



# Sopra Group Annual Report 2001

Reference  
document

# Sopra Group

## Reference document 2001

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Limited company with share capital of 40,709,540 euro  
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# I. Sopra Group and its activities

## I. OVERVIEW OF THE IT SERVICES SECTOR

After a period of strong growth, the economies of industrialised countries have entered a more difficult phase. What does this new context hold for IT services companies over the coming years?

In past economic slumps, our sector always performed better than others. It even continued to grow, except during the Gulf crisis, when only a small number of companies – among them Sopra Group – continued to turn in positive performances. Since then, the nature of the services offered has also changed. Where development once focused essentially on the automation of the entire set of administrative, production, marketing and steering processes, new, much broader applications have now opened up.

Within this new context, the IT services sector has, in recent years, enjoyed significantly higher levels of growth than other sectors, for two **structural** reasons:

- the impact of technological progress in terms of changing needs, and
- the outsourcing of companies' IT functions.

### **The impact of technological progress in terms of changing needs**

The computerisation of companies' management, production and sales components is a relatively recent phenomenon; the implementation and subsequent replacement of the earliest systems (between 1960 and 1980) required many and varied resources, including software and services, hardware, personnel and telecommunications. Since then, technological

progress has meant that significant resources of all kinds are required when it comes to upgrading existing equipment. Both hardware and software become obsolete more quickly than before, and have to be replaced by more efficient systems.

Computer technology is now being used in new areas. More powerful machines, increased storage capacity, the advent of the Internet with its own particular software packages, and the development of higher bandwidth (both fixed and mobile) are opening up new possibilities in an ever wider range of domains requiring more and more technology.

This has led to:

- rapid expansion of Customer Relationship Management (CRM) and Supply Chain Management (SCM),
- the integration of voice, images and data,
- restructuring of the marketing and distribution of goods and services,
- the widespread use of embedded computing, and
- vastly increased mobility.

### **The outsourcing of companies' IT functions**

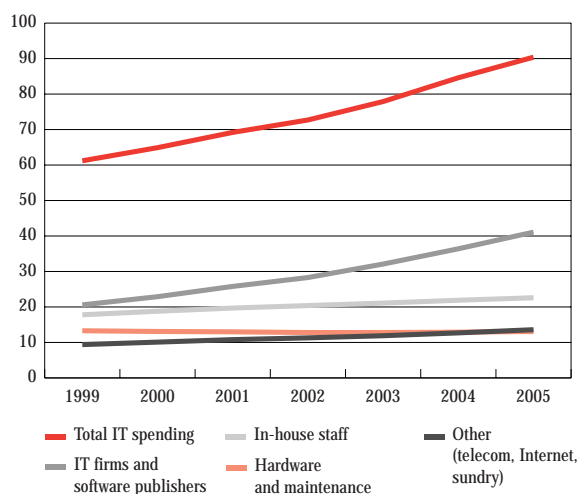
In parallel with this phenomenon, companies are focusing on their core businesses, while seeking to ensure that their information systems are competitive. To achieve this aim, they outsource a significant proportion of their IT functions, using standard applications managed by specialist providers. Part of the maintenance work is also outsourced to Third-Party Maintenance (TPM) / Application Management (AM) companies.

This general trend has benefited the IT services sector, which is recording higher levels of growth than the IT sector as a whole, as illustrated by the charts below:

### IT spending at French companies by type of expenditure

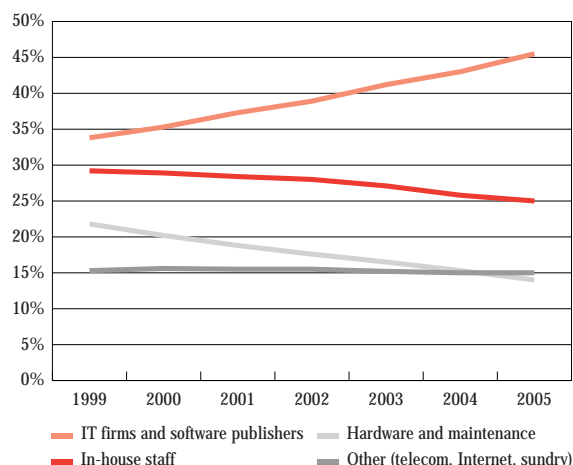
(euro billion)

(Source: Pierre Audouin Conseil, November 2001)



### IT spending at French companies by type of expenditure

(Source: Pierre Audouin Conseil, November 2001)



This growth has shown no sign of slowing, and trends look set to continue over the coming years. This is confirmed by the fact that IT spending continued to grow during recent slumps in Europe, albeit at a slower pace.

Moreover, a number of economic factors are now bolstering this robust expansion:

- European countries are lagging behind the United States in terms of the competitiveness of their IT systems; bridging this gap will require massive investment by companies. This explains the large number of business-oriented projects initiated in 2001 after the slowdown due to preparations for the euro and Y2K.

■ European deregulation will open the market up to competition and lead to an increase in the number of players requiring systems.

- The current wave of mergers is generating new projects, not only in consulting, but also in systems integration and software packages (migration to shared IT systems, restructuring and organisation projects, etc.).

In the past, even in times of slump, growth in the software and services sector was higher than that of GDP. In view of this, we expect the IT services sector to continue recording high levels of growth during the coming years.

Moreover, customers are adopting a new approach to their IT systems, as witnessed by:

- their desire to move on from the development of prototypes and new-technology pilot projects to initiate genuinely operational projects, linked to production systems and capable of making a significant contribution to their companies' performances,
- systematic rethinking of companies' distribution systems, both in strategic and organisational terms and with regard to information systems.

Companies will, therefore, continue to seek responses to the challenges they face by calling on IT services companies that:

- have a knowledge of how their businesses work,
- have a high degree of technological expertise,
- have the capacity to handle projects of all types and sizes,
- can make resources and expertise available when and where required.

To satisfy their customers, IT services companies also need to:

- offer consulting services,
- have the international presence required to assist customers as they grow,
- provide structured, clear and comprehensive software-based turnkey solutions.

In sum, customers choose players that are global, in terms both of offer and of geographical presence.

In the light of this, IT services companies can be broken down into three categories:

- The largest players, which cover all of the world's regions.
- The small, traditional IT services companies, which, for reasons of size, are not in a position to provide their customers with assistance in their strategic projects. Given the current context, such companies run the risk of being forced to specialise in technical or regional niche markets.
- IT services companies of the size of Sopra Group, which have real expertise in handling large global projects and the flexibility to adapt to market and business change. These are solid players with a high-quality customer base.

In the current economic climate, companies in the third group are continuing to maximise organic growth while maintaining profit margins.

Today, Sopra Group is in a position to maintain its independence and succeed in a business in which it has always been one of the foremost pioneers.

## 2. THE HISTORY OF SOPRA GROUP

Founded in January 1968 by Pierre Pasquier and François Odin, who still control and manage it, Sopra Group is one of Europe's oldest IT services companies.

From the outset, Sopra Group positioned itself in all of the IT services sectors, and soon became a key player in the French market.

After an initial period of essentially organic growth and intensive innovation, Sopra Group began to restructure its activities in 1985, and went on to become **an international IT engineering firm**.

This period, which marked the beginning of its European expansion, saw the creation of the first subsidiary, in Geneva. It also saw Sopra Group embark successfully on a number of large public projects (including the creation of new systems to manage French vehicle registration books and driving licences), break into the technical products market (with the first client listings for the Règles du Jeu translation software package) and develop its banking offer.

**In 1990, Sopra Group was ready to be listed on the Paris Bourse.** Prior to this initial public offering, a first stock option plan was set in place for the vast majority of the employees. From that time on, Sopra Group has maintained a balance between organic growth and growth through acquisition.

**In France**, the following have been the most significant acquisitions:

- In 1992, Sopra Group added to its range of technical products through the acquisition of **Netsys**, a company specialising in data transfer software packages for heterogeneous environments; Netsys' products rounded out Sopra Group's range of technical solutions, forming a coherent whole with its translation and data flow management offer.
- In late 1993, Sopra Group acquired **Comelog's** offices in northern France, eastern France and Normandy, thus increasing its workforce by 250. The new employees were experienced in Sopra Group's business lines, and contributed high added value in terms of sales.
- In 1996, Sopra Group made its largest French acquisition with the purchase of **SG2 Ingénierie**, bringing Société Générale into the group's capital and adding a further 650 members to its workforce. This influx of personnel considerably strengthened the company's presence in Paris and the French provinces. It also added to our international presence and gave us a strong position in the Benelux countries.
- In 1996, Sopra Group bought the **Pleiades** business from Sema. This acquisition reinforced the position of the Human Resources Division and provided the company with a product which was ideally suited to the human resources management market.
- In late 1997, Sopra Group acquired the products branch of **Credintrans** (Groupe CIC), thus rounding out its file transfer range and becoming the European leader in the sector.

Following this acquisition, the group created, from 1998, a number of European subsidiaries dedicated to increasing the sales of these products.

- In 1999, Sopra Group bought two Vivendi subsidiaries:
  - **IOS ATI**, in Paris, which employs 270 people specialising in the telecoms and services sectors, and
  - **IOS RS**, in Paris and the South of France, which employs 110 people specialising in technical computing and networks.
- In 2000, Sopra Group joined with **Orga Consultants** by acquiring 100% of the capital via a share exchange. Orgaconsultants, which specialises in strategy, management and organisational consulting, has a workforce of 200. This acquisition enabled Sopra Group to develop a high-level consulting business.

With Orga Consultants, Sopra Group has expanded its range of business lines, which now encompasses consulting and systems and solutions integration.

Sopra Group has implemented its European expansion strategy through strategic acquisitions:

- 1999 saw the first international engineering acquisition, with **Mentor** in the **United Kingdom**. This operation laid the foundations of a truly international systems integration network. Mentor's engineering teams have a total workforce of 150 people.
- In 2000, Sopra Group added to its international presence with 4 acquisitions in **Spain**:
  - **Organización Guver** (120 employees), in Barcelona.
  - **Dipisa** (200 employees), in Madrid.
  - **Newpath Consulting** and **Newpath GS** specialising in Oracle-based services (120 employees), in Madrid.
- International development continued in 2000, with the acquisition, in **Germany**, of **Microtec** a Frankfurt-based company with 100 employees.
- 2001 saw our international presence develop further, with the acquisition, in the **United Kingdom**, of **CS Rand**, which specialises in systems integration and TPM/AM (in Oxford and Edinburgh).
- Another acquisition was that, in **Italy**, of **ITI SpA** (200 employees), which is based in Milan, and specialises in consulting and systems and solutions integration.

To illustrate the scope the scope and the new dimension of the company which up to this point had been called Sopra, the company changed its name to Sopra Group.

2001 also saw the **creation of Axway** (400 employees and turnover of 50 million euro), which has exclusive responsibility for the EAI (Enterprise Application Integration) business. Axway can build on Sopra Group's considerable experience and expertise in project handling, combining business-specific skills, sales force, strength and the advantages of a long-established client base.

At 31 December 2001, Sopra Group had more than 6,000 employees, 20% of whom were based outside France.

### 3. SOPRA GROUP'S BUSINESSES AND STRATEGY

Sopra Group is continuing to refocus on its core businesses, i.e. **Consulting & Systems and Solutions Integration**. This positioning enables Sopra Group to assist its customers by:

- guiding them in the strategic choices required for their business development,
- providing them with the expertise needed to design and implement information systems which make a direct contribution to their companies' performances,
- channelling staff energy and resources to facilitate organisational change.

As well as focusing on its core businesses, Sopra Group is continuing to develop its subsidiary, Axway, which is dedicated to EAI (Enterprise Application Integration).

When it comes to helping companies transform the constant changes in their environments into opportunities for performance, development and growth, Sopra Group has undeniable strengths:

- the capacity to provide advice and assistance in defining company strategy,
- an in-depth knowledge of its customers' businesses, built on over 30 years of hands-on partnership,
- technological expertise, as regards both tools based on Internet architecture and the traditional architectures of existing systems,
- the capacity to manage major Information System organisation and development projects.

Sopra Group's role is to provide companies with this entire range of expertise within a framework of global commitment. This positioning targets, in particular, the strategic markets which fall within the Group's areas of expertise: Banking, Telecoms, Services, Industry-Distribution and the Public Sector.

#### 3.1. The businesses

Sopra Group's core business involves creating **synergies** between the **Consulting** and **Systems and Solutions Integration** businesses in order to provide global management of all of the components of a company's transformation project.

#### Consulting and Systems and Solutions Integration

##### Consulting

The role of Sopra Group's Consulting division is to help companies enhance their performances by providing assistance in 4 basic areas of expertise (Strategic Marketing, Organisation, Human Resources and Information Systems) within the framework of the following projects:

- Change strategy and management,
- Customer Relationship Management and sales performance,
- Industrial Organisation and Supply Chain,
- eBusiness,
- Technological consulting.

##### Systems & Solutions Integration

The information system is central for companies and supports vital functions such as management, production and distribution. In the current business environment, where companies are faced with ever-greater competition, ensuring that information systems remain up-to-date and tailored to strategic objectives is a permanent challenge. It is also, more and more frequently, a crucial factor in sales performance and productivity.

As a key player with over 30 years' experience in the IT sector and a comprehensive engineering offer backed by a wide range of business-specific solutions, Sopra Group has the expertise to manage the most complex projects. Its corporate culture and highly professional workforce enable it to provide high-level, top-quality services.

Today, IT systems are redesigned with two main aims in mind:

- the creation of up-to-date production and management software aimed at optimising company performance,
- the development of the company's distribution and communication channels, accelerated by the use of Internet technology.

In order to position itself as a global partner, Sopra Group has built its offer around these two aims, helping customers choose the best solutions, managing implementation with guaranteed results and providing outsourced applications maintenance.

Systems & Solutions Integration was the group's initial business line, and accounts for 80% of turnover. Every day, on hundreds of projects across Europe, Sopra Group teams are at work integrating and configuring software packages, developing specific solutions, training users and designing and developing customised IT systems for their clients.

## Enterprise Application Integration (EAI)

Sopra Group is also continuing to develop its EAI business.

Interconnecting applications inside and outside the company and combining all the IT resources to achieve a global, unified approach is now a one of the keys to reactivity. Axway Software, Sopra Group's specialised EAI subsidiary, ensures the integration of functional and technical developments with zero downtime. Axway is a key player in large infrastructure and integration projects thanks to its technological tools and a staff of skilled professionals who can provide consulting and implementation services.

### 3.2. The offer

Sopra Group's core Consulting & Systems and Solutions Integration offer covers the entire range of components of IT system transformation projects. As a global partner with the capacity to manage all stages of a project, Sopra Group can:

- **Help project managers** to design and provide ongoing input for projects:
  - with offers of strategic and organisational consulting,
  - with offers of assistance in the choice of technological (CRM, e-commerce and EAI) and business solutions.
- **Manage implementation** or assist project managers:
  - with offers of ERP integration (Oracle, SAP, MFG/Pro, etc),
  - with offers in Sopra Group's areas of expertise, combining "tailor-made" and specific software solutions (Banking, Human Resources and Property),
  - with Third-Party Maintenance (TPM) / Application Management (AM), including both corrective, upgrade and preventive maintenance of software packages and ERPs and maintenance of specific applications software,
  - through the development of Internet technology applications for the implementation of Intranets/Extranets and e-commerce sites and for Customer Relationship Management and Supply Chain Management.

Moreover, in the area of EAI, Axway Software, a subsidiary of Sopra Group, has an offer built around three main software applications suites: Axway Integration Suite, Axway Financial Suite and Axway System Management Suite. This fully revamped offer, together with a large installed base of major clients and an international distribution structure which was completely operational at year-end were key features of the 2001 financial year.

This position has been further strengthened by the recent acquisition of Viewlocity's EAI activities in Europe.

Apart from the supply of these tools, Axway Software's priority is to play a role in major infrastructure and integration projects.

### 3.3. International activities

International operations, which involve over 1,300 employees and account for 20% of group turnover, are continuing to expand.

As regards its core Consulting & Systems and Solutions Integration business, Sopra Group aims to build up a solid presence in each of the major European countries to serve as a bridgehead for the group's other businesses. To this end, Sopra Group intends to develop its strategy of acquiring European companies with similar business positioning to its own to add to its operational network. The ten or so acquisitions made outside France in recent years have served to develop an "integration model" that enables the group's European expansion to be continued under excellent operating conditions. As at 31 December 2001, Sopra Group had 600 employees in Northern Europe (the UK, Germany, the Benelux countries and Switzerland) and 700 in Southern Europe (Italy and Spain).

Moreover, Axway Software markets its EAI solutions worldwide, using its own sales teams as well as major local distributors in over thirty countries.

## 4. KEY FIGURES

### 4.1. Financial summary

<i>(in millions of euro)</i>	2001	2000	1999
Turnover	516.1	395.8	316.1
Operating Income	517.3	398.7	320.3
EBITDA	53.8	35.1	36.1
EBIT	43.6	29.7	32.7
Net profit before goodwill amortisation	26.6	17.6	19.4
Net profit	24.1	15.8	18.2
Net margin	4.7%	4.0%	5.8%
Shareholders' equity	103.6	85.5	72.3
Number of shares at 31 December	10,177,385	10,170,235	9,496,285
Net earnings per share (euro)	2.37	1.56	1.92
Net dividend per share (euro)	0.80 *	0.62	0.58
Staff at 31 December	6,000	5,300	4,200

\* Amount proposed to the General Meeting of 19 June 2002.

### 4.2. Turnover by activity

<i>(in millions of euro)</i>	2001		2000		1999	
Consulting & Systems Integration	466	90.3%	350	88.4%	269	85.1%
EAI (Enterprise Application Integration)	50	9.7%	46	11.6%	47	14.9%
<b>Total turnover</b>	<b>516</b>	<b>100.0%</b>	<b>396</b>	<b>100.0%</b>	<b>316</b>	<b>100.0%</b>

### 4.3. Turnover by business sector

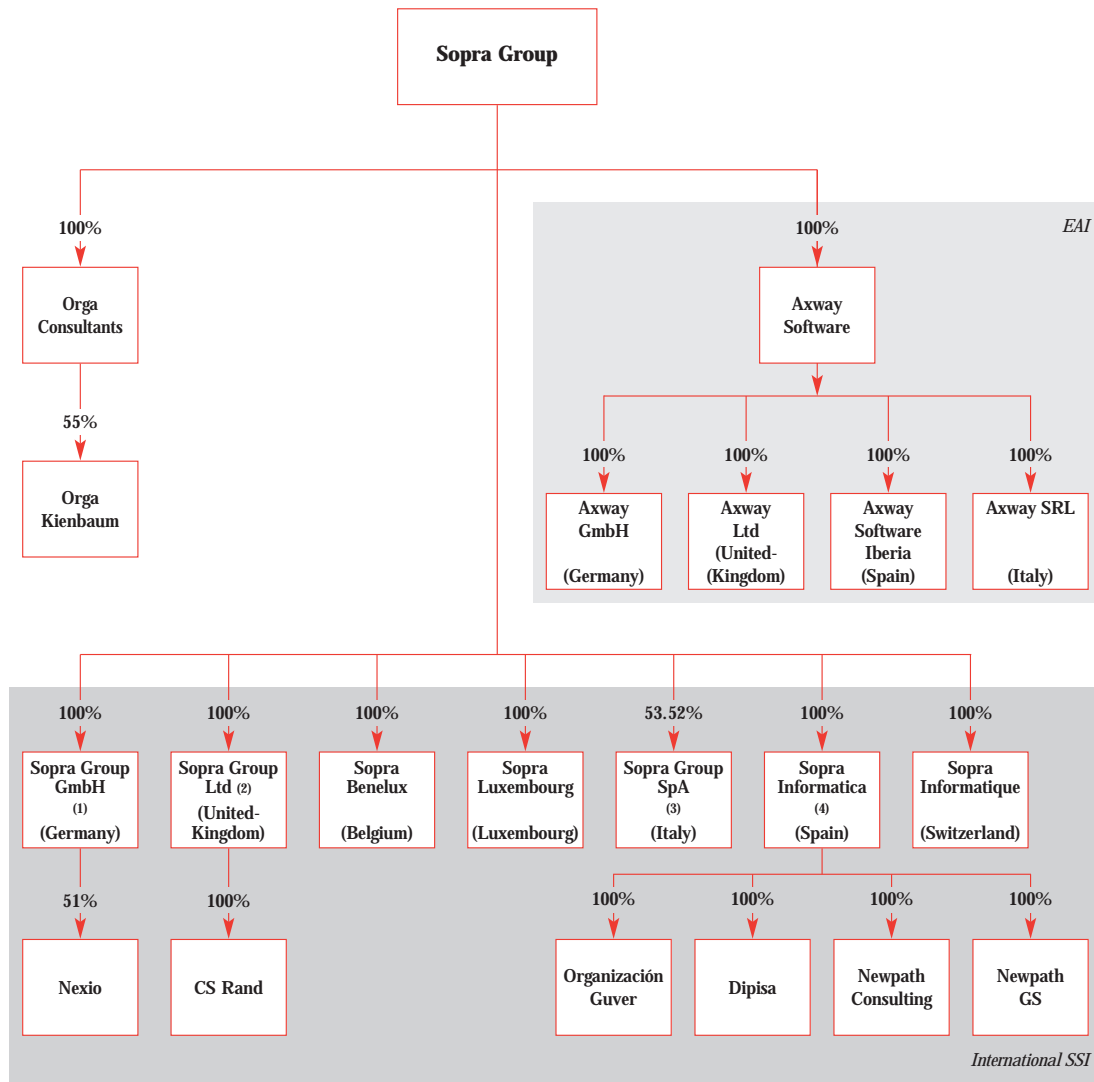
	2001	2000	1999
Banking	32.0%	30.0%	27.0%
Manufacturing*	18.0%	22.5 %	24.0%
Services* (o/w property)	22.0%	19.5%	20.0%
Telecom	10.0%	11.0%	10.0%
Public sector	11.0%	10.0%	11.0%
Retail	7.0%	7.0%	8.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* IT services (5.7% of turnover) previously listed under manufacturing was reclassified under services in 2001.

### 4.4. International business

<i>(in millions of euro)</i>	2001	2000	1999
Systems and Solutions Integration - European subsidiaries	85	54	21
EAI	7	10	6
International turnover of French companies	7	2	1
International turnover	99	66	28
<b>Total turnover</b>	<b>516</b>	<b>396</b>	<b>316</b>

## 5. LEGAL STRUCTURE at 31 DECEMBER 2001



(1) Sopra Group GmbH (Germany) is the new registered name of Microtec Electronic. Plan to merge Sopra Group GmbH (Germany) and Microtec Electronic Consulting, which is 100% owned.

(2) Sopra Group Ltd. (United Kingdom) is the new registered name of Mentor. The business goodwill of Rand acquired in July 2001 was contributed to Sopra Group Ltd in December 2001. Rand will be dissolved in 2002.

(3) Sopra Group SpA (Italy) is the new name of ITI, acquired in July 2001. Sopra Group's holding in the company was raised to 100% in January 2002

(4) Project to merge Sopra Informatica and its subsidiaries.

With regard to intra-group relations, Sopra Group provided the following services to Axway Software as the result of the spin-off of the EAI activities carried out in 2001.

- Sopra Group provides the following to Axway Software:
  - fully-equipped offices, mainly at the Annecy-le-Vieux and Puteaux premises
  - IT equipment, (central systems, work stations and networks)
 These services are billed on the basis of the real cost borne by Sopra Group for the equipment used by Axway Software calculated on the basis of regular inventories.

- Sopra Group bills Axway Software for services provided by various functional departments (Administration and Finance, Internal Audit, Human Resources, Computer Department, Legal Counsel, etc.) on the basis of the real cost of each service and pro rata to the activity carried out.

- Staff exchanges are billed on the basis of the salary costs. These agreements have been authorised by the Boards of Directors of both companies and are described in the Auditors' Special Report.

## 6. ADMINISTRATIVE AND MANAGEMENT BODIES

### 6.1. Board of Directors

Pierre PASQUIER	Chairman-Managing Director Chairman-Managing Director of Axway Member of the Boards of Directors of Sopra GMT and of Orga Consultants
François ODIN	Managing Director Chairman of Sopra GMT Member of the Board of Directors of Axway
Jean MOUNET	Managing Director Member of the Board of Directors of EADS Matra Data Vision Vice-President of Syntec Informatique
Jean-Claude BOUTIN	Managing Director Member of the Board of Directors of the COS (Comité d'Orientation et de Surveillance) of Caisse d'Epargne Ile-de-France Paris (CEIDFP) Member of the Boards of Directors of Axway and of Orga Consultants
Jean-Paul BOURBON	Member of the Board of Directors of Axway
Georges KOESSLER	Member of the Board of Directors
Gérard LAUR	Deputy manager of the Specialised Financial Services Department at Société Générale
Jean-Michel LEGROS	Chairman-Managing Director of Orga Consultants
Nicolas ODIN	
Christine PASQUIER-COMMANAY	
Société GENINFO	represented by Aline d'Hausen Managing Director of General (Société Générale group)

The members of the Board of Directors were appointed at the General Meeting of 28 June 1996 for a term of six years, expiring at the General Meeting called to approve the accounts for the 2001 financial year, except for Mr Jean-Michel Legros, who was appointed by the General Meeting of 29 June 2000, for a term of six years expiring at the General Meeting called to approve the accounts for the 2005 financial year, and for Mr Jean-Claude Boutin who was appointed by the General Meeting of 22 June 2001 for a term of six years expiring at the General Meeting called to approve the accounts for the 2006 financial year.

At the Board Meeting of 19 December 2001, Messrs François Culie and Claude Arnoux, representing Société Générale, announced that they were retiring from Société Générale. Consequently, Mr François Culie resigned from his position on the Board and Mr Gérard Laur was co-opted to replace him. Also, Geninfo has appointed Mrs Aline d'Hausen to replace Mr Claude Arnoux as its representative on the Board.

At the next General Meeting it will be proposed to renew the appointments of Board members whose terms of office have expired.

The Board members comply with NRE requirements concerning cumulative mandates.

The Board of Directors held eight meetings in 2001.

The Board of Directors performs all the duties conferred on it by law. Therefore, no special committees have been set up to date.

### 6.2. Remuneration

Remuneration paid to directors performing management duties in 2001 amounted to 1,290,873 euro and was allocated as follows:

<i>(in euro)</i>	Gross	of which benefit in kind	Net tax amount
Pierre PASQUIER	202,357	3,998	170,196
François ODIN	201,407	3,049	169,403
Jean-Claude BOUTIN	209,487	3,049	173,643
Jean MOUNET	195,331	7,644	164,333
Jean-Paul BOURBON	148,073	3,049	122,398
Georges KOESSLER	166,084	3,049	137,428
Jean-Michel LEGROS	168,134	3,268	136,023

The other directors did not receive remuneration of any kind from group companies.

No member of the board or of general management received or exercised stock options in 2001. Messrs François Odin and Pierre Pasquier have never been granted stock options.

No attendance fees were paid to directors.

### 6.3. Auditors

CABINET MAZARS & GUÉRARD  
represented by Pierre SARDET and Christine DUBUS  
Statutory auditor

AUDITEURS & CONSEILS ASSOCIÉS SA  
represented by Jean-Marcel DENIS  
Statutory auditor

Gérard VINCENT-GENOD  
Deputy auditor

Philippe RONIN  
Deputy auditor

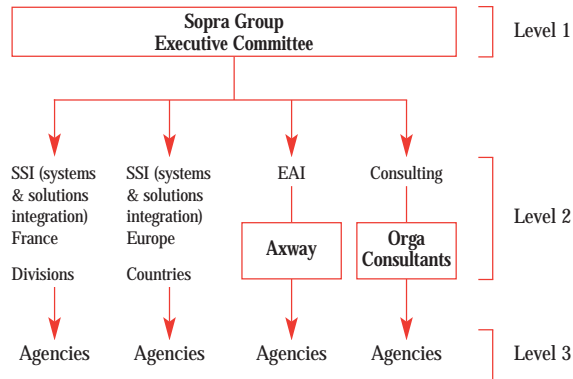
### 6.4. Regulated agreements

Regulated agreements (article 225-38 of the Commercial Code are set out in the Statutory Auditor's special report.

No other agreement has been entered into since 1 January 2002.

## 7. OPERATIONAL STRUCTURE

Sopra Group has a simple operational structure which allows for reactivity. It comprises three levels, as shown in the following diagram:



**Level 1** is composed of the members of the Sopra Group Executive Committee. It is situated at strategic level, and supervises operational matters (organisation, steering system and major contracts).

**Level 2** forms the basis for this organisation, and is composed of:

- Divisions, for Systems & Solutions Integration in France; each division is centred on a market, an offer, a solution or a region,
- Countries, for Systems & Solutions Integration abroad, and
- Subsidiaries, for Consulting (Orga Consultants) and EAI (Axway).

Entities at level 2 are autonomous, they compose 100 to 700 employees and have their own management, sales teams and production teams. They have responsibility for their own budgets, income statements and results. They invoice their customers and manage debt collection. Steering meetings are held weekly, and the income statement and budget are examined on a monthly basis.

For Systems & Solutions Integration abroad, each country constitutes a division.

As at 31 December 2001, Sopra Group was composed of 24 level-2 entities.



**Level 3** is composed of offices which constitute subdivisions of those level-2 entities whose workforce exceeds a certain number of employees, or which are fragmented at geographic level or whose activities require separate management structures. Moreover, each company acquired immediately constitutes one or more new offices which immediately use the Sopra Group management system.

Depending on their particularities (size, area of expertise, geographical zone covered) large projects can be managed at office level, division level, or General Management level.

Functional departments (Administration and Finance, Human Resources, Internal Audit, IT, Products, Communication, Quality and Legal) are centralised at Group level, and report directly to General Management. These contribute to overall supervision, and enable the operational entities to focus on their business. This positioning, moreover, ensures that the organisational structure as a whole functions smoothly.

## 8. HUMAN RESOURCES

During the 2001 financial year, Sopra Group continued its ambitious recruitment programme despite the current shortage of certain types of skilled labour (i.e. technical and sector-specific experts and project managers).

### 8.1. Workforce

2001 saw the recruitment (over and above acquisition) of 1,130 IT staff in France, and 300 in our European subsidiaries. As at 31 December 2001, Sopra Group's workforce numbered 6,000, of which more than 20% outside France.

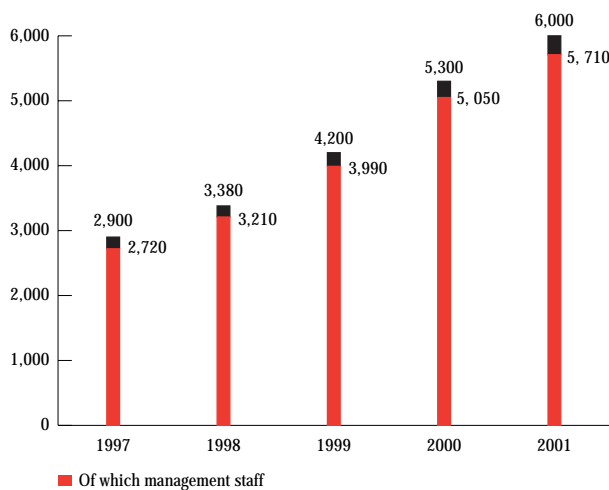
In order to maintain this high level of recruitment, which makes it one of the most dynamic companies in the French economy, Sopra Group has stepped up its recruitment efforts by:

- strengthening its policy of cooperation with engineering schools,
- adding considerably to the number of internship places for graduates, with over 200 such placements, practically all of which lead to permanent work contracts,
- creating a website dedicated to recruitment and cooperation with the Grandes Ecoles.
- investing in recruitment programmes set to come on stream in early 2002.

The staff turnover rate in France, already well below the industry average, began to drop further. There are still significant differences in this respect between Paris and the provinces, and between different countries.

90% of Sopra Group's employees are engineers or executives, and the vast majority of those recruited have completed 4 or 5 years of third-level education.

#### Group workforce as at 31 December



### 8.2. Integration & Training

In 2001, the emphasis was placed on corporate culture, branch-specific skills (management, sales, production and administration) and e-business technological developments.

New staff attend introductory seminars designed to familiarise them with Sopra Group's values and the service philosophy and methodology required for the development of IT projects. Management teams also receive special training to ensure that newly-acquired companies become an integral part of the group.

Moreover, the continuing training and individual development plan covers such themes as managing change, knowledge transfer and enhancing technical and methodological expertise. In these areas, each subsidiary adapts actions and training sessions to suit its own specific market positioning.

In France, training has been significantly increased (almost 25% extra days' training), and focuses, in particular, on customer relations, e-commerce and object and X-Net technology.

### 8.3. Human Resources Management

Career management uses a business sector or professional sector approach to ensure that employee development remains in line with that of the business sectors we cater for. It also helps identify high-potential employees who will become the managers of the future and to identify their needs in terms of future training and orientation.

Sopra Group has implemented a skills evaluation and career management system designed to optimise the relation between current missions and individual career plans, and the balance between the price billed for services and overall direct salary costs.

This action provides pointers as to how resources might be concentrated on high-potential markets such as Customer Relationship Management (CRM), Supply-Chain Management (SCM) and e-business in general.

In a climate marked by constructive labour relations, the profit-sharing agreement has been renegotiated so as to offer Sopra Group SA and Axway Software SA employees several options for managing their individual entitlements, within the framework of an employee savings-scheme arrangement.

## 8.4. Salaries

As in previous years, salaries are revised on a selective, individual basis.

Each country determines the levels of salary increases, in line with the local economic environment.

In 2001, the variable remuneration system for Management (division, office and project Managers) placed greater emphasis on individual performance.

This system of remuneration will be maintained in 2002, since, as well as encouraging and recognising individual performance, it retains a solidarity element, in keeping with the Group's values.

## 9. INVESTMENTS DURING THE YEAR

### 9.1. Acquisitions

In 2001, Sopra Group rounded out its international network with two acquisitions – one in the United Kingdom and the other in Italy.

#### ■ Acquisition of CS RAND in the United Kingdom

CS RAND, a company present in Oxford and Edinburgh, specialises in Consulting and Systems Integration. It also works in the areas of project development (migration and reengineering), Data Warehousing/Business Intelligence and Third-Party Maintenance (TPM) / Application Management (AM). With the addition of CS RAND, Sopra Group has broadened its network and increased its UK Systems Integration workforce to almost 300 employees. This deal also added to its volume of business in the Banking and Insurance sector, where it already had such prestigious customers as London Clearing House, LIFFE, VISA and BNP-Paribas, and in EAI, where customers include Norwich Union and National Australia Group Banks (NAG).

As at 31 December 2001, CS RAND's business and employees were transferred to Sopra Group Ltd.

#### ■ Acquisition of ITI in Italy

ITI SpA, a Milan-based company, specialises in Consulting & Systems and Solutions Integration. It works, in particular, in ERP integration (SAP and Oracle) and in SCM (Logility) and CRM (Selligent) Solutions Integration. With ITI SpA, Sopra Group now has a foothold in the Italian Systems Integration market, with a team of almost 200 employees.

On 31 December 2001, ITI SpA became Sopra Group SpA.

Further details concerning the terms and conditions of these acquisitions are provided in note 3.1 of the notes to the consolidated accounts.

### 9.2. Research and Development

In 2001, Sopra Group continued its research and development programme, with a budget of 26 million euro allocated during the year to the development and expansion of its EAI and Integrated Solutions offers.

Research and development expenditure in 2000 and 1999 amounted to 25 million euro and 23.5 million euro, respectively.

These Research and Development costs, which are composed, essentially, of the direct cost of the dedicated teams developing certain offers or certain software packages created by Sopra Group, have been fully booked as operating expenses.

### 9.3. Facilities

A total of 8.9 million euro was invested in infrastructure and technical facilities for the development of projects handled by Sopra Group. The corresponding expenditure in 2000 and 1999 amounted to 7.7 million euro and 5.5 million euro, respectively.

This investment was partly financed using shareholders' equity and partly through equipment leasing contracts.

## 10. PATENTS, LICENCES AND BRANDS

Sopra Group owns all the rights on the brand names used, as well as on the software packages, which it develops itself.

It is, therefore, not dependent on any other party in this respect.

Under French law, patent regulations do not apply to computer programs.

## 2. Sopra Group and the Stock Market

### I. GENERAL INFORMATION

Sopra Group was floated on the Second Market of the Paris Bourse on 27 March 1990.

The capital of Sopra Group has been increased gradually from 1,530,720 shares with a nominal value of 20 francs each in 1990 to 10,177,385 shares with a nominal value of 4 euro each, i.e. a total of 40,709,540 euro.

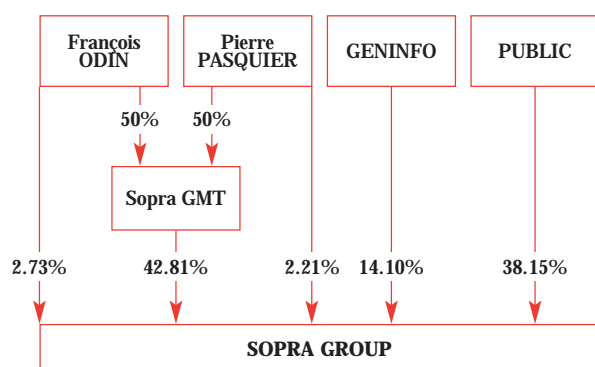
Sopra Group shares were transferred first to continuous group B of the Monthly Settlement Market on 24 September 1999 and

then to continuous group A at the beginning of April 2000. The Sopra Group share has been admitted to the Deferred Settlement System (Système à Règlement Différé - SRD).

On 31 March 2002, Sopra Group was included in the SBF 250 – SBF 120 – SBF 80 indices and now forms part of the new IT CAC, IT CAC 50, NextEconomy and NEXT 150 indices.

At 31 March 2002 the Sopra Group share price was 54.35 euro

### 2. BREAKDOWN OF CAPITAL AT 31 DECEMBER 2001 (IN SHARES)



Sopra GMT is a public limited company (*société anonyme*) under French law with capital of 10,177,600 euro, whose sole purpose is the management of its holding in Sopra Group.

Geninfo is a holding company fully owned by the Société Générale group. It acquired a holding in Sopra Group in 1996 through a share exchange in the context of Sopra Group's acquisition of SG2's Systems Integration division.

Shareholder	Shares	% of capital	Votes	% of voting rights
Sopra GMT	4,356,535	42.81	8,496,620	53.15
Pierre PASQUIER	225,363	2.21	450,726	2.82
François ODIN	277,550	2.73	555,100	3.47
GENINFO	1,434,700	14.10	2,366,400	14.80
Free float	3,883,237	38.15	4,118,995	25.76
<b>Total</b>	<b>10,177,385</b>	<b>100.00</b>	<b>15,987,841</b>	<b>100.00</b>

No individual shareholder owns more than 5% of the capital.

Sopra Group owned 24,450 own shares at 31 December 2001.

### 3. CHANGES IN THE CAPITAL

At 31 December 2001, Sopra Group had share capital of 40,709,540 euro consisting of 10,177,385 shares with a nominal value of 4 euro each. The following changes were made to the capital in the last few years:

Year	Type of operation	Capital after operation	Nominal value	Number of shares		Contributions	
				Created	Total	Nominal value	Premiums or reserves
1994	Capital increase through the exercise of options	32,515,200 F	20 F	14,678	1,625,760	293,560 F	857,195 F
1994	Capital increase by capitalisation of reserves and increase in nominal value	81,288,000 F	50 F	-	1,625,760	48,772,800 F	- 48,772,800 F
1996	Increase in capital in cash and remuneration of contribution of shares	90,605,000 F	50 F	186,340	1,812,100	9,317,000 F	69,085,500 F
1996	Capital increase through the exercise of options	90,812,500 F	50 F	4,150	1,816,250	207,500 F	747,000 F
1997	Capital increase through the exercise of options	91,212,400 F	50 F	7,998	1,824,248	399,900 F	1,439,640 F
1998	Capital increase through the exercise of options	91,906,600 F	50 F	13,884	1,838,132	694,200 F	2,505,970 F
1999	Increase in capital by capitalisation of reserves, conversion into euro and reduction of nominal value	36,762,640 €	4 €	7,352,528	9,190,660	22,751,569 €	- 22,751,569 €
1999	Capital increase through the exercise of options	37,985,140 €	4 €	305,625	9,496,285	1,222,500 €	928,517 €
2000	Increase in capital as remuneration for the contributions of shares of companies of the Orga Consultants group	40,549,140 €	4 €	641,000	10,137,285	2,564,000 €	79,612,200 €
2000	Capital increase through the exercise of options	40,680,940 €	4 €	32,950	10,170,235	131,800 €	124,330 €
2001	Capital increase through the exercise of options	40,709,540 €	4 €	7,150	10,177,385	28,600 €	29,315 €

### 4. AUTHORISATION TO ISSUE SHARES GRANTED TO THE BOARD OF DIRECTORS

(in millions of euro)	Existing authorisations			Proposal submitted to General Meeting of 19 June 2002		
	Nominal amount of issue	Authorisation expiry date	Numbers of corresponding shares	Nominal amount of issue	Authorisation expiry date	Number of corresponding shares
Bonds	150	28/06/05	max. 5 000 000			
Sopra Group shares	20	28/08/02		20	18/08/04	max. 5 000 000
Convertible bonds	20	28/08/02		150	18/08/04	

No authorisation has been used to date.

## 5. STOCK OPTIONS

In 1989, under its first stock option plan, Sopra Group allocated stock options to nearly all its employees. This plan is now closed and virtually all the options have been exercised.

The different stock option plans together with the employee share ownership policy implemented before the group was floated have enabled employees to acquire, or be potential acquirers of, more than 20% of the company's shares.

The table below summarises the shares allocated to employees under the stock option plans in progress.

Date of Board Meeting	Number of beneficiaries	Number of options allocated initially	o/w members of the present Board of Directors	Number of Board members concerned	Start of exercise period	End of exercise period	Exercise price	Number of options cancelled at 31/12/2001	o/w members of the present Board of Directors	Number of options exercised at 31/12/2001	o/w members of the present Board of Directors	Number of options not yet exercised at 31/12/2001	o/w members of the present Board of Directors
<b>PLAN n° 2 - 1994 stock option plan (General Meeting of 28/10/94): maximum of 518,860 shares</b>													
23/12/1994	30	380,000	85,000	3	22/12/1995	22/12/2002	7.01 €	18,500	0	334,400	85,000	27,100	0
15/09/1995	1	15,000	0	0	22/12/1997	22/12/2002	7.01 €	0	0	15,000	0	0	0
10/04/1996	1	10,000	0	0	22/12/1997	22/12/2002	8.57 €	0	0	10,000	0	0	0
03/10/1996	22	132,360	38,750	3	22/12/1997	22/12/2002	7.01 €	1,250	0	113,360	38,750	17,750	0
<b>Total</b>		<b>537,360</b>	<b>123,750</b>					<b>19,750</b>	<b>0</b>	<b>472,760</b>	<b>123,750</b>	<b>44,850</b>	<b>0</b>
<b>PLAN n° 3 - 1998 stock option plan (General Meeting of 7/1/98): maximum of 721,250 shares</b>													
13/01/1998	264	614,000	0	0	01/10/2002	12/01/2006	15.37 €	54,425	0	3,125	0	556,450	0
04/12/1998	1	25,000	25,000	1	25/02/2003	24/08/2006	46.86 €	0	0	0	0	25,000	25,000
03/03/1999	2	20,000	0	0	04/03/2004	02/03/2007	48.05 €	10,000	0	0	0	10,000	0
12/10/1999	13	51,750	0	0	13/10/2004	12/10/2007	46.20 €	9,000	0	0	0	42,750	0
<b>Total</b>		<b>710,750</b>	<b>25,000</b>					<b>73,425</b>	<b>0</b>	<b>3,125</b>	<b>0</b>	<b>634,200</b>	<b>25,000</b>
<b>PLAN n° 4 - 2000 stock option plan (General Meeting of 29/06/00): maximum of 714,774 shares</b>													
29/06/2000	107	33,900	0	0	30/06/2005	29/06/2008	73.00 €	4,200	0	0	0	29,700	0
22/03/2001	147	301,500	0	0	23/03/2006	22/03/2009	61.40 €	8,000	0	0	0	293,500	0
19/12/2001	25	34,600	0	0	20/12/2006	19/12/2009	61.40 €	0	0	0	0	34,600	0
<b>Total</b>		<b>370,000</b>	<b>0</b>					<b>12,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>357,800</b>	<b>0</b>
<b>Total of all 3 plans</b>											<b>1,036,850</b>		

Capital would be diluted by a total of 10.19% if all the outstanding share subscription or purchase options were exercised. No other form of potential capital has been issued.

### Information concerning share subscription or purchase options

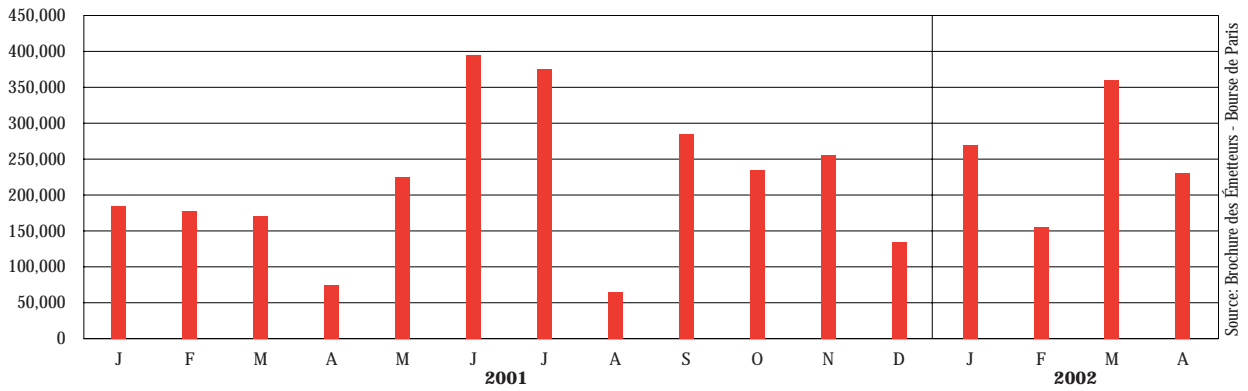
Options granted to company officers and options exercised by company officers	Number of options allocated/ Number of shares subscribed or purchased	Price	Maturity	Plan n° 4
<i>Options granted to company officers by the issuer or by a group company during the year</i>	0			
<i>Options exercised by company officers during the year</i>	0			

10 largest stock option allocations to employees and options exercised by 10 employees to have exercised most options	Number of options allocated/ Number of shares subscribed or purchased	Weighted average price	Plan n° 2	Plan n° 4
<i>10 largest stock option allocations to employees granted by the issuer or by a group company during the year</i>	64,500	61.40 €		64,500
<i>Options exercised by 10 employees to have exercised most options during the year</i>	7,150	8.10 €	7,150	

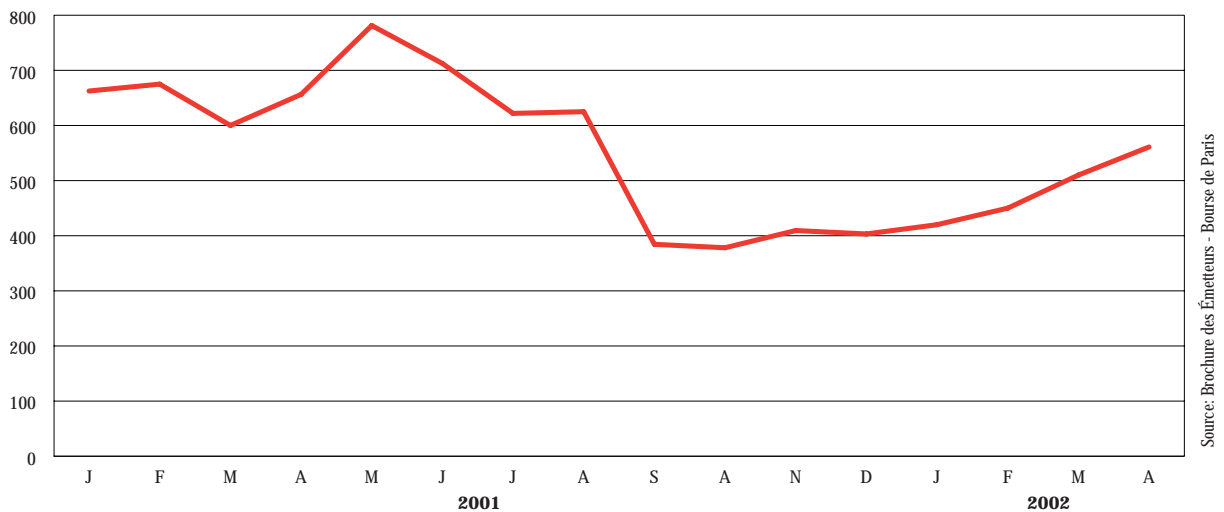
## 6. SHARE PRICE (average closing price in euro)



## 7. MONTHLY TRADING VOLUME (number of shares)



## 8. MARKET CAPITALISATION (in millions of euro)



## 9. SHARE PRICE PERFORMANCE

Month	Number of trading days	Share price (euro)		Trading volumes	
		High	Low	Number of shares	Capital (millions of euro)
January 01	22	77.50	56.00	184,801	12.64
February 01	20	69.75	64.05	177,346	11.91
March 01	22	64.90	53.80	169,599	10.16
April 01	19	71.45	55.60	75,364	4.85
May 01	22	86.80	69.70	224,291	17.46
June 01	20	78.45	64.55	396,520	26.52
July 01	22	70.50	53.00	375,597	24.07
August 01	23	66.30	56.40	64,720	4.01
September 01	20	57.00	24.50	284,830	9.80
October 01	23	44.50	32.00	233,685	8.88
November 01	22	45.00	37.49	253,951	10.17
December 01	18	43.98	37.20	131,068	5.16
January 02	22	48.30	39.05	275,528	11.67
February 02	20	47.90	40.26	155,824	6.91
March 02	20	54.80	44.26	369,366	18.63
April 02	21	59.20	51.00	230,064	12.77

Source: Brochure des Émetteurs - Bourse de Paris

## 10. EARNINGS PER SHARE (restated, in euro)

Year	Number of shares attracting a dividend	Dividend	Tax credit	Total earnings
1998	9,190,660	0.53	0.27	0.80
1999	9,496,285	0.58	0.29	0.87
2000	10,170,235	0.62	0.31	0.93
2001 (1)	10,177,385	0.80	0.40	1.20

(1) Dividend proposed to the General Meeting of 19 June 2002

As the nominal share price was divided by 5 on 11 February 1999, the table above has been produced by dividing dividends prior to that date by 5 and multiplying the number of shares prior to that date by 5.

Dividends not collected before the five-year prescription period expires are paid to the State.

# 3. Board of Directors' Report to the General Shareholders' Meeting

Ladies and Gentlemen,

We have convened an Ordinary and Extraordinary General Shareholders' Meeting to decide on the following matters:

## **Agenda for the Ordinary General Shareholders' Meeting**

- Examination and approval of the annual accounts for the year ended 31 December 2001,
- Examination of the consolidated accounts for the year ended 31 December 2001,
- Discharge of the directors,
- Allocation of profits,
- Approval of the agreements referred to in Article 225-38 of the Commercial Code.
- Trading by Sopra Group in its own shares in accordance with Article L225-209 of the Commercial Code,
- Ratification of the temporary appointment of a new director,
- Renewal of appointments of directors whose terms of office have expired.

## **Agenda for the Extraordinary General Shareholders' Meeting**

- Modification of the company's Articles of Association to bring them into line with Order No. 2000-912 of 18 September 2000 relating to the codification of the Commercial Code.
- Modification of the company's Articles of Association to bring them into line with law No. 2001-420 of 15 May 2001 relating to the new business regulations (nouvelles régulations économiques – NRE) and law No. 2001-152 of 19 February 2001 relating to employee savings plans.
- Modification of the company's Articles of Association in application of Article L 225-51-1 of the Commercial Code and Article L 131-I of law No. 2001-420 of 15 May 2001.
- Modification of the company's Articles of Association to enable the maximum number of directors to be increased from 12 to 18.
- Authorisation for the Board of Directors to increase the capital, with or without preferential subscription rights, by issuing all sorts of transferable securities giving access immediately or upon maturity to shares in the company or by transfer from reserves, profits or share premiums, or to issue bonds or similar debt securities.
- Authorisation for the Board of Directors to arrange a reserved capital increase for employees.

## **Agenda for the Ordinary and Extraordinary General Shareholders' Meeting**

- Authorisation to execute formalities

## I. ORDINARY GENERAL MEETING

### I.1. Sopra Group's business in 2001

2001 was a good year for Sopra Group, marked by:

- A sharp upturn in business activity, with a 30.4% increase in turnover and organic growth of 16.4%, higher than the market average.
- A significant rise in margins leading to a 52.5% increase in group share of net profit.

The highlights of the year were:

- in our **core business** (Consulting & Systems and Solutions Integration) in France:
  - a remarkable performance in France, which accounts for 74% of total group turnover, with growth of 29% of which 21.8% in organic growth,
  - successful tenders for major projects, ensuring a strong start to business in 2002,
  - strong growth in our TMP (Third-Party Maintenance) / AM (Application Management) business, leading to an increase in recurrent business,
  - an operating margin of 9.9% and a net margin of 6%;
- in our **core business in Europe**:
  - a 56.6% increase in Systems & Solutions Integration turnover in Europe, mainly as the result of acquisitions. This division now accounts for 16.5% of total group turnover,
  - ongoing expansion in Europe with the acquisitions of CS Rand in the United Kingdom and ITI in Italy,
  - setting in place Sopra Group's structure in each country integrating the management, organisation and the use of the Group's software and methodology,
  - a turnaround in margins in the second half;
- in our **EAI division** grouped under **Axway**:
  - a return to organic growth (8.7%) thanks to a number of commercial successes towards the end of the year, both in France and elsewhere in Europe,
  - the building of a sales network adapted to Sopra Group (integrating its know-how as a software publisher and as an integrator) during 2001,
  - the successful launch of Axway's new offer of "suites" including its new e-business- and XML-oriented product, Xtalk, providing a complementary offer to the products already installed at customers',
  - the recovery in margins in the second half.

### I.2. Analysis of the consolidated accounts

#### Profit and loss account

Turnover rose from 395.8 million euro in 2000 to 516.1 million euro in 2001, up by a total of 30.4% with 16.4% organic growth. Operating income came to 517.3 million euro vs. 398.7 million in 2000.

Consolidated turnover outside France was up by 50% to 99 million euro compared with 66 million euro in 2000.

Operating costs (including 4.6 million euro corresponding to employee profit sharing) came to 473.7 million euro against 369 million euro in 2000. This increase reflects acquisitions and organic growth. Operating costs included Research and Development expenses of 26 million euro.

EBITDA after employee profit sharing rose by 53.3% to 53.8 million euro, from 35.1 million euro in 2000.

EBIT, after employee profit sharing, came to 43.6 million euro, up by 47% from 29.7 million euro the previous year.

Ordinary profit at consolidated companies was up from 27.4 million euro in 2000 to 40.8 million euro, corresponding to an increase of 49%.

Corporate tax amounted to 13.2 million euro. It is reduced by 0.8 million euro corresponding to a research tax credit taken to income in 2001.

Consolidated net profit, before goodwill amortisation and earnings of equity affiliates, rose by 48.1% to 26.8 million euro, i.e. 5.2% of turnover, compared with 18.1 million the year before.

Goodwill amortisation amounted to 2.5 million euro compared with 1.8 million in 2000.

Net profit (Group share) came in at 24.1 million euro, or 4.7% of turnover, up by 52.5% from 15.8 million euro the previous year.

#### Balance sheet

At 31 December 2001, consolidated shareholders' equity stood at 103.6 million euro compared with 85.6 million euro at 31 December 2000.

This change is, essentially, due to the following factors:

- net consolidated profit – Group share of 24.1 million euro,
- capital increase of 0.06 million euro, including share premiums, resulting from the exercise of options in 2001,
- payment of dividends for 2000 of 6.3 million euro,

Borrowings and financial liabilities of 58.9 million euro mainly comprise medium-term loans (39.7 million euro), restated finance lease liabilities in respect of real-estate leases (premises at Annecy) and leased equipment (IT hardware) of 6.2 million euro and special reserves for employee profit sharing of 10.1 million euro.

Net fixed assets increased to 116.8 million euro from 100.4 million euro at 31 December 2000, mainly due to acquisitions in 2001.

Net fixed assets are broken down as follows:

Goodwill	31.0 million euro
Intangible assets	58.5 million euro
Tangible assets	23.8 million euro
Financial assets	3.6 million euro

Trade accounts receivable, stated net of all client-related credit and debit balances and including sales tax, amounted to 201.0 million euro.

Investment securities and liquidities totalled 13.0 million euro.

Net cash amounted to 10.4 million euro.

Sopra Group has credit lines of 60 million euro, of which 39.7 million had been used as at 31 December 2001, mainly to finance acquisitions.

### 1.3. Sopra Group company accounts

Sopra Group groups all the Systems and Solutions Integration activities in France. It has subsidiaries that operate in Systems and Solutions Integration in Europe, Consulting and EAI.

The 2001 annual accounts cannot easily be compared with those of 2000, owing to the transfer to Axway of Sopra Group SA's EAI activity on 1 January 2001. This has no impact at consolidated level.

#### Profit and loss account

Turnover came to 355.3 million euro against 325.9 million last year.

Operating income amounted to 355.8 million euro versus 328.2 million in 2000.

The operating profit was 37.4 million euro (10.5% of turnover) against 27.7 million in 2000.

Net financial charges amounted to 4.9 million euro: these include 2.8 million euro of provisions for receivables from group companies and debt cancellations granted to wholly-owned companies that are restructuring or at the start-up phase.

Underlying profit before tax was 32.5 million euro vs. 21.9 million in 2000.

After exceptional charges of 1.9 million euro, tax of 9.9 million and employee profit sharing for 3.5 million euro, net profit amounted to 17.2 million euro compared with 15.4 million in 2000.

### Balance sheet

Shareholders' equity rose from 164.6 million to 175.5 million at 31 December 2001 principally due to:

- net profit for the financial year of 17.2 million,
- a capital increase of 0.06 million euro including share premiums resulting from the exercise of options,
- payment of dividends for 2000 of 6.3 million euro,

Fixed assets amounted to 209.8 million euro, consisting mainly of equity investments of 168.3 million euro, intangible fixed assets of 29.3 million euro and tangible fixed assets of 12.3 million euro.

Participating interests include 85.1 million euro corresponding to shares in Orga Consultants acquired in June 2000. This acquisition is part of a long-term strategic project and was paid for in Sopra Group shares on the basis of turnover for 1999, without debt and with no impact on the consolidated accounts thanks to use of the pooling of interest method. This investment has proved very successful and is expected to be increasingly successful in coming years. It has therefore been decided to keep the shares in Orga Consultants at their cost price.

### 1.4. Recent developments and outlook

Economic conditions in France at the beginning of 2002 were marked by:

- a first quarter in line with the trend at the end of 2001,
- an improved outlook for the near future with a cautious upturn in company investments, which would appear to confirm the signs of a recovery observed in the US.

Consequently, 2002 got off to a slow but promising start. The trends visible in the fourth quarter of 2001 were confirmed in **Consulting & Systems and Solutions Integration in France, with:**

- a surge in TPM/AM business thanks to the quality of our offer and our clients' desire to outsource the maintenance of their existing applications,
- the signature of further major integration contracts,
- ongoing consolidation among our clients' IT services providers which plays in favour of reputed firms such as Sopra Group,
- but also, a more cautious approach by companies to launching new projects.

After a year of restructuring the network, 2002 will be marked by an improvement in margins for our **international Systems & Solutions Integration** activity, which should achieve margins in line with those of our French businesses within the next three years.

Finally, our EAI activity, after a year spent setting in place our business model and sales network, is expected to show a sharp improvement in earnings in 2002 and achieve margins well above those of the Systems & Solutions Integration business in France in 2003. This progress will be accelerated by **Axway's acquisition at the end of March 2002 of Viewlocity Inc's EAI activities** including the exclusive rights to EAI products of AMTrix/TSIB and its European subsidiaries.

This acquisition, totalling USD 14.5 million in cash and an additional amount based on performance in 2002, will boost Axway by giving it an international dimension. Viewlocity's EAI customer base consists of 800 clients in Europe (of which 250 clients of more than 5 years' standing), 50 US clients and 100 clients in Asia. Its activity complements that of Axway, with a strong specialisation in EDI.

In addition, Axway and Viewlocity Inc. have concluded a two-pronged partnership agreement, under which:

- Viewlocity Inc. is the distributor of the AMTrix/TSIB product line in Asia and North America.
- OEM integration of AMTrix/TSIB's product line in Viewlocity Inc's SCM (Supply Chain Management) software.

Thanks to this acquisition, Axway:

- gains a strong position in the industrial, transport and retail sectors,
- strengthens its position in Germany and the United Kingdom and acquires new operations in the Netherlands and Scandinavia,
- extends its network of partners to a group of AMTrix/TSIB prescribers and integrators outside France and notably in the US and Asian markets.

This acquisition brings Axway's customer base to 5,000 clients and confirms its position as the French leader and one of the leading players in Europe, where, with a staff of nearly 500, it is looking for strong growth and a significant improvement in operating margin in 2002.

On the basis of the above, we are looking for organic growth of around 10% in 2002.

## 1.5. Subsidiaries and holdings

### Holdings and subsidiaries acquired

In line with the Group's development strategy, the following transactions were carried out in 2001:

- In June 2001, Sopra Group integrated its EAI (Enterprise Application Integration) division into Axway Software, a wholly-owned subsidiary created for this purpose in December 2000. Axway Software has share capital of 19,900,000 euro. The three European subsidiaries involved in EAI have been integrated into Axway Software and their names have been changed to Axway UK Ltd (United Kingdom), Axway GmbH (Germany) and Axway Srl (Italy).
- At the beginning of the year, Axway Software created a new 100%-owned subsidiary in Spain called Axway Software Iberia, with share capital of 200,000 euro.
- Orga Consultants raised its stake in the ELC group, specialised in logistics management, from 71.5% to 100% with effect from 1 January 2001.
- In June 2001, Sopra Group created a Luxembourg-based subsidiary called Sopra Luxembourg. This company has share capital of 100,000 euro and its purpose is to develop the Group's systems integration and engineering activities in Luxembourg.
- In July 2001, Sopra Group Ltd acquired CS Rand, a company with offices in Oxford and Edinburgh. This company provides consulting and systems integration and will reinforce Sopra Group's operations in the UK. Sopra Group has operated in the UK since November 1999 through its subsidiary, Mentor, whose name has since been changed to Sopra Group Ltd.
- In July 2001, Sopra Group acquired 53.5% of the capital of ITI SpA, a Milan-based consulting and systems and solutions integration firm. Sopra Group's holding in the company was raised to 100% in January 2002. ITI SpA's name has been changed to Sopra Group SpA.

## List of directly-owned subsidiaries

Company	Share Capital	Equity other than capital	% held	Book value		Guarantees sureties issued	Turnover for the year ended	Result (profit/loss) for the year ended
				Gross	Net			
■ Axway Software	19,900,000 €	1,012,029 €	100.0%	19,899,940 €	19,899,940 €		46,971,211 €	1,012,029 €
■ Orga Consultants	72,981,000 €	16,008,495 €	100.0%	85,061,843 €	85,061,843 €		39,669,915 €	2,203,436 €
■ Sopra Informatique (Switzerland)	100,000 FS	8,081,761 FS	100.0%	58,380 €	58,380 €		13,740,564 FS	2,317,203 FS
■ Sopra Benelux (Belgium)	2,138,082 €	620,458 €	100.0%	3,052,485 €	3,052,485 €		8,139,192 €	60,066 €
■ Sopra Group Ltd (United Kingdom)	6,606,800 £	953,278 £	100.0%	24,409,858 €	24,409,858 €	300,000 £	11,376,338 £	- 55,565 £
■ Sopra Informatica (Spain)	24,000,000 €	- 660,303 €	100.0%	24,047,072 €	24,047,072 €		945,273 €	- 654,614 €
■ Sopra Group GmbH (Germany)	1,000,000 €	- 1,026,457 €	100.0%	3,684,691 €	3,684,691 €	1,636,134 €	13,841,878 €	- 734,598 €
■ Sopra Group SpA (Italy)	660,000 €	308,703 €	53.5%	5,078,631 €	5,078,631 €		13,208,338 €	176,953 € *
							6,863,306 €	168,504 € **
■ Sopra Luxembourg	100,000 €	- 67,793 €	100.0%	99,900 €	99,900 €		0 €	- 67,793 €

\* Full year - \*\* Consolidated share.

## List of indirectly-owned subsidiaries

Parent company Subsidiaries	Share capital	Equity before allocation of profit	% of capital held	Book value		Operating income 2001	Net profit 2001
				gross	net		
<b>Axway Software</b>							
■ Axway UK Ltd	100,000 £	26,573 £	100.0%	148,270 €	0 €	689,269 £	1,079,388 £
■ Axway GmbH (Germany)	204,517 €	- 46,072 €	100.0%	204,709 €	0 €	1,113,149 €	744,209 €
■ Axway Srl (Italy)	98,040 €	- 1,566,860 €	100.0%	92,127 €	0 €	3,846,386 €	- 1,664,985 €
■ Axway Software Iberia	200,000 €	- 2,096 €	100.0%	200,000 €	0 €	176,710 €	- 202,096 €
<b>Orga Consultants</b>							
■ Orga Kienbaum	152,449 €	- 132,261 €	55.0%	83,847 €	83,847 €	1,392,467 €	- 135,984 €
<b>Sopra Group Ltd</b>							
■ CS Rand	1,200,000 £	- 396,478 £	100.0%	5,293,582 £	5,293,582 £	7,653,588 £	- 456,069 £ *
						3,424,927 £	- 274,337 £ **
<b>Sopra Group GmbH (Germany)</b>							
■ Microtec Consulting	40,903 €	35,668 €	100.0%	21,219 €	21,219 €	836,817 €	- 30,154 €
■ Nexio	300,000 €	456,002 €	51.0%	153,000 €	153,000 €	2,158,479 €	156,002 €
<b>Sopra Informatica (Spain)</b>							
■ Organización Guver	120,202 €	1,901,266 €	100.0%	5,409,109 €	5,409,109 €	7,481,512 €	614,633 €
■ Newpath Consulting	60,101 €	774,756 €	100.0%	5,765,189 €	5,765,189 €	4,670,698 €	15,355 €
■ Newpath GS	3,065 €	607,272 €	100.0%	2,365,436 €	2,365,436 €	1,657,982 €	129,495 €
■ Dipisa	60,101 €	829,370 €	100.0%	87,147 €	87,147 €	8,197,754 €	119,379 €

\* Full year - \*\* Consolidated share.

## 1.6. Proposed allocation of profits

We propose the following allocation of the net consolidated profit of 24,074,610 euro:

■ Profit for the year	17,189,078.17 €
■ Legal reserve	- 834,126.97 €
■ Distributable profits	16,354,951.20 €
■ Dividends	8,141,908.00 €
■ Other Reserves	8,213,043.20 €
	16,354,951.20 €

Share capital at 31 December 2001 comprised 10,177,385 shares.

Each shareholder will therefore receive a dividend of 0.80 euro per share plus a tax credit (50%) of 0.40 euro, giving a total distribution of 1.20 euro.

The dividends distributed for the three previous financial years were as follows:

	1998	1999	2000
Total dividend	4,875,853 €	5,501,257 €	6,305,546 €
Number of dividend-attracting shares	9,160,660	9,496,285	10,170,235
Dividend paid	0.53 €	0.58 €	0.62 €
Tax credit	0.27 €	0.29 €	0.31 €
Total earnings	0.80 €	0.87 €	0.93 €

## 1.7. Share trading

The Ordinary and Extraordinary General Shareholders' Meeting of 22 June 2001, acting in accordance with the provisions of Article 225-209 of the Commercial Code, authorised the Board of Directors to trade the Company's shares on the stock exchange.

During 2001, Sopra Group bought 24,450 own shares at an average price of 34.28 euro.

The Meeting is requested once again to authorise the Board to trade shares, in accordance with the provisions of Article 225-209, particularly with a view to:

- stabilising the share price,
- paying for acquisitions,
- holding the shares.

The purchase, sale and transfer of shares may be effected by any means and particularly through the use of derivatives under the following terms:

- maximum purchase price: 200 euro per share,
- minimum sales price: 20 euro per share,
- maximum number of shares that may be held: 10% of total shares issued,
- term: 18 months from date of the Shareholders' Meeting.

## 1.8. Ratification of temporary appointment of a director

We would like to remind you that, at its meeting of 19 December 2001, the Board of Directors appointed Gérard LAUR, manager at Société Générale, to replace François CULIÉ, who has retired, as member of the Board.

As provided for by law and by the Articles of Association, we request you to ratify this appointment.

## 1.9. Renewal of the appointments of directors whose term of office expires at the present meeting

The terms of office of the following directors:

- Mr. Pierre PASQUIER
- Mr. François ODIN
- Mr. Jean-Paul BOURBON
- Mr. Georges KOESSLER
- Mr. Gérard LAUR
- Mr. Jean MOUNET
- Mr. Nicolas ODIN
- Ms Christine PASQUIER-COMMANAY
- Geninfo SA

expire at the end of the present General Meeting. We propose that you renew these appointments for a further six years, i.e. until the end of the General Meeting called to approve the accounts for the 2007 financial year.

## 1.10. Information relating to Directors and Managers

The information concerning Managers and Directors and their remuneration as required under Article L 225-102-1 of the Commercial Code is provided in section 6 – Administrative and Management Bodies – of Chapter 1 – Sopra Group and its activities.

## 1.11. Five-year financial summary

The five-year financial summary is provided at the end of chapter 5 – Sopra Group company accounts.

## 1.12. Other information

In accordance with Article 223 quater of the Tax Code, we bring to your attention that the accounts for the year just ended include 81,501 euro in respect of non-deductible expenses (Article 39-4 of the Tax Code).

## 2. EXTRAORDINARY GENERAL MEETING

### 2.1. Amendment of the articles of Association

#### 2.1.1. Codification of Commercial Code

In compliance with Order No 2000-912 of 18 September 2000, all references to law No. 66-566 of 24 July 1966 shall be replaced with the relevant references to the new Commercial Code.

#### 2.1.2. Law relating to new business regulations

Law No. 2001-420 of 15 May 2001 relating to new business regulations, known as the NRE law, has changed several of the provisions applicable to limited companies, making it necessary to amend the Articles of Association to bring them into line with the new regulations.

The NRE law provides for two forms of management for limited companies. Under Article L. 225-51-1 of the Commercial Code, management of a limited company must now be assumed either by the Chairman of the Board of Directors or by a person appointed by the Board of Directors and with the title of Managing Director.

In application of Article 131-I of the law of 15 May 2001, the Extraordinary General Meeting must therefore amend the Articles of Association to provide for choosing the method of management.

Furthermore, the NRE law has introduced a number of provisions relating to plurality of offices, management bodies, the identification and rights of shareholders, information provided to shareholders, attendance at shareholders' meetings, and modifying the conditions for regulated and non-regulated agreements.

#### 2.1.3. Change in the maximum number of Board members

In accordance with Article L 225-17, alinea 1, of the Commercial Code, we propose that the maximum number of Board members be increased from 12 to 18.

#### 2.1.4. Law relating to employee savings plans

Law No. 2001-152 of 19 February 2001 stipulates that, each time a capital increase is decided, a draft resolution relating to a capital increase reserved for employees must be submitted to the Extraordinary General Meeting.

It also stipulates that if the shares owned by the employees of the company and of related companies represent less than 3% of the total share capital, an Extraordinary General Meeting must be convened every three years to vote upon a draft resolution proposing a capital increase reserved for employees.

We therefore propose that the new draft of the Articles of Association be approved in its entirety.

### 2.2. Authorisation to issue securities on the market

The authorisations granted to the Board of Directors in 2000 to increase the capital, with or without preferential subscription rights, by any means it chooses and to call on the financial markets by issuing transferable securities, with or without preferential subscription rights, giving or liable to give access to shares in the company (convertible bonds, bonds with share warrants attached, warrants granting the owners the right to subscribe to a share in the capital, composite securities giving rights to the allocation of shares) have not been used and are therefore still valid, but their legal validity expires before the date of the next General Meeting.

So that the Board of Directors may, when necessary and when it deems appropriate, carry out whatever financial operations best fit our company's needs and the market conditions, we propose that the authorisations granted in 2000 be replaced with similar authorisations but for revised amounts and validity periods.

You are therefore requested to authorise the Board of Directors to increase the share capital by a maximum nominal value of 20 million euro and to issue transferable securities for a maximum nominal amount for each issue of:

- 20 million euro if the issue concerns Sopra Group shares or equivalent securities,
- 150 million euro if the issue concerns transferable securities giving rights upon maturity to shares in Sopra Group (with a nominal value of 20 million euro),
- a combination of the above as long as the Sopra Group shares granted upon maturity remain within the 20 million euro nominal value limit indicated above.

Furthermore, these authorisations should be accompanied by an authorisation allowing the Board of Directors to reserve a specific tranche for group employees, within the framework of a company or group employee savings scheme and under the conditions provided for by the law. The Board of Directors would have the possibility of exercising these powers if a capital increase were decided.

The Board of Directors

## 4. Consolidated accounts of Sopra Group

### CONSOLIDATED BALANCE SHEET 2001, 2000 et 1999

<b>Assets</b> (thousands of euro)	<i>Notes</i>	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>Fixed assets</b>				
■ Goodwill on acquisition	4.1.1	30,984	23,744	12,426
■ Intangible fixed assets	4.1.1	58,456	52,677	35,911
■ Tangible fixed assets	4.1.2	23,756	21,531	17,931
■ Financial assets	4.1.3	3,592	2,453	1,140
■ Shares accounted for by the equity method	4.1.4	-	-	-
<b>Total fixed assets</b>		<b>116,788</b>	<b>100,405</b>	<b>67,408</b>
<b>Current assets</b>				
■ Stocks and work in progress		423	529	372
■ Trade accounts receivable (net)	4.2.1	201,004	150,343	109,347
■ Other receivables, prepayments and accrued income	4.2.2	13,345	11,337	9,117
■ Investment securities	4.2.3	4,292	5,515	11,646
■ Liquid funds	4.2.3	8,741	12,394	8,171
<b>Total current assets</b>		<b>227,805</b>	<b>180,118</b>	<b>138,653</b>
<b>TOTAL ASSETS</b>		<b>344,593</b>	<b>280,523</b>	<b>206,061</b>
<b>Liabilities</b> (thousands of euro)				
	<i>Notes</i>	<b>2001</b>	<b>2000</b>	<b>1999</b>
<b>Shareholders' equity (Group share)</b> 4.2.4				
■ Capital		40,710	40,681	37,985
■ Premiums		3,502	3,473	3,406
■ Reserves		34,788	25,279	12,590
■ Profit		24,075	15,815	18,197
■ Other		520	297	115
<b>Total shareholders' equity</b>		<b>103,595</b>	<b>85,545</b>	<b>72,293</b>
<b>Minority interests</b>	4.2.5	<b>3,187</b>	<b>769</b>	<b>5</b>
<b>Provisions for risks and charges</b>	4.2.6	<b>3,372</b>	<b>2,326</b>	<b>2,129</b>
<b>Liabilities</b>				
■ Loans and financial liabilities	4.2.7	58,888	56,321	22,038
■ Trade accounts payable (net)	4.2.8	26,622	31,070	22,108
■ Other liabilities, accruals and deferred income	4.2.9	148,929	104,492	87,488
<b>Total accounts payable</b>		<b>234,439</b>	<b>191,883</b>	<b>131,634</b>
<b>TOTAL LIABILITIES</b>		<b>344,593</b>	<b>280,523</b>	<b>206,061</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNT 2001, 2000 et 1999

<i>(thousands of euro)</i>	<i>Notes</i>	<b>2001</b>		<b>2000</b>		<b>1999</b>	
		<b>Montant</b>	<b>%</b>	<b>Montant</b>	<b>%</b>	<b>Montant</b>	<b>%</b>
■ Turnover		516,117	100.0	395,847	100.0	316,111	100.0
■ Other operating income		1,165		2,877		4,155	
<b>Total operating income</b>	<i>6.1</i>	<b>517,282</b>		<b>398,724</b>		<b>320,266</b>	
■ Purchases consumed		47,833	9.3	11,608	2.9	9,172	2.9
■ Staff costs	<i>5.1</i>	331,506	64.2	264,605	66.8	208,327	65.9
■ Other operating expenses		72,778	14.1	75,529	19.1	55,335	17.5
■ Taxes and duties		11,516	2.2	10,178	2.6	8,220	2.6
■ Depreciation and provisions	<i>5.3</i>	10,024	1.9	7,122	1.8	6,478	2.0
<b>Total operating expenses</b>		<b>473,657</b>	<b>91.8</b>	<b>369,042</b>	<b>93.2</b>	<b>287,532</b>	<b>91.0</b>
<b>Operating profit</b>		<b>43,625</b>	<b>8.5</b>	<b>29,682</b>	<b>7.5</b>	<b>32,734</b>	<b>10.4</b>
■ Financial income and charges	<i>5.4</i>	- 2,783	- 0.5	- 2,267	- 0.6	- 187	- 0.1
<b>Underlying profit of consolidated companies</b>		<b>40,842</b>	<b>7.9</b>	<b>27,415</b>	<b>6.9</b>	<b>32,547</b>	<b>10.3</b>
■ Extraordinary income and expenses	<i>5.5</i>	- 835	- 0.2	- 229	- 0.1	- 756	- 0.2
■ Corporation tax	<i>5.6</i>	- 13,173	- 2.6	- 9,079	- 2.3	- 12,319	- 3.9
<b>Net profit of consolidated companies</b>		<b>26,834</b>	<b>5.2</b>	<b>18,107</b>	<b>4.6</b>	<b>19,472</b>	<b>6.2</b>
■ Share of profit of companies accounted for by the equity method		- 152	0.0	- 408	- 0.1	- 62	0.0
■ Goodwill amortisation		- 2,495	- 0.5	- 1,835	- 0.5	- 1,213	- 0.4
<b>Net profit</b>		<b>24,187</b>	<b>4.7</b>	<b>15,864</b>	<b>4.0</b>	<b>18,197</b>	<b>5.8</b>
■ Minority interests		- 112	0.0	- 49	0.0	0	0.0
<b>NET PROFIT (Group share)</b>		<b>24,075</b>	<b>4.7</b>	<b>15,815</b>	<b>4.0</b>	<b>18,197</b>	<b>5.8</b>

<b>EARNINGS PER SHARE (euro)</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Net profit (Group share)	24,074,610	15,814,808	18,196,942
<i>Number of shares at 31 December</i>	<i>10,177,385</i>	<i>10,170,235</i>	<i>9,496,285</i>
<b>Net earnings per share</b>	<b>2.37</b>	<b>1.56</b>	<b>1.92</b>
<i>Weighted average number of shares in issue</i>	<i>10,172,631</i>	<i>9,841,252</i>	<i>9,213,831</i>
<b>Weighted average net earnings per share</b>	<b>2.37</b>	<b>1.61</b>	<b>1.97</b>
<i>Maximum number of shares resulting from exercise of all the share options</i>	<i>10,643,549</i>	<i>10,798,876</i>	<i>10,027,028</i>
<b>Diluted net earnings per share</b>	<b>2.26</b>	<b>1.46</b>	<b>1.81</b>

## NOTES TO THE CONSOLIDATED ACCOUNTS 2001, 2000 et 1999

### I. 1. ACCOUNTING POLICIES, CONSOLIDATION METHODS AND VALUATION RULES

#### 1.1. General accounting policies

The consolidated accounts have been prepared in accordance with French accounting principles and standards and with regulation 99-02 of the French Accounting Regulations Committee.

#### 1.2. Consolidation methods

##### 1.2.1. Consolidation methods

Sopra Group (the new registered name of Sopra as from June 2001) is the consolidating company.

The companies over which Sopra Group has full control have been consolidated using the full consolidation method.

The accounts of companies over which Sopra Group exerts a major influence have been consolidated using the equity method.

There is no company over which Sopra Group exercises joint control.

The accounts of consolidated companies have, where applicable, been restated to ensure the consistency of accounting and valuation rules.

##### 1.2.2. Goodwill on acquisition

Goodwill on first consolidation corresponds to the difference, recorded on first consolidation of an acquired company, between the acquisition cost of the securities and the holding company's share in the shareholders' equity of the acquired company.

In the interest of simplicity and in the light of the relative importance of the companies acquired prior to 1999, the related goodwill on acquisition has been taken in full to "goodwill on acquisition" and amortised on a straight-line basis over ten years. However, goodwill on first consolidation of 6.2 million euro, recorded when SG2's engineering division

was transferred to Sopra in June 1996, has been charged directly to consolidated shareholders' equity, in accordance with the specific regulations governing takeovers paid for by share issues.

Given the active acquisitions policy implemented by Sopra Group in France and elsewhere in Europe, goodwill on first consolidation has, with effect from 1999, been reallocated to identifiable asset headings such as business goodwill and software packages.

Business goodwill is valued on the basis of turnover and profitability criteria and is generally not depreciated unless the year-end value determined on this basis is less than its balance sheet value, in which case a provision is recorded.

Goodwill arising from the acquisition of the Orga Consultants Group was accounted for under the pooling of interests method, in accordance with statements made to the General Shareholders Meeting of 29 June 2000 at which this acquisition, the price paid and the accounting method to be applied were approved. Accordingly, goodwill on first consolidation of 79.5 million euro has been charged directly to the merger premium of 79.6 million euro.

Software packages are amortised over periods of up to 10 years.

Goodwill on acquisition, which represents the difference between the acquisition cost of the securities and the valuation of the identified assets and liabilities, is amortised over a period of up to 20 years.

##### 1.2.3. Translation method used for the consolidation of foreign subsidiaries

All balance sheet items in foreign companies' accounts have been translated at the rate of exchange prevailing at the balance sheet date, while profit and loss items have been converted at the average exchange rate for the year. The resulting translation difference is taken to shareholders' equity under "translation differential".

The conversion rates applied are as follows:

Currency/euro	Average rates			Rates at 31 December		
	2001	2000	1999	2001	2000	1999
■ French franc	6.55957	6.55957	6.55957	6.55957	6.55957	6.55957
■ Swiss franc	1.5083	1.5536	1.6002	1.4829	1.5232	1.6051
■ Belgian franc	40.3399	40.3399	40.3399	40.3399	40.3399	40.3399
■ Peseta	166.386	166.386	166.386	166.386	166.386	166.386
■ Italian lira	1,936.27	1,936.27	1,936.27	1,936.27	1,936.27	1,936.27
■ Pound sterling	0.6192	0.6042	0.6504	0.6085	0.6241	0.6217
■ Deutsch mark	1.95583	1.95583	1.95583	1.95583	1.95583	1.95583

#### 1.2.4. Balance sheet date of consolidated companies

The accounts of all consolidated companies are prepared as at 31 December.

#### 1.2.5. Intra-group accounts and transactions

All intra-group accounts and transactions are eliminated.

### 1.3. Valuation methods and rules

#### 1.3.1. Research and development costs

All research and development costs are charged to the profit and loss account in the year they are incurred (cf. § 5.2).

#### 1.3.2. Intangible fixed assets

Although business goodwill is no longer systematically amortised, a provision is recorded if the valuation carried out at the year end shows a value less than the balance sheet value. Amortisation applied in previous years has been maintained.

Business goodwill arising from reallocation of goodwill on first consolidation relating to acquisitions made since 1999 is not amortised (cf. § 1.2.2.).

Goodwill on acquisition is amortised over periods up to 20 years (cf § 1.2.2).

Software packages acquired are recorded at cost and depreciated using the straight-line method over 3, 5 or 10 years.

#### 1.3.3. Tangible fixed assets

Tangible fixed assets are recorded at cost. Depreciation is based on the straight-line method according to the estimated useful life of each fixed asset category as follows:

■ Buildings	25 years
■ Equipment	10 years
■ Plant and tooling	3 to 5 years
■ Transport equipment	5 years
■ Office furniture and equipment	5 to 10 years

#### 1.3.4. Non-consolidated equity investments

Equity investments in non-consolidated companies are recorded at their acquisition cost. If their value in use, based on revalued net assets and earnings outlook, falls below cost, a provision is recorded.

#### 1.3.5. Foreign currency receivables and liabilities

Foreign currency receivables and liabilities are translated at the closing exchange rate. A provision is made for unrealised exchange losses.

#### 1.3.6. Operating income

Operating income is accounted for as follows:

- Income from training, support, consulting services and project implementation provided on a contract basis is recorded in the profit and loss account when the invoice is issued;
- Income from fixed-price services and licences is recorded based on the project's level of completion and sales price. If the actual level of completion does not match the budget, a reduction is applied to the sales price to cover any foreseeable risk. The estimated costs to completion in this calculation include a fixed amount of 10% of the sales price for contingencies. Ongoing services not yet invoiced are booked under trade accounts receivable;
- Software implementation services are performed under separate contracts. The related income is accounted for according to the methods for contract and/or fixed-price services defined above;
- Software maintenance income is recorded on a prorata temporis basis.

#### 1.3.7. Leases

- Real-estate leases: the leased premises at Annecy have been accounted for in the consolidated accounts as if Sopra Group had purchased them on credit. Accordingly, the buildings are capitalised and depreciated over 25 years on a straight-line basis.
- Equipment leases: lease-financed IT equipment is treated as if Sopra had purchased it on credit. It is therefore capitalised and depreciated over 4 years on a straight-line basis.

### 1.3.8. Financial instruments

- Interest rate risk cover: at 31 December 2001, interest rate risk was hedged until October 2002 in the form of an interest rate cap covering 7,622,450 euro and 3-month Euribor capped at 3.75%.
- Exchange rate risk cover: as the vast majority of the group's activities are carried out in the euro zone, exposure to this risk is very low and is consequently not hedged against.

### 1.3.9. Pension commitments

Provision is made for retirement benefits as follows: commitments resulting from collective agreements applicable to Group companies are calculated on an individual basis, taking into consideration the likely life expectancy of the employee concerned and the likelihood that he/she will be working for the company at the planned date of retirement and pro-rata of current seniority in relation to seniority at retirement age. The liabilities have not been discounted and future salary increases have not been included in the calculation; it is assumed that retirements will take place on the employers' initiative. In view of the staff turnover rate in this sector and the low average age, provisions have been recorded only in respect of commitments for employees aged over 50.

### 1.3.10. Deferred tax

The consolidated accounts take into account deferred tax, based on the variable deferral method, for the following:

- timing differences between accounting income and taxable income,
- differences arising from consolidation adjustments.

No deferred tax is recorded for:

- tax losses carried forward,
- dividend payouts.

As discounting does not give rise to any material adjustments, deferred tax is stated without discounting.

The analysis of deferred tax balances is provided in note 4.2.10.

### 1.3.11. Calculation of earnings per share

Earnings per share as stated in the profit and loss account are calculated on the basis of the group's share in the net profit as follows:

- *earnings per share* are calculated based on the number of shares in issue at 31 December;
- *weighted average earnings per share* are based on the weighted average number of shares in issue during the financial year, calculated according to the dates when the funds arising from cash share issues were received and, in respect of shares issued for consideration other than cash, the date on which the corresponding new group companies were consolidated for the first time;
- *diluted earnings per share* share takes into account share options already granted or to be granted within the number and time limits set by the General Meetings that authorised the plans. The share buyback method has been applied at the market price, based on the average share price throughout the year.

### 1.3.12. Share option plans

Additional discount expenses subject to contributions are recorded when the options are exercised.

Shares obtained through exercising options may not be converted to bearer shares or transferred during a statutory period of five years. Accordingly, no provision is required.

## 1.4. Application of preferential methods

The Sopra Group applies the following preferential methods:

- lease contracts are accounted for as if the assets concerned had been purchased on credit,
- Transactions partially completed at the balance sheet date are valued based on the percentage of completion method.

In view of staff turnover for each business sector and the low average age of employees, retirement commitments are provided for only in respect of employees aged 50 or above.

## 2. SCOPE OF CONSOLIDATION

### 2.1. List of consolidated companies in 2001

Company	Country	% Control	% Held	Consolidation method	
■ Sopra Group	France	–	–	Parent company	
■ Orga Consultants	France	100.0	100.0	FC	
■ Orga Kienbaum	France	55.0	55.0	FC	
■ Sopra Group Ltd	United Kingdom	100.0	100.0	FC	
■ CS Rand	United Kingdom	100.0	100.0	FC	
■ Sopra Benelux	Belgium	100.0	100.0	FC	
■ Sopra Luxembourg	Luxembourg	100.0	100.0	FC	
■ Sopra Group GmbH	Germany	100.0	100.0	FC	
■ Microtec Consulting	Germany	100.0	100.0	FC	
■ Nexio	Germany	51.0	51.0	FC	
■ Sopra Informatique	Switzerland	100.0	100.0	FC	
■ Sopra Group SpA	Italy	53.5	53.5	FC	
■ Sopra Informatica	Spain	100.0	100.0	FC	
■ Organización Guver	Spain	100.0	100.0	FC	
■ Newpath Consulting	Spain	100.0	100.0	FC	
■ Newpath GS	Spain	100.0	100.0	FC	
■ Dipisa	Spain	100.0	100.0	FC	
■ Axway Software	France	100.0	100.0	FC	
■ Axway UK Ltd	United Kingdom	100.0	100.0	FC	
■ Axway GmbH	Germany	100.0	100.0	FC	
■ Axway Srl	Italy	100.0	100.0	FC	
■ Axway Software Iberia	Spain	100.0	100.0	FC	
■ Sopra Multimédia	France				
		First half	35.0	35.0	EM
		Second half	100.0	100.0	FC

FC: Full consolidation

EM: Equity method

### 2.2. Changes in the consolidation scope

#### 2.2.1. 1999 financial year

The changes to the consolidation scope in 1999 were as follows:

- In April 1999 Sopra Group bought Financial Softwares via its holding company Eric Dermont & Cie. This company publishes the IT2 software package for the integrated management of trading floor operations, used by around thirty banks or financial institutions. Both companies were fully consolidated in 1999 and were merged into the group's operations in 2000.
- In May 1999, Sopra raised its stake in Sopra Systèmes from 64% to 100%. This company was already consolidated under the full consolidation method and was absorbed by Sopra in 2000.
- In July 1999, Sopra acquired a 35% stake in the capital of Sopra Multimedia, founded by a group of former employees. This company's primary object is the development of multimedia applications and educational games. It was consolidated by the equity method until 30 June 2001. After this date it was fully consolidated and was absorbed by Sopra Group at the end of December 2001.

- In October 1999, Sopra acquired IOS ATI and IOS RS from the Vivendi group; these companies are involved in systems integration for the telecommunications and services sectors, and in customer relationship management (CRM), technical IT and networks. These two companies have been fully consolidated since 1 October 1999 and were fully integrated in the group's operations in 2000.
- In November 1999, Sopra acquired all the capital of Mentor, based in London and Birmingham, a company specialised in systems integration in major business sectors. Mentor has been fully consolidated since 1 November 1999. Its registered name has been changed to Sopra Group Ltd.

#### 2.2.2. 2000 financial year

Changes in consolidation scope in 2000 were as follows:

- In January 2000, Sopra Informatica, a wholly-owned Spanish subsidiary, purchased the entire share capital of Organización Guver, based in Barcelona. Organización Guver has been fully consolidated since 1 January 2000.

- Sopra acquired the companies comprising the Orga Consultants Group, payment for which was made by a share issue approved by the Shareholders' General Meeting on 29 June 2000. During the second half of 2000, the consulting division was reorganised to simplify its legal structure. This led to the merger of two Orga companies with Aptime Consulting, previously owned by Sopra. Following these transactions, Orga Consultants Group comprises Orga Consultants, a wholly-owned subsidiary, and Orga Kienbaum, in which Sopra holds a 55% stake. Both companies have been fully consolidated since 1 July 2000.
- At the end of July 2000, Orga Consultants purchased the 4 companies comprising the ELC Group which specialises in logistics management consulting, and including a 71.5% interest in CVM Holding, which was increased to 100% in January 2001. The other companies of the group (Iteca, ID Performances, and ELC) are wholly owned. All these companies have been fully consolidated since 1 August 2000 and were merged into Orga Consultants in December 2001.
- In July 2000, Sopra Informatica (Spain) purchased the entire share capital of the 4 companies comprising the Dipisa group, based in Madrid (MCS, Person Data, Dipisa et Dipisa Internet). All companies have been fully consolidated since 1 July 2000.
- In August 2000, Sopra Informatica (Spain) acquired the entire share capital of Newpath Consulting and Newpath GS, based in Madrid. Both companies have been fully consolidated since 1 August 2000.
- In November 2000, Sopra SA acquired the entire share capital of the German company, Microtec Electronic, which has been renamed Sopra Group GmbH, and which in turn owns 51% of Microtec Consulting and 51% of IT Nexio. All three companies have been fully consolidated since 1 November 2000.
- In January 2000, Sopra SA created Sopra Italy, a wholly-owned subsidiary with the object of distributing EAI software packages in Italy. This company, which has been renamed Axway Srl, acquired the business of Sopra's previous Italian distributor, Banksiel. Sopra Italy has been fully consolidated since 1 January 2000.
- In June 2000, Sopra merged the following twelve wholly-owned subsidiaries into its business: Sopra IIS, Sopra E3S, Sopra DPC, Sopra Systèmes, Eric Dermont & Cie, Financial Softwares, IOS ATI, IOS RS, Pléiades, Pro-BF, Netsys and Item. This internal restructuring transaction had no impact on the consolidated accounts.

### 2.2.3. 2001 financial year

Changes in consolidation scope in 2001 were as follows:

- In June 2001, Sopra Group integrated its EAI (Enterprise Application Integration) division into Axway Software, a wholly-owned subsidiary created for this purpose in December 2000. This internal restructuring transaction was carried out on the basis of net book value at 31 December 2000 has had

no impact on the consolidated accounts. Axway Software has share capital of 19,900,000 euro. The three European subsidiaries specialising in EAI have been integrated into Axway Software and their names changed to Axway UK Ltd (United Kingdom), Axway GmbH (Germany) and Axway Srl (Italy).

- At the start of the year, Axway Software created a new 100%-owned subsidiary in Spain called Axway Software Iberia, with share capital of 200,000 euro.

- In January 2001, Orga Consultants raised its stake in CVM Holding from 71.5% to 100%. This company in turn owns 100% of the capital of Iteca, ID Performances and ELC. These four companies, which form the ELC group, specialised in logistics management consulting, were merged with Orga Consultants in December 2001 with effect from 1 January 2001. This internal restructuring has no impact on the consolidated accounts.

- In June 2001, Sopra Group created a Luxembourg-based subsidiary called Sopra Luxembourg. This company has share capital of 100,000 euro and its purpose is to develop the group's systems integration and engineering activities in Luxembourg.

- In July 2001, Sopra Group Ltd acquired CS Rand, a company with offices in Oxford and Edinburgh. This company provides consulting and systems integration and will reinforce Sopra Group's operations in the UK. Sopra Group has operated in the UK since November 1999 through its subsidiary, Mentor, whose name has since been changed to Sopra Group Ltd. CS Rand has been fully consolidated since 1 July 2001. The two companies have been merged and all business has been carried out by Sopra Group Ltd since 1 January 2002.

- In July 2001, Sopra Group acquired 53.5% of the capital of ITI SpA, a Milan-based consulting and systems and solutions integration firm. Sopra Group's holding in the company was raised to 100% in January 2002. ITI SpA's name has been changed to Sopra Group SpA. Sopra Group SpA employs about 200 people and has been fully consolidated since 1 July 2001.

- The Spanish companies, MCS and Person Data were merged with Sopra Informatica, and Dipisa absorbed its subsidiary Dipisa Internet. This internal restructuring has no effect on the consolidated accounts. The process aimed at simplifying the legal structure of the group's Spanish operations will be continued in 2002.

- In July 2001, Sopra Group acquired 65% of the capital of Sopra Multimedia, thereby increasing its ownership of the company to 100%. Sopra Multimedia was dissolved in December 2001 and its entire assets were transferred to Sopra Group. Sopra Multimedia was consolidated by the equity method for the first half of 2001 and by the full method as from 1 July 2001.

- In December 2001, Sopra Group GmbH (formerly Microtec Electronic) acquired full ownership of Microtec Consulting by acquiring the remaining 49.4% of the capital.

### 3. COMPARABILITY OF ACCOUNTS

#### 3.1. Companies acquired in 2001

Company/group (thousands of euro)	Acquisition cost of securities	Goodwill on acquisition	Amortisation period
■ CVM Holding - Groupe ELC - acquisition of an additional 28.5 %	1,173	473	20 years
■ Microtec Consulting - acquisition of an additional 49,4 %	–	82	20 years
■ CS Rand	8,703	7,257	20 years
■ Sopra Group SpA (ITI SpA)*	5,159	1,787	20 years
■ Sopra Multimédia	–	228	1 year

\* acquisition of an additional 47,48% in January 2002 for a total of 4,320,000 euro.

#### 3.2. Pro forma 2001 and 2000 accounts

The 2000 pro forma accounts are the published 2000 accounts, restated to take account of acquisitions completed in 2000 consolidated over the full year and acquisitions completed in 2001 consolidated for the same period as in 2001.

The 2001 pro forma accounts are the published 2001 accounts, restated over the full year to take account of acquisitions completed in 2001 as though consolidated from 1 January 2001.

The pro forma accounts take account of goodwill amortisation and of the financial expenses incurred by the acquisitions.

(millions of euro)	Published accounts 2000		Pro forma accounts 2000		Published accounts 2001		Pro forma accounts 2001	
	Amount	%	Amount	%	Amount	%	Amount	%
■ Turnover	395.8	100.0	443.3	100.0	516.1	100.0	527.5	100.0
■ Operating profit (after employee profit sharing)	29.7	7.5	33.7	7.6	43.6	8.5	43.9	8.3
■ Net profit - group share	15.8	4.0	17.1	3.9	24.1	4.7	23.9	4.5

## 4. BALANCE SHEET ITEMS

### 4.1. Fixed assets

#### 4.1.1. Intangible fixed assets

##### a. Statement of changes during the year

(thousands of euro)	Goodwill on acquisition	Intangible fixed assets			TOTAL
		Business goodwill	Software packages	Software and other intangible assets	
<b>GROSS VALUE</b>					
<b>At 1 January 1999</b>	<b>11,969</b>	5,140	10,227	2,240	<b>17,607</b>
■ Translation differentials	–	–	–	–	–
■ Acquisitions	–	46	168	25	239
■ Disposals	–	– 17	–	– 1,172	– 1,189
■ Changes in scope	9,387	25,627	1,692	1,101	28,420
<b>At 31 December 1999</b>	<b>21,356</b>	30,796	12,087	2,194	<b>45,077</b>
■ Translation differentials	–	–	–	–	–
■ Acquisitions	–	3,056	1,906	255	5,217
■ Disposals	–	–	–	– 17	– 17
■ Changes in scope	13,153	13,004	–	691	13,695
<b>At 31 December 2000</b>	<b>34,509</b>	46,856	13,993	3,123	<b>63,972</b>
■ Translation differentials	–	–	–	–	–
■ Acquisitions	–	–	–	328	328
■ Disposals	–	–	–	– 24	– 24
■ Changes in scope	9,739	7,143	–	172	7,315
<b>At 31 December 2001</b>	<b>44,248</b>	53,999	13,993	3,599	<b>71,591</b>
<b>DEPRECIATION</b>					
<b>At 1 January 1999</b>	<b>7,717</b>	2,012	3,626	1,783	<b>7,421</b>
■ Translation differentials	–	–	–	–	–
■ Dotations	1,213	441	1,190	217	1,848
■ Reprises	–	– 17	–	– 1,170	– 1,187
■ Changes in scope	–	–	–	1,084	1,084
<b>At 31 December 1999</b>	<b>8,930</b>	2,436	4,816	1,914	<b>9,166</b>
■ Translation differentials	–	–	–	–	–
■ Dotations	1,835	–	1,449	368	1,817
■ Reversals	–	– 14	–	–	– 14
■ Changes in scope	–	–	–	326	326
<b>At 31 December 2000</b>	<b>10,765</b>	2,422	6,265	2,608	<b>11,295</b>
■ Translation differentials	–	–	–	–	–
■ Dotations	2,499	–	1,487	245	1,732
■ Reversals	–	–	–	– 24	– 24
■ Changes in scope	–	–	–	132	132
<b>At 31 December 2001</b>	<b>13,264</b>	2,422	7,752	2,961	<b>13,135</b>
<b>NET VALUE</b>					
■ At 1 January 1999	4,252	3,128	6,601	457	10,186
■ At 31 December 1999	12,426	28,360	7,271	280	35,911
■ At 31 December 2000	23,744	44,434	7,728	515	52,677
<b>At 31 December 2001</b>	<b>30,984</b>	<b>51,577</b>	<b>6,241</b>	<b>638</b>	<b>58,456</b>

## **b. Remark**

### **■ 1999 financial year**

The principal movements in 1999 related to the purchase of Financial Softwares, IOS Ati, IOS RS and Mentor, and the acquisition of a 36% stake in Sopra Systèmes.

Goodwill on first consolidation was posted to identifiable elements such as market share and software packages, as indicated in note 1.2.2. "Goodwill on acquisition".

A charge of 25,627 K euro was posted to non-depreciable market shares and 1,692 K euro to software packages depreciated over 10 years, while goodwill of 9,387 K euro was amortised over 20 years.

### **■ 2000 financial year**

The principal movements in 2000 relate to:

– the acquisitions described in note 2.2.2. The initial consolidation adjustments included an amount of 13,004 K euro posted to market shares, and 13,153 K euro to goodwill amortised over 20 years,

– acquisition of the Ulis business (property management) from Sinorg and of Open Process (automated management of IT production) from MGL, and supplementary amounts paid for the purchase of the Aptime Consulting business, for a total of 3,056 K euro for market share and 1,906 K euro for software packages.

### **■ 2001 financial year**

The principal movements in 2001 relate to:

– the acquisitions described in note 2.2.3. The initial consolidation adjustments included an amount of 7,143 K euro posted to business goodwill and 10,207 K euro to goodwill amortised over 20 years.

– price adjustments for earlier acquisitions amounting to 468,000 euro and deducted from goodwill.

## 4.1.2. Tangible fixed assets

### a. Statement of changes during the year

<i>(thousands of euro)</i>	Land and buildings	Furnishings and fittings	IT equipment	Other tangible assets	TOTAL
<b>GROSS VALUE</b>					
<b>At 1 January 1999</b>	<b>4,116</b>	<b>12,144</b>	<b>12,347</b>	<b>6,888</b>	<b>35,495</b>
■ Translation differentials	–	–	–	– 3	– 3
■ Acquisitions	–	1,374	2,403	804	4,581
■ Disposals	–	– 317	– 2,676	– 955	– 3,948
■ Changes in scope	724	714	1,503	888	3,829
<b>At 31 December 1999</b>	<b>4,840</b>	<b>13,915</b>	<b>13,577</b>	<b>7,622</b>	<b>39,954</b>
■ Translation differentials	– 3	10	5	– 1	11
■ Acquisitions	–	2,556	3,531	1,683	7,770
■ Disposals	–	– 269	– 1,910	– 607	– 2,786
■ Changes in scope	–	966	1,088	1,068	3,122
<b>At 31 December 2000</b>	<b>4,837</b>	<b>17,178</b>	<b>16,291</b>	<b>9,765</b>	<b>48,071</b>
■ Translation differentials	26	6	59	17	108
■ Acquisitions	–	2,697	4,372	1,798	8,867
■ Disposals	– 739	– 287	– 1,932	– 403	– 3,361
■ Changes in scope	297	60	1,570	505	2,432
<b>At 31 December 2001</b>	<b>4,421</b>	<b>19,654</b>	<b>20,360</b>	<b>11,682</b>	<b>56,117</b>
<b>DEPRECIATION</b>					
<b>At 1 January 1999</b>	<b>2,103</b>	<b>5,993</b>	<b>7,975</b>	<b>3,506</b>	<b>19,577</b>
■ Translation differentials	–	– 1	–	–	– 1
■ Dotations	155	1,142	1,965	634	3,896
■ Reversals	–	– 343	– 2,677	– 723	– 3,743
■ Changes in scope	75	423	1,045	751	2,294
<b>At 31 December 1999</b>	<b>2,333</b>	<b>7,214</b>	<b>8,308</b>	<b>4,168</b>	<b>22,023</b>
■ Translation differentials	10	– 5	4	2	11
■ Dotations	164	1,600	3,028	863	5,655
■ Reversals	–	– 223	– 1,890	– 415	– 2,528
■ Changes in scope	–	136	630	613	1,379
<b>At 31 December 2000</b>	<b>2,507</b>	<b>8,722</b>	<b>10,080</b>	<b>5,231</b>	<b>26,540</b>
■ Translation differentials	5	3	48	9	65
■ Dotations	174	1,657	3,468	1,022	6,321
■ Reversals	– 101	– 123	– 1,829	– 240	– 2,293
■ Changes in scope	106	31	1,336	255	1,728
<b>At 31 December 2001</b>	<b>2,691</b>	<b>10,290</b>	<b>13,103</b>	<b>6,277</b>	<b>32,361</b>
<b>NET VALUE</b>					
■ At 1 January 1999	2,013	6,151	4,372	3,382	15,918
■ At 31 December 1999	2,507	6,701	5,269	3,454	17,931
■ At 31 December 2000	2,330	8,456	6,211	4,534	21,531
<b>At 31 December 2001</b>	<b>1,730</b>	<b>9,364</b>	<b>7,257</b>	<b>5,405</b>	<b>23,756</b>

## b. Remark

Land and buildings include Sopra's registered office at Annecy-le-Vieux and the offices of CS Rand, a UK company acquired in 2001. The finance lease on Sopra's offices has been restated in the consolidated accounts as indicated in paragraph 1.3.7.

The following amounts have been recorded in the consolidated balance sheet in respect of these lease contracts:

<i>(thousands of euro)</i>	2001	2000	1999
■ Land	255	255	255
■ Buildings	3,861	3,861	3,861
■ Depreciation	- 2,567	- 2,412	- 2,258
<b>Net value</b>	<b>1,549</b>	<b>1,704</b>	<b>1,858</b>

Most of Sopra SA's IT equipment is on a 4-year lease which has been restated in the consolidated accounts as if Sopra had acquired it on credit (cf. paragraph 1.3.7.)

The following amounts have been recorded in the consolidated balance sheet in respect of these lease contracts:

<i>(thousands of euro)</i>	2001	2000	1999
■ Gross value	14,420	12,227	10,971
■ Depreciation	- 8,325	- 7,150	- 6,353
<b>Net value</b>	<b>6,095</b>	<b>5,077</b>	<b>4,618</b>

### 4.1.3. Financial assets

<i>(thousands of euro)</i>	2001	2000	1999
■ Shares in non-consolidated companies	1,067	1,117	856
■ Provisions for shares in non-consolidated companies	- 43	- 43	- 369
■ Loans	23	24	23
■ Deposits and other long-term investments	2,572	1,382	632
■ Provisions for deposits and other long-term investments	- 27	- 27	- 2
<b>Total</b>	<b>3,592</b>	<b>2,453</b>	<b>1,140</b>

■ Shares in non-consolidated companies include various shareholdings, the largest of which is Sopra's 8.25% stake in Cosmosbay.

■ Deposits and other long-term investments consist mainly of guarantees given for the leased offices.

### 4.1.4. Shares accounted for by the equity method

Sopra Group's 35% stake in Sopra Multimedia was accounted for by the equity method until 30 June 2001. Sopra Group acquired the remaining capital in July 2001. The company was dissolved and its assets transferred to Sopra Group at the end of December 2001.

## 4.2. Other balance sheet items

### 4.2.1. Trade accounts receivable

Trade accounts receivable are stated as balance sheet assets net of all client-related debit and credit balances.

<i>(thousands of euro)</i>	2001	2000	1999
■ Customers	142,209	117,089	80,295
■ Invoices not yet issued	66,142	42,937	36,865
■ Bills not yet received	1,886	1,986	2,872
■ Doubtful accounts	1,830	1,259	951
■ Provisions for doubtful accounts	- 1,757	- 1,116	- 822
■ Credit notes not yet issued	- 1,543	- 2,923	- 2,730
■ Advance payments and payments on account	- 7,763	- 8,889	- 8,084
<b>Total</b>	<b>201,004</b>	<b>150,343</b>	<b>109,347</b>
o/w with a maturity of more than one year	-	-	-

### 4.2.2. Other receivables and prepayments and accrued income

<i>(thousands of euro)</i>	2001	2000	1999
■ Staff and social security	399	619	488
■ Corporation tax	1,445	3,758	1,826
■ VAT	4,225	3,125	2,942
■ Leased equipment	728	241	353
■ Other debtors	1,326	738	654
■ Prepayments	2,084	925	739
■ Accruals	145	190	-
■ Deferred tax assets	2,993	1,741	1,968
■ Translation differential asset	-	-	147
<b>Total</b>	<b>13,345</b>	<b>11,337</b>	<b>9,117</b>
o/w with a maturity of more than one year	34	166	85

### 4.2.3. Cash and cash equivalents

#### a. Statement of net cash and equivalents at 31 December

<i>(thousands of euro)</i>	2001	2000	1999
■ Investment securities	4,292	5,515	11,646
■ Liquid funds	8,741	12,394	8,171
■ Overdrafts	- 2,602	- 752	- 1,038
<b>Total</b>	<b>10,431</b>	<b>17,157</b>	<b>18,779</b>

## b. Remark

Net cash and cash equivalents include liquid funds (cash and bank account balances), liquid investment securities for which there is no material risk of default, bills of exchange submitted for collection and falling due prior to 1 January and temporary bank overdrafts.

### c. Transferable securities

Type of security <i>((in thousands of euro))</i>	Gross value	Provision	Net value	Market value
■ Own shares	838	0	838	948
■ Shares in money market funds	3,019	0	3,019	3,019
■ Shares in convertible bonds funds	275	43	232	232
■ French equities	32	10	22	22
■ Foreign equities	344	163	181	181
<b>Total</b>	<b>4,508</b>	<b>216</b>	<b>4,292</b>	<b>4,402</b>

### d. Cash flow statement

The cash flow statement is provided in paragraph 7.

#### 4.2.4. Consolidated shareholders' equity

##### a. Statement of changes in consolidated shareholders' equity – Group share

<i>(thousands of euro)</i>	Share capital	Share premium	Consolidated reserves	Net profit for the year	Translation differentials	Total shareholders' equity
<b>Balance at 31 December 1999</b>	<b>37,985</b>	<b>3,406</b>	<b>12,590</b>	<b>18,197</b>	<b>115</b>	<b>72,293</b>
Movements 2000	2,696	67	12,689	- 2,382	182	13,252
<b>Balance at 31 December 2000</b>	<b>40,681</b>	<b>3,473</b>	<b>25,279</b>	<b>15,815</b>	<b>297</b>	<b>85,545</b>
■ Allocation of 2000 net profit and dividends	-	-	9,509	- 15,815	-	- 6,306
■ Capital increase through exercise of share options	29	29	-	-	-	58
■ Translation differentials and changes in scope	-	-	-	-	223	223
■ Net profit for the year – Group share	-	-	-	24,075	-	24,075
<b>Balance at 31 December 2001</b>	<b>40,710</b>	<b>3,502</b>	<b>34,788</b>	<b>24,075</b>	<b>520</b>	<b>103,595</b>

##### b. Changes in share capital

At 31 December 2001 Sopra Group's share capital amounted to 40,709,540 euro, comprising 10,177,385 shares with a nominal value of 4 euro each.

The only change in 2001 relates to the capital increase arising from the exercise of share options during the year: 7,150 shares with a nominal value of 4 euro each were created.

##### c. Share option plans

###### ■ 1994 option plan (General Meeting of 28 October 1994)

The General Meeting fixed the maximum number of shares that can be issued under this option plan at 6% of the resulting share capital, or 518,860 shares.

7,150 new shares were issued in 2001.

At 31 December 2001 the total number of shares issued under this plan amounted to 472,760.

At 31 December 2001, the total number of new shares that could be issued through exercise of the options was 44,850.

The share issue price under this plan is 7.01 euro.

The exercise period for the options was extended from 5 to 8 years by the Extraordinary and Ordinary General Meeting of 28 April 1999.

###### ■ 1998 option plan (General Meeting of 7 January 1998)

The maximum number of shares that can be issued under this option plan is 6% of the resulting share capital, or 721 250 shares.

As authorised by the Extraordinary and Ordinary General Meeting of 7 January 1998, the Board of Directors granted the following options at the price set by the General Meeting, i.e. 80 % of the reference price (being the average of the last 20 quoted prices on the market prior to the decision):

- 13 January 1998, 614,000 options, issue price fixed at 15.37 euro per share;
- 4 December 1998, 25,000 options, issue price fixed at 46.86 euro per share;
- 3 March 1999, 20,000 options, issue price fixed at 48.05 euro per share;
- 12 October 1999, 51,750 options, issue price fixed at 46.02 euro per share.

These options may be exercised within a period of 5 to 8 years with effect from the date upon which they were granted.

125 new shares were issued in 1998 and 3,000 in 2000.

In total, 73,425 options have been cancelled.

The maximum number of shares that may still be allocated at 31 December 2001 is 83,925.

At 31 December 2001 the maximum number of future shares that may be created if all allocated options are exercised is 634,200 and the maximum number of shares that may be issued is consequently 718,125.

#### ■ 2000 option plan (General Meeting of 29 June 2000)

The maximum number of shares that may be issued under this plan amounts to 7% of the resulting share capital or 714,774 new shares.

As authorised by the General Meeting, the Board of Directors has granted the following options:

- 29 June 2000, 33,900 options at an issue price of 73 euro;
- 22 March 2001, 301,500 options, at an issue price of 61.40 euro;
- 19 December 2001, 34,600 options at an issue price of 61.40 euro.

These options may be exercised within a period of 5 to 8 years with effect from the date upon which they were granted.

In total, 12,200 options were cancelled.

The maximum number of shares that may still be allocated at 31 December 2001 is 356,974.

At 31 December 2001 the maximum number of future shares that may be created if all allocated options are exercised is 357,800 and the maximum number of shares that may be issued is consequently 714,774.

#### 4.2.5. Minority interests

<i>(thousands of euro)</i>	2001	2000	1999
■ Sopra Group SpA*	3,007	–	–
■ Nexio	216	158	–
■ ELC**	–	569	–
■ Other	– 36	42	5
<b>Total</b>	<b>3,187</b>	<b>769</b>	<b>5</b>

\* holding raised to 100% in January 2002.

\*\* holding raised to 100% in January 2001

#### 4.2.6. Provisions for risks and charges

##### a. Analysis

<i>(thousands of euro)</i>	2001	2000	1999
■ Retirement commitments	2,335	1,939	1,243
■ Commercial disputes	391	99	–
■ Pay disputes	497	150	288
■ Real estate leasehold tax	82	87	82
■ Other provisions	67	51	516
<b>Total</b>	<b>3,372</b>	<b>2,326</b>	<b>2,129</b>

#### b. Statement of changes in 2001

<i>(thousands of euro)</i>	01/01/2001	Charge for the year	Reversal for the year (provision used)	Reversal (provision not used)	Changes in scope	31/12/2001
■ Retirement commitments	1,939	403	– 7	–	–	2,335
■ Commercial disputes	99	339	– 47	–	–	391
■ Pay disputes	150	407	– 60	–	–	497
■ Real estate leasehold tax	87	–	– 5	–	–	82
■ Other contingency reserves	51	–	–	–	16	67
<b>Total</b>	<b>2,326</b>	<b>1,149</b>	<b>– 119</b>	<b>–</b>	<b>16</b>	<b>3,372</b>
<b>Impact (net of accrued expenses)</b>						
■ Operating profit		1,149		–		
■ Financial income		–		–		
■ Extraordinary income		–		–		

#### c. Remarks

- Pension commitments are accounted for according to the accounting policies stated in paragraph 1.3.9.
- Provisions for pay disputes cover labour court litigation and severance pay.

## 4.2.7. Loans and financial liabilities

### a. Analysis

<i>(thousands of euro)</i>	2001	2000	1999
■ Bank loans	39,691	41,119	9,674
■ Finance lease liabilities: restatement of equipment leases	5,794	4,662	4,253
■ Finance lease liabilities: restatement of real estate leases	430	615	781
■ Employee profit sharing	10,083	8,885	6,004
■ Repayable short term loans	288	288	288
■ Overdrafts	2,602	752	1,038
<b>Total</b>	<b>58,888</b>	<b>56,321</b>	<b>22,038</b>

### b. Breakdown by due date of loans and financial liabilities at 31 December 2001

<i>(thousands of euro)</i>	Less than 1 year	1 to 5 years	More than 5 years	Total 2001
■ Bank loans	9,655	30,036	–	39,691
■ Finance lease liabilities: restatement of equipment leases	204	226	–	430
■ Finance lease liabilities: restatement of real estate leases	2,528	3,266	–	5,794
■ Employee profit sharing	–	10,083	–	10,083
■ Repayable short term loans	–	288	–	288
■ Overdrafts	2,602	–	–	2,602
<b>Total</b>	<b>14,989</b>	<b>43,899</b>	<b>–</b>	<b>58,888</b>

### c. Remarks

#### ■ Bank loans

At 31 December 2001, Sopra Group had medium term credit lines totalling 60 million euro on which a commitment fee and a usage fee fixed at Euribor rates is charged for the period of use.

At 31 December 2001, 39 million euro of these lines had been taken up, mainly to fund company acquisitions.

#### ■ Finance lease liabilities

Real-estate leases: the leased premises at Annecy have always been treated in the consolidated accounts as if Sopra Group had acquired them on credit. At 31 December 2001 the liability arising from this adjustment was 430 K euro. Interest is at a fixed rate.

Equipment leases: leased IT equipment is treated as if these assets had been bought on credit. At 31 December 2001 the liability arising from this adjustment was 5,794 K euro. Interest is at a fixed rate.

#### ■ Employee profit-sharing

Profit-sharing reserves for Sopra Group and Axway Software are in the form of fixed-interest current accounts that are frozen over a period of five years.

### d. Collateral security

No security has been given for bank loans.

## 4.2.8. Trade accounts payable

Trade accounts payable are recorded under balance sheet liabilities at their net value corresponding to total trade supplier credit and debit balances.

<i>(thousands of euro)</i>	2001	2000	1999
■ Trade payables	24,908	23,165	16,022
■ Trade payables – advances and repayments	– 1,537	– 43	– 75
■ Fixed asset payables	3,251	7,948	6,161
<b>Total</b>	<b>26,622</b>	<b>31,070</b>	<b>22,108</b>

#### 4.2.9. Other liabilities and accruals and deferred income

<i>(thousands of euro)</i>	2001	2000	1999
■ Staff costs	33,025	26,143	22,705
■ Employee profit sharing	4,572	2,947	4,813
■ Social security and other	34,952	30,084	26,488
■ Corporation tax	5,693	1,786	444
■ VAT	38,386	30,799	24,211
■ French government - other charges due	4,871	2,810	2,552
■ Deferred income	27,393	9,764	5,950
■ Other	37	159	325
<b>Total</b>	<b>148,929</b>	<b>104,492</b>	<b>87,488</b>

#### 4.2.10. Corporation tax

##### a. Deferred tax

<i>At 31 December (thousands of euro)</i>	2001	2000	1999
<b>Temporary timing differences – tax declarations</b>			
■ Employee profit sharing	4,572	2,947	4,813
■ Retirement commitments	2,176	1,773	1,243
■ Social security contributions (Organic)	540	454	420
■ Contribution to development	–	–	18
■ UCITS valuation differences	53	–	–
■ Provisions for contracts	–	–	153
■ Deferred charges	– 144	– 190	–
<b>Consolidation adjustments</b>			
■ Real-estate leases	– 634	– 1,089	– 1,077
■ Equipment leases	157	21	14
■ Market share write-down	–	–	– 318
■ Adjustment to amortisation period for software packages held by merged entities	1,727	864	–
<b>Capitalised tax losses</b>	–	–	–
<b>Deferred tax base</b>	<b>8,447</b>	<b>4,780</b>	<b>5,266</b>
<b>Deferred tax assets</b>	<b>2,993</b>	<b>1,741</b>	<b>1,968</b>
<b>Deferred tax liabilities</b>	–	–	– 37
<b>Net deferred tax</b>	<b>2,993</b>	<b>1,741</b>	<b>1,931</b>
<b>Changes in scope</b>	–	<b>188</b>	– 4
<b>Change for the year - Impact on P&amp;L account</b>	<b>1,251</b>	<b>– 378</b>	<b>– 138</b>

##### b. Tax losses carried forward

<i>Current tax (thousands of euro)</i>	2001	2000	1999
■ Year of expiry			
	N+1	–	232
	N+2	–	2,748
	N+3	–	–
	N+4	–	–
	N+5	–	236
	Other years	8,641	3,837
■ Deferred depreciation	–	–	1,635
<b>Total</b>	<b>8,641</b>	<b>8,021</b>	<b>8,688</b>
■ Maximum potential tax saving	2,592	2,406	2,984
<i>Amount capitalised</i>	–	–	–

#### 4.2.II. Off-balance sheet liabilities

##### a. Discounted bills not yet due

Group companies do not discount commercial bills.

##### b. Bank guarantees in place of deposits on leased offices

These amounted to 1,580 K euro at 31 December 2001.

##### c. Bank guarantees for final completion of projects

These amounted to 448 K euro at 31 December 2001.

##### d. Retirement payments

Retirement payments are accounted for as described in paragraph 1.3.9.

## 5. NOTES TO THE PROFIT AND LOSS ACCOUNT

### 5.1. Staff costs

#### 5.1.1. Workforce

<i>Workforce at 31 December</i>	<b>2001</b>	<b>2000</b>	<b>1999</b>
■ France	4,700	4,300	3,750
■ International	1,300	1,000	450
<b>Total</b>	<b>6,000</b>	<b>5,300</b>	<b>4,200</b>

#### 5.1.2. Employee profit-sharing

Employee profit-sharing recorded in the profit and loss account amounts to 4,572 K euro. This includes 3,499 K euro in respect of Sopra Group which directly manages the funds held in current accounts frozen for 5 years.

Employee profit-sharing expense is now booked to staff costs.

### 5.2. Research and development costs

R&D costs are stated in full under expenses for the year in which they were incurred. They totalled 26 million euro in 2001, 25 million in 2000 and 23.5 million in 1999.

### 5.3. Depreciation and provisions

Depreciation charges and write-backs are described in paragraph 4.1.

### 5.4. Financial charges and income

#### 5.4.1. Analysis

<i>(thousands of euro)</i>	<b>2001</b>	<b>2000</b>	<b>1999</b>
■ Recurring financial income	691	907	781
■ Recurring financial charges	- 3,144	- 3,234	- 691
■ Restated finance leases: interest charges on real estate leases	- 70	- 87	- 103
■ Restated finance leases: interest charges on equipment leases	- 260	- 196	- 174
■ Write-down of equity investments	-	343	-
■ Income from sale of own shares	-	-	-
<b>Total</b>	<b>- 2,783</b>	<b>- 2,267</b>	<b>- 187</b>

#### 5.4.2. Remark

The increase in financial charges is due mainly to the financing of acquisitions made in 1999, 2000 and 2001.

### 5.5. Extraordinary income and expenses

<i>(thousands of euro)</i>	<b>2001</b>	<b>2000</b>	<b>1999</b>
■ Compromise allowances	- 560	-	- 610
■ Disposals of fixed assets	- 65	-	- 32
■ Other extraordinary income and expenses	- 210	- 229	- 114
<b>Total</b>	<b>- 835</b>	<b>- 229</b>	<b>- 756</b>

## 5.6. Corporation tax

### 5.6.1. Current and deferred tax

<i>(thousands of euro)</i>	2001	2000	1999
■ Current tax	14,424	8,701	12,181
■ Deferred tax	- 1 251	378	138
<b>Total</b>	<b>13,173</b>	<b>9,079</b>	<b>12,319</b>

### 5.6.2. Tax on extraordinary profits

Tax gains credited to the profit and loss account arising from extraordinary charges amounted to 300 K euro in 2001, 142 K euro in 2000 and 265 K euro in 1999.

### 5.6.3. Tax credits

In 2001 Sopra Group received a research tax credit of 781 K euro in respect of its R&D programme for the year. Tax credits totalled 828 K euro in 2000 and 890 K euro in 1999.

## 6. OTHER INFORMATION

### 6.1. Sector information

#### 6.1.1. Turnover by division

<i>(millions of euro)</i>	2001		2000		1999	
■ Consulting & Systems Integration	466	90.3%	350	88.4%	269	85.1%
■ EAI ( Enterprise Application Integration)	50	9.7%	46	11.6%	47	14.9%
<b>Total turnover</b>	<b>516</b>	<b>100.0%</b>	<b>396</b>	<b>100.0%</b>	<b>316</b>	<b>100.0%</b>

#### 6.1.2. Turnover by market

	2001	2000	1999
■ Bank	32.0%	30.0%	27.0%
■ Manufacturing	18.0%	22.5%	24.0%
■ Services (o/w real estate)	22.0%	19.5%	20.0%
■ Telecom	10.0%	11.0%	10.0%
■ Public Sector	11.0%	10.0%	11.0%
■ Retail	7.0%	7.0%	8.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

#### 6.1.3. International business

<i>(millions of euro)</i>	2001	2000	1999
■ Systems integration	85	54	21
■ EAI (Enterprise Application Integration)	7	10	6
■ Other	7	2	1
<b>International turnover</b>	<b>99</b>	<b>66</b>	<b>28</b>
<b>Total turnover</b>	<b>516</b>	<b>396</b>	<b>316</b>

#### 6.1.4. Earnings by activity

<i>(millions of euro)</i>	Consulting and Systems Integration			EAI	Group
	France	Europe	Total		
■ Turnover	381.2	84.9	466.1	50.0	516.1
■ EBITDA	45.3	4.7	50.0	3.7	53.7
■ Operating profit	37.6	3.1	40.7	2.9	43.6
■ Net profit	22.9	0.3	23.2	0.9	24.1

## 6.2. Post-balance sheet events

The only significant post-balance sheet event relates to Axway Software's acquisition of Viewlocity Inc's EAI (Enterprise Application Integration) activity, comprising the EAI, AMTriX/TSIB product line and all its European subsidiaries. This deal strengthens the group's position in Europe and provides it with openings into the US and Asian markets. It rounds out Axway's existing offer and strengthens its positions in the industrial and retail sectors. Viewlocity's EAI business generated turnover of 30 million euro in 2001, of which 16 million euro in Europe.

## 6.3. Directors

### 6.3.1. Remuneration

Remuneration paid to directors with management responsibilities amounted to 1,290,000 euro in financial year 2001.

### 6.3.2. Attendance fees

Directors were paid no attendance fees.

### 6.3.3. Share options

At 31 December 2001, one member of the Board of Directors held 25,000 share options.

### 6.3.4. Pensions and related payments

There are no pension or related liabilities in respect of directors.

## 6.4. Extraordinary events and disputes

To the company's knowledge, there is no litigation or extraordinary event that could have a material impact on the financial position, business, assets or earnings of the Group.

## 7. CASH FLOW STATEMENT

<i>(thousands of euro)</i>	2001	2000	1999
<b>Cash flow from operations</b>			
■ Net profit of consolidated companies	24,187	15,864	18,197
■ Elimination of income and expenses with no impact on cash flow, or non operational			
- Depreciation and provisions	12,358	7,605	4,724
- Change in deferred tax	- 1,252	378	138
- Earnings of companies accounted for by the equity method	152	408	62
- Capital gain from sale of Sopra shares	-	-	733
- Other capital gains net of tax	65	69	32
■ Gross cash flow from operations - group companies	35,510	24,324	23,886
■ Dividends received from companies accounted for by the equity method	-	-	-
■ Changes in working capital requirements	- 13,463	- 9,961	- 2,497
<b>Net cash flow from operations</b>	<b>22,047</b>	<b>14,363</b>	<b>21,389</b>
<b>Cash flow from investments</b>			
■ Purchases of fixed assets	- 6,346	- 13,089	- 4,884
■ Sale of fixed assets net of tax	829	318	34
■ Changes in scope	- 16,227	- 28,845	- 36,196
<b>Net cash flow from investments</b>	<b>- 21,744</b>	<b>- 41,616</b>	<b>- 41,046</b>
<b>Cash flow from financing transactions</b>			
■ Dividends paid to parent company shareholders	- 6,305	- 5,501	- 4,869
■ Dividends paid to minority shareholders	-	-	-
■ Share issues for cash	58	256	2,151
■ Loans drawn down	- 782	30,876	11,978
<b>Net cash flow from financing transactions</b>	<b>- 7,029</b>	<b>25,631</b>	<b>9,260</b>
<b>Change in cash and equivalents</b>	<b>- 6,726</b>	<b>- 1,622</b>	<b>- 10,397</b>
<b>Cash and equivalents 1 January</b>	<b>17,157</b>	<b>18,779</b>	<b>29,176</b>
<b>Cash and equivalents 31 December</b>	<b>10,431</b>	<b>17,157</b>	<b>18,779</b>

## 8. FIVE-YEAR FINANCIAL SUMMARY

<i>(thousands of euro)</i>	1997	1998	1999	2000	2001
<b>Equity at 31 December</b>					
■ Share capital (*)	13,905	14,011	37,985	40,681	40,710
■ Consolidated shareholders' equity	41,675	56,153	72,293	85,545	103,595
■ Number of shares at 31 December (*)	9,121,240	9,190,660	9,496,285	10,170,235	10,177,385
■ Maximum number of future shares to be issued by exercise of options (*)	456,870	1,026,450	779,600	1,484,899	1,477,749
<b>Results for the year</b>					
■ Operating income	208,668	281,723	316,111	395,847	516,117
■ Operating profit (after employee profit sharing)	14,182	30,699	32,734	29,682	43,625
■ Corporation tax	4,533	11,605	12,319	9,079	13,173
■ Goodwill amortisation	1,181	1,328	1,213	1,835	2,495
■ Net profit - Group share	6,904	16,327	18,197	15,815	24,075
■ Dividends distributed (*) (**)	2,086	4,876	5,501	6,306	8,142
<b>Earnings per share</b>					
■ Operating profit (after employee profit sharing) per share	1.55	3.34	3.45	2.92	4.29
■ Net profit per share	0.76	1.78	1.92	1.56	2.37
■ Dividend paid per share (**)	0.23	0.53	0.58	0.62	0.80
<b>Workforce</b>					
■ Employees at 31 December	2,900	3,380	4,200	5,300	6,000
■ Staff costs (including employee profit sharing)	141,493	178,792	208,327	264,605	331,506

(\*) (\*) The Extraordinary General Meeting held on 11 February 1999 approved a share capital increase of 22,751,569 euro by transfer from reserves, the conversion of share capital into euro and the division of the nominal value of shares by 5. For the purpose of comparison, prior year data regarding number of shares and exercisable share options has been restated accordingly.

(\*\*) For 2001, amount proposed to the Ordinary General Meeting.

## **AUDITOR'S REPORT ON THE CONSOLIDATED ACCOUNTS**

### **Year ended 31 December 2001**

Ladies and gentlemen,

As mandated by your Shareholders' General Meeting, we have audited the consolidated accounts of Sopra Group for the year ended 31 December 2001, prepared in euro, as attached to the present report.

The accounts were prepared by the Board of Directors and it is our responsibility to express an opinion on these accounts based on our audit.

We performed our audit in accordance with generally accepted French auditing standards. These standards require that we perform our audit with due diligence to obtain reasonable assurance that the consolidated accounts are free from material misstatement. An audit involves examining, on a test basis, the evidence supporting the amounts and disclosures in the accounts.

An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the accounts, and evaluating the overall presentation. We believe that our audit provides a reasonable basis for the audit opinion expressed below.

We certify that the consolidated financial statements provide a true and fair view of the net worth, financial situation and earnings of the consolidated companies.

We also verified the information regarding the group provided in the Board of Directors' Management Report. We do not express an opinion on whether it is fairly stated or agrees with the consolidated financial statements.

Paris, 17 May 2002.

The Statutory Auditors

Auditeurs & Conseils Associés  
Jean-Marcel Denis

Mazars & Guérard  
Pierre Sardet  
Christine Dubus

# 5. Resolutions submitted to the Ordinary and Extraordinary General Meeting of Shareholders of 19 June 2002

## RESOLUTIONS SUBMITTED TO THE ORDINARY GENERAL MEETING

### Resolution one

The General Meeting, having heard the reports of the Board of Directors and the statutory auditors, approves the annual accounts for the year ended 31 December 2001 as they have been presented and the transactions reflected in those accounts and summarised in those reports.

The General Meeting, having heard the reports of the statutory auditors on the consolidated accounts, approves the consolidated accounts for the year ended 31 December 2001 and the transactions reflected in those accounts and summarised in the Board of Directors' Management Report

It consequently gives the directors full and unconditional discharge from their duties for the aforementioned financial year.

The General Meeting also approves the non tax deductible expenses, covered by Article 39-4 of the General Tax Code, incurred during the year amounting to 81,501 euro and the corresponding tax charge of 29,691 euro.

### Resolution two

With regard to the net consolidated profit of 24,074,610 euro, the General Meeting decides, as proposed by the Board of Directors, to allocate the net profit for the year of 17,189,078.17 euro as follows:

Profit for the year	17,189,078.17 €
Legal reserve	– 834,126.97 €
<b>Distributable profit</b>	<b>16,354,951.20 €</b>
Dividends	8,141,908.00 €
Other reserves	8,213,043.20 €
	<b>16,354,951.20 €</b>

The share capital comprised 10,177,235 shares at 31 December 2001.

Each shareholder shall therefore receive a dividend of 0.80 euro per share plus a (50%) tax credit of 0.40 euro, which corresponds to a total yield of 1.20 euro.

The General Meeting notes that the amounts distributed as dividends over the last three financial years were as follows:

	1998	1999	2000
Total dividend	4,875,853 €	5,501,257 €	6,305,546 €
Number of shares attracting a dividend	9,160,660	9,496,285	10,170,235
Dividend paid	0.53 €	0.58 €	0.62 €
Tax credit	0.27 €	0.29 €	0.31 €
<b>Total earnings</b>	<b>0.80 €</b>	<b>0.87 €</b>	<b>0.93 €</b>

If the Company holds own shares at the time of a dividend payout, the profit corresponding to the dividends not paid on these shares will be booked to earnings brought forward.

### Resolution three

The General Meeting, after having heard the statutory auditors' Special Report on the agreements covered by Article L 225-38 et seq. of the Commercial Code, approves the report and the agreements described therein.

### Resolution four

Having taken note of the Board of Directors' Report and the Prospectus approved by the COB, the General Meeting authorises the Board of Directors, in accordance with Article L 225-209 of the Commercial Code, to acquire shares representing up to 10% of the Company's share capital, i.e. up to 1,017,738 shares with a nominal value of 4 euro each, with a particular view to:

- buying and selling depending on the situation of the market,
- attributing them in exchange for, or in payment of, operations relating to the Company's growth through acquisitions,
- retaining securities.

The purchase, sale or transfer of securities may be effected by any means and notably through the use of derivatives, under the following terms:

- maximum purchase price: 200 euro per share,
- minimum sale price: 20 euro per share,
- the maximum number of own shares that may be held is set at 10% of existing shares.

This authorisation is granted for 18 months as of this date and replaces the authorisation granted under Resolution Five of the General Meeting of Shareholders on 22 June 2001.

### **Resolution five**

The General Meeting ratifies the temporary appointment decided by the Board Meeting of 14 December 2001 of Mr Gérard LAUR, Manager at Société Générale, to replace Mr François CULIE, who availed of his retirement rights, as a member of the Board.

Consequently:

Gérard LAUR shall hold this office for the remainder of his predecessor's term of office, i.e. until the end of the present General Meeting.

### **Resolution six**

The General Meeting, noting that the term of office of the following Board members:

- Mr Pierre PASQUIER
- Mr François ODIN
- Mr Jean-Paul BOURBON
- Mr Georges KOESSLER
- Mr Gérard LAUR
- Mr Jean MOUNET
- Mr Nicolas ODIN
- Mrs Christine PASQUIER-COMMANAY
- GENINFO SA

has expired, decides to renew their appointments for a further period of six years, i.e. until the end of the General Meeting called to approve the accounts for the 2007 financial year.

## **RESOLUTIONS SUBMITTED TO THE EXTRAORDINARY GENERAL MEETING**

### **Resolution seven**

The General Meeting, having heard the Board of Directors' report, decides to redraft the Articles of Association to bring them into keeping with the provisions of the law of 19 February 2001 and of the law of 15 May 2001, and adopt the new Articles of Association, article by article, and then as a whole. The Articles of Association are appended to these minutes.

### **Resolution eight**

Having taken note of the Board of Directors' Report and Auditors' special report, in accordance with Article L 225-129 of the Commercial Code, the General Meeting:

1) authorises the Board of Directors to increase the share capital, in one or several operations, by a maximum nominal amount of 20,000,000 euro:

a) by issuing new shares, with or without share warrants attached, to be subscribed in cash or against debt, with or without share premiums;

b) by capitalisation of profits, reserves or share premium account and by distributing shares or raising the nominal value of existing shares;

c) by issuing transferable securities other than shares, in compliance with applicable law, giving rights, directly or indirectly, by conversion (convertible bonds), exchange, redemption, presentation of a warrant or by any other means to shares, at any time or on a given date.

These securities, other than shares, may be issued in euro or in any other currency or in monetary units established with reference to several currencies, up to a maximum amount of 150,000,000 euro or its equivalent in other currencies or in monetary units established with reference to several currencies determined as at the date on which the decision to issue is taken.

d) by the issue of share warrants, to be subscribed in cash or allocated free. These share warrants may be issued alone or attached to the securities described in indent c) above, issued at the same time;

e) or by a combination of the above procedures.

2) decides that in the event of the issue for cash of shares, transferable securities and warrants as described in paragraph 1), holders of existing shares shall have, by right and proportionally to the number of shares they own, preferential subscription rights to said securities.

The authorisation granted in paragraph 1) means that shareholders must waive their preferential subscription rights, in favour of the owners of securities other than shares, to shares to which the issue of securities other than shares give rights, either immediate or future.

For each issue, the Board of Directors shall fix the conditions and limits within which each shareholder may exercise his by right subscription rights in accordance with the applicable legislation. It may introduce rights to excess shares that shareholders shall exercise proportionally to their rights and within the limits of their demands.

The Board may, if by right subscription and subscriptions to excess shares have not absorbed all the shares, securities or warrants issued, make use of one or more of the following measures, in the order it deems appropriate:

- limit, in accordance with the law, the issue to the amount subscribed,
- allocate freely the number of shares not subscribed by right or by right to excess shares,
- offer all or part of the unsubscribed shares to the public on French or foreign markets.

3) decides:

- that to the amount of 20,000,000 euro set in indent 1, paragraph 1) shall be added the amounts of additional capital increases, necessary to reserve the rights of holders of securities and warrants giving rights, in any form whatsoever, to shares in the company, and the amount of the shares directly or indirectly issued under resolution nine of this General Meeting shall be charged against said amount;
- that in the event of capitalisation of profits, reserves or share premiums, the amount of 20,000,000 euro set in indent 1, paragraph 1) line one, shall be increased so as to continue to represent the same percentage of capital after the capital increase as it did before;
- that in the event of the allocation of free shares:
  - shares that are allocated for old shares bearing double voting rights shall carry double voting rights as from their issue date;
  - rights for fractions of shares may not be transferred and the corresponding shares shall be sold. The Board of Directors has full powers to sell these shares in the conditions provided for by the law and the regulations.

4) gives the Board of Directors full powers, with the possibility of delegating these powers to its Chairman under the conditions provided for by law, to execute in one or several operations the authorisation given to it in paragraph 1) and notably to:

- establish the terms and conditions of the capital increase(s) and/or issue(s);
- decide the number of shares, warrants and/or transferable securities to be issued, their issue price and the amount of the premium, which could, if appropriate, be required to be paid in at the time of the issue;

- set the dates and terms and conditions for the issue and decide the type of securities to be created;
- decide the manner in which the shares and/or securities issued shall be paid up;
- determine, if appropriate, the terms and conditions for the exercise of the rights attached to the shares issued or to be issued and notably set the date, which may be retroactive, as from which new shares shall bear interest, as well as all the other terms and conditions for the issue(s);
- determine the conditions under which the company may, if appropriate, purchase or exchange the shares and/or securities issued or to be issued on the stock market, at any time or during a predetermined period;
- provide for the possibility of suspending the rights attached to these securities for a maximum period of three months, if necessary;
- establish the conditions for ensuring the protection of the rights of holders of transferable securities carrying future rights to shares in the company, in accordance with legal and regulatory requirements;
- upon its own initiative, to charge the costs of the capital increase(s) to the related share premium account and transfer from this account the amounts required to bring legal reserves up to 10% of the new capital after each capital increase;
- for any capitalisation of premiums, reserves, profits or other:
  - determine the amount and the nature of the funds to be transferred to capital,
  - determine the number of shares to be issued or the amount by which the nominal value of shares shall be increased,
  - set the date, even retroactive, as from which the new shares will attract dividends or the date from which the increase in the nominal value shall take effect,
  - decide, if appropriate, and in derogation to the provisions of Article L 225-149 of the Commercial Code, that the rights forming fractions shall not be transferable and that the corresponding shares shall be sold and the proceeds distributed to the owners of the rights within 30 days of the date of registration under their name of a whole number of shares allocated;
  - and generally, conclude any agreement, notably for the purpose of completing the planned issue(s) successfully, take any steps and accomplish any formality necessary for the issue and to service the securities issued under the present delegation and to exercise the rights attached; record each capital increase and make the corresponding amendments to the company's Articles of Association.

5) Decides that the present authorisation is valid for twenty-six months from the date of the present Meeting. It replaces any earlier authorisation that has not yet expired.

## Resolution nine

Having taken note of the Board of Directors' Report and Auditors' Special Report, in accordance with Article L 225-129 et seq. of the Commercial Code, the General Meeting:

1) authorises the Board of Directors to increase the share capital, in one or several operations, by a maximum nominal amount of 20,000,000 euro, bearing in mind that this amount shall be charged against the amount of the shares issued, directly or indirectly, under resolution eight of the present Meeting:

a) by issuing new shares, with or without share warrants attached, to be subscribed in cash or against debt, with or without share premiums;

b) by issuing transferable securities other than shares, in compliance with applicable law, giving rights, directly or indirectly, by conversion (convertible bonds), exchange, redemption, presentation of a warrant or by any other means to shares, at any time or on a given date.

These securities, other than shares, may be issued in euro or in any other currency or in monetary units established with reference to several currencies, up to a maximum amount of 150,000,000 euro or its equivalent in other currencies or in monetary units established with reference to several currencies determined as at the date on which the decision to issue is taken.

c) by the issue of share warrants, to be subscribed in cash. These share warrants may be issued alone or attached to the securities described in indent b) above, issued at the same time;

d) or be a combination of several of the above procedures.

2) Decides to abolish shareholders' preferential subscription rights to securities to be issued under the authorisation granted in paragraph 1) above.

The issues mentioned in paragraph 1) above may, if appropriate, be made entirely or in part on international markets.

In the case of issues in the French market, the Board of Directors may grant shareholders, for the duration and under the conditions established by the Board, a period of preferential subscription to the shares, transferable securities and share warrants issued without this issue creating transferable or marketable rights. The shares, securities and warrants not subscribed during the preferential subscription period shall be offered to the public.

The authorisation granted in paragraph 1) means that shareholders shall waive their preferential subscription rights, in favour of the owners of securities other than shares, to shares to which the issue of securities other than shares give rights, either immediate or future.

3) Decides that the amount due, immediately or upon maturity, to the company for each share, transferable security or warrant issued under the authorisation granted in paragraph 1) above, must be at least equal to the average opening price for existing shares over ten trading days chosen from among the last twenty trading days prior to the start of the issue period; this average will if necessary be adjusted to take into account differences in the date from which interest shall accrue. It is pointed out that the issue price of warrants not attached to shares must, for each share to be created, be such that the sum of the issue price and the exercise price are at least equal to 100% of this average.

4) Authorises the Board of Directors to make use, of all or part, in accordance with the applicable legislation, of the powers granted to it under paragraph 1) to remunerate securities contributed to the company in the context of a public share exchange offer concerning securities meeting the conditions laid down in Article L 225-148 of the Commercial Code.

5) Decides that to the amount of 20,000,000 euro set in paragraph 1), shall be added the amounts of additional capital increases, necessary to reserve the rights of holders of securities and warrants giving rights, in any form whatsoever, to shares in the company.

6) Grants the Board of Directors full powers, with the possibility of delegating these powers to its Chairman under the conditions provided for by law:

a) to execute in one or several operations the authorisation given to it in paragraph 1) and notably to:

- establish the terms and conditions of the issue(s);
- decide the number of shares, warrants and/or transferable securities to be issued, their issue price and the amount of the premium, which could, if appropriate, be required to be paid in at the time of the issue;

- set the dates and terms and conditions for the issue and decide the type of securities to be created;

- decide the manner in which the shares and/or securities issued shall be paid up;

- determine, if appropriate, the terms and conditions for the exercise of the rights attached to the shares issued or to be issued and notably set the date, which may be retroactive, as from which new shares shall bear interest, as well as all the other terms and conditions for the issue(s);

- determine the conditions under which the company may, if appropriate, purchase or exchange the shares and/or securities to be issued on the stock market, at any time or during a pre-determined period;

- provide for the possibility of suspending the rights attached to these securities for a maximum period of three months, if necessary;

– upon its own initiative, to charge the costs of the capital increase(s) against the related share premium account and transfer from this account the amounts required to bring legal reserves up to 10% of the new capital after each capital increase;

– and generally, conclude any agreement, notably for the purpose of completing the planned issue(s) successfully, take any steps and accomplish any formality necessary for the issue and to service the securities issued under the present delegation and to exercise the rights attached; record each capital increase and make the corresponding amendments to the company's Articles of Association.

b) in the event of the issue of transferable securities granting rights to allocation of shares upon presentation of a warrant, to buy these warrants on the market, whether for the purpose of cancelling them or not, in accordance with the law;

c) to charge the costs of said operations against the share premium account related to capital increases and transfer from this account the amounts required to bring legal reserves up to 10% of the new capital.

7) Decides that the present authorisation is valid for twenty-six months from the date of the present Meeting. It replaces any earlier authorisation that has not yet expired.

#### **Resolution ten**

Having taken note of the Board of Directors' Report and Auditors' Special Report, in accordance with Article L 225-129-VII of the Commercial Code and Articles L 143-1 et seq. of the Labour Code:

- grants the Board of Directors the necessary powers to effect, in one or several operations, in the proportions and at the dates it deems appropriate, a capital increase through the issue of new shares reserved for employees that are members of a company or group savings plan.

The General Meeting expressly decides to cancel, in favour of the beneficiaries of the capital increases decided under the present authorisation, shareholders' preferential subscription rights to the shares that will be issued.

- decides that the subscription price established by the Board may not exceed the average listed share price over the twenty stock market trading days immediately prior to the date of the Board of Directors' decision fixing the opening date for subscription, nor be more than 20% lower than said average,

- establishes the validity of the present authorisation at 26 months from the date of the present meeting,

- sets the total percentage of shares that may be issued under this authorisation at 10% of the total share capital,

- grants the Board of Directors full powers to execute the present authorisation, and notably to set the terms and conditions of the issues, decide the amounts to be issued, the date from which interest shall accrue on the securities to be issued, the payment method, charge the costs of the capital increase against the share premium account and generally take all the necessary measure to carry out the planned issue, record the capital increase(s) and amend the Articles of Association accordingly.

## **RESOLUTION SUBMITTED TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETING**

#### **Resolution eleven**

The General Meeting gives full authority to the bearer of an extract or copy of these minutes to carry out all legally required formalities.

## 6. Other information

### I. GENERAL INFORMATION

**Company name:** Sopra Group

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

**Head-office:** 9 bis, rue de Presbourg - FR 75116 Paris

**Legal status:** A Société Anonyme (public limited company) with a Board of Directors, under French law, governed by book II of the Commercial Code.

**Date of incorporation:** 5 January 1968, with a term of 50 years.

**Corporate purpose:** : “The company’s purpose shall be:

To engage, in France and elsewhere, in consulting, expertise, research and training with regard to corporate organisation and information processing, in computer analysis and programming and in the performance of custom work.

The design and creation of automation and management systems, including the purchase and assembly of components and equipment, and appropriate software.

The creation or acquisition of and the operation of other businesses or establishments of a similar type.

And, generally, all commercial or financial transactions, movable or immovable, directly or indirectly related to said corporate purpose or such as favour the company’s expansion or growth, either alone, or in partnership or in association with other companies or persons.” (Article 2 of the Articles of Association).

**Registration No.:** 326 820 065 RCS Annecy

**APE code:** 722 Z

**Place where legal documents may be consulted:** Registered office.

**Financial year:** From 1 January to 31 December of each year.

**Statutory allocation of profits:**

“Of profits for the year minus any prior year losses, allocation is made in priority as follows:

- at least five per cent is allocated to the legal reserve. Said allocation shall no longer be mandatory when this reserve represents one-tenth of the capital but will resume if for any reason reserves fall below said level,
- and any other reserves required by law.

After deduction of prior year losses and reserves, the balance, plus profits brought forward, constitutes the distributable earnings for the year, which is available to the General Meeting to be distributed as dividends, allocated to reserves or carried forward.

The General Meeting may also decide to pay dividends with amounts transferred from available reserves. In such cases the decision must expressly state the accounts from which these sums are transferred.” (*Article 33 of the Articles of Association*).

*NB: the Articles of Association quoted in this chapter are taken from the draft Articles of Association submitted to the Ordinary and Extraordinary General Shareholders’ Meeting of 19 June 2002*

## 2. SHAREHOLDERS AND CAPITAL

### 2.1. General Meetings

#### **“Article 22 - General meetings**

General meetings are convened and held in the conditions laid down by the law.

The decisions collectively made by the shareholders shall be taken in General Meetings characterised either as Ordinary General Meetings or Extraordinary General Meetings or Special General Meetings depending on the nature of the decision to be taken.

Special shareholders' meetings are called for the holders of shares of a given category to decide upon any changes to the rights attached to shares in this category. Special meetings are convened in the same way as extraordinary general meetings.

Special General Meetings may deliberate only if the shareholders present at the meeting represent half the voting shares whose rights are to be modified. If the meeting is called a second time due to lack of a quorum at the first meeting, it may deliberate if the shareholders present represent one quarter of the voting shares whose rights are to be modified.

Decisions are adopted by a majority of two thirds of the votes of the shareholders attending or represented at the meeting.

The decisions taken by General Meetings are binding for all the shareholders.

#### **Article 23 - Procedure for convening and place of general meetings**

General Meetings shall be convened by the Board of Directors. Failing this, they may also be convened by the statutory auditors or by a court-appointed agent, in accordance with the law.

General Meetings shall meet at the registered office or in any other place specified in the convening notice.

General Meetings shall be convened by means of a notice published either in a journal authorised to publish legal announcements in the département where the registered office is located, or in the Bulletin des annonces légales obligatoires (journal of official legal announcements: BALO), at least two weeks before the General Meeting.

However, if all the shares are registered, these publications are not obligatory, and the General Meeting may be convened by giving notice to each shareholder by registered letter, at the company's expense.

At least thirty days before the date of any General Meeting of shareholders, the company shall publish, in the Bulletin des annonces légales obligatoires, the notice provided for in article 130 of the Decree of 23 March 1967.

Shareholders who have held registered shares for at least one month on the date a convening notice is published shall be invited to attend the General Meeting by ordinary letter. They may ask to be notified of any General Meeting by registered

letter if they have forwarded to the company the amount necessary to cover the cost of sending such a letter.

When a General Meeting has not been able to deliberate due to the lack of the required quorum, a second General Meeting – extended, if necessary – shall be convened with at least six days' notice in the same way as the first. The notice and the letters inviting the shareholders to this second General Meeting shall feature the date and agenda of the first General Meeting. If a meeting is postponed by court decision, the court may set an alternative date.

The notice and letters convening the Meeting must contain all the information required by law.

#### **Article 24 - Agenda**

The agenda for the General Meeting is decided by the convening body.

A shareholder or group of shareholders can request the inclusion of draft resolutions in the agenda for the meeting in the conditions provided for by law.

The workers' council may also request the inclusion of draft resolutions in the agenda.

The General Meeting may not decide upon any issues that are not on the agenda. It may, however, at any time and under any circumstances, dismiss and replace directors.

#### **Article 25 - Attendance - Proxies**

The General Meeting shall be composed of all shareholders, regardless of the number of shares they hold, who attend the meeting either in person or by proxy.

The right to take part in General Meetings shall be subject either to the registration of the shareholder in the register of registered shares, five days before the meeting, or the deposit, within the same time at the places stated in the convening notice, of bearer shares or a certificate of deposit issued by the bank, financial institution or broker which is the depository of these shares or of a certificate issued by the authorised intermediary provided for by Decree no. 83.359 of 2 May 1983, recording that the shares registered in the account are unavailable until the date of the General Meeting.

A shareholder may be represented only by his or her spouse or by another shareholder, who must prove that he or she has been mandated to act as proxy. If a shareholder does not name a proxy-holder in a form of proxy, the chairman of the General Meeting shall vote in favour of draft resolutions submitted or approved by the Board of Directors, and against any other draft resolution. For any other vote, the shareholder shall choose a proxy-holder who agrees to vote as directed by the shareholder.

The legal representatives of legally incapable shareholders and the persons representing legal entities that hold shares in the company may attend General Meetings whether they are shareholders or not.

If so decided by the Board of Directors when convening the Meeting, shareholders may also take part by videoconference or any other means of telecommunication, including the Internet, that permits them to be identified as provided by the law.

Shareholders who participate in the Meeting via videoconference or any other means of telecommunication that enables them to be identified as required by law shall be considered to be present for the purpose of calculating the quorum and majority.

All shareholders may vote by mail by filling in a form addressed to the Company, under the conditions provided for by the law and the regulations; to be taken into account, this form must reach the Company at least three days before the date of the General Meeting.

Two members of the workers' council, to be named by the council in compliance with the law, may attend General Meetings. They must, upon their request, be heard when decisions requiring shareholder unanimity are voted.

#### **Article 26 - Voting rights**

The voting right attached to capital shares or dividend shares shall be proportional to the portion of the capital they represent. With the same par value, each share shall entitle the holder to the same number of votes, with a minimum of one vote. However, double voting rights are given to:

- a) all fully paid-up shares that have been registered for at least four years in the name of a given shareholder of French nationality or a citizen of a European Union Member State.
- b) registered shares allocated to a shareholder, in the event of an increase in capital by capitalisation of reserves, profits or share premiums, on the basis of old shares giving the holder such right.

Nonetheless, the aforesaid period is not interrupted and rights remain acquired in the event of any transfer following inheritance, liquidation of marital property between spouses, or donation inter vivos in favour of a spouse or relative entitled to inherit.

Voting rights belong to the usufructuary in Ordinary General Meetings and to the bare owner for Extraordinary General Meetings.

However, shareholders whose shares are divided between usufructuaries and bare owners may come to the agreement they choose for the exercise of voting rights at General Meetings.

In such cases they must inform the company of the agreement in question by registered letter addressed to the registered office. The company is bound to respect any such agreement for any Meeting held more than a month after the postmark date of the registered letter.

#### **Article 27 - Rights to shareholder information**

All shareholders are entitled to receive all the information necessary for them to take an informed decision relating to the management and situation of the Company.

The documentation required and its availability to shareholders is laid down by the law.

Any shareholder who holds more than 3% or 4% [of the company's capital] shall inform the company in the same manner as that required with respect to legal thresholds.

#### **Article 28 - Attendance sheet – Officers - Minutes**

The attendance sheet, duly initialled by the shareholders present and proxy-holders and accompanied by the authorisations granted to proxy-holders, and, where appropriate, voting forms, shall be certified as accurate by the officers of the General Meeting.

The General Meeting shall be chaired by the Chairman of the Board of Directors or, in the Chairman's absence, by a Vice-Chairman, or by a director specially delegated for this purpose by the Board. Failing this, the Meeting shall elect its own Chairman.

The duties of vote-teller shall be performed by the two shareholders, present and accepting such duties, who hold the largest number of shares, either on their own behalf or as proxy-holders.

The officers of the meeting thus appointed shall designate a secretary, who may be a shareholder or not.

The minutes are kept and copies or extracts of these minutes are delivered and certified in accordance with the law.

#### **Article 29 - Ordinary General Meeting**

An Ordinary General Meeting is a meeting called to take decisions which do not amend the Memorandum and Articles of Association.

It shall be held at least once a year, in the conditions provided for by law, to approve the accounts for the financial year ended.

Decisions taken by an Ordinary General Meeting are valid only if the shareholders attending the meeting, represented by proxy or having voted by mail represent at least one quarter of the total voting rights. If this quorum is not achieved a second meeting is called. No quorum is required for the second meeting.

Decisions are adopted by simple majority of the votes of the shareholders present or represented by proxy-holders, including the votes of shareholders that have voted by mail.

#### **Article 30 - Extraordinary General Meeting**

The Extraordinary General Meeting alone shall be authorised to amend the Memorandum and Articles of Association. However, it may not increase shareholders' commitments, subject to transactions arising from the grouping together of shares duly and properly carried out.

Decisions taken by an Extraordinary General Meeting are valid only if the shareholders attending the meeting, represented by proxy or having voted by mail represent at least one third of the total voting rights. If this quorum is not achieved, a second meeting is called. The quorum for the second meeting will be equal to one quarter of the total voting rights. In the event of this quorum not being reached, the second meeting may be deferred to a date not more than two months later than the date on which it was originally convened.

Decisions are adopted by a majority of two thirds of the votes of the shareholders present or represented by proxy-holders, including the votes of shareholders that have voted by mail.” (Articles 22 to 30 of the Articles of Association).

## 2.2. Thresholds

Any shareholder who holds more than the thresholds of 3% or 4% [of the company’s capital] shall inform the company in the same manner as that provided for with respect to legal thresholds. (Article 28, indent 3 to the Articles of Association).

No shareholder, other than Sopra GMT or Geninfo (Société Générale group), has stated that it exceeds these statutory thresholds.

## 2.3. Approximate number of shareholders

As at 31 March 2002, Sopra’s capital was held by 276 registered shareholders holding 7,117,418 registered shares out of a total of 10,177,385 shares making up the capital.

On the basis of the most recent information in our possession, the total number of Sopra’s shareholders may be estimated at more than 13,000.

## 2.5. Changes in the shareholder structure during the last three years

There were only minor changes in the breakdown of Sopra’s capital in 1999, 2000 and 2001.

Shareholder	At 31/12/2001				At 31/12/2000				At 31/12/1999			
	Shares	% of capital	Votes	% of voting rights	Shares	% of capital	Votes	% of voting rights	Shares	% of capital	Votes	% of voting rights
SOPRA GMT	4,356,535	42.81	8,496,620	53.15	4,292,852	42.21	8,432,937	52.76	4,643,085	48.89	9,166,395	61.88
Pierre PASQUIER	225,363	2.21	450,726	2.82	225,363	2.22	450,726	2.82	267,576	2.82	535,152	3.61
François ODIN	277,550	2.73	555,100	3.47	277,550	2.73	555,100	3.47	277,550	2.92	555,100	3.75
GENINFO	1,434,700	14.10	2,366,400	14.80	1,434,700	14.11	2,366,400	14.81	931,700	9.81	931,700	6.29
Public	3,883,237	38.15	4,118,995	25.76	3,939,770	38.73	4,177,396	26.14	3,376,374	35.56	3,623,968	24.47
<b>Total</b>	<b>10,177,385</b>	<b>100.00</b>	<b>15,987,841</b>	<b>100.00</b>	<b>10,170,235</b>	<b>100.00</b>	<b>15,982,559</b>	<b>100.00</b>	<b>9,496,285</b>	<b>100.00</b>	<b>14,812,315</b>	<b>100.00</b>

The following operations should, however, be noted:

- issue on 29 June 2000 of 641,000 new shares with a nominal value of 4 euro each as remuneration for the contribution of 100% of the shares of the companies of the Orga Consulting group, of which Sopra became the majority shareholder (this operation was the subject of a prospectus registered by the Commission des Opérations de Bourse (French stock exchange regulatory body – COB) on 16 June 2000, under No. E 00-351.
- reclassification of Geninfo’s holding in Sopra, previously partly direct and partly indirect via Sopra GMT, as a direct holding in Sopra.

These operations have not modified the control of Sopra Group.

## 2.4. Shareholders’ agreement reported to the stock exchange authorities

A shareholders agreement was signed on 4 July 2000 between, firstly, Sopra GMT, Messrs Pasquier and Odin and, secondly, Geninfo (Société Générale group). This agreement was approved by the Conseil des Marchés Financiers (CMF).

The main terms of this agreement are as follows:

- Geninfo shall have the right to two seats on Sopra Group’s Board of Directors, provided it continues to hold, either directly or indirectly, at least 10% of Sopra’s capital; to one seat if it holds between 10% and 5%; and to more than two seats if it holds more than 20% of Sopra’s capital.
- In the event of a proposed transfer of Sopra Group shares to a third party, a mutual commitment to inform the other of the existence of such a proposed transfer, and, in the event of the transfer by Geninfo of one or more blocks of shares (defined as a transfer for a total amount equal to or exceeding 5% of Sopra’s market capitalisation or 7.5 million euro) to a competitor, the pre-emptive right of Sopra Group under the conditions proposed. In such an event, the initial notification shall contain the name of the third-party purchaser and the financial conditions of the proposed transfer. As from the date it is notified of the proposal, Sopra Group shall have a period of 40 days to reply, after which Geninfo shall be free to sell to the third party under the terms of the proposal. In the event of Sopra Group exercising its pre-emptive right, the sale shall take place within 20 days following the date on which it notifies Geninfo of its answer.

This agreement took effect on 7 July 2000 for a period expiring on 30 June 2001, renewable by tacit agreement for one or more two-year periods.

### 3. PROFIT-SHARING

The employees of group companies receive a share in the profits determined in accordance with French ordinary law.

### 4. CONTRACTUAL LIABILITIES AND TRADE COMMITMENTS

Sopra Group's contractual liabilities and trade commitments are shown in the table below. Further information is provided in the Notes to the consolidated accounts.

Contractual liabilities	Note	Total	Breakdown by maturity		
			Less than 1 year	1 to 5 years	More than 5 years
Long-term debt	4.2.7	39,691	9,655	30,036	–
Finance-lease liabilities	4.2.7	6,224	2,732	3,492	–
Rental contracts		–	–	–	–
Firm purchase commitments		–	–	–	–
Other long-term commitments	4.2.7	12,973	2,602	10,371	–
<b>Total</b>		<b>58,888</b>	<b>14,989</b>	<b>43,899</b>	<b>–</b>

Other trade commitments	Note	Total	Breakdown by maturity		
			Less than 1 year	1 to 5 years	More than 5 years
Credit lines		–	–	–	–
Credit notes		–	–	–	–
Guarantees	4.2.11	1,580	1,580	–	–
Repurchase commitments		–	–	–	–
Other trade commitments	4.2.11	448	448	–	–
<b>Total</b>		<b>2,028</b>	<b>2,028</b>	<b>–</b>	<b>–</b>

### 5. ISSUER RISK

#### 5.1. Market risk

Exposure to currency and interest rate risk is described in notes 1.3.8 and 4.2.7 of the Notes to the consolidated accounts.

#### 5.2. Legal risk

The company is not exposed to any specific legal risk.

#### 5.3. Industrial and environmental risk

The company is not exposed to this kind of risk.

#### 5.4. Insurance

All the companies in the group are covered against third-party liability as follows:

- a first policy covering claims capped at 7.6 million euro per claim with a franchise of 76,000 euro,
- a second policy providing additional cover with the same conditions in terms of ceiling and franchise.

## 6. PREPARATION AND SUPERVISION OF THE REFERENCE DOCUMENT AND THE INFORMATION CONTAINED THEREIN

### **Name and position of the person responsible for the reference document**

Mr Pierre Pasquier, Chairman of the Board of Directors.

### **Person responsible for the information**

Mr Jean-Claude Debray, Communications Director.

### **Person responsible for auditing the accounts**

#### **Principal statutory auditor**

■ Auditeurs et Conseils Associés SA  
33, rue Daru - 75008 Paris  
represented by Mr Jean-Marcel Denis  
Term of office expires at the General Meeting called to approve the accounts for the 2003 financial year.  
First appointed: June 1986.

■ Cabinet Mazars & Guérard  
125, rue de Montreuil - 75011 Paris  
represented by Mr Pierre Sardet and Mrs Christine Dubus  
Term of office expires at the General Meeting called to approve the accounts for the 2005 financial year.  
First appointed: June 2000.

#### **Deputy statutory auditor**

■ Mr Philippe Ronin  
17, chemin de Beauséjour -38240 Meylan  
Term of office expires at the General Meeting called to approve the accounts for the 2003 financial year.  
■ Mr Gérard Vincent-Genod  
125 rue de Montreuil - 75011 Paris  
Term of office expires at the General Meeting called to approve the accounts for the 2005 financial year.

## 7. REPORTING TIMETABLE

- Half-year results to 30 June 2002: 2 October 2002
- Annual accounts for the year ending 31 December 2002: 30 March 2003

The results are released at analysts meetings organised in collaboration with the SFAF (French financial analysts association).

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