2013 Registration Document

Contents

Registration Document 2013

AUTORITÉ
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AMF

This document is an English free translation of the french Registration Document filed with the French securities regulator (AMF or Autorité des marchés financiers) on 29/04/2014, in accordance with Article 212–13 of the AMF General Regulations. It may be used to support any financial transaction if it is supplemented by a prospectus approved by the AMF. 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, the following information is referred to in this Registration Document:

- For financial year 2011:
  - the management report, consolidated financial statements and related Statutory Auditors' report included in the Registration Document filed on April 11, 2012 under reference number D.12-0326 (pages 104 to 167),
  - the company accounts of Groupe Steria SCA and related Statutory Auditors' report, included in the Registration Document filed on April 11, 2012 under reference number D.12-0326 (pages 168 to 195),
  - the Statutory Auditors' special report on related party agreements and commitments, included in the Registration Document filed on April 11, 2012 under reference number D.12-0326 (pages 60 and 61);
- For financial year 2012:
  - the management report, consolidated financial statements and related Statutory auditor's report included in the Registration Document filed on March 21, 2013 under reference number D.13-0194 (pages 116 to 185 and referred to in Cross-reference tables pages 247 to 250),
  - the company accounts of Groupe Steria SCA and related Statutory Auditors' report, included in the Registration Document filed on March 21, 2013 under reference number D.13-0194 (pages 186 to 215),
  - the Statutory Auditors' special report on related party agreements and commitments, included in the Registration Document filed on March 21, 2013 under reference number D.13-0194 (pages 64 and 65).

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

www.steria.com

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"Presentation of the Group

1.1 Group profile

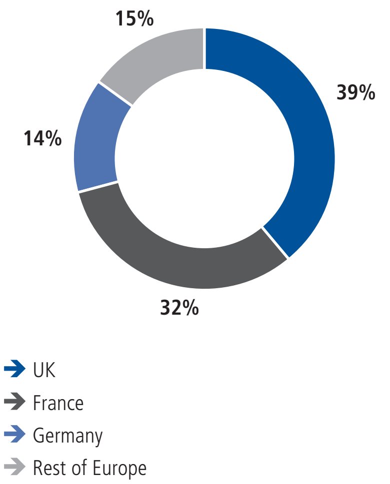
Consolidated results over the past three years

		2011	2012 [6]	2013	Organic growth at constant scope and exchange rates
Net sales	€ million	1,747.7	1,827.2	1,754.9	-1.8%
Operating margin [1] % of revenue	€ million %	129.9 7.4%	117.4 6.4%	110.4 6.3%	
Operating income [2]	€ million	81.9	72.6	53.8	
Attributable net income	€ million	55.0	35.6	8.9	
% of revenue	%	3.1%	1.9%	0.5%	
Underlying attributable [3] net income	€ million	90.5	79.7	47.4	
Underlying diluted earnings [3] per share	€	2.73	2.36	1.54	
Free cash flow [4]	€ million	3.7	10.6	89.4	
Shareholders' equity	€ million	766.4	815.0	392.7	
Net financial debt [5]	€ million	125.9	143.0	224.0	

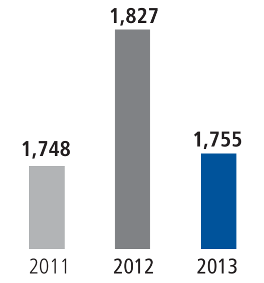
(1) Before amortisation of intangible assets related to business combinations. Operating margin is the key Group indicator. It is defined as the difference between revenue and operating expenses, these being equal to the total cost of service provided (expenses required to carry out projects), marketing costs, and general and administrative expenses.
(2) Operating income includes, in particular, restructuring and reorganisation costs, capital gains or losses on disposals, the estimated fair value of share-based payments, and the impact of impairment tests on goodwill and actuarial gains or losses recognised in connection with the reporting (corridor method) of retirement benefit obligations.
(3) Restated attributable net profit, after tax, on other operating income and expenses, amortisation of assets and unrecognised deferred tax assets.
(4) Cash flow before investments, financing and foreign exchange changes.
(5) Borrowings (of more or less than one year) less cash and cash equivalent.
(6) Data as published in the press release of February 28, 2013.

Group profile

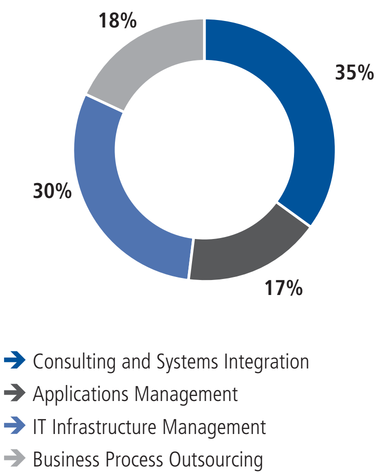
Revenue by country in 2013



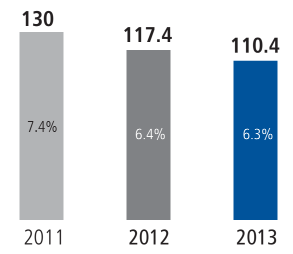
Revenue over the last three financial years *(in millions of euros)*



Revenue by business line in 2013

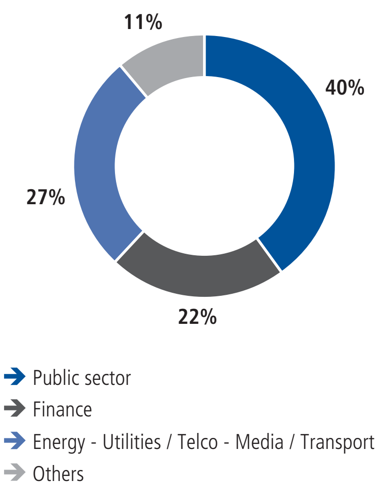


Operating margin over the last three financial years *(in millions of euros)*

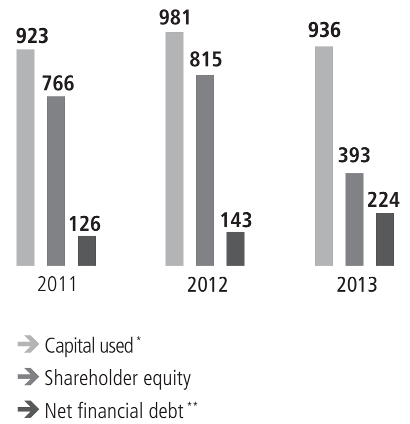


(*) Before amortization of intangible assets linked to regrouped businesses.

Revenue by business sector in 2013



Balance sheet items over the last three financial years *(in millions of euros)*

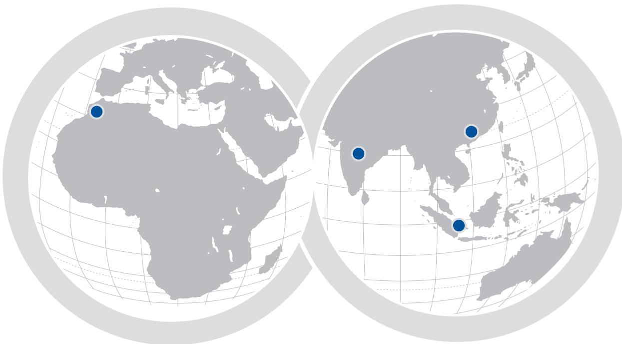


* Fixed assets + working capital requirements.
** Loans and financial debts (one-year) cash and cash equivalents.

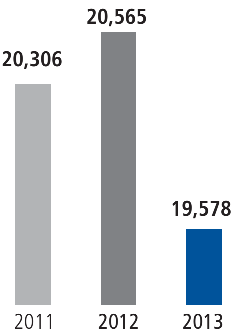
Group sites and workforce at December 31, 2013

United Kingdom	5,365	Denmark	154	Morocco	80
France	6,393	Norway	898	India	4,703
Belgium and Luxemburg	244	Sweden	88	Asia	49
Germany and Austria	1,679	Poland	479		
Switzerland	161				

20,293 → Group workforce



Average number of employees over the last three financial years (1)



(1) The data presented above is taken from the new Human Resources information system modified in 2012.

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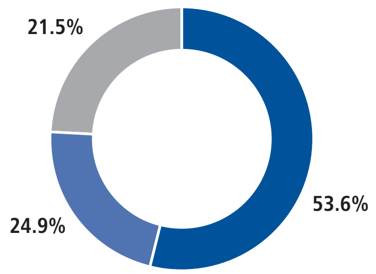
Information on capital and changes in the share price

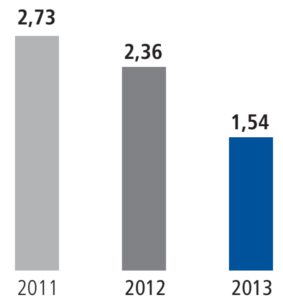
Breakdown of capital November 30, 2013



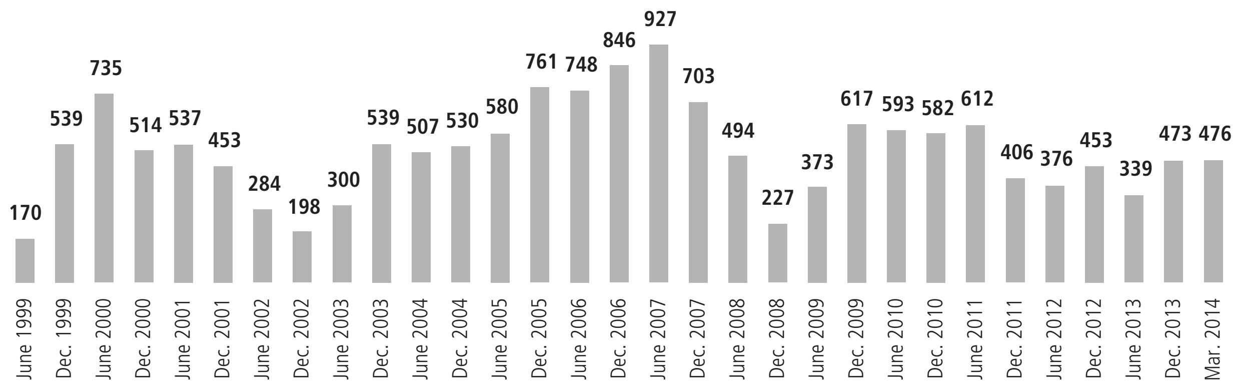
- Institutional
- Treasury stock: 0.03%
- Employees (with Xansa & Steria SIP Trusts (4.1%)
- Individual investors and not allocated

(*) Distribution as of 30/11/2013, except for employees, for whom distribution is as of 31/12/2013.

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

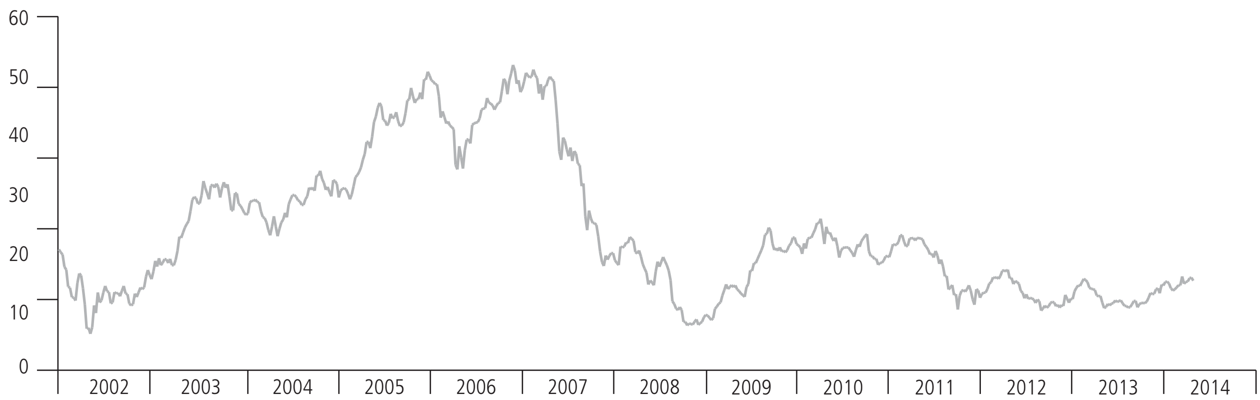


Stock market capitalisation since June 1999 *(in millions of euros)* - price on March 6, 2014



Source: ThomsonReuters.

Change in stock price since June 2002 *(in euros)* - price on March 6, 2014



Source: ThomsonReuters.

Corporate governance on December 31, 2013

General Manager:

- François Enaud

Group Executive Committee:

- François Enaud
  General Manager, Groupe Steria SCA
- Laurent Lemaire
  Senior Executive Vice-President, Financial Director
- John Torrie
  Senior Executive Vice-President, General Manager United Kingdom and Asia
- Olivier Vallet
  Senior Executive Vice-President, General Manager France,
- Amaury Houdart
  Executive Vice-President, Group Human Resources and Employee Shareholding Director
- Urs Michael Kraemer
  Executive Vice-President, General Manager Germany
- Patricia Langrand
  Executive Vice-President, Marketing, Communication and Business Development Director
- Kjell Rusti
  Executive Vice-President, General Manager, Scandinavia
- Sanjeev Varma
  Executive Vice-President, General Manager India

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, modernisation of Social Security declarations
- Léo Apotheker
  Company Director
- 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 Desprez
  Chairman of FCPE Steria and a Steria employee
- Pierre-Henri Gourgeon
  Chairman of PH Gourgeon Conseil
- Laetitia Puyfaucher
  CEO of Pelham Media Ltd

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

- PriceWaterhouseCoopers Audit
  63 rue de Villiers
  92208 Neuilly-sur-Seine Cedex
  SA with capital of €2,510,460
  Statutory Auditors
  Member of the Versailles regional chapter

General Partner:

- Soderi SAS
  Representing employee shareholders of the Group
  43-45 Quai du Président-Roosevelt
  92130 Issy-les-Moulineaux Cedex

1.2 History of the Group

2013
• Signature of the SSCL contract estimated at more than €1.2 billion euros over 10 years to consolidate the Back-office functions of four Departments of the British government.

• First French company to reach the maximum CDP score: 100A, for its environmental commitment.

• "Governance award" rewarding the quality of its employee shareholding practices.

2012
• Signature of a contract (approximately €100 million over 6 years), with the Norwegian Labour and Welfare Administration (NAV) covering a vast programme of IT modernisation.

2011
• The Group is certified "zero carbon" for its business travel by air and road.

2010
• Signature of a BPO contract with Cleveland Police (UK) (worth £175 million for the outsourcing of IT and process management for control and command rooms), delivering £50 million in savings over 10 years.

2008
• "Best BPO project of the year" award attributed by the National Outsourcing Association (United Kingdom) for services delivered to the UK Ministry of Health through the joint venture NHS Shared Business Services.

• NelsonHall ranks Steria No.1 on the European BPO Market in the category purchase-to-pay (accounts payable) and No.3 in the category BPO F&A (Finance and accounting) multi-process.

• Steria signs a Global Managed Services contract with SFR (€100 million over 4 years).

2007
• Acquisition of the British company Xansa established in the UK and India (5,500 employees in India).

• New governance model involving employee shareholders.

• Opening of two nearshore centres in Poland and Morocco.

2006
• Steria wins the "Mobile and New Technology Solutions" award at the Orange Business Services Innovation Trophies, organised by Syntec Informatique.

2005
• Acquisition of Mummert Consulting in Germany

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

2001
• Acquisition of Integris, BULL's IT service businesses in Europe (United Kingdom, Germany, Denmark, Norway, Sweden, Belgium, Luxembourg, Switzerland and Spain).

2000
• Acquisition of Tecsi, Group EQIP and Experian's Managed Services activities.

1999
• Steria is listed on the Paris Stock Exchange.

1994
• Achievement of the management system for the Centrale des règlements interbancaires (French interbank payment system).

1993
• Development of the information system of Djakarta airport.

1990
• New subsidiary opened in Germany.

1987
• Steria strengthens its strategic positioning in Systems Integration and Managed Services.

• Automation of train operation for Line A of the French Regional Express Railway (RER) in Paris.

1981
• Management of the Télétel 3V project which marked the beginning of Minitel in France.

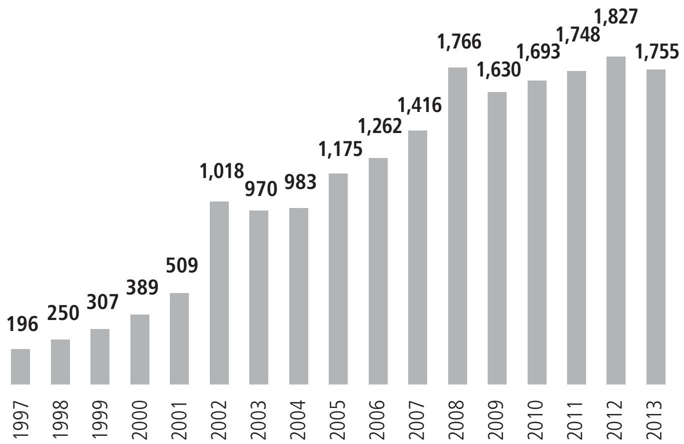
1978
• Steria starts to go global and opens a subsidiary in Switzerland.

1973
• Signature of an automation contract with the French Press Agency (AFP).

1969
• Jean Carteron founds Steria. He aims to build a company which places people at the heart of its business shaped around three core values: innovation, entrepreneurship and independence.

The Group's construction phases are outlined in Paragraph 1.8.1 of this document.

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



1.3 Markets – Competitive environment

The digital services market in Western Europe was worth an estimated €165.1 billion in 2013 [(1)] (excluding the sale of IT hardware, software packages and related maintenance services).

The digital services market in Western Europe (excluding hardware and software)

Country – Forecasts 2013 *(in billions of euros)*	
Germany	26.7
France	21.4
United Kingdom	52.7
Rest of Europe	64.4
Total	**165.1**

Source: Gartner, third quarter 2013, December 2013. Exchange rate used for conversion into euro: USD/EUR 0.75 (2013 average rate).

This market presents three main characteristics:

- three countries (the UK, Germany and France) generate 61% of expenditure in Europe [(1)]. In 2013, Steria carried out 85% 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 55% of this expenditure [(1)]. For Steria, this proportion was slightly higher, totalling 63% of revenue. It should be noted that the market for Business Process Outsourcing is worth €26.2 billion in Western Europe [(1)] or 16% of the total market;
- finally, the sectors with the highest demand for IT services are banks (€39.2 billion) and insurance companies (€15.4 billion), as well as public bodies (€36.9 billion). In total they represent 42% of expenditure in Europe [(1)] Steria generates 62% of its revenue from these two sectors.

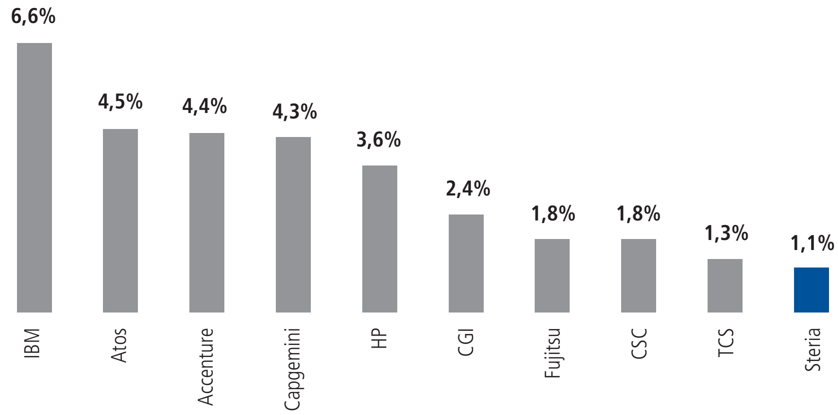
One of the main characteristics of the European digital services sector is that it is highly fragmented with a great number of players: major international groups with activities in Europe; large companies in countries with low labour costs, with major ambitions within the European market; numerous local operators in various countries, including a large proportion of small companies, either positioned in high value-added niche segments or providing general-purpose services.

(1) Source: Gartner, third quarter 2013, December 2013.

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

- very large global players, generally present on every continent, and in software and hardware, as well as digital services: IBM, HP EDS, CSC, Accenture, etc.;
- large European players offering a full range of services (consultancy, development, operation, BPO) and a globalised production model: Capgemini, AtoS, Logica (acquired by Canada's CGI in 2012);
- Indian players, which benefit from low production costs: TCS, Cognizant, Wipro, Infosys, etc. Outside the UK, Indian operators do not currently have a significant presence but, nevertheless, look to have major ambitions for European expansion;
- local or niche players.

Market share of the ten largest global digital service providers in Western Europe (based on 2012 revenues)



Source: Gartner report "Market Share: IT Services Q1 2013", April 2013. Local players (excluding captive service subsidiaries of major companies).

With €1.8 billion in revenue at the end of 2013, and more than 1.1% market share (unchanged from 2012), Steria is among the 10 largest European service companies (excluding captive service companies and local players).

Trends in the digital services market in Western Europe (excluding hardware and software)

2013 Forecasts *(in billions of euros)*	**2013**	**Estimated growth 2013/2012**
Consulting	23.6	5.0%
Development and systems integration	51.4	2.4%
Managed services	63.8	2.0%
Business Process Outsourcing	26.2	2.5%
Total	**165.1**	**2.6%**

Source: Gartner. 2013/2012 growth calculated at constant exchange rates based on a USD/EUR rate of 0.75 (2013 average rate).

1.4 Groupe Steria's businesses

Information systems have become major factors in winning market share, optimising performance, managing regulatory compliance and limiting risk. IT infrastructure and applications, as well as processes are essential assets whose transformation is critical if organisations are to adapt to an environment undergoing profound and accelerating change. In addition, there are technological breakthroughs such as the current digitalisation of the economy affecting both the production and the distribution processes of products and services, as well as access to end-customers.

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 over 20,000 employees, Groupe Steria meets such demand by offering services that involve the transformation and management of IT systems (applications maintenance, IT infrastructure management, Business Process Outsourcing), as well as transformation services for customers' business processes (IT consultancy, business consultancy, systems integration and applications development and BPO).

1.4.1 Consultancy

Consultants help customers in making decisions about information systems by defining needs, systems architecture or implementing optimum solutions for organising 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 digital service providers, Steria's organisation is marked by the integration of consultants within operational market sectors, so as to provide customers with maximum integration between design and implementation. This organisation 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.

1.4.2 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 optimisation of the customer's information system in its new configuration, the roll-out, often internationally, 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 specialises. 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, Right Legacy Modernisation, Customer Centric Management, Business Process Management, Security, etc.).

At December 31, 2013, business consulting and systems integration activities represented 35% of the Group's revenue.

1.4.3 Application maintenance

The objective of applications maintenance is to maintain all or part of a customer's portfolio of applications in operational condition and manage life cycle developments according to predefined service levels. Maintenance carried out may be of two types:

- corrective maintenance realised, notably, through the processing of anomalies and error correction, etc.;
- dynamic (or adaptive) maintenance: updates, which consist of making the necessary changes to take into account new legislation, technologies and business processes.

Steria offers its customers, in a proactive and collaborative manner, ongoing analysis of their applications portfolio, with the aim of enabling them, through the use of business cases, to consider the changes they need to make to increase the efficiency, flexibility and competitiveness of their applications environment. These change plans, which are often similar to actual transformation projects, make a major contribution in enabling customers to ensure that their IT systems are able to help them to achieve their operational, financial and strategic objectives at all times.

To support this activity, Steria has developed a structured, methodical framework, which has been rolled out across the Group's various operational entities, with the aim of providing efficiency, quality and risk management. This methodology includes a specific component for safeguarding the resumption phase for existing applications, which is based on benchmarks and proven tools that enable operational risks to be quantified and maintenance work to be estimated accurately, objectively and as efficiently as possible.

Applications maintenance activities accounted for around 17% of Group revenue at December 31, 2013.

1.4.4 Management of IT infrastructure

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

- the service desk: 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;
- information system security.

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 optimum organisational 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 at the end of 2013.

1.4.5 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 specialised business processes, as for example the operation and performance of Control/Command room processes for police forces, the management of fraud detection on bank cards for financial institutions, the management of loyalty card programs for large-scale retailers, etc.

Steria has a key position in the Business Process Outsourcing market in Europe. In particular, the Group operates the largest platform for shared services in Europe handling financial processes (NHS SBS) and is the first IT service provider to take over the operation of part of the business processes and Back-office functions for a police force (Cleveland police force in the United Kingdom) in Europe. Winning the SSCL contract at the end of 2013 (estimated at more than €1.2 billion over 10 years) considerably strengthened this position, making the Group the first European player to be involved in both the building and operating of platforms for shared services. In 2014, the Group's annual revenue in this field will amount to around €250 million i.e. about 13% of the Group's business.

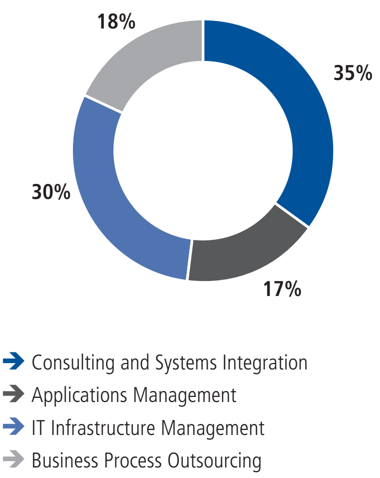
Nelson Hall (in its *BPO Market Assessment*, 2009-2013) ranks Steria No. 1 in the European BPO P2P Business Process Outsourcing purchase-to-pay market (or accounts payable) and No. 3 in multi-process BPO F&A (finance and administration).

At December 31, 2013, Business Process Outsourcing activities accounted for 18% of Group revenue. The Group's main customers in this field are: BT, BBC, NHS, Cleveland Police, IPS, Lloyds, Cabinet Office.

1.4.6 Changes in the breakdown of revenue by core business

	2013		2012		2011	
	€ million	**% revenue**	**€ million**	**% revenue**	**€ million**	**% revenue**
Consulting, systems integration and applications maintenance	927	53%	1,059	58%	1,072	61%
IT infrastructure management and BPO *	828	47%	768	42%	675	38%
Total	**1,755**	**100%**	**1,827**	**100%**	**1,748**	**100%**

* *IT infrastructure management and BPO are included under the generic term "managed services" in the financial statements. The activities of Steria Recruitment were reclassified in 2013 from Systems Integration to BPO activities.*



1.5 The delivery model

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

Pooled onshore, nearshore and offshore production centres

In order to support its industrialised delivery model, Steria has developed pooled production centres with specialist technology and expertise, which are highly secure and can deliver contracts for different customers.

These centres deliver on the basis of common practices that make it possible to obtain certification or assessment such as CMMi, CMMi Services, ITIL, ISO 20000, ISO 27000, etc. They are primarily aimed at infrastructure management, applications development, applications maintenance, testing and security, and were set up in response to the complementary logics required by customers in line with their strategic guidelines and constraints:

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

The Group's offshore and nearshore service centres are:

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

Please note that with 26% of the Group's workforce located in offshore or nearshore centres on December 31, 2013, Steria is one of the leading European operators in this field.

An integrated model

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 centres depending on customer requirements.

The model implemented by Steria involves a fully integrated delivery organisation. In practice, this organisation 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 16 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 centres 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 (ISO 9000, ISO 20000);
- ISO for information security (ISO 27000);
- CMMI for applications development and CMMI Services for applications maintenance, TMMI for testing and ITIL for infrastructure management.

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 that are market leaders in their respective markets and which are aimed at supporting its production activities, thereby making processes more robust and contributing to better guarantees in terms of the quality of work delivered.

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.

An active partnership policy

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 specialised companies that may participate on a subcontracting basis in projects managed by Steria in the Group's various businesses.

1.6 Clients

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

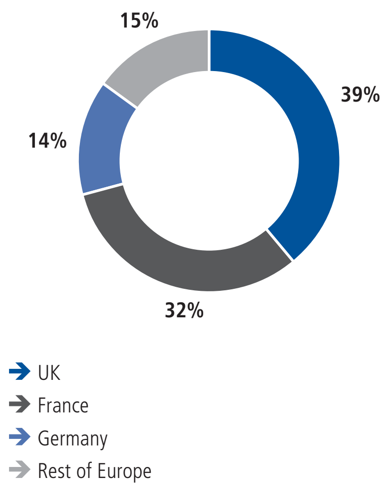
1.6.1 Clients by geographic area

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 2013)

(in thousands of euros)	France	United Kingdom	Germany	Rest of Europe	Group total
Net sales	555	692	239	269	1,755
% of revenues	32%	39%	14%	15%	100%



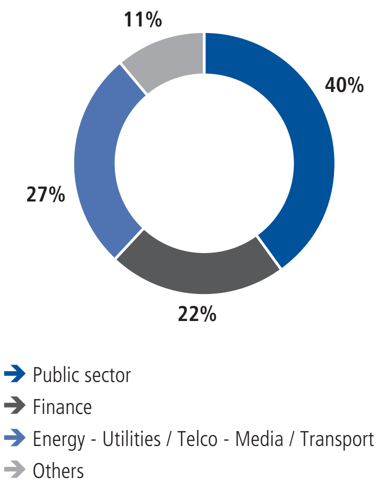
Steria's 20 largest clients account for approximately 44% of revenue, with the largest customer representing 6.1% of the Group's revenue.

1.6.2 Clients by business sector

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

Changes in revenue breakdown by business sector

	2013		2012		2011	
	€ million	% revenue	€ million	% revenue	€ million	% revenue
Public Sector	704	40%	707	39%	681	39%
Finance (banks and insurance companies)	381	22%	428	23%	428	24%
Energy-Utilities/Telecoms-Media/Transport	472	27%	554	30%	500	29%
Other	198	11%	141	8%	139	8%
Total	**1,755**	**100%**	**1,827**	**100%**	**1,748**	**100%**



1.7 Innovation - Research and Development

1.7.1 Approach to Innovation - Research and Development

As a provider of IT services and process management for some of the world's largest companies and public sector organisations, Steria needs to offer its clients cutting-edge solutions in terms of both technology as well as optimum integration capacity, in order to maximise their value in improving business processes.

This is a particularly important aspect of Steria' strategy and is reflected in its aim to establish close relationships between the Innovation and Research & Development activities, and the operational teams in charge of projects.

The Group's approach is structured around three major areas:

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

1.7.2 Horizon Scanning

Steria's horizon scanning activity is aimed at identifying key trends that could affect the business environment of the Group and its clients over the medium and long term (social change, technological development, innovative business processes, etc.). This exercise helps the Group to be as proactive as possible in developing its range of services, and to allocate its resources accordingly and make the necessary adjustments in skill sets and organisational structure.

Based on these considerations, in 2011 and 2012 the Group published a "Future Report" (1) offering a framework for analysis and reflection on the issues and trends for which business leaders must prepare themselves in the coming years.

The Group's various organisations (geographic entities, business lines, vertical activity communities, etc.) contribute by integrating the views of external participants into the reflection process, which feeds into strategic planning activities.

The Group's investment in the development of a global knowledge management platform also enables Steria to enhance the reflection process through the contribution of a number of internal participants.

(1) The "Future Report" is available at: http://www.steria.com/fileadmin/com/sharingOurViews/publications/files/Steria_Future_Report_2012.pdf.

1.7.3 Innovation Centres

Steria has decided to assemble teams at the Group's various sites to focus on the same area of expertise, in order to foster cooperation, the emergence of new ideas and the sharing of experiences.

JAVA Agile Centre of Excellence (CoE)

The purpose of Steria's Centre of Excellence for Java Agile Development in Luxembourg 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 ten 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. Its 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. Building on Steria's long experience of Police and Immigration services, this centre is responsible for developing the SteriaFIT and SteriaAFIS suite of solutions which incorporate the latest in digital fingerprint technology into a robust delivery platform.

Security Centre of Excellence

Steria's Security Centre of Excellence teams, which are mainly based in France and the UK, cover a broad range of security needs in relation to infrastructure, applications and data, with the aim of combating the attacks on computer systems that are continuing to grow in complexity. They have developed a structured approach based on security management for risks, covering the entire life cycle of information systems from design to operation. The European security experts at Steria's Security Centre of Excellence bring expertise in consultancy (e.g. governance, risk management, auditing and intrusion testing) and innovative security system integration (e.g. biometrics, DLP, IAM, PKI), in conjunction with its centres for combating cyber crime (e.g. attack detection, forensics, monitoring, etc.).

EIM (Enterprise Information Management) Centre of Excellence and Big Data

Mainly located in Germany, the EIM Centre of Excellence and Big Data have sustained Steria's continuing development in the Big Data field. It focuses on three areas: business intelligence, data management and management of structured and non-structured content (e.g. from social networks), this centre benefits from the expertise of around 800 specialists and is one of Steria's largest innovation environments in an important growth area for the Group.

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 *via* a plug-and-run interface. This service enables simulation, validation and preoperational development of air traffic management systems.

1.7.4 Collaborative Innovation

Steria has invested in the establishment of a collaborative approach to innovation aimed at involving a large number of the participants in its "ecosystem" (employees, customers, suppliers and national/EU research agencies, public sector bodies and government agencies, etc.).

This approach has enabled several projects to be completed in recent years, including:

- the development of Workplace on Command (WOC) in partnership with Microsoft, a unique virtual workplace solution enabling users to access their entire working environment, including all of their company's business applications and their own data, from any device and connection location, via a fully secure web portal;
- the launch of the Steria Cloud On Command service, which emerged from an R&D partnership with Cisco;
- the definition and design of the Smart Energy Management service, which offers public sector organisations and their suppliers specific and innovative solutions for optimising their energy consumption.

To foster collaborative innovation, the Group uses a Web 2.0 approach for the promotion of innovative ideas relating to social networking functions and the management of the innovation life cycle.

In addition, Steria regularly organises an Innovation Competition, which is open to all employees. The finalists are rewarded with the opportunity to present their innovations to the Group's Executive Committee.

1.8 Strategy

1.8.1 Stages in the construction of the Group

Steria was founded in 1969. It delivers IT services to companies and public sector organisations in Europe, and offers a comprehensive range of services encompassing consultancy, systems integration, applications maintenance, infrastructure management and Business Process Outsourcing (BPO).

One of the main characteristics of the European IT services sector is that it is highly fragmented. Competition in Europe is structured around four main player categories: large global players, generally present on every continent and usually operating in hardware manufacture, software publishing and IT service provision; large European players offering a full range of services (consultancy, development, operation, BPO) and a globalised production model; Indian players, which benefit from low production costs; and local or niche players.

Over the last decade, Steria Group's strategy has been to build a profile enabling it to belong to the second category, i.e. European players offering a full range of services on an industrial scale, to ensure its eligibility for major development or outsourcing contracts from the largest public and private organisations in Europe.

To this end, after its IPO in 1999, Steria made three acquisitions that had a profound impact on the Group and its structure:

- at the end of 2001, Steria acquired the IT services arm of BULL outside France ("Integris"). The aim was to give the Group an international dimension through the acquisition of businesses in eight European countries (revenue: €550 million). The transaction also contributed to the strengthening of infrastructure managed services and the Group's position in the UK public sector;
- at the end of 2004, Steria significantly stepped up its consultancy offering through the acquisition of "Mummert Consulting" in Germany (revenue: €150 million). The two main features of this acquisition were the organisation model (full integration of the consultancy and engineering personnel) and a focus on the banking sector (40% of activity);

- at the end of 2007, Steria acquired Xansa (UK revenue: £400 million), a UK company with two-thirds of its workforce based in India (5,500 employees). The aims of this acquisition were to put the production model on an industrial level by using a powerful offshore platform, enter the Business Process Outsourcing market and consolidate market share in Europe's largest market, the UK.

Following this development phase, which combined external and organic growth, in 2013, Steria had a presence in 16 countries, a workforce of over 20,000 employees, revenue of €1.8 billion, and a profile as a market leader in Europe, as demonstrated by its position as ninth-ranked IT service provider (excluding captive service companies).

1.8.2 A highly-focused strategy

The Group has traditionally pursued a highly-focused strategy, enabling it to build strong positions by concentrating its resources. This strategy has been essential to its success in competing with significantly larger players.

The main component of this strategy is based on vertical sectors that account for 90% of Steria's activity, in three areas: Finance/Energy-Utilities-Telecoms-Media-Transport/Public Sector. The Group has only a minor presence in the manufacturing industries, where it has decided not to develop competencies in specific businesses, with the exception of aeronautics and space, in which it has recognised expertise and established positions with the large players.

The second aspect of the Group's strategy is its geographical focus. Steria carries out 85% of its activity in France, the UK and Germany (these three countries combined represent 62% of the IT services market in Europe). The last two major strategic growth transactions (Mummert in 2005 in Germany and Xansa in 2007 in the UK) were also aimed at strengthening the Group's market position in two of these countries. The Group is also present in Scandinavia, with revenue of approximately €200 million, and where the Group has enjoyed very rapid growth for a number of years and has a well-established position, particularly in Norway.

In 2012, the Group disposed of its Spanish activities and now aims to develop its activities in Asia from its existing platform in Singapore and its three locations in India.

1.8.3 A strategy based on industrial-level service provision

Since the mid-2000s, the IT services sector has seen a standardisation of service provision, which has also led to a reduction in the selling prices. This development was further impacted by the development of offshore/nearshore service provision in countries with lower labour costs. After taking off significantly in the UK market, the trend for using offshore/nearshore services is growing steadily in Continental Europe.

Given this environment, the Group adopted a policy of developing its production model on an industrial scale, with the aim of optimising its costs and achieving the necessary productivity gains over the medium term.

Since the second half of the 2000s, Steria has been targeting its efforts at the specialisation and consolidation of its centres, the automation of production, the development of a multi-sourcing policy for offshore/nearshore service provision and the replication of its processes on a widespread basis. The Group's production model is described in more detail in paragraph 1.5 of the present document.

1.8.4 A strategy based on differentiation

Steria's strategy is based on developing a positioning whereby it differentiates itself from competitors by offering its customers "value-added" services that cater specifically for their need to continually improve flexibility and productivity and take into account the constraints of their business. This strategy enables Steria to establish long-term strategic relationships with its customers, and to considerably reduce the proportion of basic services it provides, as these are subject to stronger pricing pressures.

Steria's differentiation strategy is based on four main strands: Verticalisation, Accessibility, Transformation and Corporate Culture.

Verticalisation means providing business solutions that are tailored to the needs of specific client sectors. To enable it to do this, Steria has built up considerable, recognised experience in its three core segments (Finance/Public sector/Energy-Utilities-Telecoms-Media/Transport), which are coordinated at Group level within dedicated "Business Communities".

Accessibility is based on the Group's long-held aim of positioning itself as closely as possible to its clients, in order to offer them the flexibility and fast response that comes from a perfect understanding of their issues and needs. In order to achieve this, Steria has opted for an operational organisation whose main aspect is geographical. The Group has also decided to maintain a production organisation that enables each client to select the location for service provision delivery, depending on its constraints. To be in a position do this, in addition to its major offshore and nearshore production capacity, the Group has maintained local production centres in each geographical entity that are equipped with the same methods and tools, enabling it to offer its clients a suitable sourcing mix.

Transformation represents a major IT challenge for all public and private organisations, which has been made increasingly complex in recent years by the difficult economic environment and considerable technological and social change.

This environment has led almost all organisations to put in place transformation projects aimed at:

- reducing IT costs (both capex and opex) without impacting on service quality;
- increasing the efficiency of business processes and enhancing the value added for end users;
- improving flexibility to adapt to the uncertain economic conditions;
- finding a solution for the obsolescence of certain technologies (e.g. cobol, IMS, DB2), which are often expensive to maintain;
- adapting to new operational methods (e.g. mobility, social networking, cloud computing, etc);
- reacting to rapid change in the challenges faced in certain key areas (e.g. security, confidentiality, organisation and big data).

Steria has extensive, recognised expertise in carrying out large-scale transformation projects, as well as a number of leading clients, in both the public and private sectors.

The Group has differentiated itself in this segment through its positioning as a "trusted partner", thanks to the ability to offer clients a "co-transformation" system that significantly reduces the risks inherent to this type of project. This approach ensures that projects are fully aligned with their needs and capacity to retain control of their operations:

- shared vision of a target model aligned with strategic challenges;
- definition and selection of a jointly-agreed transformation path, which is flexible and suited to their level of maturity and constraints;
- the right combination of assets and skills of each party for the implementation;
- the establishment of a joint management structure, which is both efficient and transparent.

Steria's **corporate culture** is a key element of differentiation for the Group, which is often mentioned as such by its clients. It is demonstrated by:

- employee share ownership, with 5,000 employees holding 24.17% [(1)] of the capital on 31 December 2013, ensuring an entrepreneurial ethos and individual and collective commitment;
- a corporate responsibility initiative has traditionally been at the heart of the Company's principles, which operates at the different levels of the Group and is rewarded by numerous prizes and awards.

(1) Including the « SET TRUST » et « XEBT TRUST » (3.90% of the capital).

1.8.5 A new business focus: creator and digital services operator

Steria's strategy aims to move the Group from system developer and integrator to creator and digital service operator.

To this end, the Group has established a certain number of development priorities:

- The development of solutions;
  - With strong sector-based expertise, Steria formalised its different functional and technological expertise fields into "DOEs" (Domains of Excellence) led by Business Communities forming a global network of experts,
  - these DOEs allow Steria to formalise its knowledge of the market needs and competition on a given domain, and to define its value proposition accordingly,
  - the vertical DOEs (those related to specific client business lines) support valued client relationships based on trust, while confirming the Group's vertical footprint and extensive knowledge of their activities,
  - this approach enables the Company to capitalise on its experience and simplify the application of this experience to new situations,
  - certain DOEs benefit from specific solutions owned by Steria, known as "IP" (Intellectual Property),
  - in addition to these vertical DOEs, the Group has also developed transversal solutions (cross-sector) such as Security, data management (BI/Big Data) and CCM (customer centric management);
- Roll-out of BPS (Business Process Services);
  - Steria has built a strong position in BPS activities relating to HR and Finance functions and became the second-largest UK player in BPS support functions,
  - with this offer, the Group's ambition is to expand this leadership throughout Europe and replicate this support function reengineering know-how in business functions, creating pooled transaction service factories for several customers of a same business sector,
  - this development can be implemented around "proprietary" platforms based on software package solutions.

1.9 Group organisation

1.9.1 Group operational organisation

The Group's operational organisation is aimed at supporting the following key principles:

- a high degree of accessibility to clients to foster flexibility, a fast response and the spirit of initiative, which has led the Group to make a geographical focus the most important aspect of its organisation;
- a global, industrial-level organisation that ensures efficiency, quality and competitiveness;
- the ability to promote the cross-functional nature of its services and the areas of excellence in the different locations in which it operates;
- optimum sharing of resources used;
- close integration between support functions and operational teams, facilitating effective risk management.

The operational organisation is based on the four elements described below:

Group Executive Committee

The management of the Group is the responsibility of the General Manager, assisted by the Group Executive Committee.

The Executive Committee, which has nine members, meets monthly. It brings together the representatives of the geographic entities, the cross-functional organisations that support the business (coordination of vertical businesses and horizontal business lines) and the support functions (Human Resources, Finance, Communications, etc.).

The composition of the Executive Committee is detailed on page 8 of this Registration Document in paragraph 2.3.1.

Geographic entities

The geographic entities correspond to the markets in which the Group has established an ongoing commercial activity:

- France;
- UK and Asia;
- Germany (and Austria);
- Rest of Europe:
  - Scandinavia (Norway, Denmark and Sweden),
  - Belgium and Luxembourg,
  - Switzerland.

The geographic entities have a local Management Committee, departments grouping the vertical businesses (e.g. Finance, Utilities, Public Sector), Service Lines that manage the local Shared Services Centres and coordinate the horizontal business activities (e.g. applications maintenance, infrastructure management), and functional departments.

Geographic area is the main factor used to analyse the Group's business performance.

Cross-functional organisations support the Group's businesses

On a cross-functional basis and in close cooperation with the different geographic entities, these organisations coordinate the vertical business segments through Business Communities and the horizontal businesses through Global Services Lines.

The Business Communities are mainly responsible for defining, promoting and supporting the Group's vertical expertise between the different geographic entities.

The Global Services Lines are mainly responsible, in relation to the Group's horizontal businesses, for:

- developing and promoting global Group offerings;
- offering pre-sales support in relation to significant opportunities;
- defining and implementing production tools and methods;
- boosting productivity and defining business strategy;
- managing the Global Delivery Centres.

Functional departments

The functional departments are based at the Group's headquarters, where the main guidelines are drawn up. They are represented at local level by a team based at each of the operational entities.

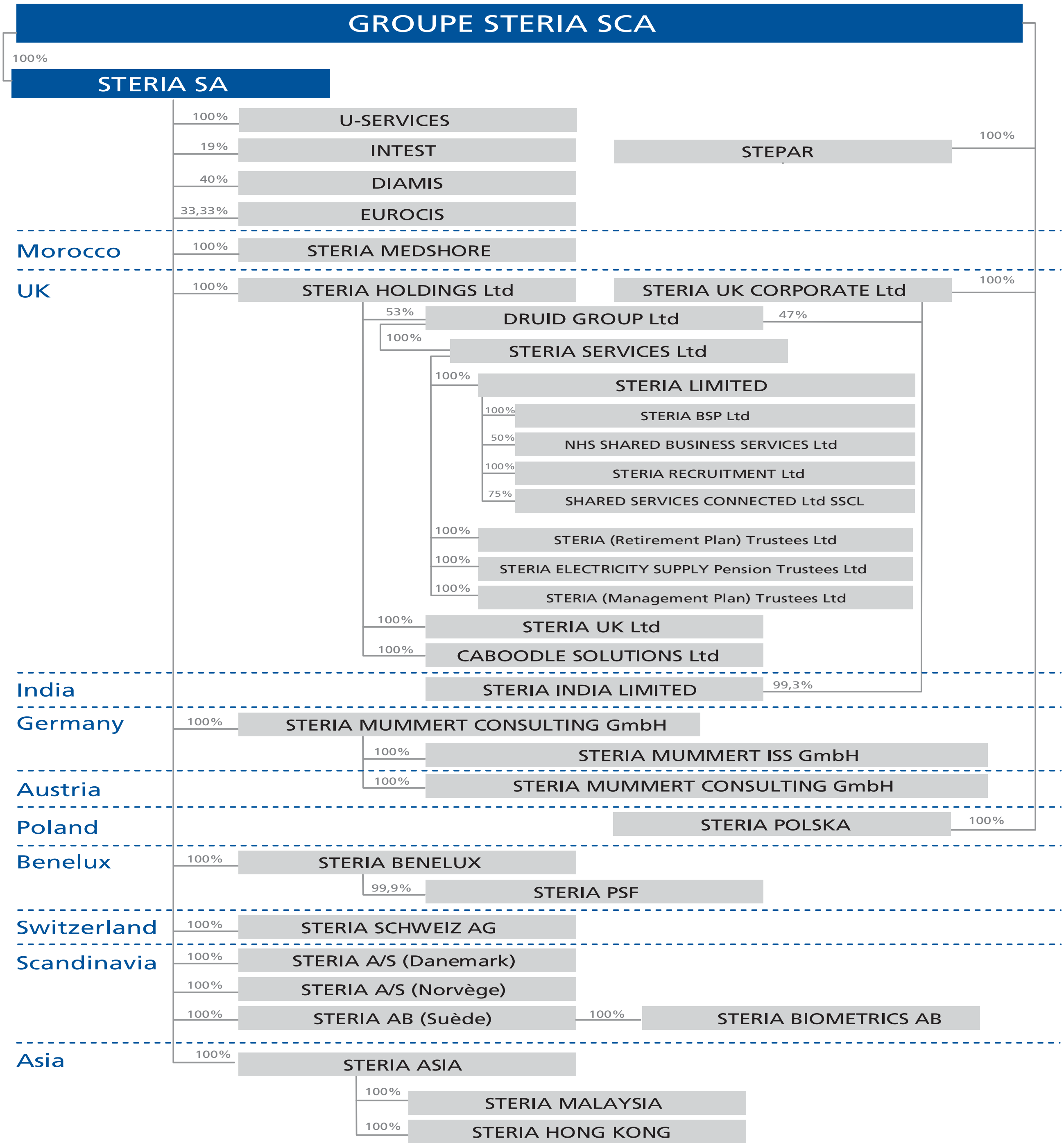
The functional departments are mainly responsible for providing the necessary support to the business, defining the policies and procedures necessary for compliance with the control and governance principles adopted, and ensuring these are implemented, coordinating the processes relating to performance management and risk management, and promoting the sharing of resources and the harmonisation of processes throughout the Group.

Steria's main functional departments are:

- Human Resources Department;
- Marketing, Communications and Business Development Department;
- Operations and Project Management Department;
- Finance Department;
- Legal and Risk Management Department;
- Purchasing Department;
- Proprietary Systems Department.

1.9.2 Group legal organisation

The simplified organisation chart at 31 December 2013 is as follows:



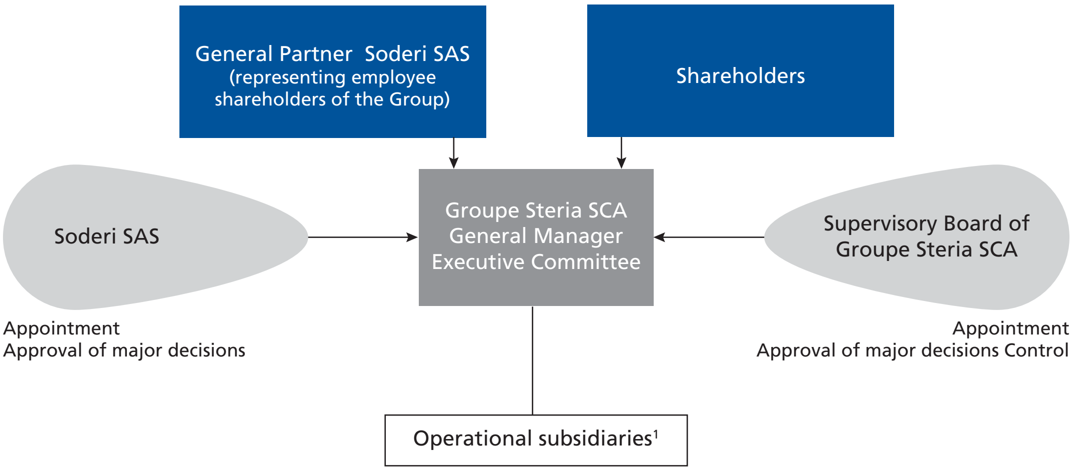
The list of subsidiaries and holdings is presented in note 4.11 to the company accounts and note 2.2 of the notes to the consolidated financial statements.

2

"Corporate governance

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. See simplified Group legal organisational structure in section 1.9.2 of this Registration Document.

Groupe Steria has set up an innovative governance system designed to help the Company distinguish itself from the competition, improve its functioning 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, one of a company's main assets is, in fact, its "human capital". This type of governance encourages the involvement and commitment of employees as well as being an advantage in terms of the Group's appeal in the labour 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 is based on a significant level of employee shareholding, which stood at 24.17% (1) at December 31, 2013.

(1) Including the "SET Trust" and "XEBT Trust" (3.9% of capital).

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

Unlike most 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, according to the Articles of Association.

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.

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

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 if they choose to do so.

2.2.2 The General Partner: Soderi SAS (which represents employee shareholders of the Group)

The General Partner is the simplified joint-stock company *(société par actions simplifiée)*, Soderi, whose unique feature is to represent 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. The remuneration received by Soderi totalled €355,964 in 2013 and €550,086 in 2012.

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 fulfil 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 Groupe Steria. 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, Swiss, 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.

Jean-Bernard Rampini has been Chairman of Soderi since October 27, 2011.

Given Soderi's role as General Partner, and with regard to its Articles of Association, its Chairman can only be the representative of the Board of Directors and the spokesperson for decisions taken in conjunction with the Board.

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 aim to ensure that decisions by Soderi are taken collegially, in a concerted and balanced manner.

The share capital of Soderi at December 31, 2013 totalled €114,007 divided into 2,850,196 shares. Total shareholders' equity at this same date is €963,820.

Over the past five years, Soderi has not been convicted for fraud. It has not been associated with a bankruptcy, or been subject to sequestration or liquidation. It has not been convicted and/or received an official public sanction from statutory or regulatory authorities. It has not been prevented by a court from acting as member of an administrative, management or supervisory body or from participating in the management or conduct of the affairs of an issuer.

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, according to the Articles of Association.

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. The Combined Shareholders' Meeting of May 15, 2012 voted to renew the term of office of François Enaud for a further five years, until the end of the Shareholders' Meeting to be held in 2017.

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

The General Manager acts in the general interest of the Company, within the limits of its corporate purpose, and in compliance with the powers that are granted by law or the 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, which is composed of seven members (excluding the General Manager). The Committee comprises three Senior Executive Vice-Presidents. The Senior Executive Vice-Presidents hold a weekly review with the General Manager. The Executive Committee meets 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 and the Group's operational organisation are shown in paragraph 1.9 of this Registration Document. The details of the remuneration of the General Manager and the members of the Executive Committee are shown in paragraphs 2.4.1 and 2.4.2.

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 approved by the General Shareholders' Meeting

The remuneration of the General Manager is presented and approved by the Ordinary General Meeting of Shareholders on the proposal of the Supervisory Board. Any increase in the remuneration of the General Manager is subject to a vote of the Shareholders' Meeting. This practice, which is a result of legal and statutory provisions, exceeds the recommendation of the AFEP/MEDEF Code (June 2013 revision) to subject the compensation of executive officers to an advisory vote by the shareholders.

2013 remuneration

The remuneration of the General Manager for 2013 was fixed according to the principles approved by the General Meeting of May 15, 2012, which remain applicable in 2013 and include:

- fixed remuneration of €410,000;
- variable remuneration of €318,000, if 100% of the objectives are achieved, which represents a maximum of 77.5% of the fixed portion, with the final amount calculated in accordance with the criteria set by the Supervisory Board on the recommendation of the Appointments and Remuneration Committee. In the event of the objectives being exceeded, the amount of variable remuneration is capped at €477,000, and the total remuneration (fixed and variable) is capped at €887,000.

The objectives relating to the variable portion are set by the Supervisory Board based on the opinion of the Appointments, Remuneration and Corporate Governance Committee. The quantitative and qualitative criteria used to calculate the General Manager's variable portion for 2013 are as follows:

- 70% of the variable remuneration is linked to the Group's performance. The performance indicators used for 2013 are:

– 30%: revenue,

– 30%: operating margin,

– 20%: reduction in debt,

– 20%: net earnings per share.

This amount is weighted using a coefficient according to the change in stock price over the year.

- 30% of the amount of the variable portion is linked to individual qualitative targets based on the definition and implementation of the Group's strategy and the Group's financing..

The quantitative and qualitative targets as well as the levels of achievement expected precisely by the Supervisory Board but are not made public for reasons of privacy were established

The Supervisory Board, on the advice of the Appointments, Remuneration and Corporate Governance Committee, examined and assessed the quantitative and qualitative performance set out above, and set an achievement coefficient of 43.8% for the Group's performance and an achievement coefficient of 33.3% for the General Manager's individual performance.

Accordingly, the variable portion of the General Manager's remuneration for 2013 was set at €129,340, representing 40.7% of the total nominal amount.

The total amount of the remuneration of the General Manager's remuneration for 2013 therefore amounted to €539,340, of which €410,000 was fixed remuneration and €129,340 variable remuneration.

2014 remuneration

The Supervisory Board, based on the recommendation of the Appointments, Remuneration and Corporate Governance Committee, approved the proposal of the General Manager, whereby his fixed and variable remuneration for 2014 will remain unchanged, and will be set in accordance with the principles described above, which were applicable in 2013. The variable portion will be determined on the basis of the same performance criteria as applied in 2013 and detailed above.

The General Manager does not receive any other remuneration or advantage from affiliated companies of Groupe Steria.

Summary schedule of the remuneration of Mr. François Enaud, General Manager

	2013		2012	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	410 000 €	410 000 €	410 000 €	410 000 €
Annual variable remuneration	129 340 €	208 000 € (1)	208 000 €	321 736 €
Multi-year variable remuneration	none	none	none	none
bonus	none	none	none	none
Directors' fees	none	none	none	none
Benefits in kind	none	none	none	none
Total	**539 340 €**	**618 000 €**	**618 000 €**	**731 736 €**

(1) The amount of the 2012 performance-related pay for the Manager actually paid in 2013 was, in error, €27,000, this same amount being set out in Note 4 of the Notes to the consolidated financial statements and in Note 4.3 of the Notes to the company's financial statements, instead of €20,800. An adjustment is made in 2014.

Allocation of free performance shares or stock options

Free performance shares granted to the General Manager in 2013 subject to performance conditions

Pursuant to the approval given by the General Meeting of May 15, 2012 in its nineteenth resolution, the Supervisory Board, on advice from the Appointments, Remuneration and Corporate Governance Committee, approved the allocation of 14,000 free performance shares to the General Manager, which represented 0.04% of share capital on the day of their allotment, subject to continued presence and performance terms and conditions, with 50% related to changes in the Group's consolidated revenue and 50% to changes in the operating margin of the Group, over a period of three years running from the 2013 financial year.

Pursuant to Article L. 225-197-1 II paragraph 4 of the French Commercial Code and in accordance with the advice of the Supervisory Board after consultation with the Appointments and Remuneration Committee, the General Manager will retain at least 30% of the definitively allocated shares during the full period of his appointment.

Details of the free performance shares allocated to the General Manager in 2013 are given in the table below.

Free performance shares granted to the General Manager in 2013 and subject to performance conditions

Authorisation	No and plan date	Number of shares granted during the year	Valuation of shares in accordance with the method (1) selected for the consolidated financial statements	Vesting date (1)	Availability date	Performance conditions
General Meeting of May 15, 2012	Plan no. 12 of September 17, 2013	14,000	€149,800	September 17, 2016	September 17, 2018	See paragraph on "Free performance shares" above

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

Free performance shares acquired by the General Manager in 2013

In 2013, the General Manager definitively received 1,147 free shares under the plan of July 6, 2010, whose vesting period ended July 6, 2013. The definitive granting of shares under this plan was subject to performance conditions linked to the change in the consolidated operating margin over a period of three years, which varies by category of beneficiaries. For the General Manager, performance was partially achieved and 9.56% of the number of shares allotted in 2010 was definitively granted.

Free performance shares granted to the General Manager becoming available in 2013

No free shares previously granted to the General Manager became available in 2013.

The history of performance share grants to the General Manager is contained in note 4–6 of Groupe Steria company accounts at December 31, 2013 (Chapter 5.2.5 of this Registration Document).

Stock options

No authorisation 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 2013.

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

Summary of remuneration and options and shares allotted to François Enaud, General Manager

	2012	2013
Remuneration due for the year (see table above for details)	€618,000	€539,340
Valuation of multi-year variable remuneration allocated during the year	none	none
Valuation of stock options granted during the year	none	none
Valuation of performance shares granted during the year	€121,409	€149,800
Total	**€739,409**	**€689,140**

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 15, 2012, following the renewal of the term of office of the General Manager, François Enaud, made a fresh undertaking to pay him compensation for termination of his duties under certain conditions. This undertaking was proposed by the Supervisory Board, 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.

- First 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.

- Second 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;

- Third 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 corporate 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 criteria are 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.

This undertaking complies with the AFEP/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 misdemeanour, at a minimum amount equating with one year's gross remuneration.

These exceptions were retained by the Board to compensate the termination of Mr. 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.

Absence of non-compete

A non-compete agreement was not signed with the General Manager.

	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
François Enaud	No	No	Yes *	No

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

2.4.2 Members of the Executive Committee

The members of the Executive Committee, whilst exercising responsibilities at Group level, retain their responsibilities within the entity they manage and/or for which they work. 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. On average, the variable component represents 32% of their total gross remuneration (fixed and variable) in 2013.

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

The criteria used to calculate the variable portion for the members of the Executive Committee for 2013 are as follows:

- 30%: the Group's performance;
- 70%: individual objectives.

The Supervisory Board, based on the recommendation of the Appointments, Remuneration and Corporate Governance Committee, approved the variable remuneration for members of the Executive Committee for 2013, which was proposed by the General Manager in accordance with his assessment of the proportion of the set objectives achieved.

The total gross remuneration paid to the members of the Executive Committee for the same period was €3,286,973 (compared with €3,290,956 in 2012), including variable remuneration of €1,040,107 (compared with €1,025,541 in 2012).

The members of the Executive Committee serving as corporate officers in the Group's subsidiaries do not receive any remuneration, including in the form of directors' fees, for these positions.

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 2013, the members of the Executive Committee, in its configuration at the end of December 2013, received 43,750 free performance shares in total. These shares are subject to continued presence and performance terms and conditions, with 50% of the shares allocated in relation to the change in the Group's consolidated revenue, and 50% in relation to the change in its operating margin over a period of three years running from the 2013 financial year.

No authorisation 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

Directors' fees

The amount allocated to Supervisory Board member's fees is decided by the General Meeting. The current amount, which was authorised by the General Meeting of May 15, 2012, is €200,000. The allocation of directors' fees is decided by the Supervisory Board based on the opinion of the Appointments, Remuneration and Corporate Governance Committee.

Supervisory Board member's fees comprise a fixed element and a variable element related to presence at meetings of the Supervisory Board and specialist committees.

The individual fixed portion paid to each member in 2013 was €16,000. The variable portion was €1,000 per Board and Committee meeting attended. The total amount of directors' fees paid in 2013 amounted to €186,000, of which €112,000 related to the fixed portion and €74,000 to the variable portion.

The attendance rate at Board and Committee meetings in 2013 was 88%.

Mr. Jacques Bentz, Chairman of the Supervisory Board, Mr. Éric Hayat, ex-employee of Groupe Steria and Mr. Pierre Desprez, a Group employee and Chairman of the Supervisory Board of the Group FCPE (mutual fund), 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 €104,925 (excluding taxes) for services provided during the 2013 financial year.

Pursuant to a provision of services contract entered into with Éric Hayat Conseil, of which Mr. Éric Hayat is the General Manager, the latter invoiced a total amount of €132,000 (excluding taxes) for services provided during the 2013 financial year.

These two services contracts are subject to the law governing regulated agreements. They are mentioned in the Statutory Auditors' special report (see paragraph 2.7 of this Registration Document).

In 2012, Mr. Pierre Desprez received fixed remuneration of €118,605 and variable remuneration of €23,821 under his employment contract with Groupe Steria and in respect of his responsibilities as Group Risk Manager.

Allocation of free performance shares or stock options

In accordance with legal provisions, no performance-related shares were allocated to Members of the Supervisory Board during the 2013 financial year. No previously allocated performance-related bonus shares became available during the 2013 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 2013 financial year.

Summary schedules of remuneration paid to Supervisory Board members

Members of the Supervisory Board	Amounts paid during 2013 [2]	Amounts paid during 2012 [1]
Jacques Bentz		
Directors' fees	-	-
Other payments [3]	€104,925	€84,533
Léo Apotheker		
Directors' fees	€22,000	€11,000 [4]
Other payments	-	-
Patrick Boissier		
Directors' fees	€26,000	€24,000
Other payments	-	-
Séverin Cabannes		
Directors' fees	€29,000 [5]	€28,000
Other payments	-	-
Élie Cohen		
Directors' fees	€29,000	€26,000
Other payments	-	-
Bridget Cosgrave		
Directors' fees	€29,000	€21,000
Other payments	-	-
Pierre Desprez [6]		
Directors' fees	-	-
Other payments	€142,409	€149,383
Pierre-Henri Gourgeon		
Directors' fees	€28,000	€27,000
Other payments	-	-
Éric Hayat		
Directors' fees	-	-
Other payments [7]	€132,000	€120,000
Laetitia Puyfaucher		
Directors' fees	€23,000	-
Other payments	-	-

(1) The reference period runs from the 2011 General Meeting to the 2012 General Meeting.
(2) The reference period runs from the 2012 General Meeting to the 2013 General Meeting.
(3) In respect of the services agreement between Tecnet Participations and Groupe Steria SCA.
(4) Calculated pro rata depending on the number of meetings held since his term of office began, i.e. March 2, 2012.
(5) Séverin Cabannes donated his 2013 directors' fees to charity.
(6) In respect of his employment contract with Groupe Steria SCA.
(7) In respect of the services agreement between Éric Hayat Conseil and Steria SCA.

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 is 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 at the date of this Registration Document, no member of General Management or the Supervisory Board has, over the last five years:

- been convicted of fraud;
- 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.

Conflicts of interest

Under the procedure for the control and management of conflicts of interest relating to the members of the Supervisory Board put in place by the Supervisory Board and described in paragraph 2.6.2 below, it was considered that with regard to the business relationships between Steria and Société Générale, where Mr. Séverin Cabannes is Deputy CEO, the latter could be placed in a potential conflict of interest situation when the Board is discussing subjects concerning these business relationships. In such an event, Mr. Séverin Cabannes would abstain from participating in any discussions or votes on these subjects.

No other potential conflict of interest between the duties of each member of the Supervisory Board and the General Management of the Company in their roles as corporate officers and their private interests or other duties was known to the Company at the date of this Registration Document.

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 members 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 2.4.3 above and in the Statutory Auditors' special report, no agreement has been entered into between the Company and members of the Supervisory Board or General Management.

2.5.2 Appointments and functions [1]

General Manager

FRANÇOIS ENAUD - *Age 54*
Nationality: French

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 GmbH (Germany)

Outside the Group:
Director of Arkema (France) (a listed company)
Chairman of the Board of Directors of the *Agence nouvelle des solidarités actives* (France)
Director of FONDACT

Appointments and functions exercised during the last five years and no longer held:

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:
None

Curriculum vitae:
A former student of the École polytechnique and the École des Ponts et Chaussées (civil engineering). After two years as a civil engineer with Colas (1981-1982), François Enaud joined Steria in 1983, where he had various management positions (Technical and Quality, CEO of subsidiaries, Transport Division, Telecom Division) before taking on the General Management of the Company in 1997. François Enaud was appointed as General Manager of Groupe Steria SCA on February 2, 2007.

(1) *For the purposes of their corporate offices within Groupe Steria, the General Manager and the members of the Supervisory Board are domiciled at the Company's registered office.*

The Supervisory Board

JACQUES BENTZ - *Age 72*
Nationality: French

Current appointments and functions:

Within the Group:
Chairman of the Supervisory Board and member of the Appointments, Remuneration and Corporate Governance Committee of the Groupe Steria SCA (a listed company)
Member of the Supervisory Board of Steria Mummert Consulting GmbH

Outside the Group:
Manager of Tecnet Participations EURL
Director of Ipanema Technologies SA
Director of TDF SA
Director, Tyrol Acquisition 1 SAS
Director, Tyrol Acquisition 2 SAS
Chairman of the Supervisory Board of Linedata Services (a listed company)
Member of the Management Board of the Institut Montaigne
Vice Chairman of the Supervisory Board of ARDIAN SA
Vice Chairman of the Supervisory Board of ARDIAN FRANCE SA
General Manager of JBENTZ LMP SARL
Director, MEDIA & BROADCAST GmbH
Director, Taunus Verwaltungs GmbH

Appointments and functions exercised during the last five years and no longer held:

Within the Group:
None

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 at the École polytechnique Jacques Bentz has held various managerial posts, including Chairman of Tecsi (1996-2000), Chairman of GSI (1993-1995), and Chief Executive Officer of GSI (1986-1993). Jacques Bentz has been General Manager of Tecnet Participations since 1996.

LÉO APOTHEKER – *Age 60*
Nationality: French

Current appointments and functions:

Within the Group:
Member of the Supervisory Board and Chairman of the Strategy Committee of Groupe Steria SCA (a listed company)

Outside the Group:
Director and Member of the Supervisory Board of Schneider Electric (a listed company)
Chairman of the Board of Directors of KMD A.S. (Denmark)
Director of Intelius (USA)
Director of Flow Mobile (USA)
Member of the Board of Directors of Nice Systems

Appointments and functions exercised during the last five years:

Within the Group:
None

Outside the Group:
Chairman and CEO of Hewlett Packard
Chairman of Operations and Client Solutions, SAP
Co-CEO of SAP AG
CEO of SAP AG

Curriculum vitae:

Léo Apotheker has a degree in international relations and economics from the Hebrew University of Jerusalem.
He has held a number of management and strategic functions in several companies specialising in information systems, including SAP France and SAP Belgium, *where he was Chairman and CEO between 1988 and 1991. He then participated in the creation of* ECsoft, a venture capital European start-up, before becoming Associate Director of ABP Partners, a strategic management consultancy.
In 1995, Léo Apotheker rejoined SAP, where he was Chairman of SAP France and SAP Belgium (1995 to 1997), Chairman of SAP for South-West Europe (1997 to 1999), Chairman of SAP EMEA (Europe, Middle East and Africa) (1999 to 2002) and Chairman of Global Operations and Client Solutions (2002 to 2008). From April 2008 to May 2009, he was co-CEO of SAP AG, and was CEO from 2009. Léo Apotheker left SAP in February 2010.
In November 2010, he was appointed Chairman and CEO of Hewlett Packard. He left these roles in September 2011.

PATRICK BOISSIER - *Age 64*
Nationality: French

Current appointments and functions:

Within the Group:
Member of the Supervisory Board and member of the Strategy Committee of Groupe Steria SCA (a listed company)

Outside the Group:
Chairman and CEO of DCNS
Vice-Chairman of the Supervisory Board of Vallourec (a listed company)
Chairman of the Board of Directors of the Institut français de la mer
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:
None

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 at the École polytechnique
Patrick Boissier was General Manager of Cegelec (from 09/01/2007 to 12/31/2008); Chairman and CEO of Chantiers de l'Atlantique (from 1997-2007); Vice Chairman-General Manager de Tréfimétaux (1987-1993); General Manager of the heating and cooling branch of Elfi (1994-1997); Chairman of the Supervisory Board of Chaffoteaux & Maury (1994-1997). Since January 14, 2009 he has been Chairman and CEO of DCNS.

SÉVERIN CABANNES - *Age 55*
Nationality: French

Current appointments and functions:

Within the Group:
Member of the Supervisory Board of Groupe Steria SCA (a listed company)

Outside the Group:
Deputy CEO of the Société Générale Group (a listed company)
Director of Crédit du Nord (a listed company)
Director of Amundi

Appointments and functions exercised during the last five years and no longer held:

Within the Group:
Chairman of the Audit, Internal Control and Risk Committee of Groupe Steria SCA
Member of the Strategy Committee of Groupe Steria SCA

Outside the Group:
Chairman of the Audit Committee and Member of the Supervisory Board of Komercni Banca (Czech Republic)
Director of Geneimo
Director of Société Générale Globale Solution Centre (India)
Director of TCW (United States)

Curriculum vitae:

A former student of the École polytechnique and the École des Mines (civil engineering) – Sévérin Cabannes previously held the offices of Deputy CEO of Steria SA and CEO of Groupe Steria (2002 to late 2006); Financial Director and member of the General Management Committee of Société Générale Group (2001-2002); Director of Strategy, then Deputy General Manager and Financial Director of La Poste Group (1997-2001); Séverin Cabannes has also held various positions at Elf et and Crédit National. He is currently Deputy CEO of the Société Générale Group.

ÉLIE COHEN - *Age 64*
Nationality: French

Current appointments and functions:

Within the Group:
Member of the Supervisory Board and Chairman of the Audit, Internal Control and Risk Committee of Groupe Steria SCA of Groupe Steria SCA (a listed company)

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 SOLLOCAL - (a listed company)

Appointments and functions exercised during the last five years and no longer held:

Within the Group:
None

Outside the Group:
Director of Vigeo
Director of Orange
Director of EDF Énergies Nouvelles

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 Economics, Public Policies, Public Management);
- ENS Ulm (Organisation Sociology), ENA (Industrial Economics);
- Harvard (Political Economics);
- 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 52*
Nationality: Canadian and Irish

Current appointments and functions:

Founder and Chairman and CEO of Every European Digital

Within the Group:
Member of the Supervisory Board and member of the Audit, Internal Control and Risk Committee of Groupe Steria SCA (a listed company)

Outside the Group:
Founder and Chairman and CEO of Every European Digital
Director of Every European Digital (Belgium)
Director of SES SA (Euronext LUX/PARIS)
Director of EUSKALTEL (Private/Spain)
Chairman of Global Telecom Women's Network
Founder of Global Board Ready Women

Appointments and functions exercised during the last five years and no longer held:

Within the Group:
None

Outside the Group:
CEO of Digital Europe
Independent Non-Executive Director at Essilor International SA (France)
Independent Non-executive Director at ASTRA SA (Luxembourg)
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
Member of the Board of Telindus

Curriculum vitae:

Holds a Master in business administration from the London Business School, (UK) and Bachelor of Arts with specialisation (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. Bridget Cosgrave was first Deputy CEO of the European Telecommunications Standards Institute (ETSI) then founding Chairman and CEO of Belgacom International Carrier Services, COO of Belgacom Fixed Lines and Executive Vice-President, Enterprise Division, of the Belgacom Group, and CEO of Digital Europe, an association promoting the development of the digital economy in Europe. Bridget Cosgrave is currently Chairman and CEO of Every European Digital.

PIERRE DESPREZ - *Age 60*
Nationality: French

Current appointments and functions:

Within the Group:
Member of the Supervisory Board and member of the Appointments, Remuneration and Corporate Governance Committee of the Groupe Steria SCA (a listed company)
Group Risk Manager at Groupe Steria
Member of the Board of Directors of Soderi, General Partner of Groupe Steria SCA (see paragraph XX of this Registration Document)
Chairman and member of the Supervisory Board of the Groupe Steria mutual fund (FCPE)

Outside the Group:
None

Appointments and functions exercised during the last five years and no longer held:

Within the Group:
None

Outside the Group:
None

Curriculum vitae:

A former student at the *École polytechnique* and the *École nationale supérieure des télécommunications.*
After 15 years at the France Telecom Group, where he held supervisory positions with the technical teams at the R&D centre, Pierre Desprez joined Groupe Steria in 1992. Since then, he has been Director of the Telecoms Business Unit, Group Human Resources Director and Director of French Regions.

PIERRE-HENRI GOURGEON - *Age 67*
Nationality: French

Current appointments and functions:

Within the Group:
Member of the Supervisory Board and Chairman of the Appointments, Remuneration and Corporate Governance Committee of the Groupe Steria SCA (a listed company) Audit Committee Member

Outside the Group:
Director of Amadeus (a Spanish listed company)
Chairman of PH Gourgeon Conseil

Appointments and functions exercised during the last five years and no longer held:

Within the Group:
None

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 at the *École polytechnique;* Engineering graduate of the *École nationale supérieure de l'aéronautique* – Pierre-Henri Gourgeon previously held the posts of Director of Military Programmes at the *Société nationale d'études et de constructions de moteurs d'avions* (Snecma) (1985-1988); civil aeronautics advisor to Michel Delebarre (Minister of Equipment, Housing, Transport and Maritime) (1988-1990); Director General of Civil Aviation (DGAC) (1990-1993); Within Air France Group, Pierre-Henri Gourgeon was successively Chairman and CEO of Servair Group (1993-1996) and Esterel (1996-1997); advisor to the Chairman and CEO (1996-1997); director of Amadeus since 1996; Deputy CEO, International Affairs and Development (1997-1998); Executive General Manager CEO of Air France-KLM (2009-2011).

ÉRIC HAYAT - *Age 73*
Nationality: French

Current appointments and functions:

Within the Group:
Vice Chairman and Member of the Supervisory Board and member of the Strategy Committee of Groupe Steria SCA (a listed company)

Outside the Group:
Chairman of the Public Interest Group "Modernisation 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 and no longer held:

Within the Group:
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:

Engineering graduate of the *École nationale supérieure de l'aéronautique*
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, then Deputy CEO of Steria SA.

LAETITIA PUYFAUCHER - *Age 39*
Nationality: French

Current appointments and functions:

Within the Group:
Member of the Supervisory Board of Groupe Steria SCA (a listed company)

Outside the Group:
Member of the Board of Directors of Compagnie Lebon (a listed company)

Appointments and functions exercised during the last five years:

Within the Group:
None

Outside the Group:
None

Curriculum vitae:

Laetitia Puyfaucher is a graduate of the *École des hautes études commerciales* (HEC), the London School of Economics, the Sorbonne and the *Institut d'Études politiques de Paris* (known as Sciences Po). After working for The Economist in London, in 2000 Laetitia Puyfaucher set up the Pelham Media agency, French leader in online publishing services, where she is currently CEO.

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 was prepared by the Chairman of the Supervisory Board, in collaboration with the corporate departments concerned. It was submitted to the Audit Committee on February 26, 2014, approved by the Supervisory Board at its meeting on February 27, 2014, then sent to the Statutory Auditors.

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 the AFEP/MEDEF recommendations dated October 2003, January 2007 and October 2008 (the "AFEP/MEDEF Code") complemented by the AFEP/MEDEF recommendation of April 19, 2010, as updated in June 2013. This Code can be consulted on the MEDEF website (www.medef.fr).

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

In accordance with the provisions of paragraph 8 of Article L. 225-68 of the French Commercial Code (referred to in Article L. 226-10-1), this report lists the provisions of the AFEP/MEDEF Code which have not been applied by the Company.

In accordance with the AMF recommendation [1], a summary of these recommendations, together with the reasons why they have not been applied, appears in paragraph 2.6.2.

We would like to point out that the recommendations of the AFEP/MEDEF Code 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)*.

(1) AMF report for 2012 on Corporate Governance and the Remuneration of Directors of Listed Companies, of October 11, 2012 (section 1.2.1 on page 10).

2.6.2 Preparation and organisation of the work of the Supervisory Board

Composition of the Board

As of December 31, 2013, the Supervisory Board comprises:

	Main role	Independent Member *	Number of terms in listed companies	Committee Member	First appointment	Date of renewal	Expiry of term of office	Number of shares held	Age
Jacques Bentz (Chairman)	Manager of Tecnet Participations Information technology consultant	no	2	Appointments, remuneration and corporate governance:	08/2000	05/2012	AGM 2016	13,390	72
Éric Hayat (Vice-Chairman)	Chairman of the "Social Contribution Declarations Modernisation" Public Interest Group (GIP)	no	1	Strategy	03/1999	05/2012	AGM 2016	146,978	73
Léo Apotheker	Company Director	yes	2	Strategy	03/2012	05/2012	AGM 2016	200	60
Patrick Boissier	CEO of DCNS	no	2	Strategy	06/2004	05/2010	AGM 2014	310	64
Séverin Cabannes	Deputy CEO of the Société Générale Group	yes	3	-	02/2007	05/2011	AGM 2015	6,626	55
Élie Cohen	Economist Research Director at CNRS	yes	2	Audit, Internal Control and Risks	05/2000	05/2012	AGM 2014	6,540	64
Bridget Cosgrave	Founder and Chairman of Every European Digital (EED)	yes	1	Audit, Internal Control and Risks	05/2011	-	AGM 2015	150	52
Pierre Desprez	Chairman of the Supervisory Board of the Groupe Steria mutual fund (FCPE)	no	1	Appointments, remuneration and corporate governance	05/2012	-	AGM 2015	5,696	60
Pierre-Henri Gourgeon	Chairman of PH Gourgeon Conseil	yes	2	Appointments, remuneration and corporate governance Audit, Internal Control and Risks	06/2004	05/2010	AGM 2014	330	68
Laetitia Puyfaucher	CEO of Pelham Media Ltd	yes	2	-	05/2012	-	AGM 2016	150	39

* *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, Remuneration and Corporate Governance Committee. For more information see the table on page 50 below.*

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 and expertise, notably in the business and financial spheres, as well as their diversity, availability and values.

The Supervisory Board, based on the proposal of the Appointments, Remuneration and Corporate Governance Committee, is continuing its consideration of its composition and possible changes, with the aim of increasing its diversity, the number of women represented, its independence, and the international experience of its members and their expertise, particularly in the Group's business areas and in finance.

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 maximum period of four years.

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, except for members representing employees.

Age limit

At least half of its members must be under 65 years of age.

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 that could compromise the exercise of his/her freedom of judgment.

In more general terms, the Board considers that a director's independence is not only defined by the criteria set by the AFEP/MEDEF Code, but mainly depends on a director's personal qualities and individual conduct, his/her independence and strength of mind to review decisions based on the interests of the Company and not his/her own situation, and on his/her capacity to abstain in the event of a potential conflict of interest. It is therefore specifically assessed with reference to these criteria.

To comply with the strict criteria for independence in the AFEP/MEDEF Code, the independent member must not:

- be an employee or executive 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 an executive director of a company in which the Company holds, either directly or indirectly, a directorship or in which an employee appointed as such or an Executive Director of the Company (currently or who has been so within the last five years) has a directorship;
- be (or be related directly or indirectly to) a customer, supplier, investment banker or financing banker:
  - that is significant to the Company or the Group,
  - or for which the Company or Group represents a significant portion of its activity.
- the assessment of the significance or lack thereof of the relationship with the Company or its group shall be discussed by the Board and the criteria that led to this assessment explained in the Company's Registration Document;
- have close family ties with a 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 (a director can no longer be considered independent following the expiry of the term of office in the course of which the 12-year period is exceeded).

Each year, the Appointments, Remuneration and Corporate Governance Committee and the Supervisory Board verify the general situation of each of its members regarding the criteria for independence of the AFEP/MEDEF Code.

The situation of Board members in relation to the above AFEP/MEDEF criteria, as assessed by the Supervisory Board at its meeting of February 27, 2014, based on the opinion of the Appointments and Remuneration Committee, was as follows:

Name	Must not be an employee or Executive Director of the Company, or any consolidated company and not have been so over the last five years	Must not be an Executive Director of a company in which the Company has a directorship (now or in the last five years)	Must not be linked, 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	Must not have close family ties with a director	Must not have been the Company's Statutory auditor during the last five years	Must not have been a member of the Company's Supervisory Board for more than 12 years	Independent at February 27, 2014
Léo Apotheker	yes	yes	yes	yes	yes	yes	**yes**
Jacques Bentz	no	yes	no	yes	yes	no	**no**
Patrick Boissier	yes	yes	yes	no	yes	yes	**no**
Séverin Cabannes	yes	yes	yes	yes	yes	yes	**yes**
Elie Cohen	yes	yes	yes	yes	yes	yes	**yes**
Bridget Cosgrave	yes	yes	yes	yes	yes	yes	**yes**
Pierre Desprez	no	yes	yes	yes	yes	yes	**no**
Pierre-Henri Gourgeon	yes	yes	yes	yes	yes	yes	**yes**
Éric Hayat	no	no	no	yes	yes	no	**no**
Laetitia Puyfaucher	yes	yes	yes	yes	yes	yes	**yes**

Six out of ten members are independent, *i.e.* more than 50% of the members of the Board.

As part of this assessment, the Supervisory Board considered the nature and volume of the business relationships between Groupe Steria and the companies DCNS and Société Générale, where Messrs Patrick Boissier and Séverin Cabannes hold General Management functions. It noted that the proportion of Groupe Steria's total revenue accounted for by DCNS was lower than 1%, and that accounted for by Société Générale was less than 2%. It considered that these business relationships were not significant. It also noted that the nature and volume of the banking services provided by Société Générale to Groupe Steria companies were not sufficient to put in doubt the independence of Mr. Séverin Cabannes. This topic was debated by the Supervisory Board on February 27, 2014. The position was confirmed.

Following this assessment, the Supervisory Board decided that at February 27, 2014, six of the ten Board members were independent under the definition of the AFEP/MEDEF Code, and that the Company was therefore in compliance with the recommendation of the AFEP/MEDEF Code in terms of the proportion of independent Board members.

Conflicts of interest of Board members

At its meeting of October 28, 2011, the Supervisory Board decided to put in place a control and management procedure for conflict of interest situations to which members of the Supervisory Board could be exposed. This procedure, as described in the Board's internal regulations (Article IV-8), stipulates: "A declaration of conflict of interest shall be completed by all Board members upon assuming office. This declaration is sent to the Secretary of the Supervisory Board, who is responsible for carrying out the administrative follow-up of these declarations and, as a matter of routine, informing the Chairman of the Appointments, Remuneration and Corporate Governance Committee of the conflict of interest situations that have been declared. Any conflict of interest situation arising during a term of office must be declared under the same conditions. Thus, in a situation where there is or there may be a conflict between the corporate interest and his or her direct or indirect personal interest or the interest of the shareholder or group of shareholders that he or she represents, the member of the Supervisory Board concerned must:

- inform the Board of it as soon as he or she has knowledge thereof and;
- accept the consequences thereof with respect to the exercise of his or her term of office. Accordingly, as the case may be, he or she shall:
  - refrain from taking part in the vote on the matter in question;
  - not attend the meetings of the Supervisory Board for the period during which the conflict of interest exists;
  - or resign as a member of the Supervisory Board. Should these rules for abstention or withdrawal not be respected, the liability of the member of the Supervisory Board may be incurred.

In addition, the Chairman of the Supervisory Board and the General Manager will not be required to submit any information or documents to the member(s) of the Supervisory Board for whom they have substantial grounds to believe that a conflict of interest exists relating to that topic and will inform the Supervisory Board of said failure to inform.

The Appointments, Remuneration and Corporate Governance Committee of the Supervisory Board is responsible for examining any conflict of interest situations declared, and determining whether the situations involved are liable to procure any undue advantage for the member concerned or disadvantage the Company. It provides the Supervisory Board with advice and recommendations for dealing appropriately with any such conflicts of interest."

In accordance with these principles, the Supervisory Board, based on the recommendation of the Appointments and Remuneration Committee, examines the individual situation of each member of the Supervisory Board every year. In its meeting of January 24, 2014, it noted that Mr. Séverin Cabannes, Deputy CEO of Société Générale, could be in a potential conflict of interest situation when the Board discusses subjects concerning the business relationships between Steria and Société Générale. In such an event, it was agreed that Mr. Séverin Cabannes would abstain from participating in any discussions or votes on these subjects. No other conflict of interest situation was brought to the attention of the Supervisory Board.

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 the General Meeting of Shareholders.

It also acts in the following circumstances:

- it examines the Company's financial statements and consolidated financial statements, as well as the budget;
- it receives the report of the Statutory Auditors;
- it issues an opinion on any proposals for an increase or reduction in capital submitted by the General Manager to the shareholders;
- it may propose, during the term of the Company, except in the event of vacancy, the appointment or renewal of the term of office of any General Manager, which will then be decided by the Ordinary General Meeting following approval from the General Partner;
- it may initiate a request to dismiss a General Manager. The General Partner must be notified of any such request, which must comply with the rules and procedures set forth in the Articles of Association;
- it submits a proposal, on the advice of the Appointments and Remuneration Committee, regarding the payment of the General Manager to the Ordinary General Meeting of Shareholders, which approves or rejects the proposal;
- it gives an opinion to the General Manager concerning:
  - 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;
- 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, if the Company represents more than 10% of the consolidated revenue of Groupe Steria SCA, where this revenue results from the Group's last consolidated financial statements.

It verifies that the terms and conditions set forth in Article 1 of the Articles of Association, relating to the role of the General Partner of the company Groupe Steria SCA, are complied with.

Operation of the Supervisory Board

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

The internal regulations of the Supervisory Board are updated regularly (last update: December 19, 2013) and may be consulted on the Company's website.

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

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.

At the end of 2013, the Board's work for 2014 was approved by the members of the Board itself, with the aim of identifying the priority areas for the year, allocating sufficient time at Board meetings and improving the Board's efficiency.

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

Three members of the Works Council (associations of managers, administrative and technical staff and employees) 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 2013, the average length of Board meetings was four hours.

Activity of the Supervisory Board in 2013

The Board held seven meetings over the last year.

The attendance rate in 2013 was 90% overall.

In 2013, the Board mainly dealt with the following subjects:

- finance:
  - review of management planning documents,
  - review of the annual and interim financial statements,
  - review of financial communication,
  - the Group's indebtedness and liquidity,
  - plans to diversify the Group's sources of financing prior to the establishment of a bond issue in April 2013 and a securitisation programme in December 2013,
  - review of the proposed SSCL joint venture with the British Government and its financing;
- preparation for the General Meeting:
  - setting the dividend for 2013,
  - deciding on the resolutions to be presented to the General Meeting of May 30, 2013,
  - reviewing and approving the report of the Chairman of the Supervisory Board on corporate governance, internal control and risk management;
- corporate governance and Remuneration:
  - review of compliance with the AFEP/MEDEF Corporate Governance Code,
  - examination of independence criteria for Board members,
  - examination of declaration of conflicts of interest received from Board members,
  - definition of the variable remuneration of the General Manager and the members of the Executive Committee for 2012, and assessment of individual performance (quantitative and qualitative),
  - definition of the quantitative and qualitative criteria for the variable remuneration of the General Manager and the members of the Executive Committee for 2013,
  - distribution of directors' fees between the members of the Supervisory Board;
  - performance criteria for the free share plan for 2013,
  - changes in the composition of the Committees, and the Board,
  - self-assessment of the Board,
  - annual plan for 2014 for the Board,
  - updating of the internal regulations of the Supervisory Board;
- strategy:
  - review of business in Scandinavia and France presented by the CEOs for those countries,
  - Group positioning and strategy for the period 2012-2015: review and discussion of the General Manager's proposals;
- risks and internal control:
  - examination of risk mapping and action plan,
  - review of main risks,
  - internal audit plan for 2013 and guidelines for 2014.

Evaluation of the Supervisory Board

In line with the AFEP/MEDEF Code, the Board has performed an annual evaluation since 2009. Each year, when the Board meets in December, it includes an item on the agenda that specifically covers a critical review of the composition, organisation and operation of the Supervisory Board and its committees. Every two years, this evaluation is formalised by means of a questionnaire sent to each Board member.

In 2013, the Board's evaluation procedure was overseen by the Appointments, Remuneration and Corporate Governance Committee, following the decision to extend the missions of this Committee to the review and preparation of the work of the Board on matters related to Corporate Governance. An evaluation questionnaire was sent to each of the members of the Supervisory Board, and members who so requested could also have a personal interview with the Chairman of the Appointments, Remuneration and Corporate Governance Committee. A summary of these questionnaires and interviews was made by the Appointments, Remuneration and Corporate Governance Committee and presented to the Supervisory Board on December 19, 2013 for discussion.

The suggestions for improvement focused on the following points:

- changes in the composition of the Board by inclusion on the Board of new female members and the addition of international members with financial and accounting skills;
- ongoing efforts to inform the members of the Board about the activities and business of the Group through presentations by the CEOs;

- greater control of the Group's risk principles, in particular, a deeper review by the Board of the risk mapping and related actions;
- a more detailed examination of succession plans;
- changes in the composition of the committees.

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 (mainly the Finance, Legal and Internal Audit Departments).

All actions relating to the information initiative by members of the Supervisory Board are detailed in the "Evaluation of the Supervisory Board" paragraph above.

The Supervisory Board's committees

The Board has created three committees:

- the Strategy Committee;
- the Appointments, Remuneration and Corporate Governance Committee;
- the Audit, Internal Control and Risk 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 organisation of the Strategy Committee

As of December 31, 2013, the Strategy Committee had three members:

- Léo Apotheker, Chairman of the Committee;
- Éric Hayat;
- Patrick Boissier.

Missions of the Strategy Committee

This Committee examines the Group's medium- and long-term development and positioning, as proposed by the General Management:

- acquisition/disposal proposals;
- competitive positioning;
- business lines;
- offerings and business models.

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

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

Activity of the Strategy Committee in 2013

The Strategy Committee met three times in 2013.

The attendance rate at these meetings was 80%.

For reasons of confidentiality, details of the work of the Strategy Committee are not made public. However, it can be stated that in 2013, the work of the Strategy Committee mainly concerned:

- monitoring of the implementation of the Group's strategy regarding Solutions, the Board and "Transformation" positioning (processes and milestones, progress by country);
- security offer;
- BPO strategy;
- situation and strategy in management of IT infrastructure in France;
- external growth opportunities.

Each year, the Chairman of the Strategy Committee reports on the work carried out by the Committee during the previous year to the Annual General Meeting.

The Appointments, Remuneration and Corporate Governance Committee

Composition and operation of the Appointments, Remuneration and Corporate Governance Committee

As of December 31, 2013, the Appointments, Remuneration and Corporate Governance Committee consisted of three members:

- Pierre-Henri Gourgeon, Chairman of the Committee;
- Jacques Bentz;
- Pierre Desprez.

In accordance with the AFEP/MEDEF Code, the Appointments, Remuneration and Corporate Governance Committee does not have any directors among its members. Its Chairman is independent. The Committee is not composed of a majority of independent members.

The Board preferred to prioritise the expertise of the members of the Committee, and considers that the knowledge acquired by the current members in the spheres of competence of this Committee were essential for it to be able to fulfil its responsibilities efficiently and professionally.

Moreover, the Board considered it important, with regard to the Company's service activities, to involve a Group employee in the work of the Appointments and Remuneration Committee, which was made possible by the presence on the Board of Pierre Desprez, an employee and Chairman of the Company's mutual fund (FCPE), who has served in HR positions within the Group.

Lastly, the presence of the Chairman of the Board on this Committee will enable him to participate in the consideration and selection process for new members going forward.

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 and presents its opinions, proposals and recommendations, giving the Board sufficient time to enable it to deliberate effectively. It may incur external costs with the prior approval of the General Manager and the Supervisory Board.

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

Each year, the Chairman of the Appointments, Remuneration and Corporate Governance Committee reports to the Annual General Meeting on the work carried out by the Committee during the previous year.

Duties of the Appointments, Remuneration and Corporate Governance Committee

At its meeting on February 27, 2013, the Supervisory Board decided to formalised and extend the duties of the Committee relating to the review and preparation of the Board's work on subjects related to corporate governance.

The duties of the Appointments, Remuneration and Corporate Governance Committee as defined in its Internal regulations updated on April 25, 2013 consist of:

- providing the Supervisory Board with information on overall compensation and any related benefits granted to the directors and senior managers of the Group and issuing any pertinent recommendations to the General Manager;
- reviewing plans for stock options and allocation of free performance shares, making proposals and recommendations and giving advice to the Board;
- proposing to the Supervisory Board the terms for the distribution of directors' fees among the members of the Board;
- submitting to the Supervisory Board recommendations on the composition of the Supervisory Board and its committees;
- reviewing applications to become a member of the Supervisory Board, ensuring that the person has appropriate skills, is available and honourable, giving its opinion and making 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;
- reviewing and developing the principles of corporate governance applicable to the Company, monitoring their implementation and issuing opinions and related recommendations to the Board;
- conducting the annual evaluation of the Supervisory Board: proposing the terms of such evaluation to the Board and ensuring their implementation;
- discussing the qualifications of independent members of the Supervisory Board for each member, on his or her appointment, as well as annually prior to the publication of the Registration Document, and reporting its opinions to the Supervisory Board;
- examining and assessing any conflicts of interest reported by members of the Supervisory Board and determining whether the situations involved are liable to procure any undue advantage for the member concerned or disadvantage the Company. Providing the Supervisory Board with advice and recommendations for dealing appropriately with any such conflicts of interest;
- reviewing the draft report of the Chairman of the Supervisory Board on corporate governance.

Work of the Appointments, Remuneration and Corporate Governance Committee in 2013

The Appointments, Remuneration and Corporate Governance Committee met five times in 2013 and discussed the following key issues:

- remuneration (fixed and variable) of the General Management, assessment of the performance of the General Management for the calculation of the variable remuneration for 2012, review of the performance criteria for 2013;
- remuneration of the members of the Executive Committee, assessment of the performance of the members of the Executive Committee for the calculation of the variable portion for 2012, review of the performance criteria for 2013;
- plan for allocation of free performance shares in 2013, review of performance criteria;
- changes in the duties of the Committee and updating of its Internal regulations;
- examination of declaration of conflicts of interest received from Board members;
- review of the independence of Supervisory Board members;
- discussions on changes to the Board;
- evaluation of the Board – return of questionnaires - overview;
- review of the new legal provisions on the appointment of members of the Board representing employees (Law of June 14, 2013 relating to security of employment) and the proposed terms of appointment;
- review of the AFEP/MEDEF Corporate Governance Code revised in June 2013 - new recommendations and compliance;
- examination of the Group's succession plan.

The attendance rate at these meetings was 93%.

Audit, Internal Control and Risk Committee

Composition and activities of the audit, Internal Control and Risk Committee

As of December 31, 2013, the Audit, Internal Control and Risk Committee had three members:

- Elie Cohen, Chairman of the Committee;

- Bridget Cosgrave;
- Pierre-Henri Gourgeon.

These three members are independent, and the composition of the Committee is thus in accordance with the AFEP/MEDEF Code, which states that at least two-thirds of the members of the Audit Committee should be independent.

Elie Cohen, Chairman of the Committee, is independent within the meaning of the AFEP/MEDEF Code and, as an economist, has financial skills from his training and experience.

Bridget Cosgrave, the founder and CEO of several companies, having sat on different Boards, notably at international level and in sectors relating to new technologies, has particular expertise in finance and management.

The positions and responsibilities he has held within major companies have also given Pierre-Henri Gourgeon expertise in accounting and financial matters.

The Committee's operating rules are outlined in internal regulations specific to the Audit, Internal Control and Risk Committee.

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

It 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 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, and the Head of Internal Audit and Risk Management.

It gathers observations from the Statutory Auditors, if necessary, in the absence of any Group member. It may request and discuss with them the programmer for verifying the corporate and consolidated financial statements.

The Audit, Internal Control and Risk 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.

It may incur external costs with the prior approval of the General Manager and the Supervisory Board.

Missions of the Audit, Internal Control and Risk 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 programmer and the Statutory Auditors' work programmer;
- 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.

Work of the Audit, Internal Control and Risk Committee in 2013

The Committee met six times in 2013 and dealt in particular with the following points:

- examination of the financial statements for the financial year ended December 31, 2012 and the 2013 half-yearly financial statements;
- examination of the Chairman's report on internal control and risk management;
- the amount of dividends to be distributed for financial year 2012;
- examination of at-risk projects;
- plans to diversify the Group's sources of financing prior to the establishment of a bond issue in April 2013 and a securitisation programme in December 2013;
- monitoring of the audit and internal control action plans;
- examination of the 2014 internal audit plan;
- examination of the "corporate responsibility" audit plan;
- examination of the SSCL project in the United Kingdom;
- examination of risk mapping.

The attendance rate at these meetings was 89%.

Each year, the Chairman of the Audit, Internal Control and Risk Committee reports on the work carried out by the Committee during the previous year to the Annual General Meeting.

Compliance with the AFEP/MEDEF Code

At its meeting on February 27, 2014, the Supervisory Board reviewed the compliance of the Company's practices in the area of governance and directors' remuneration with the recommendations of the AFEP/MEDEF Code revised in June 2013.

It noted that the Company was in compliance with these recommendations as at February 27, 2014, to the extent that they apply to a partnership limited by shares, with the exception of the points shown in the summary table below, which also sets out the reasons why they have not been applied:

AFEP/MEDEF recommendation that has not been applied	Explanation
Term of office of members of the Supervisory Board The term of office of members of the Supervisory Board, as laid down in the Articles of Association, should not exceed four years, so that shareholders can vote on their election with sufficient frequency (Recommendation 12, paragraph 1).	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 maximum period of four years. In line with Recommendation 12, paragraph 2 of the AFEP/MEDEF Code, and to ensure the smooth renewal of the terms of office of Board members and avoid the renewals taking place at the same time, the Supervisory Board decided, in 2012, to vary the terms of office of the six members whose appointment or renewal was submitted to the vote of shareholders, from two to four years. The objective of this recommendation has therefore been respected.
Composition of the Appointments and Remuneration Committee The Appointments and Remuneration Committee should be composed of a majority of independent members (Recommendation 16.1).	See "composition of the Appointments and Remuneration Committee" in paragraph 2.6.2 above. The Board preferred to prioritise the expertise of the members of the Committee, and considers that the knowledge acquired by the current members in the spheres of competence of this Committee were essential for it to be able to fulfil its responsibilities efficiently and professionally. Moreover, the Board considered it to be good corporate governance, with regard to the Company's service activities, to involve a Group employee in the work of the Appointments, Remuneration and Corporate Governance Committee, which was made possible by the presence on the Board of Pierre Desprez, an employee and member of the Supervisory Committee, and Chairman of the Company's mutual fund (FCPE), who has served in HR positions within the Group. Lastly, the presence of the Chairman of the Board on this Committee will enable him to participate in the consideration, selection and appointment process for new members going forward. Furthermore it is considered important that the Committee's Chairman should be independent.
Terms of distribution of directors' fees The terms of distribution of directors' fees must include a predominantly variable portion (Recommendation 21.1).	Over the period 2012/2013, as detailed in paragraph 2.4.3, the individual fixed amount for directors' fees was €16,000 and the variable amount €1,000 per session, making a total of €22,000 to €29,000, depending on the member. Since the attendance of members of the Supervisory Board and the special committees of Groupe Steria SCA were high, the Board decided not to change the existing rules for distribution of directors' fees.
Holding of a minimum number of shares by members of the Supervisory Board Excluding contrary legal provisions, each member of the Supervisory Board must be shareholders in a personal capacity and possess a relatively significant number of shares with regard to the directors' fees received.	The Supervisory Board examined a benchmark of companies with Supervisory Boards and found widely divergent practices. It also examined the number of shares held by the members with respect to their seniority on the Board and directors' fees received. After discussion, the Board did not wish to amend the Articles of Association on this point.

AFEP/MEDEF recommendation that has not been applied	Explanation
Termination compensation for the General Manager The performance conditions set by the Boards should be demanding, and compensation should only be paid to a director if related to forced departure and a change in control or strategy (Recommendation 20.2.4).	See "Absence of employment contract and indemnity for termination of functions" in paragraph 2.4.1 above. The Supervisory Board, on the recommendation of the Appointments and Remuneration Committee, decided that termination compensation for the General Manager would only be due in the event of his forced departure. 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 misdemeanour, at a minimum amount equating with one year's gross remuneration. These exceptions were retained by the Board to compensate the termination of Mr. 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.

2.6.3 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.

2.6.4 Internal control and risk management

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

The Group has retained the internal control definition laid out in the Financial Markets Authority framework dealing with internal control and risk management ("AMF Reference Framework"), published in July 2010:

- the components of the internal control procedures are described in section 2.6.4.2;
- accounting and financial internal control procedures are presented in section 2.6.4.3.

2.6.4.1 Internal control definition and objectives

According to the AMF 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 processes, in particular those designed to safeguard corporate assets;
- the reliability of financial information.

One of the objectives of internal control procedures is to prevent and control the risks of error and fraud, especially in the accounting and financial fields. Nevertheless, internal control has inherent limits and cannot provide an absolute guarantee that these objectives will be attained.

2.6.4.2 Description of the internal control and risk management mechanism

This section briefly describes the organisation of the Company's internal control system.

According to the AMF, the internal control mechanism relies on the following closely related components:

- organisational structure;

- internal distribution of relevant and reliable information;
- identification and risk management mechanism;
- control activities;
- continuous oversight of the mechanism.

Organisation, responsibilities and control environment

The organisation, responsibilities, skills, information systems, procedures, methods and practices form the base of the internal control system.

Organisation

The Group is organised by geographical area. The organisation of the Group is presented in paragraph 1.9 of the Registration Document.

Responsibilities and powers

Responsibilities are clearly defined in the effective delegation of powers and responsibility as mandated by the General Manager and under the control of the Group Legal Department, in conjunction with the other corporate departments concerned, including the Human Resources Department. These procedures define limitations of authority and responsibility at various Group management levels, in particular regarding commitments to clients, suppliers, partners and staff;

Human Resources management and training

Group Policy with regard to Human Resources management is described in paragraph 3.3.1. It includes:

- a training policy that aims to ensure that employees have sufficient skills to accomplish their missions and meet their control responsibilities; It ensure that new employees are made aware of Group policies and procedures;
- a policy of regular assessment of performance, with sanctions in the event that the rules laid down by the Group are not respected.

Procedures, methods and practices

The main elements of the procedures, standards and practices that contribute to the existence of an appropriate internal control environment are as follows:

- 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 conducts 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 stock exchange code of conduct;
- the publication of a Group internal control manual (the *"Book of Internal Control Rules"* or BOICR) for its operational entities. This manual is updated annually and the internal control rules it contains are applied across all the Group's operational entities. Compliance with the BOICR is self-assessed annually by the operational entities and the result of this self-assessment is reviewed independently by the Group internal audit function;
- operational policies and procedures issued by the Group. These policies are regularly updated based on the Group's strategic challenges;
- Quality Management Systems at the Area Unit level, implementing best practices for Steria's activities and General Management's instructions while adapting them for the local business environment.

All of these documents are available on the Group's knowledge management platform.

Information systems

The Group's information systems produce the data and indicators necessary for monitoring business activity.

The Group has a centralised organisational structure to define and monitor the IT applications and infrastructures common to all entities of the Group. This organisation supports financial (accounting, consolidation, reporting, cash receipts and payments) and commercial functions, Human Resources, the general directory, communication, project management and purchasing.

Security and access to these infrastructures and applications, as well as their reliability and performance, are also managed by this organisation.

Distribution of information and communication

Multiple processes work together to ensure that relevant and reliable information is communicated within the Group.

Monthly activity and performance reviews (reporting reviews) are organised for each Area by the General Manager in the presence of the Group Financial Director and his or her deputies. The purpose of these meetings is to analyse operational performance and update forecasts.

Group instructions are communicated for the preparation of reporting and budgets.

An **ERP (Enterprise Resource Planning)** tool is used Group-wide to facilitate the exchange and distribution of operational information. It enables the reports to be generated for analysis, as well as specific analyses to be produced from different angles.

The **support functions** (Human Resources; legal; project performance; communication) also organise a monthly exchange of information specific to their areas of competence. Following these monthly exchanges, alerts or information may be communicated to General Management.

***Ad hoc* committees** are also put in place for project oversight and general resources.

Finally, major events and incidents are discussed monthly at Group Risk Committee meetings, and specific points at each meeting of the Audit, Internal Control and Risk Committee.

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.

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

Twice a year in general, the Group organises a meeting of its 150 key managers. These events are used to share the Group's core values, to address key strategic objectives, encourage staff to commit to the Group's challenges and development targets and circulate messages concerning compliance with Group rules.

Identification and risk management mechanism

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

- to create and preserve the Group's value, assets and reputation;
- to secure the Group's decision-making and systems in order to support the achievement of objectives;
- to encourage initiatives that are consistent with Group values;
- to mobilise Group 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 2013, then presented to the Audit Committee and to the Supervisory Board:

- 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 Group's functional managers (Management Accounting, Finance, Legal, Human Resources, Operations, Information Systems and Internal Control), after interviews with the key operational entities employees involved;
- risks were assessed mainly on the basis of the financial impact of each risk (financial, human, legal or reputational);
- responses to risks are a combination of methods of avoiding risky operations (for example, a decision to halt a pre-sales project), transfer risks (insurance, partnership) and/or reinforcing control measures.

In operational units, risk monitoring is overseen by an Area Risk Manager or directly by the Area's Financial Director. The Group Risk Manager consolidates the information received according to a common methodology and the relays it to the relevant Group corporate departments. These risks are analysed and discussed at the monthly Group Risk Committee meetings, which are attended by the Group Financial Director and Group's functional managers (Management Control and Consolidation, Group Corporate Finance, Legal, Human Resources, Operations, Information Systems and Internal Control). The important information and decisions resulting from these Committee meetings are sent to the Group Financial Director and shared with the Executive Committee or via the staff concerned at the level of each geographical entity.

Concerning risk monitoring and management, the list of Group risks, together with the associated action plans, are updated routinely. This process includes taking account the internal control self-assessments and the results of internal audit missions conducted within the Group.

Finally, in order to respond rapidly and in an organised manner in the event of a major crisis, a crisis procedure is defined to enable appropriate detection in the field of events that may trigger a crisis, together with crisis management and appropriate communication. These procedures may include the General Management, in the event that the expected impact of an event makes it appropriate.

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. Compliance with the BOICR is self-assessed annually.

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.

In addition, the Group Operations Department conducted an annual project audit programme, led in a cross-functional way by area operations directors for projects outside their area.

Self-assessments and independent Group audits form the basis for recommendations aimed at modifying certain control activities. The Group's Internal Audit Department also carries out regular tests in order to assess the effectiveness of internal control procedures. The recommendations are sent to General Management, which ensures that appropriate action plans are implemented.

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.

Management and supervision of internal control

The Internal Control and Audit Department is responsible for the implementation and overall control of the Group's internal control systems, and for ensuring that they are applied consistently. It has relays responsible for internal control in each geographic entity.

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, Legal, 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 the internal control procedures in line with Group policy and monitoring compliance.

The Groupe Steria SCA Supervisory Board is also involved in Group internal control given its role as a corporate control body, supported by the Audit, Internal Control and Risk Committee.

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

- informing key managers in the Company on existing rules, by making the relevant information available on the intranets and through discussions during coordination meetings organised by the Internal Control and Audit Department and the Group's corporate departments;
- the annual process of self-assessment of its internal control manual;
- the independent monitoring of the effectiveness and efficiency of internal controls by cyclical and periodic internal audit missions, as well as recommendations issued by the Internal Audit Department, to improve its internal control mechanism and risk management system;
- the regular reporting of progress made in internal control, especially among the management of the Company and the Group Audit Committee. 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.

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

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

General provisions

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

Each operational entity comprises a decentralised 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 the Group controlling and consolidation team assigned to their geographic area; these teams are responsible for ensuring the consistency of information received and the application of Group accounting and 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 six times a year: each quarter and at the end of May and November in preparation for the half-yearly and annual accounts closing. In addition, monthly accounts closings are carried out for Group performance tracking and control purposes.

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:

- a single ERP (Enterprise Resource Planning) system, common to all Group entities for entering, calculating and retrieving accounting and management data. This system processes data by project, client and supplier. This solution permits a single set of parameters to be set covering Group management rules, controls and reports;
- a reporting tool, the majority of whose data is interfaced with the ERP system;
- a chart of accounts used in the ERP system, shared by all the operational entities and an accounts consolidation package interfaced with the ERP.

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.

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 dedicated Application Management team reporting to the Group Financial Director has the task of ensuring that the financial and accounting information system continues to meet the operational needs of the Group and the requirements of the IFRS accounting framework, from which the Group's standards stem.

The manager of this team 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 Group Applications Management Committee.

Three types of change may be necessary:

- corrections of anomalies discovered during operations, implemented after a test phase;
- changes, whether they result from user requests, the evolution of the Group or regulations, are subject to a change and processing request procedure;
- major projects such as the migration of operational units or updates of the software package are organised on an *ad hoc* basis and include the appropriate local teams in the countries concerned.

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. System infrastructure management is entrusted to Steria's Group Information Systems Department to take advantage of an environment providing physical and logical security as well as continuity of operations.

Operating procedures for the monthly close include a certain number of stages with system control rules and alerts during the process, to ensure the closing timetable and controls are respected.

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.

Budgetary control and management reporting

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

- at operational unit level, they are organised by the unit CEO and Financial Director to analyse with sector managers their unit's situation;
- at Group level, they are organised by the Group Controlling and Consolidation Director in collaboration with the unit General Manager and Financial Director, Group Financial Director and General Manager, in order to review the situation in each operational unit. The situation in each operational unit is summarised every month at Group level in a report prepared by the Group Controlling and Consolidation Director.

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

- details on the financial situation of the unit in question and a comparison with budget, previous forecasts and prior year performance;
- 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 of the operational entity.

Financial statement consolidation procedures

The Group Controlling and Consolidation Department draws up consolidated accounts six times a year and deals with:

- accounting procedures that are common to all consolidated subsidiaries in conformity with IFRS rules; and
- mapping between the chart of accounts used in the ERP and the consolidation chart of accounts, ensuring the reliability and consistency of financial and accounting information;
- reporting and processing, which rely on standard data processing solutions. Group subsidiaries complete 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 required to draw up the notes to the consolidated financial statements;
- the planning for the period, work that has to be carried out by subsidiaries for closing the accounts and guidance on how to complete the consolidation packages.

Intervention of the Statutory Auditors

The Group Controlling and Consolidation Department approves the timetable and is informed by the Group's Statutory Auditors of the audit plan and audit issues:

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

These missions are carried out in close collaboration with Group internal audit Management.

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

Control of consolidated financial statements prior to publication

Prior to publication of the consolidated financial statements, General Management and the Financial Department review the Statutory Auditors' work and findings, and define the financial communication and the contents of financial press reports.

The Audit Committee reviews the financial statements and the Statutory Auditors' report. The Statutory Auditors present their report and comment directly on the content to the Audit Committee, and then to the Board, before the financial statements are approved. The minutes of the Audit Committee meeting are sent to the Supervisory Board.

The Board then carries out the same exercise, with reference to the minutes of the Audit Committee meeting.

2.6.4.4 Outlook – Continual improvement

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 2014:

- in line with the internal controls and audit programme mandated by the Group Audit, Internal Control and Risk Committee, timely remediation of control deficiencies identified via self-assessments and 2013 audit reporting;
- update of Group policies and internal control rules to reflect changes in business risk and updates of business systems, incorporating automated IT system and Group level controls;
- 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.

During 2014, the following themes will receive particular attention:

- review of internal control procedures in relation to the management of commercial proposals;
- review of internal control procedures in relation to business continuity in the service centres;
- review of good appropriation by employees and managers of project management and purchasing management applications;
- review of oversight of deployment and monitoring of the Group information systems security policy.

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 on the report prepared by the Chairman of the Supervisory Board of Groupe Steria SCA

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In 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 to you on the report prepared by the Chairman of your company in accordance with article L. 226-10-1 of the French Commercial Code for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by article L.226-10-1 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by article L.226-10-1 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

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

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

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

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Supervisory Board's report, prepared in accordance with article L.226-10-1 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by article L.226-10-1 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, March 21, 2014

The statutory auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Olivier Lotz	Denis Thibon

2.8 Statutory Auditors' special report on related party agreements and commitments

This is a free translation into English of the statutory auditor's report issued in French and is provided solely for the convenience of English-speaking readers.

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

To the Shareholders,

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

It is our responsibility to report to Shareholders, based on information provided to us, on the main terms and conditions of the agreements and commitments that have been disclosed to us, or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. It is the responsibility of Shareholders, pursuant to Article R.226-2 of the French Commercial Code (Code de Commerce), to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide you with the information pursuant to Article R.226-2 of the French Commercial Code (Code de Commerce) in relation to the implementation during the year of agreements and commitments already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted for approval by the general meeting

Agreements and commitments authorized during the year

Pursuant to Article L.226-10 of the French Commercial Code (Code de Commerce), we hereby advise you that we have been informed of certain agreements and commitments authorized by your Supervisory Board.

- **With Steria S.A.**

Person concerned: Mr François Enaud, general manager of your company and chief executive officer of Steria S.A. (a subsidiary controlled by your company).

Nature and purpose: Debt transfer and collection agreement.

Conditions: As part of the implementation of a Group program related to the securitization of receivables, agreements involving both your company and Steria S.A. have been entered into. These agreements contain reciprocal requirements between your company and Steria S.A. which cannot be considered as ordinary transactions as defined in Article L.226-10 of the French Commercial Code (Code de Commerce). Being, therefore, considered as related party agreements, these agreements were submitted to, and authorized by, the Supervisory Board on July 26, 2013.

Agreements and commitments already approved by the general meeting

Pursuant to 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 in prior years, continued during the year.

With Tecnet Participations

Person concerned

Mr Jacques Bentz, manager of Tecnet Participations, and chairman of the Supervisory Board of Groupe Steria S.C.A.

Nature and purpose

Services agreement with Tecnet Participations.

Conditions

The purpose of this services agreement is that Tecnet Participations assists your company and its subsidiaries in their development, particularly at international level, during acquisitions and partnerships agreements.

This agreement was entered into for a two-year term with effect from January 1, 2013.

In 2013, the company Tecnet Participations invoiced your company €104,925.14 excluding tax.

With Eric Hayat Conseil

Person concerned

Mr Eric Hayat, Eric Hayat Conseil's manager, and member of the Supervisory Board of Groupe Steria S.C.A.

Nature and purpose

Services agreement with Eric Hayat Conseil and Steria S.A. (a subsidiary of Groupe Steria).

Conditions

This services agreement provides that Eric Hayat Conseil performs consulting services in strategy, particularly regarding the acquisition policy of the Area Unit France, and assistance in developing business with major customers, in particular in public sector, tertiary and telecoms.

This agreement was entered into for a two-year term with effect from January 1, 2013.

In respect of this agreement in 2013, Eric Hayat Conseil invoiced Steria S.A. €132,000 excluding tax.

With Mr François Enaud, general manager of your company

In accordance with Article L.225-42-1 of the French Commercial Code (Code de Commerce) and as proposed by the Supervisory Board on the recommendation of the Appointments and Remunerations Committee, your company has decided to allow Mr François Enaud to benefit from compensation subject to performance criteria in the event of termination of his term as general manager of the company.

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: growth of revenues, the group's operating margin and diluted net operating income diluted per share. The amount of the compensation may not exceed two years' gross 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, the compensation shall not be less than one year of salary, regardless of the achievement of performance criteria, particularly in order to compensate the seniority of the general manager.

Neuilly-sur-Seine and Paris-La Défense, March 21, 2014

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Olivier Lotz	Denis Thibon

3

"Corporate Responsibility

3

3.1 Corporate Responsibility, an integral part of the Group's culture and strategy

When Steria was founded over 40 years ago, the concept of Corporate Responsibility rarely went beyond philanthropy. However, Steria was different, combining employee share ownership, a culture of innovation, an entrepreneurial ethos and community support from an early stage. 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 social purpose to our business. Our Corporate Responsibility program is one of the key elements in the Group's strategy.

Steria has structured its Corporate Responsibility program (social, environmental, economic and societal responsibility) around four interrelated components:

- **Workplace (social responsibility):** Being a responsible employer by promoting a working environment that favours collaborative working and innovation and consistent HR policies across all our operations countries and premises. Leverage our unique corporate governance model to maximise employee commitment;
- **Environment (environmental responsibility):** Supporting environmental sustainability by changing to greener practices and reducing our CO_2 emissions, while helping our clients to become more sustainable;
- **Marketplace (economic responsibility):** being a responsible service provider by adhering to the highest ethical standards and sharing them with our stakeholders;
- **Community:** bringing the digital divide to enable disadvantaged people, giving access to education, IT and job opportunities.

All information relating to the social, environmental and social policy in this chapter 3 were determined using the method specified in chapter 7 of this Document (methodological note).

3.2 Governance and organization

3.2.1 Governance

The overall approach to Corporate Responsibility adopted by the Company is the General Manager's responsibility and each member of the Executive Committee supervises a specific area. A team of leaders responsible for each component of the Corporate Responsibility policy is in charge of implementing the action plans that have been developed. A Program Director coordinates all the participants, as illustrated below.

In addition to the Group-level team, a network of local participants has been created in all the geographic areas, for each component of the Corporate Responsibility policy. Depending on their responsibilities, these participants are placed under the supervision of the CEO, COO, CFO or local Head of Human Resources. Irrespective of the organization put in place locally, the Corporate Responsibility actions are ultimately under the supervision of the CEO of the geographic area.

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 Corporate Responsibility. In addition to these internal resources, a Corporate Responsibility Board has been created in order to benefit from an external point of view.

This Advisory Board, composed of three members at the end of 2013, consists of independent experts from government, private companies and non-governmental organizations, as well as those responsible in the Group for each component of the Corporate Responsibility policy.

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 2013, this Board was composed as followed:

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

The Board met three times in 2013 and focused on how to progress in Corporate Responsibility (strategy and policies), and how to improve communication with stakeholders and reporting.

In addition to this Board, the Corporate Responsibility program involves a number of external stakeholders.

3.2.2 Reporting management

To improve the reliability and efficiency of the reporting process relating to social, environmental, economic and societal Responsibility, in 2013 a dedicated team was assigned responsibility for overseeing the process of producing the information that appears in this document as well as in the report. This team reports to the Group's Corporate Responsibility Program Director, to the Group Financial Director (CFO) as extra financial figures and data are part of Group global reporting.

The primary duties of the team responsible for the Group's Corporate Responsibility reporting are:

- maintaining reporting rules;
- ensuring that the information published is accurate and exhaustive, and defining processes to increase the reliability of Corporate Responsibility information over the long term;
- managing relationships with auditors specialized in this field;
- defining the scope and key indicators for reporting Corporate Responsibility information;
- ensuring that the information published is consistent and in line with Corporate Responsibility standards (GRI) and regulations (Grenelle II,…) and that all reportings are aligned, (Reference Document, GRI report, CSR indexes, analysts,…).

Company's Corporate Responsibility sponsor: General Manager			
Director of the Company's Corporate Responsibility program			**Corporate Responsibility Board**
Marketplace Sponsor Group Financial Director Group Network Leader	Community Sponsor CEO India Group Network Leader	Sustainable Environment Sponsor CEO UK Group Network Leader	Social Sponsor Group Human Resources Director Director Group Network Leader

The local Human Resources, Financial and Legal Directors are closely involved in this reporting process. In particular, they are responsible for validating information on the subjects that concern them, respectively: social data, environmental data (the Financial Directors generally oversee central services), ethics and governance.

This « Corporate Responsibility » chapter is part of Steria's Management Report in accordance with Article R225-105 of the French Code of Commerce. This chapter has been audited by one of the Statutory Auditors for Steria, designated as « Independent Third Party Organization ».

The Audit report is presented at the end of this chapter and consists of a certificate of attendance and an opinion on the fairness of social, environmental and societal information.

A presentation of the report of the Independent Third Party Organization to the teams is expected to include the team's corporate responsibility, the CFO, the Director of Human Resources, Legal Director of the Group and the Corporate Responsibility Committee, as well as the Audit Committee in order to gradually consider their recommendations.

3.2.3 Certification and ratings – International standard and principles

The following achievements, certifications, ratings and awards illustrate the progress made on a long-term basis in the implementation of the Group's Corporate Responsibility strategy. In 2013, Steria received the following awards and certifications related to its Corporate Responsibility Program (further information is available on the website www.steria.com):

Reward/Certification	Purpose	Component	Year
ISO 14001 in Belgium, Denmark, France, Austria, Germany, India, Luxembourg, Norway, Poland, Sweden, Switzerland and the United Kingdom	Environmental certification (see paragraph 3.3.3.1 below and www.iso.org)	Environment	See paragraph 3.3.3.1
ISO 14064-3 Independent verification of emissions	External audit of emissions. Over 80% of emissions from energy consumption (Scopes 1 and 2) audited and verified	Environment	2011,2012, 2013
CarbonNeutral® certification for Air and Fleet Travel	Environmental certification (see paragraph 3.3.3.1 below and http://www.carbonneutral.com)	Environment	2010, 2011, 2012, 2013
CarbonNeutral© certification for Datacentre Energy	Consumption of energy in Steria's datacentres Carbon Neutral since 2013	Environment	starts in 2013
Asia's Best CSR practice Award by CMO Asia, Asian Confederation of Businesses & World CSR Day	Corporate Responsibility best practice	Local Community Support	2013
Bombay Stock Exchange Social & Corporate Governance Award for Best CSR Practice	Corporate Responsibility best practice	Local Community Support	2013
Corporate Excellence Award for Best Overall CSR Performance	Corporate Responsibility best practice	Local Community Support	2013

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

Rating Agency/Index	Change between 2011/2012 and 2010/2011	
VIGEO (1)		
HR	↘	
Human rights	↘	
Environment	↗	
Business behavior	↘	
Corporate governance	↗	
Community	↗	
Year	**2012**	**2013**
GAIA (2)	88%	88,6%
Carbon Disclosure Project CDP	A- ;98%	A ;100%

(1) *The rating criteria used are available on the website www.vigeo.com; VIGEO ratings are updated every 18 months.*
(2) *The rating criteria used are available on the website www.gaïa-index.com.*

International Standards and Principles

Steria is strongly committed to respect and promote international corporate responsibility standards and principles.

Steria has signed the UN Global Compact in 2004; Following the signing, Steria has developed various policies and procedures such as a Code of Ethics, statements regarding conflicts of interest, procurement charters and recommendations on wellbeing and has established a corporate responsibility program which includes specific resources dedicated to corporate responsibility reporting. In addition, Steria also publishes a corporate responsibility report which is based on the Global Reporting Initiative (GRI) guidelines.

3.3 Social policy

3.3.1 The Group's Human Resources policy

Steria's Human Resources policy: the "People Strategy"

In 2012, Steria reasserted its vision and strategy for the future: to be the trusted partner for its customers' transformation. This vision and strategy is driven by a set of clearly defined programmes. The "People Strategy", a programme dedicated to Steria's Human Resources, is one of the central pillars.

This programme, put together using a firmly collaborative approach, has involved employees in each country, including: high potential individuals, HR teams, members of Soderi's Board of Directors and the Group Executive Committee.

Steria's Human Resources policy aims to attract employees, develop their skills and build their loyalty. It draws on all of Steria's strengths, especially its participative governance, a unique system that sets the Company apart. The "People Strategy" program puts in place innovative initiatives, while maintaining an on-going drive to improve current best practices. Regular "People Strategy" workshops are held to ensure that the initiatives and projects match Steria's ambitions and employees' expectations. Actions are formulated at group and local level, ensuring cross-fertilization of the best initiatives. The Group Executive Committee, local management teams and HR teams monitor progress on a monthly basis.

Key dimensions of the "People Strategy"

One of Steria's key convictions is that sustainable performance is driven by human values.

Steria thus seeks to create an environment in which its employees can share their experiences, learn and develop together with open access to opportunities and have a real say in the Company's future.

Steria's unique governance model, under which employee shareholders participate in the Group's strategic decisions (presented in detail in section 2 of this Registration Document), encourages even greater collective involvement from all of its employees and fosters an entrepreneurial culture. This cooperative, participatory approach is gradually being extended to all decision-making processes.

Respect, openness, independence, simplicity and creativity are the Group's five core values. They form the basis of Steria's identity and unite its entities and the countries in which it operates. These values guide the actions, style and expertise of all of the Group's activities and are shared with its employees, customers and partners to ensure shared success.

The four key dimensions of the "People Strategy" designed to mobilize the Company and its employees

- **Promoting a working environment that favours collaborative work and innovation.** This dimension aims to develop all initiatives based on collaborative enterprise and innovation, which already lie at the heart of Steria's corporate culture. It also seeks to foster initiatives related to well-being in the workplace and new working methods that match the Company's Corporate Responsibility measures, with the end goal of enhancing our employer brand in order to attract the best candidates;
- **Strengthening hands-on management and performance.** This dimension aims to give Steria's managers the independence and means they need to perform their role, while developing our Company's performance culture and acknowledging the key contributions made by the employees;
- **Anticipating and developing skills and talents.** The goal of this dimension is to enhance forward-looking skills management while offering all employees development opportunities throughout their career;
- **Strengthening the Human Resources structure, tools and practices** aims to organize the HR function around efficiency and quality of service while complying with the Company's priorities.

The table below lists the main achievements of these four programs in 2013:

Programs	Main achievements in 2013
Workplace Together Promoting a working environment that favours collaborative work and innovation	● Continuous **roll out of the Steria strategy** in each country where we operate to leverage engagement and awareness. ● **Steria Employee survey:** At the end of 2013 we ran a global People survey with Great Place to Work Institute. We achieved a response rate of 70%, compared to 68% in 2011. ● Survey results allow managers and employees to develop action plans in order to improve Steria as an attractive workplace. Throughout 2012 and 2013 every country engaged employees through a collaborative approach to improve well-being.at work. ● **One Day Challenge:** on the same day, in every country, thousands of employees took part in innovative communities initiatives to fund orphans and associations and schools.
Performance Together Strengthening hands-on management and performance	● In 2013, as in previous years, the employee share ownership program was run: 5,000 employees are today Steria shareholders (see section 3.3.6 of the document). ● We developed a modernized Manager Kit to support employee annual reviews, not just as a process, but as a motivating journey. ● Delivery of management training in the areas. ● A strategic review of Human Resources (« Strategic Analysis Ressourcing ») was initiated in 2012. ● Leadearship and Management programs are deployed in France, Germany, the UK, Norway and India.
Talents Together Anticipating and developing skills and talents	● As each year, all countries ran an annual employee appraisal process and talent reviews. 86% of employees met their managers to discuss their objectives and performance in the period. We clearly identified succession plans and high potential individuals across key positions within the Company. ● This year saw the next evolution of the Steria Global Career Framework. In collaboration with Business representatives and HR. ● Training – *Steria Academy*: – "Project Academy": training for Programme Directors across all countries. – Sales Academy: specific training for ExCom members and legal teams. Roll out to all General managers planned in 2014. – Steria e-Academy: 8 e-learning programs were launched, for all 20,000 Steria employees.
HR enablers Together Strengthening the Human Resources structure, tools and practices	● Continue deployment of "People One", Steria's HR IS system, to Belgium, Luxembourg and Switzerland. People One now manages nearly 100% of Group Steria's employees. ● New recruitment system developed. ● Social Networks and collaborative tools: Yammer and SharePoint are new tools that encourage a more attractive and efficient internal communication and collaboration within and across countries. The use of social network as a whole (Linkedin, Twiter,…) has been reinforced for messaging and is widely used to promote recruitment.

3.3.2 Workforce

3.3.2.1 Workforce distribution

Workforce by geographical region (1)

	2012 (1 & 2)	%	2013	%	Change (%) between 2012 and 2013
	Total		Total		
France	6,333	32.0%	6,299	31.0%	-0.54%
United Kingdom (including NHS SBS/SSCL)	4,376	22.1%	5,365	26.4%	22.60%
India	5,338	26.9%	4,703	23.2%	-11.90%
Germany and Austria	1,777	9.0%	1,679	8.3%	-5.51%
Scandinavia	988	5.0%	1,140	5.6%	15.38%
Belgium and Luxembourg	248	1.3%	244	1.2%	-1.61%
Poland	380	1.9%	479	2.4%	26.05%
Switzerland	152	0.8%	161	0.8%	5.92%
Asia (Singapore)	44	0.2%	49	0.2%	11.36%
Headquarters	104	0.5%	94	0.5%	-9.62%
Morocco	72	0.4%	80	0.4%	11.11%
Group total	**19,812**	**100.0%**	**20,293**	**100.0%**	**2.43%**

(1) The data above is taken from the new Human Resources IT system implemented in 2012 and takes into account employees on long-term unpaid leave (the calculation method is explained in the methodological note).
(2) The presentation of the geographical regions in section 3 of this document may differ from that used for the financial information. This difference is explained by the differences in scope that exist between the two reporting types. The non-financial reporting scope is shown in detail in section 7 of the document.

At the end of December 2013 the headcount in Steria was 20,293, this represents an increase of 2.43% on 2012. In the UK, there was a significant increase as a result of the SSCL joint venture that was created on 1st November 2013 and represents a headcount of 1,152 as of end December 2013. According to the contract with the UK Cabinet Office, a Joint Venture (subsidiary) between the Cabinet Office and Steria Ltd. was established to provide BPO services to various departments of the Government. Via the Joint Venture and the various contracts signed, 1,152 « TUPE » (1) (Transfer of Undertakings Protection of Employment - Transfer of employees according to the British scheme) were made to the subsidiary at the end of December 2013. According to the development of the services and contracts that the SSCL Joint Venture aims to have and deliver, this figure shall grow, and especially depending on the nature of services to be delivered from the UK or from India , if these are Offshore services.

In India, the development of certain contracts and projects with customers in the United Kingdom caused downsizing locally, India being one of the leading offshore centers for Steria's subsidiaries including Steria UK.

Poland, Steria's nearshore service center for many of its subsidiaries, has seen its workforce increase.

At the end of 2013, around 26% of Steria's employees were located in its worldwide service centers (offshore and nearshore centers) in India and Poland.

(1) TUPE: UK legal system governing staff transfers, for example on the acquisition of a company or activity.

3.3.2.2 Recruitment

Change in recruitment and distribution by geographical region

	2012 *		2013	
	Permanent	Temporary	Permanent	Temporary
France	1,087	214	598	199
United Kingdom (including NHS, SBS and SSCL)	627	144	1,544	183
India	1,645	222	1,398	167
Germany and Austria	271	10	180	7
Other countries	390	40	586	44
Group total	4,020	630	4,306	600

* *The presentation of the geographical regions in section 3 of this document may differ from that used for the financial information. This difference is explained by the differences in scope that exist between the two reporting types. The non-financial reporting scope is shown in detail in section 7 of the document.*

In 2013, Steria recruited 3,661individuals, more than 84% of whom were given open-ended contracts. In addition there were 1,245 transfers under the UK scheme known as "TUPE" (Transfer of Undertakings Protection of Employment [(1)]) to Steria UK, a majority of which are newly arrived employees in the SSCL joint venture, as mentioned in previous paragraph. In most countries, the Group maintained a high level of recruitment in 2013 to support its activities and make up for the departures recorded in the same period (see below), a consequence of often highly-competitive local job markets. In India recruitment was marginally lower than in 2012 as the demand for off-shore resources reduced.

The Group continued to consolidate its recruitment of key job profiles (project managers, consultants, architects) while still recruiting large numbers of young graduates (44% of new recruits had graduated in the previous two years), an initiative constituting one of the main components of the recruitment strategy deployed by Steria in the different countries in which it operates.

To this end, a number of local subsidiaries work actively to strengthen their ties with universities and engineering and business schools. For example, under an annual program deployed in Scandinavia, recent graduate consultants have been taken on in the region, benefiting from orientation and individually-tailored support during their first year within the Company. The young participants are Swedish, Danish and Norwegian.

In Germany, Steria has joined forces with the University of Hamburg, sitting on the ITMC (IT-Management and Consulting) educational committee.

In France, Steria works with several schools and universities, implementing a collaborative approach whereby it takes part in conferences, competition selection boards and various recruitment fairs. For example, in 2013 Steria France organized the "Steria Hacking Challenge" to raise awareness of Steria security expertise and solutions to the French students.

Sponsoring activities have also been organized, chiefly through the Steria Foundation and its students' challenge known as "Bourse de la Fondation" which encourages student teams to implement community projects using IT tools and services for the benefit of disadvantaged people.

Steria has stepped up its efforts to reach those with specialist job profiles, primarily by ensuring a greater presence on social networks, revamping its website (http://www.steria.com/careers/) and publishing job vacancies on various employment websites. The use of social networks to publish job vacancies and identify potential candidates with the required skills is becoming increasingly common throughout Europe.

The employee recommendation/referral program, implemented in most countries, also plays a key role in recruitment

(1) *TUPE: UK legal system governing staff transfers, for example on the acquisition of a company or activity.*

3.3.2.3 Change in volontary termination rate

Voluntary termination rate	2012	2013
France	8.4%	6.8%
United Kingdom (including NHS SBS)	9.5%	9.3%
India	31.0%	32.4%
Germany and Austria	12.1%	15.1%
Other countries	12.7%	13.5%
Group total	**15.9%**	**15.7%**

The overall attrition rate in 2013 shows a continued small reduction and is comparable to the Company's historical rates and those observed in the sector as a whole. The recruitment environment is fiercely competitive and the investment spent on attracting and retaining promising individuals is substantial, as shown by various initiatives described in this document.

In India, where the job market is more competitive than anywhere else, incentive initiatives, training courses and internal development programs have been implemented with the aim of setting Steria apart from other local and foreign employers.

In 2013, the Group was obliged to release 0.76% of its employees for disciplinary reasons or reasons related to unsatisfactory performance

3.3.2.4 Working time Organisation

In most countries in which the Group operates, working time is regulated by law. In the absence of an agreement on working time, local law applies.

Where permitted by the constraints of the project or department, applications to work part-time are generally authorized for varying lengths of time depending on the country.

% of employees working part-time

	2012	2013
France	5.0%	5.4%
United Kingdom (including NHS)	12.4%	13.6%
India	0.0%	0.0%
Germany and Austria	7.4%	10.4%
Other	5.3%	5.7%
Total	**5.5%**	**6.4%**

Within the Group, 6.4% of employees (of whom 73.9% are female) work part-time. The increase from prior year is across the European countries. In the United Kingdom, the number of part-time employees is higher than elsewhere owing to employee transfers (under the TUPE scheme) to Business Process Outsourcing (BPO) departments, primarily from the public sector (NHS SBS/Police), where these working time arrangements are more common than in the private IT sector.

It should be noted that the term «part-time» in India isn't reported as such (« Not Applicable »).

Existence of an agreement on working time at the end of December 2013

	Agreement signed on working time
France	Yes [3]
United Kingdom (including NHS-SBS)	No [1]
India	No
Germany	Yes [2]
Norway	Yes
Sweden	Yes
Denmark	Yes
Belgium	Yes
Poland	Yes
Switzerland	No

(1) No agreement but all employees up to Manager level are covered by external Working Time Regulations unless they formally opt out.
(2) Agreement came into effect on January 1, 2013.
(3) In France, A collective agreement on working from home has been signed in December 2013, to be implemented early 2014.

3.3.3 Skills development and training

The development and adaptation of skills lies at the core of the Group's Human Resources strategy.

Given our rapidly-changing environment, it is important that the Group's employees constantly acquire new technical, behavioral and managerial skills.

3.3.3.1 The Global Career Framework: an essential tool for the development of talent and expertise.

Steria offers all of its employees multiple, varied career opportunities, in every country in which the Group operates. The Global Career Framework is the core HR tool that helps employees identify and weigh up the options available, and to plan and manage their career. The Global Career Framework provides a clear map of the professional roles available at every career stage, from the most junior to the most senior level. As each position is described and illustrated, this tool is also widely used in annual appraisals to help define targets and build individual development plans. Shared by all of the countries in which Steria operates, the Global Career Framework is also a project assistance tool; organizing employees' skills makes it easier to offer the right jobs to the right people.

3.3.3.2 Sharing the same understanding of skills: the Competency Framework

More recently, Steria has sought to build a competency framework. All of the Group's countries have helped create this new repository of key competencies, allowing each individual to understand which skills are needed in the IT business.

The Competency Framework is gradually being used in all of the Group's countries while always respecting local culture, a factor that lies at the core of Steria's business plan. The United Kingdom has supplemented this initiative with a training program including reading lists, a self-study guide and classroom-based courses.

3.3.3.3 Managing talent

Steria has a strong managerial culture based on structured annual processes that mark out the cycle of the relationships between managers and employees.

The management of talent at Steria has for a number of years been based on three key processes:

Process 1: talent reviews

The talent review is an invaluable management process that identifies employees showing potential for positions of responsibility, thus ensuring the sustainability of Steria's organizational structure. Talent reviews are held in a consultative manner by all managers within one department; this consultation focuses on sharing different views on employees. The assessments are constructed based on the employee's results, analyzed over several years, and on his or her progress within the organization. Talent reviews also help identify employees' development needs. They are held in every country in which Steria operates and are discussed by the Executive Committee, which uses them to identify potential successors in the organization's key roles.

Talent reviews allow managers to approach annual appraisals with a broader, more evenly-balanced view of their employees.

Process 2: succession plans

The purpose of succession plans is to ensure the sustainability of the Company's vital functions. Every organization identifies managers who may take up short-, medium- and long-term management functions. Associated development plans and training/coaching/learning scenario programs are offered to these employees to support them in becoming the managers of the future. These succession plans are reviewed every year and are examined by the Executive Committee twice a year.

Process 3: the annual interview

Whereas management is practiced throughout the year, through regular meetings between managers and employees and shared team success, annual appraisals mark the culmination of this relationship. Annual interview are mandatory; they represent an opportunity for employees to think about their successes and areas for improvement in relation to the targets set, and to share their wishes as regards progression, mobility and training with their manager.

The manager, who plays a key role in Steria's organizational structure, listens, congratulates, challenges and offers honest, constructive feedback. The manager supports every employee on the path to success and professional development. Together, they assess the results of the year and determine future goals along with the means necessary to achieve them. Managers play a key role at Steria. They supervise and unite teams, maintain their commitment and form a key part of the strategy. Employees, meanwhile, are expected to develop their careers by making suggestions in terms of both progression and training.

The annual interview is when the employee's motivation and commitment are at stake. It is prepared and accompanied by managerial training campaigns run by the HR department.

Annual interview are held in all countries, from January through March. The appraisal systems and processes have been in place for a number of years. It is used by all managers and allows them to ensure that all teams benefit from shared goals consistent with Steria's development strategy.

The annual interview are supported by the Career Framework and the Competency Framework.

3.3.3.4 Developing expertise and talent: Steria Academy

The IT sector is constantly evolving and requires a real ability to anticipate the professions of tomorrow and thus determine appropriate training policies.

Developing and training its employees throughout their careers has always been one of Steria's key goals. As a business, it encourages all employees to take charge of their own development plan in liaison with their manager.

At both Group and local level, Steria implements a training policy and programme for all.

At Group level, the Steria Academy, created in 2009, addresses senior managers on topics essential to the strategy: managing major IT transformation programmes and building partnerships with customers. These high-level programmes are developed internally by Steria senior managers. In addition to training, the Steria Academy provides means for sharing knowledge and creating networks, which are essential in our line of business.

Steria also encourages innovative training solutions such as e-learning. With more than 1,000 employees taking online IT, managerial or language training courses, this new method of learning is growing. Since 2012, real improvement was made in the field of professional certification, notably; ITIL, Prince 2, PMI, Testing and Six Sigma.

The training and e-learning programmes form an integral part of a wider system that includes "on the job" training and mentoring. These two practices are also encouraged. It is one of Steria's convictions that these practices tighten the bonds between teams and management, ensuring the sustainability of our culture and our professional expertise. A Knowledge Management system, an internal social network that is currently being deployed, supports this transition process. This is something that the young people who make up most of our teams like and with which they are particularly adept. It is on this type of internal network that the best Steria experts express themselves, allowing the Company to benefit from specialist expertise.

3.3.3.5 Training: A system adapted to each country

Locally, each country builds and deploys a training offer aligned as closely as possible with the needs of its business. In France, Steria is participating in the development of employees and their career evolution through programmes with a specific focus on managers and on career paths bringing more value to roles like project management and solution architects.

The Steria France Training Institute continued to expand its courses. The programme dedicated to project management now includes project management assistance with different modules; project implementation, business, personal development and client business. The programme dedicated to architects now includes technical architecture for Infrastructure management. It has been certified by one of the leading engineering faculties and includes courses to train future architects.

In the area of extra-curricular training, a « design and development » training course is being created, aiming to develop the employability of employees in Shared Services Centers. New training opportunities are also proposed on topics such as payroll, legal, procurement and Human Resources, through partnerships with dedicated training centers.

In Norway, we have organized our training activities in a concept called Learning@Steria.no. It covers induction, consulting skills, tailored professional development and certifications and networked communities. Each employee is encouraged to use time do develop their skills In 2013, around 250 different training sessions were organized through the year.

In the UK, specific training programmes have been developed in 2013:

- Management Essentials: This programme is aimed at our middle management. Either those new to management or those who are new to Steria. This two day programme covers the essential sills of people management. It is complemented by a programme called Core Management (training on key Steria processes and responsibilities) and inspiration Leadership.
- Selection Interviewing: This programme is aimed at anyone who is carrying out or will be required to carry out selection interviewing. This one day programme covers the legal and cultural aspects of effective selection.
- Executive Leadership Programme: This programme has been put together for our current list of High Potential employees identified as part of our talent review process. These High Potentials are individuals considered to have the potential to reach the executive board in 5 years. The programme spans 2 years. The modules are "leading myself", "leading profitable business", "leading teams" and "leading change".
- Sales Training: There are three main courses: Strategic Selling, Large Account Management Planning and Writing Winning Proposals.

Number of training hours and training days per employee

	2012	2013
Number of training hours	397,553	303,606
Average number of training days per person per year	2.73	2.12
External training cost (in millions of euros)	7,880	7,395

In France, where external and internal costs of training figures are reported annually, figures are as follows:

- 9,106 thousand euros, representing 3,19%.of salary costs and 2,3 days by employee for 2012;
- 8,370 thousand euros, representing 2,86% of salary costs and 2,7 days by employee for 2013.

The above data represent the training sessions formalized by the employees under the Human Resources reporting system (PeopleOne).

It should be noted that in addition to these deferred training days, more than 2,000 days were used in the context of internal training programs aiming to maintain the employability of employees.

The reduction in the training costs and days in 2013 was impacted by the increasing and continuing use of e-training (SkillSoft Training Programmes), where the time spent by employees is not captured and therefore not reported in the figures above

3.3.4 "Well-being" in the workplace

3.3.4.1 Policies on well-being in the workplace

It is essential to foster dialog with our employees and take into account their well-being in order to boost their involvement and satisfaction. For this reason, every two years, Steria commissions an independent survey among its employees, the results of which allow each country and entity to prepare and implement dedicated action plans that help improve the working environment on an ongoing basis.

As an international player in the IT business, working with customers on a daily basis in different geographical regions across different time zones, we face specific challenges. Working without traditional boundaries for many is a positive experience. To allow every employee to adapt to these new working methods, specific training programmes and new collaborative tools are gradually being implemented in each country.

To ensure that we continually have the clearest possible picture of our employees' level of satisfaction and expectations, Steria holds regular employee surveys. In 2013, this survey was organized for the second time via the "Great Place to Work" (GPTW) institute. Surveys like these provide an opportunity to define and review action plans, adjusting them to meet employees' expectations as closely as possible. In 2013, the response rate to GPTW survey was 68% . Each country will go beyond the survey by encouraging its employees to work together to improve well-being in the workplace with the implementation of local action plans driven by the survey results.

Local initiatives on well-being

In Norway, the topic of well-being in the workplace is discussed at orientation seminars and leadership workshops. Processes have been implemented to monitor employees' working hours and measures have been taken to ensure that they are not excessive, for example by offering time off in lieu and making sure that annual leave is taken.

In the UK, a training programme 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. Steria UK's policy regarding leave ensures that employees take at least four weeks per year and offers them the option of taking up to seven weeks' leave in certain years where they need to do so, as part of a flexible advantage programme. Many employees work part-time or unusual hours to allow them to balance their personal and professional responsibilities more easily. Steria UK has also adopted the principle of "Family Fridays", to make sure that employees who regularly work far from home can enjoy a full weekend with their families without interruptions caused by long journeys or meetings.

In France, following a qualitative audit on our employees' working conditions and well-being, carried out by an external firm, an occupational stress prevention programme (known as "Zen IT") was launched in summer 2009. The following action plans have been adopted as part of this programme:

- implementation, in coordination with the Work Health Department, of a follow-up process for employees suffering from stress;
- addition of a training day on stress management within the management training programme in Steria France This training program is supplemented by a special tool kit for managers to make them aware of risks related to stress in the workplace;
- training of all employees involved in the process: Human Resources teams, health and safety representatives, managers;
- awareness initiative on stress prevention via the newly-created management community.

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 well-being in the workplace, etc. Steria's sites in India also have fitness centers and recreation facilities such as libraries. A Health Screening policy has also been implemented, covering company sponsored medical check-ups and fully financed annual health check-ups for its employees aged over 40. Moreover, all employees, regardless of their position, are given a fixed sum of money for their health check-up. As an extension to its health screening policy, Steria has linked up with leading local hospitals to offer discounted OPD and IPD consultation rates for Steria employees and their dependents. Each of Steria's three Indian sites also has a fully-equipped medical room with a doctor visiting three times a week.

In Germany, the WIN project (Working Conditions Improvement Network) has been rolled out in 2013. In January 2012,around 4,000 comments on the Company and its working conditions were collected in consultation with employees. For categories that collected the highest number of comments, sub-projects were launched in the following fields: "Internal processes and services", "IT", "Career fulfillment", "Leadership" and "Well-being in the workplace".

Summary of the main initiatives undertaken to ensure "well-being in the workplace"

Country	Arrangements favoring remote working	Hotline	Stress management tools and training	Other services [(1)]
France	Yes	Yes	Yes	Yes
United Kingdom (including NHS)	Yes	Yes	Yes	Yes
India	Yes	No	No	Yes
Germany and Austria	Yes	Yes	Yes	Yes
Other (at least one country)	Yes	Yes	Yes	Yes

(1) Such as laundry services, crèches, sport halls, etc.

In most countries, hotlines help employees address issues related to health. For example, in the UK, all employees are encouraged to take advantage of the Employee Assistance Program (EAP) offered by Unum Lifeworks. This program offers practical solutions, information and assistance in finding daycare for the children of Steria employees, finding help to care for elderly parents, managing finances, obtaining legal assistance, dealing with personal or family difficulties, or simply managing the risks of everyday life. It is also accessible to members of the immediate family of employees, their spouses or partners and individuals younger than 21 years of age in full-time education who are still dependent on them. In India, the employee support team is engaged in supporting on personal administrative topics. In France there is an agreement on remote working from home, a support on stress management and our Meudon offices, a set of "comfort" services are provided such as laundry, dry cleaning, shoe repairing, travel agency, admin support (visa,…), organic fruit and vegetables baskets and also child care services.

3.3.4.2 Health and safety in the workplace

Steria's activities do not present any significant inherent health and safety risks, such as those related to workplace accidents.

The various initiatives related to occupational stress undertaken within the Group are detailed in section 3.3.4.1 above.

It should also be noted that 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.

Main 2013 health and safety figures

	Existence of a health and safety committee	Existence of a formal agreement on health and safety	Employee representatives taking part	Number of meetings in 2013
France	Yes	No	Yes	145
United Kingdom (including NHS-SBS)	No [(1)]	No	NA	NA
India	Yes	No	No	NA
Germany	Yes	No	Yes	10
Norway	Yes	Yes	Yes	4
Sweden	No [(2)]	Yes	Yes	2
Denmark	Yes	No	Yes	5
Belgium	Yes	Yes	Yes	12
Poland	No	No	NA	NA
Switzerland	No	No	NA	NA

(1) All health and safety issues requiring discussions with employee representatives will be dealt with at the forum organized in the UK.
(2) Health and safety issues are managed by HR Manager, security manager and a health and safety-representative from the union.

Number of Workplace Accidents/Incidents registered in 2013

	Number of Injuries/ Incidents	Days lost to Injuries/ Incidents
France	42	603

The data for reporting of Workplace Accidents in each country is based on the local legislation and is not consolidated in any centralised IT system. For 2013 the figures reported above are for France only, the intention is to expand the reporting in the future based on the definition used here.

Moreover, the reporting system of these data having been introduced this year, no historical comparison from one year to another is accessible and usable to date.

3.3.4.3 Sick leave

Sick leave rate by country in 2013 (by geographical region)

	2012	2013
France	2.28%	2.62%
United Kingdom (including NHS-SBS)	3.34%	3.28%
India	1.81%	1.86%
Germany and Austria	2.59%	2.75%
Other	3.02%	3.02%
Total	**2.50%**	**2.62%**

Our sick leave rate in 2013 (Group) was 2.62%%, i.e. 6.58 days per employee. This rate remains on a par with the rate observed in our industry, as is the rate observed in each country.

3.3.5 Remuneration policy

The Group's remuneration policy is based on shared principles applied to suit local laws, regulations and characteristics in the Group's various entities and geographical regions.

This policy aims to:

- attract and recognize talented individuals;
- reward individual and collective performance;
- implement the Group's strategy and take financial and operational targets into account;
- for certain employees; a variable remuneration policy is implemented to incentivize high performance.

Employees receiving variable remuneration [(1)] by country at the end of December 2013

	Number of employees	% of the total number of employees
France	653	10.4%
United Kingdom (including NHS-SBS)	292	6.9%
India	4,703	100.0%
Germany and Austria	1,541	91.8%
Scandinavia	893	78.3%
Belgium and Luxembourg	80	32.8%
Poland	0	0.0%
Switzerland	59	36.6%
Headquarters	70	74.5%
Group total	**8,291**	**43.6%**

In each country, remuneration for managers, sales professionals, consultants, and project managers, as well as certain functional roles, contains a variable portion. In Germany and Scandinavia, this applies to all consultants, who account for a larger proportion of staff. In India, the remuneration of all employees comprises a variable portion, a substantial part of which is based on the results of annual performance appraisals.

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

(1) Individual remuneration, the payment of all or part of which depends on the achievement of individual and collective performance criteria.

general orientations in terms of growth, profitability and cash, as well as with its transformation programs.

In 2013, objectives for Executive Committee members were determined based on Group performance (revenue, profitability, financial debt, and the success of company-wide strategic projects), as well as 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. From 2012, individual objectives were extended to include Corporate Responsibility.

The General Manager and Executive Committee members' remuneration is described in detail in paragraphs 2.4.1 and 2.4.2 of this document.

The variable remuneration system is reviewed annually, taking into account changing business strategies and specific challenges. Its purpose is to create a direct link between the performance of the Company and that of each employee and the level of variable remuneration.

Policies on changes to remuneration, including fixed and variable pay, are approved annually on the basis of Group guidelines and taking into account any local laws. Annual salary review considerations are based on company performance and market conditions. Where stipulated by law, negotiations are held with employee representative bodies.

The Group believes that, given the diverse nature of the activities conducted in the various countries in which it operates, the publication of average salaries by country would provide no added value to readers of this document. Furthermore, Steria believes that more precise information (average salaries by country, scales, etc.) constitutes strategic competitor data that should not be published.

3.3.6 Employee profit-sharing

3.3.6.1 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 and June 2013, employee profit-sharing and incentive agreements were concluded in France with union organizations. These agreements were put in place on the "Economic and Social Unit" (UES) level.

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.

3.3.6.2 Employee shareholding

Since its creation in 1969, Steria has put in place an original mode of governance which is described in section 2 of the present Registration Document, associating the employee shareholders with the development and success of the Group.

Consequently, employee share ownership at Steria is not only a classic incentive system, but also the undeniable proof of a specific governance model involving employees in decision-making, the Soderi Board and various local initiatives is clearly encouraged.

Today, the 5,000 employees are still the largest shareholders of the Group with a 24.14% capital investment at December 31, 2013 [1].

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

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

Therefore, in 2013 a shareholding plan was deployed across 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 by an employer matching contribution,
  - 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 906,041 shares in 2013.

In the UK and India, programs tailored to local regulations have been implemented:

- 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 via the intermediary of a British trust called "SIP trust";

(1) Including ex-employees and the UK trusts (SIP trust, SET Trust and XEBT Trust).

- 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.

In 2013 these plans allowed British and Indian employees to subscribe to a total of 124,355 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.

3.3.6.3 Free performance share grants

In order to develop motivation and loyalty among the Group's managers, Steria put in place a specific initiative to align them to the Group results through a free performance share grant program.

Free performance share plans are therefore implemented every year. These selective distributions are made with the purpose of retaining managers and employees who have made outstanding contributions to the Company's strategy, management or performance or to reward acknowledged initiatives. They differ from the overall compensation policy.

The 2013 plan involved 149 employees and 151,900 free shares were granted.

The granting of free performance shares is consistent with the recommendations of the AFEP/MEDEF Corporate Governance Code. It is subject to conditions including presence and strict performance, both of which are based on recent trends in the operating margin or the Group's growth assessed generally over a period of three years. 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, allocated through the life of their appointments.

These plans are described in detail in note 4.6 to the financial statements in section 5 of this Registration Document.

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

3.3.7 Social dialogue

Steria has established employee representation forums in most countries pursuant to applicable local laws and regulations.

A European Works Council has been established at Group level. It deals mainly with issues that affect several countries, such as major structural changes and acquisitions or disposals of businesses and activities.

In France, a collective agreement on working from home has been signed in December 2013, and was implemented early 2014.

Key 2013 figures on the management of social relations

	Existence of an employee representation structure (1)	Number of representatives elected (2013/12/31)	Number of works councils/forums active in 2013
France	Yes	239 (2)	151
United Kingdom (NH-SBS included)	Yes	10	9
India	No	NA	NA
Germany	Yes	40	72
Norway	Yes	5	4
Sweden	Yes	3	12
Denmark	Yes	4	5
Belgium	Yes	24	12
Poland	No	NA	NA
Switzerland	No	NA	NA

(1) Forums, works councils, etc.
(2) Includes local bodies.

In the absence of any employee representation structure, such as in India and Poland, organizations and means of communication have been developed to give employees the opportunity to submit their questions and engage in dialogue in different ways. In India, for example, the following resources are available to employees:

- General Meetings: quarterly discussion forums where employees can ask their management team questions;
- "DirectToCEO" Mailbox: a box that allows employees to send the CEO their concerns and suggestions;
- Safety committees: these have been put in place to resolve issues of harassment (including sexual) onsite and at the national level;
- Direct talks: meetings between an employee (N) and N+2 in the absence of his or her direct superior.

3.3.8 Diversity

Respecting people's rights at all times, we are dedicated to recognising human rights in all our relations with employees, clients, shareholders, suppliers and local communities. The Group's values are the basis of all relationships with our stakeholders. Steria welcomes and values diversity. In this respect, we never tolerate discrimination or harassment, in any form. Our goal is always to select, retain and develop all employees, irrespective of their differences.

3.3.8.1 Disability Policy

Group Disability Policy

To demonstrate the Group's desire to act and encourage the implementation of action plans in this area, a Group policy for persons with disabilities was published in 2011.

The key objectives of this policy are:

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

Each country now has one HR person appointed who is in charge of seeing that this policy is properly implemented.

Internal accessibility experts are currently working on the implementation of gradual changes to the buildings for accessibility, so that a maximum number of sites are accessible for people with disabilities. Since December 2012, approximately 85% of the sites offered adequate access.

Because it is impossible to make the disability reporting process mandatory, but also because the reporting formats for disabilities and the definitions of "disability" vary from one country to another, it is currently difficult to collect reliable information in this area in each country, much less at the Group level. In some countries, the percentage of workers with disabilities reported (compared to the total workforce) is tracked nonetheless.

Local Disability initiatives

Several major initiatives related to disabilities have been undertaken in certain geographical areas.

In France, a policy implemented over a period of four years in collaboration with Agefiph [1] has made it possible for the proportion of persons with disabilities within the Company to increase threefold.

Steria France also signed a three-year agreement in December 2011 (valid until December 31, 2014) with the unions on the employment of disabled persons. The main objectives of this agreement are:

- to recruit 75 disabled persons within three years;
- to increase the share of Steria employees with disabilities to 2.5% by the end of December 2014.

In 2013, several initiatives were launched to meet these targets:

- flyers were circulated to 6,000 employees to acquaint them with Steria's policy regarding disabled people. The purpose of this is to encourage people with disabilities to come forward;
- an external hotline allows employees to ask questions about disabilities with complete confidentiality;
- follow-up individual interviews offered to all Steria employees with disabilities to support them in their position;a large-scale awareness programme was launched: the "Steria mission handicap Tour" , publication of positions available on specialized sites (www.hanploi.com, www.handicap.fr, etc.) ;
- individual support was implemented for disabled people : ergonomic and skills assessments, coaching
- development of contracts concluded with institutions that employ people with disabilities in the areas of recycling, catering, printing and postal delivery. An agreement was signed in this area with a national subcontracting association.

(1) *Government organization in charge of developing and supporting the employment of disabled people.*

Many of the initiatives undertaken by Steria France with regard to disabilities were supported by Fédération Syntec (the federation representing the IT services sector), such as the creation of a job-board with employment opportunities in the IT sector specifically targeted toward persons with disabilities.

The awareness initiative on disability "Mission Handicap Tour" ran for one month across Steria France's locations in Vélizy, Roanne, Sophia Antipolis, Aix-en-Provence, Toulouse-Colomiers, Bordeaux-Mérignac, Nantes, Rennes and Meudon and in IT schools such as EPITA - EPITECH, EPSI Lyon and INP Toulouse. Over 1100 staff members and students had the opportunity to participate in the awareness programmes provided by the "Mission Handicap Tour" bus: Café Silence for an introduction to sign language and DarkLab, a tasting in total darkness. The objectives of this unique campaign in France was to continue to raise awareness of our employees on disability issues.

In the UK, training on the Disability Discrimination Act, an EU directive to prevent discrimination against disabled persons, is a part of the "Core Management" workshops that are given to all newly hired and promoted managers. A new e-Guide has also been developed. This guide focuses on aspects of disabled employees' presence in the workplace such as legislation, discrimination and facilities. Steria UK has partnered with companies specializing in occupational health and ergonomics to identify different ways (material and other) for employees who have special needs and their managers to obtain the advice they need. Over the years, various solutions have been adopted to overcome the difficulties they face. Managers are encouraged to consult the HR Department, which will help them deal with each specific situation. In the UK, Steria and the public agency Access to Work together ensure that all public assistance directly benefits the person for whom it is meant.

3.3.8.2 Male-Female Equality

Male/Female Distribution

	2012		2013	
	Women	**Men**	**Women**	**Men**
France	23.3%	76.7%	22.9%	77.1%
United Kingdom (NHS-SBS included)	40.4%	59.6%	40.9%	59.1%
India	32.1%	67.9%	32.9%	67.1%
Germany and Austria	22.2%	77.8%	23.1%	76.9%
Scandinavia	21.6%	78.4%	20.7%	79.3%
Belgium and Luxembourg	17.3%	82.7%	16.8%	83.2%
Poland	59.5%	40.5%	64.5%	35.5%
Switzerland	18.4%	81.6%	17.4%	82.6%
Headquarters	36.5%	63.5%	37.2%	62.8%
Group total	**30.0%**	**70.0%**	**30.3%**	**69.7%**

Female representation

Promoting women in the workplace is part of our commitment for diversity. The following table shows the number and percentage of women at various levels of management at the end of December 2013:

Management layer	Number of women	%
Group Executive Committee	**1**	**12.5%**
Area Executive Committees		
France	6	50%
UK	1	25%
Germany	3	21.4%
India	0	0%
Other countries	6	26.1%
Global Management Network		
France	22	21.2%
UK	20	18.2%
India	3	33.3%
Germany	2	3.8%
Other countries	6	13.6%
"Top 4000" *		
France	284	20.5%
UK	305	26.8%
India	44	14.5%
Germany	67	14.9%
Other countries	108	19.6%
Total	**808**	**21.1%**

* *Correspond to management levels 4 and 5 of our Global Career Framework.*

Various initiatives have been implemented in the Group entities to promote and encourage diversity, equal opportunities and male/female parity.

In France, discussions on gender parity were held with employee representation organizations. An action plan has been defined for 2014 to promote gender equity, including measures on salary.

In Sweden, the Group started partnering with Womentor [(1)] (http://www.womentor.eu/) more than seven years ago. Steria hosts regular meetings of this organization.

In the UK, diversity and equal opportunities topics are included in the suite of management programs – Core Management, Management Essentials and Stepping into Leadership. The same topics are also included in induction programs.

In India, Steria promotes women's education, training and employment, and is taking steps to facilitate their integration and protection, including:

- creating workplace crèches (for children aged three months to five years);
- education programs dedicated to girls through the Steria Indian Foundation community initiatives;
- the application of a very strict anti-harassment policy, supported by a committee to which greiveances can be raised;
- all female employees using company transport between home and work are accompanied by security guard.

(1) Association that works towards equal gender opportunities through sponsorship. The European Federation of Mentoring for Girls and Women (Womentor) was founded in Austria in 2008. It counts 14 members from ten different countries. Its objectives are to reduce the differences in male/female jobs and salaries, to end segregation, and to achieve equal opportunities and respect for the work-life balance. Womentor also supports organizations (members) outside the EU.

3.3.8.3 Age diversity - Seniors

Workforce distribution by age

	Under 30 years	30 to 50 years	Over 50 years
France	20.1%	65.8%	14.2%
United Kingdom (NHS included)	11.2%	55.8%	33.0%
India	54.2%	45.1%	0.7%
Germany and Austria	14.4%	63.4%	22.2%
Scandinavia	24.3%	61.4%	14.3%
Belgium and Luxembourg	9.4%	63.9%	26.6%
Poland	60.8%	39.2%	0%
Switzerland	15.5%	63.4%	21.1%
Headquarters	3.2%	53.2%	43.6%
Group Total	**27.1%**	**57.2%**	**15.7%**

Age issues occupy an important place in France in discussions on diversity. Extensive efforts have been made since 2009 to maintain seniors (over 55) in their positions, enrich skills through training and encourage the exchange of knowledge with new hires. Below is a non-exhaustive list of actions undertaken to address this issue:

- performance and development interviews include a specific section dedicated to information on pension rights; presentation of various training options, employee wishes regarding mobility, career plans and opportunities for mentoring. In addition, managers responsible for conducting interviews with employees aged 55 and over have been specially trained since 2010 on this topic;
- a special kit is given to employees aged 55 and over containing documents with all rules applicable to training access, career termination benefits, etc.;
- measures to improve working conditions (easier access to part-time hours) and sickness prevention (awareness initiative, strengthening of medical monitoring).

3.4 Environmental sustainability

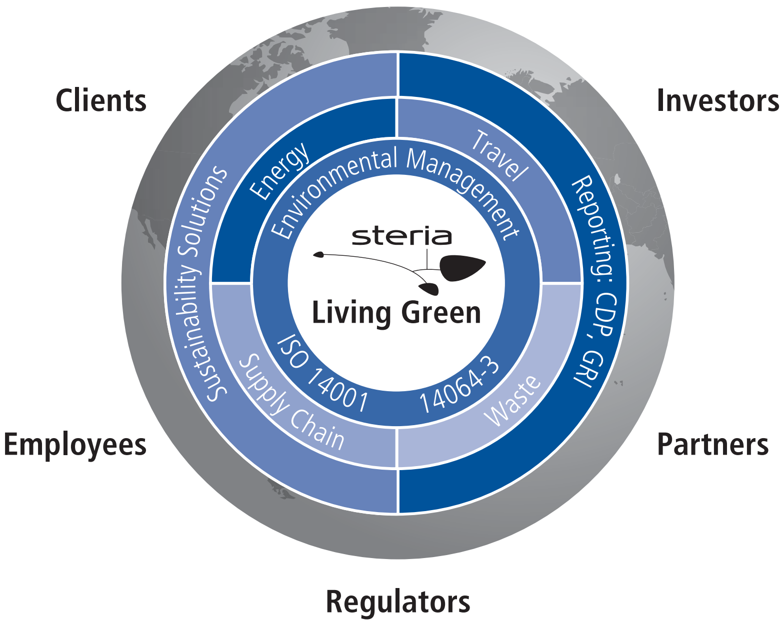
3.4.1 Environmental sustainability principles and objectives

Environmental 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 in the future and it already influences the way companies operate now.

As a provider of IT services not only are we well positioned to reduce our own greenhouse gas emissions, but we can go further by supporting our clients in reducing theirs, too. In fact, Steria's sustainability strategy is to become the European sustainable IT services provider of choice by managing the sustainability of its operations, procurement and supply chain, by engaging its workforce, and by responding to its customers' objectives with services and solutions that help them become more sustainable.

Steria is committed to bringing the entire organisation collectively and cohesively to think, plan, and operate as a truly environmentally sustainable company.

As a Group, we are focusing on ten significant impact areas.



- **Living Green –** The Living Green programme enables every Steria employee to contribute towards making the company more sustainable. Our 'Living Green' programme was recognised with an international CSR Excellence Award and a Green Apple Award.
- **Environmental certification –** Our operations in Austria, Belgium, Denmark, France, Germany, India, Luxembourg, Norway, Poland, Sweden, Switzerland and the United Kingdom have received ISO 14001 certification for their Environmental Management Systems. We also have had our greenhouse gas emissions from operations in the UK and India independently verified to the ISO 14064-3 standard, and are looking to introduce this verification in other countries in the coming years.

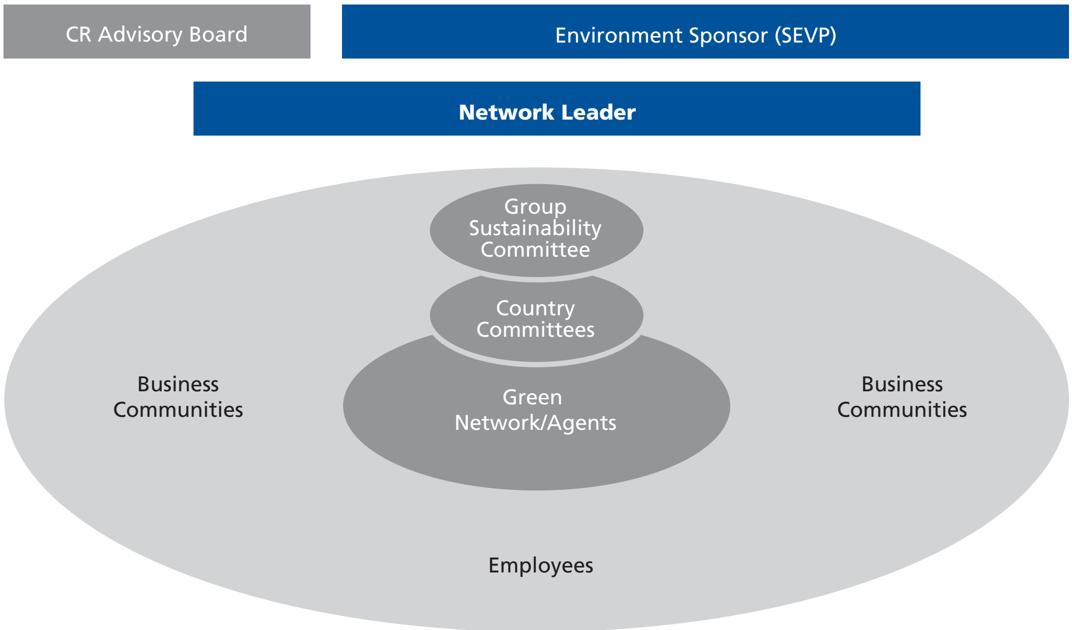
- **Energy management –** Consumption of energy in buildings is responsible for a significant portion of the Group's emissions. We have worked for several years to reduce consumption and gradually move to renewable sources of energy for office buildings. We have reduced our energy consumption by 22GWh - 30% reduction - over a 5 year period (2013-2009). 28% of the electricity that we consumed in our offices and on-site data centres in 2013 came from renewable sources.
- **Management of business travel –** Since January 2010 the Group has had CarbonNeutral© certification for travel by air and road. Our plans are to continue to offset travel and carbon emissions from business travel. In 2013 our emissions from business travel were 16,747 tCO2e,19% lower than they were 5 years ago (2013-2009).
- **Supply chain management –** Since 2012 Steria has been part of the CDP Supply Chain Programme with 60 other major corporations across the world. We are focussed on ensuring that our supply chain sustainability management conforms to best practice. We are pleased to note that our key suppliers reduced their emissions in 2013 relative to our base year of 2012.
- **Waste Management –** We focus on both electronic waste and on general waste generated in our offices. Group-wide we have implemented local arrangements for the disposal of electronic waste that go beyond simply complying with regulations; where possible, we work with specialist organisations to maximise reuse and recycling. In Steria offices that we manage we have implemented general waste segregation and recycling services that minimise waste sent to landfill.
- **Water Management –** Whist the nature of our business is such that our water consumption is limited compared to that of other industries, Steria fully acknowledges the growing importance of reducing water consumption. In 2013, we started metering and monitoring water consumption at some sites and implementing water-saving measures that include rain water harvesting. In France, we have launched a project to enhance quality of data related to water consumption on our sites and thereby improve management of reduction initiatives. We estimate water consumption to have reached 5,9 m^3 per person in 2013 on sites where data have been collected.
- **Training and informing actions towards employees in terms of environment protection -** TTo conduct environmental policy, support deployment of environmental management systems, and facilitate employee awareness of environment protection, Steria performs training and engagement, and runs change management programmes to promote CSR, sustainable environment, waste sorting, reduction of energy consumption in the workplace and other activities related to environmental protection. Steria organises dedicated training sessions, meetings and conferences, uses videos, information on digital displays, intranet quizzes and newsletters, and provides guidelines on responsible behaviour in the workplace. In France, Steria also organises visits to smart energy sites (Green Office®) and presentations of smart energy management devices and IT solutions implemented in the workplace.
- **Reporting –** Openness and transparency to all our stakeholders are core principles of our Corporate Responsibility programme. At least annually we publicise our plans, progress and achievements at summary level through this reference document and in more detail in our GRI-aligned Corporate Responsibility report and in our responses to the CDP Investor, Vigeo and Gaia benchmarks.
- **Supporting our clients with sustainability –** We take what we do best for ourselves to our clients and work with them to make their businesses more sustainable with our sustainability consulting services and energy and transport management solutions, amongst others.

The following table summarises the key achievements of 2013:

Key priorities for environmental sustainability	Key Achievements in 2013	KPIs	Long-term objectives
Managing our business for climate change and environmental sustainability	CDP 2013 Investor: first company listed on the French stock exchange ever to receive a perfect score of 100A and a special award at NYSE Euronext CDP Supply Chain 2013 results show reduction in emissions from our key suppliers during the previous year	Implementation of the ISO 14001 and ISO 14064-3 programmes Energy & travel reduction initiatives Increasing use of renewable energy sources	Reducing carbon emissions per employee by 50% by 2020 (compared to a 2008 baseline) Establishing an ISO 4001-certified Environmental Management System Verifying greenhouse gas emissions to the ISO 14064-3 standard Maintaining CarbonNeutral© certification for business and datacentres Working with our partners and suppliers to reduce carbon emissions in the supply chain Obtaining 50% of our energy from renewable sources by the end of 2016 Achieving CarbonNeutral© status for all energy by 2016 Achieve zero waste to land fill by 2020
Helping our clients to become more sustainable	Smart Energy Management projects *working with* energy operators Smart Home and Smart Grids projects to enhance efficiency of energy consumption and production Working with its client the Land Registry in the UK, Steria has helped reduce its emissions and waste, embed sustainability in the supply chain and encourage sustainability in local communities		Detailed information concerning clients remains confidential, although long term objectives (among others) are for energy operators: streamlining of energy production and consumption, introduction of renewable energies into the grid. for government organisations: reduction of environmental impact of public services.

3.4.2 Organisation

A Senior Executive Vice President (SEVP) of Steria Group's Executive Committee is responsible for "Climate Change and the Environment" across Steria. He leads a Group Sustainability Committee consisting of senior managers/directors from each country. This Committee drives the strategy, plan, operations and performance measures for the company. Each Country Leader in turn drives an environmental agenda locally with support from a local committee and Green Network. The Group Sustainability Committee is an integral part of the Group's Corporate Responsibility programme. In addition, sustainability services and solutions for our clients are marketed and delivered as part of our vertical client services function.



The Group Sustainability Committee meets every six to eight weeks to plan, assess progress, discuss problems and opportunities and decide what action to take. The Network Leader also conducts individual quarterly reviews of progress in each country.

The Leaders of each country work with local committees and their "Green Agent Networks" to implement initiatives locally.

3.4.3 Some of our environmental sustainability initiatives

3.4.3.1 Sustainable Development at Steria

ISO 14001 Environmental Management System

We manage our environmental impacts formally using an Environmental Management System certified to the ISO 14001 standard. The table below shows when certification commenced in each country.

Country	ISO 14001 certified since
UK	2008
Germany	2009
Austria	2009
Norway	2010
Poland	2010
India	2011
Sweden	2011
Denmark	2011
Switzerland	2011
France	2012
Belgium	2013
Luxembourg	2013

Offices that are environmentally friendly

As part of our commitment to "Living Green", Steria operates in an increasing number of eco-friendly buildings:

- Steria France moved into the 25,000 sq.m. Green Office® building in Meudon-la-Forêt in 2011. The Green Office®, is the first large energy-positive office building in France. It received the BREEAM Excellent rating, HQE® Bâtiment Tertiaire (High Environmental Quality Commercial Building), BBC (Low Consumption Building) and HQE® Exploitation in 2013. It is governed by France's first private energy performance contract (CPE), which ensures that operation is as economical and respectful of the environment as possible;
- In Sweden, Steria moved to a cutting-edge green office in Stockholm in 2010. Kungsbrohuset is one of the most energy-efficient, intelligent buildings in the world. Excess heat produced by the 250,000 passengers passing through Stockholm Central Station each day is recovered to heat the building. Energy consumption is a tenth of that in Steria's former office;
- In Germany, Denmark, Belgium and the UK, the electricity that Steria used in the offices that it managed came from renewable sources. Overall across the Group we purchased 11.3GWh of energy from renewable sources, 28% of our Scope 2 consumption in 2013;
- Overall across the Group we purchased 11.3 GWh of energy from renewable sources, 28% of our Scope 2 consumption in 2013;
- In India, Steria has reduced its energy consumption by almost a quarter since our baseline year 2008 while maintaining its headcount;
- Overall, the Group consumes about 10.6 GWh less energy each year than it did in the baseline year 2008.

Energy from the Group's main Datacenters

Country	Main datacenters (over 600 m^2)	Datacentres electricity consumption (KWh)
UK	Hemel	6,964,926
UK	Cardiff	3,989,180
UK	Croydon	2,806,358
UK	Newport	464,099
France	Marcoussis (Data IV)	4,344,429
France	Valbonne Dolines	3,030,840

We recognise datacenters are a major consumer of energy, it seemed therefore useful to detail the consumption of the Group's main datacenters. With The CarbonNeutral© Company, we are progressing torward a new CarbonNeutral© certification for our datacentres in 2013.

Emissions related to travel

Our commitment to client excellence means that proximity to the client is key. We have leveraged technology to reduce business travel and associated emissions without sacrificing the quality of services offered to clients. We have also reduced inter-office travel and, overall, reduced the carbon emissions of our company car fleet.

In January 2010 Steria took a further step by offsetting [(1)] its remaining emissions from business travel by air and road, thereby obtaining CarbonNeutral© certification from The CarbonNeutral© Company. To offset these emissions we have participated in the following projects:

Year	Projects	
2010-2011	The Tamil Nadu Wind Power Project: This project involves the construction of 27 new wind turbines at a number of sites in the Erode district of Tamil Nadu in India. They generate about 22MW of clean electricity for the Southern Regional grid, displacing electricity from power stations burning coal, and thereby avoiding CO_2 emissions, local air pollution and solid waste. The total reductions in emissions are estimated to be 115ktCO_2e.	The Tieling Coal Mine Methane Capture Project. Methane is a by-product of coal formation that is released during mining. This project captures methane from coal mines for use as a source of gas supplied to homes and local industries. It prevents the methane – a potent greenhouse gas - from being released into the atmosphere. At six coal mines in the Northwestern Province of Lianing in China, the project installed equipment to capture and then mix the methane to the concentration at which it can be used as fuel. This project is a unique initiative as is it is currently the only project in China to use Coal Mine Methane (CMM) as fuel for gas supply.
2011-2013	The Thar Desert Wind Project: Located in the Jaisalmer district of Rajasthan, India, this project consists of 75 wind turbines with a total capacity of 60MW that are part of one of the first wind farms in the Thar Desert of Rajasthan. The project provides renewable electricity to the Northern regional electricity grid, reducing CO_2 emissions by displacing electricity generated from fossil fuel plants. The project is verified to the *Verified Carbon Standard* (VCS) and is now also registered with the Clean Development Mechanism (CDM).	The Yugur Run-of-the-River Hydraulic Project: By using the natural properties of a portion of the 800 km Heihe River in the Chinese province of Gansu, this run-of-the-river project uses two 6.5MW turbines to provide zero-emissions electricity to the electricity grid of Northwest China. The project is validated to the Verified Carbon Standard (VCS) and is now also registered with the Clean Development Mechanism (CDM).

Management of the supply chain

In January 2012 Steria joined the CDP Supply Chain Programme as a consistent way of evaluating the climate change impacts and management approach of their supply chains. In 2013, our second year of membership, we are pleased to report that carbon emissions from our key suppliers declined during the previous year. Steria will embark on the third year of this programme in 2014. Additionally, we have implemented a sustainable procurement policy across the Company.

Waste Management

Electronic waste: Where necessary, Steria engages specialist external providers to recycle and dispose of electronic waste in an environmentally friendly manner. For example:

- In the UK, a waste management policy for ordinary and electronic waste has been defined and externally reviewed. An audited subcontractor collects electronic waste and manages this in a sustainable manner. Steria are currently reviewing the 'End of Steria Life' electronic equipment management process to focus on the elimination, reduction and reuse elements of the waste hierarchy;
- In France, Steria has formed a partnership with Ecodair (http://www.ordinateur-occasion.com/) for the environmentally responsible disposal of electronic waste. As Ecodair employs people with disabilities, this initiative is as much social as environmental. Steria disposed of 1,788 tonnes of electronic waste in 2013, less than in 2012, due to the fact that Steria France has decided to prolong the use of its electronic equipment. In 2013, Steria recycled 101 PCs and reconditioned 54.

Ordinary waste: For buildings and facilities that it controls, Steria has put in place local policies aimed at reducing the amount of ordinary

(1) *Carbon offsetting consists of credits bought for greenhouse gas reductions at another site (for example, India or China) by using eco-friendly technologies such as wind farms, which generate electricity from a renewable source, therefore reducing the need for energy from fossil fuels. Carbon offsets are quantified and sold in metric tons of carbon dioxide equivalent (CO_2). The purchase of a credit of one tonne of carbon dioxide provides the necessary funds to reduce/avoid the emission of a tonne of carbon dioxide (or equivalent) into the atmosphere.*

waste generated. Otherwise, Steria works with property owners to develop recycling. For example:

- In France, the initiative to reduce the impact of non-electronic waste is currently being deployed to all offices. The collection of paper is already in place in all sites. At Steria France headquarters in Meudon, all individual waste baskets have been removed and have been replaced by recycling bins; employees sort paper, plastic bottles, cans, glass and old batteries with the support of Veolia. Steria regularly conducts awareness campaigns among employees to raise recycling efforts;
- In the UK, Steria diverted over 80% of ordinary waste from landfill in 2013. In co-operation with the owner of one building, Steria has managed to stop sending any waste to landfill. Steria has removed secure paper shredding from its waste stream by introducing Closed Loop Paper Recycling; we buy back the paper we shred for use in our copiers. Steria also eliminates waste by working with local charitable organisations and reusing office furniture, redundant stationery and non-secure electronic equipment.

3.4.3.2 Sustainable development and clients

Steria's sustainability services and solutions are empowering a low-carbon economy with Sustainability Consulting, Smart Energy Management, Smart Transport and Green IT offerings.

Our services and solutions focus on three areas:

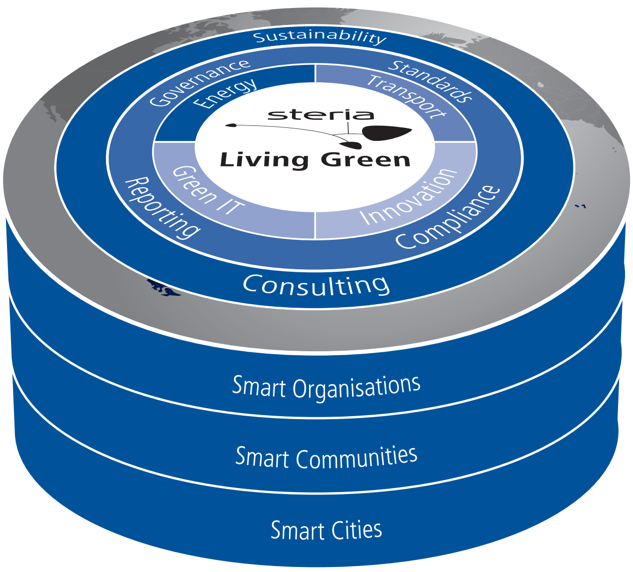
Sustainability Consulting

Make sustainability a strategic focus by aligning sustainability goals with other business goals; develop performance management frameworks to define, track and report on sustainability; use information technology to manage your sustainability strategy and drive improvements.

Green IT

Identify opportunities to improve the sustainability of the IT infrastructure, for example by virtualising servers, migrating applications to Cloud hosting, designing efficient printer estates or implementing PC Power Management solutions.

Leverage ITIL v3 to identify, control and reduce the environmental impact of an IT service, set sustainability targets for it, measure and continually improve its performance.



IT for Green

Steria provides solutions based on both its business and technology expertise, and has developed suites of IT for Green solutions in Energy Management and in Transport. These solutions allow reduction and optimization of energy consumption as well as reduction of greenhouse gas emissions.

Steria Smart Energy Management: Smart Grids, Smart Home, Smart Building, Smart Energy Park and Eco district solutions provide state of the art devices to manage energy performance at home, building, district level, manage comfort of inhabitants, help energy operators introduce renewable energies into the grid, balance production and consumption of energy and provide new energy services to users to optimize their energy consumption and thus reduce impact on the environment.

Smart Transport: Steria provides innovative solutions to promote eco-driving, the use of collective transport in or across cities and streamline transport in and around cities.

Steria works on many projects that have a significant positive impact on the environment, relying on services and solutions in consulting, Green IT or IT for Green:

Sustainability in IT Managed Services at Land Registry: Working with its client the Land Registry in the UK, Steria has helped reduce its emissions and waste, embed sustainability in the supply chain and encourage sustainability in local communities. Martin Illingworth, Sustainability Manager for Land Registry, said, "*Steria has provided valuable expertise on sustainability in line with the Greening ICT requirements, and with their help we are currently meeting Government targets, reporting our progress and engaging stakeholders*".

IssyGrid® Smartgrid project (energy): Steria, the city of Issy-les-Moulineaux and major industrial groups have created IssyGrid®, the first operational district smart grid in France managing energy production and consumption in a neighbourhood.

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

Steria is applying its experience in the energy industry and in the development of an innovative management system for energy performance contracts in office buildings to integrate software bricks for collecting, processing and analysing data and for ensuring secure exchanges between systems in 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 an RFID card on the windscreen to enable readers to identify the driver and vehicle wirelessly. 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_2 by at least 20 tonnes each day.

Steria consulting services and IT for Green solutions were also useful to other clients:

- Steria helped a bank evaluate and control energy consumption in several buildings in France. The client will be able to know where to focus its investments to improve energy efficiency and implement its modernisation program;
- For an energy-positive office building in France, Steria designed and installed the IT system that adjusts on-site energy production (solar and biomass) according to consumption. The system analyses real-time data transmitted by 18,000 sensors to manage its energy performance contract in Meudon;
- Steria provided a British public authority with an office solution to manage its energy. As a result, it was able to monitor measure and reduce the use of its computers and monitors and meet its environmental objectives and reporting requirements. On application of the new energy policies, the authority should reduce the energy costs of its computers by about 10%;
- Steria developed a strategy to reduce the carbon footprint of production, export and import, distribution, waste disposal and energy consumption for a major retailer in Scandinavia. Steria also advises the client on the establishment of ethical management principles for its supply chain;
- In Germany, the Steria solution for measuring carbon emissions in transport (Greencart) made it possible to calculate the carbon footprint and efficiency of sea, air, road and rail vehicles.

More examples of our initiatives to help our clients reduce their environmental impacts are available in the GRI report and on our websites.

3.4.4 Our environmental impact in figures

Energy consumption and related greenhouse gas emissions

The figures below summarize our Energy Consumption and related emissions relating to Oil and Gas (Scope 1 of the Greenhouse Gas Protocol) and Electricity (Scope 2 of the Greenhouse Gas Protocol) – http://www.ghgprotocol.org/.

Year	Scope 1 emissions (1) (metric tonnes CO2 equivalent)	Scope 1 energy consumption (MWh)	Discounted Scope 2 emissions (2) (metric tonnes CO2 equivalent)	Undiscounted Scope 2 emissions (3) (metric tonnes CO2 equivalent)	Scope 2 energy consumption (MWh)
Group					
2013	1,965	9,741	12,532	18,988	42,615
2012	2,320	10,944	12,918	21,338	47,380
2011	2,807	12,060	15,863	20,305	53,697
2010	3,079	13,175	19,738	20,709	61,583
2009	3,299	13,658	23,548	23,548	62,252
2008	2,423	10,202	25,968	25,968	64,133
France					
2013	9	1,404	1,251	1,285	14,861
2012	3	1,487	1,637	1,637	18,058

(1) Emissions of greenhouse gases from the burning of fossil fuels in stationary combustion units are classified and reported as "Scope 1" emissions by Steria as the company that owns or controls these units.

(2) Emissions of greenhouse gases resulting from the activities of a company but from sources owned or controlled by another company are classified as "Scope 2" or "Scope 3". Scope 2 emissions include those from the consumption of electricity, heat or steam on a site within the organisational structure of a company. Steria calculates discounted figures for emissions using source-specific emission factors that represent its procurement of low carbon electricity and that conform to the requirements of reporting to the CDP Investor programme.

(3) Emissions of greenhouse gases resulting from the activities of a company but from sources owned or controlled by another company are classified as "Scope 2" or "Scope 3". Scope 2 emissions include those from the consumption of electricity, heat or steam on a site within the organisational structure of a company. Steria uses national grid emission factors for electricity from DEFRA to calculate undiscounted figures for emissions that conform to the GHG protocol.

Business Travel related greenhouse gas emissions

The figures below summarise our emissions related to Business Travel (Scope 3 of the GHG Protocol) – http://www.ghgprotocol.org/.

Year	Scope 3 emissions (1) (metric tonnes CO_2 equivalent)
Group	
2013	16,747
2012	16,506
2011	17,164
2010	19,252
2009	18,865
2008	20,756
France	
2013	4,158
2012	3,636

(1) Transport of employees for business-related activities during the reporting year by air, road and rail.

For a detailed overview of the measures taken by Steria to reduce emissions, in addition to the information already presented in this document, please see Steria's CDP reports at: http://www.cdproject.net/

Provisions for environmental risks

The risks that Steria's activities in IT services pose to the environment are modest compared to those of other economic activities. Nevertheless, Steria strives to limit them.

3.4.5 Notations

Certification/notes	Purpose	Document available at:	Year (s)
ISO CERTIFICATION			
ISO 14001 Certification of Environmental Management System (EMS)	Establishment of an international Environmental Management System		In 2013, ISO 14001 certification in Germany, Austria, Poland, the United Kingdom, Sweden, Norway, Denmark, India, Switzerland, France, Belgium & Luxembourg.
ISO 14064-3 Independent verification of emissions	External audit of emissions	http://www.steria.com On request	Over 80% of emissions from energy consumption (Scopes 1 and 2) audited and verified each year since 2011.
CDP (ex Carbon Disclosure Project) (1)			
External benchmark of over 4,500 listed companies worldwide in climate change and environmental sustainability	An independently benchmarked report of Climate Change Governance, Risks, Opportunities, Emission Targets & Performance and Stakeholder Communications	https://www.cdproject.net	In 2013, Steria became the first French company in history to receive the perfect score of 100A, and is listed in the CDP Disclosure, Performance and Supply Chain Leadership Indexes. 2012: 98% 2011: 93% 2010: 89% 2009: 79%
CarbonNeutral© Certification for Air & Road Travel & Datacentre Energy (2)			
CarbonNeutral© certification for Air and Road Travel	Steria leverages technology and improves its business practices and culture to reduce the number of business trips without sacrificing the quality of services offered to its clients.	http://www.steria.com/media/press-releases	CarbonNeutral© certification for Air and Fleet since January 2010. Carbon emissions offset projects are being implemented in India and China.
CarbonNeutral© certification for Datacentre Energy	Consumption of energy in Steria's datacentres Carbon Neutral since 2013.		Datacentre Energy CarbonNeutral© certification starts in 2013

(1) CDP (ex Carbon Disclosure Project) is an independent, not-for-profit organisation working to drive greenhouse gas emissions reduction and sustainable water use by business and cities. Thanks to CDP, 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, which enables them to set emission and consumption reduction targets and make performance improvements. CDP makes these data 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 organisations.

(2) The CarbonNeutral© Company (TCNC) is a world-leading provider of carbon reduction solutions. Since it started in 1997, TCNC has 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.

3.5 Marketplace

3.5.1 The Power of Sharing: Engaging dialogue with our stakeholders

Since its creation in 1969, Steria has emphasized the need to develop its business activity while following the strictest ethical guidelines and engaging with stakeholders, which means:

- making sure we clearly identify our key stakeholders;
- engaging with them as effectively as possible to understand any concerns and respond appropriately.

The Group believes that its current key stakeholders are its employees, employee representative organizations, clients, partners and suppliers (including subcontractors), shareholders, bankers, government agencies (national and territorial), NGOs and charities, rating agencies and Corporate Responsibility indexes.

Steria engages dialogue with its stakeholders whenever possible through website, meetings, presentations, surveys, agreements, and has made a breakthrough in 2013 enhancing use of social media internally as well as externally.

Steria Group also publishes a report on Corporate Responsibility that is available on its website (www.steria.com), and every year it undertakes to communicate its progress and key indicators (following Global reporting Initiatives – GRI recommendations) in the areas concerning Corporate Responsibility (Workplace, Marketplace, Environmental and Community).

3.5.2 Responsibility in the Marketplace

How Steria do business – and how all our actions have an impact in the marketplace – is an important consideration in our commitment to being an ethical business. We aim to provide benefits to society through everything we do and always bear in mind the potential ethical dimension of every service or solution we offer.

Steria signed the UN Global Compact in 2004, bringing companies together to advance universal principles in the areas of human rights, labour standards, the environment and anti-corruption and thus comply to:

- the Universal Declaration of Human Rights,
- the International Labour Organization's Declaration on Fundamental Principles and Rights at Work,
- the Rio Declaration on Environment and Development,
- the United Nations Convention Against Corruption.

Compliant with UN Global Compact, Steria commits itself to respect the following principles:

Human Rights

- Businesses should support and respect the protection of internationally proclaimed human rights; and
- make sure that they are not complicit in human rights abuses.

Labour

- Businesses should uphold:
  - the freedom of association and the effective recognition of the right to collective bargaining,
  - the elimination of all forms of forced and compulsory labour,
  - the effective abolition of child labour,
  - the elimination, of discrimination in respect of employment and occupation.

Environment

- Businesses should support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental responsibility; and
- Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Businesses should work against corruption in all its forms, including extortion and bribery.

Key priorities	Key achievements in 2013	Medium-term goals	Indicators (KPIs)
Re engage with our key stakeholders and extend the scope of our ethics programme to take account of new and emerging risks.	Interactive ethics eLearning module launched on 9,764 employee PCs.	Elaborate training of the bid and sales teams, focussed on ethics, anti-bribery and corruption, prioritising 'at-risk' geographies	% of employees attending ethics training sessions and completing compliance confirmation
Reinforce our engagement with suppliers and business partners to increase assurance that they are acting ethically in the marketplace.	Ethics training rolled out to new employees	Extend surveys of our top suppliers beyond sustainability to ethics and workplace compliance.	% of new suppliers contracted evaluated against Steria's Corporate Responsibility selection criteria
	Procurement Charter extended to 100% of the procurement population to affirm their compliance	Further develop the CR criteria within the supplier selection process.	Number of existing suppliers assessed against Corporate Responsibility criteria (focussed on top suppliers)
		Extend the scope of internal audits to include CR related control objectives; notably supplier selection and contract renewals	% of procurement employees attending ethical sourcing training sessions
			% of customer satisfaction surveys completed, including rating of our corporate responsibility performance

KPIs have been identified in the table above to track our progress into 2014 and beyond.

3.5.3 Relations with our stakeholders

3.5.3.1 Employees

The Steria values of trust, openness and respect are captured in our compact Code of Ethics. With new and emerging risks, notably data privacy and growth in the India domestic market, Steria aims to continuously refresh our Code of Ethics as well as the awareness programme This programme is sponsored by the Group and Area Executive Committees.

The Code is published on our intranet in 3 different languages, as well as being available to our investors and partners on www.steria.com. This document defines Steria's commitments with respect to human rights and diversity, labour standards, fighting fraud and corruption, conflicts of interest, protection of intellectual property, insider information, anti-competitive practices and environmental preservation. The Steria Corporate Responsibility Report (www.steria.com) provides more detail on our achievements, objectives and key indicators.

At the end of 2012 and beginning of 2013 we launched an interactive version of our Code of Ethics, uploaded to all Steria employees' computers. Our top 400 managers sign an ethics compliance confirmation each year. In 2013, all India staffhave formally signed the Code of Ethics and awareness training programs for new employees have been launched in the UK, Scandinavia and Belux. In all over 30% of Steria employees have attended ethics awareness classroom training and/or completed compliance confirmations. To ensure that all managers and employees live out our values, as well as those initiatives cited, we have taken numerous steps to improve ethics and compliance awareness throughout the organisation. Increased awareness is supported by a practical Book of Internal Control, which includes a number of control rules related to ethics, as well as group and country specific policies. Compliance is monitored through annual confirmations as well as cyclical audits performed by the internal audit department

Our lean structure and corporate governance framework encourages a listening management culture. Multiple channels are open to employees, depending on countries and local legislations to report any misconduct, whether through their managers, HR or employee works councils. Referenced within all ethics training and documentation is an Ethics Mailbox. Any ethical concerns or issues can therefore be sent to the Steria Group Director of Internal Audit for investigation (including formalised fraud procedures if required), escalation and resolution.

As part of its ethics program, Steria reports conflicts of interest for members of the Executive Committee, CEOs and CFOs of our subsidiaries. These statements are submitted by the Group CFO to the Group Legal Director. They are then reviewed by the Group Audit Committee. Refer to section 2.6.2 of this document for more information.

3.5.3.2 Clients

Working in collaboration with its partners, Steria continues to develop innovative solutions in response to rapid changes in the industry. Steria's thought leadership and publications can be found on www.steria.com. Additionally, Steria led numerous surveys with industry leaders in 2013, providing additional insight to our clients across a number of geographical areas (published at a local level). Steria organises a wide range of meetings and seminars with clients, notably within the "innovation board" framework to integrate new technological possibilities and respond to new challenges. Steria regularly conducts satisfaction surveys in its different local entities. These surveys enable continuous improvement in the quality of our services and include client's perceptions on the way we do business.

In terms of corruption risk, 11 of the 12 countries where we have local customer contracts (France, UK, Germany, Austria, Belgium, Luxembourg, Norway, Sweden, Denmark, Switzerland and Singapore) are ranked in the top 15% of countries in terms of the corruption index (transparency international ranking). India is ranked 94 out of 177 globally, however the value of the contracts signed with Indian organisations, all in the public sector, represented less that 0.1% of the Steria revenue in 2013. The Group also operates in Poland and Morocco through our Shared Services Centers, and do not have any client contracts locally. Therefore we do not consider the corruption risk across the Steria Group to be significant.

Furthermore, with a growth in local contracts forecasted in India, we will be running an awareness programme for bid management staff in India in 2014, focussing on corruption prevention and anti-competitive practices. Our Code of Ethics includes guidance on anti-competitive practices. It focuses on employees' behaviour and dialogue with competitors in compliance with principles of competition and exchange of business information.

Working in collaboration with our clients, we manage security centres of expertise at various European locations, notably our Shared Security Services Centre in Toulouse. We harness this expertise to ensure our customer's information is safeguarded. This includes a regular refresh of Steria Group IT security policies and standards, as well as security awareness training for our staff across the organisation. In 2013 we contributed significantly to European wide discussions on Big Data, Cyber Security, Biometrics and data confidentiality.

Regarding offers and services offered to customers, reference is made in the preceding paragraphs about the offers available for sustainable development and in favor of greater support vis-à-vis climate change.

3.5.3.3 Partners and Suppliers

We fully acknowledge our responsibility to source and allocate our resources accountably with suppliers, partners and subcontractors. To ensure a responsible supply chain, we launched a Procurement Charter which has been signed by all employees working for the Steria procurement departments. We provide to suppliers seeking to work with Steria, a locally tailored Procurement Charter which clearly sets out Steria business principles when engaging and working with our suppliers.

The Procurement Charter addresses the following topics:

- corruption, gifts and donations;
- managing conflicts of interest;
- respect for principles of integrity and transparency in the pre-selection of suppliers participating in tendering, selection among the suppliers used and negotiation of the signature of contracts and business relationships with suppliers.

We place emphasis on selecting suppliers embracing and demonstrating recognised sustainable environmental, ethical and other Corporate Responsibility standards (as set out in our procurement charter). Corporate Responsibility commitments are now incorporated into new supplier contracts and in larger geographies a separate confirmation is required prior to Steria engaging with a supplier (this process is not yet uniform in all geographic areas).

The new procurement system currently being implemented across Steria has built in a supplier selection template including sreening questions and subsequent scoring on Corporate Responsibility criteria, where applicable. Furthermore the system's supplier performance functionality will allow us to assess more regularly and effectively performance against many criteria including Corporate Responsibility. We continue to screen our supply chain for risks related to corruption, child labour, unacceptable working conditions and labour union rights. Therefore we are continuously improving our ability to check compliance our CR procurement policy, beyond environmental topics.

In the specific case of anti-corruption, in addition to code of ethics training, the following measures have been taken:

- in the UK, an anti-corruption policy has been issued to reflect the requirements of the 2010 UK Bribery Act. This policy applies to all those doing business within the UK and to overseas activities associated with the UK business (notably India);

- Steria clearly prohibits the giving or receiving of bribes or kickbacks, with practical guidance provided on gifts of any value.

3.5.3.4 Shareholders

Steria Group SCA is a listed company. Steria Group SCA strives to apply the best corporate governance and transparency practices. Group corporate governance is described in part 2 of this Document.

With regard to Governance, the Steria Group applies the AFEP/MEDEF Corporate Governance Code and informs its shareholders every year in section 2 of the Registration Document of the way in which it applies the recommendations of this Code.

In addition to the report in section 3 of this Registration Document that contains the social, environmental and corporate information required by the French Code of Commerce, Steria Group publishes a report on Corporate Responsibility that is available on its website (www.steria.com), and every year it undertakes to communicate its progress and key indicators in the areas concerning Corporate Responsibility (social, environmental and corporate).

3.5.3.5 Territorial, economic and social impact of the company activity

In several countries where Steria is present, most employees work in the capital or in a city or near the big cities. However, Steria contributes to the development of the "territories", as shown in the table below, which summarizes some of the "local hires made in France in 2013 (non-exhaustive list):

City where Steria is present (country)	Number of hires in 2013 (under 25)	Number of hires in 2013 (over 25)
Aix-en-Provence (France)	8	23
Colomiers (France)	43	77
Mérignac (France)	1	5
Orléans (France)	6	5
Rennes (France)	15	29
Roanne (France)	16	37
Saint-Herblain (France)	31	81
Valbonne (France)	4	36

Steria also contributes at the local level by cooperating with NGOs, associations and charitable organizations: see paragraph 3.6 of this document, GRI Report and our websites: www.steria.com, www.fondationsteria.org/, www.institut-de-france.fr and http://www.steriaindiafoundation.com/.

3.6 Community

3.6.1. Support to local communities through volunteer programs for the empowerment of the disadvantaged

Steria believes that local communities are an important stakeholder in its environment. Education is the main factor of wealth creation of a society and a genuine agent of social mobility. Mastery of IT skills is the key to social and professional integration. Steria has therefore chosen primarily to help people to help themselves by giving them access to education, information technology and employment opportunities. Steria supports skills training programs that empower individuals and can lead to employment.

Steria's collaborators, most of whom are volunteers, participate in community programs in countries where 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.

This gesture of solidarity is based on two major Group volunteer programs (described below) and many local initiatives (some of which are detailed in the present document).

3.6.2 Cross Countries Community Programs

One Day Challenge (ODC): mobilization of the entire company for local communities

The One Day Challenge, an annual Group event, encourages employee initiatives and fundraising for local communities on Steria sites around the world. This event is an opportunity for our employees to share joint activities with charities, clients and partners. The sixth One Day Challenge was held on November 14, 2013. The aim was to draw attention to and raise awareness among all Steria employees on the situation of the most disadvantaged and encourage local volunteering. Despite the continuing economic crisis, this event prepared long in advance exceeded last year's results. More than €167,000 was collected for about 70 charities and 41 schools, with the help of 680 volunteers and several thousands contributors who spent time organizing activities, participated in fundraising or made a donation. In total, 53 clients and partners participated in joint community activities. Thanks to this collective effort, Steria employees are making a difference for local communities and launching activities of general interest, which can then be pursued locally.

During One day Challenge, actions were undertaken at the local level in countries where the Group operates, both through partnerships like in India, Norway, France or Germany. In the United Kingdom, Steria provides matching funds and enabling grants to support employees' initiatives for the community. Matching funds are awarded to support employee fundraising. Enabling Grants are awarded to assist employee volunteers in developing community projects in which they are involved. Applications are settled on a «first-come, first-served» basis up to a total limit of £2,500 each month, with the maximum amount per application being £250.

During 2013, this scheme supported employees who spent over 1700 hours in volunteering activities, helping to raise over £60,000 for more than 60 charities and community projects, many of them during One Day Challenge. Joint activities were organized with clients such as Cleveland Police and the Co-operative Banking Group.

One Steria One Country One School (OSOCOS) program for access to education

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. In 2013, the program had participants from Norway, Sweden, Denmark, France, Germany, Belgium, Switzerland, Singapore and Steria Group SCA. Each entity belonging to the program adopts a school and sponsors the computer center, 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 school students and teaching in schools. In 2013, two French volunteers implemented a solar IT lab in the Mahabalipuram school sponsored by Steria France and three volunteers from family staff came to India to provide support in the schools.

Actions have also been undertaken at local level in other smaller countries where the Group operates (Belgium, Switzerland, Morocco, Singapore) or larger partnerships in Norway and Denmark In the UK, Steria provides funding and grants to support voluntary employee involvement in community projects. These initiatives for the One Day Challenge in the UK have supported 69 charities.

3.6.3 Steria Foundations in France and in India

Our solidarity activities are managed mainly by two foundations (distinct from the legal point of view) in France and India, mainly for historical reasons and for greater transparency and efficiency, but also visibility.

In France, the choice was made to link the Foundation to the Institut de France, a 200-year-old public institution that manages five prestigious academies in the fields of science, arts and literature, as well as thousands of donations and foundations, in order to:

- engage with external shareholders, enjoy in-depth knowledge of academics and share our experience with other foundations: the Council is composed of Steria managers and members of the French Academy of Sciences;
- ensure sustainability and transparency through independent and demanding management guaranteed by the unique status of the Institut de France;
- ensure the visibility of community actions as part of the policy of Corporate Responsibility.

Steria Foundation-Institut de France was created in 2001 based on the vision of Jean Carteron, who created Steria 45 years ago, motivated by his entrepreneurial vocation, sense of innovation and willingness to share. The aim was to go further and allow employees to commit to volunteering in community projects by providing their knowledge and skills and bridging the digital divide. The Foundation supports IT projects that contribute to the social and professional integration of disadvantaged populations in three areas:

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

The Foundation was created thanks to substantial donations from 20 Steria managers and up to now has supported 39 projects in France, Morocco, Niger, Benin, Burkina Faso, Cambodia, Vietnam 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 2013, there were 12 active projects, including 3 schools award winners of the Steria- Institut de France students challenge.

The Steering Committee of the Steria Foundation, consisting of nine managers from different Steria entities and services, selects projects, determines the financial and volunteer work and gives an opinion on the major developments of the Foundation. The selected projects are then presented to the Foundation Board, which meets annually in December to make the final decision. Onlynon-profit organizations are entitled to submit projects.

In 2007, Steria India Foundation was created. It focuses on the education of disadvantaged and rural children who attend public schools near the sites in Chennai, Pune and Noida. Particular attention is paid to the use of computer tools, knowledge of English and overall development; emphasis is placed on the education of girls. Steria India Foundation provides teachers, playground equipment, computer classes, nutritional supplements in milk, school uniforms and shoes. This commitment continues in the secondary school level through ultra-modern IT centers, software for learning English, sponsorships, computer courses, workshops for non-technical skills, information campaigns on different themes from environmental protection to vocational guidance, preparation courses for official exams, etc. The model of the India Foundation does not neglect more extra-curricular activities such as sports, theater, etc.

Steria India Foundation has established -programs focused on education:

- Indian School Program sponsored by Steria subsidiaries in other countries (see OSOCOS description above), as well as Steria in India ;
- the Graduate Scholarship Program enabling a graduate degree college education to bright kids - Steria Scholars - passing out of the various Steria supported schools across Chennai, Pune and Noida. In 2013,the Steria India Foundation Graduate Scholarship Scheme - SIFGSS - continues to grow: 208 children feature on our list of Steria Scholars including 97 engineers and 111 other graduates. 44 of them have completed their degree courses and have been placed in well-paying jobs, many in the IT industry, including Steria. The other 164 scholars are at different stages of their graduate degree courses;

- career development centers providing trainees with short skills training sessions that lead to employment. In 2013, Steria Norway financed the launching of a new career center in Chennai, which provides short term job oriented certified courses primarily to cater to the retail, hospitality and restaurant industries.

The SIF is a registered charity governed by Indian law. It is governed by a Board of trustees who are all senior Steria India Ltd. managers, including its CEO. The SIF was originally created to simplify funding and make more transparent use of funds. Since it is a registered charity, its donors can receive tax benefits under Indian law. The SIF complies with the Indian FCRA law. For this purpose, it is registered with the Indian Ministry of Housing, which allows it to receive donations in foreign currency from abroad. The use of funds in the SIF bank accounts is strictly governed by its Board. Responsibilities are clearly defined and several authorizations are necessary for disbursements. Steria India Foundation follows the same procedures as the parent. The SIF trustees meet quarterly to review and approve plans for the following quarter. Any project, expense, use of funds, etc., by the SIF must be approved by the trustees. The trustees also issue recommendations and suggest ways to achieve the Foundation's goals. SIF accounts may be audited and statements of income and FCRA statements are given annually to the competent authorities within the legal time limits.

Steria India Foundation supports 63 projects, including 47 schools impacting the lives of over 66,000 children.

Source of Funds	Amount *(in euros)*	Use of Funds
Steria Foundation-Institut de France		
The Institut de France (donations made by Steria managers and administered by the Institute)	40	Community projects
Steria	33 *	Operating costs
Budget total	**73**	
Steria India Foundation		
Donors (One Day Challenge), employees, former employees, clients, friends, family, etc. & Other donations	90	Community projects
	80	Community projects
Steria India Limited	60	Operating costs
Budget total	**230**	

* *Gross amount paid by Steria (tax deduction).*

List of key partners, NGOs, schools and charitable foundations with which the foundations worked in 2013

	Name of NGO/charity	Main objective
France	Group of blind or visually impaired intellectuals (GIAA) (1) Interface Handicap (2) Espaces (3) University of Paris-Panthéon sorbonne (4) ARIMC – Association Rhône-Alpes des Infirmes moteurs Cérébraux (5)	Provide access to education and employment for the blind Provide access to equipment and IT services for people with any type of disability through multi-acccessible web portal Train unemployed people to maintain green spaces, to clean forests and keep up gardens Student project to help people with speech disorders communicate Support motor-disabled people and their families with services to make their life easier
India	NITT Foundation (6) Nasscom Foundation (7)	Visit http://www.niitfoundation.org/home/ Visit http://www.nasscomfoundation.org/

(1) http://www.gaia.org/.
(2) http://www.interface-handicap.org/.
(3) http://www.association-espaces.org/.
(4) www.univ-paris1.fr
(5) www.arimc-ra.org
(6) http://www.nitt.edu/home/.
(7) http://www.nasscomfoundation.org/.

To learn more about the many projects sponsored by our foundation, please visit http://www.fondationsteria.org/, http://www.institut-de-france.fr and http://www.steriaindiafoundation.com/and the CSR document available at www.steria.com as well as the "Steria and Corporate Responsibility 2014" report, available at www.steria.com.

Some community programs are also implemented at country level, in Norway, Germany and other Steria countries.

More information about our community initiatives is available in the GRI Document and on our websites.

3.7 Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated environmental, labour and social information presented in the management report

To the Shareholders,

In our capacity as Statutory Auditor of Steria SCA, appointed as an independent third party and whose certification request has been approved by COFRAC, we hereby report to you on the consolidated environmental, labour and social information for the year ended December 31, 2013, presented in the management report (hereinafter the « CSR Information »), in accordance with Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

The management is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the procedures used by the company (hereinafter the «Guidelines»), summarised in the management report in the « Methodological note ».

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Responsibility of the Statutory Auditor

On the basis of our work, it is our responsibility to:

- certify that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a team of 4 people between the November 26, 2013 and March 20, 2014 and took around 6 weeks. We were assisted in our work by our specialists in corporate social responsibility.

We performed our work in accordance with the professional auditing standards applicable in France, with the decree of May 13, 2013 determining the conditions in which the independent third party performs its engagement.

1. Statement of completeness of CSR Information

We conducted interviews with the relevant heads of department to familiarise ourselves with sustainable development policy, according to the impact of the company's activity on labour and the environment, of its social commitments and any action or programmes related thereto.

We compared the CSR Information presented in the management report with the list provided for by Article R.225-105-1 of the French Commercial Code.

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the scope of consolidation, i.e., the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code within the limitations set out in the methodological information of the management report.

Based on this work and given the limitations mentioned above, we attest to the completeness of the required CSR Information in the management report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and scope of our work

We conducted around fifteen interviews with about forty people responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures in order to:

- assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking good market practice into account when necessary;
- verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce CSR Information that is exhaustive and consistent, and familiarise ourselves with the internal control and risk management procedures involved in preparing the CRS Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in the light of the nature of the company, the social and environmental challenges of its activities, its sustainable development policy and good market practice.

With regard to the CSR Information that we considered to be the most important [1]:

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report;
- at the level of a representative sample of entities selected by us [2] by activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents on average, 81% of headcount and between 84% and 93% of quantitative environmental data.

For the other consolidated CSR information, we assessed consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Neuilly-sur-Seine, March 21, 2014

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Lotz	Sylvain Lambert
Partner	Partner in charge of the Sustainable Business Solutions

(1) Most important CSR Information are listed in appendix.

(2) Sample of 3 entities: Steria S.A (France), Steria UK Ltd. (United-kingdom), Steria India Ltd. (India).

Appendix – List of CSR information that we regarded as being the most important

Labour quantitative information:

- Workforce (Total Group);
- Recruitments (Total Group);
- Layoffs for disciplinary reasons or reasons related to unsatisfactory performance;
- Sick leave rate;
- Number of work accidents resulting in absences in France;
- Total number of training hours.

Labour qualitative information:

- Organization of working time (well-being at work);
- The policy and measures taken in favor of the equality between men and women;
- The policy and measures taken in favor of the employment and the insertion of disabled people.

Environmental quantitative information:

- Energy consumption Scope 1 and 2;
- Greenhouse gases emissions Scope 1 and 2 (according to the GHG methodology);
- Greenhouse gases emissions related to business travels.

Environmental qualitative information:

- Measures to prevent, recycle and eliminate waste;
- Measures taken to improve energy efficiency and the use of renewable energy.

Social qualitative information:

- Importance of subcontracting and inclusion in the relationships with suppliers and subcontractors of their social and environmental responsibility;
- Actions carried out to prevent corruption.

4

"Risk factors

4

4.1 Risks linked to business activity

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 below.

4.1.1 Risks linked to the market

The market for IT services is highly competitive and constantly changing. This 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 client 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. A downturn in the IT services market or a market sector may affect the Group’s growth and results.

Despite the pressure to keep public expenses down due to the European debt crisis, public services are still investing in the digitalisation and the processing of these services in order to meet the requirements of various cost saving programmes.

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 optimise 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.

The large variety of contracts combined with the number of multi-year contracts and a balanced presence in the different market sectors enable Steria to reduce some of these unfavourable effects. In 2013, 47% of the Group’s revenue was generated by recurring multi-year contracts.

4.1.2 Client risks

As at December 31, 2013, the 20 top clients represent about 44% of Group revenue. The top client represents 6.1% of Group revenue.

It should be noted, moreover, that 40% of Group revenue came from European administrations and government bodies. A marginal proportion of the revenue was realised with clients 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. These factors help to reduce the risk profile of the Group’s credit.

Note 4.9 to the consolidated financial statements shows the breakdown of trade receivables (in gross value) and related provisions as at December 31, 2013.

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

For private sector clients, 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 client 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 client. Although no clients account for more than 10% of revenue, this issue could possibly affect Steria's economic performance. Client relationship management is afforded great importance and global accounts are closely monitored and with a centralised follow up at Group level.

A movement by a client to consolidate their activities or decision not to renew a major contract could generate lower revenues and require, if this were the case, implementation of cost-saving measures and/or reductions in the workforce.

In France, a very specific and uncertain political environment exists in relation to the Ecotaxe Project. This project has been signed between Ecomouv' and the French State, with Steria as service provider. An exceptional provision of €8,000 thousand was recorded to cover the risk of non-recovery of receipts related to services performed. In parallel, costs relating to services performed in the amount of €10.117 million were capitalised while waiting for the contractual event to enable billing (see notes 4.8 and 4.13 of the notes to the consolidated financial statements- section 5 of this document).

4.1.3 Partner, supplier and subcontractor risks

Both integration projects and managed services contracts include an increasingly important level of complexity and require working with many partners (such as publishers, manufacturers, consultants or IT services companies), thus creating a certain dependence by Steria vis-à-vis certain suppliers. The IT world is, however, characterised by a multiplicity of actors, thus substantially reducing the risk of dependency. Although there are alternative solutions for most of the software, hardware and networks and although the Group has maintained commercial relations with most 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 specialised 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.

4.1.4 Risks related to employees and Human Resources management

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 client 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:

- hiring;
- employee involvement;
- employee skills and their suitability to the needs of clients;
- resource management planning;

- retention of key people and plans to replace them;
- employee turnover;
- observance of constraints in terms labour law regulations.

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 centralised 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.

All actions taken by the Human Resources Department, including securing said risks and meeting the Group's strategic challenges, especially quantitative information on workforce size, employee turnover rates, utilisation rates and training are specified and described in section 3 of this document.

The Group pays particularly close attention to diversity, equal opportunities and working conditions. The Group ensures, among other things, the control of implementation of the rules of the Code of Ethics put in place. However, a social conflict or non-compliance and/or ethical standards of a country could affect the image and the Group's results.

4.1.5 Risks linked to project performance and contracts

As part of its activity, Steria signs IT service contracts (consulting, systems integration, applications maintenance, infrastructure outsourcing, Business Process Outsourcing "BPO") in which the Company takes on a certain number of commitments in terms of deliveries, deadlines, service and performance levels.

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

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 client 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 additional costs may result in a reduction in accounting income for the Company.

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

	2013	2012	2011
Fixed price contracts	73%	72%	69%
Time and material contracts	27%	28%	31%
Total	**100%**	**100%**	**100%**

Furthermore, it should be noted that the Group may need to provide performance and/or financial guarantees for some client 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 5 of the notes to the consolidated financial statements - section 5 of this document.

Steria has an organisation 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;
- functional departments provide active support to the operational departments:

– the Human Resources Department and the Project Risk Department are responsible for the training programs 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 Audit and Internal Control Department evaluates application of the rules.

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" 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 to each subsidiary on a country-by-country basis in order to take local legal constraints and the subsidiary's governance into account.

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

4.1.6 Business continuity risks

4.1.6.1 Business continuity risks (production facilities, telecommunications networks)

In view of its business model, with production facilities located a long way from the marketing zone (national and worldwide service centres in nearshore and offshore countries), it is essential for Steria that its remote production facilities and telecommunications networks function properly. Any breakdown in a production facility or in the telecommunications networks could have a considerable impact on the Group's operations and the services provided to clients, and may affect its reputation, business, turnover, financial situation and outlook.

Production facilities have the necessary hardware, software, service and data redundancy depending on the criticality of their activities. Production resumption plans are tested regularly. In terms of telecommunications networks, Steria uses broadband virtual networks (MPLS, VPLS) and each connection to the Steria network is secured by duplicate access, both logical (configuration) and physical (link redirection), 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 (global service with resilience implemented in two different countries) 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.

4.1.6.2 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, 2013, India accounted for around 23.2% 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.

Due to strong presence in India, Steria may be significantly affected by both the local legal and tax frameworks that are complex and frequently subject to change. Among the risks specific to companies in the IT sector, Steria may be subject to tax adjustments related to transfer pricing agreements or the payment of certain "subsidies" that supported IT industry development in the country, that may be called into question by events.

4.1.7 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, back-office restructuring and cost reduction for the Cabinet Office in the United-Kingdom), 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 and the media.

4.1.8 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 emphasised 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 organisations and processes in response to industrialisation issues and the pursuit of productivity. These evolutions result in major changes in the internal functioning of the Company and in delivery organisation 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.

4.1.9 Industrial and environmental risks

Steria, through its IT services, performs activities whose environmental impact is modest compared to other economic activities. Although considered insignificant in relation to other risks, the Group continues to strive to limit the effects. All actions taken by Steria in the context of social and environmental responsibility are described in section 3 of this document.

4.2 Legal risks

4.2.1 Compliance with laws and regulations

The Group's business is an unregulated activity, and therefore requires no special legal, administrative or regulatory authorisation. Some services, such as managed services or systems integration provided to clients whose business activity is subject to special regulations may lead the Group to have to adhere to the contractual obligations linked to these regulations. Moreover, the Group is a multinational company that operates in many countries, subject to various constantly changing laws and regulations.

4.2.2 Legal risks

The Group's legal risks are mainly related to the performance of contracts for the Group's business activities (Consulting, Systems Integration, Applications Maintenance, Infrastructure Management, Business Process Outsourcing). These risks and their management are outlined in paragraph 4.1.5 "Risks linked to project performance and contracts". Given its activities, the Group may be involved essentially in contractual disputes involving liability, intellectual property and employment law. The tax risks are described in the paragraph below.

4.2.3 Tax risks

As with any international group operating in multiple jurisdictions, the Group has structured its activities with regard to various regulatory obligations. Insofar as the tax rules in the countries where the Group operates are continually evolving and may be subject to interpretation, the Group cannot provide an absolute guarantee that these interpretations will not be challenged, with the negative consequences to its financial position or results that may result. In addition, the Group is committed to the usual controls for tax purposes. In France, for 2008 to 2010, it had to undergo a verification process mainly concerning research tax credit. En 2012, the Group dismissed the initial conclusions of the French tax authorities and initiated settlement proceedings which resulted in the abandonment of certain grounds for redress. As at December 31, 2013, the outstanding adjustment claims are still under dispute.

4.2.4 Disputes – litigation

The Group has implemented many policies and procedures to reduce the occurrence of disputes and to manage them more effectively when they occur:

- 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 Group Legal Department also oversees the Global Risk Management and the Insurance Department, allowing interactivity and responsiveness upon the occurrence of an event;
- upon the occurrence of a dispute, the risk assessment is made on the basis of an analysis of the operational department concerned, Risk Management Projects, the Finance Department and the Legal Department; the necessary financial provisions are established following the joint analysis of the actual risk in accordance with accounting practices;
- litigation and proceedings are monitored by the Legal Department of the operational unit concerned, reported and controlled by the Group's Legal Department and reviewed at the Risk Committee held monthly in each entity and Group level in the presence of the Project Risk Department, Legal Department, Finance Department and Human Resources Department.

In view of its size and level of turnover, the Group has a low number of disputes and litigation.

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. Provisions for disputes are referred to in notes 1.16 and 4.13.of the notes to the consolidated financial statements.

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.

4.3 Financial risks

4.3.1 Liquidity risks

The Group is subject to various factors and events that could cause a liquidity risk; the major ones identified by Steria to date are listed below:

- The Group's financial liabilities:

  Repayment of said liabilities might expose the Group to liquidity risk.

  At December 31, 2013, the principal financial liabilities were:

– the five year multicurrency credit agreement signed on June 23, 2011,

– the bond subscribed by institutional investors on April 12, 2013 and maturing in July 2019,

– the multi-year securitisation plan for trade receivables for a 5-year duration established in December 2013.

En 2013, the Group's liquidity risk was reduced thanks to new financing plans, source diversification and extended terms with differing maturity dates.

This financing structure and associated covenants are described in section 5.2.5 of this document, notes 4.10 and 4.11 of the notes to the consolidated financial statements.

- Operating conditions:

The important structural cyclical working capital needs, uncertainty regarding the settlement of invoices within the contractually allowed period and operational problems weighing on the margins may, under certain conditions, generate risks on the Group's liquidity.

- The changes to the pension fund deficit:

This development could, under certain conditions, lead the Group to make additional contributions that impact its cash position. Risks related to pension funds are described in 4.3.6 of this document.

- The ability to mobilise financial resources intra-group:

Certain legal and fiscal constraints may cause the Group not to be able to mobilise the available financial resources under the desired conditions in certain countries or legal entities. This applies specifically to the case of Steria in India where the Group has significant cash.

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

4.3.2 Interest rate risks

The Group is subject to interest rate risks in relation to both financial assets and financial liabilities.

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 financial assets are all at floating rate.

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).

This point is addressed in note 4.17 of the notes to the consolidated financial statements.

4.3.3 Foreign exchange risks

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

This point is addressed in note 4.17 of the notes to the consolidated financial statements.

4.3.4 Counterparty risks and credit risks

The Group controls its counterparty risk on investments and foreign currency and interest rate hedging operations by selecting leading financial institutions and by diversifying the counterparties.

The Group therefore considers that it only has a minor exposure to bank credit risks.

4.3.5 Investment risks – Equities

The Group's policy is to invest its liquidities for less than three months with only first-class counterparties.

The Group does not have any shares within the framework of its investments and does not have any investments in listed shares.

However, the Group does have treasury shares and available-for-sale assets.

The Group considers that it is exposed to equity risk on treasury shares mainly held by the UK trusts included in the scope of consolidation for a total of 1,432,361 shares and by the Group's Parent Company, Groupe Steria SCA (35,221 shares). Their market value as at December 31, 2013 was €20,986 thousand, calculated using the most recent closing share price (€14.30).

This point is addressed in notes 4.5 and 4.11 of the notes to the consolidated financial statements.

4.3.6 Risks associated with commitments to pensions ("pension funds")

This point is addressed in note 4.12 of the notes 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.

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

The contributions paid by the Group in the United Kingdom in 2013 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

* *Under the three-year renegotiations procedure for pension funds, discussions with trustees relative to the future contributions are still pending as at the publishing date of this document. In accordance with the law and regulatory provisions in relation to pension funds, an agreement between the parties must be found within 15 months after the valuation date, that is to say, by March 31, 2014 for the SPP and June 30, 2014 for the SRP & SMP.*

A breakdown of the asset portfolio of the UK pension funds at December 31, 2013 is shown below (based on average market values):

	2013	2012
Shares	34%	37%
Bonds	46%	48%
Property/Infrastructure	13%	9%
Other assets	7%	6%
Total	**100%**	**100%**

For further information, see note 4.12 to the consolidated financial statements in section 5.2.5 of this document addressing asset breakdown and obligations of defined benefit pension plans

The current value of pension obligations for schemes with defined benefits is calculated based on actuarial assumptions and is therefore subject to changes in 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 €63.7 million increase in commitments.

Assets invested in different asset classes (including shares) are subject to fluctuations in financial markets. As an illustration, a 10% drop in the value of assets would cause a €114.4 million reduction.

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.

4.3.7 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.

Since it has led in recent years to a sustained acquisition policy, with the acquisition of Bull's European IT activities in 2002, Mummert Consulting in Germany in 2005 and more recently Xansa in the UK and India in October 2007, the Group has posted on its balance sheet in an amount of goodwill valued at €763 million at December 31, 2013. This amount is subject to periodic impairment tests to verify that there is no need to record impairment charges.

This point is addressed in note 4.17 of the notes to the consolidated financial statements.

4.4 Risk management policy

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

- **A risk mapping process performed on an annual basis** to identify the major risks of the business and guide corrective actions, both in the Group's headquarters and in the operational entities in different countries. This process results in a presentation to the Group Executive Committee, where the necessary action plans to reduce the risks identified are approved. Risk mapping is also presented to the Audit Committee and the Supervisory Board of the Group with the conclusions and recommendations of the Audit Committee;
- **A monitoring, reporting, review, tracking and management process on all risks is performed on a monthly basis:** each geographical entity prepares a structured risk report covering the main types of risks (project risks, litigation and pre-litigation risks, human resources risks, IT risks, financial risks, compliance risks, etc.). These reports are examined in a review conducted in the Country Risk Committee, which brings together all the key functions of the entity. These summaries by country and type of risk are then reviewed by the Group Risk Committee, chaired by the Head of Group Risk, and consist of a multidisciplinary team providing independent external vision. *Ad hoc* corrective action may be decided on and implemented. The Chief Financial Officer, member of the Executive Committee, assists the Group Risk Committee and checks the General Management information at the Area financial reporting meetings. Each Audit Committee is also presented with a review of the various financial and operational risks;
- **A crisis management process,** in case of an unpredictable or unexpected event, Specific governance is established in each geographical entity, bringing together the required business experts depending on the subject. This is complemented by a crisis management cell at Group level that is linked to individuals at the different geographical entities depending on the skill level of the problem being treated. This Group cell is under the responsibility of the Head of Group Risk.

4.5 Risk coverage - 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 optimise 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 programs 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 in the course of their activities, due to material or immaterial bodily harm or prejudice to third parties. This global program me is organised in several insurance lines with leading insurance companies. Overall benefit is limited to €135 million per loss and per year of insurance;
- Direct Damage and Operating Loss insurance: this program covers all the Group's sites in all countries for the direct damage they may suffer and operating losses that may result. Overall benefit (for all types of damage and operating loss) is limited to €100 million per claim 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.

5

"Consolidated statement of financial position and earnings

5.1 Business report

5.1.1 Group's situation and activity during the year 2013

The Group recorded a decline in revenue of 1.8% over the 2013 financial year in a generally difficult economic environment in Europe. This development was affected by the eco-tax project, due to the base effect caused by non-recurring sales in 2012 (€12.5 million) and to the non-recognition of some 2013 income as the future of the project is currently uncertain. Adjusted for these two effects, organic change in 2013 revenue is estimated at 0.6%.

The fourth quarter of 2013 marked an improvement on the rest of the year with organic growth almost stable (down 0.3%) compared to the fourth quarter of 2012 and up 2% adjusted for the non-recognition of some eco-tax revenue. This final quarter was also marked by the signing of the SSCL contract with the British government, relating to the modernisation and outsourcing of its support functions and which, is estimated at over GBP 1 billion over ten years, Steria's largest contract ever.

Buoyed by the very high order intake in the fourth quarter of 2013, the ratio of new orders to revenue at December 31, 2013 was 1.05 (1.03 at December 31, 2012). In the cyclical part of the business (consulting/systems integration/testing), the ratio of orders to revenue was 0.97 (1.10 at December 31, 2012).

In the UK, revenue for the year fell by 1.4% at constant scope and exchange rates. However, there was a reversal in the second half, which prefigures a healthy pace of growth in the coming quarters. Steria has strengthened its leadership in providing support to administrations undergoing transformation, particularly in the policing, justice and healthcare sectors and to the Cabinet Office itself. The Energy-Utilities/Telecom-Media/Transport sector was also dynamic, with strong growth. As at December 31, 2013, the ratio of new orders to revenue amounted to 1.19 (0.82 at December 31, 2012). In cyclical activities the ratio was 0.92 at December 31, 2013.

In France, revenue declined 5.6% (by -2.1% after adjusting for the impact of eco-tax). The fourth quarter saw a slight improvement, with a decline of 1.3% against a fall of 2.3% over the first nine months (excluding non-recurring effects linked to eco-tax). The ratio of orders to revenue was 1.01 at December 31, 2013, compared to 1.18 at December 31, 2012. In cyclical activities the ratio was 0.99 at December 31, 2013.

This region saw a sharp drop in its operating margin for its IT infrastructure management business due to an exceptional situation linked to the implementation of the eco-tax infrastructure, a delay in developing the delivery model for new infrastructure transformation contracts and additional costs linked to the consolidation of datacentres.

A recovery programme, called "Ere 2016" (Era 2016), has been launched. The programme has two strands: the growth and value strand and a productivity strand. The initiatives planned under this programme aim to boost growth from 2014 onwards and to generate €16-20 million in savings between now and 2015, targeting a return to a profitability of 7% in 2016.

In Germany, revenue fell 1.6%. Fourth-quarter growth was hit by a particularly unfavourable basis for comparison resulting from sustained activity in the fourth quarter of 2012. The Public Sector recorded sustained growth throughout the year while the banking sector edged slightly down and the Energy-Utilities/Telecom-Media/Transport sector trended downward. As at December 31, 2013, the ratio of orders to revenue was 0.95 (1.13 as at December 31, 2012).

In the Rest of Europe, organic growth was strong (up 5.7%), particularly in the Public Sector and the Energy-Utilities/Telecom-Media/Transport sector. Scandinavia posted particularly buoyant growth (organic growth of 13.3%). Bolstered by several consecutive years of high growth, this region is now posting revenue close to €200 million.

5.1.2 Annual year results

5.1.2.1 Consolidated income statement

(in thousands of euros)	12/31/2013	12/31/2012 (1)	12/31/2012 (2)
REVENUE	**1,754,925**	**1,827,197**	**1,827,197**
Cost of sales and sub-contracting costs	(332,939)	(359,240)	(359,240)
Personnel costs	(1,012,896)	(1,042,289)	(1,042,319)
Bought-in costs	(259,822)	(259,306)	(259,306)
Taxes (excluding income taxes)	(21,680)	(22,870)	(22,870)
Other operating revenue	10,765	8,126	8,126
Other operating expenses	(267)	(2,389)	(2,389)
Net charges for depreciation and amortisation	(35,802)	(38,137)	(38,137)
Net charges for provisions	1,609	107	107
Net charges for current asset impairment	263	(304)	(304)
OPERATING MARGIN AFTER DEPRECIATION OF INTANGIBLE ASSETS RECOGNISED AS PART OF MERGERS (3)	**104,156**	**110,894**	**110,864**
Other operating income	954	17,452	17,452
Other operating expenses	(51,293)	(40,032)	(55,740)
OPERATING INCOME/LOSS	**53,817**	**88,313**	**72,576**
Income from cash and cash equivalents	8,566	8,138	8,138
Gross cost of debt	(14,939)	(10,665)	(10,665)
Net borrowing cost	***(6,373)***	***(2,527)***	***(2,527)***
Other financial income	2,171	5,726	5,726
Other financial expenses	(21,586)	(19,812)	(11,065)
NET FINANCIAL INCOME (EXPENSE)	**(25,787)**	**(16,614)**	**(7,866)**
Income tax expense	(15,493)	(13,723)	(12,073)
Share of profit/(loss) of associates	206	116	116
NET PROFIT FROM CONTINUING OPERATIONS	**12,743**	**58,092**	**52,753**
Net profit/(loss) from discontinued operations	0	(14,919)	(14,919)
NET INCOME (LOSS)	**12,743**	**43,173**	**37,834**
Attributable to equity holders of the parent	8,857	41,005	35,596
Minority share	3,886	2,168	2,237

(1) After taking into account the revised IAS 19 – Post Retirement Benefits, applied retrospectively (see section 5.2, note 1.2).
(2) Income statement as published in the Press Release on February 28, 2013.
(3) Amortisation of customer relationships recorded in connection with the acquisition of Xansa and NHS SBS account for (6,270) thousand euros as at December 31, 2013 and (6,566) thousand euros as at December 31, 2012.

5

Despite a 1.8% fall in revenue, the operating margin rate [(1)] for 2013 held up well thanks to the various initiatives undertaken, including the 3P plan implemented in various countries from the second half of 2012 on. This stood at 6.3% (€110.4 million) compared to 6.4% in 2012, in spite from the negative effects from the suspension of the eco-tax project at the end of the year.

Outside France, of which represent approximately 70% of Group revenues, the operating margin rate [(1)] rose 60 basis points (8.2% compared to 7.6% in 2012).

The operating margin rate [(1)] by geographic region was distributed as follows:

(in % of revenue)	2013	2012
United Kingdom	10.0%	9.4%
France	4.2%	5.7%
Germany	5.3%	4.4%
Rest of Europe	6.1%	5.7%
Group expenses	-0.6%	-0.6%
Group	**6.3%**	**6.4%**

Cost of sales, sub-contracting costs and personnel costs accounted for €1,345.8 million for the year, down 4.0% on 2012. The average workforce in 2013 stood at 19,578, representing a 4.8% reduction compared to 2012.

Other operating income and expenses, which include restructuring costs of €35.2 million and a non-current provision of €8.0 million for the eco-tax contract, amounted to €50.3 million. The amount of €38.3 million published the previous year included an exceptional, non-taxable gain of €12.3 million, linked to the accounting impact of the takeover of NHS SBS.

Financial expenses were €25.8 million (-€7.9 million reported in 2012) mainly due to the application of the amended version of IAS 19 which led to an increase in financial cost (but no cash impact) relating to the pension fund deficit, which amounted to €14.0 million for 2013.

The tax charge of €15.5 million (€12.1 million reported in 2012) takes into account the decision not to capitalise deferred taxes over a portion of the result in France, a decision which resulted in a €10 million impact on the tax charge for 2013.

Substantially affected by non-recurring items, **attributable Net Income** was €8.9 million (€35.6 million reported in 2012).

The inter-contract rate in 2013 was 2.32%, compared to 2.41% in 2012.

This rate corresponds to the number of full-time equivalent employees in relation to the total number of employees over 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, commercial, etc.) and those who are absent (holidays, illness, training, etc.).

5.1.2.2 Balance sheet and financial structure

(in thousands of euros)	12/31/2013	12/31/2012 [(1)]	12/31/2012 [(2)]	Change	
				€ million	%
Goodwill	762,579	779,171	779,171	(16,592)	-2.1%
Intangible assets and property, plant and equipment	155,399	167,121	167,121	(11,722)	-7.0%
Investments, other non-current financial and other assets	14,680	19,345	19,345	(4,665)	-24.1%
Net deferred tax assets/(liabilities)	93,266	115,679	21,777	(22,413)	-19.4%
Working capital requirements	(89,399)	(19,713)	(6,254)	(69,686)	353.5%
Total capital used	**936,524**	**1,061,603**	**981,161**	**(125,079)**	**-11.8%**
Shareholders’ equity	392,668	510,484	815,033	(117,816)	-23.1%
Provisions for liabilities and charges	36,781	37,048	37,048	(267)	-0.7%
Net liabilities on pension benefit requirements	283,109	371,052	(13,938)	(87,944)	-23.7%
Net financial debt	223,966	143,018	143,018	80,948	56.6%
Total capital invested	**936,524**	**1,061,603**	**981,161**	**(125,079)**	**-11.8%**

(1) Before amortisation of intangible assets related to business combinations. the operating margin is the Group’s key indicator. 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) As published in the press release of 28 February 2013.

Group financial debt stood at €224.0 million as at December 31, 2013, down €71.5 million compared to debt as at December 31, 2012 (1), despite the adverse impact of €17.0 million linked to currency fluctuations.

This reduction in net financial debt was due to rigorous monitoring of industrial investment *(capex)* which fell 25% compared to 2012, twinned with highly rigorous management of working capital requirements, which dropped €81.5 million over the year. This reduction included the implementation in the second half of 2013, of a recurring deconsolidating non-recourse securitisation programme amounting to €49.9 million net.

This highly favourable trend in Group net financial debt must be put in perspective in view of the high priority given in early 2013 to cash management and deleveraging.

As at December 31, 2013, the Group's financial situation was sound in terms of both its financial ratios (gearing ratio of 60%, Ebitda leverage ratio of 1.6x (capped at 2.5x) and interest coverage ratio at 17.3, with a minimum of 5.0x) and liquidity (approximately €378 million in credit facilities available and unused).

As a result, the Group believes that it has the necessary liquidity and financial resources to meet its future commitments and continue to develop its activity in line with its plans (see section 4.3.1 of this document for more information on the Group's liquidity position).

The pension fund deficit net of taxes was down €78 million compared to December 31, 2012 after adjustments to take account of the amended version of IAS 19 – Employee Benefits.

Shareholders' equity fell to €392.7 million (€815.0 million at December 31, 2012 as reported on February 28, 2013), mainly due to three effects:

- the repayment of the convertible hybrid bond issue (classified as equity instruments on December 31, 2012) on January 2, 2013;
- the application of revised accounting standard IAS 19 – Employee benefits to pension funds deficits as of 1 January 2013, the negative impact of which translates into a reduction in shareholders' equity of €252 million compared to 31 December 2012;
- unfavourable currency effects amounting to €35.6 million.

Capital employed amounted to €936.5 million versus €981.2 million as at December 31, 2012 (as reported on February 28, 2013). The main changes were:

- a reduction in working capital requirements (down €89.4 million against -€6.3 million in 2012) due to good management of trade receivables on the one hand and on the other to the implementation of a recurring deconsolidating securitisation programme amounting to €49.9 million net;
- a rise in deferred tax assets (€93.3 million against €21.8 million in 2012) due to pension fund deficits totalling €283.1 million following the application of the amended version of IAS 19 – Employee Benefits;
- a reduction in the amount of goodwill of €16.6 million, due to currency effects the rose by euro 2.1% against the pound sterling at 12/31/2013 compared to 12/31/2012).

5.1.2.3 Major investments

The main investments made by Group companies, excluding acquisitions of companies and/or premises/land (point developed below), included IT equipment, software licenses, tools, both for internal requirements and to improve delivery capacity and to develop industrialisation to enable delivery of client contracts (See notes 4.2 and 4.3 in the Notes to the consolidated financial statements). For the most part, these amounts are financed by the groups balance sheet.

The Company's property policy is to favour the rental of its offices and production sites. The Group does not seek to be the owner of its premises and/or offices, with the exception of land in India, whose net worth at December 31, 2013 was €12.8 million (versus €16.0 million in 2012).

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

Investments made in the last three financial years

	2013	2012	2011
Amount	€30.7 million	€40.8 million	€44.5 million
% revenue	1.7%	2.2%	2.8%

(1) *Taking into account the subordinated hybrid convertible bonds issued in 2007 (classified as equity instruments for a total of €152 million) and repaid on January 2, 2013, net financial debt was €295.4 million (€143 million + €152.4 million) at December 31, 2012.*

In 2011, the published amount incorporates significant investments in real estate infrastructure in France, the United Kingdom and India.

In 2012, the amount was impacted by major IT investments during the year by NHS SBS, newly integrated entity.

In 2013, investments reduced significantly to €30.7 million, a decrease of 25%, as a result of significant reduction efforts and in the absence of specific programmes such as those observed in 2011 and 2012.

At December 31, 2013, the main investments approved for 2014 include the investments in internal tools, IT equipment and contractual investments dedicated to clients.

5.1.2.4 Research and development

As indicated, the Group allocates a significant amount to innovation and continues its research and development efforts (see paragraph 1.7 of this document ("Innovation research and development") for further information on this point). All of this work is done by teams integrated into various Group businesses and geographic areas. All corresponding amounts are fully charged as operating expenses.

5.1.3 Groupe Steria SCA's situation and activity during 2013

5.1.3.1 Business of the Company

Groupe Steria SCA is an operational holding company, which supervises the activities of the Group.

In this respect, Groupe Steria SCA oversees the Group and manages all of its subsidiaries.

The Company hosts all functional department activities (Communication, Strategy, Marketing, Internal Control and Audit, Human Resources, Information Systems, Finance, Purchasing, Project Risk Management, Legal and Global Risk).

To ensure efficiency, Groupe Steria SCA also provides certain centralised services to subsidiaries, for which they are invoiced specifically. For example, Groupe Steria SCA negotiates, contracts and follows up on the Group's insurance, which it then invoices to the subsidiaries.

In 2013, for services provided, the company charged its subsidiaries €53.116 million (see Note 3.1 to the company accounts).

At December 31, 2013, Groupe Steria SCA had 94 employees.

5.1.3.2 Income statement

Since the main activity of Groupe Steria SCA is the legal, social and financial management of its subsidiaries, the billing of management fees is recognised as revenue. These revenues amounted to €53.6 million in 2013 against €50.8 million in 2012, up 5.7%.

Operating income amounted to €(8.2) million in 2013 against €(6.6) million in 2012.

The financial result changed from €9 million in 2012 to €11.2 million in 2013.

Profit before tax rose from €2.4 million in 2012 to €3.1 million in 2013.

Exceptional income in 2013 amounted to €(1.1) million against €(1.1) million in 2012.

Income tax rose from €0.1 million in 2012 to €(2.4) million in 2013.

Net income amounted to €(0.5) million in 2012 versus €1.4 million in 2012.

In accordance with Article 223 quater of the French General Tax Code, the financial statements for the year ended recorded as an expense a sum of €47,752, which corresponds to non-tax-deductible expenses (Article 39–4 of the General Tax Code).

5.1.3.3 Balance sheet

5.1.3.3.1 Shareholders' equity

Shareholders' equity decreased from €674.6 million at end-2012 to €532.3 million at end-2013.

This is explained by:

- net income for the year of €(0.5) million;
- capital increases (excluding capital increase related to the allocation of free shares from the reserves) of €12.7 million (of which €11.5 million was allocated as share premiums);
- the distribution of dividends €(6.7) million;
- resolution of the equity difference of €(147.3) million, because of a change in the valuation method for equity investments as set out in note 1.13 in the Notes to the financial statements at December 31, 2013 (part 5.4).

5.1.3.3.2 Fixed assets

Fixed assets amounted to €975 million at the end of 2013 versus €1,085 million at the end of 2012. This includes financial assets of €945.1 million, intangible assets of €28.2 million and tangible fixed assets of €1.8 million.

The main investments made by the Company involve hardware, purchases of software licenses and applications, either for internal purposes to improve the production capacity and development of industrialisation or to allow delivery of client contracts. These investments are essentially financed from own resources.

The Group's property policy is to favour the rental of its offices and production sites. The Company does not seek to be the owner of its premises and/or offices.

5.1.4 Foreseeable changes and outlook

Perspectives announced in the press release issued 28 February 2014

Based on orders booked during the fourth quarter of 2013, and the very strong growth expected in the United Kingdom, the Group is aiming at organic growth in revenues of 6-8% in 2014 and a rise in absolute terms of at least 10% in the operating margin.

5.1.5 Important events after the reporting period

No significant change into the Group's financial and commercial situation has occurred since the end of the 2013 fiscal year.

PRESS RELEASE (1) ON THE 8TH APRIL 2014:

Proposed friendly tie-up between Sopra and Steria to create a European leader in digital transformation

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

Paris, 8 April 2014 - Sopra (NYSE EURONEXT: SOP) and Steria (NYSE EURONEXT: RIA) announced today their intention to create, by carrying out the proposed tie-up, to create a European leader in digital services with a combined revenue of €3.1bn and operations in 24 countries, combining the talents of over 35,000 professionals.

The proposed tie-up will take the form of a friendly, voluntary Offre Publique d'Echange (Public Exchange Offer) (2) initiated by Sopra for all of the shares of Steria on the basis of one (1) Sopra share for four (4) Steria shares (the « Offer »). At 4 April 2014, this Offer represented an exchange value of €22 (3) per Steria share on the basis of the weighted average Sopra share price over a one-month period. This represents a 40% premium with respect to the closing share price and a 49% premium with respect to the weighted average share price over the preceding three-month period.

(1) This announcement has been released for informational purposes only and does not constitute and must not be considered as an offer to purchase Groupe Steria or Sopra shares. The release of this announcement may be restricted by law in certain jurisdictions and, therefore, any person holding this document must enquire about applicable legal restrictions and comply with them. Therefore, Groupe Steria and Sopra decline all liability whatsoever with regards to the potential violation, by any person, of these restrictions

[2] Sopra and Steria reserve the possibility of completing the tie-up by means of a fusion statutaire merger if necessary.

[3] 2013 Sopra dividend (€1.90 per share) attached.

The Board of Directors of Soderi, the associé commandité (general partner) of Steria, as well as the Supervisory Board of Steria and the Board of Directors of Sopra, at their meetings today, approved this proposed tie-up and gave it their support, provided that the transaction remains conditional on the FCPE Groupe Steriactions, which owns 17.45% of the share capital and 20.92% of the voting rights, committing to contribute its shares to Sopra at the latest by 9 April 2014, the completion thereof being itself conditional on the Offer being successful.

Pierre Pasquier, Chairman and founder of Sopra and François Enaud, CEO of Steria, issued the following statement: « Our respective firms share cultures of independence and growth and a great deal of mutual respect. The idea of combining forces has always looked like it made sense. The accelerating pace of the digital revolution and new modes of consuming services are giving rise to a deep-seated change in our market. In this context our tie-up aims to deliver the best transformation solutions to our clients so that they can adapt to the digital world. The alliance between Sopra and Steria would allow us to put together one of the most complete portfolios of offerings available on the market, from software solutions to business process execution. This industrial project would also benefit our employees who would be able to evolve and acquire new skills, and our shareholders would be able to accompany us in a foundational, value-creating project ».

For Jean-Bernard Rampini, Chairman of Soderi: « This tie-up project « between equals » maintains Steria's human and industrial assets and offers a great, unique opportunity to maintain the values of employee-shareholders within the new group via a new shareholder pact, which was a decisive factor for our support ».

Jacques Bentz, Chairman of Steria's Supervisory Board and Eric Hayat, Vice-Chairman of the Supervisory Board and co-founder of Steria, added: « We chose to back this offer as it is a tie-up which has been accepted by the general partner and represents a substantial source of potential value creation for employees, clients and shareholders ».

Balanced corporate governance and stable reference shareholder structure

The new group would operate with a balanced corporate governance structure in the framework of a proposed tie-up between equals. Pierre Pasquier would be Chairman of its Board of Directors and François Enaud would be Chief Executive Officer. On the Board of Directors, Sopra and Steria would each be represented by four directors, in addition to independent members and employee representatives.

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

Very strong complementary fit of business activities and geographic segments

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

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

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

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

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

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

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

Schedule and conditions of the transaction

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

Filing of the Offer could take place in May 2014.

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

Presentation and Conference Call

The project will be presented to analysts and investors at a meeting, to be held in French, on Tuesday, 8 April 2014 at 9.30 am at Shangri-La Hotel, 10 avenue d'Iena, Paris.

The presentation will be jointly hosted by Pierre Pasquier, Chairman of Sopra, and François Enaud, CEO of Steria.

This presentation can be followed remotely in French or English. You may register for the webcast or listen to the presentation by dialling +44 203 367 9454.

The practical information relating to this conference may be consulted on the respective websites of the two groups www.sopra.com and www.steria.com.

Sopra's exclusive financial advisor is Société Générale; its legal advisor is BDGS.

Steria's exclusive financial advisor is BNP Paribas; its legal advisor is Brandford-Griffith & Associés.

PRESS RELEASE (1) ON THE 9TH APRIL 2014

Employee Shareholding Fund decided to provide its shares in Groupe Steria to Sopra Group

Sopra Group (NYSE EURONEXT: SOP) and Groupe Steria NYSE EURONEXT: RIA) announce that the Supervisory Board of the Employee Shareholding Fund (FCPE) Groupe Steriactions which owns 17.45% of the capital and 20.92% of voting rights of Groupe Steria has decided to provide all of its shares in Groupe Steria SCA to Sopra Group subject to the condition precedent of the completion of the public exchange offer project (the Offer).

By this decision, the Supervisory Board of the Employee Shareholding Fund (FCPE) Groupe Steriactions brought it's support to the operation which it considers to be friendly and in the interest of the Groupe Steriactions (FCPE) shareholders.

Sopra Group and Groupe Steria will keep their shareholders informed of the next steps of the operation, under the usual conditions.

PRESS RELEASE (1) ON THE 17TH APRIL 2014

Information delivered by Groupe Steria

Following a press article published yesterday, Groupe Steria SCA would like to reiterate that its Supervisory board and the Board of Directors of its General Partner Soderi, have decided to approve the planned friendly combination with Sopra Group, with which they had been in exclusive talks for several months. Prior to this decision, both Chairmen had informed their respective board members of a letter received from the company AtoS, with an invitation to enter into talks about a potential offer at a price of «around» 22 euros.

The planned friendly combination of Sopra and Steria has the ambition to create a European leader in digital services with a combined revenue of €3.1bn and operations in 24 countries, joining the talents of over 35,000 professionals in order to serve large international clients. It allows to preserve Steria's human and industrial assets and the shareholder agreement with Sopra GMT will maintain the employee shareholding values.

The proposed friendly tie-up with Sopra Group should generate annual operational cost synergies of €62m and as an ambition to form a group that is capable of generating strong organic growth with the objective of achieving revenue of over €4bn and progressively improve the operating margin on business activity to approach the 10% mark.

(1) This announcement has been released for informational purposes only and does not constitute and must not be considered as an offer to purchase Groupe Steria or Sopra shares. The release of this announcement may be restricted by law in certain jurisdictions and, therefore, any person holding this document must enquire about applicable legal restrictions and comply with them. Therefore, Groupe Steria and Sopra decline all liability whatsoever with regards to the potential violation, by any person, of these restrictions

PRESS RELEASE [(1)] ON THE 18TH APRIL 2014

Clarifications delivered by Groupe Steria SCA on the April 18th, 2014

In response to the press release published today by AtoS, Groupe Steria SCA would like to clarify that no discussions about a potential combination have been held with AtoS. To the contrary, following spontaneous approaches made by AtoS, Steria has clearly indicated that it does not want to enter into discussions with AtoS and has indicated to its Chairman that it does not want to receive any proposal. Despite this position, AtoS' Chairman has sent a letter on 4 April 2014 to the Chairmen of the Supervisory board and the Strategic committee inviting Steria to enter into discussions about a potential offer around 22 euros per share. This approach was hence unsolicited and could only aim at disturbing the ongoing exclusive negotiations with Sopra Group. Steria renews its rejection of this unsolicited proposal.

PRESS RELEASE [(1)] ON THE 28TH APRIL 2014

First quarter 2014 revenue: €463.8 million Organic growth of 6.1%

- Consolidated revenue for the first quarter 2014 increased by 6.1% like-for-like.
- Activity was driven by the United Kingdom which saw growth of 15.2% with, notably, the ramp-up of the SSCL contract.

First quarter 2014 consolidated revenue

In € million	First quarter 2013	First quarter 2014	Growth
Revenue	436.7	463.8	6.2%
Change in consolidation scope	0.0		
Currency variation	0.2		
Pro-forma revenue	437.0	463.8	6.1%

First quarter 2014 revenue by geographic area

In € million	First quarter 2013*	First quarter 2014	Organic growth
United Kingdom	176.3	203.0	15.2%
France	144.0	135.9	-5.6%
Germany	58.6	55.9	-4.6%
Other Europe	58.1	69.0	18.7%
Total	**437.0**	**463.8**	**6.1%**

** Like-for-like revenue (2014 base)*

(1) *This announcement has been released for informational purposes only and does not constitute and must not be considered as an offer to purchase Groupe Steria or Sopra shares. The release of this announcement may be restricted by law in certain jurisdictions and, therefore, any person holding this document must enquire about applicable legal restrictions and comply with them. Therefore, Groupe Steria and Sopra decline all liability whatsoever with regards to the potential violation, by any person, of these restrictions*

Activity for the first quarter 2014

First quarter 2014 activity was driven by the Public Sector where growth stood at 19.3% while the Telco/Utilities/Transport sector posted growth of 0.7% and the Finance sector was down by 6.6%.

In terms of service lines, Business Process Outsourcing grew by 40.3% and IT infrastructure management by 7.5%. Applications services (consulting, systems integration, application management and testing) declined by 5.3% under the impact, notably, of the comparison effects linked to Ecotax.

At 31 March 2014, the book-to-bill ratio for the cyclical part of the business stood at 1.05 (1.24 in the previous year).

Reflecting an improvement in the business environment, the pipeline was significantly higher at the end of the first quarter 2014, up by 36.8% on the previous year. At 31 March 2014, the pipeline stood at 2.26 times annual projected revenue compared with 1.75 at 31 March 2013.

The United Kingdom saw strong like-for-like revenue growth of 15.2%. Activity was particularly buoyant in the Public Sector thanks, in particular, to the ramp-up of the SSCL contract but also the positive trend in Defence and Homeland Security. The Telco/Utilities/Transport sector also enjoyed strong growth while Finance was down. The Business Process Services activities posted vigorous growth and now represent more than 50% of the UK revenue. At the end of March 2014, the book-to-bill ratio in the cyclical part of the business [(1)] was 1.14 (1.74 at 31 March 2013). The pipeline was markedly higher at €2.4 billion (representing 2.9 times annual projected revenue versus 1.4 times at 31 March 2013) thanks to the major commercial opportunities in Business Process Services, particularly in the Public Sector.

In France, as expected by the Group, revenue declined by 5.6%. This quarter was again marked by the non-recognition of revenue on the Ecotax contract. The main developments were an improvement in the Banking sector (+2%) and a positive trend in the Energy-Utilities and Aeronautics sectors. Insurance, Telecommunications and the Public Sector were, however, negatively oriented. At 31 March 2014, the book-to-bill ratio in the cyclical part of the business1 stood at 0.97 (1.22 at 31 March 2013).

In Germany, revenue contracted by 4.6% like-for-like. The Banking (+1.8%) and Telecommunications sectors posted revenue growth but the Insurance, Public and Energy-Utilities sectors saw lower revenue. At 31 March 2014, the book-to-bill ratio for the cyclical part of the business1 stood at 1.14 (1.33 at 31 March 2013) and the pipeline was up by 5.5% relative to 31 March 2013, pointing to growth in second half 2014 revenue.

The Other Europe region posted strong like-for-like revenue growth of 18.7%, underpinned by organic growth of 1.9% in Belgium/Switzerland and 26% in Scandinavia which benefited from the ramp-up of large contracts signed in 2013. The book-to-bill ratio in the cyclical activities stood at 1.06 at 31 March 2014 (1.1 at 31 March 2013).

Planned business combination with Sopra

The planned friendly tie-up of Sopra and Steria aims to create a European leader in digital services with combined revenue of €3.1 billion (2013 pro forma basis) and more than 35,000 employees located in 24 countries serving large international clients. This planned tie-up should generate operational synergies of €62 million and its ambition is to form a group that is capable of generating strong organic growth aimed at achieving revenue of over €4 billion and progressively improving the operating margin to approaching the 10% mark.

This planned tie-up, on which the initial feedback from clients and employees has been very positive, will now proceed based on the following indicative calendar: filing of the Public Exchange Offer in May 2014 and results of the Offer in July 2014. The Steria Supervisory Board has already appointed the firm Finexsi whose task will be to carry out an independent valuation and issue advice on the conditions of the Public Exchange Offer for shareholders, and which will serve as the basis for its reasoned opinion on the transaction.

5.1.6 Subsidiaries and affiliates

The list of subsidiaries and affiliates is attached to the consolidated balance sheet (note 2.2); Moreover, a simplified legal organisation chart of the group is presented in paragraph 1.9.2 of this reference document.

In the United Kingdom, on 1 November 2013, the Group won a major tender with the British Government, represented by the Cabinet Office to transform the support activities (back office) for various ministries. To accomplish this, a joint venture called SSCL (Shared Services Connected Limited) was set up between Steria LTD and the Cabinet Office. This company holds the contracts with various government agencies. It is 75% owned by the Group.

(1) *Consulting/Systems Integration/Testing.*

5.2 Consolidated financial statements for the year ended December 31, 2013

5.2.1 Consolidated income statement

(in thousands of euros)	Notes	12/31/2013	12/31/2012 [1]
Revenue	**4.19**	**1,754,925**	**1,827,197**
Cost of sales and sub-contracting costs		(332,939)	(359,240)
Personnel costs		(1,012,896)	(1,042,289)
External charges		(259,822)	(259,306)
Taxes (excluding income taxes)		(21,680)	(22,870)
Other current operating income	4.20	10,765	8,126
Other current operating expenses	4.20	(267)	(2,389)
Net charges for depreciation and amortization		(35,802)	(38,137)
Net charges to provisions		1,609	107
Net charges for current asset impairment		263	(304)
Operating margin after amortization of intangible assets recognized in business combinations [2]		**104,156**	**110,894**
Other operating income	4.21	954	17,452
Other operating expenses	4.21	(51,293)	(40,032)
Operating profit/(loss)		**53,817**	**88,313**
Income from cash and cash equivalents		8,566	8,138
Gross cost of financial debt		(14,939)	(10,665)
Cost of net borrowings	4.22	(6,373)	(2,527)
Other financial income	4.22	2,171	5,726
Other financial expenses	4.22	(21,586)	(19,812)
Net financial expense		**(25,787)**	**(16,614)**
Income tax expense	4.7	(15,493)	(13,723)
Share of profit/(loss) of associates	4.4	206	116
Net profit from continuing operations		**12,743**	**58,092**
Net profit/(loss) from discontinued operations	4.18	-	(14,919)
Net profit/(loss)		**12,743**	**43,173**
Attributable to owners of the parent		**8,857**	**41,005**
Attributable to non-controlling interests		**3,886**	**2,168**
Earnings per share *(in euros)*:	4.23		
– from continuing operations		0.29	1.71
– from discontinued operations		-	(0.51)
Diluted earnings per share *(in euros)*:	4.23		
– from continuing operations		0.29	1.66
– from discontinued operations		-	(0.44)

(1) After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).
(2) After amortization of the customer relationships recognized in business combinations in the amount of €(6,270) thousand in 2013 and €(6,566) thousand in 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	Notes	12/31/2013	12/31/2012 *
Net profit/(loss)		**12,743**	**43,173**
Income and expense items not recorded in profit or loss:			
– Exchange differences arising from foreign entities		(36,219)	4,253
– Gains and losses on net investment hedging instruments		1,727	(1,023)
– Tax impact of net investment hedging financial instruments		(749)	461
– Gains and losses on cash flow hedging financial instruments	4.24	(2,145)	1,039
– Tax impact of cash flow hedges		733	(228)
Total income and expenses recognized in equity and recyclable to profit or loss		***(36,652)***	***4,501***
– Re-estimated post-employment employee benefits	4.12	77,597	(124,400)
– Tax impacts of re-estimated post-employment employee benefits		(26,976)	24,533
Total income and expenses recognized in equity and not recyclable to profit or loss		**50,621**	**(99,866)**
Total income and expense items not recorded in profit or loss, net of tax		**13,968**	**(95,365)**
Total comprehensive income for the period		**26,712**	**(52,192)**
Attributable to owners of the parent		**22,606**	**(53,631)**
Attributable to non-controlling interests		**4,106**	**1,439**

* *After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).*

5.2.2 Consolidated balance sheet

Assets

(in thousands of euros)	Notes	12/31/2013	12/31/2012 *
Goodwill	4.1	762,579	779,171
Intangible assets	4.2	99,505	102,758
Property, plant and equipment	4.3	52,871	60,212
Investments in associates	4.4	1,681	1,541
Available-for-sale financial assets	4.5	878	2,531
Other financial assets	4.6	4,427	9,495
Deferred tax assets	4.7	95,480	117,439
Other non-current assets		4,233	1,830
Non-current assets		**1,021,654**	**1,074,978**
Inventories	4.8	21,039	9,013
Net trade receivables and similar accounts	4.9	207,045	266,744
Amounts due from customers	4.9	164,313	202,607
Other current assets	4.9	58,672	42,285
Current portion of non-current assets	4.9	3,461	3,948
Current tax assets	4.9	39,723	33,333
Prepaid expenses	4.9	35,065	22,865
Cash and cash equivalents	4.11	209,441	145,579
Current assets		**738,757**	**726,373**
Non-current assets classified as held for sale	4.18	6,354	7,475
Total assets		**1,766,765**	**1,808,826**

* *After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).*

Liabilities and shareholders' equity

(in thousands of euros)	Notes	12/31/2013	12/31/2012 *
Issued share capital		33,157	31,880
Share premium		436,179	424,672
Treasury shares		(34,729)	(35,418)
Subordinated hybrid convertible bonds	4.10	-	150,284
Exchange differences		(151,879)	(116,685)
Other reserves		91,229	8,982
Net profit for the period		8,857	41,005
Equity attributable to owners of the parent		**382,813**	**504,722**
Non-controlling interests		9,855	5,763
Total equity		**392,668**	**510,484**
Long-term borrowings	4.11	363,393	245,810
Retirement benefit and similar obligations	4.12	291,369	382,966
Provisions for non-current liabilities and charges	4.13	7,041	12,396
Deferred tax liabilities	4.7	1,572	1,036
Other non-current liabilities	4.14	52,984	23,989
Non-current liabilities		**716,358**	**666,197**
Short-term borrowings	4.11	70,015	42,786
Provisions for current liabilities and charges	4.13	29,740	24,652
Net trade payables and similar accounts	4.15	171,205	148,751
Gross amounts due to customers	4.15	60,351	69,975
Advances and payments on account received	4.15	11,017	11,847
Current tax liabilities	4.15	41,348	41,126
Other current liabilities	4.15	273,420	292,283
Current liabilities		**657,097**	**631,420**
Liabilities directly associated with non-current assets classified as held for sale	4.18	642	724
Total liabilities and shareholders' equity		**1,766,765**	**1,808,826**

* *After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).*

5.2.3 Consolidated cash flow statement

(in thousands of euros)	Notes	12/31/2013	12/31/2012 (1)
Net profit from continuing operations		**12,743**	**58,092**
Adjustments for:			
Share of profit/(loss) of associates		(206)	(116)
Net charges to depreciation, amortization and provisions		52,604	37,509
Calculated expenses and income related to stock options and equivalent		2,762	3,050
Fair value adjustment gains and losses		(156)	(811)
Capital gains/(losses) on disposal		184	(11,493)
Cash flow from operating activities after net borrowing costs and taxes		**67,930**	**86,231**
Dividends on non-consolidated securities		(23)	(15)
Cost of net borrowings		6,373	2,527
Income tax expense (including deferred tax)		15,493	13,723
Cash flow from operating activities before net borrowing costs and taxes		**89,773**	**102,465**
Income tax paid		(27,170)	(25,147)
Change in working capital requirements	4.16	60,740	(2,514)
Net cash from operating activities		**123,343**	**74,804**
Purchases of intangible assets		(19,145)	(21,918)
Purchases of property, plant and equipment		(11,509)	(18,724)
Purchases of non-consolidated investments		(133)	(183)
Proceeds from disposals of intangible assets and property, plant and equipment		258	132
Proceeds from disposal of non-consolidated investments		2,224	(49)
Loans and advances granted		(850)	(1,689)
Repayments received on loans and advances granted (including factoring)		272	164
Impact of changes in Group structure			
– Acquisition of consolidated companies, net of cash acquired	2.1	-	6,164
– Disposal of consolidated operations and companies, net of cash transferred		-	170
Net interest received		396	322
Dividends received (associates, non-consolidated investments)		89	83
Net cash used in investing activities		**(28,399)**	**(35,529)**
Amounts received from shareholders as part of a share capital increase		9,166	8,574
Dividends paid during the year:			
– Dividends paid to shareholders of the Parent Company and similar (2)		(11,591)	(19,190)
– Dividends paid to minority interests in consolidated companies		1	-
Disposals/(acquisitions) of treasury shares		(111)	602
Proceeds from new borrowings		192,452	14,054
Repayment of borrowings		(44,949)	(28,897)
Repayment of the hybrid convertible bond	4.10	(152,434)	-
Additional disbursements relating to defined retirement benefit obligations	4.12	(17,920)	(18,968)
Interest paid		584	(1,313)
Net cash used in financing activities		**(24,803)**	**(45,139)**
Impact of cash flows from discontinued operations	4.18	-	(5,110)
Impact of changes in exchange rates		(6,887)	(11,135)
Net increase/(decrease) in cash and cash equivalents		**63,254**	**(22,109)**
Cash and cash equivalents at the beginning of the year		144,291	166,399
Cash and cash equivalents at the end of the year	4.11	207,543	144,291

(1) After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).
(2) Including the coupon paid in respect of perpetual subordinated bonds, convertible and/or exchangeable into new shares: €(8,690) thousand in 2012 and 2013.

5.2.4 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 recognized directly in equity	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
As at January 1, 2012 (1)	**30,829,031**	**30,829**	**416,682**	**(35,900)**	**150,285**	**326,664**	**(328,381)**	**560,179**	**916**	**561,095**
Share capital increase	1,050,698	1,051	7,990					9,041		9,041
Dividends paid (2)						(16,608)		(16,608)		(16,608)
Measurement of share-based payments						3,029		3,029	21	3,050
Treasury share transactions				482		57		539		539
Other						2,174	(520)	1,654	3,907	5,561
Gains/losses on hedging instruments							242	242	7	249
Re-estimated post-employment employee benefits							(98,658)	(98,658)	(1,208)	(99,866)
Exchange differences							4,300	4,300	(48)	4,252
Net profit/(loss)						41,005		41,005	2,168	43,173
As at December 31, 2012 (1)	**31,879,729**	**31,880**	**424,672**	**(35,418)**	**150,285**	**356,320**	**(423,017)**	**504,722**	**5,763**	**510,484**
Share capital increase	1,276,963	1,277	11,507			(77)		12,706		12,706
Dividends paid						(6,442)		(6,442)		(6,442)
Measurement of share-based payments						2,739		2,739	23	2,762
Treasury share transactions				688		(666)		22		22
Other					(150,284)	(2,919)		(153,203)	(36)	(153,239)
Gains/losses on hedging instruments							(1,392)	(1,392)	(21)	(1,412)
Re-estimated post-employment employee benefits							49,998	49,998	623	50,621
Exchange differences							(35,194)	(35,194)	(383)	(35,577)
Net profit/(loss)						8,857		8,857	3,886	12,743
As at December 31, 2013	**33,156,692**	**33,157**	**436,179**	**(34,729)**	**-**	**357,811**	**(409,604)**	**382,813**	**9,855**	**392,668**

(1) After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).
(2) Including the coupon paid in respect of perpetual subordinated bonds, convertible and/or exchangeable into new shares: €(5,698) thousand in 2012.

Groupe Steria SCA's share capital comprises 33,156,692 shares with a nominal value of €1 each.

A 2012 net dividend of €0.20 per share was paid in 2013 (excluding the share of profit paid to the General Partner in the amount of €356 thousand).

The increases in the share capital in 2013 were attributable to the share issues under the Group Savings Plan in the amount of €908 thousand and the allocation of free shares in the amount of €29 thousand. Furthermore, a portion of the 2012 dividend was paid in shares, resulting in a share capital increase of €340 thousand. Net expenses of €283 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 1,432,361 Groupe Steria SCA shares and by the Group's Parent Company, Groupe Steria SCA (35,221 shares). Their market value as at December 31, 2013 was €20,986 thousand, calculated using the most recent closing share price (€14.3).

5.2.5 Notes to the consolidated financial statements

Detailed table of contents of the notes

Note 1 Accounting policies

Note 1.1 Standards applied

The Groupe Steria SCA consolidated financial statements for the year ended December 31, 2013 include Groupe Steria SCA and its subsidiaries (hereafter referred to as the "Group") and the Group's share in associates.

Pursuant to EC regulation no. 1606/2002 of July 19, 2002, the 2013 consolidated financial statements of Groupe Steria SCA were prepared in accordance with International Financial Reporting Standards (IFRS) applicable as at January 1, 2013, as adopted by the European Union and available for consultation on the following website: http:// ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The consolidated financial statements and the notes thereto for fiscal year 2013 were approved by the General Management on February 27, 2014 after consulting the Supervisory Board.

They are identical to those used in preparing the annual consolidated financial statements for the year ended December 31, 2012, with the exception of the adoption of the following new standards and interpretations of mandatory application as at January 1, 2013:

- Amendment to IAS 1 – *Presentation of financial statements – Presentation of gains and losses recognized in equity*. The purpose of this amendment is to distinguish between items that are recyclable and not recyclable to profit or loss in the presentation of gains and losses recognized in equity;
- IAS 19 revised – *Employee benefits*. The impacts of the adoption of IAS 19 revised are described in note 1.2;
- IFRS 13 – *Fair value measurement*. This standard takes into account credit risk in the measurement of derivative instruments in the balance sheet. The Group estimated this impact using a method in accordance with market best practices. Its adoption had an immaterial impact on the financial statements for the year ended December 31, 2013.

The Group did not elect for the early adoption of the following standards, already published by the IASB and approved by the European Union, in the consolidated financial statements for the year ended December 31, 2013:

- Amendment to 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;*

At this stage of its analysis, the Group does not anticipate any major impacts arising from their adoption on the consolidated financial statements.

Furthermore, the Group did not elect to apply in advance the following standards and amendments which have not yet been adopted by the European Union as at December 31, 2013:

- Amendment to IAS 36 – *Impairment of assets – Recoverable amount disclosures for non-financial assets;*
- IFRIC 21 – *Levies* (taxes levied by a government).

As at December 31, 2013, 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 Impacts of the adoption of IAS 19 revised – *Employee benefits*

The main impacts arising from the adoption of IAS 19 revised – *Employee benefits* as from January 1, 2013 were as follows:

- elimination of the corridor method;
- transfer of all unrecognized actuarial gains and losses to equity and therefore recognition of all losses;
- transfer of the deferred taxes relating to these actuarial gains and losses to equity;
- elimination from other operating expenses in the income statement of the recognition of any impact relating to the actuarial gains and losses;
- change in the measurement of the financial return on plan assets: the financial component recognized in the income statement relating to the plan assets is now determined using the discount rate instead of the expected rate of return;
- immediate recognition in profit or loss of the impacts of plan amendments. Hence, past service cost not yet amortized was fully transferred to equity on the date of change in method.

It does not result in any significant change in operating margin or additional cash outflows and only concerns post-employment benefit plans, i.e. lump-sum retirement benefits in France and defined benefit plans in the United Kingdom, Germany, Belgium and Norway.

This new standard is adopted retrospectively. Hence, the accounts presented in the financial statements in relation to those for 2013 were adjusted compared to those previously published, as if the new provisions had always been applied.

Below are the impacts arising from the adoption of IAS 19 revised on the items presented in comparison with those relating to the year ended December 31, 2013:

- equity as at January 1, 2012:

(in thousands of euros)	Share capital	Share premium	Treasury shares	Subordinated hybrid convertible bonds	Consolidated reserves and earnings	Gains and losses recognized directly in equity	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
As at 01/01/2012 before IAS 19R	**30,829**	**416,682**	**(35,900)**	**150,285**	**328,406**	**(125,808)**	**764,494**	**1,897**	**766,391**
Impacts	-	-	-	-	*(1,742)*	*(202,573)*	*(204,315)*	*(981)*	*(205,296)*
As at 01/01/2012 after IAS 19R	**30,829**	**416,682**	**(35,900)**	**150,285**	**326,664**	**(328,381)**	**560,179**	**916**	**561,095**

- income statement for the year ended December 31, 2012:

(in thousands of euros)	12/31/2012 before IAS 19R	*Impacts*	12/31/2012 after IAS 19R
Personnel costs	(1,042,319)	*30*	(1,042,289)
Operating margin after amortization of intangible assets recognized in business combinations	**110,864**	***30***	**110,894**
Other operating expenses	(55,740)	*15,708*	(40,032)
Operating profit/(loss)	**72,576**	***15,737***	**88,313**
Other financial expenses	(11,065)	*(8,747)*	(19,812)
Net financial expense	**(7,866)**	***(8,748)***	**(16,614)**
Income tax expense	(12,073)	*(1,650)*	(13,723)
Net profit from continuing operations	**52,753**	***5,339***	**58,092**
Net profit/(loss)	**37,834**	***5,339***	**43,173**
Attributable to owners of the parent	**35,596**	***5,409***	**41,005**
Attributable to non-controlling interests	**2,237**	***(69)***	**2,168**

- consolidated statement of comprehensive income for the year ended December 31, 2012:

(in thousands of euros)	12/31/2012 before IAS 19R	*Impacts*	12/31/2012 after IAS 19R
Net profit for the period	**37,834**	**5,339**	**43,173**
Income and expense items not recorded in profit or loss			
– Exchange differences arising from foreign entities		*(4,765)*	4,253
Total income and expenses recognized in equity and recyclable to profit or loss	***9,267***	***(4,765)***	***4,253***
– Re-estimated post-employment employee benefits		*(124,400)*	(124,400)
– Tax impacts of re-estimated post-employment employee benefits		*24,533*	24,533
Total income and expenses recognized in equity and not recyclable to profit or loss	**-**	***(99,866)***	***(99,866)***
Total income and expense items not recorded in profit or loss, net of tax	**9,267**	**(104,632)**	**(95,365)**
Total comprehensive income for the period	47,101	*(99,293)*	(52,192)
Attributable to owners of the parent	**44,823**	***(98,454)***	**(53,631)**
Attributable to non-controlling interests	**2,278**	***839***	**1,439**

- balance sheet assets as at December 31, 2012:

(in thousands of euros)	12/31/2012 before IAS 19R	*Impacts*	12/31/2012 after IAS 19R
Retirement benefit obligations	62,552	*(62,552)*	-
Deferred tax assets	43,202	*74,237*	117,439
Non-current assets	**1,063,293**	***11,685***	**1,074,978**
Total assets	**1,797,141**	*11,685*	**1,808,826**

- balance sheet equity and liabilities as at December 31, 2012:

(in thousands of euros)	12/31/2012 before IAS 19R	*Impacts*	12/31/2012 after IAS 19R
Exchange differences	(112,006)	*(4,679)*	(116,685)
Other reserves	312,481	*(303,499)*	8,982
Net profit for the period	35,596	*5,409*	41,005
Equity attributable to owners of the parent	**807,490**	***(302,769)***	**504,722**
Non-controlling interests	7,543	*(1,780)*	5,763
Total equity	**815,033**	***(304,549)***	**510,484**
Retirement benefit obligations	48,613	*334,352*	382,966
Deferred tax liabilities	20,701	*(19,665)*	1,036
Non-current liabilities	**351,510**	***314,688***	**666,197**
Other current liabilities	290,738	*1,546*	292,283
Current liabilities	**629,874**	***1,546***	**631,420**
Total liabilities and shareholders' equity	**1,797,141**	**11,685**	**1,808,826**

- cash flow statement: the change in standard did not result in any new cash outflow or inflow.

Note 1.3 Significant judgments and estimates

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that have an impact on the amounts of the assets, liabilities, income and expenses recognized 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 recognized in subsequent accounting periods.

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

- contracts (in particular, estimated margin at completion) – see note 1.16;
- retirement benefit and similar obligations – see note 1.17;
- provisions for liabilities and charges – see note 1.18;
- recoverable amount of intangible assets and property, plant and equipment, including goodwill in particular – see notes 1.6 and 1.8;
- deferred tax assets – see note 1.12;
- amounts payable to non-controlling interests – see note 1.11.

Note 1.4 Consolidation methods

Companies over which Groupe Steria SCA exercises control, directly or indirectly, are fully consolidated. Exclusive control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when an entity holds the majority of the voting rights of another entity but may also arise from other situations.

Full consolidation consists in including in the consolidated financial statements the results of consolidated subsidiaries acquired during the year as from their date of acquisition; the results of subsidiaries transferred during the same period are taken into account until their date of transfer. The minority interests in the net assets of consolidated subsidiaries are presented on a separate line item under equity called "Non-controlling interests." Non-controlling interests include the amount of those minority interests at the acquisition date and the minority interests' share of changes in equity since that date. Unless specified otherwise in a contractual arrangement, the losses of subsidiaries are systematically allocated to the equity attributable to owners of the parent and non-controlling interests based on their respective percentage interests, and even if such allocation results in negative balances.

All internal transactions between fully consolidated companies are eliminated on consolidation.

Companies over which the Group exercises joint control with a limited number of other shareholders are consolidated using the equity method. Joint control is the contractually-agreed sharing of control over an economic activity, and exists only when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control, with neither party being able to unilaterally control the activity.

Companies over which the Group exercises a significant influence are consolidated using the equity method. They are referred to as associates. Significant influence is presumed when an entity has the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies. Significant influence can be presumed or demonstrated.

Associates are initially recognized 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. Changes in this share during the period are shown in the income statement under share of profit or loss of associates.

Note 1.5 Business combinations

Business combinations are recognized using the acquisition method:

- the assets acquired and liabilities assumed of the acquired company are recognized at their fair value.
- the acquisition cost is the aggregate of the fair values, at the acquisition date, of assets transferred, liabilities incurred or assumed, and equity instruments issued by the acquirer. The acquisition cost includes any contingent price adjustments measured and recognized at fair value on the acquisition date.

Goodwill arising from a business combination is equal to the difference between:

- the fair value of the acquisition cost plus the amount of non-controlling interests in the acquiree; and
- the fair value of the assets acquired and liabilities assumed at the acquisition date.

The initial measurement of the acquisition cost and the fair values of the assets acquired and liabilities assumed, is finalized within twelve months following the acquisition date and any adjustments are accounted for as a goodwill error correction retrospectively. After this twelve-month period, any adjustments are recorded directly in the income statement.

In a business combination, the Group can opt to recognize the percentage of interests not acquired:

- either at fair value on the acquisition date, with the recognition of goodwill for this percentage ("full goodwill" method);
- or based on the Group's share in the net identifiable assets of the acquiree measured at fair value, whereby only the goodwill attributable to owners of the parent is recognized ("partial goodwill" method).

In a business combination achieved in stages, the share of the interests previously held by the Group is remeasured at fair value on the acquisition date and any resulting profit or loss is recognized in the income statement.

Should a put option be granted to a minority interest for the sale of all or part of the shares it holds for the Group, a financial liability is recognized as described in note 1.11 – Put options granted to non-controlling interests.

Note 1.6 Impairment of intangible assets, property, plant and equipment and goodwill

Goodwill arising from a business combination recorded in the balance sheet is not amortized. It is tested for impairment annually, or when there are indications of a loss in value. It is allocated to the countries and is subject to impairment tests at this level.

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. The discount rate is determined using the weighted average cost of capital for each country. These calculations rely on 5-year plans, based on the internal reporting model before Group expenses for countries considered as independent, and the amortization of customer relationships (non-cash item), prepared by the management of the country and reviewed by the Group's Executive Management and Financial Management.

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 recognized in the income statement. It cannot be reversed and is recognized in other operating expenses.

Other intangible assets and property, plant and equipment are only subject to impairment tests if there are indications of a loss in value.

Note 1.7 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 recognized directly as a separate component of gains and losses recognized directly in equity ("Exchange differences"). When a foreign entity leaves the Group structure, cumulative exchange differences are recognized 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 recognized 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 recognized 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.

To mitigate the risk associated with the volatility of foreign currencies, the Group enters into foreign currency hedges.

Derivative instruments are measured and recognized in accordance with the general principles set out in note 1.22. As such, currency derivatives are recognized in the balance sheet at fair value.

Note 1.8 Intangible assets

Intangible assets acquired separately are recognized at cost where the future economic benefits attributable to their capitalization flow to the Group and if this cost can be measured reliably.

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

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

Customer relations are amortized over their estimated useful lives.

Concessions, patents, computer licenses and software are generally amortized over a period of 2 to 4 years. By way of exception, certain structural applications may be amortized over a longer period.

Intangible assets with indefinite useful lives are not amortized but are subject to annual impairment tests which compare their recoverable amount to their carrying amount. Any impairment losses are recognized in the income statement. Intangible assets which may be amortized 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 recognized in intangible assets when the following criteria can be demonstrated:

- 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;
- its usefulness is recognized;
- 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.

Capitalized 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. This mainly involves specific labour and subcontracting costs.

Development costs recognized under intangible assets are amortized pro rata to the utilization 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 recognized 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
Fixtures and fittings	4 to 10 years
Vehicles	4 to 5 years
Office furniture and equipment	4 to 10 years
Computer hardware	3 to 8 years

Items of property, plant and equipment held under finance leases are recognized under non-current 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 recognized in financial expenses.

Note 1.10 Financial assets

All investments are initially recognized at cost which corresponds to the fair value of the price paid, including transaction costs relating to the investment.

Loans and receivables

These are financial assets which:

- have fixed or determinable payments;
- are not quoted on an active market; and
- do not satisfy the definition of a derivative.

They mainly include loans, trade receivables, investments in debt instruments and bank deposits.

Loans and receivables are recognized at amortized cost. They are presented in "Other financial assets" when their initial maturity exceeds three months.

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 recognized in profit or loss. This provision may be reversed in the event of a favourable change in the recoverable amount. Impairment losses and reversals are recognized in other financial income and expenses.

Financial assets held for trading

Marketable securities are included in financial assets held for trading and are therefore recognized at fair value. Gains and losses are recognized in profit or loss.

Available-for-sale assets

Available-for-sale assets comprise financial assets other than:

- loans and receivables originated by the enterprise;
- 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 recognized at fair value at the balance sheet date. Fair value gains and losses on available-for-sale assets are recognized 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 recognized 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 recognized at cost.

Derivative instruments (see note 1.22 – Derivative instruments)

Derecognition of financial assets

A financial asset is derecognized in part of in full when the following criteria are met:

- the contractual rights to the cash flows from the financial asset expire or are transferred to a third party;
- substantially all the risks and rewards of ownership of the financial asset are transferred.

Note 1.11 Put options granted to non-controlling interests

When non-controlling interests have an option to sell their investment to the Group, a financial liability is recorded in other non-current liabilities for the present value of the option's estimated exercise price. The offset of the financial liability generated by these commitments is deducted from:

- mainly, the corresponding amount of non-controlling interests;
- and, for the remainder, the Group share of consolidated reserves.

Subsequent changes in this put option arising from changes in estimates or relating to its reverse discounting are offset against the corresponding non-controlling interests and the remainder is deducted from the Group share of consolidated reserves.

Note 1.12 Current and deferred tax

The Group calculates its current tax in accordance with the tax laws prevailing in the countries where its income is taxable. The current tax expense is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in countries where the Group's subsidiaries and associates conduct their business and generate taxable revenues.

Deferred tax is recognized on all temporary differences between the tax value and the accounting value of assets and liabilities on consolidation.

Deferred tax assets are only recognized 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 utilization of all or part of them within a reasonable timeframe. Deferred tax assets not recognized are assessed at each balance sheet date and are recognized if it becomes probable that future taxable income will enable recovery within a reasonable timeframe.

Tax assets and liabilities are measured based on the tax rates enacted or substantively enacted applicable to the fiscal period during which the asset will be realized or the liability settled.

Deferred tax assets and liabilities, regardless of their expiry date, are offset when:

- the Group has a legally enforceable right to set off current tax assets and liabilities; and
- the deferred tax assets and liability relate to the same tax entity.

Deferred taxes are recognized in the income statement unless they refer to items recorded in other comprehensive income; in this case, they are also recorded in other comprehensive income.

Note 1.13 Inventories and work-in-progress

Costs incurred in the start-up phase of a contract may be deferred over the term of the contract and be recognized 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, excluding exchange rate fluctuations.

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 for the creation of solutions. 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 recognized 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 for service contracts. 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 recognized 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 recognized at direct production cost and does not include administrative or commercial costs.

More generally, revenue is recognized at the fair value of the consideration received or receivable.

If the re-estimated outcome of a contract is a loss, losses at completion are systematically recorded in "Provisions for liabilities and charges".

Services rendered but not yet invoiced are recognized in "Amounts due from customers".

Services invoiced by the Group to its customers but not yet performed are recognized in "Gross amounts due to customers".

Partial payments received on contracts, before the corresponding work has begun, are recognized in "Advances and payments on account received" under liabilities on the balance sheet.

Services invoiced to the Group by external service providers are recognized in "Prepaid expenses" under assets on the balance sheet if the services have not yet been realized.

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 at completion.

Moreover, the Group recognizes revenue on sales of computer hardware and software when the risks and rewards associated with the goods are transferred.

Note 1.17 Retirement benefit and similar obligations

Depending on the country, the Group has defined contribution and defined benefit plans.

For defined contribution plans, the Group pays contributions to an external organization and is never responsible for amounts beyond the contributions paid. They are expensed only when due. In the balance sheet, the liabilities relating to these plans are recorded in operating liabilities.

Defined benefit plans define the amount of benefits payable to employees at the time of their departure or with respect to their pension.

These plans are paid for either directly by the Group which provides for the costs of benefits to be granted, or via the pension fund to which the Group contributes. In both cases, the Group recognizes a pension liability corresponding to the present value of future payments estimated according to internal and external parameters and laws and regulations specific to each Group entity.

Certain post-employment benefit plans comprise assets intended to settle the obligations. They are financed by pension funds that are legally separate from the entities making up the Group. The assets held by these funds are mainly shares or bonds. Their fair value is generally calculated using their market value.

Post-employment defined benefit plan obligations are determined annually by independent actuaries 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 salaries;
- the present value of retirement obligations is determined by discounting future cash outflows using the rate for market yields on high quality corporate bonds of the currency used to pay the benefit and a term consistent with the estimated average term of the relevant post-employment obligation.

The expense representing the current service cost for the period is recognized in personnel costs under the operating margin in the income statement.

The effects of plan amendments, recognized through past service cost (cost of service in prior periods modified by the introduction of changes or new benefit plans), are recorded immediately in personnel costs under the operating margin in the income statement.

The gains or losses recognized in the event of defined benefit plan curtailments or settlements are recorded, when the event occurs, in other operating income or expenses in the income statement.

An interest cost is recognized in other financial expenses in the income statement and corresponds to the cost of the reverse discounting of the net retirement obligations under the plan assets.

The actuarial calculation of defined benefit retirement obligations includes uncertainties which may affect the value of financial assets and obligations towards employees. The actuarial gains and losses arising from the effects of demographical assumption changes, the effects of financial assumption changes and the difference between the discount rate and the actual return rate of the plan assets, less their management and administration costs, are recognized directly in equity and are not recyclable to profit or loss.

The Group also recognizes other long-term employee benefits, such as:

- long-term compensated absences such as long-service or sabbatical leave;
- jubilee or other long-service benefits;
- profit-sharing and bonuses payable twelve months or more after the end of the period in which the employees render the related service; and
- deferred compensation paid twelve months or more after the end of the period in which it is earned.

These other long-term benefits are recognized immediately in the income statement.

Note 1.18 Provisions for liabilities and charges

Present obligations resulting from past events involving third parties are recognized in provisions only when it is probable that such obligations will give rise to an outflow of resources to third parties, without consideration from the latter that is at least equivalent and if the outflow of resources can be reliably measured.

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 recognized 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 recognized 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 recognized in restructuring costs.

Provisions for litigation

The Group recognizes 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 recognized at cost which corresponds to the fair value received, net of issue costs.

Subsequent to the initial recognition, borrowings are recognized at amortized cost using the effective interest rate method, which takes into account all borrowing costs and repayment discounts or premiums.

Note 1.20 Share-based payments

The fair value of free shares granted to employees is recognized in "Other operating income and expenses" over the vesting period and directly offset in equity.

At the end of each reporting period, the Group reviews, based on non-market vesting conditions, its estimates of the number of shares that will be definitively vested. The impact of this re-estimate is recorded in the income statement as an offset against equity.

Free shares are valued at the share price on the date of grant. When these equity instruments are subject to conditions of non-transferability, the cost of non-transferability is taken into account in their fair value. Where appropriate, the inability to collect dividends is also taken into account in the fair value calculation. Finally, the expense recognized on a cumulative basis also takes into account the estimated number of shares that will be definitively vested.

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. The Group distinguishes this indicator from operating margin after amortization of intangible assets recognized in business combinations;
- operating profit is determined by deducting from the operating margin after amortization of intangible assets recognized in business combinations 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 and reorganization expenses, profit or loss arising from post-employment benefit plan settlements or amendments, the impact of provisions not used in the ordinary course of business, acquisition and consolidation costs arising from business combinations, proceeds from the disposal of consolidated entities or non-current assets held for sale;
- net financial expense presents the Group's borrowing cost separately from other financial income and expenses (mainly foreign exchange gains and losses, changes in fair value of derivatives, financial component of the expense for retirement benefit and similar obligations, discounting impacts);
- 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 recognized at fair value.

Any gains or losses resulting from fair value movements in derivatives not designated as hedging instruments are recognized 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 recognized 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 recognized asset or liability or a highly probable future transaction or currency risk on a firm commitment;
- hedges of a net investment in a foreign operation.

Hedging instruments that satisfy hedge accounting criteria are recognized as follows:

Fair value hedges

Changes in the fair value of a derivative designated as a fair value hedge are recognized 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 recognized 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 recognized in profit or loss.

Cash flow hedges

The gain or loss corresponding to the effective portion of the hedging instrument is recognized directly in equity, while the ineffective portion is taken to profit or loss, under other financial income or other financial expenses.

Gains and losses recognized 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 realization of the forecast transaction or commitment, the gains and losses previously recognized directly in equity will be released to profit or loss. If the hedging instrument matures, is sold, cancelled or exercised and is not replaced or renewed or if its designation as a hedging instrument is revoked, amounts previously recognized in equity will be held in equity until realization 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 recognized as part of a net investment, are recognized in the same way as cash flow hedges.

The gain or loss corresponding to the effective portion of the hedging instrument is recognized directly in equity, while the ineffective portion is taken to profit or loss.

On the disposal of the foreign operation, cumulative gains and losses recognized directly in equity are released to profit or loss.

Note 1.24 Non-current assets classified as held for sale and discontinued operations

A non-current asset classified as held for sale is:

- an asset whose carrying amount will be recovered principally through a sale transaction rather than through continuing use;
- available for immediate sale in its present condition (subject only to terms that are usual and customary for sales of such assets);
- whose sale is highly probable.

For the sale to be considered as highly probable:

- the appropriate level of management must be committed to a plan to sell the asset;
- an active program to locate a buyer and complete the plan must have been initiated;
- the sale is expected to be completed within one year (this period may be extended if there is evidence that the entity remains committed to its plan to sell the asset);
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Once an asset is classified in non-current assets held for sale or discontinued operations, it is no longer depreciated.

In the balance sheet, these assets are carried at the lower of carrying amount and fair value less costs to sell. They are presented separately in assets and liabilities, with no offsetting.

The Group separates the results of discontinued operations from continuing operations and presents them separately in the income statement. This includes the post-tax profit or loss of these operations and, where applicable, the result of their fair value measurement. The Group discloses this information for prior periods in comparison to the current period. The same applies for the cash flows arising from discontinued operations.

Note 2 Scope of consolidation

Note 2.1 Changes in scope of consolidation

On November 1, 2013, the Group won a major bidding process in the United Kingdom with the British government, represented by the Cabinet Office, to transform the back office functions of various ministries. To this end, a joint venture, SSCL (Shared Services Connected Limited), was set up between Steria Ltd, the Group's main operational subsidiary in the UK, and the Cabinet Office, in order to manage the contracts entered into with the customer's various public bodies.

The Group owns 75% of the Company and the Cabinet Office 25%. The Group has control over this entity.

Under the agreement, the Group has granted the Cabinet Office an option to sell the shares it holds in the joint venture SSCL. This option may be exercised from January 1, 2022 to December 31, 2023. Accordingly, the Group recognized another non-current liability in the amount of €9,790 thousand as at December 31, 2013.

The cash flows generated by SSCL are not separate from those generated by the UK operating segment and the implementation of this contract will increase the synergies between companies in this geographical area. Accordingly, SSCL was included in the United Kingdom cash-generating unit.

In 2012, the main changes in scope of consolidation were as follows:

NHS SBS

In January 2012, the shareholders' agreement of the joint venture, NHS Shared Business Services, which was 50% owned by the Group and 50% owned by the UK Department of Health, 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 could directly control the Company. The Company's consolidation method was therefore modified and the formerly equity-accounted entity was fully consolidated.

The Group, which performed subcontracting services on behalf of the Company, benefited from the competencies and experience of NHS SBS in its business segment, Business Process Outsourcing (BPO). Similarly, this takeover enabled the Company to increase its synergies with the Group. The cash flows generated by the entity are not separate from those of the United Kingdom operating segment. Accordingly, NHS SBS was included in the United Kingdom cash-generating unit.

For this acquisition, the Group had adopted the partial goodwill method. The definitive price allocation was as follows:

(in thousands of euros)	Historical value	Fair value adjustment	Fair value
Intangible assets and property, plant and equipment	16,307	14,907	31,213
Deferred taxes	1,936	3,485	5,420
Other non-current assets and liabilities	(10,907)	(2,773)	(13,680)
Working capital requirements	(9,712)		(9,712)
Current and non-current borrowings	(12,601)		(12,601)
Cash and cash equivalents	6,164		6,164
Other current assets and liabilities			
Net assets of NHS Shared Business Services	**(8,813)**	**15,619**	**6,806**
Share of net asset acquired			3,403
Goodwill			18,629
Acquisition price of the securities			22,032
Of which:			
– additional security acquisition price			4
– re-estimate of the share previously held			22,028

Acquisition-related costs were immaterial.

The fair value of the Group's share in NHS SBS just before the takeover amounted to €9,183 thousand (see note 4.4). By comparison with the fair value determined on the acquisition date, this business combination generated a profit of €12,263 thousand recorded in Other operating income (see note 4.21 – Other operating income and expenses).

The identification and measurement of the assets and liabilities acquired resulted in the recognition of:

- an intangible asset comprising the customer relations of NHS SBS amounting to €15,204 thousand and amortized over 10 years;
- a net deferred tax asset of €3,485 thousand.

The full consolidation of NHS SBS contributed revenue of €26,621 thousand to the Group. In 2012, this entity reported revenue of €100,070 thousand after elimination of inter-company transactions.

Steria Ibérica

In 2012, the Group disposed of its subsidiary's operations in Spain. The impacts are presented in note 4.18 – Non-current assets classified as held for sale and discontinued operations.

Other

In 2012, the Group sold 25% of its investment in the previously equity-accounted company, Intest, in which it no longer exercises a significant influence.

Note 2.2 Scope of consolidation as at December 31, 2013

	Location	Consolidation method as at 12/31/2013	% interest as at 12/31/2013	% control as at 12/31/2013	Consolidation method as at 12/31/2012	% interest as at 12/31/2012	% control as at 12/31/2012
Parent Company							
Groupe Steria SCA	*France*						
Operating segment France							
Steria SA	*France*	FC	100	100	FC	100	100
Diamis	*France*	EA	40	40	EA	40	40
Stepar	*France*	FC	100	100	FC	100	100
U-Services	*France*	FC	100	100	FC	100	100
Steria Medshore SAS	*Morocco*	FC	100	100	FC	100	100
Xansa SAS	*France*	FC	100	100	FC	100	100
Operating segment United Kingdom							
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	75.5	75.5	FC	75.5	75.5

	Location	Consolidation method as at 12/31/2013	% interest as at 12/31/2013	% control as at 12/31/2013	Consolidation method as at 12/31/2012	% interest as at 12/31/2012	% control as at 12/31/2012
NHS Shared Business Services Limited	*United Kingdom*	FC	50	50	FC	50	50
Steria Holding Corporate UK	*United Kingdom*	FC	100	100	FC	100	100
Shared Services Connected Ltd	*United Kingdom*	FC	75	75	-	-	-
Mummert Partner UK Limited	*United Kingdom*	FC	100	100	FC	100	100
Zansa Limited	*United Kingdom*	FC	100	100	FC	100	100
Xansa Cyprus (nr 1) Limited	*Cyprus*	FC	100	100	FC	100	100
Xansa Cyprus (nr 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
Operating segment Germany							
Steria Mummert Consulting GmbH Vienna	*Austria*	FC	100	100	FC	100	100
Steria Mummert ISS GmbH	*Germany*	FC	100	100	FC	100	100
Steria Mummert Consulting.AG	*Germany*	FC	100	100	FC	100	100
Operating segment Other Europe							
Steria Benelux	*Belgium*	FC	100	100	FC	100	100
Steria Luxembourg	*Luxembourg*	FC	100	100	FC	100	100
Steria A/S	*Denmark*	FC	100	100	FC	100	100
Steria A/S	*Norway*	FC	100	100	FC	100	100
Steria Poland	*Poland*	FC	100	100	FC	100	100
Steria AB	*Sweden*	FC	100	100	FC	100	100
Steria Biometrics AB	*Sweden*	FC	100	100	FC	100	100
Steria Schweiz AG	*Switzerland*	FC	100	100	FC	100	100

FC: Full consolidation.
EA: Equity Affiliate.

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 before Group expenses and the amortization of customer relationships. Group expenses represent the costs of central departments and brands that are re-invoiced to the operating segments.

Groupe Steria SCA is managed on the basis of seven geographical operating segments. Three are major individual countries: France, the UK and Germany. The other segments comprising Scandinavia (Norway, Sweden and Denmark), Belux (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 mainly involving nearshore services for French customers are undertaken by Steria France, and Austria where operations are undertaken by Steria Mummert Consulting AG (Germany). 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 industrialized offshore services mainly for customers under the operational management of the UK operating segment. Activities in Asia are also under the operational control of the United Kingdom.

Each segment conducts its activity in two businesses:

- Application Services, which involves designing, developing, testing, implementing, maintaining and upgrading IT applications. This sector includes Consulting, Systems Integration, Testing, Applications Maintenance and any related equipment sales;
- Managed Services, which involves managing all or part of the information technology infrastructure of companies or their business processes (Business Process Outsourcing).

The columns of the table below show the quantified information representing each operating segment. The operating segments identified are distinct Group components that earn revenues and incur expenses, whose operating results are regularly reviewed by management and for which separate financial information is available.

The "Reconciling items" column comprises intercompany eliminations and shared Group expenses. It enables segment information to be reconciled with the Group's consolidated financial statements.

2013

(in thousands of euros)	France	UK	Germany	Rest of Europe	Reconciling items: Eliminations	Reconciling items: Group expenses	Group total
Third party revenue	**555,374**	**691,478**	**239,144**	**268,930**			**1,754,925**
% total revenue	*31.6%*	*39.4%*	*13.6%*	*15.3%*			*100%*
Inter-segment sales	1,058	10,276	2,951	18,647	(32,932)		-
Total revenue	556,432	701,753	242,096	287,577	(32,932)		1,754,925
Operating margin	**23,596**	**69,029**	**12,778**	**16,383**		**(11,360)**	**110,426**
% of revenue	*4.25%*	*9.98%*	*5.34%*	*6.09%*			*6.29%*
Amortization of customer relationships arising from business combinations							(6,270)
Operating margin after amortization of intangible assets recognized in business combinations							**104,156**
% of revenue							*5.94%*
Operating profit/(loss)							**53,817**
Cost of net borrowings							(6,373)
Other financial income and expenses							(19,414)
Income tax expense							(15,493)
Share of profit/(loss) of associates							206
Net profit/(loss) from discontinued operations							-
Net profit/(loss)							**12,743**
Attributable to equity holders of the parent							**8,857**
Employees:							
Average employees	6,290	9,232	1,631	1,786	98		19,037
Of which: in India		*4,908*					*4,908*
Employees at the end of the period	6,298	9,752	1,579	1,941	94		19,664
Of which: in India		*4,633*					*4,633*

2012 (1)

(in thousands of euros)	France	UK	Germany	Rest of Europe	Reconciling items: Eliminations	Reconciling items: Group expenses	Group total
Third party revenue	**588,501**	**735,153**	**243,099**	**260,444**			**1,827,197**
% total revenue	*32.2%*	*40.2%*	*13.3%*	*14.3%*			*100%*
Inter-segment sales	914	12,916	3,750	15,737	(33,317)		-
Total revenue	589,415	748,069	246,848	276,182	(33,317)		1,827,197
Operating margin	**33,899**	**68,773**	**10,616**	**14,791**		**(10,619)**	**117,461**
% of revenue	*5.76%*	*9.35%*	*4.37%*	*5.68%*			*6.43%*
Amortization of customer relationships arising from business combinations							(6,566)
Operating margin after amortization of intangible assets recognized in business combinations							**110,894**
% of revenue							*6.07%*
Operating profit/(loss)							**88,313**
Cost of net borrowings							(2,527)
Other financial income and expenses							(14,087)
Income tax expense							(13,723)
Share of profit/(loss) of associates							116
Net profit/(loss) from discontinued operations							(14,919)
Net profit/(loss)							**43,173**
Attributable to equity holders of the parent							**41,005**
Employees:							
Average employees	6,120	9,651	1,647	1,616	102		19,136
Of which: in India		*5,382*					*5,382*
Employees at the end of the period	6,216	9,429	1,687	1,677	101		19,110
Of which: in India		*5,220*					*5,220*

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

(in thousands of euros)	12/31/2013	12/31/2012 *
Consulting and Systems Integration revenue	926,953	1,020,814
Managed Services revenue	827,972	806,383
Consolidated revenue	**1,754,925**	**1,827,197**

* *Revenue as published on February 28, 2013 and based on the 2013 organizational structure.*

No single customer represents more than 10% of the Group's revenue.

(1) *After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).*

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 as at 12/31/2012	Acquisition	Impairment	Exchange differences	Goodwill as at 12/31/2013
United Kingdom	634,129			(13,387)	620,742
France	11,344			(8)	11,335
Germany	88,274				88,274
Scandinavia	32,005			(3,067)	28,938
Belux	5,581				5,581
Switzerland	7,838			(130)	7,708
Total Goodwill	**779,171**			**(16,592)**	**762,579**

(in thousands of euros)	Goodwill as at 12/31/2011	Acquisition	Impairment	Exchange differences	Goodwill as at 12/31/2012
United Kingdom	600,924	18,629		14,576	634,129
France	11,346			(2)	11,344
Germany	88,274				88,274
Scandinavia	30,547			1,458	32,005
Belux	5,581				5,581
Switzerland	7,784			54	7,838
Total Goodwill	**744,456**	**18,629**		**16,086**	**779,171**

The Group performs impairment tests annually or when key indicators suggest a loss in value.

Considering the set-up of a new organizational structure in the second half of 2013 within the Scandinavia geographical area encompassing the management, operational supervision and offerings and resources of the three countries involved (Norway, Sweden, and Denmark), the Group combined these three cash-generating units. The carrying amount of the Scandinavia goodwill, after taking into account the reorganization, did not exceed its recoverable amount as at December 31, 2013.

In accordance with the principles described in note 1.6, cash flows arising after the 5-year period are extrapolated using an estimated perpetual growth rate of 1.75%. The discount assumptions for these flows per country are as follows:

	United Kingdom	France	Germany	Rest of Europe
Discount rate	9.02%	8.92%	8.49%	From 7.92% (Switzerland) to 9.08% (Scandinavia)

As at December 31, 2012, the cash flows arising after the 5-year period had been extrapolated using a perpetual growth rate estimated at 1.75% and discounted according to the following assumptions per country:

	United Kingdom	France	Germany	Rest of Europe
Discount rate	8.56%	9.05%	8.34%	from 7.63% (Switzerland) to 9.36% (Belux)

These tests did not lead the Group to recognize impairment in 2013.

Sensitivity tests were performed for all cash-generating units based on the discount and perpetual growth rates. A 0.5 point increase in the discount rate or a 0.5 point decrease in the perpetual growth rate would not give rise to any additional impairment. 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 not give rise to any additional impairment.

The Group also analysed the sensitivity of the key business assumptions for the United Kingdom. Hence, the recoverable amount of the segment's assets would be equal to their carrying amount if:

- the revenues of the operating segment (at constant exchange rates) decrease by 2.02% over each year of the 5-year plan (all other parameters being equal);
- or, the United Kingdom's operating margin is 210 basis points lower than the 2013 operating margin for each period of the 5-year 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 exceeds its recoverable amount.

Note 4.2 Other intangible assets

(in thousands of euros)	Total	Development costs	Concessions, patents, IT licenses, software	Other intangible assets
Gross value as at 12/31/2012	**221,478**	**16,400**	**120,149**	**84,929**
Purchases	19,394	939	5,892	12,562
Disposals – scrapping	(5,571)		(5,571)	
Other movements	(3,854)	400	5,894	(10,149)
Gross value as at 12/31/2013	**231,447**	**17,740**	**126,363**	**87,344**
Amortization as at 12/31/2012	**118,720**	**7,940**	**81,790**	**28,990**
Net charges	20,948	2,209	12,063	6,676
Disposals – scrapping	(5,436)		(5,436)	
Other movements	(2,290)	(15)	(1,748)	(527)
Amortization as at 12/31/2013	**131,942**	**10,134**	**86,669**	**35,139**
Net value as at 12/31/2012	**102,758**	**8,460**	**38,359**	**55,939**
Net value as at 12/31/2013	**99,505**	**7,606**	**39,694**	**52,204**

(in thousands of euros)	Total	Development costs	Concessions, patents, IT licenses, software	Other intangible assets
Gross value as at 12/31/2011	**154,810**	**14,986**	**76,830**	**62,994**
Purchases	19,562	1,383	8,725	9,454
Disposals – scrapping	(703)	-	(703)	-
Other movements	47,810	31	35,297	12,482
Gross value as at 12/31/2012	**221,478**	**16,400**	**120,149**	**84,929**
Amortization as at 12/31/2011	**83,738**	**5,879**	**56,282**	**21,577**
Net charges	19,078	2,052	10,000	7,026
Disposals – scrapping	(703)	-	(703)	-
Other movements	16,607	9	16,211	388
Amortization as at 12/31/2012	**118,720**	**7,940**	**81,790**	**28,990**
Net value as at 12/31/2011	**71,072**	**9,107**	**20,548**	**41,417**
Net value as at 12/31/2012	**102,758**	**8,460**	**38,359**	**55,939**

Intangible assets have finite useful lives.

Customer relationships were recognized in the gross amount of €53,496 thousand following the acquisition of Xansa and are amortized over eleven years. Customer relationships were recognized in the gross amount of €15,233 thousand following the takeover of NHS SBS and are amortized over ten years. They are presented in Other intangible assets.

Other intangible assets also include assets under development totalling €16,112 thousand. They mainly correspond to the developments of organizational applications that Groupe Steria SCA implements for its own requirements and those of its subsidiaries in order to improve efficiency and reduce Group costs and the development of service offerings in France, Germany and Norway.

The increase in development costs was mainly attributable to the development of customer contract solutions in Germany.

The impacts of exchange differences on intangible assets are included in Other movements in the amount of -€1,723 thousand.

Note 4.3 Property, plant and equipment

(in thousands of euros)	Total	Land and buildings	Technical facilities	Fixtures, fittings and facilities	Other PPE *
Gross value as at 12/31/2012	**211,360**	**19,593**	**11,086**	**57,120**	**123,561**
Purchases	11,319		147	2,357	8,815
Disposals – scrapping	(7,602)	(3)	(2)	(622)	(6,975)
Other movements	(8,245)	(1,504)	(243)	(1,839)	(4,659)
Gross value as at 12/31/2013	**206,832**	**18,086**	**10,988**	**57,017**	**120,742**
Depreciation as at 12/31/2012	**151,148**	**12,810**	**9,866**	**29,415**	**99,058**
Net charges	15,467	189	373	5,081	9,823
Disposals – scrapping	(6,594)	(3)	(2)	(460)	(6,129)
Other movements	(6,060)	(503)	(185)	(1,282)	(4,089)
Depreciation as at 12/31/2013	**153,961**	**12,493**	**10,052**	**32,754**	**98,663**
Net value as at 12/31/2012	**60,212**	**6,783**	**1,221**	**27,705**	**24,503**
Net value as at 12/31/2013	**52,871**	**5,593**	**937**	**24,262**	**22,079**

* *Other PP&E include office and computer equipment, furniture, vehicles and other items.*

(in thousands of euros)	Total	Land and buildings	Technical facilities	Fixtures, fittings and facilities	Other PPE *
Gross value as at 12/31/2011	**213,553**	**19,788**	**10,917**	**50,206**	**132,642**
Purchases	20,111	23	514	7,026	12,549
Disposals – scrapping	(24,632)		(232)	(547)	(23,853)
Other movements	2,328	(218)	(112)	434	2,224
Gross value as at 12/31/2012	**211,360**	**19,593**	**11,086**	**57,120**	**123,561**
Depreciation as at 12/31/2011	**154,911**	**12,432**	**9,517**	**23,845**	**109,117**
Net charges	20,444	216	697	6,534	12,997
Disposals – scrapping	(24,538)		(227)	(545)	(23,766)
Other movements	330	162	(122)	(420)	710
Depreciation as at 12/31/2012	**151,148**	**12,810**	**9,866**	**29,415**	**99,058**
Net value as at 12/31/2011	**58,642**	**7,356**	**1,399**	**26,361**	**23,526**
Net value as at 12/31/2012	**60,212**	**6,783**	**1,221**	**27,705**	**24,503**

* *Other PP&E include office and computer equipment, furniture, vehicles and other items.*

Acquisitions primarily concern computer hardware in the amount of €7,344 thousand.

Fixtures and fittings on premises were in the course of construction as at December 31, 2013 in the amount of €1,533 thousand. No items of PP&E were in the course of construction as at December 31, 2012.

No major items of PP&E were purchased under a finance lease.

The impacts of exchange differences on net property, plant and equipment are included in Other movements in the amount of -€2,458 thousand.

Note 4.4 Investments in associates

(in thousands of euros)	Value of shares as at 12/31/2012	Changes in scope of consolidation	Distribution	Net profit/(loss) for the period	Value of shares as at 12/31/2013
Diamis	1,541		(66)	206	1,681
Total	**1,541**		**(66)**	**206**	**1,681**

(in thousands of euros)	Value of shares as at 12/31/2011	Changes in scope of consolidation	Distribution	Net profit/(loss) for the period	Value of shares as at 12/31/2012
NHS Shared Business Services Ltd	9,183	(9,183)	-	-	-
Diamis	1,493	-	(68)	116	1,541
Intest	262	(262)	-	-	-
Total equity associates	**10,938**	**(9,445)**	**(68)**	**116**	**1,541**

The breakdown of assets, liabilities, revenue and profit or loss of Diamis is as follows (in thousands of euros):

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity value	Revenue	Profit/(loss)
Diamis	82	2,581	118	864	1,681	2,845	206

In 2012, this breakdown was as follows:

(in thousands of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity value	Revenue	Profit/(loss)
Diamis	57	2,417	95	838	1,541	2,500	116

Note 4.5 Available-for-sale financial assets

Non-consolidated equity investments are classified under available-for-sale assets, irrespective of whether or not the Group wishes to sell these investments.

(in thousands of euros)	Total	Travelsoft	Other shares
Gross value as at 12/31/2012	**2,585**	**1,781**	**805**
Additions	128		128
Decreases	(1,781)	(1,781)	
Gross value as at 12/31/2013	**932**	**-**	**932**
Impairment of shares as at 12/31/2012	**54**		**54**
Additions			
Decreases			
Impairment of shares as at 12/31/2013	**54**		**54**
Net value as at 12/31/2012	**2,531**	**1,781**	**750**
Net value as at 12/31/2013	**878**	**-**	**878**

Travelsoft shares were sold in 2013.

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).

No gains or losses were recognized directly in equity in respect of their changes in fair value.

Note 4.6 Other financial assets

(in thousands of euros)	Total	Loans	Deposits and guarantees	Other	Derivative financial instruments – foreign exchange *	Derivative financial instruments – interest rate *
Gross value as at 12/31/2012	**9,495**	**8,504**	**229**	**370**	**350**	**43**
Additions	1,143	777		5	344	18
Decreases	98	98				
Other movements	(6,309)	(5,772)	(21)	(55)	(550)	88
Gross value as at 12/31/2013	**4,427**	**3,606**	**208**	**319**	**145**	**149**
Impairment as at 12/31/2012						
Impairment as at 12/31/2013						
Net value as at 12/31/2012	**9,495**	**8,504**	**229**	**370**	**350**	**43**
Net value as at 12/31/2013	**4,427**	**3,606**	**208**	**319**	**145**	**149**

* *See note 4.17.*

(in thousands of euros)	Total	Loans	Deposits and guarantees	Other	Derivative financial instruments – foreign exchange *	Derivative financial instruments – interest rate *
Gross value as at 12/31/2011	**3,484**	**2,085**	**693**	**358**	**305**	**43**
Additions	1,202	1,364	(245)	32	51	
Decreases	(6)		(6)			
Other movements	4,816	5,055	(213)	(21)	(6)	
Gross value as at 12/31/2012	**9,495**	**8,504**	**229**	**370**	**350**	**43**
Impairment as at 12/31/2011						
Impairment as at 12/31/2012						
Net value as at 12/31/2011	**3,484**	**2,085**	**693**	**358**	**305**	**43**
Net value as at 12/31/2012	**9,495**	**8,504**	**229**	**370**	**350**	**43**

* *See note 4.17.*

As at December 31, 2012, the consolidation of NHS SBS within the Group resulted in the recognition in other financial assets of advances enabling new platform customer entities to finance their migration. In the first half of 2013, the Group concluded that these advances represented non-current operating receivables (other non-current assets). Other financial assets decreased by €5,436 thousand due to this reclassification.

The impacts of exchange differences on other financial assets were included in Other movements in the amount of €(494) thousand.

Note 4.7 Income tax

Reconciliation of the total income tax charge recognized and the theoretical charge

(in thousands of euros)	12/31/2013	12/31/2012 (2)
Consolidated net profit	12,743	43,173
Net profit/(loss) from discontinued operations	-	14,919
Net profit from continuing operations	**12,743**	**58,092**
Share of profit/(loss) of associates	(206)	(116)
Income tax	15,493	13,723
Net profit before tax (1)	**28,030**	**71,699**
Tax rate applicable in France	**38.00%**	**36.10%**
Theoretical tax charge	**10,651**	**25,883**
Unrecognized tax losses/(Utilization) of unrecognized tax losses	10,860	(61)
Contribution on added value	4,635	5,060
Coupon paid on equity instruments (see note 4.10)	-	(2,992)
Profit arising from remeasurement of the investment in NHS SBS	-	(4,427)
Tax credits	(5,859)	(3,484)
Effect of other permanent differences	1,202	(2,318)
Effect of different tax rates	(5,996)	(3,938)
Effective tax charge	**15,493**	**13,723**
Effective tax rate	**55.27%**	**19.14%**

(1) Net profit from continuing operations before share of profit or loss of associates and income tax.
(2) After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).

Following the increase in the exceptional corporate income tax contribution from 5% to 10.7% in France, the prevailing income tax rate for French companies generating revenue of over €250 million rose from 36.1% to 38%. The Group's effective tax rate was reconciled compared to this tax rate.

The Group qualifies the Contribution on Added Value payable under the Territorial Economic Contribution, the tax introduced in France by the Finance Bill for 2010, as income tax. It represented an income tax expense of €7,476 thousand (or €4,635 thousand after the tax impact).

Given the difficult economic context in France and the very long recovery period, the Group elected not to capitalize all the tax loss carry-forwards generated over the period. Accordingly, unrecognized deferred tax assets totalled €10,120 thousand.

The tax rate differences were mainly attributable to the entities based in the United Kingdom where the tax rate was 23.25% as at December 31, 2013.

The Group was subject to a tax audit in France for fiscal periods 2008 to 2010. The main reassessments concerned research tax credit. In 2012, the Group rejected the initial findings of the French tax authorities and began a conciliation procedure which resulted in the abandonment of certain grounds for reassessment. As at December 31, 2013, the reassessments maintained by the French tax authorities were still challenged and the Group recognized a provision in 2013, based on its best risk estimate, amounting to €1,500 thousand in addition to the €450 thousand already recorded in 2012.

Furthermore, the Group may be liable for tax audits in other countries. Once the Group believes a risk to be probable, these items are assessed and provided for in the financial statements.

Breakdown between current and deferred taxes in the income statement

(in thousands of euros)	France 12/31/2013	International 12/13/2013	Total 12/31/2013	12/31/2012
Current income tax	(9,472)	(11,659)	(21,131)	(18,182)
Deferred income tax	7,382	(1,746)	5,638	4,460
Tax	**(2,090)**	**(13,402)**	**(15,493)**	**(13,723)**

Deferred taxes recognized as at December 31, 2013

(in thousands of euros)	12/31/2012 *	Profit or loss impact	Impact on reserves	Translation and other mvts	12/31/2013
Intangible assets	(17,403)	7,219		442	(9,742)
Property, plant and equipment	7,054	(4,326)		(104)	2,624
Finance-leased property, plant and equipment	223	10		(34)	199
Non-current financial assets	967	485		(1,366)	86
Inventories and work-in-progress	(3,547)	380		1	(3,166)
Other current assets	(2,939)	980		3,319	1,360
Financial instruments		1,160	732	1,991	3,883
Retirement benefit obligations	85,547	1,209	(26,976)	(1,489)	58,291
Provisions	4,372	(964)		(4,243)	(835)
Other current liabilities	3,470	(3,477)		(170)	(178)
Tax loss carry-forwards	38,000	2,962		(167)	40,795
Total net deferred tax assets	**115,744**	**5,638**	**(26,244)**	**(1,820)**	**93,316**
Deferred tax assets recognized	**117,439**				**95,480**
Deferred tax liabilities recognized	**1,036**				**1,572**

* *After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).*

The liabilities associated with non-current assets classified as held for sale include deferred tax liabilities in the amount of -€587 thousand (see note 4.18 – Non-current assets classified as held for sale and discontinued operations).

The deferred tax assets arising from tax loss carry-forwards mainly involve tax loss carry-forwards in France.

Exchange differences had a total impact of €(2,198) thousand.

Deferred tax assets not recognized as at December 31, 2013

Deferred tax assets not capitalized as at December 31, 2013 totalled €21,281 thousand:

- on tax losses carried forward: €21,218 thousand;
- on other temporary differences: €63 thousand.

Breakdown of deferred tax assets not recognized by country *(in thousands of euros)*	Total as at 12/31/2012	Total as at 12/31/2013	Expiry date < 2 years	Expiry date > 2 years
Austria	211	192		192
Denmark	849	-		-
France [(1)]	2,877	13,002		13,002
United Kingdom	743	582		582
Sweden	5,159	4,474		4,474
Singapore	957	915		915
Other countries [(2)]	2,188	2,115		2,115
Total unrecognized deferred tax assets	**12,984**	**21,281**		**21,281**

(1) Of which tax loss carry-forwards relating to Xansa France: €2,882 thousand as at December 31, 2013 (€2,877 thousand as at December 31, 2012).
(2) Canada, Cyprus, United States, Luxembourg.

Note 4.8 Inventories and work-in-progress

Net inventories and work-in-progress totalled €21,039 thousand as at December 31, 2013 (€9,013 thousand as at December 31, 2012) and primarily involve outstanding services relating to the start-up phase of major contracts, mainly in France (€18,731 thousand as at December 31, 2013 compared to €8,095 thousand as at December 31, 2012) and, to a lesser extent, the United Kingdom (€1,902 thousand as at December 31, 2013 compared to €857 thousand as at December 31, 2012). As at December 31, 2013, and given the uncertain political context surrounding the Ecotax project, the Group decided to capitalize costs in France relating to services rendered in the amount of €10,117 thousand.

Note 4.9 Trade receivables and other debtors

Group policy is to verify the financial soundness of all customers and customer balances are monitored on a constant basis. 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.

Services invoiced but not yet settled by customers are recognized in "Trade receivables."

Services rendered but not yet invoiced are recognized in "Amounts due from customers".

(in thousands of euros)	12/31/2013	12/31/2012
Trade receivables - gross value	208,249	268,719
Impairment	(1,205)	(1,975)
Trade receivables and related accounts	**207,045**	**266,744**
Amounts due from customers	**164,313**	**202,607**
Customer deposits and advances	1,219	1,001
Receivables from employees and social security and tax authorities	53,989	38,285
Other debtors – gross value	3,941	3,143
Derivative financial instruments – interest rate *	-	3
Derivative financial instruments – foreign exchange *	282	582
Impairment	(760)	(730)
Other current assets	**58,672**	**42,285**
Short-term portion of non-current assets (< 1 year)	**3,461**	**3,948**
Current tax assets	**39,723**	**33,333**
Prepaid expenses	**35,065**	**22,865**
Trade receivables and other debtors	**508,278**	**571,781**

* *See note 4.17.*

In 2013, the Group assigned trade receivables in France in June for €29,717 thousand and in December for €17,431 thousand. In 2012, these same assignments of receivables represented €14,977 thousand and €15,022 thousand, respectively.

These receivables were derecognized from the balance sheet as substantially all the risks and rewards associated with the assets were transferred to the assignees.

In December 2013, the Group implemented a trade receivable securitization program for a term of 5 years. Managed centrally by Groupe Steria SCA, this program enables certain operational entities in the UK and France to transfer on a monthly basis a total volume of receivables for a maximum equivalent of €70 million without recourse. Based on the program's organization and structure, substantially all the risks and rewards of ownership of the assets can be transferred and the assets can thus be deconsolidated.

As at December 31, 2013, the amount of receivables deconsolidated under this program was €24,204 thousand in France and €25,669 thousand in the United Kingdom. Furthermore, receivables totalling €6,841 thousand were transferred and funded, but not deconsolidated, thus resulting in the recognition of a liability in the same amount.

For assignments of receivables and the securitisation programme, the Group's ongoing involvement in these assets is limited to their administrative management, and collection and retrocession for the assignees.

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 2013	208,249	138,446	47,218	8,087	1,848	4,522	8,129
Trade receivables 2012	268,719	188,307	61,652	7,206	1,995	1,045	8,513

Trade receivables not past due as at December 31, 2013 represented €138,446 thousand or 66.5% of total trade receivables.

This balance plus trade receivables past due in less than 30 days totalled €185,663 thousand and represented 89.2% of total trade receivables.

Impairment of trade receivables breaks down as follows:

(in thousands of euros)	2013	2012
As at January 1	(1,975)	(3,401)
Charges for the year	(293)	(157)
Reversals utilized (losses on irrecoverable receivables)	993	1,174
Reclassification and other	-	471
Translation differences	71	(60)
As at December 31	**(1,205)**	**(1,975)**

Note 4.10 Equity instruments

On January 2, 2013, the Company redeemed in advance all the perpetual subordinated bonds, convertible and/or exchangeable for new or existing shares, outstanding at that date for €152,434 thousand and the coupon for €8,690 thousand. This was comparable to the payment of a dividend.

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)	12/31/2013	12/31/2012
Marketable securities and other investments	138,612	104,964
Cash at bank and in hand	70,829	40,615
Cash and cash equivalents	**209,441**	**145,579**
Current bank facilities	(1,898)	(1,288)
Net cash and cash equivalents per the cash flow statement	**207,543**	**144,291**

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.

Steria India contributed €98,193 thousand to net cash and cash equivalents (€108,801 thousand as at December 31, 2012). Should this cash be returned in the form of dividends, a withholding tax should be applied (to date estimated at 17%).

A portion of NHS SBS' cash at bank and in hand is used to grant advances to its production platform customer entities with respect to their transition operations, in the amount of €17,914 thousand as at December 31, 2013.

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

(in thousands of euros)	12/31/2012	Change in consolidation scope	Net change during the period	12/31/2013
Bonds	-		178,544	178,544
Bank borrowings	236,776		(51,927)	184,849
Other borrowings	9,034		(9,034)	-
Total long-term borrowings (a)	**245,810**		**117,583**	**363,393**
Bank borrowings	34,982		6,724	41,706
Accrued interest on borrowings	12		5,610	5,622
Other related liabilities	**6,505**		**14,284**	**20,789**
Current bank facilities	1,288		610	1,898
Total short-term borrowings (b)	**42,786**		**27,228**	**70,015**
Total borrowings (c) = (a) + (b)	288,597		144,811	433,407
Total cash and cash equivalents (d)	145,579		63,862	209,441
Net indebtedness (e) = (c) – (d)	**143,018**		**80,948**	**223,966**

On January 2, 2013, the Company redeemed in advance all the perpetual subordinated bonds, convertible and/or exchangeable for new or existing shares, outstanding at that date for €152,434 thousand and the coupon for €8,690 thousand. They were classified in shareholders' equity.

On April 12, 2013, the Group placed a bond with institutional investors in the amount of €180 million. Maturing in 6 years and 3 months, it bears annual interest at a fixed rate of 4.25%.

Bond issue costs of €1,672 thousand are deducted from the liability and amortized over the term of the bond.

As at June 28, 2013, the Group repaid an instalment of the multi-currency syndicated loan for €25,000 thousand and £8,125 thousand. The utilization or repayment of its renewable portion primarily accounts for the other changes in bank borrowings.

During December 2013, the Group implemented a securitisation programme for trade receivables of a maximum amount of €70 million (see Note 4.9 – Trade and other receivables), without recourse. The deconsolidated net amount at 31 December 2013 totalled €49.645 million .

Exchange rate fluctuations also contributed €16,956 thousand to the increase in net indebtedness.

Liquidity risk management

The Group's general hedging policy is aimed at securing and optimizing liquidity. External financing decisions are centralized at Group level under the responsibility of the Finance Department. The cash position and undrawn lines of credit are reviewed once a month with the Group Finance Director, and regularly with the members of the Audit Committee at its meetings.

At December 31, 2013, the Group had floating-rate lines of credit totalling €862.6 million, 57% of which were drawn down. They break down as follows:

	Amount authorized as at 12/31/2013		Drawdown as at 12/31/2013		Drawdown rate as at 12/31/2013	Maturity	Interest rate as at 12/31/2013
	(in M€)	*(in M£)*	*(in M€)*	*(in M£)*			
Bonds	**180.0**		**180.0**		**100%**	***Repayable on maturity in* 2019**	**4.25%**
Syndicated loan							
Tranche A	155.0		155.0		100%	Repayable in instalments until 2016	1.79%
Tranche B		50.4		50.4	100%	Repayable in instalments until 2016	2.03%
Multi-currency revolving credit	325.0			12.1	4%	Repayable on maturity in 2016	1.69%
EUR – GBP securitization	**70.0**		**28.5**	**28.2**	**100%**		**3.33%**
Other	**7.1**	**5.0**	**1.8**	**5.0**	**100%**	**Repayable on maturity in 2014**	**4.50%**
Overdraft	**59.1**		**1.9**		**3%**		**0.70%**
Total per currency	**796.2**	**55.4**	**374.5**	**96.3**			
Total € equivalent	**862.6**		**482.0**		**56%**		**2.90%**

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 interest rate payable on the bonds which were issued in April 2013 is fixed at 4.25%

The interest rate payable on the securitization programme is equal to the bank rate for the concerned currency at the moment on which the amount is drawn, plus a margin which is defined on a quarterly basis.

The terms and conditions to which the syndicated loan, the bonds and the securitization programme are subject to include a commitment to comply with certain financial covenants.

The Company must comply with two financial ratios calculated every six months based on the published consolidated financial statements, on a 12-month rolling basis in the case of the syndicated loan. In the case of the bonds and the securitization programme these same two financial ratios apply once a year and are calculated based on the annual published consolidated financial statements:

- 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 amortization of customer relationships plus charges to depreciation and amortization and current provisions.

As at December 31, 2013, the net debt to Ebitda ratio requirement was satisfied, amounting to 1.64 compared with the applicable covenant of 2.50.

It was calculated as follows:

	12/31/2013
Net debt *(in millions of euros)*	
Short-term borrowings (< 1year)	70.0
Long-term borrowings (> 1year)	363.4
Cash and cash equivalents	(209.4)
Total net debt	224.0
Ebitda *(in millions of euros)*	
Total Ebitda	136.5
Net debt/Ebitda ratio	**1.64**

A 5% increase in net debt would have an impact of 0.08 on the covenant. A 2.5% decrease in Ebitda would increase the covenant by 0.04. A 5% increase in net debt combined with a 2.5% decrease in Ebitda would increase the covenant by 0.13.

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 before amortization 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, 2013, the EBIT to cost of net borrowings ratio requirement was satisfied, amounting to 17.33 compared with the applicable covenant of 5.00. It was calculated as follows:

	12/31/2013
Operating margin	
Total operating margin	**110.4**
Cost of net borrowings (in millions of euros)	
Total cost of net borrowings	**6.4**
Operating margin before amortization of customer relationships/cost of net borrowings ratio	**17.33**

In addition to satisfying the financial ratio prerequisites described above, the three principle financing agreements also stipulate a number of:

- performance requirements, standard for this type of financing;
- cases of default such as default of payment, inaccurate tax returns, cross-default, bankruptcy, occurrence of an event having an adverse material effect, etc.;
- early repayment in full in the event that there is a change of control in ownership of the Company;
- and only in the case of the syndicated loan, restrictions, such as limits on the Group's ability to carry out restructurings, acquisitions, joint ventures, collateralization, additional borrowings.

Moreover the loan agreement also stipulates a number of cases where the loan must be repaid in advance, in whole or in part as appropriate, or renegotiated with the banks:

- early repayment if all or a substantial number of the Company's assets are sold;
- repayment using proceeds from asset disposals (beyond a specified threshold);
- repayment of a sum equal to each new borrowing 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, 2013, the payment schedule for the Group's debt was as follows:

(in millions of euros)	2014	2015	Between 2 and 5 years	More than 5 years	Total
Principal – Fixed-rate debt (1)	11.6	-	-	178.5	190.1
Principal – Floating-rate debt (1)	58.4	48.6	136.2	-	243.3
Interest (2)	14.6	14.6	33.2	3.8	66.2
Net flows from financial instruments	1.0	0.4	0.1	-	1.5
Total	**85.7**	**63.7**	**169.5**	**182.3**	**501.1**

(1) Of which €30.0 million and £9.8 million due as at June 28, 2014.
(2) Interest is measured using the forward interest rates applicable as at December 31, 2013.

The future flows from the borrowing are presented based on the balance sheet outstanding at the period-end, a drawdown of the revolving multi-currency credit line in the amount of €15 million and a utilization of the securitization program in the amount of €70 million, without presuming that any subsequent management decision will be made that is likely to significantly modify the structure and features of the borrowing or the interest rate hedge outstanding.

A breakdown of the Group's gross indebtedness as at December 31, 2013, by type of debt and currency, is shown below:

	Currency of origin			
(in millions of euros)	Euro	Pound sterling	Other	Total
Bonds	178.5			178.5
Bank borrowings	121.6	63.3		184.9
Short-term bank borrowings (< 1 year)	30.0	11.7		41.7
Accrued and other interest	17.7	8.4	0.3	26.4
Bank loans (cash liabilities)	1.9			1.9
Gross debt	**349.7**	**83.4**	**0.3**	**433.4**

The Group's portfolio of market securities as at December 31, 2013 breaks down as follows:

(in millions of euros)	Short-term investments	Liquidity agreement cash advance	Total portfolio of marketable securities
Net asset value	137.7	0.9	138.6
Off-balance sheet	-	-	-
Net position	**137.7**	**0.9**	**138.6**

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, 2013 and considering the short-term investments held at such date, a 50 basis point decrease in floating rates would reduce annual financial income by €2.52 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 internally.

For example, each bank can only hold a certain percentage of a subsidiary's investments, unless it receives special authorization 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 assesses 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)	12/31/2013	12/31/2012 *
Post-employment benefits	283,109	371,052
Other long-term benefits	8,260	11,913
Retirement benefit and similar obligations	**291,369**	**382,966**

* *After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).*

Other long-term benefits

Other long-term benefits include benefits relating to length of service in Germany (€178 thousand as at December 31, 2013), pre-pension obligations in Germany and Belgium (respectively €564 thousand and €750 thousand as at December 31, 2013), employee profit-sharing in France (€1,488 thousand as at December 31, 2013) and seniority bonuses paid to employees in India (€5,260 thousand as at December 31, 2013).

Post-employment benefits

Post-employment benefits cover the obligations of Groupe Steria towards its employees with respect to lump-sum retirement benefits in France (1.7% of the Group's total obligations) and Poland (0.0% of the Group's total obligations) and defined benefit plans in the UK (94.7%), Germany (2.1%), Belgium (0.9%) and Norway (0.6%). As at December 31, 2013, they amounted to €283,109 thousand.

In the United Kingdom, the Group has five post-employment defined benefit plans. The obligations for each plan are asset-funded. Three plans are closed to all new employees and the vesting of benefits is blocked. For each plan, the benefits payable are primarily based on the plan member's final salary and, in certain cases, the member's average salary and any incidental benefits. Each plan is made up of trusts in accordance with UK law and is supervised by the regulating body defined in the UK law on pensions. The plan administrators are corporate trustees whose Directors include representatives for the plan members and independent members. External consultants are hired by the administrators to manage the plans on a daily basis and deal with legal and actuarial matters. Under UK law, the plans must be undergo a triennial assessment, which is used to determine the contributions payable by the employer to the funds.

These plans are exposed to the following risks:

- asset management; this risk gradually decreases over the period until retirement;
- inflation to which pension entitlements are indexed; this risk is limited by the use of inflation-indexed financial instruments;
- interest rates insofar as the future cash outflows are discounted;
- changes in demographical assumptions and mortality tables.

These plans distinguish between active members that still vest benefits, members who are still working but whose benefits have been blocked and retired members. These three member categories represent 2.6%, 70.2% and 27.2% of the total number of plan members.

Projected payments for services by the funds for defined-benefit obligations, which totalled €1,367.741 million at 31 December 2013 for the next ten years would be as follows, in thousands of pounds sterling:

- less than two years: £55,582 thousand;
- from two to five years: £89,718 thousand;
- from five to ten years: £168,208 thousand.

These plans include the payment of contributions to compensate for losses incurred by the funds (contributions less mandatory expenses and debits) and fund the current service cost for the period. In 2013, this paid contribution totalled €23,603 thousand, of which €18,000 thousand to finance losses. In 2014, the Group estimates the contribution at £19.5 million (i.e. a euro equivalent at the 2013 average EUR/ GBP exchange rate of €22,980 thousand).

In Germany, there are two plans, one significant, the other immaterial, and were provided for since they are not funded. The purpose of the main plan is to pay a minimum pension equal to 14.08% of the salary paid up to the social security ceiling and 35.2% over and above that. This plan only involves employees who entered into service prior to January 1, 1986 and pension entitlements have been blocked since September 30, 1996.

In France, there is one plan which is provided for since it is not funded. Each employee present in the Company on his retirement date is entitled to receive a retirement benefit. The plan provides that this benefit shall be equal to one fifth of a month's salary per year of seniority, the monthly salary being the average gross salary excluding any bonus and premiums received in the last twelve months.

A similar plan has been set up in Poland, but it is immaterial.

The plans in Germany and France are exposed to risks involving interest rates, inflation and changes in demographical assumptions.

Finally, two plans have also been set up in Norway and Belgium. They are funded and were set up to pay an annuity to plan members on retirement. In Belgium, the plan has been closed to new employees since January 1, 2003. As in the United Kingdom, these plans are exposed to risks involving inflation, interest rates and changes in demographical assumptions.

Movements in net liabilities arising from the main post-employment benefit obligations during 2013 are presented in the following table:

	Defined benefit pension funds - United Kingdom	Defined benefit pension funds - Germany	Lump-sum retirement benefits - France	Other countries *	Total
Calculation assumptions for actuarial liabilities					
Discount rate	4.60%	3.05%	3.17%	2.5%/ 4.1%	
Inflation rate	2.90%	-	2%	2.0%/ 3.5%	
Rate of salary increase	3.15%	2.0%/ 0%	2%	-	
Retirement age	Variable	60/63	63	-	
Amounts recognized in the balance sheet					
Present value of the obligation as at 12/31/2013	1,367,741	30,680	24,432	21,779	1,444,632
Fair value of plan assets as at 12/31/2013	1,142,807	-	-	18,717	1,161,524
Net liabilities on the balance sheet as at 12/31/2013	**224,935**	**30,680**	**24,432**	**3,062**	**283,108**
Net liability cost components					
Current service cost	4,904	44	2,383	692	8,024
Past service cost	759	-	-	-	759
Losses (gains) on plan settlements	-	-	-	-	-
Interest cost on obligation	55,271	904	650	679	57,503
Interest cost on plan assets	(42,867)	-	-	(631)	(43,498)
Total expenses recognized in the income statement	*18,068*	*948*	*3,033*	*740*	*22,789*
Effect of net liability remeasurements	(76,158)	(791)	(1,563)	915	(77,597)
– *Of which return on plan assets (excluding amounts included in interest income)*		*-*	*-*	*(437)*	*(89,363)*
– *Of which effect of changes in demographical assumptions*		*-*	*-*	*388*	*388*
– *Of which effect of changes in financial assumptions*		*(791)*	*(1,563)*	*964*	*11,379*
Total expenses recognized directly in equity	*(76,158)*	*(791)*	*(1,563)*	*915*	*(77,597)*
Movements in net liabilities					
Net liability as at December 31, 2012	**313,415**	**31,583**	**24,161**	**1,893**	**371,052**
Net expense recognized in the income statement	18,068	948	3,033	740	22,789
Net expense recognized in equity	(76,158)	(791)	(1,563)	915	(77,597)
Contributions	(23,669)	(1,060)	(1,200)	(526)	(26,455)
– *Of which employer contributions*		*(1,060)*	*(1,200)*	*(526)*	*(26,455)*
– *Of which plan beneficiary contributions*		*-*	*-*	*-*	*-*
Exchange rate fluctuations	(6,721)	-	-	40	(6,681)
Net liability as at December 31, 2013	**224,935**	**30,680**	**24,432**	**3,062**	**283,108**

* *Belgium, Norway, Poland.*

To recap, movements in net liabilities arising from the main post-employment benefit obligations during 2012, after taking into account IAS 19 revised – *Employee benefits* retrospectively (see note 1.2), are shown below:

	Defined benefit pension funds - United Kingdom	Defined benefit pension funds - Germany	Lump-sum retirement benefits - France	Other countries *	Total
Calculation assumptions for actuarial liabilities					
Discount rate	4.30%	2.91%	2.69%	2.75%/ 3.9%	
Inflation rate	2.90%	-	2%	2.5%/ 3.25%	
Rate of salary increase	3.15%	2.0%/ 0%	2%	-	
Retirement age	Variable	60/63	63	-	
Amounts recognized in the balance sheet					
Present value of the obligation as at 12/31/2012	1,353,517	31,583	24,161	20,995	1,430,256
Fair value of plan assets as at 12/31/2012	1,040,102	-	-	19,103	1,059,204
Net liabilities on the balance sheet as at 12/31/2012	**313,415**	**31,583**	**24,161**	**1,893**	**371,052**
Net liability cost components					
Current service cost	5,350	30	1,641	651	7,672
Past service cost	-	-	-	-	-
Losses (gains) on plan settlements	-	-	-	-	-
Interest cost on obligation	54,662	1,090	787	782	57,321
Interest cost on plan assets	(45,235)	-	-	(744)	(45,980)
Total expenses recognized in the income statement	14,777	1,120	2,428	203	18,527
Effect of net liability remeasurements	111,657	7,252	5,160	331	124,400
– *Of which return on plan assets (excluding amounts)*		*-*	*-*	*(419)*	*(36,254)*
– *Of which effect of changes in demographical assumptions*	*-*	*-*	*-*	*-*	*-*
– *Of which effect of changes in financial assumptions*	*147,492*	*7,252*	*5,160*	*750*	*160,654*
Total expenses recognized directly in equity	111,657	7,252	5,160	331	124,400
Movements in net liabilities					
Net liability as at December 31, 2011	**206,221**	**24,166**	**17,112**	**1,929**	**249,427**
Net expense recognized in the income statement	14,777	1,120	2,428	203	18,527
Net expense recognized in equity	111,657	7,252	5,160	331	124,400
Contributions	(24,151)	(954)	(538)	(618)	(26,262)
– *Of which employer contributions*	*(24,151)*	*(954)*	*(538)*	*(618)*	*(26,262)*
– *Of which plan beneficiary contributions*	*-*	*-*	*-*	*-*	*-*
Exchange rate fluctuations	4,912	-	-	48	4,959
Net liability as at December 31, 2012	**313,415**	**31,583**	**24,161**	**1,893**	**371,052**

* *Belgium, Norway.*

Since most of the Group's retirement obligations involve the United Kingdom, movements in this country's obligations and assets are as follows, after taking into account IAS 19 revised – Employee benefits retrospectively (cf. note 1.2):

(in thousands of euros)	12/31/2013	12/31/2012
Present value of the obligation at the beginning of the period	**1,353,517**	**1,144,266**
Exchange differences	(28,024)	26,696
Current service cost	4,904	5,350
Past service cost	759	-
Interest	55,271	54,662
Employee contributions	-	26
Effects of obligation remeasurements	12,768	147,492
– *Of which effect of changes in demographical assumptions*	-	-
– *Of which effect of changes in financial assumptions*	*12,768*	*147,492*
Plan amendment	-	-
Transfers	1,740	6,225
Benefits provided	(33,195)	(31,200)
Present value of the obligation at the end of the period	**1,367,741**	**1,353,517**
Fair value of plan assets at the beginning of the period	**1,040,102**	**938,046**
Exchange differences	(21,303)	21,784
Interest	42,867	45,235
Effects of plan asset remeasurements	88,926	35,835
– *Of which effect of changes in demographical assumptions*		*35,835*
– *Of which effect of changes in financial assumptions*	-	-
Employer contributions	23,669	24,151
Employee contributions	-	26
Transfers	1,740	6,225
Benefits provided	(33,195)	(31,200)
Fair value of plan assets at the end of the period	**1,142,807**	**1,040,102**

The UK pension fund assets belong to four investment categories:

(in thousands of euros)	12/31/2013	12/31/2012
Shares	389,729	389,622
Bonds	528,500	502,823
Property	146,706	88,619
Other assets	77,872	59,038
Total	**1,142,807**	**1,040,102**

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 €63.7 million. A 10% reduction in the rate of return on plan assets would reduce their value by €114.4 million.

Note 4.13 Provisions for liabilities and charges

In 2013, provisions for liabilities and charges break down as follows:

(in thousands of euros)	12/31/2012	Charges	Reversals utilized	Reversals not utilized	Reclassifications	Exchange differences	12/31/2013	Non-current	Current
Provisions for litigation	5,633	1,781	(1,939)	(1,271)		(90)	4,113		4,113
Provisions for losses on completion	449	337	(486)			(14)	285		285
Other provisions for liabilities	19,732	15,980	(3,029)	(4,502)	(781)	(424)	26,974	6,909	20,065
Provisions for restructuring	11,235	4,330	(9,093)	(888)	(14)	(162)	5,409	133	5,276
Total provisions for liabilities and charges	**37,048**	**22,428**	**(14,548)**	**(6,661)**	**(796)**	**(690)**	**36,781**	**7,041**	**29,740**

In 2012, the breakdown was as follows:

(in thousands of euros)	12/31/2011	Charges	Reversals utilized	Reversals not utilized	Reclassifications	Exchange differences	12/31/2012	Non-current	Current
Provisions for litigation	13,013	2,485	(11,532)	(1,238)	2,882	23	5,633	922	4,710
Provisions for losses on completion	2,783	566	(2,743)	-	(235)	77	449	-	449
Other provisions for liabilities	20,013	5,699	(2,520)	(1,169)	(2,657)	365	19,732	9,920	9,812
Provisions for restructuring	12,951	7,279	(7,973)	(1,164)	3	139	11,235	1,554	9,681
Total provisions for liabilities and charges	**48,760**	**16,030**	**(24,768)**	**(3,571)**	**(7)**	**604**	**37,048**	**12,396**	**24,652**

Provisions for litigation concern employee and customer disputes in France and Germany.

Other provisions for liabilities mainly concern customer risks in the United Kingdom in the amount of €5,352 thousand, the cost of refurbishing UK premises in the amount of €7,957 thousand, vacant premises in connection with everyday operations in the United Kingdom in the amount of €1,268 thousand and employee risks in the amount of €749 thousand.

In France, as at December 31, 2013, the Group made a prudent decision to set aside a provision of €8,000 thousand for the Ecotax project, considering the uncertain political context surrounding this project, to cover the risk that it may not be able to recover all the services rendered.

Provisions for restructuring mainly concern:

- costs of premises left vacant. Thus, in the United Kingdom, these costs were still provided for in the amount of €209 thousand (€2,575 thousand as at December 31, 2012) and in France in the amount of €1,227 thousand (€2,216 thousand as at December 31, 2012);
- the residual costs arising from the Group transformation program (reorganization of operations, streamlining of infrastructures, specific 3P (Portfolio, Productivity, People) cost cutting plan) in the amount of €2,181 thousand in France and Germany (€6,393 thousand as at December 31, 2012 in France, Germany and Scandinavia) and one-off local restructuring measures in the amount of €1,732 thousand (including €1,540 thousand in Germany).

Note 4.14 Other non-current liabilities

(in thousands of euros)	12/31/2012	Net change during the period	12/31/2013
Other long-term liabilities	17,689	27,920	45,609
Derivative financial instruments – interest rate *	2,963	(2,043)	920
Derivative financial instruments – foreign exchange *	3,338	3,118	6,455
Total	**23,989**	**28,995**	**52,984**

* *See note 4.17.*

The increase in other long-term liabilities was primarily due to the classification under this heading of advances received by NHS SBS from the UK Department of Health for €21,111 thousand. These advances are subsequently made available to new customers to assist with their migration to the new operational platform as part of the operating contracts.

Under the agreement signed with the UK government to transform its back office functions, the Group granted the Cabinet Office an option to sell the shares it holds in the joint venture SSCL that was set up for this purpose. This option may be exercised from January 1, 2022 to December 31, 2023. Accordingly, the Group recognized a non-current liability in the amount of €9,790 thousand as at December 31, 2013 (see note 2.1 – Changes in scope of consolidation).

Note 4.15 Trade payables and other creditors

(in thousands of euros)	12/31/2013	12/31/2012
Suppliers of goods and services and related accounts	**171,205**	**148,751**
Gross amounts due to customers	**60,351**	**69,975**
Advances and payments on account received	**11,017**	**11,847**
Current tax liabilities, corporate income tax	**41,348**	**41,126**
Employee-related liabilities	156,429	164,103
Tax-related liabilities	103,180	105,485
Dividends payable	-	8,688
Derivative financial instruments – interest rate *	743	895
Derivative financial instruments – foreign exchange *	3,637	3,935
Other sundry liabilities	9,431	9,177
Total other current liabilities	**273,420**	**292,283**
Total trade payables and other creditors	**557,342**	**563,982**

* *See note 4.17.*

Gross amounts due to customers correspond to services invoiced by the Group to its customers but not yet performed.

Advances and payments on account received correspond to partial payments received on contracts, before the corresponding work has begun.

Trade payables do not bear interest and are generally payable within 30 to 90 days, depending on the general terms and conditions applicable in the country. Exceptionally, payment conditions of less than 30 days may be granted if they reflect local practice.

Note 4.16 Breakdown of the cash flow statement

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

(in thousands of euros)	12/31/2013	12/31/2012	Net change	Of which WCR items reclassified as non-WCR	Of which changes in WCR items	Of which WCR changes with no cash impact: Foreign exchange	Of which WCR changes with no cash impact: Other	Of which impacts of WCR changes on the cash flow statement
Change relating to inventories			**12,026**		**12,026**	**-**	**-**	**(12,026)**
Trade receivables and related accounts	207,045	266,744	(59,699)		(59,699)	(3,708)	(63)	55,928
Advances and payments on account received	(11,017)	(11,847)	830		830	102	-	(728)
Amounts due from customers	164,313	202,607	(38,294)		(38,294)	(3,501)	-	34,794
Gross amounts due to customers	(60,351)	(69,975)	9,623		9,623	1,001	-	(8,622)
Change relating to trade receivables			**(87,541)**		**(87,541)**	**(6,106)**	**(63)**	**81,371**
Trade payables and related accounts	(171,205)	(148,751)	(22,455)	(6)	(22,448)	(2,480)	77	20,045
Change relating to trade payables			**(22,455)**	**(6)**	**(22,448)**	**(2,480)**	**77**	**20,045**
Other non-current assets	4,233	1,830	2,403		2,403	(242)	5,434	2,789
Other current assets	93,454	64,564	28,890	259	28,631	(742)	10,258	(19,116)
Other non-current liabilities	(53,869)	(29,602)	(24,267)		(24,267)	1,011	(31,425)	(6,147)
Other current liabilities	(269,040)	(278,764)	9,725		9,725	6,312	(2,764)	(6,177)
Change relating to other receivables and payables			**16,751**	**259**	**16,493**	**6,339**	**(18,498)**	**(28,651)**
Change in working capital requirements					**(81,470)**	**(2,247)**	**(18,484)**	**60,740**

Other WCR changes with no cash impact reflect the classification of advances received by NHS SBS from the UK Department of Health for €(20,724) thousand, the advances paid by NHS SBS to its customers in connection with their migration for €5,436 thousand and the recognition of the liability relating to the put option granted to the UK government for €(10,001) thousand.

Note 4.17 Financial instruments and interest rate and foreign exchange risk management

Financial instruments per the balance sheet break down as follows:

	12/31/2013		Breakdown by category of instrument				
(in thousands of euros)	Carrying amount	Fair value	At fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other liabilities	Debt at amortized cost	Derivative instruments
Available-for-sale financial assets	878	878		878			
Other financial assets	4,427	4,427			4,133		294
Other non-current assets	4,233	4,233			4,233		
Net trade and related receivables	207,045	207,045			207,045		
Other current assets	58,672	58,672			58,390		282
Current portion of non-current assets	3,461	3,461			3,461		
Cash and cash equivalents	209,441	209,441	209,441				
Total assets	**488,157**	**488,157**	**209,441**	**878**	**277,262**		**576**
Borrowings (>1 year)	363,393	363,393				363,393	
Other non-current liabilities	52,984	52,984			35,819		17,165
Borrowings (<1 year)	70,015	70,015				70,015	
Net trade payables and similar accounts	171,205	171,205			171,205		
Advances and payments on account received	11,017	11,017			11,017		
Other current liabilities	273,420	273,420			269,040		4,380
Total liabilities	**942,034**	**942,034**			**487,081**	**433,408**	**21,545**

	12/31/2012		Breakdown by category of instrument				
(in thousands of euros)	Carrying amount	Fair value	At fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other liabilities	Debt at amortized cost	Derivative instruments
Available-for-sale financial assets	2,531	2,531		2,531			
Other financial assets	9,495	9,495			9,102		393
Other non-current assets	1,830	1,830			1,830		
Net trade and related receivables	266,744	266,744			266,744		
Other current assets	42,285	42,285			41,700		585
Current portion of non-current assets	3,948	3,948			3,948		
Cash and cash equivalents	145,579	145,579	145,579				
Total assets	**472,412**	**472,412**	**145,579**	**2,531**	**323,324**		**978**
Borrowings (>1 year)	245,810	245,810				245,810	
Other non-current liabilities	23,989	23,989				17,688	6,301
Borrowings (<1 year)	42,786	42,786				42,786	
Net trade payables and similar accounts	148,751	148,751			148,751		
Advances and payments on account received	11,847	11,847			11,847		
Other current liabilities	292,283	292,283			287,453		4,830
Total liabilities	**765,466**	**765,466**			**448,051**	**306,284**	**11,131**

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 recognized at fair value in the balance sheet.

Borrowings are recognized at amortized cost using their effective interest rate. Hedging instruments may be set up in order to hedge against interest rate risk.

The profit and loss impact of these financial instruments is as follows:

	12/31/2013	Breakdown by category of instrument				
(in thousands of euros)	Profit or loss impact	At fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other liabilities	Debt at amortized cost	Derivative instruments
Total interest income	8,933			8,933		
Total interest expense	(12,816)				(12,816)	
Revaluation	(2,489)	30				(2,519)
Net gains or (losses)	**(6,373)**	**30**		**8,933**	**(12,816)**	**(2,519)**

	12/31/2012	Breakdown by category of instrument				
(in thousands of euros)	Profit or loss impact	At fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other liabilities	Debt at amortized cost	Derivative instruments
Total interest income	8,400			8,400		
Total interest expense	(9,158)				(9,158)	
Revaluation	(1,769)	60				(1,829)
Net gains or (losses)	**(2,527)**	**60**		**8,400**	**(9,158)**	**(1,829)**

As part of its overall risk management policy and due to the substantial size of its production activities in India and Poland, the Group enters into transactions designed to hedge its exposure to foreign currency risk through the use of derivatives and firm or optional instruments listed on regulated markets, or concluded over the counter with first-class counterparties.

The Group also hedges against interest rate fluctuation by swapping part of its floating-rate debt for fixed-rate debt.

Derivative financial instruments are recognized at fair value in the consolidated balance sheet.

Changes in fair value of derivatives not qualifying for hedge accounting are credited or charged directly to profit or loss.

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 €243.3 million. This exposure was reduced to €35.2 million based on interest rate hedging agreements in place as at December 31, 2012.

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

(in thousands of euros)	Fair value 12/31/2013 Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	Maturity < 1 year	from 1 to 5 years	> 5 years
Swap (cash flow hedge) in euros			650	567	110,000	35,000	75,000	
Swap (cash flow hedge) in foreign currency			152	25	18,592	6,597	11,995	
Options eligible for hedge accounting in euros	149		117		42,500	2,500	40,000	
Options eligible for hedge accounting in foreign currency				25	11,995	11,995		
Options not eligible for hedge accounting in foreign currency				127	10,000	10,000		
Options not eligible for hedge accounting in euros					15,000	15,000		
Total interest rate hedges	**149**		**920**	**743**	**208,087**	**81,092**	**126,995**	

(in thousands of euros)	Fair value 12/31/2012 Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	Maturity < 1 year	from 1 to 5 years	> 5 years
Swap (cash flow hedge) in euros			2,501	603	145,000	55,000	90,000	
Swap (cash flow hedge) in foreign currency			382		18,993		18,993	
Options eligible for hedge accounting in euros	43	3		292	62,500	30,000	32,500	
Options eligible for hedge accounting in foreign currency			80		24,507	12,253	12,254	
Options not eligible for hedge accounting in foreign currency					12,253	12,253		
Total interest rate hedges	**43**	**3**	**2,963**	**895**	**263,253**	**109,506**	**153,747**	

The remeasurement of these financial instruments in equity is accounted for in gains and losses arising from hedging financial instruments.

The remeasurement of these financial instruments in profit or loss is accounted for in other financial income and expenses.

The profit or loss and equity impacts of the Group's interest rate hedging instruments break down as follows:

	Balance sheet amounts (1)				Changes in fair value			
						Profit or loss impact		
(in thousands of euros)	12/31/2012	Changes in fair value	Other changes (2)	12/31/2013	Equity impact	Ineffective portion of cash flow hedges	Fair value hedges	Trading
Swap (cash flow hedge) in euros	(3,104)	1,886		(1,218)	1,886			
Swap (cash flow hedge) in foreign currency	(382)	205		(177)	205			
Options eligible for hedge accounting in euros	(247)	281	(3)	32	229	53		
Options eligible for hedge accounting in foreign currency	(80)	74	(19)	(25)	51	24		
Options not eligible for hedge accounting in foreign currency		(127)		(127)				(127)
Options not eligible for hedge accounting in foreign currency		(3)	3					(3)
Total pre-tax impact	**(3,812)**	**2,317**	**(19)**	**(1,514)**	**2,370**	**77**		**(130)**

(1) Negative amounts are liabilities and positive amounts are assets.
(2) Other changes include those arising from exchange differences and premiums paid.

	Balance sheet amounts (1)				Changes in fair value			
						Profit or loss impact		
(in thousands of euros)	12/31/2011	Changes in fair value	Other changes (2)	12/31/2012	Equity impact	Ineffective portion of cash flow hedges	Fair value hedges	Trading
Swap (cash flow hedge) in euros	(2,306)	(799)		(3,104)	(799)			
Swap (cash flow hedge) in foreign currency	(306)	(76)		(382)	(76)			
Options eligible for hedge accounting in euros	(205)	(86)	45	(247)	(109)	23		
Options eligible for hedge accounting in foreign currency	(37)	(24)	(56)	(80)	(75)	51		
Options not eligible for hedge accounting in foreign currency	3	12	(15)	0	0	0		12
Total pre-tax impact	**(2,851)**	**(973)**	**(26)**	**(3,812)**	**(1,058)**	**74**		**12**

(1) Negative amounts are liabilities and positive amounts are assets.
(2) Other changes include those 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, 2013 is as follows:

	-50 bp		+50 bp	
(in millions of euros)	Equity impact	P&L impact (hedge ineffectiveness)	Equity impact	P&L impact (hedge ineffectiveness)
Swap (cash flow hedge) in euros	(1.1)		1.0	
Swap (cash flow hedge) in foreign currency	(0.1)		0.1	
Options eligible for hedge accounting in euros	(0.1)	(0.1)	0.1	0.1
Options eligible for hedge accounting in foreign currency	-	-	-	-
Swaps not eligible for hedge accounting in foreign currency	-	-	-	-
Options not eligible for hedge accounting in foreign currency	-	-	-	-
Total	**(1.3)**	**(0.1)**	**1.2**	**0.2**
i.e.	*(1.4)*		*1.4*	

The Group's residual exposure to interest rate risk is as follows:

	Financial assets *		Financial liabilities *		Net exposure before hedging		Interest rate hedging instruments		Net exposure after hedging	
	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than one year		209.4	(11.6)	(58.4)	(11.6)	151.0	(81.1)	81.1	(92.7)	232.1
From 1 to 2 years				(48.6)		(48.6)	(42.0)	42.0	(42.0)	(6.6)
From 2 to 5 years				(136.2)		(136.2)	(85.0)	85.0	(85.0)	(51.2)
More than 5 years			(178.5)		(178.5)				(178.5)	
Total		**209.4**	**(190.1)**	**(243.3)**	**(190.1)**	**(33.8)**	**(208.1)**	**208.1**	**(398.2)**	**174.3**

* *Financial assets represent cash and cash equivalents; financial liabilities represent borrowings.*

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, recognized 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 corresponding changes in fair value of the hedges are taken to profit or loss for invoiced items and to equity for future cash flows.

The profit or loss valuation adjustment of these financial instruments that hedge balance sheet items is offset by the adjustment for the period to the Group's foreign currency receivables.

The balance sheet valuation of the Group's foreign currency hedges, and applicable notional amounts hedged, are as follows:

	Fair value 12/31/2013					Maturity		
(in thousands of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	< 1 year	from 1 to 5 years	> 5 years
Fair value hedges								
Foreign currency forwards		10		2,336	20,604	20,604		
Foreign currency options		80		1,266	14,393	14,393		
Cash flow hedges								
Foreign currency forwards	91	93	5,015		41,987	4	41,983	
Foreign currency options	54	99	1,440	32	11,399	4	11,395	
Instruments not designated for hedging *				**4**	**1**	**1**		
Total foreign currency hedges	**145**	**282**	**6,455**	**3,637**	**88,384**	**35,006**	**53,378**	

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

	Fair value 12/31/2012					Maturity		
(in thousands of euros)	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount	< 1 year	from 1 to 5 years	> 5 years
Fair value hedges								
Foreign currency forwards		42		2,205	15,929	15,929		
Foreign currency options				1,299	18,155	18,155		
Cash flow hedges								
Foreign currency forwards	20	255	2,408		47,960	28,104	19,855	
Foreign currency options	330	227	929	368	26,694	10,152	16,542	
Instruments not designated for hedging *		**57**		**64**	**6,550**	**6,550**		
Total foreign currency hedges	**350**	**582**	**3,338**	**3,935**	**115,288**	**78,890**	**36,398**	

* *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:

	Balance sheet amounts (1)				Changes in fair value			
						Profit or loss impact		
(in thousands of euros)	12/31/2012	Changes in fair value	Other changes (2)	12/31/2013	Equity impact	Ineffective portion of cash flow hedges	Fair value hedges	Trading
Fair value hedges								
Foreign currency forwards	(2,183)	(537)	374	(2,326)			(537)	
Foreign currency options	(1,298)	(90)	203	(1,186)			(90)	
Cash flow hedges								
Foreign currency forwards	(2,133)	(3,016)	318	(4,832)	(3,394)	378		
Foreign currency options	(740)	(638)	60	(1,319)	(1,121)	482		
Instruments not designated for hedging	**(6)**	**2**		**(4)**				**2**
Total pre-tax impact	**(6,341)**	**(4,279)**	**955**	**(9,665)**	**(4,515)**	**860**	**(627)**	**2**

(1) Negative amounts are liabilities and positive amounts are assets.
(2) Other changes include those arising from exchange differences and premiums paid.

	Balance sheet amounts (1)				Changes in fair value			
						Profit or loss impact		
(in thousands of euros)	12/31/2011	Changes in fair value	Other changes (2)	12/31/2012	Equity impact	Ineffective portion of cash flow hedges	Fair value hedges	Trading
Fair value hedges								
Foreign currency forwards	(3,972)	1,688	122	(2,183)			1,688	
Foreign currency options	-	(1,373)	75	(1,298)			(1,373)	
Cash flow hedges								
Foreign currency forwards	(3,414)	1,139	143	(2,133)	1,139			
Foreign currency options	(1,987)	1,178	69	(740)	957	221		
Instruments not designated for hedging	**(198)**	**208**	**(17)**	**(6)**				**208**
Total pre-tax impact	**(9,571)**	**2,840**	**392**	**(6,341)**	**2,096**	**221**	**315**	**208**

(1) Negative amounts are liabilities and positive amounts are assets.
(2) Other changes include those arising from exchange differences and premiums paid.

Foreign exchange risk exposure is as follows:

(in millions of euros)	EUR	GBP	INR	PLN
Receivables	(34.1)	70.7	(36.9)	0.3
Payables	96.7	(96.7)	-	-
Balance sheet position	**62.7**	**(26.0)**	**(36.9)**	**0.3**
Off-balance sheet position	-	-	-	-
Balance sheet net position	**62.7**	**(26.0)**	**(36.9)**	**0.3**
Hedges	0.3	35.0	(35.0)	(0.3)
Net position after factoring equivalent in EUR	**62.4**	**(61.0)**	**(1.9)**	**0.6**
Net position after factoring in foreign currency	62.4	(50.9)	(165.0)	2.3
Overall exposure		**(62.4)**		

The sensitivity of the foreign exchange derivatives portfolio to an increase or decrease by 5% as at December 31, 2013 is as follows:

	-5%		+5%	
(in millions of euros)	**Equity impact**	**Profit or loss impact**	**Equity impact**	**Profit or loss impact**
Balance sheet position	(3.52)	(0.59)	3.52	0.59
Foreign exchange derivatives	3.06	1.57	(2.96)	(1.70)
Total sensitivity to foreign exchange risk	**(0.46)**	**0.98**	**0.56**	**(1.10)**
i.e.	*0.52*		*(0.54)*	

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 and discontinued operations

Non-current assets classified as held for sale

The non-current assets classified as held for sale recognized in the balance sheet are directly related to the reorganization of premises initiated in India. The Group is still undertaking measures to sell these assets and considers such sale as still highly probable.

Their value represents the lower of the net carrying amount or fair value less costs to sell. Based on Group estimates supported by external appraisals, no impairment was recognized for these assets as at December 31, 2013.

The value of these Indian assets breaks down as follows:

In thousands of euros	12/31/2013	12/31/2012
Land	816	960
Buildings	4,636	5,454
Building fixtures and fittings	902	1,061
Total assets	**6,354**	**7,475**
Deferred tax liabilities	(587)	(659)
Other liabilities	(55)	(65)
Total liabilities	**(642)**	**(724)**
Net carrying amount of non-current assets classified as held for sale	**5,712**	**6,751**

Discontinued operations

In November 2012, the Group disposed of its operations conducted by its subsidiary Steria Ibérica in Spain. Especially, given the significant number of employees in the Group and the fact that it represents a separate cash-generating unit, the Group considered it to be a separate major line of business and treated it as a discontinued operation. This classification resulted in the creation of a separate single line item to identify its income statement for its operations in 2012. This also included its disposal gain or loss.

For 2012, the income statement of discontinued operations was as follows:

(in thousands of euros)	12/31/2012
Revenue	**33,428**
Other current operating expenses	(37,037)
Operating margin	(3,609)
Other operating income and expenses *	(16,788)
Operating profit/(loss)	**(20,397)**
Net financial expense	**(250)**
Income tax expense	5,688
Net profit/(loss) from discontinued operations	**(14,919)**

* *In 2012, other operating income and expenses include disposal losses of €(16,513) thousand before tax, i.e. €(10,824) thousand after taking into account a tax profit of €5,688 thousand.*

The cash flows generated by the Spanish operations were as follows:

(in thousands of euros)	12/31/2012
Net profit/(loss) from discontinued operations	**(14,919)**
Adjustment of non-monetary items	16,154
Cost of net borrowings	-
Income tax expense	(5,688)
Cash flow from operating activities before net borrowing costs and taxes	**(4,453)**
Taxes paid	2
Change in working capital requirements	781
Cash flow from operations	**(3,670)**
Impact of the disposal of Steria Ibérica	(1,166)
Other cash inflows/outflows relating to investing activities	(274)
Cash flow used in investing activities	**(1,440)**
Other cash inflows/outflows relating to financing activities	-
Cash flows used in financing activities	**-**
Cash flow relating to discontinued operations	**(5,110)**

The 2012 cash flows represent operations from January 1 to November 30, 2012. Cash transferred, included in cash flow used in investing activities, totalled €1,566 thousand.

Note 4.19 Sales and provision of services

(in thousands of euros)	12/31/2013	12/31/2012
Sales of goods	53,571	42,453
Provision of services	1,701,354	1,784,744
Sales and provision of services	**1,754,925**	**1,827,197**

Note 4.20 Other current operating income and expenses

Other current operating income and expenses mainly comprised foreign exchange impacts of -€1,077 thousand for Steria India and €83 thousand for Steria Polska. For the period ended December 31, 2012, these impacts totalled -€2,674 thousand and -€22 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.

Other current operating income also includes subleasing revenues for €2,258 thousand (€2,929 thousand for the period ended December 31, 2012).

The remainder corresponds to rebilling income not deemed as revenue.

Note 4.21 Other operating income and expenses

(in thousands of euros)	12/31/2013	12/31/2012 *
Share-based payments	(2,762)	(3,050)
Disposal of operations and NHS SBS revaluation	-	12,589
Impairment of assets	(881)	(1,202)
Net restructuring and reorganization costs	(35,226)	(30,423)
Gain/(loss) recognized on pension plan curtailments/settlements	-	486
Provision for non-recurring contract litigation	-	3,684
Other operating income	-	-
Other operating expenses	(11,471)	(4,665)
Other operating income and expenses	**(50,339)**	**(22,581)**
– of which other operating income	954	17,452
– of which other operating expenses	(51,293)	(40,032)

* *After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).*

Share-based payments

Share-based payments as at December 31, 2013 comprise free performance share plans and the Group employee share plan.

Free performance share plans

The free share plans subject to performance and presence requirements have the following features:

	September 2013 plan	July and August 2012 plans	July 2011 plan	July 2010 plan	April 2010 plan	July 2009 plan
General Management grant date	September 17, 2013	July 2 and August 1, 2012	July 29, 2011	July 6, 2010	April 16, 2010	July 29, 2009
Number of shares that may be granted	151,900	166,600	157,600	139,250	35,761	110,550
Performance measurement period	January 1, 2013 to December 31, 2015	January 1, 2012 to December 31, 2014	January 1, 2011 to December 31, 2013	January 1, 2010 to December 31, 2012	January 1 to December 31, 2010	January 1 to December 31, 2009
Vesting period until the final grant	3 years (French beneficiaries) 4 years (other beneficiaries)	3 years (French beneficiaries) 4 years (other beneficiaries)	3 years (French and Spanish beneficiaries) 4 years (other beneficiaries)	3 years (French and Spanish beneficiaries) 4 years (other beneficiaries)	2 years (Spanish beneficiaries) 3 years (French beneficiaries) 4 years (other beneficiaries)	2 years (Spanish beneficiaries) 3 years (French beneficiaries) 4 years (other beneficiaries)
Mandatory holding period following the grant of shares	2 years (French beneficiaries) None (other beneficiaries)	2 years (French beneficiaries) None (other beneficiaries)	2 years (French and Spanish beneficiaries) None (other beneficiaries)	2 years (French and Spanish beneficiaries) None (other beneficiaries)	3 years (Spanish beneficiaries) 2 years (French beneficiaries) None (other beneficiaries)	3 years (Spanish beneficiaries) 2 years (French beneficiaries) None (other beneficiaries)

	September 2013 plan	July and August 2012 plans	July 2011 plan	July 2010 plan	April 2010 plan	July 2009 plan
Performance requirements stipulated in the plan	1) Average revenue growth in 2012, 2013 and 2014 2) Average operating margin in 2012, 2013 and 2014 The criteria are applied separately according to the type of beneficiary	1) Average revenue growth in 2012, 2013 and 2014 2) Average operating margin in 2012, 2013 and 2014	1) Average operating margin in 2011, 2012 and 2013 (70% of shares granted) 2) Share price trend until December 31, 2013 (30% of shares granted) The criteria are applied separately according to the type of beneficiary	Average operating margin in 2010, 2011 and 2012 according to the type of beneficiary	Organic revenue growth in 2010	Operating margin in 2009
Number of shares granted in 2013	-	-	-	13,892	10,801	14,941
Number of shares cancelled in 2013	-	-	-	55,108	2,946	71,308
Number of shares finally granted as at December 31, 2013	-	-	-	13,892	13,635	39,242
Number of potential shares that could have been granted as at December 31, 2013	151,900	166,600	157,600	70,250	19,180	-
Share price	12.69	12.24	17.67	19.57	25.30	-
Risk-free rate	1.29% / 0.97%	0.95%/ 1.55% / 1.17%	2.05% / 2.34%	2.0% / 1.63%	2.39% / 2.01%	-
Dividends	2.5%	2.5%	2.5%	2%	2%	-
Volatility	NA	NA	39.1%	NA	NA	-
(Expense)/income recognized in the income statement for the fiscal year in thousands of euros	(126)	(459)	400	(119)	(125)	(17)

Group employee share plans

Share-based payments also include the expenses relating to benefits granted to employees by the Group under the Group employee share plan.

By a decision of December 17, 2013, General Management performed a share capital increase reserved for the members of the Group Savings Plan, with respect to the *Group Employee Share Plan*, comprising a standard formula and a leverage formula. The leveraged formula offered in 2013 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 according to the amount they have invested. 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 €908 thousand. The value of the benefit granted to the employee corresponds to the share market value less the cost of non-transferability and totalled €1,569 thousand.

The benefits granted to employees are calculated using the following main assumptions:

- measurement date (corresponding to the end of the withdrawal period): November 15, 2013;
- benchmark price: €13.74;
- subscription price: €10.99;

- risk-free rate: 0.90%;
- dividend rate: 2.5% of the share price;
- volatility: 33%.

In 2012, by a decision of December 20, 2012, 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 2012 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 according to the amount they have invested. 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 €1,000 thousand. The value of the benefit granted to the employee corresponds to the share market value less the cost of non-transferability and totalled €1,690 thousand.

Disposal of operations and NHS SBS revaluation

In January 2012, the Group obtained control over the joint venture NHS Shared Business Services (NHS SBS) following the change in its shareholders' agreement.

With regard to the recognition of this transaction, the Group remeasured to fair value on the acquisition date the interest it previously held in this entity and recorded a profit of €12,263 thousand (see note 2.1).

Impairment of assets

In 2013, the Group recognized an impairment loss for a scrapped internal application. In 2012, the Group recorded a €1,203 thousand impairment loss for Indian assets classified as held for sale (see note 4.18).

Net restructuring and reorganization costs

In 2013, the Group pursued its transformation program which focuses on the reorganization of its operations, the streamlining of its infrastructures and a specific 3P (Portfolio, Productivity, People) cost cutting plan. These costs totalled €35,226 thousand (€30,423 thousand in 2012).

Other operating income and expenses

Other operating expenses primarily comprise the impacts of the reorganization of premises in France and India for €1,986 thousand.

In France, as at December 31, 2013, the Group made a prudent decision to set aside a provision of €8,000 thousand for the Ecotax project, considering the uncertain political context surrounding this project, to cover the risk that it may not be able to recover all the services rendered. This expense was recorded in other operating expenses considering the non-operational risk.

Note 4.22 Net financial expense

(in thousands of euros)	12/31/2013	12/31/2012 *
Interest income from cash and cash equivalents	8,566	8,138
Income from cash and cash equivalents	**8,566**	**8,138**
Interest expense on financing operations	(12,420)	(8,836)
Gains/(losses) on hedging transactions related to cash equivalents	(2,519)	(1,829)
Cost of gross borrowings	**(14,939)**	**(10,665)**
Cost of net borrowings	**(6,373)**	**(2,527)**
Foreign currency gains on cash management operations	1,508	5,094
Foreign currency losses on cash management operations	(2,487)	(4,621)
Discounts granted	(1,345)	(653)
Disposal of non-consolidated equity investments	702	74
Change in fair value of interest-rate derivatives - Income	169	65
Change in fair value of interest-rate derivatives - Expense	(223)	20
Change in fair value of foreign exchange derivatives - Income	862	55
Change in fair value of foreign exchange derivatives - Expense	-	373
Net interest expense on retirement benefit obligations	(14,021)	(11,341)
Discounting of provisions for liabilities and charges	(1,005)	(1,193)
Other financial income	158	512
Other financial expenses	(3,733)	(2,472)
Total other financial income and expenses	**(19,415)**	**(14,087)**
– of which other financial income	2,171	5,726
– of which other financial expenses	(21,586)	(19,812)
Net financial expense	**(25,787)**	**(16,614)**

* *After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).*

Other financial expenses primarily concern the amortization of debt issue costs.

Note 4.23 Earnings per share

Potential dilutive ordinary shares primarily include free shares and, in 2012, 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.

Numerator *(in thousands of euros)*	**12/31/2013**	**12/31/2012 ***
Net profit attributable to equity holders of the parent (a)	8,857	41,005
Net profit attributable to shareholders (b)	8,857	35,308
Of which: net profit/(loss) from discontinued operations	*-*	*(14,919)*
Denominator		
Weighted average number of shares outstanding (c)	32,097,005	30,882,836
Weighted average number of treasury shares (d)	(1,435,618)	(1,432,793)
Weighted average number of shares outstanding excluding treasury shares (e) = (c)+(d)	30,661,387	29,450,043
Weighted average number of subordinated hybrid convertible bonds	-	4,202,553
Dilutive effect of free shares reserved for employees	15,944	96,548
Theoretical weighted average number of equity instruments (f)	30,677,331	33,749,144
Earnings per share (in euros) (b/e)	**0.29**	**1.20**
– of which: from continuing operations	*0.29*	*1.71*
– of which: from discontinued operations	*-*	*(0.51)*
Diluted earnings per share (in euros) (a/f)	**0.29**	**1.22**
– of which: from continuing operations	*0.29*	*1.66*
– of which: from discontinued operations	*-*	*(0.44)*

* *After consideration of IAS 19 revised – Employee benefits, adopted retrospectively (see note 1.2).*

Note 4.24 Income and expense items not recorded in profit or loss

(in thousands of euros)	**12/31/2013**	**12/31/2012**
Gains and losses on net investment hedging instruments:		
– Gains/(losses) arising during the period	1,727	(1,023)
– Less: adjustment of reclassification for (gains)/losses in the income statement	-	-
Total net investment hedging instruments	**1,727**	**(1,023)**
Gains and losses on cash flow hedges:		
– Gains/(losses) arising during the period	(4,196)	(3,216)
– Less: adjustment of reclassification for (gains)/losses in the income statement	2,052	4,255
Total cash flow hedging instruments	**(2,144)**	**1,039**

Note 5 Off-balance sheet commitments

Commitments given

(in thousands of euros)	12/31/2013	12/31/2012
In respect of customer contracts:		
– bank guarantees	26,112	35,691
– non-bank guarantees	291,477	309,592
Other	36,135	34,776
Commitments given	**353,724**	**380,059**

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. These are represented by non-bank guarantees given under customer contracts in the above table.

Such guarantees are mainly requested by English and Scandinavian public sector customers.

To date, no use has ever been made of any such guarantee.

Other commitments given mainly include the Individual Entitlement to Training in France amounting to €6,062 thousand as at December 31, 2013 (€4,252 thousand as at December 31, 2012). They also include guarantees relating to premises and other bank guarantees.

As part of a cash pooling set up in 2012 with BMG (Bank Mendes Gans), the Company acts as guarantor for the amounts borrowed by its subsidiaries.

Commitments received

(in thousands of euros)	12/31/2013	12/31/2012
Unused lines of credit	315,456	300,000
Unused current bank facilities	58,724	62,108
Other	75,000	75,000
Commitments received	**449,180**	**437,108**

As part of the cash pooling set up in 2012 with BMG (Bank Mendes Gans), the Company received a bank guarantee of €75 million from BMG's parent, ING.

Operating lease commitments

Thus, the nominal value of operating leases was as follows:

(in thousands of euros)	12/31/2013	< 1 year	from 1 to 5 years	> 5 years	12/31/2012
Property leases	140,155	29,503	87,196	23,456	117,686
Equipment leases	24,152	12,782	11,370	-	23,052
Nominal value of operating leases	**164,307**	**42,285**	**98,566**	**23,456**	**140,738**

The nominal value of future lease payments in the Group's sublease agreements was €7,108 thousand as at December 31, 2013 (€9,537 thousand as at December 31, 2012).

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.

The short-term benefits granted to company executives correspond to the fixed and variable compensation paid to the General Manager and the salaried Supervisory Board member and the directors' fees paid to Supervisory Board members. Jacques Bentz, Eric Hayat and Pierre Desprez do not receive directors' fees.

These short-term benefits are shown in the table below:

(in thousands of euros)	2013	2012
General Manager	627	732
Salaried member of the Supervisory Board	142	149
Members of the Supervisory Board (directors' fees)	186	170
Total	**955**	**1,051**

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 2013 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 fees invoiced under service agreements by Tecnet Participations represented by Mr. Jacques Bentz, Chairman of the Supervisory Board, and Eric Hayat Conseil represented by Mr. Eric Hayat, Vice-Chairman of the Supervisory Board, totalled €237 thousand (€205 thousand as at December 31, 2012).

The free shares allocated to the General Manager during the year and previously (at the indicated cost to the Company) are as follows:

	2013	2012
Free shares granted subject to conditions during the period	14,000	14,000
Free shares granted subject to conditions at the balance sheet date	40,000	38,000
Estimated cost to the Company *(in thousands of euros)*	**115**	**100**

Note 7 Statutory Auditors' Fees

(in thousands of euros)	Ernst & Young				PricewaterhouseCoopers			
	Amount		%		Amount		%	
	2013	2012	2013	2012	2013	2012	2013	2012
Audit	**1,221**	**1,314**	**94%**	**93%**	**538**	**400**	**88%**	**100%**
– Auditing, certification, review of the individual and consolidated annual and interim financial statements	1,193	1,294	92%	91%	484	370	79%	92%
Issuer	*171*	*173*	*13%*	*12%*	*233*	*140*	*38%*	*35%*
Fully consolidated subsidiaries	*1,022*	*1,121*	*79%*	*79%*	*251*	*230*	*41%*	*57%*
– Other secondary duties and other audit engagements	28	20	2%	2%	54	30	9%	8%
Issuer	*20*	*13*	*2%*	*1%*	*54*	*30*	*9%*	*8%*
Fully consolidated subsidiaries	*8*	*7*	*1%*	*1%*	*-*	*-*	*-*	
Others *	**77**	**104**	**6%**	**7%**	**72**	**-**	**12%**	
– Legal, tax, social	31	69	2%	5%	21	-	4%	
– Other	46	35	4%	2%	51	-	8%	
Total	**1,298**	**1,418**	**100%**	**100%**	**610**	**400**	**100%**	**100%**

* *Other services include:*
- tax services provided by the network to one of the Group's foreign subsidiaries.
- a comparative study of non-financial issues carried out by the network for one of the Group's foreign subsidiaries.

The annual financial statements of NHS SBS are audited by Grant Thornton.

Note 8 Subsequent events

No material events have taken place since December 31, 2013.

5.3 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the group's management report. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying consolidated financial statements of Groupe Steria S.C.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by management. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in note 1.2 "Impacts of the adoption of revised IAS 19 – Employee benefits" to the consolidated financial statements, which presents impacts due to the application of the revised IAS 19 since January 1, 2013.

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:

- Note 1.16 to the consolidated financial statements describes the accounting method for revenue recognition and costs related to services contracts. As part of our assessments, we ensured that the above-mentioned accounting principles adopted by your group were properly applied by reviewing existing procedures within your group and we also obtained assurance that the estimates used were reasonable.
- Your group performed an impairment test on goodwill at year-end and also assessed whether there was any indication of impairment of other intangible and tangible fixed assets, as described in note 1.6 to the consolidated financial statements. As part of the justification of our assessments of the accounting principles and estimates used by your group, we obtained assurance that the estimates used in future discounted cash flows and forecasts and the resulting goodwill valuation were reasonable. We also verified that note 4.1 to the consolidated financial statements gives the appropriate information.
- Note 1.12 to the consolidated financial statements describes the methods used to calculate and recognize the value of deferred tax assets. As part of our assessments, we verified the overall consistency of the information and assumptions used to evaluate deferred tax assets.
- Your Group recognizes a provision for post-employment benefits based on the projected credit unit method, as indicated in note 1.17 to the consolidated financial statements. As part of our assessments, we examined the data used, assessed the actuarial assumptions used, verified the overall consistency of these assumptions and the resulting measurements, as well as the appropriateness of the information provided in note 4.12 to the consolidated financial statements.
- As stated in note 1.3 to the consolidated financial statements, several matters mentioned in the paragraphs above are based on estimates and assumptions which are uncertain by nature and for which the final outcome may significantly differ from the initial forward looking data used, in particular given the current economic and financial environment.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 21, 2014

The statutory auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Olivier Lotz	Denis Thibon

5.4 Statutory financial statements for the year ended December 31, 2013

5.4.1 Balance sheet

Assets

(in thousands of euros)	Gross	Depreciation, amortization, provisions	12/31/2013	12/31/2012
Intangible fixed assets				
Concessions, patents and similar rights	32,782	14,102	18,680	16,316
Other intangibles	9,510		9,510	10,643
Tangible fixed assets				
Other tangible fixed assets	3,233	1,474	1,759	1,879
Long-term investments				
Equity investments				1,050,324
Participating interests	903,067	264	902,803	
Other long-term investment securities	647	157	490	678
Loans	40,508		40,508	4,622
Other long-term investments	1,322		1,322	818
Total non-current assets	**991,069**	**15,997**	**975,072**	**1,085,280**
Payments on account for orders	27		27	31
Operating receivables				
Trade receivables and related accounts	22,723		22,723	22,128
Other operating receivables	45,396		45,396	22,519
Cash and cash equivalents				
Marketable securities	40,002		40,002	
Cash at bank and in hand	404		404	11,829
Accruals and deferred income				
Prepaid expenses	3,556		3,556	2,775
Total current assets	**112,108**		**112,108**	**59,282**
Borrowing issue costs to be amortized	3,831		3,831	3,423
Unrealized foreign exchange losses	4,749		4,749	6,920
Total assets	**1,111,757**	**15,997**	**1,095,760**	**1,154,905**

Liabilities and shareholders' equity

(in thousands of euros)	12/31/2013	12/31/2012
Share or individual capital (of which paid up: 33,157)	33,157	31,880
Share premiums	436,178	424,672
Revaluation reserve (of which equity accounting evaluation:)		147,257
Legal reserve	3,441	3,083
Regulated reserves	240	240
Other reserves	2,339	2,416
Retained earnings	49,425	55,585
Net profit/(loss) for the year	(485)	1,440
Tax-driven provisions	8,016	8,016
Total equity	**532,311**	**674,589**
Proceeds from issues of participating securities		161,123
Total equity equivalents		**161,123**
Provisions for liabilities	4,927	7,198
Provisions for charges	1,132	992
Total provisions for liabilities and charges	**6,059**	**8,189**
Borrowings		
Other bonds	185,610	
Bank borrowings	301,404	276,802
Other borrowings	10,076	
Operating liabilities		
Trade payables and related accounts	21,399	14,733
Tax and employee-related liabilities	5,878	5,997
Other operating liabilities	32,010	13,041
Sundry liabilities		
Amounts payable in respect of fixed assets and related accounts	894	427
Accruals and deferred income		
Deferred income		
Total liabilities	**557,271**	**311,000**
Unrealized foreign exchange gains	118	3
Total liabilities and shareholders' equity	**1,095,760**	**1,154,905**

5.4.2 Income statement

(in thousands of euros)	12/31/2013	12/31/2012
Net sales	53,646	50,764
Own production of goods and services capitalized	5,588	7,211
Operating subsidies		1
Reversals of depreciation, amortization and provisions	100	101
Expense reclassifications	1,675	
Other income	3	153
Total operating income	**61,012**	**58,230**
Other purchases and external charges	48,614	44,645
Taxes, duties and related amounts	663	1,029
Wages and salaries	9,238	9,346
Social security contributions	4,091	3,892
Depreciation and amortization of fixed assets	6,083	4,930
Provisions for liabilities and charges	141	228
Other charges	337	727
Total operating expenses	**69,167**	**64,798**
Operating loss	**(8,155)**	**(6,568)**
Financial income from equity investments	21,045	24,826
Revenues from other marketable securities and long-term loans	535	412
Other interest and similar income	2,922	2,814
Reversals of provisions and expense reclassifications	2,646	6,113
Foreign exchange gains	2,440	3,827
Net proceeds from sale of marketable securities	29	5
Total financial income	**29,617**	**37,997**
Amortization and charges to provisions for financial items		
Interest and similar charges	14,715	18,466
Foreign exchange losses	3,644	10,523
Total financial expenses	**18,360**	**28,989**
Financial profit	**11,257**	**9,008**
Profit from ordinary activities before tax	**3,101**	**2,440**
Exceptional income from non-capital transactions	4	
Exceptional income from capital transactions	2,543	383
Reversals of provisions and expense reclassifications		
Exceptional income	**2,547**	**383**
Exceptional charges on non-capital transactions	11	
Exceptional charges on capital transactions	2,789	208
Exceptional depreciation, amortization and provisions	881	1,274
Exceptional charges	**3,681**	**1,482**
Net exceptional items	**(1,133)**	**(1,099)**
Corporate income tax	2,453	(99)
Total income	**93,176**	**96,566**
Total expenses	**93,661**	**95,126**
Net profit/(loss) for the year	**(485)**	**1,440**

5.4.3 Statement of source and application of funds

Applications	12/31/2013	12/31/2012
Dividends paid during the year	6,732	11,332
Purchases of non-current assets		
– Intangible fixed assets	8,606	8,161
– Tangible fixed assets	296	470
– Long-term investments	36,329	
Deferred charges		
Decrease in shareholders' equity		
– Share capital or share premium		
– Shareholders' equity		
– Equity equivalents	152,434	
Repayments of borrowings		
– Medium/long-term borrowings	53,131	30,922
– Group current account		
Total applications	**257,528**	**50,885**
Net sources		

Sources	12/31/2013	12/31/2012
Cash flow from operating activities	2,093	1,659
Disposals of non-current assets		
– Intangible fixed assets	2,198	
– Tangible fixed assets		
– Long-term investments	351	30,683
Increase in shareholders' equity		
– Share capital or share premium	1,277	1,051
– Shareholders' equity	11,442	7,932
– Equity equivalents		
Increases in borrowings		
– Medium/long-term borrowings	195,693	8,689
– Group current account		
Total sources	**213,058**	**50,013**
Net applications	**44,470**	**871**

Change in total net working capital	Increases (B)	Decreases (D)	12/31/2013 (D) - (B)	12/31/2012
Changes in operations				
Changes in operating assets				
– Stock and work-in-progress				
– Payments on account for orders		4		
– Trade receivables, related accounts and other	15,340			
Changes in operating liabilities				
– Payments received on account for work-in-progress				
– Trade payables, related accounts and other liabilities		22,868		
Total	15,340	22,872		6,605
A – Net change in operations			**7,531**	**6,605**
Changes in non-operating activities				
– Changes in other receivables		23		
– Changes in other payables	4			
Total	4	23		
B – Net change in non-operating activities			**19**	**(5)**
TOTAL (A) + (B) Net decrease in working capital			**7,550**	**6,600**
Changes in cash				
– Changes in cash at bank and in hand	28,578			
– Changes in current bank loans, credit bank balances		65,498		
Total	28,578	65,498		(5,729)
C – Net change in cash			**36,920**	**(5,729)**
Change in total net working capital (A + B + C): Net source			**44,470**	**871**

5.4.4 Notes to the Statutory financial statements

Detailed table of contents of the notes

As at December 31, 2013, the balance sheet before appropriation of earnings presents total assets of €1,095,760,020. The income statement, presented in list format, shows total income of €93,175,529, total expenses of €93,660,652, and a loss of €(485,122).

The accounts have been prepared for a 12-month period extending from January 1, 2013 to December 31, 2013.

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

As stipulated in the 1999 French General Chart of Accounts, 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.

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 amortized on a straight-line basis over a period of three years.

By way of exception, the amortization period for the new information systems commissioned under the *One Steria* project is 7 years.

Patents and other intangible assets are amortized on a straight-line basis over a period of three years.

Research expenditures are expensed in the year incurred. Internal development costs are recognized 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.

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
- Computer hardware: 3 years
- Other computer hardware: 5 years

Note 1.4 Investments

Investments are stated at acquisition cost (purchase price and incidental expenses, including acquisition expenses).

At each year-end, an impairment loss is recognized when the acquisition cost exceeds the value in use.

Value in use is estimated using several criteria, including:

- consolidated shareholders' equity;
- future cash flows.

Note 1.5 Receivables

Receivables are stated at nominal value. A provision for write-down is recorded where the recoverable value is less than the balance sheet value.

Note 1.6 Financial income

Subsidiary dividends are recorded in financial profit or loss, provided the shareholders of these companies have met and decided on the payment of a dividend prior to the Groupe Steria SCA year-end.

Note 1.7 Marketable securities

Marketable securities are stated at their balance sheet value. An impairment loss is recognized for any unrealized 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 "Unrealized foreign exchange gains or losses".

A provision for liabilities and charges is recorded in respect of unrealized foreign exchange losses in the amount of such losses, unless the term of such transactions is sufficiently close, in which case the unrealized 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 recognized 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 recognized and amortized over the expected average working lives of the employee beneficiaries.

As at December 31, 2013, actuarial liability calculation assumptions for retirement termination payments and long-service medals were as follows:

(in thousands of euros)	2013 rate	2012 rate
Discount rate	3.17%	2.69%
Rate of salary increase	2.00%	2.00%
Retirement age	63	63

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 net sales thus correspond to the invoicing of these services, re-invoicing of IT license costs, as well as re-invoicing of expenses.

Note 1.11 Consolidated financial statements

The Company prepares consolidated financial statements. The Group comprises Groupe Steria SCA and its subsidiaries as well as the Group's share in associates.

Note 1.12 Major events

Capital increases

In 2013, four capital increases were carried out for a total of €1,276,963.

These transactions are described in note 2.6 Shareholders' equity.

Redemption of subordinated bonds:

On January 2, 2013, the Company redeemed in advance all the perpetual subordinated bonds, convertible and/or exchangeable for new or existing shares, outstanding at that date for €152,434,000, and the coupon for €8,690,000. They were classified in shareholders' equity.

Subscription of a new bond:

On April 12, 2013, the Group placed a bond with institutional investors in the amount of €180 million. Maturing in 6 years and 3 months, it bears annual interest at a fixed rate of 4.25%.

Bond issue costs of €1,672 thousand were recorded in deferred charges and amortized over the term of the bond (see note 2.3).

Trade receivable securitization program

In December 2013, the Group implemented a trade receivable securitization program for a term of 5 years. Managed centrally by Groupe Steria SCA, this program enables certain operational entities in the UK and France to transfer on a monthly basis a total volume of receivables for a maximum equivalent of €70 million.

At the Company level, this transaction had no impact, except for the year-end recognition of:

- the commitments of the most recent assignment of trade receivables *vis-à-vis* the assignee and the participating subsidiaries;
- a guarantee deposit retained from the subsidiaries.

Note 1.13 Change in accounting method

Since January 1, the historical cost method has been used to measure participating interests, instead of the equity accounting method. The Company discontinued this exceptional method as part of a change in accounting method in order to adopt the historical cost method. As this change of method occurred on January 1, 2013, it had an impact on opening equity and the value of the securities (gross amount and impairment) at that date. The impacts are shown in the table below.

(in thousands of euros)	12/31/2012	Impact of the change in method	01/01/2013
Assets			
Participating interests	1,050,324	(147,257)	903,067
Impairment of participating interests		(523)	(523)
Liabilities			
Shareholders' equity	674,589	(147,780)	526,809

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 Non-current assets

2.1.1 Intangible and tangible fixed assets

(in thousands of euros)	Gross value as at 12/31/2012	Acquisitions or increases	Reclassifications	Disposals, scrapings or decreases	Gross value as at 12/31/2013
Concessions, patents, software	26,746	3,080	6,660	3,704	32,782
Intangible fixed assets in the course of development	10,643	5,580	(6,713)		9,510
Intangible fixed assets *	**37,389**	**8,660**	**(53)**	**3,704**	**42,292**
Tangible fixed assets	**2,937**	**243**	**53**		**3,233**

* *The amount of €5,580 thousand mainly corresponds to the set-up of structural IT applications for the Company's own needs and those of its subsidiaries.*

Depreciation and amortization

(in thousands of euros)	Depreciation and amortization as at 12/31/2012	Additions and charges	Decreases and reversals	Depreciation and amortization as at 12/31/2013
Intangible fixed assets	10,429	5,283	1,610	14,102
Tangible fixed assets	1,058	416		1,474
Total depreciation and amortization	**11,487**	**5,699**	**1,610**	**15,576**

2.1.2 Long-term investments

(in thousands of euros)	Gross value as at 12/31/2012	Change in method (2)	Gross value as at 01/01/2013	Acquisitions or increases	Disposals, scrapings or decreases	Gross value as at 12/31/2013
Investments (1)	1,050,324	(147,257)	903,067			903,067
Other long-term investment securities	1,051		1,051		(405)	646
Loans	4,622		4,622	36,337		40,959
Other long-term investments	818		818	54		872
Long-term investments	**1,056,816**	**(147,257)**	**909,558**	**36,391**	**(405)**	**945,544**

(1) See note 4.11 – List of subsidiaries and affiliates.
(2) Change in participating interest valuation method see note 1.13.

Impairment of long-term investments

(in thousands of euros)	Impairment as at 12/31/2012	Change in method *	Impairment as at 01/01/2013	Additions and charges	Decreases and reversals	Impairment as at 12/31/2013
Investments		523	523		(259)	264
Treasury shares	374		374		(217)	157
Total impairment of long-term investments	**374**	**523**	**897**		**(476)**	**421**

* *Change in participating interest valuation method see note 1.13.*

Note 2.1.3 Fungible assets

In accordance with CNC notice 98-D concerning short-term transactions, the treasury shares held by Groupe Steria SCA in order to adjust its share price are recorded as investment securities.

(in thousands of euros)	Treasury shares
Acquisition value	647
Market value	490

These securities were written down in the amount of €157,000 (see note 2.1.2).

Treasury shares

(in number of shares)	12/31/2012	Additions	Decreases	12/31/2013
Liquidity contract	28,659	648,489	651,380	25,768
Other	20,433		10,980	9,453
Total treasury shares	**49,092**	648,489	662,360	**49,092**

Liquidity contract

The liquidity contract has been covered by Natixis Corporate Broking since June 2012.

As at December 31, 2013, the following resources appeared in the liquidity account:

- 25,768 Groupe Steria SCA shares;
- cash of €872,081.

Note 2.2 Operating receivables

Maturity of operating receivables

(in thousands of euros)	12/31/2013	Less than 1 year	12/31/2012
Supplier payments on account	27	27	30
Trade receivables and related accounts	22,723	22,723	22,128
Trade supplier accounts in debit	1	1	40
Employees	53	53	212
Social security organizations	1	1	2
French State and local authorities (1)	36,399	36,399	20,651
Current accounts (2)	8,649	8,649	1,583
Sundry debtors	293	293	30
Other receivables	**45,396**	**45,396**	**22,519**

(1) *The change in this item was primarily due to the increase in tax credits obtained by the tax consolidation Group (RTC, CICE employment and competitiveness tax credit).*
(2) *The change in this item was directly attributable to securitization transactions.*

Accrued income

(in thousands of euros)	Gross	Less than 1 year
Supplier credit notes receivable	1	1
Social security organization accrued income	1	1
Current account accrued interest receivable		
Accrued interest receivable on swaps	2	2
Total	**4**	**4**

Note 2.3 Deferred charges and prepaid expenses

Change in deferred charges

(in thousands of euros)	12/31/2012	Additions	Decreases	12/31/2013
Borrowing issue costs	3,423	1,672	1,265	3,830
Deferred charges	**3,423**	**1,672**	**1,265**	**3,830**

Borrowing issue costs correspond to:

- Costs to negotiate and set up the multi-currency syndicated loan that was renegotiated on June 23, 2011 for an initial amount of €5,054 thousand;
- Costs to negotiate and set up the bond issue subscribed to on April 12, 2013 for an initial amount of €1,672 thousand.

These costs are amortized over the term of the loan pro rata to the interest accrued.

Prepaid expenses

(in thousands of euros)	12/31/2013	Operating	Financial	12/31/2012
Prepaid expenses	3,556	3,556	0	2,775
Prepaid expenses	**3,556**	**3,556**	**0**	**2,775**

Prepaid expenses primarily relate to annual maintenance contracts in force at the year-end.

Note 2.4 Unrealized foreign exchange losses

(in thousands of euros)	12/31/2013
Long-term investments	151
Borrowings	4,593
Other liabilities	5
Total	**4,749**

Unrealized foreign exchange losses arising from long-term investments in the amount of €151 thousand involve a loan of £3,772 thousand granted to a UK subsidiary.

Unrealized foreign exchange losses arising from borrowings in the amount of €4,593 thousand involve a syndicated loan of £62,500 thousand as at December 31, 2013.

Unrealized foreign exchange losses were fully covered by a provision for foreign exchange losses.

Note 2.5 shareholders' equity

Change in shareholders' equity

	Number of shares issued	Share capital	Share premium	Reserves and retained earnings	Revaluation difference (equity investments)	P&L	Tax-driven provisions	Total shareholders' equity
As at December 31, 2012	**31,879,729**	**31,880**	**424,672**	**61,324**	**147,257**	**1,440**	**8,016**	**674,589**
Change in method *				(523)	(147,257)			(147,780)
As at January 1, 2013	31,879,729	31,880	424,672	60,801		1,440	8,016	526,809
Appropriation of 2012 earnings and dividends paid				(5,356)		(1,440)		(6,796)
Capital increases	1,276,963	1,277	11,507					12,784
2013 net profit/(loss)						(485)		(485)
As at December 31, 2013	**33,156,692**	**33,157**	**436,179**	**55,445**		**(485)**	**8,016**	**532,311**

* *Change in participating interest valuation method see note 1.13.*

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Breakdown of share capital

As at December 31, 2013, the Company's share capital totaled €33,156,692, representing an increase of 1,276,963 shares in 2013 and breaks down into 33,156,692 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 4, 2013: share capital increase for a nominal amount of €340,089 (share premium of €3,200,237) via the issue of 340,089 new shares with a par value of €1 each, subsequent to the distribution of a portion of the 2012 dividend in shares;
- General Management decision of July 8, 2013: share capital increase for a nominal amount of €13,892, subsequent to the definitive grant of 13,892 free performance shares to certain Group employees and creation of 13,892 new shares at a par value of €1 each, offset against other reserves;
- General Management decision of July 30, 2013: share capital increase for a nominal amount of €14,941, subsequent to the definitive grant of 14,941 free performance shares to certain Group employees and creation of 14,941 new shares at a par value of €1 each, offset against other reserves;
- General Management decision of December 17, 2013: share capital increase for a nominal amount of €908,041 (share premium of €8,589,472), subsequent to the share capital increase reserved for Group employees following the delegation granted by the Combined Shareholders' Meeting of May 30, 2013 via the issue of 908,041 new shares with a par value of €1 each;

The expenses arising from the share capital increases totaling €283,170 net of taxes were allocated to share premiums.

Tax-driven provisions relate to the acquisition costs included in the purchase price of investments amortized over 5 years for tax purposes.

Note 2.6 Equity equivalents

This heading comprised perpetual subordinated bonds, convertible and/or exchangeable for new or existing shares (OSCEANES), issued in November 2007 and the amount of unmatured coupons.

This bond issue was fully redeemed following the decision by General Management of January 2, 2013.

Equity equivalents

(in thousands of euros)	12/31/2012	Additions	Decreases	12/31/2013
OSCEANES (nominal)	152,434		152,434	
OSCEANES (coupon)	8,689		8,689	
Total equity equivalents	**161,123**		**161,123**	

Note 2.7 Provisions for liabilities and charges

(in thousands of euros)	12/31/2012	Charges	Via a provision for charges	Reversals utilized	Reversals not utilized	12/31/2013
Provisions for redundancies	178					178
Provision for foreign exchange losses	6,920				2,171	4,749
Other provisions for liabilities	100			100		
Total provisions for liabilities	**7,198**	**0**	**0**	**100**	**2,171**	**4,927**
Provision for retirement benefits	804	141				945
Provision for site restoration	187					187
Total provisions for charges	**991**	**141**	**0**	**0**	**0**	**1,132**
Total provisions for liabilities and charges	**8,189**	**141**	**0**	**100**	**2,171**	**6,059**

Note 2.8 Bonds

(in thousands of euros)	Gross amount 12/31/2013	< 1 year	1 to 5 years	< 5 years
Bonds with an initial maturity of between 1 and 5 years	180,000	0	0	180,000
Accrued interest on bonds	5,610	5,610	0	0
Total bonds	**185,610**	**5,610**	**0**	**180,000**

On April 12, 2013, the Group subscribed to a bond with the following features:

- Nominal amount: €180,000,000;
- Coupon interest rate: 4.25%;
- Redemption date: July 12, 2019.

The Company must comply with two financial covenants calculated once a year on the basis of the annual published consolidated financial statements. The definitions and ratios to respect are identical to those in the syndicated loan agreement.

For more details, see note 2.9 Bank Borrowings.

Note 2.9 Bank borrowings

(in thousands of euros)	Gross amount 12/31/2013	< 1 year	1 to 5 years	< 5 years	Gross amount 12/31/2012
Borrowings with an initial maturity of between 1 and 5 years	229,967	41,695	188,272	-	276,682
Other borrowings	5,818	5,818	-	-	-
Accrued interest on bank borrowings	12	12	-	-	12
Credit bank balances	65,518	65,518	-	-	21
Fee payable on undrawn amounts and other accrued bank charges	89	89	-	-	87
Total bank borrowings	**301,404**	**113,132**	**188,272**	**-**	**276,802**

The Group signed a 5-year multi-currency syndicated loan agreement on June 23, 2011. The maturity date for the new credit facilities is June 2016.

The credit facilities initially signed include:

- an amortizable loan of €200 million;
- an amortizable 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.

As at December 31, 2013, the Group had floating-rate credit lines in the amount of €540.4 million that were 42.6% drawn down. They break down as follows:

	Amount authorized as at 12/31/2013		Drawdown as at 12/31/2013		Drawdown rate as at 12/31/2013	Maturity	Interest rate as at 12/31/2013
	(in M€)	*(in M£)*	*(in M€)*	*(in M£)*			
Syndicated loan							
A facility	155		155		100%	Repayable in installments until 2016	1.79%
B facility		50		50	100%	Repayable in installments until 2016	2.02%
Revolving credit	325			12	4.5%	*Repayable on maturity in* 2016	1.69%
Total € equivalent	**540**		**230**		**42.6%**		**1.85%**

The next repayment for the A and B tranches is set for June 2014. The amount repayable stands at 15% of the initial principal borrowed, or 30,000 thousand in euros and 9,750 thousand in pound sterling.

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 include a commitment to comply with certain bank covenants.

The Company must comply with two financial ratios calculated every six months based on the published consolidated financial statements, on a 12-month rolling basis:

- the first, the leverage ratio, is equal to net debt/Ebitda,
- 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 amortization of customer relationships plus charges to depreciation and amortization and current provisions.

As at December 31, 2013, the net debt to Ebitda ratio requirement was satisfied, amounting to 1.64 compared with the applicable covenant of 2.50.

It was calculated as follows:

	12/31/2013
Net debt (including retirement benefit obligations) in millions of euros	
Short-term borrowings (< 1year)	70
Long-term borrowings (> 1year)	363.4
Cash and cash equivalents	(209.4)
Total net debt	**224.0**
Ebitda (in millions of euros)	
Total Ebitda	**136.5**
Net debt/Ebitda ratio	**1.64**

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 before amortization 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, 2013, the EBIT to cost of net borrowings ratio requirement was satisfied, amounting to 17.33 compared with the applicable covenant of 5.00. It was calculated as follows:

	12/31/2013
Operating margin before amortization of customer relationships in millions of euros	
Total operating margin before amortization of customer relationships	**110.4**
Cost of net borrowings in millions of euros	
Total cost of net borrowings	**6.4**
Operating margin before amortization of customer relationships/cost of net borrowings ratio	**17.33**

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, collateralization, additional borrowings;
- 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 in advance, 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 Other borrowings

(in thousands of euros)	Gross amount 12/31/2013	< 1 year	1 to 5 years	< 5 years
Guarantee deposit	10,076	0	10,076	0
Total other borrowings	**10,076**	**0**	**10,076**	**0**

This concerns a guarantee deposit requested from the subsidiaries taking part in the debt securitization program set up in 2013.

Note 2.11 Operating liabilities

Maturity of operating liabilities

(in thousands of euros)	12/31/2013	Less than 1 year	12/31/2012
Suppliers of goods and services and related accounts	**21,399 (1)**	**21,399**	**14,733**
Personnel and related accounts	3,436	3,436	3,463
Employee-related liabilities	727	727	796
Tax-related liabilities	1,715	1,715	1,737
Tax and employee-related liabilities	**5,878**	**5,878**	**5,997**
Amounts payable in respect of fixed assets	**894**	**894**	**427**
Group current account (2)	31,885	31,885	12,912
Other sundry liabilities	125	125	129
Other sundry liabilities	**32,010**	**32,010**	**13,041**
Total trade payables and other creditors	**60,181**	**60,181**	**34,197**

(1) The item comprises €9,013 thousand in purchase invoice accruals.
(2) This item mainly comprises amounts payable to Group companies relating to tax consolidation and securitization transactions.

The settlement periods for trade payables and related accounts break down as follows:

- As at December 31, 2013, the trade payables balance amounts to €12,385,516, of which intra-group liabilities in the amount of €3,037,860.

Liabilities by maturity break down as follows:

Breakdown of liabilities	Total liabilities	Liabilities not past due - Due in less than 30 days	Liabilities not past due - Due in 30 to 60 days	Liabilities not yet due - Due in over 60 days	Liabilities past due less than 30 days	Liabilities past due 30 to 60 days	Liabilities past due over 60 days
Group company	3,037,860	1,071,191	182,398	682,147	210,311	239,218	652,594
Non-Group companies	9,347,670	1,775,442	1,003,468	5,748,066	475,418	244,588	100,686
Total	**12,385,516**	**2,846,618**	**1,185,866**	**6,430,213**	**685,729**	**483,806**	**753,280**
%		23%	10%	52%	6%	4%	5%

- As at December 31, 2012, the trade payables balance amounts to €10,233,508, of which intra-group liabilities in the amount of €3,169,188.

Breakdown of liabilities	Total liabilities	Liabilities not past due - Due in less than 30 days	Liabilities not past due - Due in 30 to 60 days	Liabilities not yet due - Due in over 60 days	Liabilities past due less than 30 days	Liabilities past due 30 to 60 days	Liabilities past due over 60 days
Group company	3,169,188	1,170,530	150,860	632,100	315,930	251,513	648,255
Non-Group companies	7,064,320	2,737,507	3,110,578	89,121	822,601	126,738	177,775
Total	**10,233,508**	**3,908,037**	**3,261,438**	**721,220**	**1,138,531**	**378,251**	**826,030**
%		38%	32%	7%	11%	4%	8%

Accrued expenses

(in thousands of euros)	Gross 12/31/2013	< 1 year	Gross 12/31/2012
Accrued interest on bonds	**5,610**	**5,610**	
Accrued interest on bank borrowings	12	12	12
Fee payable on undrawn amounts and other accrued bank charges	89	89	87
Bank borrowings	**101**	**101**	**99**
Trade payables and related accounts	**9,013**	**9,013**	**4,500**
Personnel and related accounts	3,343	3,343	3,386
Tax-related liabilities	333	333	410
Tax and employee-related liabilities	**3,646**	**3,646**	**3,796**
Amounts payable in respect of fixed assets	**5**	**5**	**-**
Other sundry liabilities	**8**	**8**	**8**
Total trade payables and other creditors	**12,702**	**12,702**	**8,304**
Total accrued expenses	**18,413**	**18,413**	**8,403**

Note 2.12 Unrealized foreign exchange gains

(in thousands of euros)	12/31/2013
Financial assets	105
Borrowings	12
Total	**117**

Note 2.13 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.

The fair value of interest-rate derivatives totaled €(1,514) thousand.

As at December 31, 2013, the Company had no financial instruments relating to foreign currency or commodity hedges.

Note 3 Notes to the income statement

Note 3.1 Net sales

(in thousands of euros)	12/31/2013	12/31/2012
France	16,929	15,705
Foreign	36,717	35,060
Net sales	**53,646**	**50,765**

The Company invoices all functional department activities (Communication, Strategy, Marketing, Internet Control and Audit, Human Resources, Information Systems, Finance, Purchasing, Project Risk Management, Legal and Global Risk).

To ensure efficiency, it also provides certain centralized services to subsidiaries, for which they are invoiced specifically.

Note 3.2 Financial profit

(in thousands of euros)	12/31/2013	12/31/2012
Dividends received from participating interests	21,045	24,826
Interest on bank borrowings and similar charges	(5,490)	(6,596)
Interest on subordinated bonds		(8,689)
Interest on bonds	(5,610)	
Interest received and paid on Group loans	535	412
Interest received and paid on Group current accounts	11	783
Foreign exchange gains or losses	(1,204)	(6,695)
Other financial provision charges and reversals	2,646	6,113
Interest on hedging instruments	(2,519)	(1,829)
Other financial income and expenses	1,162	683
Financial profit	**11,257**	**9,008**

Note 3.3 Net exceptional items

(in thousands of euros)	12/31/2013	12/31/2012
Loss arising from buybacks of treasury shares relating to the liquidity contract	(696)	(208)
Accelerated depreciation of Xansa acquisition costs		(1,274)
Net book value of assets sold	(2,094)	
Exceptional amortization of intangible fixed assets	(881)	
Donations	(1)	
Penalties and fines	(9)	
Exceptional charges	**(3,681)**	**(1,482)**
Surplus arising from buybacks of treasury shares relating to the liquidity contract	345	383
Proceeds arising from disposals of assets	2,198	
Miscellaneous	4	
Exceptional income	**2,547**	**383**
Net exceptional items	**(1,134)**	**(1,099)**

Note 3.4 Breakdown of corporate income tax

Tax consolidation

Groupe Steria SCA is the head company of the tax consolidation group.

The companies included in the tax Group are: Steria SA, Stepar and U-Services.

The allocation of corporate income tax is based on Group earnings. Pursuant to the provisions of Article 223A of the French General Tax Code, Groupe Steria SCA is solely liable for the income tax charge, plus any additional income tax contributions and the minimum income tax charge payable in respect of the Group comprising itself and its subsidiaries.

The subsidiaries must pay to Groupe Steria SCA the income tax amount, additional income tax contributions or minimum income tax charge that would have been payable to the French Treasury had they not been members of the consolidation group.

The income tax charge and additional contributions are determined after offset, pursuant to general law, of losses, tax credits, receivables on the French Treasury, etc.

Allocation of corporate income tax between profit from ordinary activities and exceptional items

(in thousands of euros)	Total	Ordinary	Exceptional
Profit/(loss) before tax and profit-sharing	1,968	3,102	(1,133)
Profit/(loss) before tax	**1,968**	**3,102**	**(1,133)**
Gross tax	2,453	2,453	
Impact of tax consolidation on taxes			
Corporate income tax	**2,453**	**2,453**	**0**
Net profit/(loss)	**(485)**	**649**	**(1,133)**

Deferred taxes

(in thousands of euros)	Tax base	Future tax receivable
Unrealized foreign exchange gains or losses	(4,644)	
Deferred tax liabilities	**(4,644)**	**(1,599)**
Provision for retirement benefits	945	
Provision for liabilities	178	
Provision for foreign exchange losses	4,749	
Organic (sales-related social security contributions)	33	
Unrealized foreign exchange gains or losses	12	
Tax loss carry-forwards *	101,736	
Deferred tax assets	**107,655**	**37,066**
Total net deferred tax assets	**103,011**	**35,467**

* *Corresponds to the losses that Company believes that it can recover.*

Income tax saving

(in thousands of euros)	12/31/2013
Contribution paid by Steria SA	0
Corporate income tax adjustment	(2,352)
Income tax on capital increase costs	(141)
Tax on distributed income	(85)
Research tax and CICE credit	125
Total tax saving	**(2,453)**

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)	12/31/2013
Income tax reported following tax consolidation	(2,453)
Income tax incurred in the absence of tax consolidation	(2,453)
Total tax consolidation impact	**0**

Tax loss carry-forwards

(in thousands of euros)	12/31/2013
Tax loss carry-forwards as at 12/31/2012	(83,252)
Allocation of tax losses	-
Fiscal 2013 tax losses	(47,877)
Total tax loss carry-forwards	**(131,129)**

Note 3.5 Own production of goods and services capitalized and expense reclassifications

(in thousands of euros)	12/31/2013	12/31/2012
Own production of goods and services capitalized (1)	5,588	7,211
Total own production of goods and services capitalized	**5,588**	**7,211**
Loan amortization costs (2)	1,671	
Other expense reclassifications	4	
Total operating expense reclassifications	**1,675**	**0**

(1) In order to improve its efficiency and reduce costs, Group Steria SCA implements solutions for its own requirements and those of its subsidiaries. Own production of goods and services capitalized reflects the development of these projects.
(2) New bond issue costs.

Note 4 Other information

Note 4.1 Average number of employees

	12/31/2013	12/31/2012
Management staff	96	98
Non-management staff	4	4
Total	**100**	**102**

Note 4.2 Individual legal right to training

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 2013, the available IRT credit amounted to 8,600 hours for a total of €158 thousand.

Note 4.3 Remuneration of corporate officers

General Manager

The remuneration paid to the General Manager in 2013 totaled €627 thousand, breaking down as follows:

(in thousands of euros)	2013	2012
Fixed remuneration	410	410
Variable remuneration in respect of 2012	217	322
Total	**627**	**732**

The General Manager 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, except in the event of serious misconduct or gross negligence.

The stock purchase and/or subscription options and the free shares allocated to General Manager during the year and previously as well as the related costs are as follows:

	2013	2012
Free shares granted subject to conditions during the period	14,000	14,000
Free shares granted subject to conditions at the balance sheet date	40,000	38,000

Members of the Supervisory Board

The short-term benefits granted in 2013 and 2012 amounted to:

(in thousands of euros)	2013	2012
Director's fees	186	170
Fixed remuneration of employees	118	118
Variable remuneration of employees	24	31
Total	**328**	**319**

The members of the Supervisory Board are not entitled to any specific post-employment benefits or other long-term benefits. No free shares were granted to members of the Supervisory Board in 2013 and 2012.

Note 4.4 Transactions with Group Companies

(in thousands of euros)	12/31/2013
Long-term investments	943,762
Trade receivables	22,043
Debit balance current accounts	8,649
Borrowings	10,076
Trade payables	3,038
Credit balance current accounts	31,885
Deferred income	-

Note 4.5 Retirement benefit obligations

Amounts recognized in the balance sheet

(in thousands of euros)	12/31/2013
Present value of the obligation financed including the corridor	1,116
Fair value of plan assets	-
Difference	1,116
Present value of the obligation financed:	
Unrecognized actuarial losses (difference)	171
Unrecognized past service cost	-
Net liabilities on the balance sheet (provision after charge for the year)	945
Of which:	
Liabilities	945
Assets	-
Net obligation	**945**

Amounts recognized in the income statement

(in thousands of euros)	12/31/2013
Current service cost	97
Interest on the bond	30
Net actuarial losses recognized for the period	13
Past service cost	-
Losses (gains) on curtailments and settlements	-
Total recorded in "employee expenses"	**140**
Actual return on plan assets	-
Net liability at the beginning of the period (with corridor)	**805**
Net expense recognized in the income statement	140
Contributions	
Intra-Group transfers	
Net liability at the end of the period	**945**

The calculation assumptions for this obligation were as follows:

- each employee is entitled to retirement benefits.

  The Company's collective bargaining agreement stipulates that this benefit shall be equal to one fifth of the monthly salary per year of seniority. The monthly salary is the average gross salary (excluding any bonus and premiums) received in the last twelve months.
- Voluntary retirement age: 63;
- Salary increase rate: 2%;
- Discount rate: 3.17%.

Note 4.6 Employee and corporate officer share allocations as at December 31, 2013

Free performance shares

	Plan no. 6 (1)	Plan no. 7 (2)	Plan no. 8 (3)	Plan no. 9 (4)	Plans nos. 10 and 11 (5)	Plan no. 12 (5)
Date of shareholders' Meeting	06/06/2008	06/06/2010	05/28/2010	05/28/2010	05/15/2012	05/15/2012
General Management grant date	07/29/2009	04/16/2010	07/06/2010	07/29/2011	07/02/2012 and 08/01/2012	09/17/2013
Total number of shares granted	110,550	35,761	139,250	157,600	166,600	151,900
Number of shares granted to:						
– Corporate officers (6)	0	0	12,000	12,000	14,000	14,000
– Top ten employee beneficiaries (7)	33,000	12,834	31,000	42,500	53,000	50,500
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	07/02/2015 and 08/01/2015	09/17/2016
– Other countries	07/29/2013	04/16/2014	07/06/2014	07/29/2015	08/01/2016	09/17/2017
Holding period expiry date						
– France	07/29/2014	04/16/2015	07/06/2015	07/29/2016	07/01/2017	07/17/2018
– Spain	07/29/2014	04/16/2015	07/06/2015	07/29/2016		
– Other countries	(8)	(8)	(8)	(8)	(8)	(8)
Entitlements cancelled as at 12/31/2013	71,308	2,946	55,108	-	-	-
Final grants as at 12/31/2013	39,242	13,635	13,892	-	-	-
Outstanding shares as at 12/31/2013	-	19,180	70,250	157,600	166,600	151,900

(1) Plan with conditional grant 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 grant date.
(2) Plan with conditional grant relating to the presence of the beneficiary and the organic growth in net sales in 2010.
(3) Plan with conditional grant relating to the presence of the beneficiary and performance requirements according to changes in operating margin and the share price over a three-year period.
(4) Plan with conditional grant relating to the presence of the beneficiary and performance requirements according to changes in operating margin and the share price over a three-year period.
(5) Plan with conditional grant relating to the presence of the beneficiary and performance requirements according to changes in operating margin and consolidated net sales over a three-year period.
(6) The corporate officer in question is the Company's General Manager.
(7) Of the Group.
(8) No holding period.

Note 4.7 Off-balance sheet commitments

The Group's off-balance sheet commitments given and received are as follows:

(in thousands of euros)	12/31/2013
Commitments given	
Endorsements and bank guarantees	10,224
Counter-guarantee on non-bank guarantees covering contracts	150,459
Bank counter-guarantee	118
Individual legal right to training	158
Nominal value of future real estate operating lease payments	3,323
Nominal value of future equipment operating lease payments	182
Firm fixed asset orders	521
Foreign exchange hedge	0
Interest rate hedge	208,087
Total commitments given	**373,072**

(in thousands of euros)	12/31/2013
Commitments received	
Endorsements and other bank guarantees	75,000
Cash facilities (overdrafts)	
– authorized	2,000
– utilized (balance sheet)	28
– not utilized (off-balance sheet)	1,972
Medium-term loan	
– authorized	325,000
utilized (balance sheet)	14,544
not utilized (off-balance sheet)	310,456
Foreign exchange hedge	0
Interest rate hedge	208,087
Total commitments received	**595,515**

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.

Other off-balance sheet commitments

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.

As part of a cash pooling set up in 2012 with BMG (Bank Mendes Gans), the Company acts as guarantor for the amounts borrowed by its subsidiaries. The Company has also received a bank guarantee of €75 million from the bank ING, Parent Company of BMG.

Note 4.8 Related party transactions

The amount of fees invoiced by Tecnet, which is managed by Mr. Jacques Bentz, Chairman of the Supervisory Board, as part of a service agreement concluded with the Company, amounts to €105 thousand (€85 thousand as at December 31, 2012).

The remuneration paid to corporate officers is broken down in note 4.3 Remuneration of corporate officers.

Note 4.9 Statutory Auditors' Fees

(in thousands of euros)	Ernst & Young	PricewaterhouseCoopers
Audit		
Auditing, certification, review of the individual and consolidated annual and interim financial statements	172	233
Other secondary duties and other audit engagements	20	54
Other services		
Legal, tax, social	-	-
Other	-	-
Total	**192**	**287**

Note 4.10 Five-year summary

(in euros)	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Fiscal year *(in months)*	12	12	12	12	12
Share capital at year-end					
Share capital	33,156,692	31,879,729	30,829,031	30,084,326	29,348,539
Number of ordinary shares	33,156,692	31,879,729	30,829,031	30,084,326	29,348,539
Maximum number of shares to be created	565,530	542,805	434,193	475,029	581,863
Operations and results					
Net profit before income tax, profit-sharing, depreciation, amortization and provisions	6,325,932	1,660,391	25,453,477	173,756	43,961,266
Corporate income tax	2,453,086	(99,178)	(6,068,430)	(2,788,790)	(5,788,908)
Depreciation, amortization and provisions	4,357,968	319,334	18,609,959	1,307,398	(13,264,604)
Net profit/(loss)	(485,122)	1,440,235	12,911,947	1,665,148	63,014,778
Earnings per share					
Net profit after income tax, profit-sharing, but before depreciation, amortization and provisions	0.11	0.05	1.02	0.10	1.70
Net profit after income tax, profit-sharing, depreciation, amortization and provisions	(0.01)	0.04	0.42	0.06	2.15
Personnel					
Total payroll charges	9,238,165	9,345,965	10,429,025	8,591,270	6,874,797
Employee-related benefits (Social Security, social welfare initiatives, etc.)	4,091,167	3,891,500	3,837,863	3,385,754	2,849,927

Note 4.11 List of subsidiaries and affiliates

(in thousands of euros)	Share capital / Shareholders' equity (excluding share capital)	Shareholding / Dividends received in 2013	Gross value of shares / Net value of shares	Loans granted (+) and received (-) / Guarantees	Net sales / Net profit/(loss)
Subsidiaries (+50% shareholding)					
STERIA SA	14,877	99.99%	199,890	(149)	585,409
12 rue Paul-Dautier 78140 Vélizy	328,773	20,000	199,890		(14,773)
STEPAR	950	99.99%	1,141	(642)	0
12 rue Paul-Dautier 78140 Vélizy	(800)	0	877		438
STERIA UK CORPORATE Ltd	21,390	100.00%	698,322	4,524	0
Three Cherry Trees Lane	67,050	0	698,322		(1,118)
Hemel Hempstead, HP27AH/UK					
STERIA POLSKA	4,438	100.00%	3,714		18,069
Ul. Uniwersytecka 13 40-007 Katowice/Poland	1,802	1,045	3,714		1,414

Figures in local currency have been converted at the period-end exchange rate, i.e.:

Exchange rate as at 12/31/2013: €1 = GBP 0.8337.

Exchange rate as at 12/31/2013: €1 = PLN 4.1543.

The figures reported in the table (share capital, shareholders' equity, net sales and net profit/(loss) correspond to the statutory financial statements that were not finalized as at December 31, 2013.

Note 4.12 Post-balance sheet events

-None

5.5 Statutory Auditors' report on the financial statements for the year ended December 31, 2013

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

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

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2013 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, 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to the matter set out in note 1.13 to the financial statements regarding the impacts on the financial statements of the change in accounting method for the valuation of equity investments.

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:

As mentioned in the first part of this report, note 1.13 to the financial statements explains the change in accounting method for the valuation of equity investments.

As part of our assessments of the accounting rules and principles applied by your company, we ensured that this change in accounting method was appropriate and properly presented in the notes to the financial statements.

Equity investments are booked as assets in the balance sheet for a net book value of €902,803k. Note 1.4 "Investments" to the financial statements details the methods applied for the accounting of these investments. We reviewed the methodology applied and verified the reasonableness of estimates made by your company to carry out impairment tests. The data and the assumptions on which these estimates are based are uncertain by nature and the final outcome may differ significantly from the initial forward-looking data used.

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 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 favor, 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 to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 21, 2014

The statutory auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Olivier Lotz	Denis Thibon

6

"General information - Share capital

6.1 Legal information concerning the Company

Name and registered office

Groupe Steria SCA

43-45 Quai du Président-Roosevelt

92130 Issy-les-Moulineaux.

Tel: +33 1 34 88 60 00

Legal form (Article 1 of the Articles of Association)

Company limited by shares under French law (SCA) (see paragraph 2.1.1 of this Document)

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, simplified share company with variable capital, registered with the Nanterre Trade and Companies Register under No. 404 390 486, represented in accordance with its Articles of Association either by its Chairman or by its General Manager. 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 set forth in Clause 14.2 of the Articles of Association shall apply.

Corporate purpose

The object of the Company is described in Article 2 of the Articles of Association presented in the Appendix to this Registration Document.

Date of creation

Group Steria was incorporated on February 18, 1988 as a public limited company *(Société anonyme)*. It was transformed into a partnership limited by shares following a decision taken at the Extraordinary General Meeting of July 18, 1996.

Duration

The duration of the Company is 99 years from the date of its registration in the Trade and Companies Register, except early dissolution or extension.

Trade and Company Register

RCS Nanterre 344 110 655 (88 B 00 665)

APE – NAF (trade sector) Code

6202 A

Memorandum and Articles of Association

A copy of the latest version of Groupe Steria SCA's Articles of Association (dated December 20,2012) is included in the Appendix to this Registration Document.

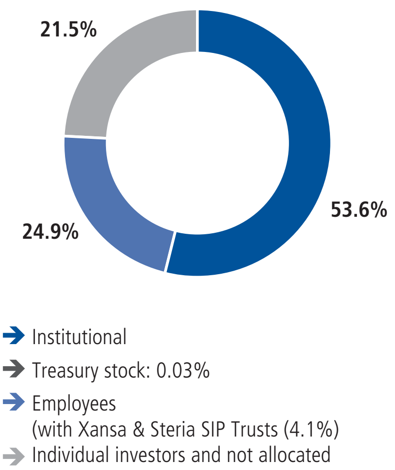
6.2 Share capital

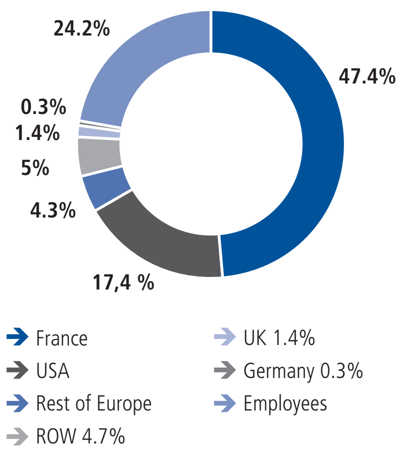
6.2.1 Share capital

At December 31, 2013, the share capital amounted to €33,156,692 divided into 33,156,692 shares, each with a par value of €1.

6.2.2 Distribution of share capital

6.2.2.1 Distribution of share capital (*)





(*) *Distribution as of 30/11/2013, except for employees for whom distribution is as of 31/12/2013.*

6.2.2.2 Distribution of and changes in share capital and voting rights

Shareholders holding more than 5% of the capital or voting rights

Shareholder structure	At 12/31/2013			At 12/31/2012			At 12/31/2011		
	Number of shares	% of capital	% of voting rights (1)	Number of shares	% of capital	% of voting rights (1)	Number of shares	% of capital	% of voting rights (1)
Employee share ownership (2)	8,014,224	24,17	27,43	7,243,201	22.72	25,93	6,488,724	21,05	24,64
Financière de l'Échiquier	-	-	-	2,904,559	9,11	7,82	2,447,784	7,94	6,69
Fidelity Management &Research Company	-	-	-	-	-	-	2,807,577	9,11	7,67
Nobel	-	-	-	-	-	-	1,025,343	3,33	5,6
Treasury	**35,221**	**0,11**	**0**	**40,092**	**0,12**	**0**	**90,945**	**0,29**	**0**
Free float	**25,107,247**	**75,72**	72,57	**21,691,877**	**68,04**	**58,42**	**17,968,658**	**58,28**	**55,39**
Total	**33,156,692**	**100.00**	100.00	**31,879,729**	**100.00**	**100.00**	**30,829,031**	**100.00**	**100.00**

(1) Exercisable at AGM
(2) Including "Set Trust and Xebt Trust" (3.90% of capital at 31 December 2013); Trusts under English law, the assets of which are intended to promote employee share ownership and which include FCPE (16.96% of capital).

To the best of the Company's knowledge, there was no significant change in the distribution of share capital between 31 December 2013 and the date of filing of this reference document, except from that mentioned below..

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, or indirectly, alone or jointly.

The threshold crossings reported and published with the AMF for 2011, 2012 and 2013 and 2014 (up to the date of filing this registration document) other than those mentioned in paragraph 6.3.2 below, given that DNCA has declared that it exceeded the threshold of 5% of the authorised capital on 15 April 2014, as stated in paragraph 6.3.2 below.

6.2.2.3 Voting rights

Double voting rights are granted to shares that have been nominally registered to the same shareholder for at least two years.

The conditions for awarding double voting rights are defined in Article 9.3 of the Articles of Association contained in Chapter 8 of this reference document.

The total number of voting rights (excluding Treasury shares) that could be exercised at Ordinary and Extraordinary General Meetings at December 31, 2013 was 38,072,641 theoretical voting rights at that date were 38,107,862 voting rights.

6.2.2.4 Shareholders' agreements

To the best of the Company's knowledge, there are no shareholders' agreements or covenants stipulating pre-emptive conditions for sale or acquisition of shares relating to at least 0.5% of the capital or voting rights whose implementation could lead to a change of control at a future date.

6.2.3 Change in share capital during the last 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
January 31, 2008	After exercise of subscription warrants	€1	€26.50	145,590	28,301,009	€28,301,009
June 27, 2008	After exercise of stock options granted to employees	€1	€10.93	1,090	28,302,099	€28,302,099
July 29, 2008	Reserved for employees	€1	€15.23	197,853	28,535,232	€28,535,232
July 7, 2009	After payment of dividend in shares	€1	€11.53	106,132	28,641,364	€28,641,364
September 18, 2009	After allocation of free shares through the creation of new shares	€1	€0	65,673	28,707,037	€28,707,037
December 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
May 3, 2010	After exercise of stock options granted to staff	€1	€10.93	60,684	29,409,221	€29,409,221
July 7, 2010	After payment of dividend in shares	€1	€19.95	62,698	29,471,921	€29,471,921
September 30, 2010	After exercise of stock options granted to staff	€1	€10.93	14,166	29,486,087	€29,486,087
December 16, 2010	Reserved for Group employees (classic offer)	€1	€14.94	130,078		
	Through the creation of free shares allocated in lieu of top-up contributions (classic offer)	€1	€0	20,499		
	Reserved for employees (leverage offer)	€1	€14.94	381,283	30,017,947	€30,017,947
December 20, 2010	After allocation of free shares through the creation of new shares	€1	€0	66,379	30,084,326	€30,084,326
July 6, 2011	After payment of dividend in shares	€1	€18.87	53,108	30,137,434	€30,137,434
July 29, 2011	After allocation of free shares through the creation of new shares	€1	€0	4,831	30,142,265	€30,142,265
September 6, 2011	Following the exchange of 400 convertible bonds for new shares	€1	€35.27	412	30,142,677	€30,142,677
December 21, 2011	Reserved for Group employees (classic offer)	€1	€9.74	117,461		
	Through the creation of free shares allocated in lieu of top-up contributions (classic offer)	€1	€0	33,808		
	Reserved for employees (leverage offer)	€1	€9.74	535,085	30,829,031	€30,829,031
July 5, 2012	After payment of dividend in shares	€1	€12.10	31,228	30,860,259	€30,860,259

Date of completion	Type of transaction Capital increase through	Nominal	Issue/ subscription premium	Number of shares created	Total number of shares	Share capital
July 30, 2012	After allocation of free shares through the creation of new shares	€1	€0	19,470	30,879,729	€30,879,729
December 20, 2012	Reserved for Group employees (classic offer)	€1	€8.14	134,181		
	Through the creation of free shares allocated in lieu of top-up contributions (classic offer)	€1	€0	38,847		
	Reserved for employees (leverage offer)	€1	€8.14	826,972	31,879,729	€31,879,729
July 4, 2013	After payment of dividend in shares	€1	€9.41	340,089	32,219,818	€32,219,818
July 8, 2013	After allocation of free shares through the creation of new shares	€1	€0	13,892	32,233,710	€32,233,710
July 30, 2013	After allocation of free shares through the creation of new shares	€1	€0	14,941	32,248,651	€32,248,651
December 17, 2013	Reserved for Group employees (classic offer)	€1	€9.99	145,808		
	Through the creation of free shares allocated in lieu of top-up contributions (classic offer)	€1	€0	48,234		
	Reserved for employees (leverage offer)	€1	€9.99	713,999	33,156,692	€33,156,692

6.2.4 Potential capital and securities with an equity component

Stock options, free shares and warrants

All information regarding the potential capital is contained in the notes to the financial statements (note 4.6) and consolidated statements (notes 1.20 and 4.23).

At the date of preparation of this Registration Document, there are no longer stock option or warrant plans.

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 outstanding bonds (4,080,149 bonds) were repaid in advance of January 2, 2013, pursuant to the provisions of Article 4.9.3.2 of the prospectus approved by the AMF.

There are no other securities with an equity component other than those mentioned in this paragraph 6.2.4.

Summary of information concerning potential dilution of capital

Capital at 12/31/2013: €33,156,692.

Type of securities	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 *(as a % of current capital)*
Shares [(1)]	04/16/2010	Growth in consolidated revenue in 2010 versus 2009	0.0	Certain employees and Group directors	date of award: 04/16/2012 (Spain), 04/16/2013 (France), 04/16/2014 (other countries) holding period: two years (France), three years (Spain), no holding period (other countries)	19,180	0.06
	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: 07/06/2013 (Spain and France) and 07/06/2014 (other countries) holding period: two years (Spain and France), no holding period (other countries)	70,250	0.21
	07/29/2011	For 70% of shares awarded: change in operating margin over a three-year period as from allocation and for 30% of shares awarded: change in stock market price	0.0	Certain employees and Group directors	date of award: 07/29/2014 (Spain and France) and 07/29/2015 (other countries) holding period: two years (Spain and France), no holding period (other countries)	157,600	0.48
	07/02/2012 and 08/01/2012	For 50% of allocated awarded: growth in the Group's consolidated revenue and for 50%: change in the Group's operating margin over a three-year period as from allocation	0.0	Certain employees and Group directors	date of award: 07/02/2015 and 08/01/2015 (France) and 07/02/2016 (other countries) holding period: two years (France), no holding period (other countries)	166,600	0.50
	09/17/2013	For 50% of allocated awarded: growth in the Group's consolidated revenue and for 50%: change in the Group's operating margin over a three-year period as from allocation	0.0	Certain employees and Group directors	date of award: 09/17/2016 (France) and 09/17/2017 (other countries) holding period: two years (France) no holding period (other countries)	151,900	0.46
Total potential dilution at December 31, 2013						**565,530**	**1.71**

(1) Award subject to presence and performance conditions.

6.2.5 Authorisations relating to capital and use of authorisations

The table below summarises the currently valid authorisations 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 authorised capital	Use during financial year 2013	Residual authorisation at 12/31/2013
Combined General Meeting of 05/15/2012				
Power granted to the General Management to allocate free shares	07/14/2014	400,000 shares	317,900 shares	81,500 shares
Combined General Meeting of 05/30/2013				
Power granted to the General Management to increase the capital with pre-emptive subscription rights	07/30/2015	€15,939,864 (1) (par value) in respect of the issue of shares €270 million (1) (par value) in respect of the issue of loan securities	None	All
Power granted to the General Management to increase capital by incorporating reserves, profits or share premiums	07/29/2015	€15,939,864 (1) (par value) in respect of the issue of shares	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	07/29/2015	€4,781,959 (1) (par value) in respect of the issue of shares €150 million (1) (par value) in respect of the issue of loan securities	None	All
Power granted to the General Management to increase the share capital with elimination of pre-emptive subscription rights, via an offer mentioned in Article L. 411-2-II of the French Monetary and Financial Code *(Code monétaire et financier)*	07/29/2015	€3,187,972 (1) (par value) in respect of the issue of shares €150 million (1) (par value) in respect of the issue of loan securities	None	All
Power granted to the General Management to increase the number of shares in the event of a capital increase carried out in virtue of the above authorisations	07/29/2015	15% (1) 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	07/29/2015	€4,781,959 (1) (par value)	None	All
Power granted to the General Management to increase the capital in exchange for contributions in kind	07/29/2015	10% (1) of share capital	None	All
Power granted to the General Management to carry out capital increases reserved for members of the Group Savings Plan	07/29/2015	€1 million	908,041	91,959
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	11/29/2014	€1 million (2)	None	91,959 (2)

(1) Amount deducted from the overall ceiling of:
€15,939,864 (par value) of which €4,781,959 for issues without pre-emptive subscription rights in respect of the issue of shares;
€270 million (par value) of which €150 million for issues without pre-emptive subscription rights in respect of the issue of loan securities.*
(2) Joint ceiling with that of the previous authorisation.

6.2.6 Share buyback

6.2.6.1 Implementation of share buyback programme in 2013

Liquidity contract

A liquidity contract in accordance with the AMAFI Code of Conduct approved by the AMF was concluded with Natixis.

At December 31, 2013, the liquidity contract included the following assets:

- 25,768 Groupe Steria SCA securities;
- cash in the amount of €871,198.25.

The costs incurred under this liquidity contract amounted to an annual total of €27,000 (excluding taxes).

Allocation of free shares

During financial year 2013, the General Management decided to use the authorisation granted to it by the Combined General Meeting of May 30, 2013, in its sixth resolution, to carry out transactions on the Company's shares, notably in order "to cover stock purchase option plans and/or free share plans (or similar plans) for the benefit of the Group's employees and/or company directors as well as all allocations of shares in connection with a company or Group Savings Plan (or similar plan), in connection with company profit sharing and/or all other forms of allocation of shares to the Group's employees and/or company directors". 10,980 Treasury shares were used to cover the final allocation of free shares in 2013.

Summary table of movements during financial year 2013

Movements on treasury shares during financial year 2013 for each of the purposes of the share buyback programme were as follows:

		Movements during the year					
	December 31, 2012 (in shares)	Reallocations (in shares)	Purchases (in shares)	Average purchase price (€)	Sale/Use (in shares)	Average sale price (€)	December 31, 2013 (in shares)
Implementation in favour of employees and/or company directors of any company share purchase option plan, within the scope of the provisions of Articles L. 225-177 et seq. of the French Commercial Code, any Group Savings Plan in accordance with Articles L. 443-1 et seq. of the French Commercial Code or any free share allocation within the scope of the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code	13,768	-	-	-	10,980 *	0	2,788
Allocation of shares to the holders of convertible debt securities in the Company	6,507	-	-	-	-	-	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	-	-	-	-	-	158
Transactions concerning the secondary market or the liquidity of Groupe Steria SCA stock via the intermediation of an investment services provider acting independently in the scope of a liquidity contract in accordance with the AMAFI Code of Conduct approved by the AMF	28,659		648,489	€12.92	651,380	€12.72	25,768
Possible cancellation of shares acquired	-	-	-	-	-	-	
Total	**49,092**		**648,489**		**662,360**		**35,221**

* *See free share allocation above.*

Situation at December 31, 2013

At December 31, 2013, the Company held 35,221 treasury shares representing 0.10% of the capital.

The par value of these 35,221 shares was €35,221 (i.e. €1 per share).

The gross book value (acquisition cost) at December 31, 2013 was €646,738 (i.e. €18.36 per share).

6.2.6.2 Description of the share buyback programme

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 programme will be submitted for the approval of the General Meeting on May 22, 2014.

Number of shares and share of capital held by the Company

At February 28, 2014 the Company's capital was made up of 33,156,692 shares.

At this date, the Company held 53,385 treasury shares, representing 0.16% of capital.

Breakdown by purpose of treasury shares held by the Company

At February 28, 2014, the treasury shares held by the Company broke down by purpose as follows:

Implementation in favour of employees and/or company directors of any Group Savings Plan in accordance with Articles L. 3332-2 et seq. of the French Employment Code *(Code du travail)* or any free share allocation within the scope of the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code	2,788
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	43,932
Total	**53,385**

Objectives of the new share buyback program

The objectives of the new share buyback programme to be submitted to shareholders at the General Meeting on May 22, 2014 will be:

- to ensure transactions on the secondary market or the liquidity of Groupe Steria stock *via* the intermediation of an investment services provider within the scope of a liquidity contract in accordance with the AMAFI Code of Conduct approved by the AMF;
- to hold the shares purchased and subsequently trade them or use them as payment in any future acquisitions, given that shares acquired for this purpose may not exceed 5% of the Company's capital,
- to cover share option plans and/or free share plans (or similar plans) for the benefit of Group employees and/or company directors as well as all allocations of shares in connection with a company or Group Savings Plan (or similar plan), in connection with company profit sharing and/or all other forms of share allocation to the Group's employees and/or company directors;
- to cover transferable securities entitling the holder to allocation of Company shares within the scope of the applicable regulations;
- to carry out possible cancellation of the shares acquired, in accordance with the authorisation granted by the General Meeting of Shareholders of May 30, 2013 in its eighth extraordinary resolution.

Maximum share of capital, maximum number and characteristics of capital stock: Maximum share of Company capital liable to be bought back – characteristics of capital stock

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 is €33,156,692 divided into 33,156,692 shares, each with a par value of €1. On this basis, Groupe Steria SCA would be authorised to acquire 10% of its capital at most, i.e. 3,315,669 shares, not including shares already held.

This limit will rise on the date of the buybacks to take account of any capital increase or reduction operations that might occur during the programme period. The number of shares considered when calculating this limit corresponds to the number of shares purchased, less the number of shares resold during the programme period within the scope of the liquidity objective.

As the Company cannot hold more than 10% of its capital, and given that the number of shares already held was 53,385 at February 28, 2014 (i.e. 0.16% of the capital), the maximum number of shares that can be purchased will be 3,262,284 shares (i.e. 9.83% of the capital), unless securities already held are sold or cancelled.

Maximum purchase price and maximum authorised amount of funds that may be committed

The total maximum amount of treasury shares which Groupe Steria SCA may purchase under the buyback programme shall not exceed €99,470,070 (excluding costs) (based on the share capital at December 31, 2013), at a maximum purchase price per share of €30.

Buyback procedure details

The purchase, sale or transfer by the Company of its own shares may be conducted by any method (excluding the use of derivative products) 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.

Length of buyback program

The programme will last for 18 months as from approval of the resolution presented to the General Meeting on May 22, 2014, i.e. until November 21, 2015.

6.2.7 Transactions carried out by directors on Company stock

No transaction made during financial year 2013 mentioned in Article L. 621-18-2 of the French Monetary and Financial Code relating to Groupe Steria stock were declared by the directors.

6.2.8 Pledges, guarantees and sureties

To the best of the Company's knowledge, no pledges, guarantees or sureties have been arranged on the Company's capital.

6.3 Shareholder structure

6.3.1 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: FR 0000072910

Mnemo: RIA

Euronext code: FR 0000072910

Market: Euronext Paris – Local stocks

CFI: ESEUFB

(E = equity; S = shares; E = enhanced voting; F = fully paid; B = bearer)

Type: share – ordinary share – continuous

Compartment: B *(Mid-caps)*

Characteristics of the Groupe Steria SCA share

Industry: 9000, Technology

Super-sector: 9500, Technology

Sector: 9530, Software and Information Services

Sub-sector: 9533, Information 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

Stock market data

2013 – Month	01	02	03	04	05	06	07	08	09	10	11	12
Average volume traded/day (1)	124,173	103,081	171,356	179,755	106,561	84,612	105,591	70,847	142,824	130,037	176,869	81,762
High €	15.86	14.30	12.82	12.13	12.33	11.85	12.02	11.49	13.43	14.13	15.41	14.75
Low €	13.39	12.55	10.37	10.35	11.03	10.50	10.50	10.60	11.31	12.28	13.75	12.94
Capital (2) *(in € millions)*	40.79	27.96	40.85	42.07	27.72	18.78	26.90	17.30	37.56	39.72	55.10	22.72

2012 – Month	01	02	03	04	05	06	07	08	09	10	11	12
Average volume traded/day (1)	49,533	49,465	67,936	63,355	61,462	54,548	77,215	83,013	104,476	93,322	80,850	170,582
High €	15.15	16.15	17.17	17.0	15.79	13.43	13.16	11.10	12.12	12.57	12.87	14.59
Low €	12.92	14.85	15.57	14.04	12.50	11.50	10.31	10.08	10.66	10.50	11.40	11.65
Capital (2) *(in € millions)*	15.44	16.25	24.87	18.51	18.99	14.04	19.84	20.30	23.84	23.98	21.54	43.30

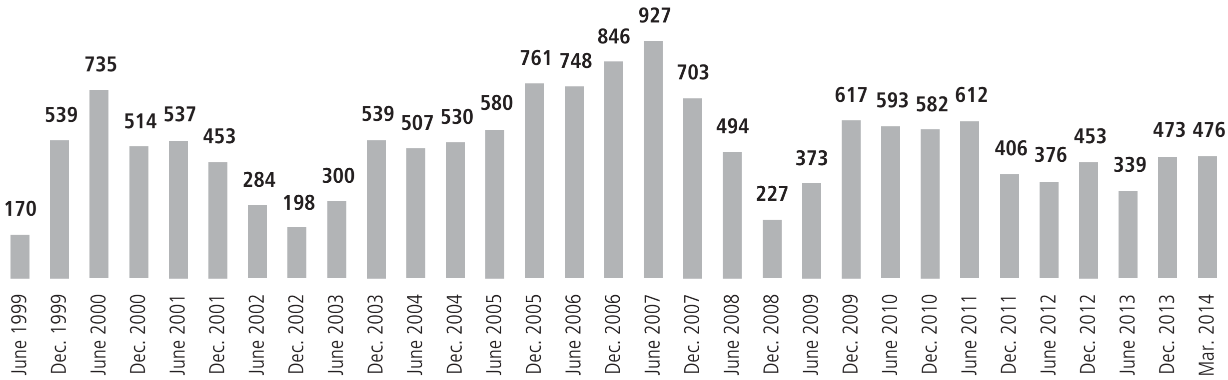
2011 – Month	01	02	03	04	05	06	07	08	09	10	11	12
Average volume traded/day (1)	104,905	124,760	111,289	56,972	66,890	231,049	59,335	95,935	93,511	68,440	110,161	93,178
High €	21.60	23.0	23.0	23.0	22.89	21.19	20.52	18.0	15.65	14.39	14.46	14.04
Low €	18.40	20.90	19.37	21.60	20.60	19.01	17.38	13.32	10.0	11.52	10.10	11.82
Capital (2) *(in € millions)*	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 volume traded/day (1)	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 (2) *(in € millions)*	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 volume traded/day (1)	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 (2) *(in € millions)*	17.52	21.50	21.04	30.24	32.00	34.20	33.26	29.98	77.02	66.59	41.13	28.65

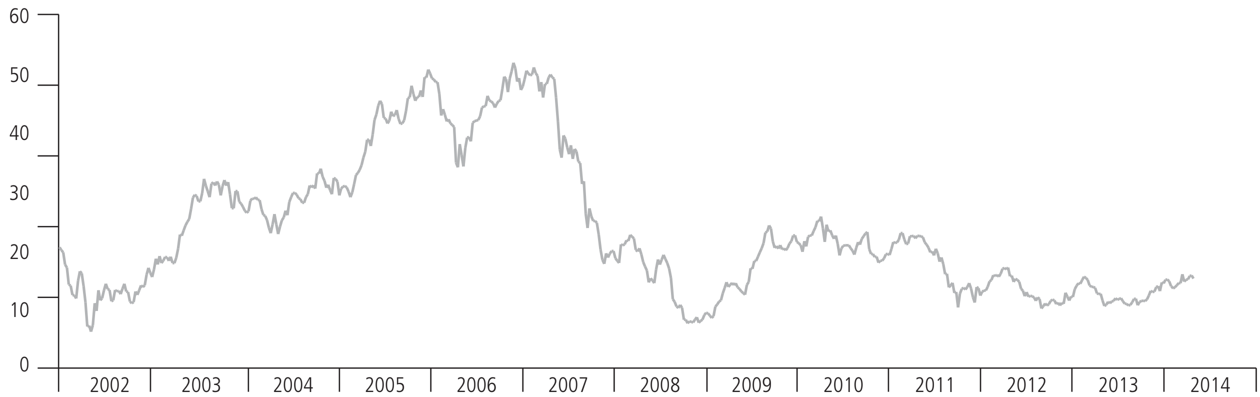
(1) Volume traded on Euronext only.
(2) Amount of capital traded in the month on Euronext only.
It should be noted, as an example, that at the end of November 2013, over 12 sliding months, the average volume traded on Euronext represented 68.7% of the total volumes (including volumes traded on alternative markets BOAT, CHI-X, Turquoise, Bats and Equiduct).

Stock market capitalisation since June 1999 *(in € millions)* **– price at March 6, 2014**



Source: ThomsonReuters.

Change in stock price since June 2002 *(in euros)* **– price at March 6, 2014**



Source: ThomsonReuters.

6.3.2 Threshold crossings

The following threshold crossing notices were filed and published with the Autorité des marchés financiers:

During financial year 2014:

- DNCA declared, in a letter received April 23, 2014 completed notably by a letter received April 24, 2014 (No. 214C0627), that on April 15, 2014, it rose above the threshold of 5% of capital directly or indirectly, via the company DNCA Finance Luxembourg that it controls;
- Amundi declared, in a letter received April 16, 2014 (No. 214C0585), on behalf of the mutual fund (FCPE) Groupe Steriactions which is under its management, that on April 15, 2014, it fell below the threshold of 20% of voting rights;

During financial year 2013:

- Amundi, in a letter received on January 11, 2013 (No. 213C0049), acting on behalf of the Groupe Steriactions FCPE which is under its management, reported that it had gone below the 25% voting rights threshold on January 8, 2013;
- Amundi, in letters received on February 20 and 21, 2013 (No. 213C0241) correcting its initial threshold crossing notice which had been received January 11, 2013, acting on behalf of the Groupe Steriactions FCPE which is under its management, reported that it had gone below Groupe Steria's 25% and 20% voting rights thresholds on January 8, 2013 and held 15.26% of the capital and 19.05% of the voting rights;
- Financière de l'Échiquier, acting on behalf of the funds under its management, in a letter received on May 2, 2013 (No. 213C0514), reported that it had gone below Groupe Steria's 5% voting rights threshold on April 24, 2013 and held 1,790,838 shares on behalf of said funds, representing 5.62% of the capital and 4.83% of the voting rights;
- Financière de l'Échiquier, acting on behalf of the funds under its management, in a letter received on May 10, 2013 (No. 213C0537), reported that it had gone below Groupe Steria's 5% capital threshold on May 3, 2013 and held 1,553,804 shares on behalf of said funds, representing 4.87% of the capital and 4.20% of the voting rights;
- Amundi, in a letter received on July 1, 2013 (No. 213C0812), acting on behalf of the Groupe Steriactions FCPE which is under its management, reported that it had gone below the 15% capital threshold on June 28, 2013;
- Amundi, in a letter received on July 4, 2013 (No. 213C0864), acting on behalf of the Groupe Steriactions FPCE which is under its management, reported that it had gone above the 15% capital threshold on July 1, 2013 [1];
- Amundi, in a letter received on September 9, 2013 (No. 213C1357), acting on behalf of the Groupe Steriactions FPCE which is under its management, reported that it had gone below the 15% capital threshold on June 28, 2013;
- Amundi, in a letter received on December 19, 2013 (No. 213C1983), acting on behalf of the Groupe Steriactions FCPE which is under its management, reported that it had gone above the 15% capital threshold and 20% voting rights threshold on December 17, 2013 [1].

During 2012:

- Amundi, in a letter dated January 11, 2012 (No. 212C0068), acting on behalf of the Groupe Steriactions FCPE which is under its management, reported that it had gone below the 20% voting rights threshold on January 5, 2012;
- Amundi, in a letter dated January 20, 2012 (No. 212C0113), acting on behalf of the Groupe Steriactions FCPE which is under its management, reported that it had gone above the 20% voting rights threshold on January 16, 2012 [1];
- FMR LLC, in a letter of August 21, 2012 (No. 212C1061), reported that it had gone below the 5% voting rights threshold on August 17, 2012;
- FMR LLC, in a letter of September 3, 2012 (No. 212C1111), reported that it had gone below the 5% capital threshold on August 30, 2012;
- Amundi, in a letter dated December 21, 2012 (No. 211C1741), acting on behalf of the Groupe Steriactions FCPE which is under its management, reported that it had gone above the 15% capital and 25% voting rights [1] thresholds on December 20, 2012.

During financial year 2011:

- Financière de l'Échiquier, in a letter dated January 12, 2011 (No. 211C0041), acting on behalf of funds under its management, reported that it had gone above the 5% capital threshold on January 11, 2011;
- Financière de l'Échiquier, in a letter dated February 2, 2011 (No. 211C0120), acting on behalf of funds under its management, reported that it had gone above the 5% voting rights threshold on January 31, 2011;
- Amundi, in a letter dated December 21, 2011 (No. 211C2293), acting on behalf of the Groupe Steriactions FCPE, reported that it had gone above the 20% voting rights threshold on December 20, 2011 [1].

(1) AMUNDI has also made the following declaration of intent: «Amundi declares in the name and on behalf of the Groupe Steria mutual fund (FCPE) that it financed the acquisition of Groupe Steria shares through dividends that have been reinvested directly in the fund or through the payment of employees; it is acting alone; it does not intend to continue to purchase Groupe Steria shares; it does not intend to change the strategy of Groupe Steria or any of the transactions listed in Article 223-17 I, 6 of the General Regulation; it does not hold any of the financial instruments or agreements referred to in paragraphs 40 and 4 bis of section I of Article L.233-9 of the the French Commercial Code; it has not entered into any temporary assignment agreements relating to the shares or voting rights of the Groupe Steria; it is represented by a director on the Board of Directors and does not plan to appoint of one or more additional persons to the Board of Directors of the Groupe Steria.

6.3.3 Dividends

Amounts paid to shareholders over the past three financial years

Financial year	Net dividend per share	Proportional reduction
2010	€0.24	Discount at rate in force at this date
2011	€0.35	Discount at rate in force at this date
2012	€0.20	Discount at rate in force at this date

Dividends proposed for the financial year ended December 31, 2013 (subject to the approval of the General Meeting on May 22, 2014).

Financial year	Net dividend per share	Proportional reduction
2013	€0.10	Discount at rate in force at this date

6.3.4 Financial timetable – Contacts

Person responsible for investor relations

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

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E-mail: olivier.psaume@Steria.com

Internet site: www.steria.com

2014 Financial Communication Calendar

February 28, 2014 (pre-Market)	Revenue Q4 and annual results 2013
February 28, 2014 at 11.00am	Financial analysts meeting (Espace Cambon)
April 29, 2014 (pre-Market)	Revenue Q1 2014
May 22, 2014 at 2.00pm	Annual General Meeting
July 25, 2014 (pre-Market)	Revenue Q2 and half-yearly results 2014
July 25, 2014 at 9.00am	Meeting of financial analysts (by webcast)
October 30, 2014 (pre-Market)	Revenue Q3 2014

6.3.5 Documents accessible to the public

Legal documents (Articles of Association, minutes of General Meetings, accounts, Statutory Auditors' reports, etc.) are obtainable from the Group's Legal Department, 43-45 quai du Président-Roosevelt, 92130 Issy-les-Moulineaux. The financial information distributed is available on the Group's website: www.steria.com

6.4 Preparation and audit of the Registration Document and the information presented

6.4.1 Registration Document Manager

Mr François Enaud, General Manager

6.4.2 Accounts Audit Managers

	Date of first appointment	Date of end of term (Ordinary General Meeting called to approve the financial statements at)
Statutory Auditors		
Ernst & Young & Autres	**June 17, 1993**	**December 31, 2016**
Member of the Versailles regional chapter		
Represented by Mr Denis Thibon		
Tout First – 1 place des Saisons		
92400 Courbevoie		
PriceWaterhouseCoopers (1)	**May 15, 2012**	**December 31, 2017**
Member of the Versailles regional chapter		
Represented by Mr Olivier Lotz		
63 rue de Villiers		
92200 Neuilly-sur-Seine		
Substitute Statutory Auditors		
Auditex	**May 13, 2011**	**December 31, 2016**
Member of the Versailles regional chapter		
11, allée de l'Arche		
Faubourg de l'Arche		
92400 Courbevoie		
Mr Yves Nicolas (2)	**May 15, 2012**	**December 31, 2017**
Member of the Versailles regional chapter		
63 rue de Villiers		
92200 Neuilly-sur-Seine		

(1) PriceWaterhouseCoopers was appointed Statutory Auditor at the General Meeting of May 15, 2012, replacing Pimpaneau & Associés – Nexia International – 31, rue Henri-Rochefort – 75017 Paris, appointed on December 18, 1998, whose term of office expired at the end of said General Meeting. Accordingly, the 2011 accounts, incorporated by reference in this Registration Document, were audited by Pimpaneau & Associés and Ernst & Young & Autres.

(2) Mr. Yves Nicolas was appointed Substitute Statutory Auditor at the General Meeting of May 15, 2012, replacing IDF Expertise et Conseil - 23, rue Paul-Valéry – 75016 Paris, appointed on June 14, 2006, whose term of office expired at the end of said General Meeting.

6.5 Declaration by the Registration Document Manager

"I hereby declare that having taken all reasonable steps in my power, the information contained in this Registration 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 the management report, whose contents are described in section 7 – Cross-reference Table – Management report 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 Registration Document and have read the entire Registration Document.

The statutory auditors' report on the consolidated financial statements for the year ended December 31,2013 contains an observation on the impacts due to the application of the revised IAS 19 and the statutory auditors' report on the statutory financial statements for the year ended December 31,2013 contains an observation on the change in accounting method for the valuation of equity investments.

François Enaud

General Manager of Groupe Steria SCA

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"Cross-reference table

Appendix 1 of European Regulation 809/2004

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.

Information	Annual report - Pages
ORGANISATIONAL STRUCTURE	
Brief description of the Group	24 and 25
Main subsidiaries	26
PROPERTY, PLANT AND EQUIPMENT	
Major existing or planned property, plant and equipment (owned or leased) and major spending related thereto	130 and 131, 162
Environmental impacts on the use of said assets	97 and 117
OPERATING AND FINANCIAL REVIEW	
Financial situation	126 to 131
Operating loss	126 to 128
- Major factors with a significant influence on operating income	126 to 128
- Explanation of change in net revenue or net income	126 to 128
- External factors having significantly influenced (or liable to significantly influence) the businesses	126 to 128
CAPITAL RESOURCES	
Information on capital	128, 129 and 169
Cash flows	140, 169 to 173
Information on the issuer's borrowing requirements and funding structure	169 to 173
Restriction on use of capital	171 and 172
Expected funding services	169 to 173
RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	**18 to 20, 130**
TREND INFORMATION	
Main trends impacting the business since the end of 2012	131 to 135
Trends and events reasonably likely to impact the outlook for 2013	131 to 135
PROFIT FORECASTS OR ESTIMATES	**N/A**
ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND General Management	
Information concerning the members of the Management and Supervisory bodies and the General Partner	
- Name, address and position in issuing company	8, 41 to 46
- Family relationship between these people	40
- Relevant management expertise and experience	41 to 46
- Terms of office served over the last five years	41 to 46
- Any conviction for fraud over the last five years	32 and 40
- Details of any bankruptcies, incrimination and/or public sanction	32 and 40
Conflicts of interest involving the administrative, management and supervisory bodies and the General Management	40 and 50
REMUNERATION AND BENEFITS	
Compensation of company directors and members of the Supervisory Board	34 to 39
Provisions for pension plans, pension schemes or other benefits	36 and 197
BOARD PRACTICES	
- Date of expiration of the current term of office	48
- Information on the issuer's binding service agreements	38 and 39, 64 and 65
- Information on the Audit Committee and the Appointments and Remuneration Committee	54 and 55, 53 and 54
- Corporate governance declaration	47
- Chairman's report on Internal Control	47 to 62
- Statutory Auditors' report on the Chairman's report	63

Cross-reference table

Appendix 1 of European Regulation 809/2004

Information	Annual report - Pages
EMPLOYEES	
- Headcount, breakdown by business and site; temporary workers	6 and 73
- Share ownership and share subscription or purchase options of the Company directors	35 and 36, 38, 224
- Employee share ownership	234 and 235
MAJOR SHAREHOLDERS	
- Distribution of capital	234 and 235
- Information on voting rights	235
- Information on ownership or control of the issuer	235
- Information on any agreements known to the issuer liable to result in a change of control	235
RELATED PARTY TRANSACTIONS	130
FINANCIAL INFORMATION CONCERNING THE ASSETS, FINANCIAL POSITION AND RESULTS OF THE ISSUER	
Historic financial information	136 to 198, 200 to 227
Pro forma financial information	N/A
- Report prepared by the accountants or Statutory Auditors	199, 228 and 229
Consolidated annual financial statements	136 to 198
Verification of annual historical financial information (reports of the Statutory Auditors)	199, 228 and 229
- Statement on the verification of historic financial information	199, 228 and 229
- Other information verified by the Statutory Auditors	106
- Financial information not drawn from the audited financial statements by the Company	N/A
Dates of latest financial information	136 to198, 200 to 227
Interim and other financial information (half-yearly and quarterly information)	N/A
Dividend policy	249
Legal and arbitration proceedings (last 12 months)	118
Significant change in financial or commercial situation (since the previous year-end)	131 à 134
ADDITIONAL INFORMATION	
Share capital	
- Common stock and authorised capital	234, 239, 240 and 272
- Shares not representing the Company's capital	N/A
- Shares held by the Company or its subsidiaries	241 to 244
- Convertible securities, redeemable securities or securities with warrants	N/A
- Conditions governing any acquisition rights and/or any obligations attached to shares acquired but not paid up, or to any capital increase	239
- Capital belonging to any member of the Group subject to an option	N/A
- History of the Company's share capital over the last five financial years	236 to 237
Memorandum and Articles of Association	271 to 282
- Corporate purpose of the issuer	232 and 271
- Provisions of the Articles of Association and Charters concerning the members of the administrative, management and supervisory bodies	51, 273 to 277
- Rights, privileges and restrictions attached to each category of existing shares	235 and 272
- Procedures required to amend shareholder rights	272, 278 and 279
- Convening of General Meetings of Shareholders and conditions of attendance	278 and 279

Information	Annual report - Pages
- Provisions of the Articles of Association, Charters or rules of the issuer liable to postpone, defer or prevent any change in control	32, 277
- Declaration of shareholdings exceeding statutory limits	273
- Conditions stricter than the law governing changes to the share capital	N/A
MATERIAL CONTRACTS (of the past two years)	**9, 126**
THIRD-PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST	**N/A**
DOCUMENTS ON DISPLAY	**250**
INFORMATION ON SIGNIFICANT HOLDINGS (subsidiaries and equity holdings)	**26, 135, 153, 227 to 155**

Annual financial report

In order to facilitate the reading of this Registration Document, the following cross-reference table references the information in the annual financial report as addressed in Articles L. 451-1-2 I of the Monetary and Financial Code and 222-3 of the AMF General Regulations.

Annual financial report	Registration Document Pages
Annual accounts of the Company	200 to 227
Consolidated financial statements of the Group	136 to 198
General Manager's report Objective and comprehensive analysis of the changes in the business, earnings and financial situation of the Company and the Group within its scope of consolidation, and a description of its principal risks and uncertainties Table of capital increase delegations Information that may have an impact in the event of a takeover Information pertaining to the assessment of the operation of the share buyback program during the year	 126 to 135, 110 to 123 240 (cf. detail p. 262) 241 to 244
Declaration by the persons responsible for the annual financial report	252
Report of the Auditors on the annual accounts	228 and 229
Report of the Auditors on the consolidated accounts	199
Statutory Auditors' Fees	198

General Manager's report

In order to facilitate the reading of this Registration Document, the cross-reference table below identifies the information that constitutes the General Manager's report described in Articles L. 225-100 *et seq.* of the French Commercial Code.

General Manager's report Articles L. 225-100 *et seq.* of the French Commercial Code	Registration Document Pages
Business report	
Company situation and activity during 2013	130
Activities of subsidiaries and controlled companies	126 to 130
Progress made or difficulties encountered	126 to 130
Foreseeable developments and outlook	131
Important events after the reporting period	131 to 135
Research and development activities	130
Analysis of changes to the business, results and financial situation of the Company, including its debt situation	130
Description of the principal risks and uncertainties	112 to 123
Indications on the use of financial instruments	181 to 188
Policy of the Company and of the companies controlled by it with respect to financial risk management	118 to 121, 181 to 188
Exposure of the Company and the companies controlled by it to hedging, price, credit, liquidity and cash flow risks	118 to 121, 181 to 188
Interests of more than 5% of capital or voting rights or takeovers during the year in companies whose registered office is on French territory	135, 153
Information on supplier payment deadlines	216 and 217
Corporate governance and remuneration	
Remuneration and benefits of all kinds paid during the year to each company director	34 to 39
Description of fixed, variable and exceptional components comprising such remuneration and benefits and calculation criteria	34 to 37
Conditions relating to the sale of bonus shares allotted	35 and 36
Commitments of all kinds made by the Company to the company directors and methods used to determine such commitments	36 and 37
List of appointments and functions exercised in all companies by the company directors during the past fiscal year	41 to 46
Transactions made by managers and persons having close links with them in the securities of the Company	244
Corporate Social Responsibility	
Information on how the Company takes into account the social and environmental consequences of its activities	67 to 105

General Manager's report Articles L. 225-100 *et seq.* of the French Commercial Code	Registration Document Pages
Capital and general information	
Shareholding structure	234 and 235
Employee participation in share capital	235
Purchase and sale by the Company of its own shares	242
Name of controlled companies and share of capital held by the Company	26, 135, 153 to 155
Alienation of shares in order to regularise cross-shareholdings	N/A
Dividends paid for the previous three years	249
Information that may have an impact in the event of a takeover:	
- the capital structure of the Company;	234
- statutory restrictions on the exercise of voting rights and share transfers or clauses of agreements notified to the Company pursuant to Article L. 233-11;	N/A
- the direct or indirect shareholding in the capital of the company of which it has knowledge pursuant to Articles L. 233-7 and L. 233-12;	N/A
- the list of holders of any securities with special control rights and a description of such rights;	N/A
- control mechanisms provided for in any employee shareholding system, when control rights are not exercised by the employees;	N/A
- agreements between shareholders of which the Company is aware that may result in restrictions on the transfer of shares and the exercise of voting rights;	N/A
- the rules applicable to the appointment and replacement of the General Management and the amendment of the Articles of Association;	31, 273 and 277
- the powers of the Management Board, in particular the issue or redemption of shares;	31, 274 and 277
- agreements concluded by the Company that are amended or terminated in the event of a change of control of the Company, unless such disclosure, except as required by a legal obligation of disclosure, are seriously prejudicial to its interests;	N/A
- agreements providing for compensation for the General Management or employees if they resign or are dismissed without just cause or if their employment ceases because of a takeover bid.	36 and 37
Table of Company earnings during the last five years	226
Expenditures on luxuries	N/A
Injunctions or penalties for anticompetitive practices	N/A
Table of authorisations with respect to capital increase in effect and use made of such authorisations during the past fiscal year	240

Social, environmental and corporate social information

In order to facilitate the reading of this Registration Document, the cross-reference table below identifies the social and environmental information provided pursuant to Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Social information	Registration Document Pages
Total workforce	73
Hiring and firing	74 and 75
Compensation and development	81 and 82
Organisation of working time	75 and 76
Absenteeism	81
Organisation of social dialogue, including procedures for informing and consulting employees and negotiating with them	83 and 84
Collective bargaining agreements	83 and 84
Health and safety conditions in the workplace	80 and 81
Accidents in the workplace and occupational diseases	80 and 81
Review of agreements signed with trade unions and employee representatives respecting health and safety in the workplace	79 to 81
Training policies implemented	76 to 78
Total hours of training	78
Measures to promote equality between women and men	85 and 86
Measures to promote employment and inclusion of people with disabilities	84 and 85
Anti-discrimination policy	84 to 87
Promotion and respect of provisions of the fundamental conventions of the International Labour Organisation concerning: - the respect for freedom of association and right to collective bargaining - the elimination of discrimination in employment and professions - the elimination of forced and compulsory labour - the effective abolition of child labour	98
Environmental information	
Organisation of the Company to take into account environmental issues and, where appropriate, environmental assessment or certification procedures	88 to 97
Training and information of employees regarding protection of the environment	89
Resources devoted to the prevention of environmental risks and pollution	88 to 97
Amount of provisions and guarantees for environmental risks	97
Measures to prevent, reduce or repair air, water and soil emissions that seriously affect the environment	89
Waste prevention, recycling and disposal	89, 93 and 94
Consideration of noise and other forms of pollution specific to an activity	N/A
Water consumption and water supply based on local constraints	89
Consumption of raw materials and measures to improve efficiency in their use	89
Energy consumption and measures taken to improve energy efficiency and use of renewable energies	89, 92 and 93, 96

Social information	Registration Document Pages
Land use	N/A
Greenhouse gas emissions	96
Measures to preserve or enhance biodiversity	N/A
Adaptation to climate change impacts	92
Information about social commitments to promote sustainable development	
Territorial, economic and social impact of Company activities: - in employment and regional development - on local and neighboring populations	101 to 104
Relationships with persons or organisations interested in the work of the Company, in particular associations that promote inclusion, educational institutions, associations for the protection of the environment, consumer associations and local residents: - conditions for dialogue with these persons or organisations - partnership or sponsorship actions	98 to 104
Consideration of social and environmental issues in procurement policy	100
Importance of subcontracting and consideration in relations with suppliers and subcontractors of their social and environmental responsibility	100
Anti-corruption actions	98 and 99
Consumer health and safety measures	N/A
Other actions taken to promote human rights	98

Methodological Note - Social, environmental and corporate social information

Period under consideration

The reporting period for Corporate Responsibility (CR) information is the year ended 31 December 2013. Comparative figures have been produced for earlier periods when possible.

Scope

This information aims to cover the same scope for financial and non-financial information. However, for the reasons detailed below, certain geographical areas and/or CR components had to be excluded from the reporting process for fiscal year 2013. These exclusions have been reviewed by the CR auditors.

	Within scope (X)			
Country	**"Environment" Component**	**"Social" Component**	**Local "Societal" Component**	**Explanation**
France	X	X	X	
UK	X	X	X	
Germany and Austria	X	X	X	
India	X	X	X	
Morocco				Note 1
Norway	X	X	X	
Sweden	X	X		Note 2
Denmark	X	X		Note 2
Belgium and Luxembourg	X	X	X	
Switzerland	X	X	X	
Singapore (Asia)				Note 1
Poland	X	X		Note 2
SSCL				Note 3
NHS SBS		X		Note 4

Note 1: For these countries, the estimated cost of collecting information exceeded its value to stakeholders. This situation is the result of system limitations (a subsidiary of the country in question uses only some of the applications necessary for the Group's CR reporting) or a lack of local resources that specialise in CR reporting. It is important to note that CR activities in these countries are immaterial for the Group overall. The headcount has been included in the Workforce distribution.

Note 2: For these countries, the estimated cost of collecting information for the "ethics and market practices" component of our CR strategy exceeded its value to stakeholders. We do not have local resources that specialise in the "ethics and market practices" component.

Note 3: Shared Services Connect Limited (SSCL)is an joint venture between Steria Limited (75%) and the UK Government (25%) into which 1165 employees transferred on 1st November 2013. Owing to the difficultly of capturing most of the required information and the fact it is relevant for only a fraction of the reporting year,SSCL has been excluded from the scope of the Group's CR reporting this year. However, its headcount has been included in the Workforce distribution and Recruitmentsection as it was available and has a material impact on the figures.

Note 4: Steria took control of NHS SBS on 1stJanuary 2012. Information on Human Resources was considered material to CR reporting, but the estimated cost of collecting information for the "ethics and market practices", "environment" and "local population support" components of our CR strategy exceeded its value to stakeholders.

It is important to note that these exclusions from reporting do not imply that the country in question does not comply with the Group's CR policy, but that the materiality of activities there does not justify the cost of collecting information about them.

In addition to these exclusions, Steria concluded that the nature of its core business in IT services and BPO (Business Process Outsourcing) makes the following indicators irrelevant to its activities:

Indicators excluded from the scope (all countries combined)	Explanation
ENVIRONMENT	
Resources allocated to the mitigation of environmental risks and to pollution prevention	The nature of theGroup’s business activity makes pollution risks minimal. Nevertheless, for our ISO 14001 EMS certification we take measures to manage risks relating to the environment.
Prevention, reduction or correction of air, water and soil emissions that seriously harm the environment	Air, water and soil emissions from theGroup’s business activity are minimal and unlikely to cause particular or serious harm to the environment.
Noise pollution taken into account and, where appropriate, any other form of pollution related to an activity	TheGroup’s business activity generates minimal noise that is very unlikely to cause serious or enduring disturbance.
Water consumption and sourcing subject to local constraints	TheGroup’s core business activity does not consume excessive amounts of water. Nevertheless, for our ISO 14001 EMS certification we take measures to conserve and reuse water where possible.
Consumption of raw materials and measures for more efficient use	The Groupdoes not consume raw materials in its core business activity.
Land use	Our core business activity has no particular effect on land use.
Measures taken to protect biodiversity and mitigate attacks against biological balance, natural areas, protected animal and plant species, and, if applicable, their development	Our core business activity has no particular impact on biodiversity. Nevertheless, we take initiatives to protect wildlife around our offices.
OTHER INFORMATION	
Measures taken to ensure consumer health and safety	The group’s customers are other businesses and Government bodies, and not consumers.

Management reporting tools and processes

To increase the long-term reliability of our CR reports, the following elements are gradually being introduced:

- reports from systems;
- manual controls and applications;
- archiving rules.

To date, most sources of CR data are the following:

- Social information: for the reporting of quantitative information, Steria primarily uses data from its HRIS(PeopleSoft), which is now deployed in all geographical areas except Morocco as of the end of December 2013.This system enables Steria to obtain reliable (accurate, complete, comparable, etc.) data for the whole Group using common definitions and extensive application controls. In addition, a common time management system is currently being deployed in the Group. It will provide more reliable information on training and sick leave time. Qualitative information is collected annually primarily through online questionnaires;
- Environmental information: Information about the consumption of energy in offices and data centresis recordedin Excel spreadsheets(with a standard structure based on theGHG Protocol) and in a specialised system,SystemsLink Energy Manager, used in the UK, India and Poland; Business Travel information is captured in the Greenstone system managed by a third party company.
- Information on markets and local populations: most of the information about these CR components is qualitative in nature, and is gathered using online questionnaires.

A Corporate Responsibility (CR) reporting protocol (that meets the requirements of the Annual Report and the Global Reporting Initiative report) has also been created. It takes into account the following:

- principles of corporate governance for CR reports;
- detailed definitions of each indicator;
- description of the main application controls and manuals put in place..

Indicator calculation methods

The table below explains the calculation methods used for this report. Any subsequent changes will be explained in this section of the document.

Qualitative indicator (French law)	Calculation method
SOCIAL INFORMATION	
Total workforce and distribution by sex, age and geographical area	Employees with permanent and fixed-term employment contracts as of 31st December, i.e. excluding trainees, subcontractors and temporary workers. This figure represents the number of individuals present to date, not FTE. The average age and Gender distribution are calculated on the basis of the workforce number above excluding the workforce in the areas identified as out of scope.
Hiring and firing	Hires (recruitment): Number of employees (workforce) hired with permanent and fixed-term employment contracts between 1stJanuary and 31stDecember, i.e. excluding trainees, subcontractors and temporary workers. Transfers of employees made in the UK under the Transfer of Undertakings (Protection of Employment) regulations, or "TUPE", are included in the hires figure. Additional information is provided on the number of young hires, according to age. It is indicated whether they have obtained their university degree during the previous two years. The number of new hires is expressed as a percentage of new hires. Employees classified as "temporary" include persons employed under fixed-term employment contracts. Global rate of voluntary departure: This is the total number of voluntary departures during the year divided by the workforce as of 31st December of the previous year. These employees have permanent or fixed-term employment contracts, thus trainees, subcontractors and temporary workers are excluded. Firing. The scope includes only firings for disciplinary and performance reasons; firings for other reasons (e.g. economic) are not included. This is in line with practice in other companies and is what the HRIS system can report. This is the total number of employees dismissed during the year for discipline- or performance-related reasons divided by the workforce as of 31stDecember of the previous year. These employees have permanent or fixed-term employment contracts; thus trainees, subcontractors and temporary workers are excluded.
Sick leave	To calculate this figure, the total working days per employee reported as sick leave (special lines in our timesheets) is divided by the average workforce in the country in terms of working days. This gives the average number of days off sick per employee.
Frequency and severity of accidents at work and occupational diseases	Number of injuries / incidents arising out of or in the course of work that results in at least one day absence from work.The number of days lost as a result of the above injuries / incidents. Number of accidents that result in a loss of working days during commuting between an employee's place of work and (a) the worker's principal or secondary residence; (b) the place where the worker usually takes his/her meals; or (c) the place where the worker usually receives his/her remuneration, The number of days lost as a result of the above accidents. For the 2013 reporting this measure is for France only but will be expanded to other major countries in the future.
Total hours/days of training	For the major countries France / UK and India the training time data is taken from the local HR training systems and is available in days. For all other countries time devoted to employee training is identified by a specific line in our timesheets. It is expressed in working days. Both of these gives the total days of training per country, which is then divided by the average workforce (working days) of that country to get the average days of training per employee in that country. The basis for conversion of days into hours is the normative number of working hours per day in that country. For the 2012 report for all countries data was taken for the timesheets. For the 2013 report the 2012 figure has been recalculated based on above to enable a comparison.

Qualitative indicator (French law)	Calculation method
ENVIRONMENTAL DATA	
Energy consumption	The data about energy consumption are invoices from suppliers and building operators, meter (including Half-Hour Meters) readings and estimates from building operators.
Savings in energy costs	Savings in annual costs of energy are calculated as the difference in the costs of consumption in 2012 and 2008 at 2012 prices.
Greenhouse gas emissions	The GHG Protocol is applied to the calculation of emissions. (See http://www.ghgprotocol.org/). To calculate emissions, figures for consumption (e.g. kWh of electricity consumed on a site) are multiplied by emission factors for the fuel or type of energy consumed, expressed as equivalent grams or kilograms of CO2 per unitconsumed. Emissions factors for District Heating and electricity depend on the area (usually a country) where the consumption takes place. For electricity consumption, emissions factors published by DEFRA are used. For District Heating, the emissions factor for the plant serving the site is used, if available; otherwise a national emissions factor from a source such as Euroheat is used. Scope 3 emissions from Business Travel are calculated automatically by the Greenstone system under the GHG protocol.

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"Articles of Association of Groupe Steria SCA

(Last updated on April 16, 2014)

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 Extraordinary 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 No. 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 Company headquarters are located in Issy-les-Moulineaux (92130),

43-45, quai du Président-Roosevelt.

4.2 Transfer

It may be transferred to any other location in the same department 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 €33,167,830, and is divided into 33,167,830 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

In addition to the disclosure requirements for crossing thresholds referred to in Article L. 1233-7-I paragraph 1 of the Commercial Code, 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 must satisfy the obligation to inform required by Article L. 233-7 of the Commercial Code. This obligation must also be met whenever capital or voting rights fall outside required levels in multiples of 2.5%.

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.

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.

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 Collective decisions, general rules

The decisions taken by the partners are only enforceable against the partners, the Company or third parties upon formal recognition of the consensus of opinion as expressed by the General Partner, with the vote of the General 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.

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.

General Meetings, be they Ordinary General Meetings convened extraordinarily or Extraordinary General Meetings, may be called at any time of the year.

General Meetings are held at the Company headquarters or any other place indicated in the meeting notice by the General Management, Supervisory Board, General Partner or, failing these, by the Statutory Auditor (s) or an agent appointed by the Presiding Judge of the Commercial Court ruling in summary proceedings, at the request of any interested party in the event of an emergency, or by one or more shareholders representing the minimum share capital required by the regulations in force, or by a combination of shareholders who meet the statutory requirements.

The invitation shall be issued fifteen days before the date of the Meeting, either by ordinary or registered letter sent to each shareholder, or by a notice published in a legal gazette in the department where the Company headquarters are located. In the event that the Meeting is called by public notice, each shareholder must also be informed by ordinary letter or, at his or her request and expense, by registered letter.

17.3 Agenda

The agenda is determined by the author of the notice.

One or more shareholders representing at least the portion of share capital and acting under the conditions and limits laid down by law have the right to request, by registered letter with acknowledgment of receipt, the inclusion of draft resolutions in the Meeting agenda.

17.4 Admission – Organization of meetings

Except as expressly provided by law, all shareholders are entitled to attend General Meetings and participate in deliberations, personally or by proxy or voting by mail or by any means of telecommunication or remote transmission, regardless of the number of shares held, upon proof of identity and ownership of securities. The right to participate in General Meetings or deliberations is subject to the recording of the securities on behalf of the shareholder or intermediary registered on his or her behalf on the third business day preceding the Meeting at midnight, Paris time, either in the register kept by the Company, or in the bearer securities account held by the authorized intermediary, for which he or she must provide proof in accordance with the regulations.

This period may be shortened by the Supervisory Board.

A shareholder may be represented by his or her spouse or by another duly authorized shareholder.

All persons invited by the General Management or the Chairman of the Supervisory Board and the General Partner may also attend meetings.

The General Management shall attend and participate in the General Meeting.

The General Meeting is chaired by the Chairman of the Supervisory Board. In the absence of the Chairman of the Supervisory Board, the Meeting shall elect its own Chairman.

However, in the event that the Meeting is called by another person specially authorized by law, the Meeting is chaired by the author of the notice.

The function of teller shall be held by two members of the Meeting present and accepting who have the largest number of votes.

The Executive Committee shall appoint a secretary, who need not be a shareholder.

A record of attendance shall be kept and duly signed by the participants and certified by the Executive Committee of the General Meeting.

Minutes recording the deliberations of the Meeting shall be signed by the members of the Executive Committee.

Copies or extracts of the minutes shall be certified by one of the General Managers or by a member of the Supervisory Board.

17.5 Quorum, majority and vote

17.5.1 Ordinary General Meeting

At the decision of the General Management, the shareholders may participate in the Ordinary General Meeting by videoconference or vote by any means of telecommunication or remote transmission, including the Internet, under the conditions set forth by the regulations applicable at the time of use. This decision shall be announced in the notice of meeting published in the *Bulletin des annonces légales obligatoires* (BALO).

The Ordinary General Meeting held after the first notice may deliberate validly only if the shareholders present or represented hold the minimum number of shares entitled to vote mentioned in Article L. 225-98 of the French Commercial Code. For the calculation of this quorum, forms for voting by mail and, as the case may be, electronic voting forms available on the website set up by the centralizing agent of the Meeting and received by the Company before the Meeting takes place, under the conditions and limits laid down by the regulations in force, shall be taken into account. The electronic form may be directly filled out and signed on such site by any process approved by the General Manager that fulfills the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, namely the use of a reliable identification process to ensure the link between the signature and the form, which may consist of a user name and password.

The proxy or vote thus cast before the Meeting by such electronic means, as well as the acknowledgment of receipt given thereof, shall be considered irrevocable and binding on all, with the understanding that in the event of a sale of shares that occurs before the third business day preceding the Meeting at midnight, Paris time, the Company will consequently invalidate or amend, as appropriate, the proxy or vote before that date and time.

For an Ordinary General Meeting held after the second notice, no quorum is required.

Decisions are made by a majority of votes of the shareholders present, represented or voting by mail or by any means of telecommunication. If there is any postal voting, voting forms that do not indicate a vote or express an abstention are considered negative.

With the exception of deliberations concerning decisions referred to in Article 14, a decision may be adopted at a General Meeting only by the prior unanimous agreement of the General Partner (s). Said agreement shall be gathered by the General Manager prior to the holding of said Ordinary General Meeting.

17.5.2 Extraordinary General Meeting

At the decision of the General Management, the shareholders may participate in the Extraordinary General Meeting by videoconference or vote by any means of telecommunication or remote transmission, including the Internet, under the conditions set forth by the regulations applicable at the time of use. This decision shall be announced in the notice of meeting published in the *Bulletin des annonces légales obligatoires* (BALO).

The Extraordinary General Meeting may deliberate validly only if the shareholders present or represented hold, on the first and second notice of meeting, the minimum number of shares entitled to vote mentioned in Article L. 225-96 of the French Commercial Code.

For the calculation of this quorum, forms for voting by mail and, as the case may be, electronic voting forms available on the website set up by the centralizing agent of the Meeting and received by the Company before the Meeting takes place, under the conditions and limits laid down by the regulations in force, shall be taken into account. The electronic form may be directly filled out and signed on such site by any process approved by the General Manager that fulfills the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, namely the use of a reliable identification process to ensure the link between the signature and the form, which may consist of a user name and password.

The proxy or vote thus cast before the Meeting by such electronic means, as well as the acknowledgment of receipt given thereof, shall be considered irrevocable and binding on all, with the understanding that in the event of a sale of shares that occurs before the third business day preceding the Meeting at midnight, Paris time, the Company will consequently invalidate or amend, as appropriate, the proxy or vote before that date and time.

Decisions are made by a two-thirds majority of the shareholders present, represented or voting by mail or by any means of telecommunication. If there is any postal voting, voting forms that do not indicate a vote or express an abstention are considered negative. If there is a decision whether or not to authorize the General Manager to perform a capital increase by incorporation of reserves, profits or share premiums, the necessary quorum is only one fourth for the first notice of meeting. Deliberation is valid for the second notice of meeting, regardless of the number of shares represented.

A decision may be adopted at an Extraordinary General Meeting only with the unanimous and prior approval of the General Partner (s); however, if there is more than one General Partner, the deliberations required to approve the transformation of the Company into a public limited company *(société anonyme)* or a limited liability company *(société à responsabilité limitée)* only requires the prior agreement of the majority of said Partners.

The agreement of the General Partner (s) shall be obtained by the General Management prior to the holding of the relevant Extraordinary General Meeting.

17.5.3 Each member of the Meeting has as many votes as are conferred by the shares he or she holds or represents.

Title VII CONGRESS

Article 18 Congress of the Supervisory Board and the General Partner

18.1 Composition and meeting

A congress between the Supervisory Board of the Company and the General Partner ("Congress") is hereby established.

In all cases where these Articles of Association provide that the Congress must meet or whenever this is necessary in the interest of the Company, the General Management or the Chairman of the Supervisory Board or the General Partner shall convene or may decide to convene the Congress.

Meetings may be called by any means establishing proof in commercial matters at least seven business days before the Meeting. This period may be reduced with the unanimous agreement of the Chairman of the Supervisory Board or the General Partner.

The Congress is composed equally of members of the Supervisory Board who are not employees of the Company and members appointed by the General Partner and is convened in accordance with arrangements to be agreed upon by the legal representative of the General Partner and the Chairman of the Supervisory Board. These conditions are, as required, specified in the Company's rules of procedure.

18.2 Meeting and office

The Congress shall meet in the place indicated in the notice. It is chaired by the Chairman of the Supervisory Board of the Company or, in the event that he or she is absent, by a Vice-Chairman of the Supervisory Board of the Company or, failing that, by the oldest member of the Supervisory Board present.

The General Management may convene and participate without right of discussion and vote in the meetings of the Congress by the joint decision of the Supervisory Board and the General Partner.

The Congress shall appoint a secretary.

18.3 Role

The Congress is a body that allows discussions between the General Partner and the Supervisory Board, as well as a place of consensus.

It shall review all questions submitted to it by the author of the notice or anyone else, but it shall not be a substitute in all decision-making matters for the bodies to whom these powers are granted by law or the Company's Articles of Association.

As such, specific issues may be referred to it by the General Managers.

18.4 Minutes of the meetings

The deliberations of the meetings of the Congress shall be recorded in a report signed by the Chairmen of the two Boards that comprise it and their secretaries and kept in a special register.

Title VIII FINANCIAL STATEMENTS – ALLOCATION OF INCOME – REGULATED AGREEMENTS

Article 19 Corporate year – Corporate financial statements – Profits

19.1 Every fiscal year begins on January 1 and ends on December 31.

19.2 At the end of each year, the annual financial statements and their notes are prepared in accordance with the laws and regulations in force.

19.3 With regard to the distributable profit as defined below, the General Partner is entitled to an amount equal to 1% of Groupe Steria SCA consolidated net income (group share) for the year ended until such amount reaches six hundred thousand euros €(600,000), and 0.5% above that.

Shareholders' rights apply to the balance of the distributable profit for the year after this amount is deducted.

The remainder is distributed among the shareholders in proportion to the number of shares.

19.4 Allocation of income

The distributable profit consists of the profit for the year, less the accumulated deficit, plus any retained earnings and, as needed, less amounts required to constitute the legal reserve pursuant to law.

Regarding the distributable profit, the amount due to the General Partners in his capacity as defined in Article 19.3 above is first deducted.

The remainder is distributed among the shareholders in proportion to the number of shares.

Each shareholder may, for all or part of the dividend or interim dividend to be distributed, be granted an option between payment thereof in cash or in shares as provided by law.

The General Meeting may, at the proposal of the General Management, decide to deduct from the share attributable to owners of shares in the net profits, the sums it deems suitable to be carried forward for the said shareholders to the following year or to be transferred to one or more extraordinary, general or special non-interest bearing reserves to which the General Partner has, in his or her capacity, no rights.

The General Meeting may also decide to distribute all amounts deducted from the reserves at its disposal, expressly indicating the reserve items from which the deductions are made.

This distribution will be made to the extent that the reserves distributed have been created from deductions taken from the share of profits accruing to shareholders in proportion to the number of shares owned by each of them.

Except in the event of a capital reduction, no distribution may be made to shareholders when equity is, or would thereafter be, less than the amount of capital plus the reserves that the law or Articles of Association do not allow to be distributed. The revaluation reserve may not be distributed. It may be incorporated in whole or part into capital.

Article 20 Regulated agreements

The agreements referred to in Article L. 226-10 of the French Commercial Code are authorized or approved as provided by law.

Title IX STATUTORY AUDITORS

Article 21 Statutory Auditors

The financial statements of the Company shall be audited by one or more Statutory Auditors, as provided by law.

Title X FINAL PROVISIONS

Article 22 Dissolution – Liquidation

The Company shall be dissolved and liquidated as provided by law.

The net proceeds from the liquidation after payment of liabilities shall be used to repay the paid-up and unredeemed share capital.

The balance, if any, shall be divided between the General Partner and the shareholders in the proportions laid down in Article 19 above. The General Partner's share shall be deducted from the liquidation surplus, net of positive retained earnings, if any, and any other reserves.

Article 23 Death, suspension of rights, personal bankruptcy, reorganization or judicial liquidation of a partner

23.1 Shareholders

The death, suspension of rights, personal bankruptcy, reorganization or judicial liquidation of a shareholder does not entail the dissolution of the Company.

23.2 General Partner

23.2.1 The prohibition to exercise a commercial profession, personal bankruptcy, reorganization or judicial liquidation of the General Partner, who automatically loses his or her status as General Partner, does not entail the dissolution of the Company.

23.2.2 In all cases where the Company no longer has any General Partners, it shall not be dissolved. The Extraordinary General Meeting of Shareholders must nonetheless meet as soon as possible, either to appoint one or more new General Partners or to change the form of the Company. This change does not entail the creation of a new legal entity.

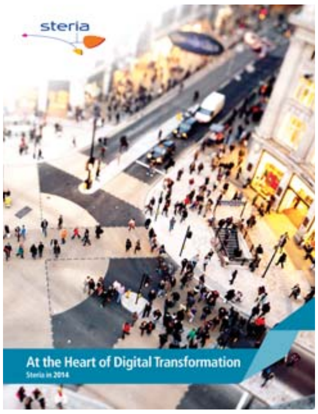
The General Partner who loses that status is entitled to payment by the Company, on a prorated basis, of his or her rights to profits until his or her loss of status.

Article 24 Disputes

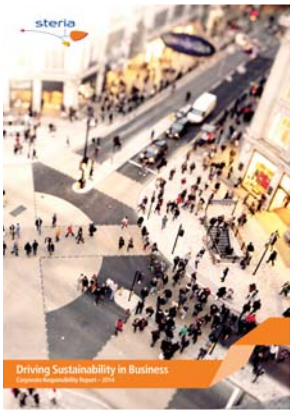
Disputes relating to social affairs occurring during the term of the Company during its liquidation, either between the shareholders, the General Partner, the General Management and the Company or between the shareholders and/or the General Partner, shall be subject to the commercial court with jurisdiction.

Further reading

Steria Corporate Brochure - 2014



Corporate Responsibility Report - 2014



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