	1,069	636
Reversals not utilised		125
Reclassification and other	610	(63)
Translation differences	(16)	-
<b>As at December 31</b>	<b>(3,401)</b>	<b>(2,766)</b>

## Note 4.10 Equity instruments

On November 12, 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 November 14, 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. During fiscal 2011, 412 Groupe Steria shares were created as a result of the conversion of 400 bonds.

These bonds were classified as equity instruments in accordance with IFRS. In accordance with the contractual terms of these bonds presented in the AMF prospectus no. 07-394 dated November 12, 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 January 1, 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 December 31, 2011 amounted, after tax, to €5,552 thousand (€5,698 thousand on December 31, 2010).

## 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)	12/31/2011	12/31/2010
Marketable securities and other investments	126,650	132,891
Cash at bank and in hand	43,719	44,356
<b>Cash and cash equivalents</b>	<b>170,369</b>	<b>177,247</b>
Current bank facilities	(3,969)	(4,864)
<b>Net cash and cash equivalents per the cash flow statement</b>	<b>166,399</b>	<b>172,382</b>

Marketable securities and other investments 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 €85,086 thousand in India (€99,607 thousand as at December 31, 2010).

Breakdown of borrowings recorded in the balance sheet and determination of net indebtedness:

(in thousands of euros)	12/31/2010	Change in Group structure	Net change during the period	12/31/2011
Bank borrowings	204,074	142	59,386	263,601
Borrowings – finance leases	-			-
Other borrowings	36		(12)	24
<b>Total long-term borrowings (a)</b>	<b>204,110</b>	<b>142</b>	<b>59,374</b>	<b>263,626</b>
Bank borrowings	69,278	10	(40,966)	28,322
Borrowings – finance leases	5		(5)	-
Other related liabilities	185	165	6	357
Current bank facilities	4,864		(894)	3,969
<b>Total short-term borrowings (b)</b>	<b>74,332</b>	<b>175</b>	<b>(41,859)</b>	<b>32,648</b>
Total borrowings (c) = (a) + (b)	278,442	317	17,515	296,274
Total cash and cash equivalents (d)	177,247	68	(6,946)	170,369
<b>Net indebtedness (e) = (c) – (d)</b>	<b>101,195</b>	<b>249</b>	<b>24,461</b>	<b>125,905</b>

The Group renegotiated its lines of credit and signed a 5-year multi-currency syndicated loan agreement on June 23, 2011. This new loan replaces in advance the existing facilities of €476 million maturing at the end of July 2012. The maturity date for the new credit facilities is June 2016.

The signed credit facilities include:

- an amortisable loan of €200 million;
- an amortisable loan of €65 million;
- a multi-currency revolving credit facility of €325 million which will be used to satisfy the Group's various financing requirements, including the possible refinancing of the perpetual subordinated bonds, convertible and/or exchangeable for new shares, issued for a total of €152,449 thousand.

In accordance with the provisions of IAS 39 Financial instruments: recognition and measurement (section 40), the refinancing will not lead to any substantial change in the initial financial liability or its extinguishment.

New bond issue costs in the amount of €5,054 thousand were recognised, bringing the total amount of issue costs to be amortised to €6,517 thousand as at December 31, 2011.

The increase in borrowings was due to the drawdown of the multi-currency loan.

The bank terms and conditions to which the syndicated loan is subject notably include a commitment to comply with certain bank covenants.

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#### 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.

At December 31, 2011, the Group had floating-rate lines of credit totalling €654.0 million, 46% of which were drawn down. They break down as follows:

	Amount authorised at December 31, 2011		Drawdown rate at December 31, 2011		Drawdown rate at December 31, 2011	Maturity	Rate at December 31, 2011
	in M€	in M£	in M€	in M£			
<b>Syndicated loan</b>							
Tranche A	200.0		200.0		100%	Repayable in instalments: 2016	2.84%
Tranche B		65.0		65.0	100%	Repayable in instalments: 2016	2.25%
Multi-currency revolving credit	325.0		20.0		6%	Repayable on maturity: 2016	2.08%
<b>Other</b>		<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>100%</b>	<b>Repayable in instalments: 2012</b>	<b>1.07%</b>
<b>Overdraft</b>	<b>52.7</b>		<b>3.9</b>		<b>7%</b>	<b>N/A</b>	<b>1.22%</b>
<b>Total per currency</b>	<b>577.7</b>	<b>65.4</b>	<b>224.4</b>	<b>65.4</b>			
<b>Equivalent total in euros</b>	<b>656.0</b>		<b>302.7</b>		<b>46%</b>		<b>2.63%</b>

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 include compliance with certain bank covenants.

Two financial ratios calculated every six months based on the published consolidated financial statements, on a 12-month rolling basis, must be complied with:

- the first, the leverage ratio, is equal to net debt/Ebitda;
- the second, the interest coverage ratio, is equal to EBIT/cost of net borrowings.

The first financial ratio, the leverage ratio, which is equal to net debt/Ebitda, must not exceed 2.50 at each calculation date.

Net debt is defined on a consolidated basis as all loans and related borrowings (excluding inter-company liabilities), 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 December 31, 2011, the net debt to Ebitda ratio requirement was satisfied, amounting to 0.83 compared with the applicable covenant of 2.50.

It is calculated as follows:

	12/31/2011
<b>Net debt (including retirement benefit obligations)</b> (in millions of euros)	
Short-term borrowings (< 1 year)	32.6
Long-term borrowings (> 1 year)	263.6
Cash and cash equivalents	(170.4)
<b>Total net debt</b>	<b>125.9</b>
<b>Ebitda</b> (in millions of euros)	
<b>Total Ebitda</b>	<b>151.4</b>
<b>Net debt/Ebitda ratio</b>	<b>0.83</b>

The second financial ratio, the interest coverage ratio, is equal to EBIT/cost of net borrowings. This ratio must not fall below 5 at each calculation date.

EBIT is the consolidated operating margin calculated before amortisation of customer relationships and on a 12-month rolling basis.

The cost of net borrowings is also calculated on a 12-month rolling basis.

As at December 31, 2011, the EBIT to cost of net borrowings ratio requirement was satisfied, amounting to 79.52 compared with the applicable covenant of 5.00. It was calculated as follows:

	12/31/2011
<b>Operating margin before amortisation of customer relationships in millions of euros</b>	
<b>Total operating margin before amortisation of customer relationships</b>	<b>129.9</b>
<b>Cost of net borrowings in € millions</b>	
<b>Total cost of net borrowings</b>	<b>1.6</b>
<b>Operating margin before amortisation of customer relationships/cost of net borrowings ratio</b>	<b>79.52</b>

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 December 31, 2011, the schedule for repayment of the Group's gross debt was as follows:

(in millions of euros)	2012*	2013	Between 2 and 5 years	More than 5 years	Total
Fixed-rate debt	-	-	-	-	-
Floating-rate debt	32.8	33.1	230.4	-	296.3
<b>Total</b>	<b>32.8</b>	<b>33.1</b>	<b>230.4</b>	<b>-</b>	<b>296.3</b>

(\*) Of which €20.0 million and £6.5 million due as of June 28, 2012.

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A breakdown of the Group's gross indebtedness as at December 31, 2011, by type of debt and currency, is shown below:

(in millions of euros)	Currency of origin			Total
	Euro	Pound Sterling	Other	
Loans with credit institutions	200.0	70.0		270.0
Loans with credit institutions – short-term	20.0	8.2		28.2
Loans and interest linked to finance leases	-	-		-
Bank loans (cash liabilities)	1.5	2.3	0.1	3.9
Other	(5.8)			(5.8)
<b>Gross debt</b>	<b>215.7</b>	<b>80.5</b>	<b>0.1</b>	<b>296.3</b>

The Group's portfolio of market securities as at December 31, 2011 breaks down as follows:

(in millions of euros)	Short-term investments	Liquidity agreement cash advance	Total portfolio of marketable securities
Net asset value	126.5	0.1	126.6
Off-balance sheet	-	-	-
<b>Net position</b>	<b>126.5</b>	<b>0.1</b>	<b>126.6</b>

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 December 31, 2011 and considering the short-term investments held at such date, a 50 base point decrease in floating rates would reduce annual financial income by €0.63 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 and similar obligations

Retirement benefit and similar obligations break down as follows:

(in thousands of euros)	12/31/2011	12/31/2010
Post-employment benefits	(23,584)	(11,076)
<i>Of which assets</i>	(58,212)	(44,593)
<i>Of which liabilities</i>	34,628	33,517
Other long-term benefits	5,618	1,535
<b>Retirement benefit and similar obligations</b>	<b>(17,965)</b>	<b>(9,541)</b>
<i>Of which assets</i>	(58,212)	(44,593)
<i>Of which liabilities</i>	40,247	35,052

Other long-term benefits include benefits relating to length of service in Germany (€124 thousand as at December 31, 2011), pre-pension obligations in Germany and Belgium (respectively €594 thousand and €712 thousand as at December 31, 2011) and employee profit-sharing in France (€4,188 thousand as at December 31, 2011).

Post-employment benefits cover the obligations of Groupe Steria towards its employees with respect to lump-sum retirement benefits in France (1.4% of the Group's total obligations) and defined benefit

plans in the UK (94.8%), Germany (2.0%), Benelux (0.9%) and Norway (0.9%). As at December 31, 2011, they represent a net amount of €-23,584 thousand corresponding to an excess of prepaid expenses over accrued expenses.

Assets and obligations are valued annually on December 31.

The amounts recognised in the income statement and the balance sheet are based on forecasts performed at the end of 2010 for service cost, interest cost on the liability and the expected return on plan assets.

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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)	12/31/2011	12/31/2010	12/31/2009	12/31/2008	12/31/2007 restated
<b>Present value of the obligation at the beginning of the period</b>	<b>994,899</b>	<b>919,573</b>	<b>640,914</b>	<b>940,295</b>	<b>556,596</b>
Obligations resulting from a business combination					426,874
Exchange differences	34,782	29,084	47,244	(200,085)	(69,503)
Current service cost	3,249	5,966	12,185	20,130	10,109
Past service cost	122				56
Interest	52,660	53,575	43,591	51,206	32,574
Employee contributions	6	343	249	696	237
Actuarial (gains) and losses	86,887	10,675	219,845	(147,024)	2,121
Plan amendment			(17,367)		
Benefits provided	(28,340)	(24,317)	(27,089)	(24,304)	(18,769)
<b>Present value of the obligation at the end of the period</b>	<b>1,144,266</b>	<b>994,899</b>	<b>919,573</b>	<b>640,914</b>	<b>940,295</b>
<b>Fair value of plan assets at the beginning of the period</b>	<b>877,663</b>	<b>768,198</b>	<b>613,935</b>	<b>881,743</b>	<b>492,064</b>
Assets acquired during a business combination					416,800
Exchange differences	28,002	24,160	44,882	(189,883)	(64,606)
Expected return	52,232	47,959	37,573	52,055	34,601
Actuarial gains and (losses)	(13,485)	38,351	47,490	(155,162)	(615)
Employer contributions	21,968	22,970	51,157	48,790	22,031
Employee contributions	6	343	249	696	237
Benefits provided	(28,340)	(24,317)	(27,089)	(24,304)	(18,769)
<b>Fair value of plan assets at the end of the period</b>	<b>938,046</b>	<b>877,663</b>	<b>768,196</b>	<b>613,935</b>	<b>881,743</b>

The corridor limits, *i.e.* 10% of the amount of obligations or the market value of plan assets, were exceeded in 2011, as was the case in 2010, 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 £5,526 thousand or €6,367 thousand in 2011. In 2012, this expense will amount to £12,533 thousand.

From January 1, 2013, every actuarial gains and losses will be recorded through equity according to the amendment of IAS 19.



The UK pension fund assets belong to four investment categories:

(in thousands of euros)	12/31/2011	12/31/2010
Shares	384,337	399,497
Bonds	475,641	377,809
Property	31,321	29,788
Other assets	46,747	70,568
<b>Total</b>	<b>938,046</b>	<b>877,661</b>

The discount rate used for employee obligations is based on the return on AA bonds in line with the life of the liabilities rounded to the nearest decimal point. In the United Kingdom where most of the Group's obligations are assumed, the reference used is the Mercer yield curve.

A 0.25 point decrease in the discount rate would increase the benefit obligation by €60.8 million. A 10% reduction in the rate of return on plan assets would reduce their value by €93.8 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 loss of €14.3 million and a loss of €24.8 million, respectively.

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Movements in net liabilities arising from the main retirement benefit obligations during 2011 are presented in the following table:

	Defined benefit pension funds – United Kingdom	Defined benefit pension funds – Germany	Lump-sum retirement benefits – France	Defined benefit pension funds – Norway	Defined benefit pension funds – Belgium
<b>Calculation assumptions for actuarial liabilities</b>					
Discount rate	4.70%	4.60%	4.60%	3.30%	4.50%
Average return on assets	5.60%	-	-	4.80%	3.50%
Inflation rate	2.90%	-	2%	3.75%	2.50%
Rate of salary increase	3.15%	2%/0%	2%	-	3%
Retirement age	Variable	60/63	63	-	-
<b>Amounts recognised in the balance sheet</b>					
Present value of the obligation financed including the corridor	1,144,266	24,166	17,112	10,892	10,324
Fair value of plan assets	938,045	-	-	9,919	9,367
Difference	206,221	24,166	17,112	972	957
Unrecognised actuarial gains/(losses)	(264,432)	(5,862)	(1,018)	963	(4)
Unrecognised past service cost	-	-	(2,656)	-	-
<b>Net liabilities on the balance sheet (provision after charge for the year)</b>	<b>(58,211)</b>	<b>18,304</b>	<b>13,438</b>	<b>1,935</b>	<b>952</b>
<i>Of which:</i>					
Assets	58,211				
Liabilities		18,304	13,438	1,935	952
<b>Amounts recognised in the income statement</b>					
Current service cost	3,249	28	1,488	303	374
Interest cost on obligation	52,660	1,047	721	325	371
Expected return on plan assets	(52,232)	-	-	(434)	(331)
Net actuarial (gains) losses recognised for the period	6,367	302	4	15	-
Past service cost	122	-	220	-	-
Gains arising from the plan amendment	-	-	-	-	-
Total expense	10,167	1,377	2,433	209	414
<b>Movements in liabilities</b>					
<b>Net liability at the beginning of the period (with corridor)</b>	<b>(44,593)</b>	<b>17,838</b>	<b>11,942</b>	<b>2,113</b>	<b>1,624</b>
Net expense recognised in the income statement	10,167	1,377	2,433	209	414
Contributions	(21,968)	(910)	(937)	(398)	(1,086)
Foreign exchange differences	(1,818)	-	-	12	-
Liabilities assumed as part of business combinations	-	-	-	-	-
Changes in method	-	-	-	-	-
<b>Net liability at the end of the period</b>	<b>(58,211)</b>	<b>18,304</b>	<b>13,438</b>	<b>1,935</b>	<b>952</b>
<i>Of which:</i>					
Assets	58,211				
Liabilities		18,304	13,438	1,935	952

Movements in net liabilities arising from the main retirement benefit obligations during 2010 are presented in the following table:

	Defined benefit pension funds -United Kingdom	Defined benefit pension funds – Germany	Lump-sum retirement benefits – France	Defined benefit pension funds – Norway	Defined benefit pension funds – Belgium
<b>Calculation assumptions for actuarial liabilities</b>					
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	63	-	-
<b>Amounts recognised in the balance sheet</b>					
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)		
<b>Net liabilities on the balance sheet (provision after charge for the year)</b>	<b>(44,593)</b>	<b>17,838</b>	<b>11,942</b>	<b>2,113</b>	<b>1,624</b>
<i>Of which:</i>					
Assets	44,593	-	-		
Liabilities		17,838	11,942	2,113	1,624
<b>Amounts recognised in the income statement</b>					
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
<b>Movements in liabilities</b>					
<b>Net liability at the beginning of the period (with corridor)</b>	<b>(42,230)</b>	<b>17,459</b>	<b>10,623</b>	<b>2,151</b>	<b>1,650</b>
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					
<b>Net liability at the end of the period</b>	<b>(44,593)</b>	<b>17,838</b>	<b>11,942</b>	<b>2,113</b>	<b>1,624</b>
<i>Of which:</i>					
Assets	44,593	-	-		
Liabilities		17,838	11,942	2,113	1,624

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### Note 4.13 Provisions for liabilities and charges

In 2011, provisions for liabilities and charges break down as follows:

(in thousands of euros)	12/31/2010 corrected*	Charges	Reversals utilised	Reversals not utilised	Other movements	Exchange differences	12/31/2011	Non-current	Current
Provisions for litigation	11,084	2,753	(833)	(30)	-	40	13,013	685	12,328
Provisions for losses on contracts	2,676	1,668	(1,500)	(82)	(44)	65	2,783		2,783
Other provisions for liabilities	22,549	5,985	(1,707)	(7,467)	187	466	20,013	11,241	8,772
Provisions for restructuring	19,143	7,370	(12,689)	(986)	-	113	12,951	2,196	10,755
<b>Total provisions for liabilities and charges</b>	<b>55,451</b>	<b>17,776</b>	<b>(16,729)</b>	<b>(8,566)</b>	<b>143</b>	<b>684</b>	<b>48,760</b>	<b>14,122</b>	<b>34,638</b>

In 2010, the breakdown was as follows:

(in thousands of euros)	01/01/2010 corrected*	Charges	Reversals	Other movements	Exchange differences	12/31/2010 corrected*	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	30,001	7,621	(16,452)	706	672	22,549	13,979	8,570
Provisions for restructuring	13,976	10,896	(5,344)	(632)	247	19,143	5,674	13,469
<b>Total provisions for liabilities and charges</b>	<b>56,687</b>	<b>24,849</b>	<b>(27,222)</b>	<b>74</b>	<b>1,063</b>	<b>55,451</b>	<b>20,688</b>	<b>34,763</b>

\* See note 1.2 – Correction of errors.

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 €6,706 thousand, the cost of refurbishing UK premises in the amount of €9,708 thousand and vacant premises in connection with everyday operations in the United Kingdom in the amount of €1,763 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

€4,546 thousand. In France, infrastructure reorganisation measures costing €4,201 thousand resulted in vacant premises and refurbishment costs. Finally, resource adaptation costs in France, Germany and Spain were provided for in the amount of €3,905 thousand.

Reversals of unused provisions for liabilities and charges totalled €11,029 thousand as at December 31, 2010 and were attributable to the elimination of certain client risks. They corresponded to other provisions for liabilities.

## Note 4.14 Other non-current liabilities

(in thousands of euros)	12/31/2010	Net change during the period	12/31/2011
Other long-term liabilities	4,104	(3,431)	673
Derivative financial instruments – interest rate <sup>(1)</sup>	251	2,551	2,802
Derivative financial instruments – foreign exchange <sup>(1)</sup>	958	2,384	3,342
<b>Total</b>	<b>5,313</b>	<b>1,504</b>	<b>6,817</b>

(1) See note 4.17.

In 2010, other non-current liabilities comprised, in particular, French profit-sharing liabilities in the amount of €4,077 thousand. In 2011, these other liabilities were reclassified to Other long-term employee benefits.

## Note 4.15 Trade payables and other creditors

(in thousands of euros)	12/31/2011	12/31/2010*
<b>Suppliers of goods and services and related accounts</b>	<b>152,179</b>	<b>145,719</b>
<b>Gross amounts due to customers</b>	<b>65,845</b>	<b>76,900</b>
<b>Advances and payments on account received</b>	<b>5,055</b>	<b>3,687</b>
<b>Current tax liabilities, corporate income tax</b>	<b>54,971</b>	<b>42,467</b>
Employee-related liabilities	160,447	166,205
Tax-related liabilities	99,440	92,841
Dividends payable	9,832	9,287
Derivative financial instruments – interest rate <sup>(1)</sup>	92	118
Derivative financial instruments – foreign exchange <sup>(1)</sup>	6,661	465
Other sundry liabilities	2,223	957
<b>Total other current liabilities</b>	<b>278,694</b>	<b>269,873</b>
<b>Total trade payables and other creditors</b>	<b>556,744</b>	<b>538,646</b>

(1) See note 4.17.

\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

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.

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## Note 4.16 Breakdown of the cash flow statement

Change in working capital requirements (WCR) breaks down as follows:

(in thousands of euros)	12/31/2011	12/31/2010	Net change	Of which non-WCR items	Of which WCR items	Of which WCR items with no cash impact		Of which cash flow statement items
						Foreign exchange	Other	
<b>Change relating to inventories</b>			<b>1,053</b>	-	<b>1,053</b>	<b>25</b>	-	<b>(1,028)</b>
Trade receivables	299,468	271,031	28,437	-	28,437	5,498	1,307	(21,632)
Advances and payments on account received	(5,055)	(3,687)	(1,368)	-	(1,368)	(4)	(769)	595
Amounts due from customers	176,345	167,164	9,181	-	9,181	2,063	48	(7,071)
Gross amounts due to customers	(65,845)	(76,900)	11,055	-	11,055	(569)	(1)	(11,625)
<b>Change relating to trade receivables</b>			<b>47,305</b>	-	<b>47,305</b>	<b>6,988</b>	<b>584</b>	<b>(39,733)</b>
Trade payables and similar accounts	(152,179)	(145,719)	(6,460)	(205)	(6,255)	(8,674)	(862)	(3,281)
<b>Change relating to trade payables</b>			<b>(6,460)</b>	<b>(205)</b>	<b>(6,255)</b>	<b>(8,674)</b>	<b>(862)</b>	<b>(3,281)</b>
Other non-current assets	1,939	1,843	96	-	96	(241)		(337)
Other current assets (excluding derivative financial instruments)	54,100	50,356	3,745	-	3,745	29	(5,246)	(8,961)
Other non-current liabilities	(673)	(4,105)	3,432	-	3,432	18	3,939	525
Other current liabilities	(262,110)	(260,003)	(2,106)	-	(2,228)	2,639	4,384	9,252
<b>Change relating to other receivables and payables</b>			<b>5,166</b>	-	<b>5,044</b>	<b>2,445</b>	<b>2,570</b>	<b>479</b>
<b>Change in working capital requirements relating to operations</b>					<b>47,147</b>	<b>785</b>	<b>2,800</b>	<b>(43,562)</b>

## 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)	12/31/2011		Breakdown by category of instrument				
	Carrying amount	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	2,273	2,273		2,273			
Other financial assets	3,484	3,484			3,137		347
Other non-current assets	1,939	1,939			1,939		
Net trade and similar receivables	299,468	299,468			299,468		
Other current assets	31,225	31,225			31,099		126
Current portion of non-current assets	3,565	3,565			3,565		
Cash and cash equivalents	170,369	170,369	170,369				
<b>Total assets</b>	<b>512,322</b>	<b>512,322</b>	<b>170,369</b>	<b>2,273</b>	<b>339,208</b>		<b>473</b>
Borrowings (>1 year)	263,626	263,626				263,626	
Other non-current liabilities	6,817	6,817			673		6,144
Borrowings (<1 year)	32,648	32,648				32,648	
Net trade and similar payables	152,179	152,179			152,179		
Advances and payments on account received	5,055	5,055			5,055		
Other current liabilities	278,694	278,694			271,942		6,752
<b>Total liabilities</b>	<b>739,019</b>	<b>739,019</b>			<b>429,849</b>	<b>296,274</b>	<b>12,896</b>

(in thousands of euros)	12/31/2010		Breakdown by category of instrument				
	Carrying amount	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				
<b>Total assets</b>	<b>490,637</b>	<b>490,637</b>	<b>177,246</b>	<b>1,808</b>	<b>304,432</b>		<b>7,151</b>
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
<b>Total liabilities</b>	<b>698,967</b>	<b>698,967</b>			<b>418,734</b>	<b>278,441</b>	<b>1,792</b>

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)	12/31/2011	Breakdown by category of instrument				
	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	7,172			7,172		
Total interest expense	(8,465)				(8,465)	
Revaluation	(340)	58				(398)
<b>Net gains or (losses)</b>	<b>(1,633)</b>	<b>58</b>		<b>7,172</b>	<b>(8,465)</b>	<b>(398)</b>

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(in thousands of euros)	12/31/2010		Breakdown by category of instrument			
	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	4,559			4,559		
Total interest expense	(4,845)				(4,845)	
Revaluation	(10,347)	9				(10,356)
<b>Net gains or (losses)</b>	<b>(10,633)</b>	<b>9</b>		<b>4,559</b>	<b>(4,845)</b>	<b>(10,356)</b>

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 €297.8 million. This exposure was reduced to €43.9 million based on interest rate hedging agreements in place as at December 31, 2011.



The Group has taken out several interest rate swap contracts, a breakdown of which is given below:

(in thousands of euros)	Fair value 12/31/2011				Notional amounts	Maturities		
	Non- current assets	Current assets	Non- current liabilities	Current liabilities		< 1 year	from 1 to 5 years	> 5 years
Swap (cash flow hedge) in euros			2,292	13	140,000	25,000	115,000	
Swap (cash flow hedge) in foreign currency			228	78	42,500	23,943	18,557	
Options eligible for hedge accounting in euros	18		224		47,500		47,500	
Options eligible for hedge accounting in foreign currency	21		58		23,943		23,943	
Options not eligible for hedge accounting in foreign currency	3				11,972		11,972	
<b>Total interest rate hedges</b>	<b>43</b>		<b>2,802</b>	<b>92</b>	<b>265,915</b>	<b>48,943</b>	<b>216,972</b>	

(in thousands of euros)	Fair value 12/31/2010				Notional amounts	Maturities		
	Non- current assets	Current assets	Non- current liabilities	Current liabilities		< 1 year	from 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) in foreign currency	42				11,618		11,618	
Options eligible for hedge accounting in euros	219		129		30,000		30,000	
<b>Total interest rate hedges</b>	<b>633</b>		<b>251</b>	<b>118</b>	<b>161,618</b>	<b>35,000</b>	<b>126,618</b>	

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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:

(in thousands of euros)	Balance sheet amounts <sup>(1)</sup>				Equity impact	Changes in fair value		
	12/31/2010	Changes in fair value	Other changes (2)	12/31/2011		Profit or loss impact		
						Ineffective portion of cash flow hedges	Fair value hedges	Trading
Swap (cash flow hedge) in euros	131	(2,437)	-	(2,306)	(2,437)			
Swap (cash flow hedge) in foreign currency	42	(348)	-	(306)	(348)			
Options eligible for hedge accounting in euros	90	(374)	79	(205)	(208)	(166)		
Options eligible for hedge accounting in foreign currency	-	(75)	38	(37)	3	(78)		
Options not eligible for hedge accounting in foreign currency	-	(27)	30	3				(27)
<b>Total pre-tax impact</b>	<b>264</b>	<b>(3,261)</b>	<b>147</b>	<b>(2,851)</b>	<b>(2,990)</b>	<b>(244)</b>		<b>(27)</b>

(1) Negative amounts are liabilities and positive amounts are assets.

(2) Other changes include those arising from exchange differences and premiums paid.

(in thousands of euros)	Balance sheet amounts <sup>(1)</sup>				Equity impact	Changes in fair value <sup>(2)</sup>		
	12/31/2009	Change	12/31/2010	Equity impact		Profit or loss 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) in foreign currency	(2,606)	2,648	42	2,648				
Options eligible for hedge accounting in euros	(790)	881	90	858	23			
Options eligible for hedge accounting in foreign currency	(646)	646	-	643	3			
Options not eligible for hedge accounting in foreign currency	1,801	(1,801)	-					(1,801)
<b>Total pre-tax impact</b>	<b>(9,242)</b>	<b>9,506</b>	<b>264</b>	<b>11,281</b>	<b>26</b>			<b>(1,801)</b>

(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 December 31, 2011 is as follows:

(in millions of euros)	-50 bp		+50 bp	
	Equity impact	P&L impact (hedge ineffectiveness)	Equity impact	P&L impact (hedge ineffectiveness)
Swap (cash flow hedge) in euros	(1.4)		1.3	
Swap (cash flow hedge) in foreign currency	(0.4)		0.4	
Options eligible for hedge accounting in euros	(0.3)		0.2	
Options eligible for hedge accounting in foreign currency	(0.1)			0.1
Options not eligible for hedge accounting in foreign currency		-		-
<b>Total</b>	<b>(2.1)</b>		<b>1.9</b>	<b>0.1</b>
<i>i.e.</i>	(2.1)		2.0	

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.

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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 12/31/2011				Notional amounts	Maturities		
	Non-current assets	Current assets	Non-current liabilities	Current liabilities		< 1 year	from 1 to 5 years	> 5 years
<b>Fair value hedges</b>								
Foreign currency forwards				3,972	33,521	33,521		
Foreign currency options								
<b>Cash flow hedges</b>								
Foreign currency forwards	13		1,985	1,442	45,901	17,363	28,538	
Foreign currency options	292	62	1,357	984	29,137	11,277	17,860	
<b>Instruments not designated for hedging*</b>		<b>64</b>		<b>262</b>	<b>40,497</b>	<b>40,497</b>		
<b>Total foreign currency hedges</b>	<b>305</b>	<b>126</b>	<b>3,342</b>	<b>6,661</b>	<b>149,057</b>	<b>102,659</b>	<b>46,398</b>	

(\*) The Group hedges against transactional foreign exchange risk but does not apply hedge accounting in certain cases.

(in thousands of euros)	Fair value 12/31/2010				Notional amounts	Maturities		
	Non-current assets	Current assets	Non-current liabilities	Current liabilities		< 1 year	from 1 to 5 years	> 5 years
<b>Fair value hedges</b>								
Foreign currency forwards		1,596			12,944	12,944		
Foreign currency options		2,790		13	20,912	20,912		
<b>Cash flow hedges</b>								
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	
<b>Instruments not designated for hedging*</b>		<b>11</b>		<b>345</b>	<b>31,531</b>	<b>31,531</b>		
<b>Total foreign currency hedges</b>	<b>1,099</b>	<b>5,419</b>	<b>958</b>	<b>470</b>	<b>139,135</b>	<b>91,664</b>	<b>47,471</b>	

(\*) 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 <sup>(1)</sup>				Equity impact	Changes in fair value		
	12/31/2010	Changes in fair value	Other changes <sup>(2)</sup>	12/31/2011		Profit or loss impact		
						Ineffective portion of cash flow hedges	Fair value hedges	Trading
<b>Fair value hedges</b>								
Foreign currency forwards	1,596	(5,678)	110	(3,972)			(5,678)	
Foreign currency options	2,776	(2,557)	(219)	-			(2,557)	
<b>Cash flow hedges</b>								
Foreign currency forwards	614	(3,950)	(78)	(3,414)	(3,950)			
Foreign currency options	437	(1,794)	(630)	(1,987)	(1,458)	(336)		
<b>Instruments not designated for hedging</b>	<b>(333)</b>	<b>151</b>	<b>(16)</b>	<b>(198)</b>				<b>151</b>
<b>Total pre-tax impact</b>	<b>5,090</b>	<b>(13,828)</b>	<b>(833)</b>	<b>(9,571)</b>	<b>(5,408)</b>	<b>(336)</b>	<b>(8,226)</b>	<b>151</b>

(1) Negative amounts are liabilities and positive amounts are assets.

(2) Other changes include those arising from exchange differences and premiums paid.

(in thousands of euros)	Balance sheet amounts <sup>(1)</sup>				Equity impact	Changes in fair value <sup>(2)</sup>		
	12/31/2009	Change	12/31/2010	Equity impact		Profit or loss impact		
						Ineffective portion of cash flow hedges	Fair value hedges	Trading
<b>Fair value hedges</b>								
Foreign currency forwards	4,251	(2,655)	1,596				(3,168)	
Foreign currency options		2,776	2,776				2,736	
<b>Cash flow hedges</b>								
Foreign currency forwards	2,245	(1,630)	614	(1,888)				
Foreign currency options	1,288	(851)	437	(907)		(626)		
<b>Instruments not designated for hedging</b>	<b>468</b>	<b>(801)</b>	<b>(333)</b>					<b>(854)</b>
<b>Total pre-tax impact</b>	<b>8,251</b>	<b>(3,161)</b>	<b>5,090</b>	<b>(2,795)</b>	<b>(626)</b>	<b>(432)</b>	<b>(854)</b>	

(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.

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Foreign exchange risk exposure is as follows:

(in millions of euros)	EUR	GBP	INR	PLN
Receivables	1.3	50.3	(50.3)	(1.3)
Payables	66.3	(66.3)	-	-
<b>Balance sheet position</b>	<b>67.5</b>	<b>(15.9)</b>	<b>(50.3)</b>	<b>(1.3)</b>
Off-balance sheet position	-	-	-	-
<b>Balance sheet net position</b>	<b>67.5</b>	<b>(15.9)</b>	<b>(50.3)</b>	<b>(1.3)</b>
Hedges	15.0	18.3	(33.5)	0.2
<b>Net position after factoring equivalent in euros</b>	<b>52.5</b>	<b>(34.3)</b>	<b>(16.8)</b>	<b>(1.5)</b>
Net position after factoring in foreign currency	52.5	(28.6)	(1,154.9)	(6.6)
<b>Overall exposure</b>			<b>(52.5)</b>	

The sensitivity of the foreign exchange derivatives portfolio to an increase or decrease by 5% as at December 31, 2011 is as follows:

(in millions of euros)	-5%		+5%	
	Equity impact	P&L impact	Equity impact	P&L impact
Balance sheet position	(1.80)	0.96	1.63	0.87
Foreign exchange derivatives	3.08	0.33	(3.11)	0.04
<b>Total sensitivity to foreign exchange risk</b>	<b>1.28</b>	<b>0.63</b>	<b>(1.48)</b>	<b>0.91</b>
<i>i.e.</i>	0.65		0.57	

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 Non-current assets classified as held for sale

The non-current assets classified as held for sale recognised in the balance sheet are directly related to the reorganisation of premises initiated in India and their highly probable sale.

The value of these non-current assets represents the lower of the net carrying amount or fair value less costs to sell. In this case, the net carrying amount is used.

The value of these assets breaks down as follows:

(in thousands of euros)	<b>India</b>
Land	1,014
Buildings	6,961
Building fixtures and fittings	1,120
<b>Total assets</b>	<b>9,095</b>
Deferred tax liabilities	(1,086)
Other liabilities	(69)
<b>Total liabilities</b>	<b>(1,155)</b>
<b>Net carrying amount of non-current assets classified as held for sale</b>	<b>7,940</b>

## Note 4.19 Sales and provision of services

(in thousands of euros)	<b>12/31/2011</b>	<b>12/31/2010</b>
Sales of goods	37,619	23,214
Provision of services	1,710,058	1,669,454
<b>Sales and provision of services</b>	<b>1,747,677</b>	<b>1,692,668</b>

## Note 4.20 Other current operating income and expenses

Other current operating income and expenses mainly comprised foreign exchange impacts of €-288 thousand for Steria India and €145 thousand for Steria Polska. As at December 31, 2010, these impacts totalled €7,649 thousand and €229 thousand, respectively.

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.

The other current operating income also includes revenues from subleases for €4,794 thousand (€5,657 thousand as at December 31, 2010).

## Note 4.21 Net charges to provisions

(in thousands of euros)	12/31/2011	12/31/2010
Charges to provisions	(7,846)	(11,150)
Reversals of provisions	10,677	16,044
<b>Net (charges to)/reversals of operating provisions</b>	<b>2,832</b>	<b>4,894</b>
Charges in respect of current assets	(2,359)	(1,454)
Reversals in respect of current assets	-	47
<b>Net (charges to)/reversals in respect of current assets</b>	<b>(2,359)</b>	<b>(1,407)</b>
<b>Net (charges to)/reversals of provisions</b>	<b>472</b>	<b>3,487</b>

## Note 4.22 Other operating income and expenses

(in thousands of euros)	12/31/2011	12/31/2010*
Share-based payments	(2,640)	(2,007)
Disposal of activities	321	-
Impairment of assets	(7,219)	(1,031)
Net restructuring and integration costs	(22,916)	(11,639)
Amortisation of actuarial gains and losses and retirement plan amendments	(6,669)	(10,453)
Provision for non-recurring contract litigation	(1,885)	(2,414)
Other operating income	3,514	-
Other operating expenses	(5,807)	(6,525)
<b>Other operating income and expenses</b>	<b>(43,301)</b>	<b>(34,068)</b>
– of which other operating income	3,835	81
– of which other operating expenses	(47,136)	(34,149)

\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

### Share-based payments

Share based payment plans taken into account as at December 31, 2011 are:

- on July 29, 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. July 29, 2011 for Spain, July 29, 2012 for France and July 29, 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 July 29, 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 2011 totalled €201 thousand;

- on April 16, 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. April 16, 2012 for Spain, April 16, 2013 for France and April 16, 2014 for other countries, and subject to the achievement of performance criteria expressed in terms of the 2010 trend in Group consolidated



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revenue. For France and Spain, these shares may not be transferred until April 16, 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 2011 totalled €198 thousand;

- on July 6, 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.* July 6, 2013 for Spain and France and July 6, 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 countries with a four-year vesting period, these shares may be transferred. For France and Spain, these shares may not be transferred until July 6, 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 2011 totalled €670 thousand;

- on July 29, 2011, the Group set up a free performance share plan in favour of certain employees in different countries. A maximum of 157,600 actions will be granted to employees present in the Group at the end of the vesting period, *i.e.* three years for French and Spanish beneficiaries and four years for other beneficiaries, and subject to the achievement of performance criteria in terms of the 2010, 2011 and 2012 trends in Group operating margin for 70% of the conditionally granted shares, and market criteria relating to the share price trend ending as at December 31, 2013, for 30% of the conditionally granted shares. The market requirement highlights two categories of beneficiaries. French and Spanish beneficiaries may not transfer their shares during a period of two years. 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 totalled, for the performance requirement, €15.47 for France and Spain and €15.97 for other countries and, for the market requirement, and depending on the beneficiaries, €6.03 and €9.90 for France and Spain and €6.23 and €10.22 for other countries. The 2011 expense amounted to €186 thousand.

The other characteristics of free share plans are as follows:

	Free shares 07/29/2011	Free shares 07/06/2010	Free shares 04/16/2010	Free shares 07/29/2009
Share price	€17.67	€19.57	€25.30	€14.63
Strike price				
Risk-free rate	2.05%/2.34%	2.0%/1.63%	2.39%/2.01%	2.69%/2.37%
Dividends	2.5%	2%	2%	4%
Volatility	39.1%	NA	NA	NA

Changes in all the stock option and free share plans are summarised in the table below:

	2011		2010	
	Number	Average strike price	Number	Average strike price
Number of shares which can be subscribed at the beginning of the period	475,029	8.42	581,863	8.51
Number of options and shares cancelled during the period	(193,605)	-	(118,645)	1.17
Number of shares subscribed during the period	(4,831)	-	(163,200)	1.60
Number of conditional free shares created during the period	157,600	-	175,011	-
Number of shares adjusted during the period	-	-	-	-
Number of shares which can be subscribed at the end of the period	434,193	-	475,029	8.42

Share-based payments also include the expenses relating to Group employee benefits granted under the Group Employees Share Plan.

By a decision of December 21, 2011, 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 2011 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 €686 thousand. The value of the benefit granted to the employee corresponds to the share market value less the cost of non-transferability and totalled €1,051 thousand.

The benefits granted to employees are calculated using the following main assumptions:

- Measurement date (corresponding to the end of the withdrawal period): November 23, 2011;
- benchmark price: €13.42;
- subscription price: €10.74;
- risk-free rate: 2.30% for the standard formula and 2.46% for the leveraged formula;
- dividend rate: 2.5% of the share price;
- volatility: 45%.

In 2010, by a decision of December 16, 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.

### Disposals of activities

In the second half of December, the Group acquired 50% of the capital of the Moroccan company Steria Medshore, the joint venture set up in partnership with the Moroccan Group FinanceCom in 2007, in addition to the 50% it already held.

In connection with the recognition of this acquisition in accordance with IFRS 3 Business combinations, the Group revalued its interest in the Company acquired at the acquisition date-fair value and generated a profit of €326 thousand.

### Impairment of assets

In connection with the change to premises planned in France and India, the Group recorded accelerated depreciation charges for the scrapping of assets and fixtures and fittings that will not be transferred to the future premises. As at June 30, 2011, the impact of this additional depreciation compared to the initial useful life totalled €3,615 thousand.

The Group recorded a €3,588 thousand goodwill impairment loss for the Swedish operating segment.

### Net restructuring and integration costs

The Group's restructuring and integration measures in 2011 continued to focus on the reorganisation of operations following the acquisition of Xansa, in particular the streamlining of infrastructures. These costs totalled €11,732 thousand (€4,719 thousand in 2010).

The Group continued to adapt its resources in a rapidly changing environment. These expenses totalled €11,184 thousand (€6,687 thousand in 2010).

### 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 €6,669 thousand (of which €6,367 thousand for plans in the United Kingdom). In 2010, an actuarial loss of €10,453 thousand (of which €10,364 thousand for plans in the United Kingdom) was recognised.

### Provision for non-recurring contract litigation

A provision for an unusually significant dispute was recognised and represented a non-recurring expense of €1,885 thousand (see note 4.13 – Provisions for liabilities and charges). In 2010, the charge represented €2,414 thousand. The balance of this provision amounted to €9,999 thousand as at December 31, 2011.

### Other operating income and expenses

In connection with changes in premises in France and India in 2011, the Group had to pay double lease payments and site restoration costs which had an impact of €-4,615 thousand, net of provision reversals. As at December 31, 2010, the Group had set aside a provision for these changes in the amount of €6,537 thousand to cover these costs.

The Group sold a building in the Greater Paris region and generated a disposal gain of €2,455 thousand, net of costs.

## Note 4.23 Net financial expense

(in thousands of euros)	12/31/2011	12/31/2010*
Interest income from cash and cash equivalents	7,150	4,490
<b>Interest income from cash and cash equivalents</b>	<b>7,150</b>	<b>4,490</b>
Interest expense on financing operations	(8,385)	(4,767)
Gains/(losses) on hedging transactions related to cash equivalents	(398)	(10,356)
<b>Gross cost of financial debt</b>	<b>(8,783)</b>	<b>(15,124)</b>
<b>Net cost of financial debt</b>	<b>(1,633)</b>	<b>(10,633)</b>
Foreign currency gains on cash management operations	9,043	10,383
Foreign currency losses on cash management operations	(8,750)	(7,189)
Discounts granted	(1,117)	(1,355)
Change in fair value of interest-rate derivatives – Income	173	18
Change in fair value of interest-rate derivatives – Expense	(445)	(1,680)
Change in fair value of foreign exchange derivatives – Income	1,248	312
Change in fair value of foreign exchange derivatives – Expense	(1,433)	(1,797)
Net interest expense on retirement benefit obligations	(2,127)	(7,448)
Discounting of provisions for liabilities and charges	(722)	(584)
Other financial income	430	913
Other financial expenses	(1,911)	(1,865)
<b>Total other financial income and expenses</b>	<b>(5,611)</b>	<b>(10,293)</b>
– of which other financial income	10,895	11,626
– of which other financial expenses	(16,506)	(21,919)
<b>Net financial expense</b>	<b>(7,244)</b>	<b>(20,926)</b>

\* The 2010 financial statements include an error correction – See note 1.2 – Correction of errors.

Other financial expenses primarily concern the amortisation of debt issue costs.

## 6

## Review of financial position and results

Consolidated financial statements for the year ended December 31, 2011

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## Note 4.24 Earnings per share

Potential dilutive ordinary shares notably include free shares and the 4,080,149 perpetual subordinated bonds, convertible and/or exchangeable for new shares, issued on November 14, 2007 and classified as equity instruments.

The coupons paid on these bonds are deducted from Group profit when determining profit attributable to shareholders.

	12/31/2011	12/31/2010
<b>Numerator</b> (in thousands of euros)		
Net profit attributable to equity holders of the parent (a)	55,009	42,936
Net profit attributable to shareholders (b)	49,456	37,239
Of which: net profit/(loss) from operations held for sale		-
<b>Denominator</b>		
Weighted average number of shares outstanding (c)	30,133,252	29,443,521
Weighted average number of treasury shares (d)	(1,442,858)	(1,460,731)
Weighted average number of shares outstanding excluding treasury shares (e) = (c)+(d)	28,690,394	27,982,790
Weighted average number of subordinated hybrid convertible bonds	4,202,553	4,202,965
Dilutive effect of free shares reserved for employees	238,819	194,449
Theoretical weighted average number of equity instruments (f)	33,131,766	32,380,204
<b>Earnings per share</b> (in euros) (b/e)	1.72	1.33
– of which: from continuing operations	1.72	1.33
– of which: from operations held for sale	-	-
<b>Diluted earnings per share</b> (in euros) (a/f)	1.66	1.33
– of which: from continuing operations	1.66	1.33
– of which: from operations held for sale	-	-

## Note 4.25 Information on income and expense items not recorded in profit or loss

(in thousands of euros)	12/31/2011	12/31/2010
<b>Gains and losses on cash flow hedges:</b>		
– Gains/(losses) arising during the period	(7,951)	11,638
– Less: reclassification of (gains)/losses in the income statement	(448)	(3,152)
<b>Total</b>	<b>(8,399)</b>	<b>8,486</b>

## Note 5. Off-balance sheet commitments

Group off-balance sheet commitments given and received are as follows:

(in thousands of euros)	12/31/2011	12/31/2010	(in thousands of euros)	12/31/2011	12/31/2010
<b>Commitments given</b>			<b>Commitments received</b>		
Endorsements, pledges and guarantees	30,914	8,550	Endorsements		
Commitments given on customer contracts <sup>(1)</sup>	298,167	278,411	Bank guarantees on contracts (joint venture)		
Vendor warranties	346	271	Overdraft facilities (current bank loans)		
Individual legal right to training	3,088	3,783	- authorised	52,651	45,675
Other commitments given	15,285	6,375	- utilised (balance sheet)	3,882	4,762
			- not utilised (off-balance sheet)	48,769	40,913
			Medium-term loan		
			- authorised	325,000	200,000
			- utilised (balance sheet)	20,000	
			- not utilised (off-balance sheet)	305,000	200,000
<b>Total commitments given</b>	<b>347,800</b>	<b>297,390</b>	<b>Total commitments received</b>	<b>353,769</b>	<b>240,913</b>

(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.

Thus, the nominal value of operating leases was as follows:

(in thousands of euros)	12/31/2011	< 1 year	From 1 to 5 years	> 5 years	12/31/2010
Property leases	123,056	18,250	40,945	63,861	132,510
Equipment leases	16,836	7,621	9,215	-	17,220
<b>Nominal value of operating leases</b>	<b>139,892</b>	<b>25,871</b>	<b>50,160</b>	<b>63,861</b>	<b>149,230</b>

In addition, the nominal value of future rental payments receivable under Group sub-lease contracts was €13,942 thousand.

Risks regarding the repayment of borrowings are described in note 4.11.

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, 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 2011.

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 January 11, 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 Kobalt Groupe, the Group had provided vendor warranties. Those warranties expired on December 31, 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 received by the Group to guarantee the valuation of the interest held in Travelsoft (currently 22.49% 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 2011 and in 2010 amounted to:

(in thousands of euros)	2011	2010
General Manager	747	732
Members of the Supervisory Board	370	245
<b>Total</b>	<b>1,118</b>	<b>977</b>

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 2011 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 €204 thousand in 2011 (€209 thousand in 2010).

The stock options and free shares allocated to directors during the year and previously (at the indicated cost to the Company) are as follows:

	2011	2010
Stock options allocated during the period	-	-
Stock options allocated at the balance sheet date	-	28,327
Free shares subject to conditions allocated during the period	12,000	12,000
Free shares subject to conditions allocated at the balance sheet date	24,000	22,000
<b>Estimated cost to the Company</b> (in thousands of euros)	<b>96</b>	<b>58</b>

### Note 6.2 Transactions with NHS SBS

Receivables and payables in respect of NHS SBS are as follows:

(in thousands of euros)	12/31/2011	12/31/2010
Operating receivables	4,714	3,647
Operating payables	(1,144)	(597)

The sale and purchase transactions performed by the Group with NHS SBS are as follows:

(in thousands of euros)	12/31/2011	12/31/2010
Sales	47,073	40,084
Purchases	-	-

All transactions were undertaken on an arm's length basis.

## Note 7. Statutory Auditors' Fees

(in thousands of euros)	Ernst & Young				Pimpaneau & Associés			
	Amount		%		Amount		%	
	2011		2011		2011		2011	
<b>Audit</b>	<b>1,546</b>	<b>1,596</b>	<b>84%</b>	<b>78%</b>	<b>199</b>	<b>192</b>	<b>97%</b>	<b>98%</b>
– Auditing, certification, review of the individual and consolidated annual and interim financial statements	1,537	1,594	84%	78%	199	192	97%	98%
<i>Issuer</i>	213	252	12%	12%	76	69	29%	35%
<i>Fully consolidated subsidiaries</i>	1,324	1,342	72%	66%	123	123	68%	63%
– Other secondary duties and other audit engagements	9	3	-	-				
<i>Issuer</i>	-	-	-	-				
<i>Fully consolidated subsidiaries</i>	9	3	-	-				
<b>Other services</b>	<b>278</b>	<b>452</b>	<b>16%</b>	<b>22%</b>	<b>9</b>	<b>4</b>	<b>3%</b>	<b>2%</b>
– Legal, tax, employee-related	164	402	9%	20%	9	4	3%	2%
– Other	114	50	7%	2%				
<b>Total</b>	<b>1,824</b>	<b>2,049</b>	<b>100%</b>	<b>100%</b>	<b>208</b>	<b>196</b>	<b>100%</b>	<b>100%</b>

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## Note 8 Subsequent events

In January 2012, the shareholders' agreement of the joint venture, NHS Shared Business Services, which is 50% owned by the Group and 50% owned by the UK Health Ministry, was amended. This change resulted in a new balance of power within the Company's Board of Directors and the issue of an additional share for the Group. As a result, the Group can directly control the Company. Summarized information about assets, liabilities, revenues, net income and transactions with the Group are given in notes 4.4 – Investments in associates and 6 Related party transactions.

As from 2012, it will therefore be fully consolidated and not equity accounted, with the breakdown of percentage interests between the Group and the UK Health Ministry remaining at 50/50.

The initial recognition of this business combination within the meaning of IFRS 3 – Business Combinations was not completed on the accounts closing date and the calculations of the acquisition date fair value of the consideration transferred and of the identifiable assets acquired and liabilities assumed have not been approved to date.



## 6.2.6 Statutory Auditors' report on the consolidated financial statements year ended December 31, 2011

Year ended December 31, 2011

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, 2011, 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, 2011 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 at December 31, 2011.

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.

Paris and Paris-La Défense, March 30, 2012

The statutory auditors

*French original signed by*

PIMPANEAU ET ASSOCIÉS  
Membre de Nexia International  
Olivier Lelong

ERNST & YOUNG et Autres  
Denis Thibon

## → 6.3 Statutory financial statements for the year ended December 31, 2011

### 6.3.1 Balance sheet

#### Assets

(in thousands of euros)	Gross	Depreciation, amortisation, provisions	12/31/2011	12/31/2010
<b>Intangible fixed assets</b>				
Concessions, patents and similar rights	22,170	6,971	15,198	10,502
Other intangibles	6,563		6,563	6,802
<b>Tangible fixed assets</b>				
Other tangible fixed assets	2,961	658	2,303	501
<b>Long-term investments</b>				
Equity investments	1,022,150		1,022,150	991,406
Other long-term investment securities	1,573	429	1,144	662
Loans	28,938		28,938	39,409
Other long-term investments	124		124	1,031
<b>Total non-current assets</b>	<b>1,084,480</b>	<b>8,058</b>	<b>1,076,421</b>	<b>1,050,313</b>
Payments on account of orders	20		20	30
<b>Operating receivables</b>				
Trade receivables and related accounts	18,215		18,215	18,880
Other operating receivables	49,814		49,814	12,982
<b>Cash and cash equivalents</b>				
Marketable securities	5,677		5,677	2,800
(including treasury shares):				
Cash at bank and in hand	352		352	540
<b>Prepayments and accrued income</b>				
Prepaid expenses	2,956		2,956	1,736
<b>Total current assets</b>	<b>77,034</b>		<b>77,034</b>	<b>36,968</b>
Borrowing issue costs to be amortised	4,495		4,495	
Unrealised foreign exchange losses	12,978		12,978	10,351
<b>Total assets</b>	<b>1,178,987</b>	<b>8,058</b>	<b>1,170,928</b>	<b>1,097,632</b>

## Liabilities and shareholders' equity

(in thousands of euros)	12/31/2011	12/31/2010
Share or individual capital (of which paid up: 30,829)	30,829	30,084
Share premiums	416,682	409,502
Revaluation reserve (of which equity accounting evaluation: 119,083)	119,083	88,339
Legal reserve	3,008	2,935
Regulated reserves	240	240
Other reserves	2,474	2,513
Retained earnings	54,079	60,138
Net profit for the year	12,912	1,655
Tax-driven provisions	6,742	5,139
<b>Total shareholders' equity</b>	<b>646,050</b>	<b>600,546</b>
Proceeds from issues of participating securities	161,123	161,139
<b>Total equity equivalents</b>	<b>161,123</b>	<b>161,139</b>
Provisions for liabilities	13,155	178
Provisions for charges	964	664
<b>Total provisions for liabilities and charges</b>	<b>14,119</b>	<b>842</b>
<b>Borrowings</b>		
Bank borrowings	297,895	274,911
<b>Operating liabilities</b>		
Trade payables and related accounts	12,951	10,109
Tax and employee-related liabilities	6,898	5,875
Other operating liabilities	29,308	23,478
<b>Sundry liabilities</b>		
Amounts payable in respect of fixed assets and related accounts	2,521	2,319
<b>Accruals and deferred income</b>		
Deferred income	57	69
<b>Total liabilities</b>	<b>349,632</b>	<b>316,761</b>
Unrealised foreign exchange gains	3	18,345
<b>Total liabilities and shareholders' equity</b>	<b>1,170,928</b>	<b>1,097,632</b>

## 6.3.2 Income statement

(in thousands of euros)	12/31/2011	12/31/2010
Net sales	43,452	37,351
Own production of goods and services capitalised	5,388	4,905
Reversals of depreciation, amortisation and provisions		110
Expense reclassifications	6,424	2,874
Other income		
<b>Total operating income</b>	<b>55,264</b>	<b>45,241</b>
Other purchases and external charges	37,678	32,500
Taxes, duties and related amounts	838	662
Wages and salaries	10,429	8,591
Social security contributions	3,838	3,385
Depreciation and amortisation of fixed assets	3,783	1,659
Provisions for liabilities and charges	113	294
Other charges	709	854
<b>Total operating expenses</b>	<b>57,388</b>	<b>47,946</b>
<b>Operating loss</b>	<b>(2,125)</b>	<b>(2,705)</b>
Financial income from equity investments	23,857	24,000
Revenues from other marketable securities and long-term loans	738	929
Other interest and similar income	3,859	6,471
Reversals of provisions and expense reclassifications		230
Foreign exchange gains	28,090	6,817
Net proceeds from sale of marketable securities	1	
<b>Total financial income</b>	<b>56,545</b>	<b>38,447</b>
Amortisation and charges to provisions for financial items	13,111	41
Interest and similar charges	18,572	28,662
Foreign exchange losses	9,288	5,686
<b>Total financial expenses</b>	<b>40,971</b>	<b>34,389</b>
<b>Financial profit</b>	<b>15,574</b>	<b>4,058</b>
<b>Profit from ordinary activities before tax</b>	<b>13,449</b>	<b>1,353</b>
Exceptional income from non-capital transactions	7	
Exceptional income from capital transactions	55	177
Reversals of provisions and expense reclassifications		1,949
<b>Exceptional income</b>	<b>62</b>	<b>2,126</b>
Exceptional charges on non-capital transactions	4,551	2,938
Exceptional charges on capital transactions	513	71
Exceptional depreciation, amortisation and provisions	1,603	1,603
<b>Exceptional charges</b>	<b>6,668</b>	<b>4,613</b>
<b>Net exceptional items</b>	<b>(6,606)</b>	<b>(2,487)</b>
Corporate income tax	(6,068)	(2,789)
<b>Total income</b>	<b>111,871</b>	<b>85,814</b>
<b>Total expenses</b>	<b>98,959</b>	<b>84,159</b>
<b>Net profit for the year</b>	<b>12,912</b>	<b>1,655</b>

### 6.3.3 Statement of source and application of funds

APPLICATIONS	12/31/2011	12/31/2010	SOURCES	12/31/2011	12/31/2010
Dividends paid during the year	7,650	4,003	Cash flow from operating activities	31,693	2,963
Purchases of non-current assets			Disposals of non-current assets		
– Intangible fixed assets	7,574	7,468	– Intangible fixed assets		
– Tangible fixed assets	1,896	166	– Tangible fixed assets		
– Long-term investments	615	221	– Long-term investments	15,130	12,828
Deferred charges	5,054				
Decrease in shareholders' equity			Increase in shareholders' equity		
– Share capital or share premium			– Share capital or share premium	745	736
– Shareholders' equity			– Shareholders' equity	7,215	9,509
– Equity equivalents	15		– Equity equivalents		
Repayments of borrowings			Increases in borrowings		
– Medium/long-term borrowings	9,131	71,437	– Medium/long-term borrowings	8,689	8,690
– Group current account			– Group current account		
<b>Total applications</b>	<b>31,936</b>	<b>83,295</b>	<b>Total sources</b>	<b>63,472</b>	<b>34,726</b>
<b>Net sources</b>	<b>31,536</b>		Net applications		<b>48,569</b>

Change in total net working capital	Increases (B)	Decreases (D)	12/31/2011 (D) - (B)	12/31/2010
<b>Changes in operations</b>				
Changes in operating assets				
– Stock and work-in-progress				
– Payments on account for orders		10		
– Trade receivables, related accounts and other	37,298			
Changes in operating liabilities				
– Payments received on account for work-in-progress				
– Trade payables, related accounts and other liabilities		8,512		
Total	37,298	8,522		51,802
<b>A - Net change in operations</b>			<b>(28,777)</b>	<b>51,802</b>
<b>Changes in non-operating activities</b>				
– Changes in other receivables	133			
– Trade payables, related accounts and other liabilities		138		
Total	133	138		(12)
<b>B - Net change in non-operating activities</b>			<b>5</b>	<b>(12)</b>
<b>Total (A) + (B) Net decrease in working capital</b>			<b>(28,771)</b>	<b>51,790</b>
<b>Changes in cash</b>				
– Changes in cash at bank and in hand	2,689			
– Changes in current bank loans, credit bank balances	76			
Total	2,765			(3,221)
<b>C - Net change in cash</b>			<b>(2,765)</b>	<b>(3,221)</b>
<b>Change in total net working capital (A + B + C): Net source</b>			<b>(31,536)</b>	<b>48,569</b>

## 6.3.4 Notes to the Statutory financial statements

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As at December 31, 2011, the balance sheet before appropriation of earnings presents total assets of €1,170,928,252. The income statement, presented in list format, shows total income of €111,870,528, total expenses of €98,958,582 and a profit of €12,911,947.

The accounts have been prepared for a 12-month period extending from January 1, 2011 to December 31, 2011.

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 the Company.

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.

Research expenditures are expensed in the year incurred. Internal development costs are recognised in intangible assets when the criteria set forth in Article 311-3 of the French General Chart of Accounts 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 December 31, 2016, *i.e.* a maximum of six years for assets commissioned as of January 1, 2011.

### 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 (PCs, small items of office equipment) 3 years – straight-line
- other computer hardware 5 years – straight-line

### Note 1.4 Investments

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 January 3, 1985 and the application decree of February 17, 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.

# 6

## Review of financial position and results

### Statutory financial statements for the year ended December 31, 2011

Accounting policies and methods and major events

#### 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 Company 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.

As at December 31, 2011, actuarial liability calculation assumptions for retirement termination payments and long-service medals are as follows:

(in thousands of euros)	2011 rate	2010 rate
Discount rate	4.60%	4,60%
Rate of salary increase	2.00%	2.00%
Retirement age	63	63

In addition, the retirement age reform adopted in 2010 had no impact on the retirement age applied by the Company that was set at 63 at the end of 2009.

#### Note 1.10 Net sales

The Company ensures the management and coordination of all of its subsidiaries' operational activities, and provides these subsidiaries assistance particularly in the areas of financial, IT, legal and tax matters.

Company revenues thus correspond to the invoicing of these services, re-invoicing of IT license costs, as well as re-invoicing of expenses.



## Note 1.11 Major events

Fiscal year 2011 was primarily marked by a capital increase of €745 thousand and a share premium increase of €7,180 thousand attributable to:

- payment of a portion of the 2010 dividend, resulting in the issue of 53,108 shares in the amount of €1,055 thousand, including share premiums of €1,002 thousand;
- definitive grant of free shares, resulting in the issue of 4,831 shares in the amount of €5 thousand, offset against other reserves;
- conversion of 400 perpetual subordinated bonds, convertible and/or exchangeable into ordinary shares, resulting in the issue of

412 shares in the amount of €15 thousand, including issue premiums of €15 thousand;

- issue of 652,546 shares under the Group Savings Plan for a total amount of €7,008 thousand, including share premiums of €6,356 thousand, in addition to the allocation of 33,808 free shares, in replacement of the employer's contribution, amounting to €34 thousand, offset against other reserves.

The expenses arising from the share capital increases totalling €193 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 July 12, 1965.

### Note 2.1 Fixed assets

#### Fixed assets

(in thousands of euros)	Gross value as at 12/31/2010	Acquisitions or increases	Reclassifications	Disposals, scrappings or decreases	Gross value as at 12/31/2011
Concessions, patents, software	15,018	1,282	6,531	661	22,170
Intangible fixed assets in the course of development <sup>(1)</sup>	6,802	6,292	(6,531)		6,563
<b>Intangible fixed assets</b>	<b>21,820</b>	<b>7,574</b>	<b>0</b>	<b>661</b>	<b>28,733</b>
<b>Tangible fixed assets</b>	<b>893</b>	<b>2,083</b>		<b>15</b>	<b>2,961</b>
Equity investments	991,406	30,744			1,022,150
Other long-term investment securities	958	615			1,573
Loans	39,409			10,472	28,938
Other long-term investments	1,031			907	124
<b>Long-term investments</b>	<b>1,032,804</b>	<b>31,359</b>		<b>11,378</b>	<b>1,052,786</b>
<b>Gross value as at 12/31/2011</b>	<b>1,055,517</b>	<b>41,017</b>	<b>0</b>	<b>12,055</b>	<b>1,084,480</b>

(1) An amount of €6,531 thousand corresponding to the Group's information system (People One), Internet sites (Digital One), knowledge management system and cash management system (Cash One) was capitalised in 2011.

## Depreciation and amortisation

(in thousands of euros)	Depreciation and amortisation as at 12/31/2010	Additions and charges	Decreases and reversals	Depreciation and amortisation as at 12/31/2011
<b>Intangible fixed assets</b>	4,516	2,950	495	6,971
<b>Tangible fixed assets</b>	392	274	9	658
<b>Total depreciation and amortisation</b>	4,909	1,659	503	7,629

## Movements in asset provisions

(in thousands of euros)	Write-downs as at 12/31/2010	Additions and charges	Decreases and reversals	Write-downs as at 12/31/2011
Treasury shares	296	133		429
<b>Total asset provisions</b>	296	133	0	429

## Equity investments

(in thousands of euros)	12/31/2010	Additions	Decreases	12/31/2011
Acquisition costs	903,068			903,068
Equity value	991,406	30,744		1,022,150
<b>Equity difference</b>	88,339	30,744		119,083

The increase in equity investments was primarily due to the contributory earnings of equity affiliates, changes in the fair value of hedging instruments, and the distribution of subsidiary dividends.

Since the purchase cost exceeded the equity value, the 2011 equity value of €119,083 thousand was recorded in shareholders' equity.

## Note 2.2 Operating receivables

### Maturity of operating receivables

(in thousands of euros)	12/31/2011	Less than 1 year
<b>Supplier payments on account</b>	20	20
<b>Trade receivables and related accounts</b>	18,215	18,215
Trade supplier accounts in debit	538	538
Employees	638	638
Social security organisations	27	27
French State and local authorities	11,084	11,084
Current accounts	37,388	37,388
Sundry debtors	138	138
<b>Other receivables</b>	49,814	49,814

**Accrued income**

(in thousands of euros)	Gross	Less than 1 year
Supplier credit notes receivable	534	534
Social security organisation accrued income	11	11
Current account accrued interest receivable	165	165
Accrued interest receivable on swaps	124	124
<b>Total</b>	<b>834</b>	<b>834</b>

**Note 2.3 Deferred charges****Table showing change in deferred charges**

(in thousands of euros)	12/31/2010	Additions	Decreases	12/31/2011
Borrowing issue costs	0	5,054	559	4,495
<b>Deferred charges</b>	<b>0</b>	<b>5,054</b>	<b>559</b>	<b>4,495</b>

New borrowing issue costs in the amount of €5,054 thousand were recorded under deferred charges with regard to the negotiation and set-up of the new multi-currency syndicated loan renegotiated on June 23, 2011.

These costs are amortised over the term of the loan *pro rata* to the interest accrued.

**Note 2.4 Unrealised foreign exchange losses**

(in thousands of euros)	12/31/2011
Long-term investments	6,592
Borrowings	5,798
Operating liabilities	14
Other liabilities	574
<b>Total</b>	<b>12,978</b>

Unrealised foreign exchange losses arising from long-term investments in the amount of €6,592 thousand involve a loan of £24,172 thousand granted to the UK subsidiary.

Unrealised foreign exchange losses arising from borrowings in the amount of €5,798 thousand involve a syndicated loan of €65,000 thousand.

Unrealised foreign exchange losses were fully covered by a provision for foreign exchange losses.

## Note 2.5 Fungible assets

### Treasury shares

(in number of shares)	12/31/2010	Additions	Decreases	12/31/2011
Liquidity contract	12,401	222,924	167,647	67,678
Other	23,267			23,267
<b>Total treasury shares</b>	<b>35,668</b>	<b>222,924</b>	<b>167,647</b>	<b>90,945</b>

In accordance with CNC notice 98-D concerning short-term transactions, the treasury shares held by the Company in order to adjust its share price are recorded as investment securities.

(in thousands of euros)	Treasury shares
Acquisition value	1,573
Market value	1,182

### Liquidity contract with Société Générale Securities SAS

On October 31, 2006, the Company 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 "the Company" provided the broker "Société

Générale Securities SAS" with an amount of €735 thousand and 22,500 shares.

As at December 31, 2011, the following resources appeared in the liquidity account:

- 67,678 Groupe Steria SCA shares;
- cash of €121,493.

## Note 2.6 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
<b>As at December 31, 2010</b>	<b>30,084,326</b>	<b>30,084</b>	<b>409,502</b>	<b>65,826</b>	<b>88,339</b>	<b>1,655</b>	<b>5,139</b>	<b>600,546</b>
Appropriation of 2010 earnings and dividends paid				(5,986)		(1,655)		(7,641)
Change	744,705	745	7,180	(39)	30,744		1,603	40,233
2011 net profit						12,912		12,912
<b>As at December 31, 2011</b>	<b>30,829,031</b>	<b>30,829</b>	<b>416,682</b>	<b>59,802</b>	<b>119,083</b>	<b>12,912</b>	<b>6,742</b>	<b>646,050</b>

### Breakdown of share capital

As at December 31, 2011, the Company share capital totalled €30,829,031, representing an increase of 744,705 shares in 2011 and breaks down into 30,829,031 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 July 6, 2011: share capital increase for a nominal amount of €53,108 (share premium of €1,002,148) via the issue of 53,108 new shares with a par value of €1 each subsequent to the distribution of a portion of the 2010 dividend in shares;
- General Management decision of July 29, 2011: share capital increase for a nominal amount of €4,829 subsequent to the definitive grant of 4,829 free shares offset against other reserves;
- General Management decision of September 6, 2011: share capital increase for a nominal amount of €412 (share premium of €14,532) via the conversion of 400 perpetual subordinated bonds, convertible and/or exchangeable into ordinary shares, in addition to the share capital increase for a nominal amount of €2 via the definitive grant of 2 free shares offset against other reserves;
- General Management decision of December 21, 2011: share capital increase for a nominal amount of €686,354 (share premium of €6,355,798) subsequent to the share capital increase reserved for Group employees following the delegation granted by the Combined Shareholders' Meetings of May 13, 2011 via the issue of 686,354 new shares with a par value of €1 each.

The expenses arising from the share capital increases totalling €192,709, net of taxes, were allocated to share premiums.

### Note 2.7 Equity equivalents

On November 12, 2007, the Company 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 December 31, 2012 of 5.7%. From January 1, 2013, those bonds not converted into shares or not redeemed early shall cease to be convertible and shall bear interest quarterly at an annual rate of Euribor 3 months +8%.

As at November 14, 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 December 27, 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 December 31, 2012, starting from December 11, 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 December 31, 2012.

The coupon for the year amounted to €8,689 thousand. The bonds and coupon are recognised in Equity equivalents.

During 2011, 400 bonds were converted to shares.

## Equity equivalents

(in thousands of euros)	12/31/2010	Additions	Decreases	12/31/2011
Bonds, convertible and/or exchangeable for new or existing shares(nominal)	152,449		15	152,434
Bonds, convertible and/or exchangeable for new or existing shares(coupon)	8,690	8,689	8,690	8,689
<b>Total equity equivalents</b>	<b>161,139</b>	<b>8,689</b>	<b>8,705</b>	<b>161,123</b>

## Note 2.8 Provisions for liabilities and charges

(in thousands of euros)	12/31/2010	Charges	Via a provision for charges	Reversals used	Reversals not used	12/31/2011
Provisions for redundancies	178					178
Provision for foreign exchange losses	0	12,978				12,978
<b>Total provisions for liabilities</b>	<b>178</b>	<b>12,978</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,155</b>
Provision for retirement benefits	664	113				777
Provision for site restoration	0		187			187
<b>Total provisions for charges</b>	<b>664</b>	<b>113</b>	<b>187</b>	<b>0</b>	<b>0</b>	<b>964</b>
<b>Total</b>	<b>842</b>	<b>13,091</b>	<b>187</b>	<b>0</b>	<b>0</b>	<b>14,119</b>

A provision for site restoration in the amount of €187,000 was set aside as at December 31, 2011 regarding the discounting of restoration costs estimated at €180,000 over 9 years of the lease. A 5% inflation rate and 4% discount rate were used.

## Note 2.9 Bank borrowings

(in thousands of euros)	Gross 12/31/2011	<1 year	1 to 5 years	< 5 years
Borrowings with an initial maturity of between 1 and 5 years	297,816	27,782	270,035	0
Accrued interest on bank borrowings	42	42	0	0
Credit bank balances	16	16	0	0
Fee payable on undrawn amounts	21	21	0	0
<b>Total bank borrowings</b>	<b>297,895</b>	<b>27,860</b>	<b>270,035</b>	<b>0</b>

The Group renegotiated its debt and signed a 5-year multi-currency syndicated loan agreement on June 23, 2011. This new loan replaces in advance the existing facilities of €476 million maturing at the end of July 2012. The maturity date for the new credit facilities is June 2016.

- The signed credit facilities include:
  - an amortisable loan of €200 million;
  - an amortisable loan of £65 million;
  - a multi-currency revolving credit facility of €325 million which will be used to satisfy the Group's various financing requirements, including the possible refinancing of the perpetual subordinated bonds, convertible and/or exchangeable for new shares, issued for a total of €152,449 thousand.

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## Review of financial position and results

### Statutory financial statements for the year ended December 31, 2011

Notes to the balance sheet

As at December 31, 2011, the Group had floating-rate credit lines in the amount of €602.8 million that were 49% drawn down. They break down as follows:

	Amount authorised as at 12/31/2011		Drawdown as at 12/31/2011		Drawdown rate as at 12/31/2011	Maturity	Interest rate as at 12/31/2011
	(in M€)	(in M€)	(in M€)	(in M€)			
<b>Syndicated loan</b>							
A facility	200.0		200.00		100%	Repayable in instalments until 2016	2.84%
B facility		65.0		65.0	100%	Repayable in instalments until 2016	2.25%
Revolving credit	325.0		20.0		6%	Repayable on maturity 2016	2.08%
<b>Total € equivalent</b>	<b>602.8</b>		<b>297.8</b>		<b>49%</b>		<b>2.64%</b>

Interest rates payable on the syndicated loan equal the inter-bank rate of the currency concerned at the time of drawdown, plus a margin set for a period of six months based on the leverage ratio.

The bank terms and conditions to which the syndicated loan is subject notably include a commitment to comply with certain bank covenants.

Two financial ratios calculated every six months based on the published consolidated financial statements, on a 12-month rolling basis, must be complied with:

- the first, the leverage ratio, is equal to net debt/Ebitda;

- the second, the interest coverage ratio, is equal to EBIT/cost of net borrowings.

The first financial ratio, the leverage ratio, which is equal to net debt/Ebitda, must not exceed 2.50 at each calculation date.

Net debt is defined on a consolidated basis as all loans and related borrowings (excluding inter-company liabilities), 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 December 31, 2011, the net debt to Ebitda ratio requirement was satisfied, amounting to 0.83 compared with the applicable covenant of 2.50. It was calculated as follows:

	12/31/2011
<b>Net debt (including retirement benefit obligations) (in millions euros)</b>	
Short-term borrowings	32.6
Long-term borrowings	263.6
Cash and cash equivalents	(170.4)
<b>Total net debt</b>	<b>125.9</b>
<b>Ebitda in millions of euros</b>	
<b>Total Ebitda</b>	<b>151.4</b>
<b>Net debt/Ebitda ratio</b>	<b>0.83</b>

The second financial ratio, the interest coverage ratio, is equal to EBIT/cost of net borrowings. This ratio must not fall below 5 at each calculation date (level required for periods from June 2010 to December 2015).

EBIT is the consolidated operating margin before amortisation of customer relationships, calculated on a 12-month rolling basis.

The cost of net borrowings is also calculated on a 12-month rolling basis.



As at December 31, 2011, the EBIT to cost of net borrowings ratio requirement was satisfied, amounting to 79.52 compared with the applicable covenant of 5.00. It was calculated as follows:

	12/31/2011
<b>Operating margin before amortisation of customer relationships in millions of euros</b>	
<b>Total operating margin before amortisation of customer relationships</b>	<b>129.9</b>
<b>Cost of net borrowings in millions of euros</b>	
<b>Total cost of net borrowings</b>	<b>(1.6)</b>
<b>Operating margin before amortisation of customer relationships/cost of net borrowings ratio</b>	<b>79.52</b>

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 2.10 Operating liabilities

### Maturity of operating liabilities

(in thousands of euros)	12/31/2011	Within 1 year
<b>Trade payables and related accounts</b>	<b>12,951</b>	<b>12,951</b>
Personnel and related accounts	4,583	4,583
Employee-related liabilities	766	766
Tax liabilities	1,550	1,550
<b>Tax and employee-related liabilities</b>	<b>6,898</b>	<b>6,898</b>
<b>Amounts payable in respect of fixed assets</b>	<b>2,521</b>	<b>2,521</b>
Group current account	28,674	28,674
Other sundry liabilities	635	635
<b>Other sundry liabilities</b>	<b>29,308</b>	<b>29,308</b>
<b>Total trade payables and other creditors</b>	<b>51,679</b>	<b>51,679</b>

**Accrued expenses**

(in thousands of euros)	Gross amount as at 12/31/2011	Less than 1 year
Accrued interest on bank borrowings	42	42
Fees payable on undrawn amounts	21	21
<b>Bank borrowings</b>	<b>63</b>	<b>63</b>
<b>Trade payables and related accounts</b>	<b>5,477</b>	<b>5,477</b>
Liabilities in respect of personnel and related accounts	4,407	4,407
Tax liabilities	424	424
<b>Tax and employee-related liabilities</b>	<b>4,832</b>	<b>4,832</b>
<b>Amounts payable in respect of fixed assets</b>	<b>2,521</b>	<b>2,521</b>
<b>Other sundry liabilities</b>	<b>142</b>	<b>142</b>
<b>Total trade payables and other creditors</b>	<b>12,972</b>	<b>12,972</b>

**Note 2.11 Unrealised foreign exchange gains**

(in thousands of euros)	12/31/2011
Operating receivables	1
Cash at bank and in hand	2
<b>Total</b>	<b>3</b>

**Note 2.12 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 December 31, 2011, the Company did not use commodity hedges.

The fair value of interest-rate derivatives totalled €-2,851 thousand, and the fair value of foreign exchange hedges amounted to €15 thousand.

**Note 2.13 Post-balance sheet events**

On January 24, 2012, the French Directorate General of Public Finances issued a notice of assessment for the 2009 and 2010 accounts.

On January 27, 2012, the French social security contribution collection office for the Paris Region also issued a notice of assessment covering the period from 2009 to 2011

## Note 3. Notes to the income statement

### Note 3.1 Net sales

(in thousands of euros)	12/31/2011	12/31/2010
France	13,825	11,846
Foreign	29,627	25,505
<b>Net sales</b>	<b>43,452</b>	<b>37,351</b>

### Note 3.2 Financial profit

(in thousands of euros)	12/31/2011	12/31/2010
Dividends received from participating interests	23,857	24,000
Interest on bank borrowings and similar charges	(7,566)	(4,087)
Interest on subordinated bonds	(8,689)	(8,689)
Interest received and paid on Group loans	738	929
Interest received and paid on Group current accounts	1,709	1,038
Foreign exchange gains or losses	18,801	1,130
Other financial provision charges and reversals	(13,111)	189
Interest on hedging instruments	(398)	(10,356)
Other financial income and expenses	232	(96)
<b>Financial profit</b>	<b>15,574</b>	<b>4,058</b>

The financial income benefited from more advantageous conditions in the context of interest rate coverage risk in relation to the 2010 financial year.

### Note 3.3 Net exceptional items

(in thousands of euros)	12/31/2011	12/31/2010
Capital loss arising from buybacks of treasury shares relating to the liquidity contract	(342)	(71)
Integration costs <sup>(1)</sup>	(3,204)	(2,537)
Restructuring costs	(952)	(314)
Costs of changes to premises	(355)	
Accelerated depreciation of Xansa acquisition costs	(1,603)	(1,603)
Net book value of assets sold	(172)	
Donations	(41)	(84)
Tax penalties and fines		(3)
<b>Exceptional expenses</b>	<b>(6,668)</b>	<b>(4,613)</b>
Surplus arising from buybacks of treasury shares relating to the liquidity contract	55	111
Reversal of tax reassessment provision		1,949
Miscellaneous	7	66
<b>Exceptional income</b>	<b>62</b>	<b>2,126</b>
<b>Net exceptional items</b>	<b>(6,606)</b>	<b>(2,485)</b>

(1) The Group's integration measures in 2011 continued to focus on the reorganisation of activities following the acquisition of Xansa, particularly the optimisation of infrastructures. These costs totalled €3,204 thousand.

### Note 3.4 Breakdown of corporate income tax

#### Tax consolidation

The Company 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, the Company 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 the Company 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	6,844	13,449	(6,606)
<b>Profit/(loss) before tax</b>	<b>6,844</b>	<b>13,449</b>	<b>(6,606)</b>
Gross tax	167	167	
Impact of tax consolidation on taxes	5,902	5,902	
<b>Corporate income tax</b>	<b>6,068</b>	<b>6,068</b>	<b>0</b>
<b>Net profit/(loss)</b>	<b>12,912</b>	<b>19,519</b>	<b>(6,606)</b>

#### Deferred taxes

(in thousands of euros)	Tax base	Future tax receivable
Unrealised foreign exchange gains or losses	(12,978)	
<b>Deferred tax liabilities</b>	<b>(12,978)</b>	<b>(4,468)</b>
Provision for retirement benefits	777	
Provision for liabilities	178	
Provision for foreign exchange losses	12,978	
Organic (sales-related social security contributions)	67	
Unrealised foreign exchange gains or losses	3	
Tax loss carryforwards	51,104	
<b>Deferred tax assets</b>	<b>65,108</b>	<b>22,417</b>
<b>Total deferred tax assets</b>	<b>52,130</b>	<b>17,948</b>

### Income tax saving

(in thousands of euros)	12/31/2011
Contribution paid by Steria SA	5,902
Income tax on capital increase costs	(101)
Patronage tax credit	68
Research tax credit	200
<b>Total tax saving</b>	<b>6,068</b>

The net corporate income tax saving, arising from the application of the Group tax regime for a given year, shall be acquired immediately by the Company at the year-end.

### Difference between reported income tax expense and income tax incurred in the absence of tax consolidation

(in thousands of euros)	12/31/2011
Income tax reported following tax consolidation	6,068
Income tax incurred in the absence of tax consolidation	167
<b>Total tax consolidation impact</b>	<b>5,901</b>

### Tax loss carryforwards

(in thousands of euros)	12/31/2011
Tax loss carryforwards as at 12/31/2010	(35,937)
Allocation of tax losses	-
Fiscal 2011 tax losses	(15,168)
<b>Total tax loss carryforwards</b>	<b>(51,104)</b>

## Note 3.5 Own production of goods and services capitalised and expense reclassifications

(in thousands of euros)	12/31/2011
Own production of goods and services capitalised <sup>(1)</sup>	5,388
<b>Total own production of goods and services capitalised</b>	<b>5,388</b>
Restructuring costs <sup>(2)</sup>	952
Integration costs <sup>(2)</sup>	418
Loan amortisation costs <sup>(3)</sup>	5,054
<b>Total operating expense reclassifications</b>	<b>6,424</b>

(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 and restructuring costs recorded in the operating expense reclassifications account were transferred to exceptional expenses.

(3) The issue costs of the new multi-currency syndicated loan renegotiated on June 23, 2011 were recorded under deferred charges.

## Note 4. Other information

### Note 4.1 Average number of employees

	12/31/2011	12/31/2010
Management staff	94	78
Non-management staff	4	9
<b>Total</b>	<b>98</b>	<b>87</b>

### 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 October 13, 2008, the Company can obtain a future benefit from the training based on its agreement with the employee. As at December 31, 2011, available IRT credit amounted to 5,933 hours for a total of €54 thousand.

The short-term benefits granted to directors in 2011 and in 2010 amounted to:

(in thousands of euros)	2011	2010
General Manager	747	732
Members of the Supervisory Board	135	108
<b>Total</b>	<b>882</b>	<b>840</b>

The General Manager of the Company, Mr. François Enaud, is entitled to compensation with respect to termination of his duties under certain conditions. This compensation, subject to performance conditions, may

### Note 4.3 Remuneration of management bodies

The remuneration paid to the General Manager in 2011 totalled €747 thousand, of which €410 thousand in fixed remuneration and €337 thousand in variable remuneration (in respect of 2010).

not exceed two years of the General Manager's gross fixed and variable remuneration. The members of the Supervisory Board are not entitled to any specific post-employment benefits or other long-term benefits.

The stock options and free shares allocated to directors during the year and previously in addition to the related costs are as follows:

	2011	2010
Stock options allocated during the period	-	-
Stock options allocated at the balance sheet date	-	28,327
Free shares subject to conditions allocated during the period	12,000	12,000
Free shares subject to conditions allocated at the balance sheet date	24,000	22,000

(\*) The director in question is the General Manager.

## Note 4.4 Transactions with Group Companies

(in thousands of euros)	12/31/2011
Long-term investments	1,022,150
Trade receivables	17,793
Debit balance current accounts	37,388
Trade payables	2,913
Credit balance current accounts	28,673
Deferred income	52
Financial income (including dividends received)	26,646
Financial expenses	63

## Note 4.5 Retirement obligations

### Amounts recognised in the balance sheet

(in thousands of euros)	12/31/2011
Present value of the obligation financed including the corridor	961
Fair value of plan assets	-
Difference	961
Present value of the obligation financed:	
Unrecognised actuarial losses (difference)	(184)
Unrecognised past service cost	-
Net liabilities on the balance sheet (provision after charge for the year)	777
Of which:	
Liabilities	777
Assets	-
<b>Net obligation</b>	<b>777</b>

### Amounts recognised in the income statement

(in thousands of euros)	12/31/2011
Current service cost	69
Interest cost on obligation	36
Net actuarial losses recognised for the period	-
Past service cost	-
Losses (gains) on curtailments and settlements for the period	-
<b>Total recorded in "employee expenses"</b>	<b>105</b>
Actual return on plan assets	-
Net liability at the beginning of the period (with corridor)	664
Net expense recognised in the income statement	109
Contributions	(44)
Intra-Group transfers	49
<b>Net liability at the end of the period</b>	<b>777</b>

## Note 4.6 Employee share allocations as at December 31, 2011

### Share subscription and/or purchase options

Date of Shareholders' Meeting	05/28/2002
	Plan no. 7
General Management grant date	04/20/2004
Total number of options available for subscription:	200,000
Additional shares issued following the share capital adjustment of 12/11/2007	13,770
Number of shares available for subscription by:	
– corporate officers <sup>(1)</sup>	28,317
– top ten employee beneficiaries <sup>(2)</sup>	61,234
Exercise start date	04/21/2007
Expiry date	04/20/2011
Subscription price (in euros)	26.16
Exercise terms and conditions (when the plan contains several tranches)	
Number of shares subscribed as at December 31, 2011	11,500
Share subscription options cancelled as at December 31, 2011	202,270
Outstanding share subscription options	0

(1) The Company 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.

No share subscription and/or purchase options were exercised during fiscal 2011.

No share subscription and/or purchase options were outstanding as at December 31, 2011.



## Free performance shares

	Plan no. 6 <sup>(2)</sup>	Plan no. 7 <sup>(3)</sup>	Plan no. 8 <sup>(1)</sup>	Plan no. 9 <sup>(7)</sup>
Date of Shareholders' Meeting	06/06/2008	06/06/2010	05/28/2010	05/28/2010
General Management grant date	07/29/2009	04/16/2010	07/06/2010	07/29/2011
Total number of shares granted	110,550	35,761	139,250	157,600
Number of shares granted to:				
– Corporate officers <sup>(5)</sup>	0	0	12,000	12,000
– Top ten employee beneficiaries <sup>(6)</sup>	33,000	12,834	31,000	42,500
Date of vesting				
– Spain	07/29/2011	04/16/2012	07/06/2013	07/29/2014
– France	07/29/2012	04/16/2013	07/06/2013	07/29/2014
– Other countries	07/29/2013	04/16/2014	07/06/2014	07/29/2015
Holding period end date				
– Spain and France	07/29/2014	04/16/2015	07/06/2015	07/29/2016
– Other countries	<sup>(4)</sup>	<sup>(4)</sup>	<sup>(4)</sup>	<sup>(4)</sup>
Entitlements cancelled as at 12/31/2011	19,950	4,285	19,500	9,600
Definitive grants as at 12/31/2011	4,831	-	-	-
Outstanding shares as at 12/31/2011	85,769	31,476	119,750	148,000

- (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.
- (7) 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.

## Share subscription warrants

With respect to the share capital increase reserved for Group employees carried out on August 27, 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)	12/31/2011
<b>Commitments given</b>	
Endorsements and bank guarantees	224
Non-bank guarantees	145,599
Bank counter-guarantee	118
Individual legal right to training	54
Nominal value of future property operating lease payments	4,668
Nominal value of future equipment operating lease payments	204
Firm fixed asset orders	1,104
Foreign exchange hedge	24
Interest rate hedge	265,915
<b>Total commitments given</b>	<b>417,910</b>

(in thousands of euros)	12/31/2011
<b>Commitments received</b>	
Endorsements	
Cash facilities (overdrafts)	
– authorised	16
– utilised (balance sheet)	16
– not utilised (off-balance sheet)	0
Medium-term loans	
– authorised	325,000
– utilised (balance sheet)	20,000
– not utilised (off-balance sheet)	305,000
Foreign exchange hedge	
Interest rate hedge	265,915
<b>Total commitments received</b>	<b>570,915</b>

### Complex commitments

#### Warranties received by the Company and Steria as part of the acquisition of Mummert Consulting

A warranty to cover liabilities was given to the Company under normal business conditions.

The warranty expired on January 11, 2007, except for matters governed by French company law and tax matters for which it will expire in January 2015.

The Company 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 the Company in the acquisition agreement. The Company 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 October 17, 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 amount of fees invoiced by Mr. Jacques Bentz, Chairman of the Supervisory Board, in respect of services rendered totalled €66 thousand in 2011 (€85 thousand in 2010).

Furthermore, all transactions were undertaken on an arm's length basis.

For directors' compensation, please refer to note 4.3.

## Note 4.9 Statutory Auditors' fees

(in thousands of euros)	Ernst & Young	Pimpaneau & Associés
<b>Audit</b>		
Auditorship, certification, review of the individual and consolidated annual and interim financial statements	213	76
Other secondary duties and other audit engagements	-	-
<b>Other services</b>		
Legal, tax, employee-related	-	-
Other	-	-
<b>Total</b>	<b>213</b>	<b>76</b>

## Note 4.10 Five-year summary

(in euros)	12/31/2011	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Fiscal year (in months)	12	12	12	12	12
<b>Share capital at year-end</b>					
Share capital	30,829,031	30,084,326	29,348,539	28,535,232	28,155,419
Number of ordinary shares	30,829,031	30,084,326	29,348,539	28,535,232	28,155,419
Maximum number of shares to be created	434,193	475,029	581,863	1,070,211	1,167,694
<b>Operations and results</b>					
Net profit before income tax, profit-sharing, depreciation, amortisation and provisions	25,453,477	173,756	43,961,266	11,066,512	18,495,069
Corporate income tax	(6,068,430)	(2,788,790)	(5,788,908)	(6,677,508)	(5,350,821)
Depreciation, amortisation and provisions	18,609,959	1,307,398	(13,264,604)	21,569,356	1,724,827
Net profit/(loss)	12,911,947	1,665,148	63,014,778	(3,825,336)	22,121,063
<b>Earnings per share</b>					
Net profit after income tax, profit-sharing, but before depreciation, amortisation and provisions	1.02	0.10	1.70	0.63	0.85
Net profit after income tax, profit-sharing, depreciation, amortisation and provisions	0.42	0.06	2.15	(0.13)	0.79
<b>Personnel</b>					
Total payroll charges	10,429,025	8,591,270	6,874,797	7,032,824	2,179,373
Employee-related benefits (Social Security, social welfare initiatives, etc.)	3,837,863	3,385,754	2,849,927	2,640,588	929,363

## 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)
<b>Subsidiaries (+50% shareholding)</b>					
STERIA SA	14,877	99.99%	199,890	35,589	581,563
12 rue Paul Dautier 78140 VELIZY	304,702	22,000	356,018		46,174
STEPAR	950	99.99%	1,141	1,634	0
12 rue Paul Dautier 78140 VELIZY	(798)	0	70		(30)
STERIA UK CORPORATE LTD	21,350	100.00%	698,322	28,938	0
Three Cherry Trees Lane Hemel Hempstead, HP27AH/United Kingdom	132,003	0	662,883		(2,551)
STERIA POLSKA	4,135	100.00%	3,714	0	9,867
Ul. Uniwersytecka 13 40-007 Katowice/Poland	5,263	1,857	3,180		767

Figures in local currency have been converted at the period-end exchange rate, i.e.:

Exchange rate as at 12/31/2011: EUR1 = GBP0.8353.

Exchange rate as at 12/31/2011: EUR1 = PLN4.458.

## 6.3.5 Statutory Auditors' report on the financial statements year ended December 31, 2011

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, 2011, 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, 2011 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 at December 31, 2011.

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.

Paris and Paris-La Défense, March 30, 2012

The statutory auditors  
French original signed by

PIMPANEAU ET ASSOCIÉS  
Membre de Nexia International  
Olivier Lelong

ERNST & YOUNG et Autres  
Denis Thibon

# 7

## “ General information – Share capital

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## → 7.1 Legal information concerning the Company

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### Name and registered office

Groupe Steria SCA  
12, rue Paul Dautier – 78140 Vélizy-Villacoublay.

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### 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 commandite par actions*) between:

- its Limited Partners; and
- its General Partner, Soderi, a French simplified company with variable share capital, 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.

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### 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.

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### 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.

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### Term

The term of the Company is 99 years from its date of creation, unless an early liquidation occurs or this period is extended.



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## Trade and Company Register

RCS Versailles 344 110 655 (88 B 00 665)

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## APE – NAF (trade sector) Code

6202 A

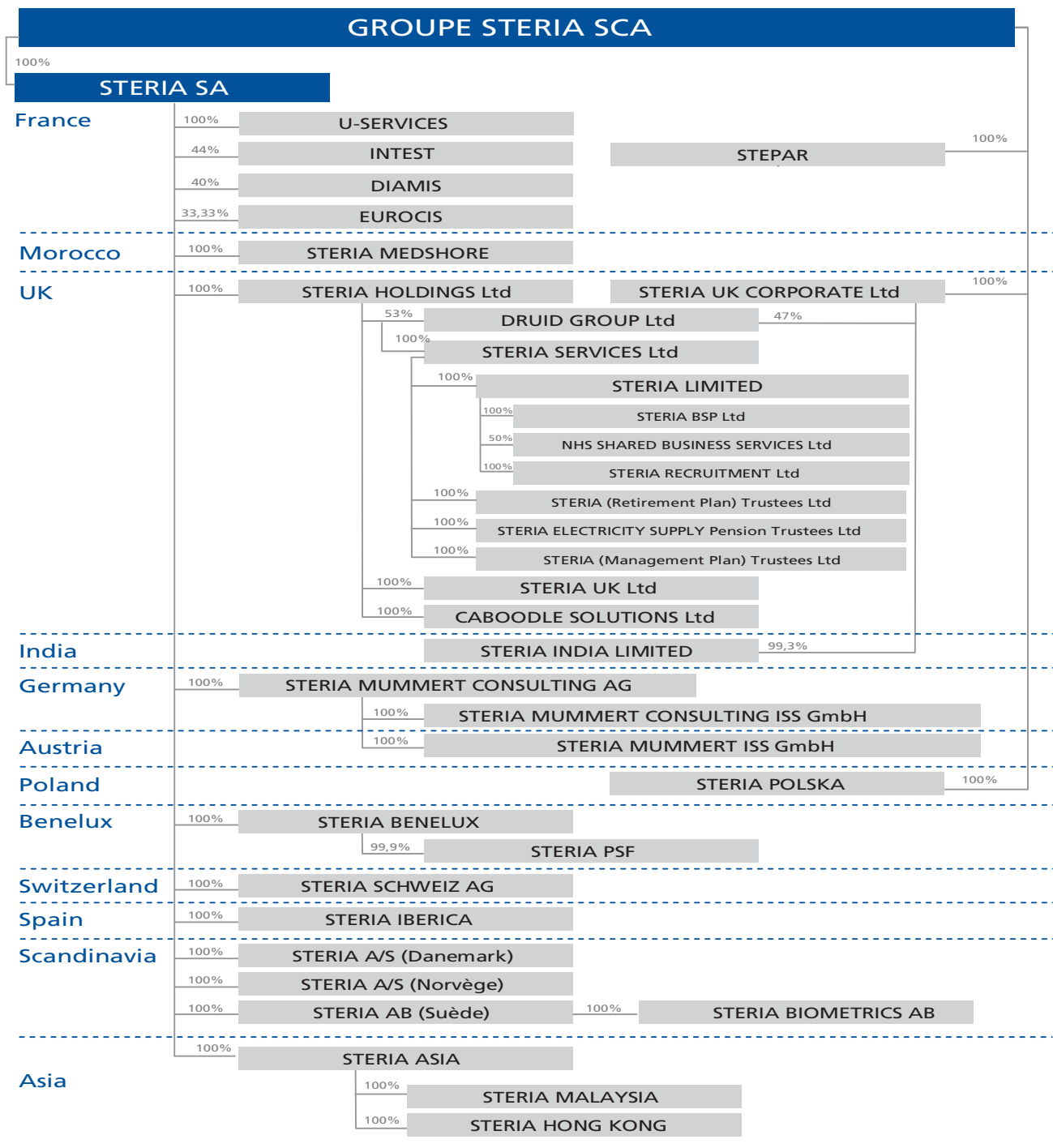
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## Memorandum and Articles of Association

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 organization

### 7.2.1 Simplified Group legal organization chart at December 31, 2011



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## 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 December 31, 2011, Groupe Steria SCA had 106 employees.

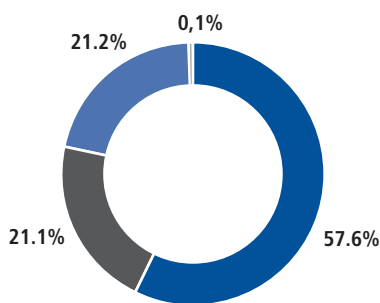
## → 7.3 Share capital

### 7.3.1 Share capital

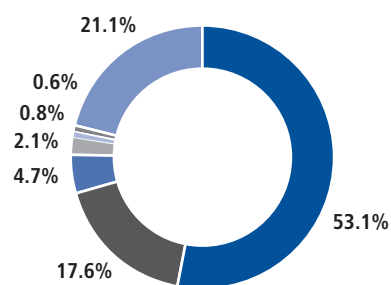
At December 31, 2011, the share capital totaled €30,829,031 divided into 30,829,031 shares with a nominal value of €1 each.

### 7.3.2 Shareholding structure

#### 7.3.2.1 Shareholding structure at December 31, 2011



- Institutional
- Employees 21.1% (O/w Xansa and Steria SIP Trusts (4.4%))
- Individuals and not allocated
- Autocontrol



- France
- US
- Rest of Europe
- Rest of the world 2.1%
- UK 0.8%
- Germany 0.6%
- Employees

### 7.3.2.2 Current breakdown of capital and voting rights; changes during the last three years

#### Shareholders holding more than 5% of the capital or voting rights

Shareholder structure	At 12/31/2011			At 01/26/2011			At 02/06/2010		
	Number of shares	% of capital	% of voting rights <sup>(1)</sup>	Number of shares	% of capital	% of voting rights <sup>(1)</sup>	Number of shares	% of capital	% of voting rights <sup>(1)</sup>
Employee share ownership <sup>(2)</sup>	6,488,724	21.05	24.64	6,149,978	20.44	23.14	5,767,475	19.65	23.40
Fidelity Management & Research Company	2,807,577 <sup>(3)</sup>	9.11	7.67	1,849,022	6.15	5.15	0	0	0
Financière de l'Échiquier	2,447,784 <sup>(3)</sup>	7.94	6.69	1,760,100 <sup>(4)</sup>	5.85	4.89	1,681,200 <sup>(5)</sup>	5.73	5.00
Nobel	1,025,343	3.33	5.60	1,301,441	4.33	7.24	0	0	0
Groupe Steria SCA (treasury stock)	90,945	0.29	0	25,877	0.09	0	32,768	0.11	0
Free float	17,968,658	58.28	55.39	17,832,600	59.28	49.63	20,706,588	70.55	64.75
<b>TOTAL</b>	<b>30,829,031</b>	<b>100.00</b>	<b>100.00</b>	<b>30,084,326</b>	<b>100.00</b>	<b>100.00</b>	<b>29,348,539</b>	<b>100.00</b>	<b>100.00</b>

(1) Total voting rights (excluding treasury stock).

(2) Including the "SET Trust" and "XEBT Trust" (4.40% of capital). These trusts are subject to English law and the purpose of their assets is to promote employee shareholding.

(3) Identifiable bearer shares 12/31/2011.

(4) Identifiable bearer shares 01/27/2011.

(5) Identifiable bearer shares 02/06/2009.

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.

### 7.3.2.3 Voting rights

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 December 31, 2011 amounts to 36,590,222 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
01/16/2006	Exercise of stock options granted to employees		€1	€6.62	7,650	18,129,302	€18,129,302
06/16/2006	Exercise of stock options granted to employees		€1	€6.62	5,850	18,139,452	€18,139,452
			€1	€42.33	300		
			€1	€35	4,000		
		Exercise of warrants issued to certain option holders	€1	€0	136,839		
08/25/2006	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	334,556		
10/23/2006	Exercise of stock options granted to employees		€1	€35	7,500	18,623,257	€18,623,257
			€1	€12	3,000		
04/18/2007	After exercise of stock options granted to employees		€1	€42.33	58,122	18,746,104	€18,746,104
			€1	€42.33	5,550		
			€1	€35	48,995		
			€1	€12	10,180		
05/28/2007	After exercise of stock options granted to employees		€1	€42.33	25,445	18,785,932	€18,785,932
			€1	€42.33	258		
			€1	€35	625		
			€1	€12	13 500		
06/29/2007	Exercise of warrants issued to certain option holders		€1	€26.50	133,400	18,919,332	€18,919,332
08/27/2007	After exercise of stock options granted to employees		€1	€42.33	476	19,416,984	€19,416,984
			€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			
10/31/2007	After exercise of stock options granted to employees		€1	€42.33	10,931	19,492,215	€19,492,215
			€1	€35	20,100		
			€1	€12	31,200		
			€1	€27.50	11,500		
			€1	€12	1,500		
12/11/2007	With pre-emptive subscription rights		€1	€22.20	8,663,204	28,155,419	€28,155,419
01/31/2008	After exercise of subscription warrants		€1	€26.50	145,590	28,301,009	€28,301,009
06/27/2008	After exercise of stock options granted to employees		€1	€10.93	1,090	28,302,099	€28,302,099
07/29/2008	Reserved for employees		€1	€15.23	197,853	28,535,232	€28,535,232
04/07/2009	After payment of dividend in shares		€1	€11.53	106,132	28,641,364	€28,641,364

Date of completion	Type of transaction	Capital increase through	Nominal	Issue/ subscription premium	Number of shares created	Total number of shares	Share capital
09/18/2009	After allocation of free shares through the creation of new shares		1 €	€0	65,673	28,707,037	€28,707,037
12/15/2009	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
05/31/2010	After exercise of stock options granted to staff		€1	€10.93	60,684	29,409,221	€29,409,221
07/07/2010	After payment of dividend in shares		€1	€19.95	62,698	29,471,921	€29,471,921
09/30/2010	After exercise of stock options granted to staff		€1	€10.93	14,166	29,486,087	€29,486,087
12/16/2010	Reserved for Group employees (classic offer)		€1	€14.94	130,078	30,017,947	€30,017,947
	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		
12/20/2010	After allocation of free shares through the creation of new shares		€1	€0	66,379	30,084,326	€30,084,326
07/06/2011	After payment of dividend in shares		€1	€18.87	53,108	30,137,434	€30,137,434
07/29/2011	After allocation of free shares through the creation of new shares		€1	€0	4,831	30,142,265	€30,142,265
09/06/2011	Following the exchange of 400 convertible bonds for new shares		€1	€35.27	412	30,142,677	€30,142,677
12/21/2011	Reserved for Group employees (classic offer)		€1	€9.74	117,461	30,829,031	€30,829,031
	Through the creation of free shares allocated in lieu of top-up contributions (classic offer)		€1	€0	33,808		
	Reserved for Group employees (leverage offer)		€1	€9.74	535,085		

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## 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 2011 financial year appear in the notes to the Company (note XX) and consolidated (note XX) 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 €37.36, *i.e.* a total nominal issue of €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, 2011

Share capital: €30,829,031

Type of potentially dilutive instruments	Date of allocation or issue	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
Share subscription warrants	08/27/2007	-	47,97	Company mutual fund Groupe Steriactions (employees)	From August 27, 2007 to September 3, 2012	49,198	0.16
<b>Total 1</b>		-				<b>49,198</b>	<b>0.16</b>
Free performance shares <sup>(1)</sup>	07/29/2009	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 Group directors	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)	52,362	0.34
	04/16/2010	Growth in consolidated revenue in 2010 versus 2009	0,0	Certain employees and Group directors	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
	07/06/2010	Change in operating margin over a three-year period as from allocation	0,0	Certain employees and Group directors	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	0.45
	07/29/2011	For 70% of allocated shares: Change in operating margin over a three-year period from allocation and for 30% of the allocated shares: change in stock market prices	0,0	Certain employees and Group directors	date of award: July 29, 2014 (Spain and France) and July 29, 2015 (other countries) holding period: 2 years (Spain and France), no holding period (other countries)	157,600	0.51
<b>Total 2</b>						<b>384,973</b>	<b>1.25</b>
Undated subordinated bonds with options for conversion and/or exchange for shares	11/12/2007	-	37,36	Free float	At any time until 12/31/2012	4,202,553*	13.63
<b>Total 3</b>						<b>4,202,553</b>	<b>13.63</b>
<b>Total potential dilution</b>						<b>4,636,724</b>	<b>15.04</b>

(\*) On the basis of a conversion ratio of 1.03 share for one bond.

(1) Allocation subject to continued employment and performance conditions.

### 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	Maturity	Amount or percentage of capital authorized	Use over the course of the financial year	Authorization remaining at December 31, 2010
<b>Combined General Meeting of May 28, 2010</b>				
Power granted to the General Management to allocate free shares	09/28/2012	300,000 shares	296,850 shares	3,150 shares
<b>Combined General Meeting of May 13, 2011</b>				
Power granted to the General Management to increase the share capital with pre-emptive subscription rights	07/13/2013	€15 million* (nominal value) for the issuance of marketable securities €250 million* (nominal value) for the issuance of debt securities	None	All
Power granted to the General Management to increase capital by incorporating reserves, profits or share premiums	07/13/2013	€15 million* (nominal value) for the issuance of marketable securities	None	All
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	07/13/2013	€6 million* (nominal value) for the issuance of marketable securities €250 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	07/13/2013	€6 million* (nominal value) for the issuance of marketable securities €250 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	07/13/2013	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	07/13/2013	€6 million (nominal value)	None	All
Power granted to the General Management to increase the share capital in exchange for contributions in kind	07/13/2013	10% of share capital	None	All
Power granted to the General Management to carry out capital increases reserved for members of the Group Savings Plan	07/13/2013	€1 million	686,354 €	313,646 €
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 internationally	11/13/2012	€1 million	None	All

(\*) Amount deducted from the overall limit of:

- €15 million\* (nominal value), €6 million of this was for issues without DPS under the issue of marketable securities
- €250 million\* (nominal value) for the issuance of debt securities.

## 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 15, 2012.

#### II – Number of shares and share of capital held by the Company

As of 29.02.12, Company's share capital comprised 30,829,031 shares.

As of this day, the Company held 46,896 treasury shares, representing 0,15% of the capital.

#### III – Breakdown by purpose of treasury shares held by the Company

As of February 29, 2011, the treasury shares held by the Company were 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 <i>et seq.</i> of the French Labor Code or of all free allocations of shares in accordance with the provisions of Articles L. 225-197-1 <i>et seq.</i> 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	23,629
<b>TOTAL</b>	<b>46,896</b>

#### 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 giving access to the capital;
- 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 approved by the Autorité des marchés financiers;

- possible cancellation of shares purchased;
- 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 €30,829,031 divided into 30,829,031 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.* 3,082,903 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 €123,316,120 (excluding fees), based on a maximum price per share of €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 15<sup>th</sup>, 2013

**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, 212 registered 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 March 22, 2005, published in the *Bulletin des annonces légales obligatoires* on April 1, 2005.

As at December 31, 2010, the following resources appeared in the liquidity account:

- 67,678 Groupe Steria SCA shares;
- €121,492.98 in cash.

## → 7.4 Shareholder structure

### 7.4.1 Stock 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, Software 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

SBF 120

CAC ALL-TRADABLE

NEXT 150

CAC ALL SHARES

CAC MID&SMALL

CAC MID 60

CAC Soft&CS

CAC Technology

EURONEXT FAS IAS

The table below shows the changes in Groupe Steria SCA's quoted share price since June 2002.

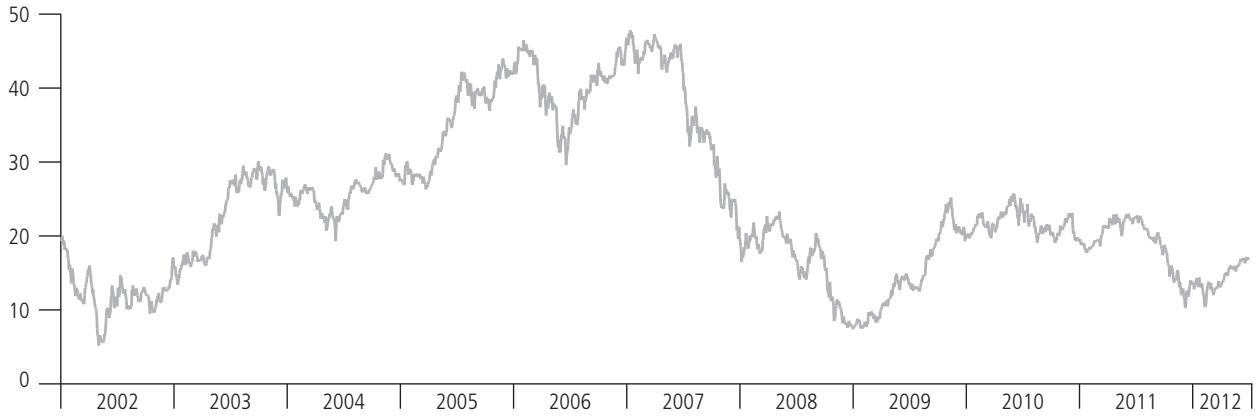
## STOCK MARKET DATA

2011 – Month	01	02	03	04	05	06	07	08	09	10	11	12
Average trading volume/day	104,905	124,760	111,289	56,972	66,890	231,049	59,335	95,935	93,511	68,440	110,161	93,178
High (€)	21.60	23.0	23.0	23.0	22.89	21.19	20.52	18.0	15.65	14.39	14.46	14.04
Low (€)	18.40	20.90	19.37	21.60	20.60	19.01	17.38	13.32	10.0	11.52	10.10	11.82
Capital in millions of euros *	44.98	54.77	55.80	24.19	32.10	103.15	23.11	33.57	25.34	18.99	30.22	25.14
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

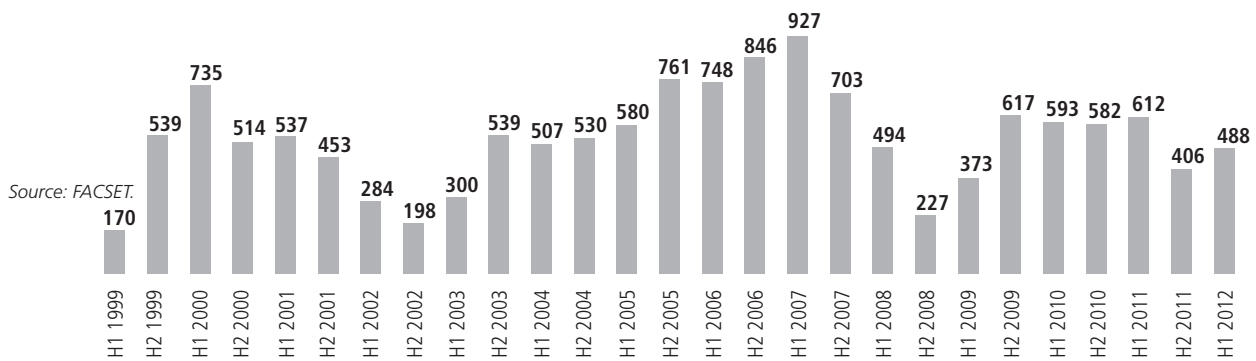
Source: Euronext.

(\*) Amount of capital traded over the month.

Change in stock price since June 2002 (in euros) – price on February 7, 2012



Stock market capitalization since June 1999 (in millions of euros) – price on February 7, 2012



## 7.4.2 Shareholdings exceeding statutory limits

Over the course of the 2011 financial year, the following threshold crossing notices were filed and published with the AMF:

- the company Financière de l'Échiquier declared, in a letter dated January 12, 2011 (No. 211C0080), on behalf of funds under its management, that it had risen above the threshold of 5% of capital;
- the company Financière de l'Échiquier declared, in a letter dated February 2, 2011 (No. 211C0120), on behalf of funds under its management, that on January 31, 2011, it rose above the threshold of 5% of voting rights;
- the Amundi company declared, in a letter dated December 2, 2011 (No. 211C2293), on behalf of the mutual fund (FCPE) Groupe Steriaactions, that on December 20, 2011, it rose above the threshold of 20% of voting rights.

## 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 Dividends

### Amounts paid to shareholders over the past three financial years (in euros)

Financial year	Net dividend per share	Tax credit/discount
2008	€0.12	Discount at rate in force at this date
2009	€0.12	Discount at rate in force at this date
2010	€0.24	Discount at rate in force at this date

### Dividend proposal for the financial year ended December 31, 2011 (subject to the approval of the General Meeting of May 15, 2012).

Financial year	Net dividend per share	Discount
2011	€0.35	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 15, 2012, 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. €0.35 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, 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, 4<sup>th</sup> to 22<sup>d</sup> 2012 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, 5<sup>th</sup> 2012.



## 7.4.5 Financial Communication Calendar – Contacts

### Person responsible for financial information

Mr. Olivier Psaume

Division of Investor Relations and Corporate Development

Steria – 43-45, quai du Président-Roosevelt – 92782 Issy-les-Moulineaux cedex

Tel.: + 33 (0)1 34 88 55 60

Fax: + 33 (0)1 34 88 62 00

E-mail: [olivier.psaume@steria.com](mailto:olivier.psaume@steria.com)

Website: [www.steria.com](http://www.steria.com)

### 2012 Financial Communication Calendar

March 6, 2012 (before market closure)	Q4 2011 revenue and 2011 annual results
March 6, 2012 at 10 a.m.	Financial analysts meeting (Espace Cambon)
April 5, 2012	Analyst day
May 4, 2012 (before market closure)	Q1 2012 revenue
May 15, 2012 at 2:00 p.m.	Annual General Meeting
July 30, 2012 (before market closure)	Q2 2012 revenue and H1 2012 results
July 30, 2012 at 9:00 a.m.	Financial analysts meeting (by webcam)
October 30, 2012 (before market closure)	Q3 2012 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

2011 annual results	03/06/2012	Steria website/AMF website
Q4 2011 revenue	03/06/2012	Steria website/AMF website
Q3 2011 revenue	11/02/2011	Steria website/AMF website
Combined General Meeting: voting results	05/19/2011	Steria website/AMF website
2011 interim results	07/28/2011	Steria website/AMF website
Q2 2011 revenue	07/28/2011	Steria website/AMF website
Preparatory document for the Combined General Meeting of 13.05.11	04/18/2011	Steria website/AMF website
Meeting notice for the Combined General Meeting of 13.05.11	04/06/2011	Steria website/AMF website
Capital increase reserved for Group employees	07/29/2011	Steria website/AMF website
Q1 2011 revenue	05/02/2011	Steria website/AMF website
2010 annual results	02/28/2011	Steria website/AMF website

### Other documents filed with the French securities regulator (AMF)

Interim review of the liquidity contract (H2 2011)	01/05/2012	Steria website/AMF website
2012 Financial Communication Calendar	12/15/2011	Steria website/AMF website
Capital increase reserved for employees	07/29/2011	Steria website/AMF website
2011 interim financial report	07/28/2011	Steria website/AMF website
Dividend for the 2010 financial year	05/24/2011	Steria website/AMF website
Interim review of the liquidity contract (H1 2011)	07/06/2011	Steria website/AMF website
2011 Financial Communication Calendar	05/27/2011	Steria website/AMF website
Option to receive payment of dividend for the 2010 financial year in shares	05/24/2011	Steria website/AMF website
2010 Registration Document	04/18/2011	Steria website/AMF website
Successful employee share ownership plan in 2010	02/07/2011	Steria website/AMF website

### Other documents filed with the Autorité des marchés financiers (continued)

Interim review of the liquidity contract (H2 2010)	01/07/2011	Steria website/AMF website
Notices of threshold crossings	12/21/2011	AMF website/STERIA administrative office
Notices of threshold crossings	02/02/2011	AMF website/STERIA administrative office
Notices of threshold crossings	01/13/2011	AMF website/STERIA administrative office

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**Other documents posted on the Steria website**

Monthly voting rights (February 2012)	03/07/2012	Steria website
Monthly voting rights (January 2012)	02/07/2012	Steria website
Monthly voting rights December 2011 – Correction -	01/16/2011	Steria website
Monthly voting rights December 2011 – Correction -	01/13/2011	Steria website
Monthly voting rights (December 2011)	01/05/2011	Steria website
Monthly voting rights (November 2011)	12/06/2011	Steria website
Monthly voting rights (October 2011)	11/04/2011	Steria website
Monthly voting rights (September 2011)	10/06/2011	Steria website
Monthly voting rights (August 2011)	09/07/2011	Steria website
Monthly voting rights (July 2011)	08/04/2011	Steria website
Monthly voting rights (June 2011)	07/06/2011	Steria website
Monthly voting rights (May 2011)	07/06/2011	Steria website
Voting rights – General Meeting of May 13, 2011	05/19/2011	Steria website
Monthly voting rights (April 2011)	05/11/2011	
Monthly voting rights (March 2011)	04/07/2011	Steria website
Monthly voting rights (February 2011)	03/04/2011	Steria website
Monthly voting rights (January 2011)	02/07/2011	Steria website

**Information published in the *Bulletin des annonces légales obligatoires***

Meeting notice replacing the convocation for the Combined General Meeting of May 13, 2011 (Balo No. 41)	04/06/2011
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# 8

“ Person responsible  
for the Registration  
Document



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of the financial statements** 221



## ➔ Person responsible for the Registration Document

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### 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 management report on page 104 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."

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)
<b>Statutory Auditors</b>		
<b>Pimpaneau &amp; Associés</b> <sup>(1)</sup> Nexia International Represented by Mr. Olivier Lelong 23, rue Paul-Valéry 75116 Paris	December 18, 1998	December 31, 2011
<b>Ernst &amp; Young &amp; Autres</b> Represented by Mr. Denis Thibon Tout First – 1 place des Saisons 92400 Courbevoie	June 17, 1993	December 31, 2016
<b>Substitute Statutory Auditors</b>		
<b>IDF Expertise et Conseil</b> <sup>(2)</sup> 23, rue Paul-Valéry 75016 Paris	June 14, 2006	December 31, 2011
<b>Auditex</b> 11, allée de l'Arche Faubourg de l'Arche 92400 Courbevoie	May 13, 2011	December 31, 2016

(1) The nomination of PriceWaterhouseCoopers Audit as the replacement for Pimpaneau & Associés will be submitted to the General Meeting of May 15, 2012.

(2) The General Meeting of May 15, 2012, is asked to approve the appointment of Mr. Yves Nicolas to replace IDF Expertise et Conseil.

# “ Cross-reference table





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**Registration Document  
cross-reference table**

**224**

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**Annual financial report  
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# → Registration Document cross-reference table

In order to facilitate the reading of this annual report, filed as the Registration Document, the following table references the key information addressed in Appendix 1 of EC Regulation No. 809: 2004.

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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.

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# “Articles of Association of Groupe Steria SCA

(Last updated on December 21, 2011)



## TITLE I THE COMPANY

### Article 1 Legal 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 commandite par actions*) between:

- its shareholders (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 43, quai du Président-Roosevelt – 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(s), 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 Association shall apply.

It should be noted that in this document, the term "Partners" refers collectively to the General Partner and the shareholders.

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 Purpose

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 support services, particularly in the legal, employee relations, financial and administrative fields;
- participation by the Company in all commercial or industrial operations that may be connected to the aforementioned object 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 Company 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 "SCA" and by the total amount of its capital.

### Article 4 Company headquarters

#### 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 in the event of early dissolution or extension.

The General Partner and the shareholders must be consulted on any extension of the Company at least one month before it expires.

## TITLE II CAPITAL – PARTNERS

### Article 6 Share capital

#### 6.1 Amount

Share capital amounts to €30,829,031, and is divided into 30,829,031 shares, each with a nominal value of €1.

#### 6.2 Modifications

The share capital may be increased, reduced or amortized, under the 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 percentage points, without requiring legal action or formal notice, and without prejudice to any personal action that the Company may bring against the defaulting shareholder and the compulsory enforcement measures 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 Share form

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 Transfer 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, amortized and non-amortized capital, paid-up and non-paid-up, of 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 the right to a new security against the return or the proof of ownership of a number of old shares – 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 before the Company and at General Meetings 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 among 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 in the event of 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 major shareholdings – thresholds

Any private individual or corporate entity, acting alone or in concert with others, coming to own a number of shares outside the limit of 2.5% of the Company's capital or voting rights, as set forth in Article L. 1233-7-1 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 capital or voting rights fall outside required levels in multiples of 2.5%.

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## 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 lifetime 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' appointments 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, to reduce 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 Partner 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 the limits expressly reserved by law to the Supervisory Board and the General Shareholder Meetings, 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 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 it may also authorize to use the title of Chief Executive Officer or Deputy Chief Executive Officer.

### 12.4 Reports

The General Manager must 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.

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## 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 one hundred and fifty 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 by the Ordinary General Meeting 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 times 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 Manager 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 assets 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, 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.

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.

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## TITLE V THE GENERAL PARTNER

### Article 14 Liability, appointment, composition 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 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 Shareholder 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 assets 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, 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.

#### 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 – SHAREHOLDER MEETINGS

### Article 15 Shareholder rights and responsibilities

The rights of the 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 Collectives 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 Shareholders Meeting.

This concordance comes either from an official report with just 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 not 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 Shareholder 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 Shareholders' Meetings

The provisions applicable to Shareholders' Meetings are those established for the General Shareholders' Meetings 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.

The deliberations of the General Meetings are binding upon all shareholders, even ones that are absent, dissenting or incapable.

#### 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 Chairman of the Supervisory Board is 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 the minimum number of shares with voting rights provided for in Article L. 225-98 of the French Commercial Code. This quorum is calculated based on postal voting forms, and if applicable, electronic voting forms from the website received 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 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 that 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 the minimum number of 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 or email 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 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 that 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.

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## TITLE VII THE 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 comprises an equal number of members of the Supervisory Board, who are not employees of the Company, 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 discussions held during the meetings of the Congress are recorded in the Minutes, which are signed by the Chairmen of both bodies comprising the Congress and its Secretary. The Minutes are kept in a special register.

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## TITLE VIII ACCOUNTS – APPROPRIATION OF EARNINGS – REGULATED AGREEMENTS

### Article 19 Financial year – 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 from the financial year, minus the losses brought forward from the previous year, plus the previous budget surplus and, as applicable, minus the sums required for the legal reserve fund 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 shared among the shareholders according to the number of shares they own.

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 Regulated 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.

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## 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 in 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, bankruptcy, court-supervised liquidation or bankruptcy of a partner

#### 23.1 Shareholders

The death, prohibition, bankruptcy, court-ordered liquidation or bankruptcy of a shareholder

does not result in the winding-up of the Company.

#### 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 Shareholder Meetings 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* 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, shall be submitted to the *Tribunal de Commerce* (Commercial Court) with jurisdiction.







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