A NEW PATH TO GROWTH

assystem

FINANCIAL REPORT 2011

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A NEW PATH TO GROWTH

CONTENTS

MESSAGE FROM THE CHAIRMEN

Dominique Louis, Chairman of the Management Board
Michel Combes, Chairman of the Supervisory Board

> WHAT IS YOUR ASSESSMENT OF THE YEAR 2011?

DOMINIQUE LOUIS: 2011 was a good year for Assystem with performance levels far exceeding our projected figures: our revenue rose by 19.5% and reached 760.6 million euros. We harvested the benefits of the boom in the embedded electronics segment, the dynamics of Europe's major aeronautical programmes and a favourable economic climate in the energy field. Each business unit made its contribution towards growth: *Aerospace Engineering* recorded an increase of 15.1% in its business, that of the *Technology&Product Engineering* unit went up by 33.6% whereas the *Plant Engineering & Operations* business announced a 12% growth. We now have confirmation that our selective reinforcement strategy is indeed appropriate. It is our anchor in the long run – our referencing was entirely reviewed – for our clients who are world leaders in their sector, and who benefit from investments made in high-growth countries in aeronautics, energy and transportation.

> YOUR BUSINESS OUTSIDE FRANCE, UP 30%, CONFIRMS THE GROUP'S INTERNATIONAL DIMENSION...

DOMINIQUE LOUIS: Over a third of our 2011 revenue was recorded outside France. The dynamics of international activities – +30.7% of organic growth – demonstrate that it is in our interest to deploy ourselves rapidly outside of France. This is the basis of our alliance with Atkins, n.triple.a, which positions us as an independent benchmark expert for new operators in the nuclear sector. The first contract was signed with Abu Dhabi this year, and new projects are expected to take shape in 2012. This is the very essence of our acquisition strategy: by opening up new markets in the embedded electronics segment in Germany, the integration of Berner & Mattner has definitely boosted the Group's international dynamism. With the acquisition of MPH last July, finalised in February 2012, we reinforced our position in the Energy sector, and particularly in the Oil & Gas sector: Total became one of our Top Ten clients, and we are thereby expanding extensively in Africa and the Middle East. Today, with the combined effect of internal and external growth, Assystem announced a pro forma revenue of 850 million euros, 40% of which was recorded in our international operations, and increased its workforce to 10,000 employees.

> WILL THE NEW SCOPE OF THE GROUP HAVE AN IMPACT ON YOUR STRATEGIC ORIENTATIONS?

DOMINIQUE LOUIS: Our strategy has earned the trust of the banking and financial circles; our first convertible bonds issue that met with success and which enabled us to finance our recent acquisitions testify to this fact.

In the coming year, we intend to strengthen our international dimension, but will continue to do so selectively. Our priority is to fully leverage our in-depth expertise by focusing our developments in those business segments in which our know-how makes a difference and where the entry barriers are high. These three segments are energy efficiency, ecomobility, and infrastructure safety. The synergies that we develop between business units, sites and the profession offer us attractive prospects in these three fields. It is from this standpoint that we will look at new acquisition opportunities.

> MORE INTERNATIONAL, POSITIONED ON HIGH ENTRY BARRIER SEGMENTS... CAN WE SAY THAT ASSYSTEM IS AN ASSET OF THE FUTURE?

MICHEL COMBES: Energy mix optimisation, infrastructure safety, global warming are the major challenges that nations, companies and the industry will have to face tomorrow. We are streamlined today to contribute towards meeting these challenges, right now and in the long term.

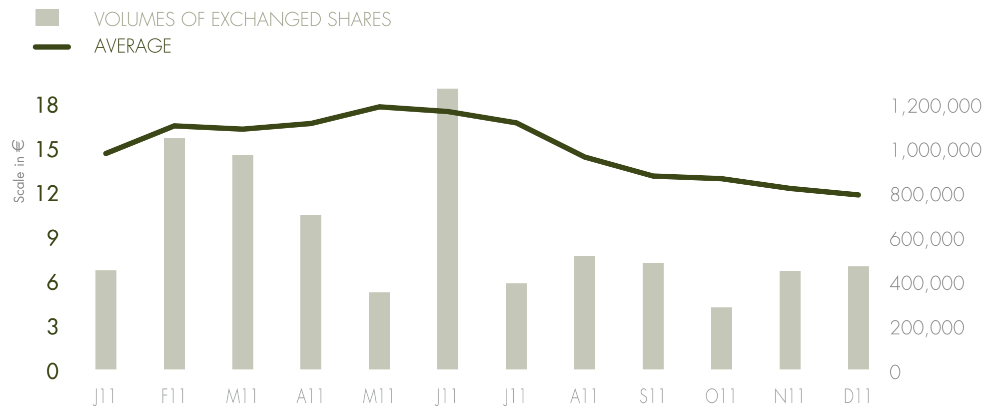
Our performance in what is deemed to be one of the most difficult periods of the century endorse these orientations, even though the dynamics of our economic growth is barely reflected in the share price movements. However, the Assystem share has won the markets' confidence and will unfold its full potential when the stock market climate is more favourable.

> HOW DOES THE GROUP'S GOVERNANCE INTEGRATE THIS CHANGE OF DIMENSION?

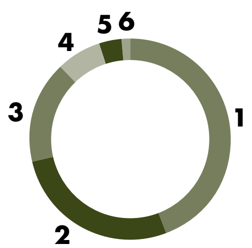
MICHEL COMBES: We want our governance and management to reflect the realities of a European, multi-professional company that is heedful of diversity. These dimensions have already been incorporated in the composition of our managing bodies – this year, we welcome to the Supervisory Board Bruno Angles, President for France of Macquarie Infrastructure, and Miriam Maes, President of the British firm Foresee. Stepping up commingling – national, cultural and social – within our teams is also on the agenda of the Management Board.

The organisation of our governance is also particularly adapted to our development method, where we are called upon to spot and rapidly seize acquisition opportunities. The team spirit that bonds its Supervisory Board and Management Board is a true asset for Assystem; it will be put to full use as always, in the years to come.

KEY FIGURES YEAR 2011



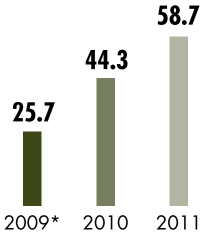
AVERAGE SHARE PRICES AND MONTHLY VOLUMES
FOR ASSYSTEM SHARES IN 2011



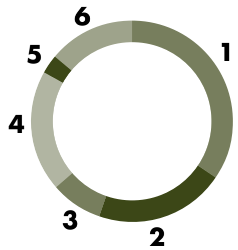
DISTRIBUTION OF CAPITAL
AT 31/12/2011

1.	PUBLIC	44.4%
2.	D. LOUIS/HDL GROUP/ H2DA*/CEFID/EEC	27.1%
3.	CDC GROUP**	16.5%
4.	TREASURY STOCK	7.1%
5.	MEMBERS OF THE SUPERVISORY AND MANAGEMENT BOARDS	3.7%
6.	EMPLOYEE MUTUAL FUND (FCP)	1.2%

* H2DA held by HDL (60.5%) and some members of the Board, CEFID held by HDL, Dominique Louis and Michel Combes.
** Including 14.1% held by the FSI and 2.6% by CDC EVM.

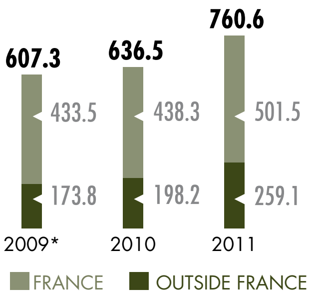


ORDINARY OPERATING PROFIT 2011
(IN € MILLIONS)

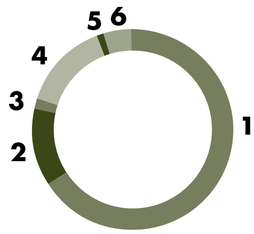


DISTRIBUTION OF REVENUE FOR 2011
BY CUSTOMER BUSINESS SECTOR

1. AERONAUTICS	34.7%
2. AUTOMOBILE/TRANSPORT	20.8%
3. ENERGY	8.3%
4. NUCLEAR	19.4%
5. DEFENCE	3.2%
6. OTHER	13.6%

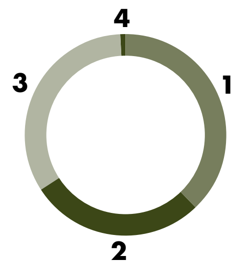


EVOLUTION OF REVENUE
BY GEOGRAPHIC REGION
(IN € MILLIONS)



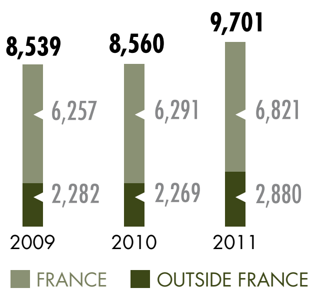
REVENUE FOR 2011
BY COUNTRY (IN € MILLIONS)

1. FRANCE	501.5
2. UK	96.3
3. SPAIN/PORTUGAL	11.9
4. GERMANY	107.5
5. ROMANIA/INDIA/MOROCCO	9.0
6. OTHERS	34.4

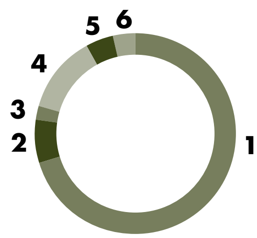


REVENUE FOR 2011
BY BUSINESS (IN € MILLIONS)

1. PLANT ENGINEERING & OPERATIONS	288.4
2. AEROSPACE ENGINEERING	212.6
3. TECHNOLOGY & PRODUCT ENGINEERING	253.9
4. OTHERS	5.7

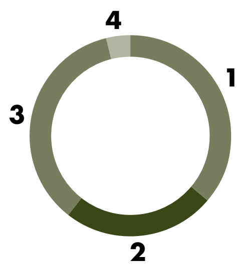


EVOLUTION OF HEADCOUNT
(FRANCE/OUTSIDE FRANCE)



HEADCOUNT FOR 2011
BY COUNTRY

1. FRANCE	6,821
2. UK	690
3. SPAIN/PORTUGAL	220
4. GERMANY	1,209
5. ROMANIA/INDIA/MOROCCO	436
6. OTHERS	325



HEADCOUNT FOR 2011
BY BUSINESS

1. PLANT ENGINEERING & OPERATIONS	3,525
2. AEROSPACE ENGINEERING	2,367
3. TECHNOLOGY & PRODUCT ENGINEERING	3,438
4. OTHERS	371

* Excluding sold activities in Italy.

1. INFORMATION ABOUT THE ISSUER AND ITS CAPITAL

1/ GENERAL INFORMATION ABOUT THE ISSUER

> COMPANY NAME (ARTICLE 3 OF THE ARTICLES OF ASSOCIATION)

Assystem (decision of the 9 June 2005 General Meeting) formerly called AssystemBrime, Brime Technologies and Alpha Arcade III (incorporation).

> HEAD OFFICE (ARTICLE 4 OF THE ARTICLES OF ASSOCIATION)

70, boulevard de Courcelles 75017 Paris - telephone: 00 (33) 1 55 65 03 00. Company documents (accounts, minutes of General Meetings, Auditors' reports, etc.) may be inspected at the Company's head office.

> DATE OF INCORPORATION

April 26, 1997, under the name "Alpha Arcade III".

> LEGAL STRUCTURE AND APPLICABLE LEGISLATION (ARTICLE 1 OF THE ARTICLES OF ASSOCIATION)

Public limited company under French law *(société anonyme)* with a Management Board and Supervisory Board, subject to all legislation governing commercial enterprises in France, and particularly the provisions of the French Commercial Code.

> PERIOD OF OPERATION (ARTICLE 5 OF THE ARTICLES OF ASSOCIATION)

The Company will operate for a period of 99 years, commencing from its registration with the Trade and Companies Register – *i.e.* until 27 May 2096 – unless wound up prior to said date or extended beyond said date by the Extraordinary General Meeting.

> CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

The purpose of the Company is as follows:
- equity investment, whether by subscription, contribution, purchase or otherwise, and the exercise of the associated rights in any enterprise operating in a technological, technical, IT, electronic or mechanical field, and more specifically:
  - consultancy, research and engineering,
  - training, support and maintenance,
  - systems and network operation and facilities management,
  - product development and distribution, including hardware and software;
- effective leadership of the Group and determination of its overall policy;
- participation in any operation related to its purpose by means of new business creation, the subscription or purchase of shares or rights in a company, mergers, joint ventures or other.

> REGISTERED NUMBER IN THE TRADE AND COMPANIES REGISTER

The Company is registered in the Trade and Companies Register of Paris under the number B 412 076 937.

French Business Classification Code 7010 Z (head office activities).

> FINANCIAL YEAR (ARTICLE 19 OF THE ARTICLES OF ASSOCIATION)

The Company's financial year commences 1 January and ends 31 December each year.

> PROFIT DISTRIBUTION (ARTICLE 20 OF THE ARTICLES OF ASSOCIATION)

Net income for the year, less depreciation and provisions, represents the profit or loss for the period.

At least 5% of the profits, less any prior period losses, are set aside in a legal reserve. This appropriation ceases to be compulsory once the reserve is equivalent to one tenth of the share capital. It is resumed if the reserve falls below this level for any reason whatsoever.

The profit available for distribution consists of the profit for the period, less any prior period losses, and less the appropriation referred to above, plus any retained earnings.

This profit is available to the General Meeting, which, on the recommendation of the Management Board, may carry it forward wholly or in part to subsequent periods, set it aside in general or special reserves, or distribute it to shareholders in the form of a dividend.

The General Meeting may also decide to distribute amounts drawn from available reserves, expressly indicating, if it does so, the items from which the withdrawals are made. However, dividends are primarily drawn from the distributable profit for the period.

The revaluation reserve may not be distributed; instead it may be incorporated wholly or in part into the Company's capital.

> GENERAL MEETINGS (ARTICLE 18 OF THE ARTICLES OF ASSOCIATION)

The convocation and organisation of General Meetings and voting at same is in accordance with the law.

> SPECIAL STATUTORY PROVISIONS

The following statutory amendments relating to the operation of the Company were adopted by the Mixed General Meeting of 10 December 2003.

Existence of statutory thresholds and disclosure requirements (Article 12 of the Articles of Association)

Any shareholder, whether acting singly or jointly, without prejudice to the thresholds referred to in Article L. 233-7, paragraph 1 of the Commercial Code, who ends up directly holding 2% of the share capital or voting rights of the Company or a multiple thereof, is required to inform the Company by recorded delivery post, with notification of receipt requested, within the time limit laid down by Article L. 233-7, paragraph 1 of said Code.

The information referred to in the preceding paragraph concerning disclosure requirements for exceeding thresholds by a multiple of 2% of the capital or voting rights also applies when the equity investment or voting rights fall below this threshold.

Failure to respect the statutory thresholds declaration will result in voting rights being forfeited under the conditions set out in Article L. 233-14 of the aforesaid Code, at the request of one or more shareholders together holding at least 5% of the capital or voting rights of the Company.

Double Voting Rights (Article 18 of the Articles of Association)

A double voting right is assigned to each fully paid-up share shown to have been registered in the name of the same shareholder for at least two years.

This arrangement was adopted by the Mixed General Meeting of 10 December 2003 and appears in Article 18 of the Articles of Association.

This double voting right ceases for any share converted to a bearer share or transferred, except for any registered share transfer following a succession or family settlement (Article L. 225-124 of the Commercial Code).

Identifiable bearer securities

In accordance with the provisions of Article L. 228-2 of the Commercial Code, the Company may at any time ask the central securities clearing body, in return for payment at its expense, for the identity of holders of securities conferring a voting right at its shareholder meetings now or in future.

2/ GENERAL INFORMATION ABOUT THE CAPITAL

2.1/ COMPANY BUYBACK OF ITS OWN SHARES

2.1.1/ Share Buyback Programme

The Ordinary General Meeting of Assystem of 12 May 2011, in accordance with the provisions of Article L. 225-209 of the Commercial Code, authorised the Company to buy back its own shares for a period of 18 months, *i.e.* until 11 November 2012.

This authorisation cancels and replaces the previous authorisation issued by the General Meeting of 05 May 2010.

This buyback programme, implemented by the Management Board meeting on 17 May 2011, was subject of a narrative description which was filed electronically with the *Autorité des Marchés Financiers* (AMF), and issued electronically on 18 May 2011 through Hugin InPublic (a professional distributor listed with the AMF).

The maximum portion of capital that can be purchased may not exceed 10% of capital.

The maximum purchase price set by the Meeting is €30 (before costs).

Total ceiling: €37,500,000.

Shares may be purchased to:
- award shares to employees or Company executives and/or affiliated or to-be-affiliated companies under legally set conditions, in accordance with the exercise of purchase options or free share allotments;
- exchange shares upon exercise of debt security cum rights with entitlement to share awards from the Company;
- hold them awaiting future exchanges, or in payment in context of growth by acquisition operations;
- encourage liquidity and share quote frequency in context of a liquidity contract made with a investment services firm, and in conformity with the professional code of conduct endorsed by the AMF; and

- reduce capital through share cancellation through such an authorisation given to the Management Board by the Extraordinary General Meeting.

In the event of a capital operation, such as the incorporation of reserves, free share allotment, or split or reverse split of securities, the prices indicated above will be adjusted accordingly.

➤ Taxation of Repurchased Shares

The buyback by the Company of its own shares without subsequent cancellation may have an impact on its taxable earnings if the shares are subsequently sold or transferred at a different price from the purchase price.

2.1.2/ Liquidity Contract

Assystem has been affiliated with the Oddo company since 1 December 2007 under a liquidity contract established in accordance with the AFEI professional code of conduct endorsed by the AMF.

On 31 December 2011, the liquidity account held the following assets:

- 83,461 securities;
- €540,378.15 in cash.

2.2/ CHANGES IN SHARE CAPITAL SINCE THE COMPANY WAS ESTABLISHED

EGM/Management Board	Nature of the operation	Increase/ decrease in share capital (in Francs and in Euros)	Issue premium	Number of shares issued/ cancelled	Cumulative share capital and securities
26/04/1997	Company established	F250,000	0	2,500	F250,000 (2,500 securities)
29/10/1998	Capital increase in cash	F3,166,800	F6,333,600	31,668	F3,416,800 (34,168 securities)
29/10/1998	Capital increase in cash	F3,917,300	F8,332,488	39,173	F7,334,100 (73,341 securities)
29/10/1998	Increase in share capital by contribution in kind of HBPS securities	F3,099,900	F6,199,800	30,999	F10,434,000 (104,430 securities)
15/12/1998	Increase in share capital by contribution in kind of Brime SI securities	F121,300	F242,600	1213	F10,555,300 (10,555,300 securities)
26/08/1999	Increase in share capital by contribution in kind of Partners Informatique securities	F2,353,700	F37,894,570	23,537	F12,909,000 (129,090 securities)
26/08/1999	Increase in share capital by contribution in cash	F538,600	F7,461,400	5,386	F13,447,600 (134,476 securities)
26/08/1999	Share split – multiplication by 25 of the number of shares		–	–	F13,447,600
22/10/1999	Increase in share capital implemented on stock market flotation	F3,370,704	F79,540,188	842,676	F16,818,304 (4,204,576 securities)
31/12/1999	Capital increase on exercise of share subscription warrants	F20,500	F41,000	5,125	F16,838,804 (4,209,701 securities)
11/09/2000	Increase in share capital on contribution of securities in New Itaac and Groupe Androne	F652,572	F52,351,275	163,143	F17,491,376
15/09/2000	Capital increase on issue of shares with subscription warrants	F2,500,420	F223,022,680	625,105	F19,991,796
31/12/2000	Capital increase on exercise of share subscription warrants	F230,300	F460,600	57,575	F20,222,096
29/03/2001	Inclusion of share premium in share capital followed by conversion of capital into Euros	F12,938,968	-F12,939,968	0	€5,055,524
30/05/2001	Increase in share capital by contribution of securities in Audifilm, Logisil, and Techniglobe	€145,071	€7,193,173	145,071	€5,200,595
30/11/2001	Increase in share capital by contribution of securities in HTS, Inforchip/Blue Point, and Elite Consulting	€112,892	€3,709,235	112,892	€5,312,487
31/12/2001	Capital increase on exercise of share subscription warrants	€30,000	€24,882	30,000	€5,342,487
26/06/2002	Increase in share capital by contribution of securities in Sinc and for the acquisition of Techniglobe	€34,031	€793,653.83	€34,031	€5,376,518

EGM/Management Board	Nature of the operation	Increase/ decrease in share capital (in Francs and in Euros)	Issue premium	Number of shares issued/ cancelled	Cumulative share capital and securities
30/09/2002	Increase in share capital by contribution of securities in Avance, SGC, and Groupe SEO	€517,150	€10,500,132.52	517,150	€5,893,668
29/11/2002	Increase in share capital by contribution of securities in Groupe Conseil OSI and Technicrea	€105,877	€1,531,286.87	105,877	€5,999,545
31/12/2002	Capital increase on exercise of share subscription warrants	€9,125	€7,568.17	9,125	€6,008,670
26/06/2003	Capital increase to pay price supplements for Sinc, Technicrea and Avance securities	€133,006	€1,271,537.36	133,006	€6,141,676
30/06/2003	Capital increase following the exercise of share subscription warrants	€37,625	€31,204	37,625	€6,179,301
31/12/2003	Capital increase as part of the public exchange offer for Assystem	€12,288,040	€168,248,922.20	12,288,040	€18,467,341
09/02/2004	Capital increase following the absorption of Assystem SA	€1,210,591		1,210,591	€19,677,932
31/12/2004	Capital increase following the exercise of share subscription warrants during the 2004 financial year	€116,506	€752,728.04	116,506	€19,794,438
25/04/2005	Capital increase following the exercise of share subscription warrants from 1 January 2005 until 13 April 2005 (before reverse split)	€188,288	€1723263.20	188,288	€19,982,726
13/06/2005	Reduction in capital by the cancellation of 1,109,231 treasury shares (1)	-€1,109,231	-€16,462,475.15	-1,109,231	€18,873,495
31/12/2005	Capital increase following the exercise of share subscription options in 2005 and share subscription warrants since 25 April 2005 (combination)	€150,647	€1,541228.01	150,647	€19,024,142
30/06/2006	Capital increase following the exercise of redeemable stock warrants (ASBBS) FR 0010166371 share subscription warrants from 1 January 2006 until 31 May 2006	€30,604	€280,026.60	30,604	€19,054,746
15/09/2006	Capital increase following the public exchange offer for ASBBS share subscription warrants	€2,446,367	-€2,446,367	2,446,367	€21,501,113
31/12/2006	Capital increase following the exercise of share subscription options and share subscription warrants not recorded during the period	€231,448	€1,431,929.84	231,448	€21,732,561
16/08/2007	Increase in share capital upon exercise of share subscription options not recorded between 1 January and 10 August 2007	€87,620	€422,225.85	87,620	€21,820,181
31/12/2007	Capital increase after exercises of share subscription options not recorded in period after 15 August 2007	€86,270	€452,326.60	86,270	€21,906,451
14/04/2008	Capital increase after exercises of share subscription options not recorded in period between 1 January and 14 April 2008	€85,500	€301,815.00	85,500	€21,991,951
10/06/2008	Capital increase after exercises of share subscription options not recorded in period between 10 June 2008 and 31 July 2008	€48,961	€316,777.67	48,961	€22,040,912
06/08/2008	Capital increase after exercises of share subscription options not recorded in period between 15 April and 10 June 2008	€60,615	€392,179.05	60,615	€22,101,527
24/11/2008	Capital reduction following the cancellation of 1,500,000 treasury shares	-€1,500,000	-€13,533,742.15	-1,500,000	€20,601,527
12/05/2009	Capital reduction following the cancellation of 560,152 treasury shares	€560,152	-€4,030,789.77	-560,152	€20,041,375
24/06/2010	Capital increase following share subscription warrants exercised between 1 January and 24 June 2010	€203	€1,857.45	203	€20,041,578
12/01/2011	Capital increase following share subscription warrants exercised between 1 July and 31 December 2010	€115,504	€926,385.50	115,504	€20,157,082
07/07/2011	Capital increase following share subscription warrants exercised between 1 January and 30 June 2011	€209,091	€1,792,723.80	209,091	€20,366,174
10/01/2012	Capital increase following share subscription warrants exercised between 1 July and 31 December.2011	€21,550	€172,040.95	21,550	€20,387,724

2.3/ BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS (AT BALANCE SHEET DATE FOR THE LAST THREE FINANCIAL YEARS)

To the Company's knowledge, the distribution of share capital on the balance sheet date for the last three financial years was as follows:

AT 31 DECEMBER 2011

	Shares	%	Theoretical voting rights	%
Strategic Investment Fund (FSI) + CDCEVM Fund	3,367,106	16.52%	3,367,106	14.09%
D. Louis/Groupe HDL	5,524,475	27.10%	7,885,352	33.00%
• D. Louis	485,658	2.38%	921,316	3.86%
• HDL SAS	3,438,466	16.87%	4,339,178	18.16%
• EEC SAS	37,090	0.18%	40,990	0.17%
• CEFID SAS	1,020,607	5.01%	2,041,214	8.54%
• H2DA	542,654	2.66%	542,654	2.27%
Associated partners Structure SAB GB MC MGF	200,636	0.98%	275,374	1.15%
Associated partners plus GV DB	154,813	0.76%	218,626	0.92%
Supervisory Board	406,159	1.99%	799,479	3.35%
Employees Mutual Fund	247,100	1.21%	466,700	1.95%
Public shareholders	9,044,989	44.36%	9,437,011	39.50%
Treasury shares	1,442,446	7.08%	1,442,446	6.04%
Total	**20,387,724**	**100%**	**23,892,094**	**100%**

AT 31 DECEMBER 2010

	Shares	%	Theoretical voting rights	%
CDCEVM Fund	519,698	2.58%	519,698	2.19%
FSI	2,847,408	14.13%	2,847,408	12.01%
D. Louis/Groupe HDL	5,496,155	27.27%	7,872,847	33.21%
• D. Louis	485,658	2.41%	921,316	3.89%
• HDL SAS	3,438,466	17.06%	4,339,178	18.31%
• EEC SAS	8,770	0.04%	12,670	0.05%
• CEFID SAS	1,020,607	5.06%	2,041,214	8.61%
• H2DA	542,654	2.69%	558,469	2.36%
Associated partners Structure SAB GB MC MGF	170,636	0.85%	245,374	1.04%
Associated partners plus GV DB	123,813	0.61%	187,626	0.79%
Supervisory Board	406,199	2.02%	799,557	3.37%
Employees Mutual Fund	261,090	1.30%	498,540	2.10%
Public shareholders	9,533,811	47.30%	9,935,145	41.91%
Treasury shares	798,272	3.96%	798,272	3.37%
Total:	**20,157,082**	**100.00%**	**23,704,467**	**100.00%**

AT 31 DECEMBER 2009

	Shares	%	Theoretical voting rights	%
CDCEVM (CDC average value companies)	519,698	2.59%	519,698	2.29%
FSI	2,997,408	14.96%	2,997,408	13.23%
D. Louis/Groupe HDL	5,496,155	27.42%	7,459,782	32.93%
• D. Louis	485,658	2.42%	689,173	3.04%
• HDL SAS	3,438,466	17.16%	5,198,578	22.95%
• EEC SAS	8,770	0.04%	8,770	0.04%
• CEFID SAS	1,020,607	5.09%	1,020,607	4.51%
• H2DA	542,654	2.71%	542,654	2.40%
Associated partners Structure SAB GB MC	113,636	0.57%	120,030	0.53%
Other associated partners GV DB	73,813	0.37%	111,526	0.49%
Management Board (excl. Mr. Louis)	187,449	0.94%		0.00%
Supervisory Board	405,199	2.02%	405,243	1.79%
Employees Mutual Fund	237,450	1.18%	455,850	2.01%
Public shareholders	9,640,401	48.10%	10,027,375	44.26%
Treasury shares	557,615	2.78%	557,615	2.46%
Total	**20,041,375**	**100.00%**	**22,654,527**	**100.00%**

The Company is not controlled by other entities.

Mr. Louis is, directly and indirectly, affected by provisions of Article 234-11 of the AMF general regulation for his voting rights and, in that regard, made an ownership disclosure to the AMF published 10 February 2011.

Structure of Dominique Louis and Other Executives

The crossing of the threshold of one-third of Assystem voting rights by associated parties was the subject of a derogation to the obligation to launch a public offer, published under the reference D&I 209 CO533 on the AMF website on 15 April 2009. The associated parties were:

- Mr. Dominique Louis, President of the Assystem Management Board, on his behalf and that of the H2DA SARL, HDL SAS, EEC SAS and Cefid SAS companies which he controls;
- the other members of the Management Board: Messrs. Stéphane Aubarbier, Gérard Brescon, Jean-François Lours – who left Assystem in 2009 (moreover all three H2DA SARL executives), David Bradley and Gilbert Vidal;
- Mr. Michel Combes, President of the Assystem Supervisory Board and partner in the firm Cefid which controls 50% of the H2DA company.

In accordance with Article 223-14-III and IV of general regulations, members of the structure stipulated holding:

- 2,529,423 share subscription and/or reimbursable purchase warrants plans (BSAAR), exercisable at any point through 9 July 2015, each warrant entitling to one Assystem share, through exercise at the price of €11.10;
- 3,747,961 BSAAR exercisable at any point through 31 July 2013, each warrant entitling one to one Assystem share through exercise at the price of €35;
- 37,973 BSAAR exercisable at any point through 31 July 2012, each warrant entitling one to 1.13 Assystem share through exercise at the price of €10.15;
- 70,400 cash and new and/or existing share reimbursable bonds (ORNANE).

2.4/ SHARE SUBSCRIPTION OPTIONS

At 31 December 2011, the following share subscription warrants had been issued by the company:

Market listing: Euronext Paris.

Warrant code	ISIN	Issue date	Warrant expiry date	Strike ratio	Strike price	Balance at 31/12/11
ASSBR (2013 redeemable share subscription warrant) (1)	FR0010356535	05/09/2006	31/07/2013	1 redeemable stock warrant =1 share	€35.00	4,892,734
ASBBS (2012 redeemable share subscription warrant) (3)	FR 0010166371	20/04/2005	31/03/2012	1 redeemable stock warrant =1.13 shares	€10.15	290,405
ASYBS (BSAAR 2015) (2)	FR 0010630590 first listing 12/07/2010, non-transferable prior to this date	09/07/2008 (exercisable from 12/07/2010 to 09/07/2015)	09/07/2015	1 redeemable share subscription warrant = 1 share	€11.1	3,189,513

(1) These 2013 redeemable share subscription warrants were created following a public exchange offer initiated by Assystem during the period 18 July to 5 September 2006 involving the 2012 redeemable share subscription warrants, based on a ratio of two (2) 2013 redeemable share subscription warrants and one (1) new Assystem share for every two (2) 2012 redeemable share subscription warrants contributed.
2,446,367 Assystem shares were created, taking the share capital from €19,054,746 to €21,501,113.
The exercise parity of 2012 redeemable share subscription warrants unexercised and still in circulation and 2007 redeemable share subscription warrants was automatically adjusted as follows:
– 1.13 share for every 2012 redeemable stock warrant (ASBBS) exercised at €10.15.
– 1.13 share for every 2007 redeemable stock warrant (BRTBS) exercised at €40.50.
(2) The 2015 redeemable share subscription warrants were created between 24 and 30 June 2008 following the issue by Assystem of a loan with a nominal amount of €65,000,000 represented by 130,000 bonds with subscription and/or acquisition warrants, to which said warrants were attached . (see simplified prospectus with AMF stamp 08-128 of 13 June 2008).
(3) The 21,650 2012 redeemable share subscription warrant figure, unexercised as of 31 March 2012, became null-value assets on 1 April 2012.
As of 31 December 2011, the number of potential shares resulting from the total exercise of these redeemable share subscription warrants is: 4,892,734 shares +328,157 shares +3,189,513 =8,410,404 shares, *i.e.* a potential dilution of 29.20%.

SUMMARY

Subscription warrant	2012 redeemable share subscription warrant	2013 redeemable share subscription warrant	BSAAR 2015
Number of subscription warrants upon issue	559,937	4,892,734	3,250,000
ISIN	FR0010166371	FR0010356535	FR0010630590
Number of shares per subscription warrant	1.13	1	1
Exercise price	€10.15	€35.00	€11.10
Beginning of the maturity period	31/01/2009	31/07/2010	09/07/2013
Forcing threshold	€17.5	€52.50	€15.54
Maturity date	31/03/2012	31/07/2013	09/07/2015
Increase in share capital	€6.4 million	€171.2 million	€36.1 million
Number of share subscription warrants on 31 December 2011	290,405	4,892,734	3,189,513
Quote on 31 December 2011	€2.75	€0.03	€3.20

2.5/ REIMBURSABLE CASH AND NEW AND/OR EXISTING SHARE BONDS (ORNANE)

On 6 July 2011, Assystem issued 4,181,818 ORNANE, with the following characteristics:

Mnemonics	ISIN	Issue date	Due Date	Exercise parity	Issue date	Balance as of 31/12/2011
ASSYSTORN4%JAN17	FR0011073006	06/07/2011	01/01/2017	1 ORNANE for 1 share	€22.00	4,181,818

Total nominal value: €91,999,996.

Interest rate: Annual nominal rate of 4% payable upon maturity on 1 January annually, hence €0.88 per ORNANE per year.

Total depreciation upon the due date by reimbursement at par. The reimbursement methods as well as potential dilution impact are detailed in the management report and in the appendix on the consolidated financial statements.

Share award entitlement: bond holders are entitled to new or existing share awards under conditions set in the AMF simplified prospectus of 28 June 2011, under number 11-268.

2.6/ SHARE SUBSCRIPTION OPTIONS

No option or share subscription awards in 2011.

2.7/ FREE SHARE ALLOTMENTS

During the 2011 financial year, the Management Board used authorizations from the Annual General Meetings of 15 May 2008 and 12 May 2011 to allot the following free shares:

Date of Management Board meeting	Free share allotment plan No.	Number of securities	Number recipients	Plan due date	Conditions
13/04/2011	April 2011	20,500	4	Acquisition price: 2 years Unavailability duration: 4 years	None
28/10/2011	Oct. 2011	Initial: 43,360 On 31 December 2011: 41,974	Initial: 1,706 employees with Assystem Engineering and Operation Services On 31 December 2011: 1,650	Acquisition price: 2 years Unavailability period: 4 years	Current employee
29/11/2011	Nov. 2011	108,900	57 French and foreign Group managers	Acquisition price: 2 years and 4 months Unavailability period: 4 years	Current employee and performance conditions

On 31 December 2011, the total number of free shares allotted was 171,374 shares (all preceding share award programmes ended in 2011. See Chapter 7 – the Consolidated Financial Statements for more information.)

2.8/ DIVIDENDS

Time Limits

Any dividends not claimed within five years of payment revert to the State (Article 2277 of the French Civil Code).

The General Meeting of 12 May 2011 set a dividend attributable to each share forming the share capital of €0.45, excluding treasury shares.

At the next General Meeting on 23 May 2012, a dividend of €0.45 per share will be recommended.

2.9/ SHARES ON THE MARKET

Date	Market high	Date of market high	Market low	Date of market low	Closing quote	Average quote (opening)	Average quote (closing)	Number of shares traded	Capital in € millions	Number of sessions quoted
Jan. 2011	15,290	11 Jan.	13,450	03 Jan.	14,900	14,533	14,598	445,397	6.50	21
Feb. 2011	17,470	28 Feb.	14,950	01 Feb.	17,100	16,394	16,467	1,042,457	17.12	20
March 2011	17,380	04 March	14,590	15 March	15,550	16,283	16,246	965,302	15.30	23
April 2011	17,720	29 April	15,410	01 April	17,690	16,555	16,629	695,733	11.48	19
May 2011	18,200	20 May	16,910	05 May	17,650	17,770	17,754	346,893	6.15	22
June 2011	18,180	02 June	16,650	16 June	17,650	17,405	17,437	1,264,972	21.87	22
July 2011	17,950	05 July	15,600	18 July	15,910	16,736	16,672	386,441	6.47	21
Aug. 2011	16,540	01 Aug.	12,350	05 Aug.	15,000	14,364	14,360	510,829	7.28	23
Sept. 2011	15,000	01 Sept.	11,500	13 Sept.	12,470	13,237	13,074	479,225	6.21	22
Oct. 2011	13,640	13 Oct.	11,500	04 Oct.	13,150	12,890	12,896	277,809	3.56	21
Nov. 2011	13,350	04 Nov.	11,250	23 Nov.	12,040	12,316	12,237	444,179	5.41	22
Dec. 2011	12,450	07 Dec.	11,020	20 Dec.	11,850	11,818	11,798	463,799	5.41	21
Period highs/lows and averages	**18,200**	**20 May**	**11,020**	**20 Dec.**		**15,015**	**15,002**	**610,253**	**9.40**	
Total								**7,323,036**	**112,75**	**257**

(1) Source: Euronext. This document is supplied for information only and in no way releases the Company from its legal obligations.
Code: FR0000074148: Assystem.

2.10/ COMMITMENTS BY CERTAIN SHAREHOLDERS TO RETAIN

Not applicable.

There are no arrangements that might delay, postpone or prevent a change in control of the issuer.

2.11/ SHARE PLEDGES FOR THE COMPANY AND ITS AFFILIATES (AS OF 31 DECEMBER 2011)

Name of directly registered shareholder	Beneficiary	Effective pledge commencement date	Pledge expiry date	Conditions for lifting pledge	Number of the issuer's shares pledged	% of the issuer's capital pledged
D. Louis	Swiss Life BP La Cie 1818	02/04/2009 11/06/2009	30/04/2012 23/12/2012	Partial repayment of borrowing Overdraft reimbursement	190,000 135,998	0.95% 0.68%
HDL SAS	Swiss Life BP BNP Paribas	09/12/2009 2005	01/01/2012 30/06/2012	Overdraft reimbursement Overdraft reimbursement	115,000 182,927	0.56% 0.87%
H2DA SARL	HDL SAS	26/07/2005	25/07/2013	Repayment of borrowing	481,678	2.36%
CEFID SAS	BNP Paribas Swiss Life BP	22/06/2011 22/06/2011	22/06/2015 30/06/2012	Repayment of borrowing Repayment of borrowing	357,356 600,000	1.75% 2.94%

Non-material pledges (representing less than 0.5% of the issuer's capital) and those expiring prior to the publication date of this document do not appear in the table above.

2.12/ SHAREHOLDERS' AGREEMENTS

Not applicable.

2.13/ SHARE CAPITAL NOT YET ISSUED

Not applicable

2.14/ DELEGATION OF RESPONSIBILITIES AND AUTHORISATIONS TO THE MANAGEMENT BOARD FOR CAPITAL INCREASES OR REDUCTIONS

By virtue of various resolutions adopted by the Mixed General Meeting of 12 May 2011 as well as prior General Meetings in their extraordinary capacity, the Management Board has received the following authorisations:

Delegation of Responsibilities/Authorisations	Maximum capital increase/ reduction	TERM	EGM at which resolution adopted
Cancellation of shares acquired under share buyback programmes	Maximum reduction 2,015,708 securities	26 months (➤ 11/07/2013)	12/05/2011 (13th resolution)
Issue of equity securities and/or securities giving access to capital with preferential subscription rights	Per value increase up to €10 million	26 months (➤ 11/07/2013)	12/05/2011 (14th resolution)
Issue of equities and/or securities giving access to capital in context of a **private placing**	Per value increase up to 10% of share capital per year, *i.e.* €2,000,000	26 months (➤ 11/07/2013)	12/05/2011 (15th resolution)
Issue of equities and/or securities giving access to capital **with cancellation** of preferential subscription rights (Partially used up to €4,181,818 in 2011)	Per value increase up to €10 million	26 months (➤ 11/07/2013)	12/05/2011 (16th resolution)
Share issue reserved for **members of a company savings plan**	Per value amount on the date of implementation = 2% of share capital	26 months (➤ 11/07/2013)	12/05/2011 (17th resolution)
Existing or to be issued **free share allotments** (new legal and tax plan) Including 1% of face value amount without performance conditions on certain employees (excluding Management Board)	3% increase of nominal amount of share capital on date when authorisation was used	38 months (➤ 05/07/2013)	05/05/2010 (15th resolution)
Purchase option or share subscription awards With performance conditions for company executives For other recipients a portion will not be subject to performance conditions	2% increase of nominal amount of share capital on date when authorisation was used	38 months (➤ 05/07/2013)	05/05/2010 (16th resolution)
Increase of the amount of each issue with or without preferential subscription rights	Within the 15% limit of initial issue	26 months (➤ 11/07/2013)	12/05/2011 (18th resolution)
Setting global amount from authorisations granted to the Management Board to increase share capital, *i.e.*: The 14th, 15th, 16th, 17th, and 18th resolutions in capital The 14th, 15th, 16th, 17th, and 18th resolutions in debt securities	€10,000,000 in share capital per value and €150,000,000 maximum in debt security	26 months (➤ 11/07/2013)	12/05/2011 (19th resolution)
Incorporation of reserves, earnings, merger or share premiums combined or not with performance share issues	€20 million increase in per value amount of share capital	26 months (➤ 11/07/2013)	12/05/2011 (20th resolution)

These authorisations given or renewed 12 May 2011 supersede all previous delegated responsibilities/authorisations of a similar nature.

During financial year 2011, the Management Board used:

- the authorisation conferred by the General Meeting of 12 May 2011, in its 16th resolution, to issue ORNANE called ASSYSTORN4%JAN17 under ISIN FR0011073006 for €4,181,818; the report issued by the Management Board on use of this authorisation is available to shareholders at the head office;
- the authorisation granted by the 5 May 2010 General Meeting in its 15th resolution to allot 43,360 free shares 28 October 2011 and 108,900 free shares 29 November 2011 to affiliate employees or Group managers with performance and/or current employement conditions; and
- the authorisation granted by the 15 May 2008 General Meeting in its 15th resolution valid through 14 July 2011 to issue 20,500 free shares to Group employees without performance conditions (former plan).

3/ FEES OF STATUTORY AUDITORS AND AFFILIATED MEMBERS COVERED BY THE GROUP

(in thousands of €)	Deloitte et Associés				KPMG			
	Pre-tax Amount		%		Pre-tax Amount		%	
	2011	2010	2011	2010	2011	2010	2011	2010
AUDIT								
Statutory audits, certification and examination of corporate and consolidated financial statements								
Issuer	178	158	25	29	178	164	34	28
Fully-consolidated subsidiaries	401	336	56	60	308	258	58	44
Other responsibilities and services directly linked with statutory audits								
Issuer	97		13		37	153	7	26
Fully-consolidated subsidiaries								
Subtotal	**676**	**494**	**94**	**89**	**523**	**575**	**98**	**98**
OTHER SERVICES RENDERED BY MEMBERS TO WHOLLY OWNED SUBSIDIARIES								
Legal, tax, social	46		6		8		2	
Other		**62**		**11**		**7**		**2**
Specify if >10% of auditing fees		–		–		–		–
Subtotal	**46**	**62**	**6**	**11**	**8**	**7**	**2**	
Total	**722**	**556**	**100**	**100**	**531**	**582**	**100**	**100**

2. GOVERNANCE

Assystem is a public limited company with a Management Board and a Supervisory Board. This corporate format allows for effective separation of management and control functions.

The management at Assystem attaches enormous importance to the efficiency of its major decision-making processes and to the flow of information within the Group, particularly in view of its highly-decentralised operating structure.

1/ THE SUPERVISORY BOARD

The Supervisory Board, in accordance with the Articles of Association and its rules of procedure, meets as often as the Company's interests require it, and no fewer than four times a year.

In order to properly carry out its duties, it is consistently and fully informed on matters submitted to it prior to its meetings, covering all the items on the agenda and in particular each quarter the running of the Company.

In accordance with Article 15 of the Articles of Association, the Supervisory Board is composed of at least three members with a maximum of 15. During the 2011 financial year, pursuant to application of the Act of 27 January 2011 concerning gender equality in the workplace and, more specifically, a balance of male/female representation on corporate Boards, the General Meeting of 12 May 2011 appointed Miriam Maes to the Supervisory Board which is currently composed of the following individuals:

- Michel Combes, who chairs the Board;
- Bruno Angles (appointed by the GM of 12 May 2011);
- Stanislas Chapron;
- Pierre Guenant;
- Gilbert Lehmann;
- Miriam Maes (appointed by the GM of 12 May 2011);
- Jean-Pascal Tranié;
- Société Amarillys, represented by Armand Carlier;
- the Strategic Investment Fund (Fonds Stratégique d'Investissements or FSI), represented by Bertrand Finet.

Michel Combes

Born in 1962. A graduate of the *École Polytechnique* and the Higher National School of Telecommunications, he began his career in 1986 in France Télécom's Department of External Networks, and subsequently the Department of Industrial and International Affairs. Following a ministerial appointment between 1991 and 1995, he joined TéléDiffusion de France as Assistant Chief Executive Officer, a post he held between June 1996 and the end of 1999 when he was also Chairman and Chief Executive Officer of GlobeCast.

Between December 2001 and December 2002, Michel Combes was Chief Executive Officer of Assystem, an industrial engineering specialist; he had previously worked as Executive Vice-President of the Nouvelles Frontières Group from December 1999 to the end of 2001.
In January 2003, Michel Combes joined the France Télécom Group as Executive Director in charge of Financial Equilibrium and Creation of NExT Values and was appointed a member of the Group's Strategic Committee. By mid-2006, he had been appointed Chairman and Chief Executive Officer of TDF. Michel Combes has been CEO of Vodafone Europe since October 2008 and was appointed to the Vodafone Board of Directors in June 2009.

He has been a member of the Assystem Supervisory Board since 2003 and it's Chairman since 25 January 2004.

Bruno Angles

Born in 1964. A graduate of the *École Polytechnique,* Bruno ANGLES is a graduate of l'*École Nationale des Ponts et Chaussées*, with a diploma from the *Collège des Ingénieurs,* and is the French Chairman of Macquarie Infrastructure and Real Assets (Europe) Limited. He is a Director of Autoroutes Paris-Rhin-Rhône and of Brussels Airport. He is also Chairman of the Board of Directors of Arlanda Express and a member of the Supervisory Board of Pisto. Additionally, he is a member of the Supervisory Board of SAFT S.A.
Bruno Angles was a Senior Partner at Mercer Delta from 2006 to 2007, having previously been Chief Executive Officer of Vinci Energies from 2004 to 2005. Formerly, he held various posts at McKinsey & Company between 1996 and 2004, where he became a Managing Partner in 2000. He was also Chief Executive Officer of Société du Tunnel du Mont Blanc (SMTB) from 1994 to 1996, Technical Consultant at Bernard Bosson from 1993 to 1994 and Head of Major Works at the Ille-et-Vilaine Regional Infrastructure Department (*Direction départementale de l'équipement* or DDE) between 1990 and 1993. He was Chairman of the *Association des Ingénieurs des Ponts et Chaussées* from 2003 to 2005 and has been Chairman of the *Fondation de l'École Nationale des Ponts et Chaussées* since 2006.
Bruno Angles has been decorated *«Chevalier de l'Ordre national du mérite»* and *«Chevalier de l'Ordre national de la Légion d'honneur»*.

Stanislas Chapron

Born in 1959. A graduate of the *École Polytechnique,* the National School of Advanced Techniques (ENSTA) and Stanford University, Stanislas Chapron began his career in 1985 at the General Armament Division (*Délégation Générale pour l'Armement* or DGA) as an STTE design engineer in charge of contracts for design and development of air defence systems. In 1986 he was Assistant Programme Director on the French AWACS Programme, and subsequently in 1987, he was appointed permanent representative of the DGA's Aeronautical Construction Division with Boeing in Seattle for the AWACS programme, working as co-manager of the French-British programme management team. Between 1990 and 1993, he was Head of Mission for the DGA's International Relations Delegation, and subsequently Assistant Sub-Director for "Americas-Africa-Asia". From 1993 to 1995 he was Technical Adviser to the Minister for Industry, Postal Services and Telecommunications, and the Ministry of Foreign Trade, with responsibility for spatial policy and industrial research. In 1995 he joined Faugère & Jutheau, the French subsidiary of the Marsh & McLennan Group, as Assistant Director of its Specialist Risk Division. In 1997 he was promoted to Assistant Chief Executive Officer and Member of the Management Board at Cecar & Jutheau, which became Marsh France in 1998. In 2006 he was appointed Chairman of the Management Board and Chief Executive Officer of March France and also became a member of the Executive Committees of Marsh EMEA (Europe, Middle East, Africa) and Marsh International (Latin America, EMEA, Asia, Pacific). He is also Vice-President of the Centre for Studies and Prospective Strategy (CEPS), and is President of its Space Circle. He served on the committee set up in 2003 to draw up proposals for the restructuring of French spatial policy and spatial organisation.

He has been a member of the Assystem Supervisory Board since 2004.

Pierre Guenant

Born in 1950. Having graduated from the Paris Higher School of Commerce in 1972, he joined the Jacobs-Jacques Vabre Group where he worked in a number of posts in the commercial department until joining the Heuliez Group in 1976 where he handled a number of production units until 1984. In 1980 he created and directed what was to become the PGA Group, a leading European automobile distributor, remaining in that capacity until 2010 while developing other activities within PGA Holding.
He has been a member of the Assystem Supervisory Board since 2004.

Armand Carlier (Société Amarillys)

Born in 1949. A Mining Corps engineer, Armand Carlier performed a number of roles at the Ministry of Industry until 1981, and subsequently worked at the Schlumberger Group from 1982 to 1994, most notably as Executive Vice-President of Oil Services for Africa-Mediterranean. At the Lagardère Group and later at EADS from 1994 to 2004, he was Chairman and CEO of the Matra-Marconi-Space subsidiaries, and subsequently of Astrium and Matra-Automobile. Since 2007 through his family-owned holding company, Amarillys, he has been President of Alkan SAS, an aeronautical military equipment manufacturer.

He has been a member of the Assystem Supervisory Board since October 2004.

Gilbert Lehmann

Born in 1945. A graduate of the Paris Institute of Political Studies and Higher Economic Studies, Gilbert Lehmann worked in a number of public banking posts before joining the Framatome Group in 1983.
Director of the Finance and Treasury Division, and subsequently Financial Director from 1990 to 1996 and Managing Director from 1996 to 2001, he worked in several administrative posts in listed companies in France and in the United States.
Appointed Assistant Chief Executive at AREVA when the company was incorporated in 2001, he held this post until 2008 when he was appointed as a Member of the Management Board.
Gilbert Lehmann is Deputy Chairman of the ERAMET mining group and Deputy Chairman of STMicroelectronics NV.
He has been a member of the Assystem Supervisory Board since 2003.

Miriam Maes

Born in 1956. Miriam Maes has worked for multinationals for 30 years, of which, she has spent more than 20 years managing the financial affairs of national and international corporations. Miriam has been in charge of "business-to-business" operations for Unilever, ICI and the Marmon Group (owned by the Pritzker family).

Miriam began her career in the energy sector in 2002, initially at Texas Utilities (TXU) as a member of their European Executive team, and later at EDF (the world's third largest energy producer) where she worked as Chief Operating Officer in charge of non-regulated networks and decentralised energy business (£500 million turnover and 2,000 employees, with £1.3 billion of assets under management).

In 2007, Miriam became Chairwoman of Foresee, a consulting company specialising in sustainable development and energy management for businesses.

Since 2009 Miriam has advised the British spokesperson for climate change on the various energy policies which have recently been implemented and on public sector energy-related issues. In 2010, she was appointed Advisor to the British government's Department of Energy and Climate Change, with the specific remit to support the government's public sector energy and carbon emissions reduction programmes. She is also very much involved with the Green Investment Bank, energy purchase tariffs, energy market reform in U.K., and other projects.

An experienced independent Director, Miriam currently serves on the Board of ELIA, the Belgian Transmission and Distribution System Operator which is listed on the Euronext Brussels Stock exchange and, prior to that, sat on the Board of Dalkia UK (an EDF/Veolia joint venture) and Metronet (jointly owned by Bombardier, Balfour Beatty, WA Atkins, EDF and Thames Water). She was Chairwoman of the joint venture established between ABB, EDF, and Balfour Beatty for London Underground ("Powerlink"). Miriam was also an independent administrative Director of some thirty other EDF companies and joint ventures.

Miriam has a Bachelor of Business Administration degree from Nijenrode, International Business School in the Netherlands. She is a fluent English, French, Dutch and German speaker.

Jean-Pascal Tranié

Born in 1959. A graduate of the *École Polytechnique,* Jean-Pascal Tranié has been involved in investments in unlisted companies for twelve years, having previously worked in a number of management posts at the Veolia Énergie Group in the early 1990s. Between 1995 and 1997 he was CEO of Vivendi's media and multimedia businesses and sat on the Boards of Havas, UGC and the Babelsberg Studios, before launching the Vivendi investment funds in IT technologies.

In 2003, together with Vivek Tandon, he founded the Euro-Asian group Aloe, operating exclusively with clean energies and companies contributing to the protection of the environment. Jean-Pascal Tranié is Chairman of Aloe Private Equity.

He has been a member of the Assystem Supervisory Board since 2004.

Bertrand Finet

Born in 1965. A graduate of the ESSEC business school, he began his career in 1991 working in Capital Investment and Private Equity with 3i in London and subsequently in Paris; in 1996 he joined CVC Capital Partners France where he managed MBOs. As Paris division head at Candover France, from 2006 he was in charge of the origination, execution and monitoring of investments in France; he managed relationships with investors in the context of fund-raising. He was appointed Director of the Strategic Investment Fund (FSI) Executive Committee in September 2009. Following the contribution of Assystem shares to the FSI by the CDC, he was appointed as a permanent member of the Assystem Supervisory Board.

These members of the Supervisory Board come from many different walks of life and eight of them satisfy the independence criteria as laid down in the corporate governance code for listed companies published by AFEP-MEDEF. On 12 March 2012, the Remuneration and Appointments Committee reviewed each member's status with regard to the aforesaid independence criteria. The review concluded that Michel Combes, Bruno Angles, Armand Carlier, Pierre Guénant, Gilbert Lehmann, Miriam Maes, Jean-Pascal Tranié and Bertrand Finet are "independent".

Members are appointed for renewable terms of three years.

It is here specified that no family link exists between members of the Supervisory Board and the Management Board.

The main alterations made in 2011 to the composition of the Supervisory Board and its Committees, at the close of the General Meeting of 5 May 2011, were the following:

- appointment of two new members to the Supervisory Board: Bruno Angles and Miriam Maes;
- appointment of Gilbert Lehmann as Deputy Chairman of the Supervisory Board;
- appointment of Stanislas Chapron as Chairman of the Remuneration and Appointments Committee;
- appointment of Miriam Maes and Armand Carlier (permanent representative of Amarillys Conseil) to the Remuneration and Appointments Committee;
- appointment of Gilbert Lehmann as Chairman of the Audit Committee (he was already a member of the said Committee), replacing Jean-Pascal Tranié who remains a member of the Audit Committee.

Over the past financial year, the Supervisory Board met five times and received the relevant preparatory documents on each occasion. The attendance rate was 83%.

Over the past year, the Board discussed the following issues:
- all recurring subjects, such as interim and annual financial statements, quarterly revenue, off-balance sheet commitments, earnings and trading forecasts, the replacement or reappointment of its members, the remuneration of managers and the renewal or approval of regulated agreements;
- other more specific matters, in particular, the refinancing of Group debt through the issue of a bond loan reimbursable in cash and/or existing shares (ORNANE), acquisition projects and the disposal of assets/companies;
- the Group's strategic development;
- balanced representation of men/women on the Board, in accordance with the Act of 27 January 2011.

The Board has its own Rules of Procedure which, in particular, set out the rules governing operation of the Board linked is the Group's Code of Conduct, which was adopted by the Supervisory Board on 22 January 2004 and renewed in 2011.

In this respect, the Supervisory Board has decided to deal directly with issues relating to the Group's strategic focus, and has set up two Board committees: an Audit Committee and a Remuneration and Appointments Committee, each with its own Rules of Procedure.

1.1/ THE AUDIT COMMITTEE (ACCOUNTS COMMITTEE)

At 31 December 2011 the Committee was composed of Gilbert Lehmann as Chairman, Armand Carlier (representing Société Amarillys), Jean-Pascal Tranié and Bertrand Finet (FSI); who all meet the independence criteria as stipulated in paragraph I. The Audit Committee is responsible for assisting the Supervisory Board in carrying out its financial and audit-related duties and responsibilities. Accordingly, its tasks include:
- examining the interim and annual corporate and consolidated financial statements, management reports and trading and earnings statements;
- verifying compliance with the accounting standards adopted for the preparation of the corporate and consolidated financial statements;
- ensuring that the internal procedures for the collection and verification of information are properly applied;
- inspecting the quality and relevance of the information disclosed to shareholders;
- examining the Company's auditor selection process, and particularly the choice and remuneration of auditors, so that the necessary observations can be made;
- studying the respective action plans of the statutory and internal auditors each year and examining the internal audit reports for the previous year and the activity programme for the current year;
- examining the Management Board's report each year on the Group's risk exposure, particularly to financial and litigation risks, and significant off-balance sheet commitments.

The Audit Committee met seven times in 2011 and had an attendance rate of 89%.

The following specific points were examined:
- the projected budget for the year;
- changes to cash flow and a debt restructuring project (financing and issue of ORNANE bond);
- analysis of risks and the corresponding provisions;
- examination of the draft report by the Chairman of the Supervisory Board on the work of the board and on internal control procedures;
- examination of all draft financial communications and dossiers for presentation to the SFAF (Financial Analysts Authority);
- presentation of the Group's measures to improve internal control pursuant to the French Financial Security Act *(Loi de Sécurité Financière);*
- presentation of progress made on the internal audit plan and work on internal control 2011.

1.2/ REMUNERATION AND APPOINTMENTS COMMITTEE

At 31 December 2011 the Committee was composed of Stanislas Chapron, Armand Carlier and Miriam Maes; Miriam Maes and Armand Carlier meet the independence criteria for members of the Supervisory Board.

The Remuneration Committee met three times in 2011 with a 100% attendance rate.

The Committee is responsible for submitting proposals to the Supervisory Board relating to the appointment and reappointment of members of the Supervisory Board, members of the Management Board, the Chairman of the Management Board, general management and members of the Audit Committee. It is also kept informed by the Chairman of the Supervisory Board of the appointment of other Group senior officers. Furthermore, the Committee makes recommendations to the Supervisory Board concerning the amount of directors' attendance fees to be submitted for the approval of the General Meeting and how these should be distributed between members of the Supervisory Board.

In addition, the Committee may submit proposals to the Supervisory Board concerning the remuneration of some of the company's officers and may, at the request of the Chairman of the Supervisory Board, express an opinion on the methods used to calculate the pay of Company directors.

MANDATES AND FUNCTIONS CARRIED OUT BY MEMBERS OF THE SUPERVISORY BOARD OF ASSYSTEM AS AT 31 DECEMBER 2011

Michel COMBES

Business address: Vodafone House–The Connection Newbury Berkshire RG14 2 FN–UK

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Member of the Supervisory Board	Assystem SA	EGM 10/12/2003	OGM 2011 FS	Yes
Chairman of the Supervisory Board	Assystem SA	SBM of 30/04/2009	OGM 2011 FS	Yes
Functions and mandates carried out abroad	**Company**			
Managing Director Europe	Vodafone (United Kingdom)	Oct. 2008		Yes
Non-executive member of the Executive Committee	ISS Equity A/S, ISS Holding A/S and ISS A/S	July 2010		Yes

Armand CARLIER

Business address: Rue du 8-Mai-1945–94460 Valenton

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Permanent representative of Amaryllis Conseil & Investissement SARL, member of the Supervisory Board, member of the Audit Committee and member of the Remuneration and Appointments Committee	Assystem SA	OGM 26/04/2004	OGM 2012 FS	Yes
Manager	Amaryllis Conseil et Investissement	March 04	OGM 2011 FS	Yes
Chairman	Alkan SAS	15/05/2007	2011 General Meeting	Yes
Chairman of the Management Board	ACMF SAS	15/05/2007	2011 General Meeting	Yes
Functions and mandates carried out abroad	**Company**			
Not applicable.				

Stanislas CHAPRON

Business address: Marsh – Tour Ariane–La Défense 9–71, voie des Sculpteurs–92088 Paris La Défense

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Member of the Supervisory Board, member and Chairman of the Remuneration and Appointments Committee	Assystem SA	OGM 26/04/2004	OGM 2012 FS	Yes
Member of the Management Board and Chairman	Marsh SA	SBM of 18/05/2006 renewed 24/10/2011	OGM 2013 FS	Yes
Functions and mandates carried out abroad	**Company**			
Not applicable.				

Bertrand FINET

Business address: FSI–56, rue de Lille–75007 Paris

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Permanent representative of the Strategic Investment Fund (Fonds Stratégique d'Investissements or FSI), member of the Supervisory Board and member of the Audit Committee	Assystem SA	SBM of 04/11/2009 (cooption for Caisse des Dépôts et Consignations (CDC) replacement)	OGM 2011 FS	Yes
Member of the Audit Committee	Assystem SA	SBM of 04/11/2009	ditto	Yes
Chairman of the Supervisory Board	Business Consolidation and Development Fund (Fonds de Consolidation des Entreprises or FCDE)			Yes
Member of the Advisory Committee	CDC Capital Investissement			Yes
Functions and mandates carried out abroad	**Company**			
Not applicable				

Pierre GUENANT

Business address: PGA Holding – BP 80104 – 86960 Poitiers

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Member of the Supervisory Board and the Audit Committee	Assystem SA	OGM 26/04/2004	OGM 2012 FS	Yes
Joint manager	PGA Holding SARL	31/08/1999	Open-ended	Yes
Member of the Supervisory Board	ICARE Assurance SA	19/12/2006	OGM 2012 FS	Yes
Member of the Supervisory Board	CFAO SA	20/05/2011	OGM 2015 FS	Yes
Member of the Supervisory Board	ADVINI SA	04/06/2010	OGM 2015 FS	Yes
Functions and mandates carried out abroad	**Company**			
Not applicable				

Gilbert LEHMANN

Business address: AREVA – 33, rue Lafayette – 75442 Paris Cedex 09

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Member and Deputy Chairman of the Supervisory Board – Member and Chairman of the Audit Committee	Assystem SA	EGM 10/12/2003	OGM 2011 FS	Yes
Member and Deputy Chairman of the Board of Directors Member of the Audit Committee	ERAMET	OGM 21/04/2007	OGM 2012 FS	Yes
Functions and mandates carried out abroad	**Company**			
Member and Chairman of the Audit Committee	Cadogan PLC (London)	18/11/2011	3 years	Yes
Member of Board of Directors	ST MicroElectronics Holding BW	Not known	Not known	Yes

Jean-Pascal TRANIÉ

Business address: Aloe – 34, boulevard Malesherbes – 75008 Paris

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Member of the Supervisory Board and the Audit Committee	Assystem SA	EGM 10/12/2003	OGM 2011 FS	Yes
Chairman of the Management Board	Aloe Private Equity SA	01/03/2004		Yes
Member of the Board of Directors	CS Communication & Systèmes SA	2004		Yes
Chief Executive	Valorca SAS			Yes
Functions and mandates carried out abroad	**Company**			
Not applicable.				

Miriam MAES

Business address: Flat 12, 3-4 Bramham Gardens – London SW5 OJQ

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Member of the Supervisory Board, member of the Remuneration and Appointments Committee	Assystem SA	OGM 12/05/2011	OGM 2013 FS	Yes
Functions and mandates carried out abroad	**Company**			
Chairman	Foresee – London – United Kingdom	01/09/2007		Yes
Non-executive Board member	ELIA – Brussels – Belgium	01/09/2007		Yes

Bruno ANGLES

Business address: Macquarie Infrastructure and Real Assets (Europe) Limited – 41, avenue George V – 75008 Paris

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Member of the Supervisory Board	Assystem SA	OGM 12/05/2011	OGM 2013 FS	Yes
Chairman	Macquarie Infrastructure France	26/01/2009		Yes
Member of the Board of Directors	Autoroutes Paris-Rhin-Rhône	20/02/2006		Yes
	AREA	20/02/2006		Yes
	Eiffarie SAS	16/02/2006		Yes
	Financière Effarie SAS	16/02/2006		Yes
Member of the Supervisory Board	Saft Group SA	12/05/2005		Yes
Functions and mandates carried out abroad	**Company**			
Member of the Board of Directors	Aéroport de Bruxelles	02/08/2007		Yes
Chairman of the Board of Directors	Arlanda Express	2009		Yes

LIST OF THE TERMS OF OFFICE AND FUNCTIONS CARRIED OUT BY MEMBERS OF THE SUPERVISORY BOARD OVER THE LAST FIVE FINANCIAL YEARS (FROM 1 JANUARY 2007 TO 31 DECEMBER 2011)

Michel COMBES

Offices and posts held in France	Company	Current appointment
Chairman of the Board of Directors	PagesJaunes (office held until 30/01/2006)	No
Member of the Board of Directors	Eurotunnel	No
Member of the Board of Directors	Fortuneo	No
Member of the Board of Directors	Procapital	No – Member of the SB
Member of the Board of Directors	Sonaecom	No
Chairman and Chief Executive	TDF	No – Finished 10/2008
Member of the Board of Directors	Europacorp	No – Finished 09/2008
Chairman of the Board of Directors	Carlson Wagonlit France	No – Finished 07/2008
Member of the Supervisory Board	Altamir	No – Finished 02/2008
Functions and mandates carried out abroad	**Company**	
Member of the Supervisory Board	Equant (the Netherlands)	No
Member of the Board of Directors	Liberty TV (Belgium)	No – Finished 03/2008
Member of the Board of Directors	Weather (Italy)	No – Finished 09/2008
General Manager for Europe	Vodafone (United Kingdom)	Yes
Member of the Management Committee (non executive)	ISS holding AI S and ISSAI S, ISS Holding A/S and ISS A/S	Yes

Armand CARLIER

Offices and posts held in France	Company	Current appointment
Chairman of the Management Board	ACMF (Aérostructures Civiles et Militaires de France) SAS	Yes
Chairman	Alkan SAS	Yes
Manager	Amaryllis Conseil & Investissements	Yes
Functions and mandates carried out abroad	**Company**	
Not applicable		

Stanislas CHAPRON

Offices and posts held in France	Company	Current appointment
Member of the Management Board and Chairman of the Management Board	Marsh SA	Yes
Chief Executive	Marsh SA	No
Chairman and Chief Executive	Marsh Finances SA	No
Member of the Board of Directors	Marsh Finances SA	No
Functions and mandates carried out abroad	**Company**	
Not applicable		

Pierre GUENANT

Offices and posts held in France	Company	Current appointment
Chairman of the Supervisory Board	PGA SA.	No – Chairman of the SB
Member of the Board of Directors	PGATP	No
Joint Manager	PGA Holding SARL	Yes
Member of the Board of Directors	JFLD Production	No
Member of the Supervisory Board	ICARE Service SA.	No
Member of the Supervisory Board	CFAO SA	Yes
Member of the Supervisory Board	Advini	Yes
Member of the Supervisory Board	Icare Assurance SA	Yes
Functions and mandates carried out abroad	**Company**	
Not applicable		

Gilbert LEHMANN

Offices and posts held in France	Company	Current appointment
Member of the Board of Directors	FRAMAPAR	No
Member of the Board of Directors	CNS	No
Member and Vice-president of Board of Directors; Member of Audit Committee	Eramet	Yes
President of Supervisory Board	Lina'S Développement	No
Functions and mandates carried out abroad	**Company**	**Current appointment**
Member of the Board of Directors	ST MicroElectronics Holding BV	Yes
Chairman – Member of the Board of Directors	SEPI – Suisse	No
Board Member and Member of Audit Committee	Cadogan PLC (London)	Yes

Jean-Pascal TRANIÉ

Offices and posts held in France	Company	Current appointment
Chairman of the Management Board	Aloe Private Equity SA	Yes
Member of the Board of Directors	Compagnie des Signaux SA	Yes
Member of the Board of Directors	Ademus SA	No
Chief Executive	Valorca SAS	Yes
Functions and mandates carried out abroad	**Company**	
Not applicable		

Miriam MAES

Offices and posts held in France	Company	Current appointment
Not applicable		
Functions and mandates carried out abroad	**Company**	**Current appointment**
President	Foresee – London – United Kingdom	Yes
Non-Executive Board member	Elia – Brussels – Belgium	Yes

Bruno ANGLES

Offices and posts held in France	Company	Current appointment
Board member	Autoroutes Paris-Rhin-Rhône	Yes
Board member	Area	Yes
Board member	SAS Eiffarie	Yes
Board member	SAS Financière Eiffarie	Yes
President	SAS Macquarie Autoroutes de France	Yes
Member of Supervisory Board	Saft Group SA	Yes
Board member	Pisto SAS	Yes
Functions and mandates carried out abroad	**Company**	**Current appointment**
Board member	Aéroport de Bruxelles	Yes
President of Board of Directors	Arlanda Express	Yes

2/ THE MANAGEMENT BOARD

The Management Board currently consists of six members, including the Chairman, Dominique Louis, who represents the Company with regard to third parties, and five other members: Martine Griffon-Fouco, Stéphane Aubarbier, David Bradley (a British national), Gérard Brescon and Gilbert Vidal, furnishing the mix of functional and operational skills required for development of the Group.

The Management Board, as a collegiate body of the Company, meets as often as the Company's interests require. The Chairman has the deciding vote.

The Management Board is vested with the widest authority to act on the Company's behalf with regard to third parties, in any situation. Only the Chairman of the Management Board has the authority to bind the company in relation to third parties.

The table listing the mandates of the members of the Management Board are set out on pages 152 to 154.

Dominique Louis, President of Management Board

A qualified Engineer (ENSEM), Dominique Louis began his career as a test engineer with ATEM. Some years later, he created the company R'data, and subsequently, Alphatem, a subsidiary formed jointly with Cogema.

Assystem came into being following the combination of ATEM, R'data and Alphatem. Dominique Louis managed Assystem's introduction to the stock exchange in 1995.

The withdrawal from nuclear power towards the end of the 1990s marked the dawn of an authentic «rebirth» of the Assystem project. His ambition is to turn Assystem into a European engineering company with a global dimensions.

Gérard Brescon, member of Management Board in charge of Human Resources Development

An Engineer and graduate of the *École Nationale des Arts et Metiers,* Gérard Brescon joined the Assystem Group in 1983, where he first worked in the Nuclear Energy sector as Test Engineer. Later, he was named Project Manager for the Automotive sector. He took on managerial responsibilities and participated actively in developing the division, before being named Operations Director at Group level.

Gerard Brescon became CEO of Assystem Services in 2000. He has developed an organisational structure, at local level, that fosters close and responsive customer relationships while marshalling the resources of the company's numerous subsidiaries.

Appointed a member of the Management Board in January 2004, Gerard Brescon has particular responsibility for the industrial implementation of methods and know-how in terms of the development of engineering and human resources. On 1 July 2005, he was appointed Chairman of Assystem France and remains a member of the Management Board.

Stéphane Aubarbier, member of Management Board in charge of *Plant Engineering & Operations*, and *Technology & Product Engineering*

An Engineering Graduate of INSA (National Institute for the Applied Sciences) in Lyon and holding an MBA from the ESCP-EAP (Paris European School of

Management), Stéphane Aubarbier began his career with the Assytem Group where, after performing a number of operational roles, he took charge of leading the Automotive sector development.

Later, Stéphane Aubarbier turned his talents to marketing the service offers within the ABB group. He worked as Director of the maintenance contracts division, first for France, then for Southern Europe, and finally took charge of ABB Service's Marketing and Business Development Management for Southern Europe.

In June 2002, Stéphane Aubarbier rejoined Assystem's Executive Committee to steer the Process Business Unit in its development of engineering activities. Since January 2005, Stéphane Aubarbier has been Executive VP of the Assystem Group and a member of the Management Board.

Gilbert Vidal, member of Management Board in charge of Finance and Legal Affairs

Holding a Masters degree in Economics, Gilbert Vidal is a graduate of the *École Nationale des Impôts*. He began his career in 1977 at the General Tax Division of the French Ministry of Finance, where he was in charge of inspecting several international groups operating in various business sectors, such as aeronautics, defence and pharmaceuticals.

In 1991, Gilbert Vidal put his expertise into action at the Framatome Group where he spent ten years working as Tax Director, Director of Financial Services, and subsequently, as Financial Director, then in his last five years, he worked as Assistant Financial Director in charge of Financial Control and Taxation for the whole AREVA group.

In December 2006, Gilbert Vidal joined the Assystem Group as Financial Director, forming part of the Management Board. He is in charge of finance and legal affairs for the entire Assystem Group.

David Bradley ,member of Management Board in charge of *Aerospace Engineering* and of International Affairs

David Bradley is a Chartered Engineer, a Fellow of the Institute of Mechanical Engineers and holds an MBA from Warwick University. He started his career in commercial vehicle design before joining the advanced Robotics and Automation division of Taylor Hitec.

Following a merger with Ricardo International, David Bradley was appointed Deputy CEO of Ricardo Hitec and took on new responsibilities in the company's Aerospace and Nuclear activities.

In 1997, David Bradley was instrumental in the creation of the Inbis Group PLC which, that same year, took over Ricardo Hitec and Ricardo Technology. In 2002, he assumed leadership of Inbis, taking on responsibilities as the company's CEO and became a member of the Executive Committee of Assystem, following the acquisition of Inbis by Assystem. David Bradley is currently CEO of Assystem UK Ltd and was appointed to the Management Board of Asysstem in December 2007.

Martine Griffon-Fouco, member of Management Board in charge of Corporate & Business Development

A qualified engineer and graduate of ENSMA *(École Nationale Supérieure de Mécanique et d'Aérotechnique)* in Poitiers, Martine Griffon-Fouco began her career as a Research Officer at the CEA and subsequently joined the EDF Group where she worked for 20 years, primarily in the nuclear energy sector.

The first woman to manage a nuclear power plant, she was Director of the Blayais nuclear production centre from 1994 to 1998 and subsequently became a member of the Group's Executive Committee. She left EDF to join Cegelec as Director of the Non-Destructive Testing business unit and Commercial Director.

In 2007, Martine Griffon-Fouco joined the Assystem Group and became Chairperson of Assystem Facilities, with responsibility for developing operations and maintenance activities in all industrial sectors in France and worldwide. Martine Griffon-Fouco has been a member of the Assystem Group Management Board since January 2010 and was appointed Executive VP for Corporate and Business Development in January 2011.

3/ INSIDER TRADING AND MARKET CODE OF CONDUCT

Members of the Supervisory Board and the Management Board, in accordance with the recommendations set out in the General Regulations *(Règlement général)* of the AMF, are required to disclose trading in Company securities and to refrain from trading any Assystem securities they hold personally during the periods referred to in the regulations.

The practical application of these rules is described in the internal Market Code of Conduct (in appendix to the Code of Conduct for the Group). Each corporate officer must declare in writing that (s)he has read this code of conduct. Moreover, the Company informs them each year of the dates on which it intends to publish quarterly or half-yearly information.

This procedure has been applied to the principal members of Group staff who have access to confidential information, whether considered insiders on a permanent or occasional basis.

This procedure has been extended to third parties acting on an ongoing or occasional basis at the Company such as bankers, lawyers and consultants.

In July 2004, Assystem compiled a list of company insiders in accordance with the provisions of Article L. 621-18-4 of the French Monetary and Financial Code *(Code monétaire et financier)*. This list is systematically updated twice a year, on 31 July and on 31 December, to detail "permanent" insiders and, as necessary, for "occasional" insiders who may have been required to work on specific projects.

4/ CONFLICTS OF INTEREST

To the Company's knowledge, members of the Supervisory Board and directors of the Company do not have any potential conflicts of interest between their duties towards the Company and their private interests and/or obligations.

Furthermore, as far as Assystem is aware, none of its corporate officers:

- has been convicted for fraud in the last five years;
- has been associated with the bankruptcy, receivership or liquidation of a company in the last five years, at least;
- has been publicly and officially incriminated and/or sanctioned by statutory or regulatory authorities (including professional bodies);
- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the last five years, at least.

It is here specified that no family link exists between members of the Supervisory Board and the Management Board.

5/ REMUNERATION AND BENEFITS IN KIND AWARDED BY THE COMPANY AND ITS AFFILIATES DURING THE 2011 FINANCIAL YEAR TO MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES IN OFFICE

5.1/ REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD

Directors' attendance fees and other remuneration paid to members of the Supervisory Board in respect of 2011 came to €225,000.

With regard to directors' attendance fees, the Supervisory Board has converted the weighting of responsibilities method, in use since 2004, into a permanent arrangement and has decided to pay the emoluments in a single payment made in the month of November of each year for the period concerned, on a *prorata temporis* basis. For the 2011 payment, as for previous years, non-attendance of each member was taken into account, based on a calculation method adopted by the Remuneration and Appointments Committee. In 2011, given the arrival of new members appointed by the General Meeting of 12 May, directors' attendance fees were allocated on a *prorata temporis* basis.

Remuneration paid in 2010 and 2011 in respect of the financial years 2010 and 2011 are set out in the following table:

Name	Post	Sums paid in 2010 in €	Sums paid in 2011 in €
Michel Combes	Chairman	50 223	24 545
Stanislas Chapron	Member of the Supervisory Board and Chairman of the Remuneration and Appointments Committee	16,741	30,160
Gilbert Lehmann	Chairman of the Audit Committee and Vice Chairman of the Supervisory Board	20,926	40,213
Armand Carlier	Member of the Supervisory Board + Audit Committee + Remuneration and Appointments Committee	20,926	30,160
Rémy Chardon	Member of the Supervisory Board + Remuneration and Appointments Committee	16,741	8,379
Pierre Guenant	Member of the Supervisory Board + Audit Committee	20,926	25,133
Jean-Pascal Tranié	Member of the Supervisory Board + Audit Committee	24,107	9,441
FSI – Bertrand Finet	Member of the Supervisory Board + Audit Committee	20,926	25,133
Miriam Maes	Member of the Supervisory Board + Remuneration and Appointments Committee	–	16,756
Bruno Angles	Member of the Supervisory Board	–	15,080
Jean-Pierre Desgeorges	Vice Chairman of the Supervisory Board and Chairman of the Remuneration and Appointments Committee	–	–
Deceased on 30 December 2010	*Directors' fees*	*33,482*	–
	Other remuneration	*88,145*	–
Roundup Total		**313,143**	**225,000**
• Of which Directors' fees		225,000	225,000
• Of which other remuneration		88,145	–

5.2/ REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

The Management Board is composed of the following members:

- Dominique Louis – Chairman of the Management Board, appointed on 22 January 2004;
- Gérard Brescon, appointed on 22 January 2004;
- Stéphane Aubarbier: appointed on 29 March 2005;
- Gilbert Vidal: appointed on 21 December 2006;
- David Bradley: appointed on 13 December 2007;
- Martine Griffon-Fouco: appointed on 4 November 2009.

At its meeting of 18 January 2010, the Supervisory Board renewed the composition of the Management Board for a period of 3 years.

It is here specified that no family link exists between members of the Supervisory Board and the Management Board.

The Supervisory Board decides the conditions of remuneration of members of the Management Board based on the recommendations it receives from the Remuneration and Appointments Committee.

5.2.1/ Remuneration of Dominique Louis – Chairman of the Management Board

The office of the Chairman of the Management Board, Dominique Louis, is not remunerated as such by Assystem SA.

A regulated agreement, drawn up between Assystem and HDL SAS on 22 January 2004 and renewed for the financial year 2011, defines the general management and strategy management services provided by HDL SAS to Assystem, of which a portion is subcontracted by HDL SAS to its subsidiary H2DA.

The services between HDL SAS/H2DA and Assystem stem from a commercial relationship covered by a regulated agreement stipulated in the statutory auditors' special report.

The eleven amendments signed between 22 January 2004 and March 2011 cover each of the modifications made to that agreement, which were all authorised by the Supervisory Board prior to signature, in line with the procedure for regulated agreements and commitments. The principal modifications concern: the H2DA sub-contracting in 2007, the method used to fix the variable portion, the modifications made to the calculation of the variable portion to include multiple criteria formulae, the method used to fix the amount of compensation paid upon departure of a member of the Management Board (H2DA).

In 2011, the services mentioned here above were covered by fees including a fixed portion of €1,413,340 (of which €545,200 were paid to and retained by HDL SAS, the balance being paid out by HDL to H2DA) and a variable portion of €1,571,800 (of which €817.800 were paid to and retained by HDL, the balance being paid out by HDL to H2DA).

The fixed portion and the variable portion are set out in the Statutory Auditors' special report on regulated agreements, and represent a total amount of €2,985,140 paid out by Assystem SA to HDL in respect of the financial year 2011. Amounts (fixed and variable) paid out, in respect of the financial year 2011, by HDL to H2DA as a result of their sub-contracting agreement are €1,622,140.

In 2011, in his capacity as Chairman of HDL, Dominique Louis received from HDL SAS gross remuneration of €150,000, identical to the sum received in 2010, which forms part of the €545,200 paid out.

Dominique Louis Chairman of the Management Board	Amounts for 2010 financial year		Amounts for 2011 financial year	
	Owed	Paid	Owed	Paid
Fixed remuneration*	€150,000	€150,000	€150,000	€150,000
Variable remuneration	Not applicable	Not applicable	Not applicable	Not applicable
Exceptional remuneration	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind (car)	Not applicable	Not applicable	Not applicable	Not applicable
Total	**€150,000**	**€150,000**	**€150,000**	**€150,000**

* Remuneration paid out by HDL SAS to the Chairman of HDL SAS.

No share subscription or share purchase options or bonus shares were allocated in the financial years 2010 and 2011.

It is specified that the remuneration paid out by HDL to Dominique Louis does not include a variable portion.

It should also be noted that, as specified on pages 143 and 144 of this registration document, the variable portion of remuneration which includes "an element linked to individual performance, as perceived by the Chairman of the Management Board" only applies to other members of the Management Board; that provision does not apply to Dominique Louis who does not benefit from any variable portion linked to individual performance.

5.2.2/ Remuneration of other members of the Board of Directors during 2011 and the previous three years

➤ Members of the Management Board who are controlling directors of H2DA

In 2011 and since 1 October 2005, remunerations of Messrs Aubarbier and Brescon have been paid by H2DA, acting as sub-contractor for HDL SAS, pursuant to the abovementioned agreement. Under that agreement, non-salaried controlling directors of H2DA are assigned to Assystem SA to fulfil posts as members of its Management Board.

Although there is no control link between Assystem, on the one hand, and HDL SAS or H2DA on the other hand, and although the services form part of a business agreement (referred to above), in the interests of transparency towards Assystem shareholders, details of the remuneration paid by H2DA to members of its Management Board in 2011 are shown here below, in line with the model of the AFEP-MEDEF tables.

The members of the Management Board, the controlling directors of H2DA, receive repayment from Assystem SA for the expenses incurred pursuant to their corporate duties.

Gérard Brescon Member of the Management Board Controlling Director H2DA	Amounts for 2010 financial year		Amounts for 2011 financial year	
	Owed	Paid	Owed	Paid
Gross fixed portion	€275,000	€275,000	€275,000	€275,000
Gross variable portion	€ 240,000 to be paid in 2011 in respect of 2010*	€0 In respect of 2009	€260,000 in respect of 2011	€ 240,000 In respect of 2010
Exceptional remuneration	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind	Not applicable	Not applicable	Not applicable	Not applicable
Total	**€515,000**	**€275,000**	**€535,000**	**€515,000**
Free shares	Not applicable	Not applicable	Not applicable	Not applicable

Stéphane Aubarbier Member of the Management Board Controlling Director H2DA	Amounts for 2010 financial year		Amounts for 2011 financial year	
	Owed	Paid	Owed	Paid
Gross fixed portion	€300,000	€300,000	€300,000	€300,000
Gross variable portion	€260,000 to be paid in 2011 in respect of 2010	€0 In respect of 2009	€260,000 in respect of 2011	€260,000 In respect of 2010
Exceptional remuneration	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind	Not applicable	Not applicable	Not applicable	Not applicable
Total	**€560,000**	**€300,000**	**€560,000**	**€560,000**
Free shares	Not applicable	Not applicable	Not applicable	Not applicable

➤ Members of the Management Board whose remuneration is paid directly by Group companies

- Table 10 summarises all payments (including deferred payment to Gilbert Vidal, whose remuneration is paid directly by Assystem SA).
- It should be noted that the remuneration of David Bradley, pursuant to his employment contract, is paid by the Group's British subsidiary, Assystem UK (and is rebilled to Assystem); the remuneration of Martine Griffon-Fouco is paid by Assystem France.

Table 1 – Summary of remuneration paid out in 2011, compared to 2010, and the options and shares allocated to each corporate officer

Gilbert Vidal – Member of the Management Board – employee of Assystem SA	In 2010	In 2011
Remuneration owed for the financial year (detailed in Table 2)	€493,600	€513,600
Valuation of options granted during the financial year (detailed in Table 4)	Not applicable	Not applicable
Valuation of options granted during the financial year (detailed in Table 6)	Not applicable	Not applicable
Total	**€493,600**	**€513,600**

David Bradley – Member of the Management Board – employee of Assystem UK	In 2010	In 2011
Remuneration owed for the financial year (detailed in Table 2)	€529,040	€562,200
Valuation of options granted during the financial year (detailed in Table 4)	Not applicable	Not applicable
Valuation of options granted during the financial year (detailed in Table 6)	Not applicable	Not applicable
Total	**€529,040**	**€562,200**

Remuneration was paid by Assystem UK Ltd, under his employment agreement and in respect of his role as CEO of the UK entity.

Martine Griffon-Fouco – Member of the Management Board employee of Assystem Engineering and Operation Services	In 2010	In 2011
Remuneration owed for the financial year (detailed in Table 2)	€465,105	€475,432
Valuation of options granted during the financial year (detailed in Table 4)	Not applicable	Not applicable
Valuation of bonus shares allocated during the financial year (detailed in Table 6)	Not applicable	Not applicable
Total	**€465,105**	**€475,432**

Tables 2 – Summary of the remuneration of each corporate officer

➤ 2.1

Gilbert Vidal Member of the Management Board	Amounts for 2010 financial year		Amounts for 2011 financial year	
	Owed	Paid	Owed	Paid
Gross fixed remuneration	€250,000	€250,000	€250,000	€250,000
Variable remuneration	€240,000 to be paid in 2011	€0 paid in respect of 2009	€260,000 in respect of 2011	€240,000 in respect of 2010
Exceptional remuneration	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind (car)	€3,600	€3,600	€3,600	€3,600
Total	**€493,600**	**€253,600**	**€513,600**	**€493,600**

➤ 2.2

David Bradley Member of the Management Board from 13/12/2007	Amounts for 2010 financial year		Amounts for 2011 financial year	
	Owed	Paid	Owed	Paid
Fixed remuneration	€275,000	€275,000	€275,000	€275,000
Variable remuneration	€240,000 to be paid in 2011	€0 paid in respect of 2009	€260,000 in respect of 2011	€240,000 in respect of 2010
Exceptional remuneration	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable	Not applicable	Not applicable
Vehicle allowance	€14,040 *	€14,040 *	€27,200	€27,200
Total	**€529,040**	**€289,040**	**€562,200**	**€542,200**

* £11,856, using exchange rate of 1.17.

➤ 2.3

Martine Griffon-Fouco Member of the Management Board	Amounts for 2010 financial year		Amounts for 2011 financial year	
	Owed	Paid	Owed	Paid
Gross fixed remuneration	€250,000	€250,000	€250,000	€250,000
Variable remuneration	€210,000 to be paid in 2011	Not applicable	€220,000 in respect of 2011	€210,000 in respect of 2010
Exceptional remuneration	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind (car)	€5,105	Not applicable	€5,432	€5,432
Total	**€465,105**	**€255,105**	**€475,432**	**€465,432**

Table 3 – Directors' fees paid out to members of the Supervisory Board

Name	Post	Sums paid in 2010 in €	Sums paid in 2011 in €
Michel Combes	Chairman	50,223	24,545
Stanislas Chapron	Member of the Supervisory Board and Chairman of the Remuneration and Appointments Committee	16,741	30,160
Gilbert Lehmann	Chairman of the Audit Committee and Vice Chairman of the Supervisory Board	20,926	40,213
Armand Carlier	Member of the Supervisory Board + Audit Committee + Remuneration and Appointments Committee	20,926	30,160
Rémy Chardon	Member of the Supervisory Board + Remuneration and Appointments Committee	16,741	8,379
Pierre Guenant	Member of the Supervisory Board + Audit Committee	20,926	25,133
Jean-Pascal Tranié	Member of the Supervisory Board + Audit Committee	24,107	9,441
FSI – Bertrand Finet	Member of the Supervisory Board + Audit Committee	20,926	25,133
Miriam Maes	Member of the Supervisory Board + Remuneration and Appointments Committee	–	16,756
Bruno Angles	Member of the Supervisory Board	–	15,080
Jean-Pierre Desgeorges	Vice Chairman of the Supervisory Board and Chairman of the Remuneration and Appointments Committee	–	–
Deceased on 30 December 2010	*Directors' fees*	*33,482*	–
	Other remuneration	*88,145*	–
Roundup Total		**313,143**	**225,000**
• Of which Directors' fees		225,000	225,000
• Of which other remuneration		88,145	–

Table 4 – Share subscription or purchase options allocated during the financial year to each corporate officer

Not applicable.

Table 5 – Share subscription or purchase options exercised during the financial year by each corporate officer

Not applicable.

Table 6 – Bonus shares allocated to each corporate officer pursuant to approval by the EGM of 15 May 2008, according to the legal stipulations in force at the time

Bonus shares allocated to members of the Management Board are not performance-related; these share grants are made pursuant to authorisation granted by the Extraordinary General Meeting of 15 May 2008 which allowed for the allocation of bonus shares that are not performance-related.

➤ Financial Year 2011
Not applicable.

➤ Financial Year 2010
Not applicable.

➤ Financial Year 2009

Bonus shares allocated during the financial year to each corporate officer	No. and date of plan	Number of shares allocated during the financial year2009	Share valuation using the method chosen for the consolidated financial statements	Acquisition date	Availability date
Gérard Brescon	11/2009	15,000	€134,550	05/11/2011	05/11/2013
Stéphane Aubarbier	11/2009	15,000	€134,550	05/11/2011	05/11/2013
Gilbert Vidal	11/2009	15,000	€134,550	05/11/2011	05/11/2013
David Bradley	11/2009	15,000	€134,550	05/11/2011	05/11/2013

➤ Financial Year 2008

Bonus shares allocated during the financial year to each corporate officer	No. and date of plan	Number of shares allocated during the financial year2008	Share valuation using the method chosen for the consolidated financial statements	Acquisition date	Availability date
Jean-François Lours	05/2008	25,000	€250,000	15/5/2010	15/05/2012
Gérard Brescon	05/2008	25,000	€250,000	15/5/2010	15/05/2012
Stéphane Aubarbier	05/2008	25,000	€250,000	15/5/2010	15/05/2012
Gilbert Vidal	05/2008	25,000	€250,000	15/5/2010	15/05/2012
David Bradley	05/2008	25,000	€250,000	15/5/2010	15/05/2012

Table 7 – Bonus shares having become available during the financial year for each corporate officer

Not applicable.

Table 8 – Allocation of share subscription or share purchase options

Not applicable.

Table 9 – Allocation of share subscription or share purchase options to the first 10 non-corporate officers and options exercised

Not applicable.

Table 10 – Summary of executive remuneration

Company Management/ Executives	Employment contract		Additional retirement scheme		Compensation or benefits due or that may be due following cessation of functions		Compensation for a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Dominique Louis								
Chairman of the Management Board	–	No-Controlling Directors H2DA	–	No	–	No	–	No
Term commenced: 22/01/2004	–	–	–	–	–	–	–	–
Term ending: 18/01/2013	–	–	–	–	–	–	–	–
Gérard Brescon								
Member of the Management Board	–	No-Controlling Directors H2DA	–	No	–	No	–	No
Term commenced: 22/01/2004	–	–	–	–	–	–	–	–
Term ending: 18/01/2013	–	–	–	–	–	–	–	–
Stéphane Aubarbier	–	–	–	–	–	–	–	–
Member of the Management Board	–	No-Controlling Directors H2DA	–	No	–	No	–	No
Term commenced: 22/01/2004	–	–	–	–	–	–	–	–
Term ending: 18/01/2013	–	–	–	–	–	–	–	–
Gilbert Vidal		–	**Yes**	–	**Yes**	–	–	–
Member of the Management Board	Yes Borne by Assystem SA	–	Art. 83 defined-contribution scheme	–	In the event of cessation on the initiative of the employer, except in the case of cessation following serious misconduct or gross negligence	–	–	No
Term commenced: 21/12/2006	–	–	–	–	–	–	–	–
Term ending: 18/01/2013	–	–	–	–	Defined amount €400,000	–	–	–
David Bradley	**Yes**	–	–	–	–	–	–	–
Member of the Management Board	Borne by Assystem UK	–	–	No	–	No	–	No
Term commenced: 13/12/2007	–	–	–	–	–	–	–	–
Term ending: 18/01/2013	–	–	–	–	–	–	–	–
Martine Griffon-Fouco	–	–	–	–	–	–	–	–
Member of the Management Board	Yes			No		No		No
Term commenced: 04/11/2009	Borne by Assystem Engineering & Operation Services	–	–	–	–	–	–	–
Term ending: 18/01/2013	–	–	–	–	–	–	–	–

3. MANAGEMENT BOARD REPORT ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

1/ BUSINESS

1.1/ ASSYSTEM'S MARKET AND BUSINESS SEGMENTS

1.1.1/ Market Trends

Assystem works in the engineering market, fully or partially studying, designing and executing civil works or industrial components.

Its teams help large industrial corporations cut project-costs and time-lags, optimize their development, manufacturing and merchandising processes, and facilitate the conception and production of innovations, this on a world-wide scale.

In France, this market represented €42.2 billion in 2010 [1], and employed 217,000 people [2].

Growth in the French engineering sector slowed in 2009 due to the financial crisis. Engineering investments resumed during 2011, and the overall spending increase should continue in 2012 .

1.1.2/ Assystem's Positioning

Assystem began with the Atem company, founded in 1966, by former French nuclear program engineers, and whose core business was nuclear, representing its sales up until the end of the last century. Shortly after its market listing in 1995 as Assystem, the company diversified with acquisition of an engineering firm in 1996 and launching of external R&D, a business which ensured Group growth from 2000. A series of international acquisitions followed, positioning Assystem among the 15 top European engineering groups [3] in 2010 and 2011.

Today Assystem is present in the engineering market through two major specialisations: complex infrastructural engineering and external industrial R&D.

Complex industrial engineering, representing nearly 40% of Assystem's 2011 sales, is focused on the energy sector (28% in 2011), especially nuclear (nearly 20%), but also conventional energy, petrol and gas. In this segment, Group competitors are both French (Technip, Egis or Ingérop), but also from the UK (Atkins – which has partnered with Assystem on the n.triple.a joint-venture), CH2M Hill, AECOM, or Jacobs Engineering.

Assystem adds value in this sector thanks to its nuclear expertise and thus its experience with environmental constraints and strong security requirements. The alliance with Atkins, n.triple.a, made in early 2011, reinforced Assystem's capacity to deploy its know-how globally. This essentially commercial venture gathers strength and skills from the two companies to respond to governments and to electricity suppliers in countries hoping to develop nuclear energy and guiding them to create new electricity production infrastructures throughout the nuclear fuel cycle process.

The Fukushima incident in March 2011 does not alter the place of nuclear in the world's energy mix, given the high demand from the emerging countries.

In late 2011/early 2012, Assystem acquired the MPH Group, strongly positioned in the petrol and gas markets. Benefitting from Middle East and African structures and teams, MPH offers Assystem an advanced base capable of intervening globally and access to new clients.

Externalised R&D represents nearly 60% of Assystem sales. The Group strongly developed itself in the transport sectors: aeronautic (35%), automotive and transport (21%). Its main competitors in this fragmented market are major French presences (Altran, Alten and Akaa) who are present in other sectors while Assystem remains exclusively focused on industrial clients.

The electronics and embedded system market has grown by 7% annually since 2002 [4], typical of externalized R&D, and should continue growing even more rapidly. In this segment, France and Germany are top global players. In early 2011 Assystem acquired Berner & Mattner, highly involved in this area with German automotive manufacturers.

Supplier panel restrictions initiated for several years by large purchasers continues, and is accompanied by a general movement toward fixed-price contracts favouring major players, including Assystem.

Today more than half of Assystem services are done at fixed rate, testifying to the recognition of the benefits its teams provide to clients in launching products, developing know-how, and bringing recurrent and viable productivity.

1 Sources BIPE for Syntec-Ingénierie – June 2010.
2 Sources : Syntec Engenierie.
3 Ranking of the 300 top engineering and architectural firms by the Swedish Federation of Consulting Engineers and Architects – December 2011.
4 Potier report – *Briques Génériques du Logiciel Embarqué* (Embedded System Generic Blocks) – October 2010.

1.1.3/ Assystem Organisation

To meet the challenges posed by these different sectors, Assystem is organised by geographical zones (France, Europe, others) and into three groupings:

➤ *Plant Engineering & Operations*
Supporting industry in managing its infrastructural investments, from conception to dismantling, with construction and maintenance in between.

The two other groupings are linked to externalised R&D :

➤ *Aerospace Engineering*
Putting mechanical and technological expertise to work for aerospace, engine, and automotive manufacturers and companies, involved in part or all of their activities, from studies to rollout.

➤ *Technology & Product Engineering*
Involvement in transport, defence, and new technologies and product hardware and software development.

Based in 16 countries today with a particularly strong presence in Europe along with offshore bases in India and Romania, the Assystem Group can provide services globally and mobilise its experts best able to successfully lead each operation in line with its requirements and constraints.

1.2/ COMMENTS ON OVERALL BUSINESS IN PERIOD UNDER REVIEW

The Group had a very good performance in 2011, with sales up 19.5% at €760.6 million, operational income of €58.7 million, representing a net operating margin rate of 7.7%, *versus* 7% the prior year, net Group profit share of €41 million up 90%, and generating again a strong free cash flow of €34.6 million.

Thanks to the bond loan issued in July 2011 and operational profit the Group had in 2011, €43 million in loans were reimbursed during 2011 and €36 million of acquisitions made, all while preserving the debt-free financial structure at 31 December 2011, with net positive cash rising to more than €12.3 million.

The *Plant Engineering & Operations* segment, 38% of Assystem sales, grew by 12% (9.7% organically) during the year. The nuclear sector is still growing and conventional energy is progressing.

Aerospace Engineering business, 28% of Assystem sales, was especially strong during the year growing more than 15.1% (15.7% in organic growth) on all parts of the sector, notably in context of large European aeronautic programmes (A350 and A320neo).

In 2011, the *Technology & Product Engineering* segment (34% of the Assystem sales) was up 33.6% (15,3% organic). Steady activity in automotive and embedded systems propelled it, with growing contributions from Germany following the Berner & Mattner acquisition.

At 31 December, Assystem had 9,701 employees, up by 1,141 with net recruitment of 795 throughout the period. Use of contractors in Great Britain and subcontractors represented an additional 1,600 people on staff. This flexibility allowed Assystem to both confront potential upward and downward business developments.

The rate of operational invoicing reached 92.1% on average last year (92.2% in the fourth quarter), up 2.1 points on the 2010 average. This rate corresponds to a given period with the relationship between the total hours invoiced and total working hours of billable employees.

The following characteristics give a picture of the Assystem personnel:
- The average age is 36; 19% of staff are over 45;
- 21% of employees are female;
- 1.1% of employees are certified as handicapped;
- 45% of Group employees had training (averaging 39 hours in 2011).

The absence rate for 2011 was 2.1% (measured the number of days missed per 100 days worked) and the accident rate was 2.6% (number of accidents per one million hours worked).

1.3/ 2011 HIGHLIGHTS

1.3.1/ 2011 Acquisitions made in 2011

The acquisitions of Berner & Mattner in Germany in early 2011, and MPH Group in France at end July 2011, allowed the Group to develop both in regions like Germany and Africa/Middle East, but also in promising segments like embedded systems and energy, for an acquisition price (net of acquired cash) of €36 million.

In parallel, the Group disposed of two business assets, ASG and the Assystem France naval business line, during the first half of 2011 for €4.4 million.

1.3.2/ Diversified Financing Implementation

In 2011, the Group optimised its financial structure, through implementation of diversified bank and bond financing:

- a medium-term credit of a maximum amount of €100 million for financing of acquisitions (not yet used);
- a renewable €120 million credit for general Group needs (not yet used); and
- an ORNANE bond loan issued in July 2011 for a face value amount of €92 million with the following characteristics:

Total amount of issue:	€92 million
Issue date:	06 July 2011
Due date:	1 January 2017
Number of bonds issued:	4,181,818
Unit issue price (with 27.43% premium):	€22
Interest rate:	4%
Repayment:	*In fine*
ORNANE IFRS Value at 31 December 2011	**€84.4 million**
including derivative mark-to-market	*€4.1 million*

An ORNANE is a hybrid financial instrument belonging to a bond product able to eventually include an equity component under certain conditions. The Group can, at its discretion, apply the following reimbursement methods:

	Share price below or equal to the bond face value	Share price greater or equal to the bond face value
Option 1	Reimbursement in new and/or existing shares.	Face value reimbursement and high-performance premium in new and/or existing shares.
Option 2	Reimbursement in cash.	Face value reimbursement in cash and high-performance premium in new and/or existing shares.

Per IFRS, ORNANE is a bonded debt with two components:

- a bond component: recognised in debt at depreciated cost; and
- a (derivative) share component: recognised in mark-to-market debt. The fair value change is shown in the operating result on a separate line, "ORNANE derivative fair value change," contrary to an OCEANE for which the optional component is recognised in equity in its initial value. The impact of this recognition principle has no cash effect on income, and goes in the opposite direction to the share price movement.

The incorporated derivative fair value is determined by an external expert according to the Cox, Ross and Rubinstein model.

Additionally, the ORNANE gave Assystem the option to limit the number of shares issued in case of conversion, the Group goal being to reimburse the face value in cash.

2/ GROUP RESULTS

2.1/ KEY FIGURES

(in million €)

	2011	2010	Variation (%)
KEY FIGURES FROM THE INCOME STATEMENT			
Revenue	760.6	636.5	19.5%
Operating profit from continuing operations	58.7	44.3	32.5%
Operating income	58.7	44.3	32.5%
Net operating margin	7.7%	7.0%	–
Fair value of ORNANE derivative	6.7	–	–
Other financial elements	-5.7	-6.1	-6.6%
Net profit from continuing operations	41.3	23.6	75.0%
Attributable net profit	41	21.5	90.7%
Earnings excluding ORNANE derivative fair value change – Group share	36.7	–	–
MAIN CASH FLOW ITEMS			
Cash flow from operations (1)	34.6	47.4	-27.0%
Cash flows from financial investments	-35.9	-0.5	7,080.0%
Cash flows from financing activities	25.5	-13.0	-296.2%
KEY FIGURES FROM THE BALANCE SHEET			
Cash flow from net debt (2)	+12.3	34.0	-63.8
Gearing	-7.1%	-23.5%	
Equity	173	144.7	19.6%
PER SHARE DATA (in €)			
Non-diluted earnings per share	2.13	1.10	–
Diluted EPS (3)	2.01	1.08	–
Dividend to be proposed to the AGM	0.45	0.45	–

A reminder that Italian operations are presented as discontinued operations.
(1) Net cash flow generated by operations (excluding Italy) reduced by related investments within operational cycle, net of disposals.
(2) Long- and short-term financial debt minus cash and cash equivalents and derivative income fair value (ORNANE derivative and OBSAR rate hedge).
(3) As of this date, the Group's objective having been reimbursement of the face value in cash, and given the share price history, no dilution was anticipated at 31 December 2011.

2.2/ SALES

(in million €)

	2011	2010	Variation (%)	Organic growth (%)*
France	501.5	438.3	14.4%	13.6%
International	259.1	198.2	30.7%	12.3%
Total	**760.6**	**636.5**	**19.5%**	**13.2%**

* Constant scope and exchange.

Consolidated sales for financial year 2011 rose to €760.6 million up 19.5% (13.2% organically) over 2010, reflecting market steadiness and Assystem's positioning in strategic sectors. This strong growth came from the dynamic activity in France and internationally in the three business lines.

2.2.1/ Sales in France

The Group in France recognised very good operational and business performance throughout the year in all business sectors with sales of €501.5 million, up 14.4% for the period (13.6% organically). High growth was recorded in the nuclear and conventional energy activities in *Plant Engineering & Operations*, and automotive and embedded systems in *Technology & Product Engineering*. Aeronautic business in the *Aerospace Engineering* also demonstrated excellent strength in 2011.

The last quarter confirmed trends for the year with very good sustained trends. It ended at €203.6 million, growing more than 20% over 2010 (11.5% organically). Moreover the Group renewed all its listings with its large clients.

2.2.2/ International sales

Internationally the Group had a record year with 30.7% growth (12.3% organically) thanks to strength in all countries and especially Germany with the Berner & Mattner purchase. Assystem Group sales outside of France now represent 34% of the total.

The Technology & Product Engineering segment was essentially marked by Germany's growing influence following the Berner & Mattner acquisition, notably with embedded systems, as Aerospace Engineering's result mainly came from performance in England.

Otherwise, other markets in which Assystem is present also benefitted from strong activity, like Spain (up 15%), Romania (up 80%), Morocco (up 55%), and Belgium (up 165%).

2.3/ RESULT

2.3.1/ Operating Income

(in million €)

	2011	% sales	2010	% sales
France	39.0	7.8%	26.5	6.1%
International	19.7	7.6%	17.8	9.0%
Total	**58.7**	**7.7%**	**44.3**	**7.0%**

Operating income reached €58.7 million at 31 December 2011, up 32% from the prior year. All geographic areas and business sectors contributed to operational income growth this year, testifying to a positive economic climate and the quality leadership of its activities.

France and international contributed to the Group's margin in a balanced way in 2011. Business activity in France rose to 7.8%, up 1.8 point over 2010. International performance was bolstered by the UK and embedded systems in Germany. Otherwise, contributions from Spain and Romania, while modest, were up strongly through locally generated business as well as offshore activity development.

Operational profit in the three business segments continued improving:

- *Plant Engineering & Operations* had a margin rate of 7.8%, *versus* 7.2% in 2010, driven by nuclear as well as contract supervisor service development (AME, AMO);
- *Aerospace Engineering's* operational margin rate was up sharply at 7.8% from 6.0%, testifying to solid activity in all sectors and good project management;
- *Technology & Product Engineering* markon continued improving at 7.5% up from 7.0% from strong automotive and transport growth, marked by repositioning on electronics and embedded systems. The Berner & Mattner acquisition, a company positioned in these areas in the German automotive sector, helped this trend.

2.3.2/ Financial Result

The financial result rose by €1 million in 2011, a €7.1 million improvement from 2010. Apart from the €6.7 million ORNANE derivative fair value changes recognised in 2011, the financial result was -€5.7 million, a slight improvement of €0.4 million from 2010, resulting from the following:

- net indebtedness costs rose to €0.6 million, impacted from bond loan costs, notably ORNANE, limited however by the €42 million OBSAAR reimbursement and improved investment rates of return;
- reduced other finance charges of €1 million, exclusively due to non-cash elements.

2.3.3/ Net Profit

The effective tax rate was 31.1% reduced by more than seven points from 2010 (38.5%), due to the deployment of Group business internationally.

Given these elements, the attributable Group net profit was €41 million *versus* €21.5 million in 2010, up 90%.

Excluding ORNANE derivative fair value net charges, attributable net profit rose to €36.7 million at 31 December 2011.

2.4/ NET DEBT AND CAPITAL STRUCTURE

At 31 December 2011, the Group had solid financial resources with €12.3 million cash less positive indebtedness, *versus* €34 million end 2010.

(in million €)

	2011
Operating cash less positive indebtedness	**34.0**
Free cash flow – continuing operations	33.7
Cash flows from financial investments	-35.9
Cash flows from financing activities	25.5
Cash flows from discontinued operations	0.9
Change in cash (debt)	**24.2**
ORNANE issue	92.0
OBSAAR reimbursement	-42.3
Other	-3.8
Net indebtedness change	**45.9**
Closing cash less positive indebtedness	**12.3**

2.4.1/ Change in Net Cash +€24.2 million

➤ Free Cash Flow from continued operations +€33.7 million

Net available cash flow from continuing operations rose to €33.7 million in 2011, marked by very weak operational WCR and day sales outstanding (DSO) up by two from 2010. The DSO is a relation between client balances outstanding multiplied by 90 (client accounts and work in progress reduced by deferred revenue and down payments received), and the last three months of external sales including taxes.

Assystem Group business is net capital intensive: the level of fixed asset acquisitions, net of period disposals was €8.5 million, *versus* €6.6 million in 2010 and €5.8 million in 2009.

➤ Cash Flows from Financial Investments -€35.9 million

Net cash flow from financial investments represented the acquisition of MPH Group shares in France and Berner & Mattner in Germany, net of acquired cash.

It is reiterated that financial investments (securities purchases) were €0.5 million in 2010 and 0 in 2009.

➤ Cash Flows from Financing Activities €25.5 million

At 31 December 2011, operational financing cash flow broke down as follows:

- OBSAR and loan reimbursement: (€42.6 million)
- ORNANE issue €92 million
- financing fees and financial interest paid: (€7.7 million)
- dividends paid: (€8.6 million)
- treasury stock purchases/sales: (€9.8 million)
- Capital increase and premiums from BSA (stock warrants) exercises: €2.2 million

2.4.2/ Net Indebtedness Change + €45.9 million

Group debt, representing €139.5 million at 31 December 2011, including 110.3 non-current debt, increased by €45.9 million in 2011 following notably the ORNANE issue for €92 million and reimbursements of a part of the OBSAAR for €42.3 million.

2.5/ OUTLOOK

Since the start of 2012, business has kept the same rhythm as end 2011, the Group benefiting from opportunities and long-term visibility in the energy sector, with solid aeronautic outlook too. Visibility in the French automotive sector is improving with a slight dip from 2011. Assystem especially anticipates organic growth of more than 5% in the first quarter, a trend which should continue this year from information the Group has on its business.

The 2012 period will otherwise benefit from the impact of a full year of French business from MPH, consolidated during 5 months in 2011, and the MPH Dubai acquisition consolidated as of February 2012.

Assystem has solid financial resources greater than €300 million. Thus the Group can confidently pursue its selective acquisition strategy, primarily *via* strategic industrial sectors and embedded systems in France, the UK, and Germany.

Assystem, in thus continuing its acquisition strategy, estimated it could reach pro forma sales in 2012 of €1 billion, half internationally. In this context the Group is targeting operational acquisitions which would allow it to realize a pro forma normative net operational margin somewhere between 7 and 8% by mid-year.

2.6/ EVENTS AFTER BALANCE SHEET DATE

At the start of financial year 2012, the Group finalized acquisition of MPH Dubai representing annual sales of nearly €60 million, paid partly in cash for €10 million, the balance (of €8.7 million) to be paid by capital increases upon cession of securities held by the sellera, completed or to be completed at this date.

The Group has made no other significant investment since 31 December 2011 nor made any other investments where there are firm commitments as of the date of this report.

3/ ASSYSTEM, SA COMPANY FINANCIAL STATEMENTS

Operating revenue in the period totalled €10.7 million, against €10 million in 2010. This was from management services, and making skills available to the Assystem Group subsidiaries.

The financial year result is a €4.4 million profit *versus* €14.1 million in 2010, the drop partly due to bank and bond financing costs.

The total of the balance sheet was €426.8 million at 31 December 2011, up €66.5 million over the prior year. This includes the ORNANE issue for €92 million and the partial OBSAAR reimbursement for €42 million as well as the Berner & Mattner and MPH Group SAS acquisitions for €36 million.

At 31 December 2011, the Company had one employee like as at the prior period closing.

3.1/ SUPPLIER PAYMENT DELAY

Pursuant to Article D.441-4 of the Business Code, below is the breakdown at 31 December 2011 of supplier debt balances by due date:

Due dates	Unmatured debt				Matured debts	Total
	Total	0-30 days	31-60 days	Beyond 60 days		
Net value on 31 December 2010						
Suppliers (401-403)	556,850	556,850	–	–	–	556,850
Fixed assets (404-405)	0	–	–	–	–	0
Total	**556,850**	**556,850**	**0**	**0**	**0**	**556,850**
Net value on 31 December 2011						
Suppliers (401-403)	463,152	463,152	–	–	–	463,152
Fixed assets (404-405)	0	–	–	–	–	0
Total	**463,152**	**463,152**	**0**	**0**	**0**	**463,152**

3.2/ CHANGES IN SHARE CAPITAL DURING THE YEAR

Date of Management Board Meeting	Nature of the Operation	Increase/ Decrease in Share Capital	Issue Premium	Number of Shares Issued/ Cancelled	Cumulative Share Capital and Securities
			Capital at 31/12/2010		€20,157,082
07/07/2011	Capital increase following BSA (stock warrants) exercises between 1 January and 30 June 2011	€209,091	€1,792,723.80	209,091	€20,366,174
10/01/2012	Capital increase following BSA (stock warrants) exercices between 1 July and 31 December 2011	€21,550	€172,040.95	21,550	€20,387,724

3.3/ CROSSINGS OF STATUTORY AND LEGAL THRESHOLDS

In 2011: Not applicable.

3.4/ CORPORATE OFFICER TRADING TRANSACTIONS (ON THE BASIS OF INFORMATION FROM EXECUTIVES AND ISSUED BY THE AMF)

TRANSACTIONS MADE ON COMPANY SECURITIES PER ARTICLES L. 222-14 AND 15 FROM THE AMF GENERAL REGULATION

Executive or entity	Comments	Date	Description of Financial Instrument	Type of Transaction	Number of Securities
David Bradley	Member of the Management Board	14/02/2011	BSAAR	Disposal	19,998
David Bradley	Member of the Management Board	15/02/2011	BSAAR	Disposal	4,473
Gilbert Vidal	Member of the Management Board	13/05/2011	BSAAR 2015FR0010630590	Disposal	15
Gilbert Vidal	Member of the Management Board	16/05/2011	BSAAR 2015FR0010630590	Disposal	986
Gilbert Vidal	Member of the Management Board	09/08/2011	Shares	Purchase	1005
Gilbert Vidal	Member of the Management Board	–	BSAAR 2015FR0010630590	Disposal	986
Claire Vidal	Individual tied to Gilbert Vidal	19/05/2011	BSAAR 2015FR0010630590	Disposal	707
Claire Vidal	Individual tied to Gilbert Vidal	20/05/2011	BSAAR 2015FR0010630590	Disposal	287
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	15/07/2011	Shares	Purchase	12,500
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	15/07/2011	Shares	Purchase	7,500
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	06/07/2011	ORNANE (FR0011073006)	Subscription	45,500
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	02/08/2011	Shares	Purchase	2,415
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	03/08/2011	Shares	Purchase	2,453
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	08/08/2011	Shares	Purchase	2,117
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	03/08/2011	BSAAR (ASYBS)	Purchase	1,300
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	04/08/2011	BSAAR (ASYBS)	Purchase	2,000
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	05/09/2011	ORNANE (FR 0011073006)	Purchase	20,950
EEC SAS	Fully-owned by Dominique Louis, Chairman of the Assystem Management Board	13/09/2011	Shares	Purchase	1,335
Gérard BRESCON	Member of the Management Board	06/07/2011	BSAAR	Disposal	1,000
Dominique Louis	Chairman of the Management Board	05/09/2011	ORNANE (FR0011073006)	Purchase	2,350
Dominique Louis	Chairman of the Management Board	30/12/2011	ORNANE (FR0011073006)	Purchase	1,600

3.5/ ELEMENTS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER (ART. L. 225-100-3 OF THE FRENCH COMMERCIAL CODE)

Company-issued shares and statutory regulations

The following table lists the shareholder base and voting rights for Assystem on 31 December 2011:

	Shares	%	Theoretical voting rights	%
FSI + FINDS CDC	3,367,106	16.52%	3,367,106	14.09%
D. Louis/Groupe HDL	5,524,475	27.10%	7,885,352	33.00%
• D. Louis	485,658	2.38%	921,316	3.86%
• HDL SAS	3,438,466	16.87%	4,339,178	18.16%
• EEC SAS	37,090	0.18%	40,990	0.17%
• CEFID SAS	1,020,607	5.01%	2,041,214	8.54%
• H2DA	542,654	2.66%	542,654	2.27%
Associated partners SABGBMCMGF	200,636	0.98%	275,374	1.15%
Associated partners plus GVDB	154,813	0.76%	218,626	0.92%
Supervisory Board	406,159	1.99%	799,479	3.35%
Employee FCP	247,100	1.21%	466,700	1.95%
Public shareholders	9,044,989	44.36%	9,437,011	39.50%
Treasury shares	1,442,446	7.08%	1,442,446	6.04%
Total	**20,387,724**	**100%**	**23,892,094**	**100%**

It is reiterated that Assystem shares acquire double voting rights after they have been owned in registered form for two years. In addition, in accordance with the Articles of Association, shareholders must submit a formal disclosure anytime they either exceed or fall below a multiple of 2% of the company's shares.

Commercial Operations

Information regarding the creation of H2DA (see above) and the extension of Assystem's commercial agreement with HDL is given in the statutory auditors' special report on regulated agreements, authorised in 2005 and continuing through 2011. The procedures for calculating the indemnity that must be paid, if this agreement is terminated through a friendly or hostile takeover of Assystem, are specified there (see below):

- in the event of a friendly takeover of Assystem, with three month's prior notice, equal to twice the average of the fixed portion due for services performed in the two years preceding the cancellation;
- in the case of a hostile takeover – *i.e.,* takeover bid or share swap that is unsolicited by its managers – the indemnity will be equal to three times the average of the fixed portion due for services performed in the two years preceding termination.

To illustrate the pertinent clauses in case of anticipated termination of the commercial agreement between Assystem and HDL, the average of the fixed portion of this agreement, at 31 December 2011, for the years 2010 and 2011 was: €1,413,340.

The nature itself of Group activity (access to R&D programmes, innovative developments, involvement in classified defence operations) is based on Assystem's independence: our business relationships, our business agreements consolidating our positioning in various sectors can also contain "change of control» clauses which could be implemented by our clients punctually or in time in case of an unsolicited bid.

Financial Operations

In case of change of control of the Company, contracts signed with banks participating in the ORNANE bond subscription ensure that the latter can request at any time reimbursement of their bonds, as reference control is exercised by Dominique Louis directly and by companies that he directs or controls (HDL, H2DA, EEC, CEFID). The bond amount at their 6 July 2011 issue date was €92 million.

The same is true for the €220 million credits agreement signed 22 July 2011 with the banking consortium of leading French banks. This agreement also provides that «the Borrower should make a total anticipated reimbursement of the Credits..." in case of change of control of the Company. It is reiterated that no monies from this credit agreement were used at 31 December 2011.

3.6/ CHANGES TO THE SHARE BUYBACK PROGRAMME DURING THE 2011 FINANCIAL YEAR

At the AGM on 23 May 2012, the Management Board shall recommend that this authorisation be renewed for a further 18 months under similar conditions, with the same goals (2 responding to the European regulation, 2 local), and with a maximum share purchase price of €30. The maximum percentage buyback may vary in accordance with shares already held by Assystem at that date.

Liquidity Contract

Since 1 December 2007, the Company has been linked to Oddo & Cie by a liquidity contract in compliance with the general regulations of the AMF and the code of conduct established by the AFEI (French Association of Investment Companies) as approved by the AMF.

The current liquidity contract at 31 December 2011 was authorised by the General Meeting of 12 May 2011.

At 31 December 2011, the following resources existed under the liquidity contract:

- 83,641 Assystem shares FR 0000074148;
- €540,378.15 in cash.

Purchase Mandate Granted to Exane BNP Paribas

Assystem entrusted Exane BNP Paribas with a purchase mandate for Assystem shares, on or off the market, in blocks or by successive purchases, pursuant to a contract which complies with Commission Regulation (EC) No. 2273/2003 of 22 December 2003, implementing Directive 2003/6/EC of 28 January 2003, called the "market abuse" directive and also complying with the general regulations and recommendations of the AMF.

The table below summarizes use of the programmes during the 2011 financial year:

Treasury shares held at 31 December 2010	798,272
NUMBER OF SHARES USED ACCORDING TO END USAGE	
Liquidity Contract:	
• Shares acquired under the liquidity contract	520,706
• Number of shares acquired outside liquidity contract	701,988
• Of which blocks purchased	–
• Number of shares sold pursuant to the liquidity contract	501,420
• Number of shares cancelled during the period	0
For the benefit of salaried employees or corporate officers:	
• Shares transferred in exchange for free share options	77,100
• Shares transferred in exchange for stock options	0
Acquisition operations:	
• Shares used to finance acquisitions	0
Shares cancelled:	
• Number of shares cancelled during the period	0
• Shares cancelled over the past 24 months	0
Treasury shares held at 31 December 2011	1,442,446
VALUE OF SHARES REGISTERED AT 31 DECEMBER 2011 AT AVERAGE PURCHASE PRICE	20,143,253.94
Additional information:	
• Average purchase price:	14,094
• Average sale price:	12,91
• Amount of trading fees	84,367.88

3.7/ DIVIDENDS

The Management Board shall propose to the Annual General Meeting of 23 May 2012 that the profit for the period be appropriated for the payment of a dividend of €0.45 per share, not including treasury shares which do not have an entitlement to a dividend, with the balance being posted to the "Retained earnings" account.

Dividends Paid During the Last Three Fiscal Years

Year	Income eligible for tax allowance	
	Dividends	Other distributed revenue
2008	€0.50 per share	Not applicable
2009	€0.25 per share	Not applicable
2010	€0.45 per share	Not applicable

3.8/ SUBSIDIARIES AND INTERESTS

At 31 December 2011, Assystem SA held, either directly or indirectly, all the shares and voting rights of its main subsidiaries, which are as follows:

- Assystem France, a French simplified joint-stock company, hereinafter “SAS”, and its sites in Papeete and Nouméa;
- Assystem Engineering & Operations Services, SAS and its sites in Geneva (Switzerland), Pori (Finland), as well as its French affiliates Athos, INSIEMA, SNC ENGAGE, and n.triple.a;
- Assystem Innovation, SASU;
- Assystem International, SASU;
- MPH Group, SAS and its French affiliates MPH France, MPH International, Seriacam and Boreal;
- Assystem UK, incorporated in England and its subsidiaries;
- Assystem India Private Limited, incorporated in India;,
- Assystem Iberia, incorporated in Spain;
- Assystem Portugal, incorporated in Portugal;
- Assystem Deutschland Holding, a German company and its affiliates Assystem GmbH and Berner & Mattner;
- Assystem Romania, incorporated in Romania;
- Assystem Belgium, incorporated in Belgium;
- ASM Technologies, a Moroccan company;
- Eurosyn Développement, incorporated in France;

3.9/ GENERAL FEE REINTEGRATION

Pursuant to paragraphs 4 and 5 of Article 223 of the French General Tax Code, we hereby specify that the expenses covered by Article 39-4 of this Code totalled €40,149 in 2011.

4/ EXECUTIVE COMPENSATION

See Chapter 2 – Governance.

5/ INFORMATION CONCERNING THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

5.1/ MEMBERS OF THE SUPERVISORY BOARD AT 31 DECEMBER 2011

See Chapter 2 – Governance.

5.2/ MEMBERS OF THE MANAGEMENT BOARD AT 31 DECEMBER 2011

The Management Board currently consists of six members: Dominique Louis is Chairman and represents the Company with third parties, Martine Griffon-Fouco, Stéphane Aubarbier, David Bradley, Gérard Brescon, and Gilbert Vidal. They combine a set of operating and functional skills that are needed for the development of the Group.

See Chapter 2 – Governance.

5.3/ APPOINTMENT OF ASSYSTEM SA’S STATUTORY AUDITORS AT 31 DECEMBER 2011

Regular statutory auditors

➤ KPMG
1, cours Valmy
92923 Paris La Défense

Appointed on 30 April 2009 for a term of six years ending at the close of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2014.

➤ Deloitte & Associés
185, avenue Charles de Gaulle
BP 136
92200 Neuilly-sur-Seine

Appointed on 12 May 2011 for a term of six years ending at the close of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2016.

Substitute Statutory Auditors

➤ Mr. Piette
1, cours Valmy
92923 Paris La Défense

Appointed on 30 April 2009 for a term of six years ending at the close of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2014.

➤ BEAS represented by William DiCicco
7-9, villa Houssay
92200 Neuilly-sur-Seine

Appointed on 12 May 2011 for a term of six years ending at the close of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2016.

6/ TABLE OF ASSYSTEM SA FINANCIAL RESULTS FOR THE LAST FIVE FINANCIAL YEARS

Year	2007	2008	2009	2010	2011
I. FINANCIAL SITUATION AT YEAR-END					
Share capital	21,906,451	20,601,527	20,041,375	20,157,082	20,387,724
Number of existing shares	21,906,451	20,601,527	20,041,375	20,157,082	20,387,724
Number of convertible bonds	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
II. OVERALL RESULT OF ACTUAL OPERATIONS					
Revenue excl. tax	10,908,295	13,912,284	10,706,748	9,990,586	10,657,852
EBITDA	9,167,070	3,087,465	25,603,211	12,957,060	-2,164,754
Corporate income tax	4,576,971	-629,331	2,571,367	-461,988	4,946,636
Earnings after taxes, depreciation and provisions	6,843,583	-2,835,990	-12,155,118	14,147,406	4,434,216
Earnings distributed	7,550,214	9,794,065	4,922,144	8,692,674	*
III. PER SHARE DATA					
Earnings after tax but before depreciation and provisions	0.63	0.12	1.41	0.62	0.14
Earnings after taxes, depreciation and provisions	0.31	-0.14	-0.61	0.70	0.22
Dividend issued per share	0.34	0.50	0.25	0.45	*
IV. PERSONNEL					
Headcount	0	1	1	1	1
Payroll costs	0	405,154	468,660	503,889	517,817
Mandatory employer contributions	37,293	427,013	113,397	665,700	401,869

* Dividend proposed to next General Meeting.

7/ SHARE CAPITAL INCREASES – DELEGATIONS OF RESPONSIBILITIES AND AUTHORISATIONS GIVEN TO THE MANAGEMENT BOARD

By virtue of various resolutions adopted by the Mixed General Meeting of 5 May 2010 as well as the prior General Meeting in their extraordinary capacity, the Management Board has received the following authorisations:

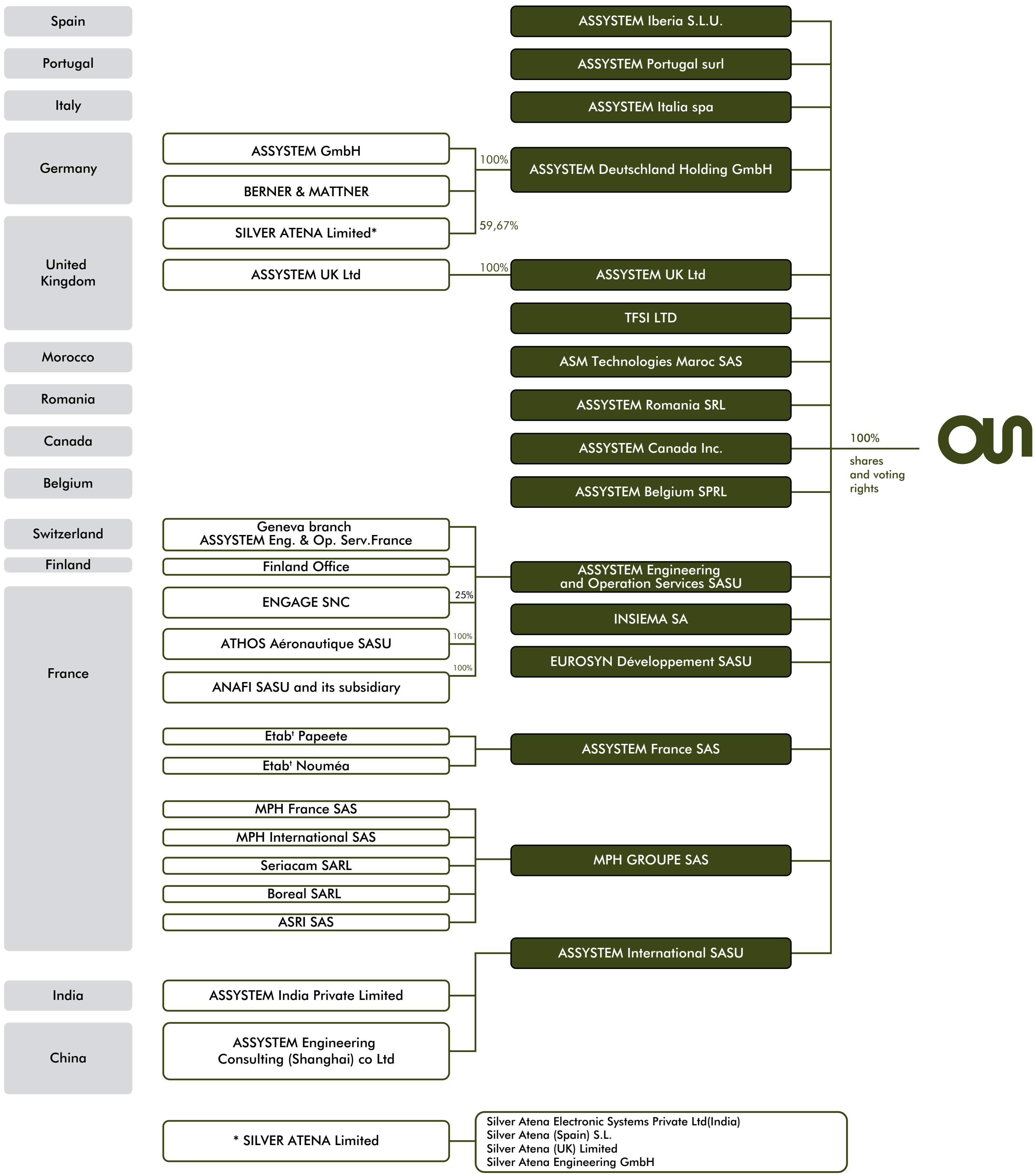
Delegation of Responsibilities/Authorisations	Maximum capital increase/ reduction	TERM	EGM at which resolution adopted
Cancellation of shares acquired under share buyback programmes	Maximum reduction 2,015,708 securities	26 months (➤ 11/07/2013)	12/05/2011 (13th resolution)
Issue of equity securities and/or securities giving access to capital with preferential subscription rights	Per value increase up to €10 million	26 months (➤ 11/07/2013)	12/05/2011 (14th resolution)
Issue of equities and/or securities giving access to capital in context of a **private placing**	Per value increase up to 10% of share capital per year, *i.e.* €2,000,000	26 months (➤ 11/07/2013)	12/05/2011 (15th resolution)
Issue of equities and/or securities giving access to capital **with cancellation** of preferential subscription rights (Partially used up to €4,181,818 in 2011)	Per value increase up to €10 million	26 months (➤ 11/07/2013)	12/05/2011 (16th resolution)
Share issue reserved for **members of a company savings plan**	Per value amount on the date of implementation = 2% of share capital	26 months (➤ 11/07/2013)	12/05/2011 (17th resolution)
Existing or to be issued **free share allotments** (new legal and tax plan) Including 1% of face value amount without performance conditions on certain employees (excluding Management Board)	3% increase of nominal amount of share capital on date when authorisation was used	38 months (➤ 05/07/2013)	05/05/2010 (15th resolution)
Purchase option or share subscription awards With performance conditions for company executives For other recipients a portion will not be subject to performance conditions	2% increase of nominal amount of share capital on date when authorisation was used	38 months (➤ 05/07/2013)	05/05/2010 (16th resolution)
Increase of the amount of each issue with or without preferential subscription rights	Within the 15% limit of initial issue	26 months (➤ 11/07/2013)	12/05/2011 (18th resolution)
Setting global amount from authorisations granted to the Management Board to increase share capital, *i.e.*: The 14th, 15th, 16th, 17th, and 18th resolutions in capital The 14th, 15th, 16th, 17th, and 18th resolutions in debt securities	€10,000,000 in share capital per value and €150,000,000 maximum in debt security	26 months (➤ 11/07/2013)	12/05/2011 (19th resolution)
Incorporation of reserves, earnings, merger or share premiums combined or not with performance share issues	€20 million increase in per value amount of share capital	26 months (➤ 11/07/2013)	12/05/2011 (20th resolution)

These authorisations given or renewed 12 May 2011 supersede all previous delegated responsibilities/authorisations of a similar nature.

8/ RISK FACTORS

See Chapter 4 – Risk Factors, p. 50.

> SIMPLIFIED ORGANISATIONAL CHART OF ASSYSTEM GROUP AT 1 JANUARY 2012



4. RISK FACTORS

The Company has reviewed the risks that could have a material adverse effect on its business, its financial standing or earnings and considers that there are no significant risks other than those mentioned below.

The risk factors that the Group is likely to be exposed to are detailed below. These risk factors are given in their order of priority.

The details of the nature, the impact and the containment measures set up for each risk factor are given.

Please refer to Chapter 6 for a description of the risk identification and risk management procedures.

The Group finalised its major risk mapping in the course of the year 2011 and proceeded to fine-tune its analysis of these risks in terms of the likelihood of occurrence and their net impact (*i.e.* after applying the risk containment measures set up by the Group which serve as its internal risk control mechanism). The risk factors described below correspond to the analysis aspects that were included in the mapping of the Group's major risks.

The Group's 2011 major risk mapping was presented to the Management Board at the meeting held on 23 February 2012. Following an explanatory statement on the methodology and the major risks, the Management Board members approved the major risk mapping and agreed that their vigilance and responsibility shall reach beyond the risks identified in the Management Board's area of focus (risks that carry the highest impact and likelihood of occurrence).

1/ RISKS RELATING TO ECONOMIC ENVIRONMENT

In 2011, our business remained buoyant in all the sectors that we operate in. The Group nevertheless continued to keep a close watch on client credit and investments, as it has done in the past years.

Nature	Impact	Risk reduction measure(s)
Risk that the business undertaken does not generate sufficient margin.	Negative impact on the gross margin from business and ultimately on the operating profit.	Process defined for selecting business and responding to calls to tender (financial review of the key aspects of the business, in particular expected revenue, expected margin, final margin for fixed-price contracts) and authorisation by the designated managers. Business review process (conducted monthly within the different Business Units and subsidiaries abroad, and quarterly at the Group level for projects whose revenue exceeds €300,000 or which have inherent risk factors, such as large number of hours, multi-year period, technology applied, etc.).
Risk that the investments made are not useful, are not lawfully authorised or do not generate the expected yield.	Negative impact on cash flow and operating profit.	Procedure defined and applied for the prior authorisation of recurring capital expenditure (software for the most part) that sets down the authorised signatories in the operating entity and that requires the involvement of 1 or even 2 members of the Management Board beyond a certain threshold: Equity investments and investments in acquisitions require the prior authorisation of the Supervisory Board at all times.
Risk of (partial or total) non-recovery of trade receivables.	Negative impact on realisable and available assets and on operational profit.	Client creditworthiness investigation conducted when new business is undertaken and renewed regularly for businesses or clients who are already part of the portfolio The Group's accounting teams in fact dedicate a part of their workforce to credit management, to monitor the collection of trade receivables, track progress in the collection of outstanding receivables, and issue the necessary reminders, and generally to ensure the efficiency of invoicing/recovery process.

2/ CONTRACTUAL RISKS

Nature	Impact	Risk reduction measure(s)
Risk that business negotiated on a fixed-price basis with our clients leads to excess non-billable work.	Negative impact on revenue and margin, and ultimately on the operating profit.	Business review process (conducted monthly within the different Business Units and subsidiaries abroad, and quarterly at the Group level, attended by the Group's Chief Financial Officer (member of the Management Board) and the Group Vice-Chairman in charge of HR and Chairman of Assystem France (also a member of the Management Board), for projects whose revenue exceeds €300,000 or which have inherent risk factors, such as large number of hours, multi-year period, technology applied, etc.).These project reviews focus on project progress and all risks, in order to define and implement appropriate action plans (both for clients and in-house) The Group's project management process is widely publicised and rigorously formalised, so that the management of project-related risk becomes deeply rooted in the company culture. The Group's Project Management Handbook is regularly updated and distributed to all the project players within the organisation. Ad hoc training is organised and specific audits are conducted (about thirty projects were reviewed through this process in 2011) for a selection of projects spanning all of our business sectors.

In particular, the Group anchors its development on fixed-price projects concluded with major contractors, notably in the aeronautics sector. We specify however that the Group is not involved in risk sharing agreements, which imply a sharing of the risks with the client in function of the commercialization of the product.

The share of revenue from fixed-price contracts over the last two financial years is as follows:

Year	Share of revenue from fixed-price (%)
2010	66%
2011	61%

3/ RISKS RELATING TO BUSINESS ACTIVITY

Nature	Impact	Risk reduction measure(s)
Risk that the business engaged in with one or more major clients declines or ceases altogether.	Negative impact on revenue and operating profit.	For the business conducted with its 10 leading clients, the Group implements varied skills in diverse business sectors that, by their nature, significantly curb the potential impact in terms of dependence. Besides, the Group's referencing with its clients (notably as their top-ranking provider) considerably reduces this risk by ensuring its business volumes in the medium to long term. Finally, a significant share of the projects are conducted on a fixed-price basis, thus safeguarding the business volumes from these projects while reducing the Group's dependence if any, on these clients.
Risk that the operational non-billing rate (called TNFO) exceeds the normative limit of 10%.	Negative impact on the gross margin from business and ultimately on the operating profit.	As a key operational indicator for the Group, TNFO is therefore included in the periodic reporting reviewed by the members of the Management Board. If the TNFO deviates from the norm, the Management Board members take the appropriate decisions, notably in terms of interoperability of resources in order to lower the TNFO within a very short time span. As a reminder, the operational non-billing rate (TNFO) is calculated as follows: Total unbilled hours of billable staff/Total hours worked by billable staff.
Risk that the net staff turnover is not under control and that the turnover rate is such that the replacement of resources cannot be ensured during the period.	Negative impact on performance of projects and revenue.	Staff turnover management is placed under the ultimate responsibility of a Management Board member, who is specifically in charge of ensuring the best utilisation of the Group's human resources. The annual recruitment plans are established on the basis of a turnover of 20 to 25% and the change during the period is regularly measured, analysed and monitored. The Group maintains a close-knit relationship with several engineering schools in France and abroad (by taking part in school-company forums, in particular) thus gaining access to a substantial pool of skills and resources. As a reminder, the turnover of billable staff is measured as below: Outgoing billable staff headcount at the end of period/Average billable staff headcount for the period.

4/ LIQUIDITY AND MARKET RISKS

The Group has a special organisation which enables it to centrally manage all market risks to which it is exposed: interest-rate risk, exchange rate risk, counterparty risk and liquidity risk (including ORNANE). See note 5 of chapter 7.

Within the Finance Division, the Group Cash Management department operates on the financial markets as the Group's financial risk management authority. It is organised in such a manner as to guarantee the segregation of duties.

Every ten days, the Group Cash Department presents reports to the Chief Financial Officer on the positions and results of its management in compliance with the principles and policies of the Group's General Management.

Nature	Impact	Risk reduction measure(s)
Risk of lack of control over financing costs (rate risk).	Negative impact on financial income.	To reduce this risk, the company takes appropriate hedging measures using derivative financial instruments based on market conditions, approved by the Group's Chief Financial Officer. The financial instruments used are swaps for active debt management. At end-December 2011, the Group's external debt comprised of its bond debt was at a fixed rate (OBSAAR swapped to fixed-rate and ORNANE issued at fixed-rate); revolving credit and variable-rate medium-term credit were not used on the closing date.
Risk of lack of control over its currency flows and the valuation of its subsidiaries outside the Eurozone (exchange rate risk), given the geographical diversity of its establishments and activities.	Negative impact on equity and/or Group income, due to exchange rate volatility.	The Group monitors bids and contracts in foreign currency in order to fix operating margins for large contracts denominated in foreign currency (mainly the dollar part for certain contracts in the aeronautics sector). The hedge mechanisms implemented upon identifying a risk are mainly forward sells or forward sales whose amount and maturity are tied to underlying economic factors. Moreover, the balance sheet risk remains limited to the Euro/pound sterling parity that is not hedged, as the British market is a long-term strategic objective of the Group.
Risk of financial counterparty default.	Negative impact on the Group's income.	The company undertakes counterparty review and monitoring as approved by the Management Board. In 2011, it notably increased the number of first-ranking banking institutions it uses for its investments, hedges and borrowings. In particular, to set up its new financing, the Group expanded its banking pool from 4 to 8 French banks.
Risk of inability to meet its financial commitments (liquidity risk).	Negative impact on the cost of credit and negative impact on the Group's image.	The Company has set up: • a liquidity optimisation process based on centralised cash management with reports submitted every ten days to the Group's Chief Financial Officer; • active management of its debt. The Group avails of an undrawn credit line of sufficient maturity to finance its operating requirements as well as a medium-term undrawn credit line to finance its acquisition projects. The Company conducted a specific review of its liquidity risk and considers it is capable of meeting its future maturities. Besides, as of December 2011, all flows are now secured through the Swift network for French subsidiaries. On 31 December 2011, with its cash position (€151.8 million) and unused credit lines (€220 million), the Group had a financial flexibility of €371.8 million and an average maturity of its drawn debt of more than three and a half years.
Risk of lack of control over the number of shares to be delivered for the repayment of ORNANE.	Dilutive effect on capital.	Contractual provision, if exercised, of paying only the amount in excess of the par value in the form of shares, to limit shareholder dilution. In light of the share price at 31 December 2011 and Assystem's objective to repay the nominal amount in cash, there is no significant dilution to be considered as a result of this operation.
Complexity of the ORNANE financial instrument.	Highly volatile financial income.	ORNANE is a two-component instrument in which the variation in the fair value of the derivative is recognised in financial income. The impact of this recognition, that could be significant, has no cash effect and goes in the opposite direction to the share price variation. Given the high volatility of this item in the income statement, Assystem chose to set apart the variation in fair value in a separate line in the financial income.
Risk of early repayment arising from covenants.	Negative impact on cash position.	OBSAAR 2008, the medium-term credit (as yet undrawn) and the revolving credit (as yet undrawn) include clauses (covenants) that call for compliance with financial ratios. The ratios are applied to calculate gearing – only for OBSAAR 2008 – (net financial debt to equity ratio) on the one hand, and to calculate the net financial debt/EBITDA (net financial debt to cash flow ratio) for OBSAAR 2008, the undrawn medium-term credit and the undrawn revolving credit, on the other hand. These ratios are calculated annually from data in the consolidated financial statements. Non-compliance with the covenants entitles the lender concerned to demand early repayment of the borrowing. At financial year closing, the calculated ratios were well below the thresholds defined in the contracts, in particular due to a positive net cash less debt amount of €12.3 million. No ratio is linked to ORNANE.

5/ EMPLOYEE-RELATED RISKS

Nature	Impact	Risk reduction measure(s)
Risk that the Group's available skills do not match client and market requirements.	Negative impact on Group image and revenue.	The Group invests greatly in the continuing education of its engineers. The skill reviews that are conducted for all engineers annually help detect any training requirements for acquiring new skills or honing existing skills. Annual recruiting campaigns target in particular the skills required for the good performance of the projects that the Group is -or will be- engaged in.

6/ RISKS RELATING TO INFORMATION SYSTEMS

Nature	Impact	Risk reduction measure(s)
Risk that information is not available or is corrupted.	Inability to pursue projects, negative impact on revenue, Group's image tarnished.	Given the Group's high dependence on information systems (for the performance of client projects as well as for its own needs), the information system-related risks are closely scrutinised. Business continuity and recovery plans have been established and tested in all of our operating units. Physical protection measures to ensure continuity of information have been implemented and reinforced in countries where this is a particularly sensitive issue (double inverters installed and connection to an alternative power supply source and/or diesel generator in India). The access to information systems is also strictly monitored, especially for employees who use remote access (their number is however limited). Lastly, access to restricted client areas (engineering facilities installed in the Group premises) is strictly monitored in keeping with the clients' security policies.

7/ LEGAL AND REGULATORY RISKS

Nature	Impact	Risk reduction measure(s)
Risk of lack of control over the legal aspects of the Group's business and operations and lack of regulatory compliance.	Group's image tarnished, negative impact on operating profit.	The business acceptance process includes a legal review at all times. This review is used to ensure, in particular, that there are no terms that are unacceptable for the Group (the definition and formal classification of the terms are notified to all the line managers). The Group has also introduced quarterly risk reports that are submitted to the finance, legal/insurance, accounting/taxation, management control and internal audit departments.

No change has occurred in the year 2011 regarding the legal dispute between ASG and Sobrena, Acergy and Iska Marine over a claim in January 2010 (fire aboard a ship, The Acergy Falcon, that was dry-docked for maintenance). The Group's analysis that was conducted in 2010 remains unchanged in 2011. To date, there is no evidence that ASG is at fault, nor has the cause of the fire been ascertained. The Group further confirmed that in the event of the Group's liability, this claim would be eligible for coverage by the Group's insurance policies, within the limit of €20 million per year and per accident.

Concerning the «equal pay» risk identified in 2010 (see our 2010 Registration document, page 41) where the wage grid resulting from a national collective bargaining agreement signed between several companies in the sector and the CGZP trade union was declared null and void, the inspection conducted by the social organisations in 2011 did not lead to adjustment. Five employees took action against our German subsidiaries, which was provided for in the German companies' accounts at €0.2 million. Assystem considers that this is not a major risk at the Group level.

Assystem is subject to an official tax audit for the period 2008-2010; only the conclusions related to 2008 have been received to date. These conclusions are being contested in their entirety and so no provision has been established for this at year end.

To date, there is no other governmental, legal or arbitration procedure, including all procedures of which the company is aware, that is currently pending or for which the company is under threat, that is likely to have or has had a significant impact on the financial standing or profitability of the company and the Group, over the last twelve months.

8/ RISKS RELATING TO RELOCATION

Nature	Impact	Risk reduction measure(s)
Risk that clients relocate their business or projects in zones where the Group does not operate.	Negative impact on revenue, on the continued relationship with the clients, and on the operating profit.	The Group strives to emphasize its deployment capacity in the geographic zones in which clients may relocate a part of their business. The Group already has two offshore bases, one in Romania, and the other in India. Our clients in the automobile sector, who relocated a part of their business to Romania, are already supported by our subsidiary there for the projects and operations they are conducting. As concerns the aeronautics sector, the framework contract that we recently renewed with a leading player in the market includes our base in India which will be capable of supporting the projects concerned, when required to do so.

9/ INDUSTRIAL AND ENVIRONMENTAL RISKS

Given the nature of the Group's businesses, its operations do not impact the environment. The Group provides only knowledge-based services to the nuclear sector and does not operate any nuclear facilities as defined in the regulations.

10/ RISKS RELATING TO THE DEPARTURE OF KEY PERSONS

The key persons are identified within each operational entity of the Group as well as in its head office and support functions.

Succession planning has been established for such persons or is underway.

Besides, the phased reinforcement of our internal risk control mechanism and its constant progress approach are aimed at ensuring the continuity of our processes and operations independently of the persons in charge of them, thus decreasing the correlated risk of dependence on key persons.

11/ RISKS ARISING FROM EXTENSIVE RECOURSE TO SUBCONTRACTING

The (increased) recourse to subcontracting is inherent to the engineering specialist profession as it can temporarily absorb the workload variations which stem from the nature of the projects we handle.

The recourse to subcontracting does not involve any specific risk for the Group given that the know-how and expertise required for our projects are kept within the Group on a permanent basis.

12/ RISK RELATING TO THE RECENT CHANGE IN THE NUCLEAR SECTOR

Although we have a strong foothold in the nuclear sector, our Group's exposure to the risks arising from the recent changes in this sector remains low. Our actions involve the existing nuclear facilities. Our activities in the nuclear sector (22% of the revenue) are divided as follows:

- Research and maintenance operations on the existing facilities (34%);
- Investments in the fuel cycle (front-end, back-end) (20%);
- Dismantling (14%);
- New projects (EPR in Finland, Flamanville) (13%);
- Miscellaneous (Research, Military…) (19%).

13/ RISK RELATING TO THE GROUP'S DECENTRALISATION

By its very construction (*via* acquisitions), the Group is structurally decentralised. This structure is mirrored in the Group's devolved management method, even though the Management Board remains ultimately responsible in terms of major decision-taking (strategy, appointment of key managers, investments, acquisitions, etc.). The internal risk control mechanism that the Group has chosen to implement takes this organisation and management method into consideration, but integrates a centralised check on key elements such as delegation of powers and signing authority, management reviews, appointment of key managers, approval of key managers' compensation packages, budget and forecast approval, monthly review of financing and operating reports, quarterly project reviews, approval and signing of client and supplier framework contracts, centralised Group cash management, authorisation by one or two Management Board members for investments exceeding a given threshold.

14/ INSURANCE STRATEGY

Assystem has contracted a professional and operating liability insurance covering its French and international subsidiaries.

The guarantee limits go up to €20 million for each policy (professional liability and operating liability). This professional liability insurance compensates for the different conditions and limits of its local foreign policies as part of an integrated policy.

For its aeronautics activities, the Group has taken a specific insurance policy covering property damage and consequential losses for an amount of up to €100 million.

For all other aspects, the Group's main polices were renewed in 2011 under the same conditions.

The Group has not identified any other significant risks to date.

5. OTHER REPORTS BY THE MANAGEMENT BOARD

1/ SPECIAL REPORT ON TRANSACTIONS SUBJECT TO ARTICLES L. 225-197-1 TO L. 225-197-3

1.1/ FREE SHARE ALLOTMENTS (ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE)

> ANNUAL GENERAL MEETING OF 23 MAY 2012

To the Shareholders,

In accordance with Article L. 225-197-4 of the French Commercial Code, we have prepared the following report on free share allotments granted to corporate officers and certain employees during the year ended, as well as free share allotments granted by Assystem subsidiaries.

1.2/ FREE SHARE ALLOTMENTS ADOPTED BY THE COMPANY MANAGEMENT BOARD:

1.2.1/ In the year ended 31 December 2007

The Management Board used the authorisation granted by the Extraordinary General Meeting of 8 June 2006, in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code, aimed at making free allotments of ordinary Company shares, on one or several occasions, with said shares either already existing (in particular, treasury shares under a share buyback programme) or to be issued, up to a maximum limit of 2% of the capital on the date of the allotment, for the benefit:

- of members of the salaried staff and senior executives, who are corporate officers of the Company, complying with the conditions set forth in Article L. 225-197-1 *et seq.* of the French Commercial Code, or of related companies within the meaning of Article L. 225-197-2.
  - At its Meeting of 29 June 2007, it allotted 98,300 free shares to salaried employees of subsidiaries of the Assystem Group. Owing to the departure of beneficiaries prior to the end of the acquisition period, the balance of this allotment was 95,800 shares.
  - At its meeting of 30 August 2007, it made an allotment of 10,000 free shares to a member of the Management Board.
  - At its meeting of 12 December 2007, it made an allotment of 1,000 shares to an employee of a Group subsidiary.

These plans ended on 31 December 2011.

1.2.2/ In the year ended 31 December 2008

The Management Board used the authorisation granted by the Extraordinary General Meeting of 15 May 2008, in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code, aimed at making free allotments of ordinary Company shares, on one or several occasions, with said shares either already existing (in particular, treasury shares under a share buyback programme) or to be issued, up to a maximum limit of 2% of the capital on the date of the allotment, for the benefit:

- of members of the salaried staff and senior executives, who are corporate officers of the Company, complying with the conditions set forth in Article L. 225-197-1 *et seq.* of the French Commercial Code, or of related companies within the meaning of Article L. 225-197-2.
  - At its meeting of 15 May 2008, it made an allotment of 125,000 free shares to members of the Company's Management Board (with the exception of the Chairman).

For this free share plan, the holding period will end on 16 May 2012.

1.2.3/ In the year ended 31 December 2009

The Management Board used the authorisation granted by the Extraordinary General Meeting of 15 May 2008, in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code, aimed at making free allotments of ordinary Company shares, on one or several occasions, with said shares either already existing (in particular, treasury shares under a share buyback programme) or to be issued, up to a maximum limit of 2% of the capital on the date of the allotment, for the benefit:

- of members of the salaried staff and senior executives, who are corporate officers of the Company, complying with the conditions set forth in Article L. 225-197-1 *et seq.* of the French Commercial Code, or of related companies within the meaning of Article L. 225-197-2.
  - At its meeting of 28 April 2009, it made a free allotment of 4,700 shares to members of the Group's salaried staff.
  - At its meeting of 5 November 2009 (after receiving the Supervisory Board's approval on 4 November 2009) it made an allotment of 60,000 free shares to four members of the Company's Management Board (with the exception of the Chairman).

For these two plans, the holding period will end on 28 April 2013 and 5 November 2013, respectively.

1.2.4/ In the year ended 31 December 2010

Not applicable.

1.2.5/ In the year ended 31 December 2011

The Management Board used the authorisation granted by the Extraordinary General Meeting of 5 May 2010 in its 15th resolution, in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code, aimed at making free allotments of ordinary Company shares, on one or several occasions, with said shares either already existing (in particular, treasury shares under a share buyback programme) or to be issued, up to a maximum limit of 2% of the capital on the date of the allotment, for the benefit:

- of members of the salaried staff and senior executives, who are corporate officers of the Company, complying with the conditions set forth in Article L. 225-197-1 *et seq.* of the French Commercial Code, or of related companies within the meaning of Article L. 225-197-2.
  - At its meeting of 13 April 2011, it made a free allotment of 20,500 shares to members of the Group's salaried staff.
  - At its meeting of 28 October 2011, it made a free allotment of 43,360 shares, which at the end of the year totalled 41,974 shares, to members of the Group's salaried staff.
  - At its meeting of 29 November 2011, it made a free allotment of 108,900 shares to salaried members of staff in the Group's companies in France and abroad.

1.3/ FREE SHARE ALLOTMENTS GRANTED BY RELATED COMPANIES AS DEFINED IN ARTICLE L. 225-197-2 OF THE FRENCH COMMERCIAL CODE DURING THE YEAR ENDED 31 DECEMBER 2011

Not applicable.

1.4/ FREE SHARE ALLOTMENTS GRANTED BY CONTROLLED COMPANIES AS DEFINED IN ARTICLE L. 233-16 OF THE FRENCH COMMERCIAL CODE

Not applicable.

Paris, 8 March 2012

Dominique LOUIS
Chairman of the Management Board

2/ SPECIAL REPORT ON SHARE SUBSCRIPTION OR PURCHASE OPTIONS (ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE) AT THE GENERAL MEETING OF 23 MAY 2012

To the Shareholders,

In accordance with the provisions of Articles L. 225-184 of the Commercial Code, we have prepared the following report on the operations carried out in respect of share subscription options for the year just ended and during previous financial years, in addition to allotments of share subscription options to company officers and selected employees, and the allocation of share subscription or purchase options carried out at Assystem subsidiaries.

2.1/ OPTIONS AUTHORISED DURING THE YEAR ENDED 31 DECEMBER 2011.

Not applicable.

2.2/ OPTIONS AUTHORISED DURING PRIOR YEARS.

Not applicable.

2.3/ OPTIONS OWNED BY MEMBERS OF THE MANAGEMENT BOARD:

Not applicable.

Paris, 8 March 2012

Dominique LOUIS
Chairman of the Management Board

6. REPORT FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

CONCERNING THE CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE SUPERVISORY BOARD AND THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES ESTABLISHED BY THE COMPANY

To the Shareholders,

In accordance with the French Financial Security Act *(loi de sécurité financière)* No. 2003-706 of 1 August 2003, as Chairman of the Supervisory Board, I am pleased to present the following report on the conditions for the preparation and organisation of this Board's work and the internal control and risk management procedures established by the company. In line with Act of 3 July 2008, this report also reviews the implementation of the AFEP-MEDEF recommendations set forth in the corporate governance code for listed companies which was revised in April 2010.

This report, attached to the 2011 management report, has been prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code and was presented to the Supervisory Board on 13 March 2012. A report from the statutory auditors presents their comments on the information contained in this report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information.

Finally, pursuant to Act no. 2011-103 of 27 January 2011 concerning the balanced representation of men and women on Management Boards and Supervisory Boards and professional equality, I would like to inform you that at the beginning of the financial year 2011, our Board examined the implementation of this law by appointing Miriam Maes member of the Supervisory Board. Taking this appointment into account, the ratio of men to women on the Board is 89% of men to 11% of women. This percentage should increase to at least 20% after the 1st General Meeting following 1st January 2014 and to 40% after the 1st General Meeting that follows 1st January 2017 (with a differential of 2 people).

1/ CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE SUPERVISORY BOARD – CORPORATE GOVERNANCE

Please see Chapter 2 – Governance, page 19.

1.1/ THE SUPERVISORY BOARD

Please see Chapter 2 – Governance, page 19.

Mandates and functions carried out by members of the Supervisory Board of Assystem as at 31 December 2011

Please see Chapter 2 – Governance, page 23.

Mandates and functions carried out by members of the Supervisory Board during the last five financial years (1 January 2007 to 31 December 2011)

Please see Chapter 2 – Governance, page 25.

1.2/ THE MANAGEMENT BOARD

Please see Chapter 2 – Governance, page 27.

Mandates and functions carried out by members of the Management Board (31 December 2011)

Please see Appendix, page 152.

Mandates and functions carried out by members of the Management Board (outside Group) in previous five years (since 1 January 2007)

Please see Appendix, page 154.

1.3/ INSIDER TRADING AND MARKET CODE OF CONDUCT

Please see Chapter 2 – Governance, page 28.

1.4/ CONFLICTS OF INTEREST

Please see Chapter 2 – Governance, page 29.

1.5/ REMUNERATION AND BENEFITS IN KIND AWARDED BY THE COMPANY AND ITS AFFILIATES DURING THE 2011 FINANCIAL YEAR TO MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES IN OFFICE

1.5.1/ Remuneration of members of the Supervisory Board

Please see Chapter 2 – Governance, page 29.

1.5.2/ Remuneration of members of the Management Board

Please see Chapter 2 – Governance, page 30.

- **Remuneration of Mr. Dominique Louis – Chairman of the Management Board**

Please see Chapter 2 – Governance, page 30.

➤ **Remuneration of other members of the Management Board during 2011 and the previous three years**

Please see Chapter 2 – Governance, page 31.

2/ IMPLEMENTATION OF THE AFEP-MEDEF RECOMMENDATIONS SET FORTH IN THE CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES REVISED IN APRIL 2010

The Assystem Group has chosen to adhere to the AFEP-MEDEF recommendations set forth in the Corporate Governance Code for listed companies revised in April 2010.

Following analysis of this code, we have not identified any non-compliance. Specifically, we assessed the work of the Supervisory Board on the basis of a questionnaire submitted to each Board member. An independent review of the work of the Supervisory Board was also conducted in 2010. This did not reveal any significant issues, and the recommendations for improvements drawn up are now being dealt with and gradually implemented.

The application of the recommendations and provisions concerning the remuneration of directors and corporate officers is described in Chapter 1.

3/ INTERNAL CONTROL PROCEDURES

The Assystem Group has chosen to implement the internal control framework recommended by the AMF in accordance with the recommendation it issued on 22 January 2007.

The internal control procedures implemented in our Group and, in particular, those relating to the preparation and processing of accounting and financial information, are broken down on the basis of five components of the internal control system.

This report also describes the procedures developed in order to identify, analyse and manage risks. In this respect, readers are invited to refer to the risk factors mentioned in Chapter 4.

3.1/ GENERAL PROVISIONS

The driving force of the internal control system is based on the fact that it already exists within our Group. We have an entire set of measures intended to control and reduce the risks that may prevent us from achieving our objectives. These measures are in the form of procedures, instructions, supervisory arrangements, authorisations, delegations of responsibility, etc.

This system caters for the entire sphere of our Group: Division, BU, legal entities, countries, divisions, departments and services. It is well-grounded within our Group and relates to all our business activities and processes. It is in this respect that our internal control system represents an integrated framework.

Assystem's Management Board is ultimately responsible for the implementation and proper functioning of the internal control system.

Since it is responsible for initiating and driving the clearly expressed determination to deploy an integrated internal control system, Assystem's management is the owner of this system. Clearly all Group players are part-owners as they are the assignees and guardians of this system.

In practice, and in order for it to operate effectively and in all simplicity, and without any changes within our Group, our internal control system is based on the principle of process ownership. In other words, the divisional and service supervisors are the owners of the first step of our integrated internal control system.

Projects are carried out by work teams close to their clients, to deliver the right solutions within a short space of time. To help teams respond swiftly and to allow each profit centre manager to take the necessary decisions, a decentralised structure has been set up within operating units.

The table below summarises the main roles to be assumed by each category of operator.

Players	Envisaged roles concerning internal control
The Management Board	• Initiates and drives the internal control system by providing clear information on this. • Is responsible for its deployment within the Group and for its proper functioning. • Ensures that the internal control system is in-line with the Group's strategy and its portfolio of risks.
Operational Management	• Is responsible for its deployment within its scope (*i.e.* BU, legal entity, country, department, service) and for its proper functioning. • Ensures that the internal control system is aligned with the structure, strategy or tactics and organisation of its scope.
Operational and functional staff	• Are actively involved in implementation of the internal control system. • Carry out work and operations in compliance with the internal control system as defined. • Inform Management of malfunctioning and are involved in seeking corrective measures.
Internal Audit	• Assists the Management Board and Management with the deployment and implementation of the internal control system. • Advises the Management Board and Management on the appropriate risk-management process. • Ensures a proper balance between controls and risks. • Assesses the internal control system in terms of design and effectiveness. • Assists the Audit Committee with its supervisory role.
Audit Committee	• Ensures the existence of a coherent internal control system that is compatible with the Group's strategy and risks. • Approves the internal audit plan and is regularly informed of the conclusions of audits and the recommendations implemented. • Consults the Internal Audit Department in order to form an opinion on the design and effectiveness of the internal control system. • Ensures the effective functioning of the risk management process, related to the drawing-up of financial information.

3.2/ THE OBJECTIVES OF INTERNAL CONTROL

Internal control is an Assystem mechanism that is designed and implemented under its responsibility and is intended to provide reasonable assurance of:

- the reliability of financial information;
- compliance with legislation and regulations;
- the proper functioning of our internal processes, such as those contributing to the protection of our assets (material or intangible);
- the application of instructions and guidelines stipulated by General Management and the Management Board.

In general, it also contributes to controlling activities, the efficiency of operations and processes, and efficient use of resources.

Thus, the internal control system has five objectives which may be summarised as follows.

Objectives	Reasonable assurance
Finance	That the financial information produced and published is reliable
Compliance	That laws, regulations, standards and all other obligations are observed
Operations	That operations, activities and processes are high-performance and efficient
Integrity	That assets (human, material and intangible) are secure and protected
Strategy	That objectives are achieved in order to contribute to the Group's mission and strategy

3.3/ THE VARIOUS COMPONENTS OF THE INTERNAL CONTROL SYSTEM

The main procedures of the internal control system, in particular, those relating to the preparation and processing of accounting and financial information, are mainly described within the "Organisation, responsibilities, operating procedures, tools" section.

3.3.1/ Organisation, responsibilities, operating procedures, tools

➤ Organisation

Generally, the Group's organisation is based on significant decentralisation which in turn involves high levels of delegation. The delegation of operational, functional and legal responsibilities to Assystem's corporate officers and Managers requires an internal control system which is adapted to this type of organisation. Therefore, the structure and the information systems which the Group has chosen to introduce contribute effectively to steering activities in compliance with the principles of decentralisation and delegation.

Delegations of authority and responsibilities are drawn up in writing after approval by Management. They are reviewed as and when required, in particular, in order to take account of changes which occur.

In 2011, the Group drew up the Code of Conduct ("*Charte de déontologie*") which was approved by the Management Board. The distribution method for this Code will be studied in 2012.

➤ Responsibilities

The responsibilities entrusted to employees are set out in writing in job descriptions which are validated by their superiors and endorsed, where applicable, by delegations of authority. The job descriptions help to clarify the nature of the work and transactions which are entrusted by highlighting the nature and method of supervision and by integrating, as and when required, the internal control dimension by specifying the responsibilities connected to compliance with procedures and their updating etc.

The delegations of authority describe the permanent or temporary transfer of responsibilities and chiefly relate to the departments involved in financial transactions (making and authorising investments, limits set regarding procurement, supplier payments, etc.). The bank signing authorities introduced locally must reflect the delegations granted as closely as possible.

The suitability of resources in respect of the assigned targets represents an essential aspect for the Group owing, in particular, to the high levels of staff turnover at the engineering and consultancy divisions. In this respect, the Human Resources Divisions play a key role in guaranteeing this suitability. With the agreement of the functional departments, the Human Resources Divisions establish staff training plans and coordinate the annual performance appraisals which enable the achievements for the year elapsed to be reviewed, targets for the following year to be defined and the skills to be acquired, consolidated and identified.

➤ Operating procedures

BUSINESS OPERATING PROCEDURES

The Quality Management System (QMS) is a quality benchmark easily accessible on the Group's intranet. The QMS includes mapping of business line processes and a set of related procedures and instructions. On this basis, the Quality Managers carry out periodic audits in order to assess compliance with the standards implemented.

• Pre-sales and customer contracts

Pre-sales and customer contract processes are defined in the QMS.

Before any bid is submitted, an internal decision-making process takes place to decide whether to respond to the customer's call to tender. If the decision is positive, a technical and commercial bid is validated from technical, financial, and legal points of view.

• Performing the service and reviewing ongoing projects

Contracts are managed by project managers; reviews involving an examination of the technical project status, the associated costs and revenues, cash flow and margin at completion are organised monthly for the major fixed-payment projects.

In addition, a specific team within the Group, essentially composed of operational Managers, conducts periodic audits covering all Group Business Units. During 2011, this team reviewed some 30 projects. In particular, a summary of these audits was sent to the Group Management and to the Internal Audit Department.

Project reviews are also organised every quarter at the Group's head office. These reviews relate to projects of over a certain amount and projects with specific characteristics or which are exposed to specific risks.

• Human resources, recruitment, and payroll management

Human resource requirements are defined by line management; recruitment procedures are defined in the QMS. Payroll is centralised at three sites in France, representing more than 80% of the Group's workforce.

ADMINISTRATIVE PROCEDURES

• Budgeting and Management Control

The Group's various operating units prepare and present their strategy and annual budget to the Management Board.

A monthly analysis of the various key reporting elements allows the Finance Division to analyse any variation from forecasts, and thus detect any significant errors by cross-checking and analysing various key performance indicators (in particular, the level of gross margin on contracts, operational gross margin, operational non-invoicing rate).

• Consolidation

The company's consolidated financial statements are prepared in accordance with the *International Financial Reporting Standards* (IFRS) based on accounting data prepared under the responsibility of operating unit directors.

The particularly significant points for the Company are covered by centralised work; in this way, the regular tests on the value of Company assets, disposals and acquisitions are studied specifically by the Group's Finance Division.

• Accounting

The ERP introduced at the operating entities in France provides a better guarantee of the integrity of data *via* the routing of information within the applications. The Group's Accounting Division coordinates the closing accounting work and, if necessary, sends out memorandums and instructions to all subsidiaries. In addition, the Group's Finance Division meets regularly with the Statutory Auditors in order to present the specific transactions for the financial year and the options chosen in relation to accounting standards in force.

• Financing and Treasury

The Group has introduced centralised management of cash and investments *via* a cash pool established for Euro-zone countries. The Management Board defines the cash management policy every year and its aim is to guarantee the liquidity and the security of investments.

For the Group's French companies, cash flow, exchange-rate hedges and interest-rate hedges are centralised at head office.

In 2009, the Group introduced monthly cash reviews with each subsidiary, in France and abroad. These reviews also relate to forecasts conducted on cash, and examination of the main flows.

• Financial Commitments

Financial commitments, including off-balance sheet commitments, require prior approval; in addition, operating units must list all commitments given and received by them, during the account closing process.

• Investments

In 2009, an investment authorisation procedure concerning all categories of investments was applied to all Group subsidiaries. Given the Group's business, the investments are not significant and mainly concern computer hardware and software.

• Insurance

The list of insurable risks and the risk coverage policy are managed by the Legal Affairs Division. The Human Resources Division of Assystem France is responsible for the specific insurance programme to be implemented pursuant to the expatriation assignments of employees or assignments whereby employees of foreign subsidiaries are seconded to the Group in France, and assists foreign subsidiaries if necessary.

• Legal Disputes

Legal disputes concerning Assystem SA and its subsidiaries are monitored and reported on a continuous basis by the Group's Legal Division in conjunction with legal business advisors at the Operating Divisions. A summary status report is prepared every six months on the main operating entities in France. The financial impact of litigation is analysed by the Finance Directors of each operating division, reviewed by the Finance Division and controlled by the Internal Audit Division.

• Disposals – Acquisitions

Disposal and acquisition transactions are validated by the Group's Management Board; an ad hoc committee meets internally to analyse and validate the various suggestions.

We would remind you that disposals are subject to approval by the Supervisory Board.

• Communication of Results

The preparation and approval of press releases and investor presentations concerning Assystem's results are governed by a special procedure involving the Finance and Legal Affairs Division, Communications Division, General Management, and statutory auditors. Draft releases of financial data are submitted to the Audit Committee.

➤ Tools

The Group has introduced a set of key indicators which enable it to monitor project management. These indicators are monitored during quarterly project reviews. The Group's financial reporting also includes a series of indicators and aggregates which allow for a finely tuned analysis of the performance levels at the various subsidiaries and Business Units. In 2009 these indicators were enhanced by specific monitoring of the Group's indirect costs, billable staff time and invoicing rates.

The Group's internal control measures consolidate the tools introduced. In order to take account of the Group's significant decentralisation and the resulting specific aspects, in 2008 the Group's Management distributed a brochure concerning the internal control system introduced. The purpose of this brochure is not only to inform the Group's different operators but also to contribute to highlighting the main axes of the internal control policy which the Group has decided to adopt.

3.3.2/ Internal Dissemination of Information

Intranet and the reporting and consolidation system represent the two combined methods used by the Group to disseminate key information essential for the fulfilment of its responsibilities.

In particular, the Group's Intranet hosts the QMS manual and the main procedures applicable in France. These procedures relate to IT, human resources and project management.

All the subsidiaries are equipped with the reporting and consolidation system (LINK). This contains the financial information published by the Group. In 2008, the standardisation of information submitted was improved by the issuance of an accounting guide sent to all Group subsidiaries.

The Group's Head Office Divisions send memorandums and procedures to the subsidiaries in order to ensure that common subjects, such as investments, cash management, monitoring of trade receivables, etc. are dealt with in a coherent manner.

Lastly, the Group's subsidiaries are responsible for the implementation and maintenance of information systems which are compatible with the submission of financial information and project management data. Accordingly, the Group has chosen to maintain the different systems currently in place. The nature of the business activities does not justify the use of a single system.

3.3.3/ Collating, Analysing and Managing Risks

The Group attaches critical importance to proper management of the risks to which it is exposed.

The main categories of risks to which the Group is exposed, to a greater or lesser extent, are as follows:
- financial risks;
- contractual risks;
- risks relating to staff;
- market risks;
- risks relating to IT systems.

We remind readers that the "Risk Factors" chapter describes the main risks to which the Group is exposed and the measures implemented to address them.

The quarterly project reviews help to identify the different risks for ongoing projects and for decisions to be made as to the initiatives to be implemented to reduce them; these mainly relate to fixed-price projects. At least one member of the Management Board is involved in these reviews. They are carried out using summary sheets and enable the following aspects to be reviewed:
- recognition of revenue in accordance with the financial progress of the contract;
- margin on completion;
- contractual risks and resultant reserves and provisions;
- cash flows.

Monthly project reviews are also organised in the Business Units. These reviews cover almost the entire sphere of ongoing projects.

The Management Board and the Operating Divisions, together with the Human Resources Divisions, assess the risks relating to staff. In particular, these risks are related to the high levels of turnover in the engineering and consultancy divisions. A member of the Management Board is specifically responsible for the best usage of Human Resources within the Group. Working closely with all the relevant parties, he defines the key aspects of the Group's Human Resources policy and the main priorities of the annual recruitment campaigns. These teams also work closely together in order to manage the risks relating to periods between contracts and to the transfer of skills from one sector to another in optimum fashion.

The Group works with a diversified client base and various sectors of industry, which allows it to harmoniously and satisfactorily balance the risks relating to the market on which it operates. The Management Board meets as often as required by the changes which may occur within the Group's environment.

The IT systems represent a dimension which is vital for the Group to carry on its activities. In order to best confront the risks relating to these systems, the Group has established a series of procedures intended to guarantee the security of the systems and information, the integrity and the continuity of operations. These key procedures are covered by a business continuity plan drawn up by Assystem France's IT Systems Division.

The Group's Internal Audit Department has a permanent role of ensuring that risks are identified by Management and that they are correctly analysed and managed. In its assignment reports, the Internal Audit Department reports to the Management Board on the risk areas which may not be covered by appropriate courses of action.

During 2011, the Group mapped its major risks. This mapping encompasses the different categories of risks to which the Group is exposed and measures them in terms of impact and vulnerability (*i.e.* net exposure to these risks, after taking account of existing control measures).

The Group decided to take a «top-down» approach to allow Management to obtain a concerted view of the risks confronting the Group. Such a view results from discussions with the Group's Management (mainly with members the Management Board, and the main Operating and Functional Divisions) conducted by the Group's Internal Audit Department. These discussions were carried out on the basis of pre-mapping which lists the main risk factors (see Chapter 4 on this subject), their impact and their probability of occurrence. This pre-mapping concerns the following main themes:
- business/operations;
- contract and project management;
- HR/people and skills management;
- Finance;
- legal and fiscal compliance;
- results and performance;
- image and reputation.

For each of the above categories, the main risks were identified, defined and assessed in terms impact and probability of occurrence.

To assess the impact and probability pair the following criteria are used.

➤ Impact

The impact of the risks is determined according to operational results, for those risks whose consequences (if any occur) can be measured in monetary terms, according to the following scale.

Magnitude	Monetary impact on the operational results
Very low	Less than €1 million
Low	Between €1 million and €3 million
Average	Between €3 million and €5 million
High	Between €5 million and €8 million
Very high	Over €8 million

For risks that concern the Group's image and reputation, the consequences, if any occur, cannot be measured in monetary terms. The impact of the risk is therefore assessed according to the potential fallout in terms of media coverage and/or crisis management.

Magnitude	Non-monetary impact in terms of media coverage and/or crisis management
Very low	No specific media coverage/relay
Low	Local media coverage/relay; crisis unit limited to local managers
Average	Regional media coverage/relay; crisis unit involving local managers and BU/Divisional directors
High	National media coverage/relay; crisis unit involving the Group's authorities
Very high	International media coverage/relay; crisis unit involving the Group's authorities and the Management Board in the first instance

➤ Probability

The probability of the risks occurring is measured by referring to the past occurrence of comparable and/or similar events, according to the following scale.

Extent	The occurrence of comparable/similar events in the past
Improbable [less than 5%]	Never occurred during the past 5 years
Improbable [between 5% and 15%]	Occurred once or twice during the past 5 years
Possible [between 15% and 30%]	Occurred once a year during the past 5 years
Very possible [between 30% and 90%]	Occurred more than once a year during the past 5 years
Certain [over 90%]	The risk is the result of a non-compliance

The various risks thus assessed are positioned on a map with two axes (impact and probability) which allows us to rank them according to four quadrants:

- *High probability/high impact:* high-priority risks which need to be dealt with and monitored by the Management Board. These risks are placed under the direct responsibility of one or more members of the Management Board, who must ensure that there is a course of action in place and that the measures taken actually reduce the level of risk efficiently.
- *High probability/low to average impact:* the Management Board needs to be regularly informed of these risks so that it is has a reasonable assurance of the efficiency of the checks aimed at reducing the possibility of the risks occurring.
- *Low to average probability/low to average impact:* the Management Board needs to be regularly informed of these risks so that it is has a reasonable assurance of the efficiency of the checks aimed at reducing the impact in the event of the risks occurring.
- *Low probability/low impact:* the Management Board needs to be periodically informed of these non-priority risks so that it is has a reasonable assurance of the efficiency of the checks aimed at containing the risks in this category or completely eliminating them.

The role of the Group's Internal Audit Department in setting up the map of the Group's major risks involved facilitating the process (discussions with Management) and formalising it (defining the criteria chosen to measure probability and impact, establishing the actual map itself). However, the Group's Internal Audit Department played no part in defining the appetite for risk or the courses of action aimed at reducing them.

The map of the Group's major risks will be updated at least once a year. As from 2012, this will be enhanced by a «bottom-up» approach which will centralise the different entities' views of major risks. For this purpose, a quarterly reporting process has been developed, based on the same methodology used to draw up the map of the Group's major risks, *i.e.* the risks assessed according to the twin factors of probability/impact *via* the criteria described above.

The Management Board has asked the Group's Internal Audit Department to ensure that the risks identified in 2011 are monitored and that the map is updated during the second half of 2012. This work will be included in the 2012 audit plan.

The map of the Group's major risks in 2011 was presented to the Management Board at the meeting held on 23 February 2012. After the exposé on methodology and major risks, the members of the Management Board approved the map of major risks and agreed to extend their attention and responsibility beyond the risks specified in the Management Board's focus area (risks with the highest levels of impact and probability of occurrence).

3.3.4/ Control Work in Line with the Objectives

Given the significant decentralisation within the Group and the delegation policy in force, control work is decided by the subsidiaries' Management in compliance with the guidelines concerning the internal control system as set by Management.

The main purpose of these controls is to reduce the major risks faced by the Group.

The main categories of control work cover the following aspects:

- Contract authorisation: the Group has established a delegation policy allowing appropriate Managers to authorise contracts. This control work covers the successive stages of contracts:
  - selection of invitations to tender;
  - replies to invitations to tender;
  - definition of invoicing rates and pricing;
  - amendments.
- Review of contracts: the Legal Division conducts independent reviews of contracts before they become applicable. Specifically, the Legal Division is responsible for the definition of the general service conditions on the invoices issued and addressed to clients.
- Time management and invoicing: each subsidiary verifies the times entered into the applications provided for this purpose. The checks carried out enables the correctness of time allocation to ongoing projects to be ensured and for client invoicing to be triggered.
- Payments: the Group has introduced a policy for two signatories for means of payment. Using this principle, subsidiaries decide upon the expense-authorisation thresholds on the basis of the categories of authorised signatories. Begun in 2010 and continued in 2011, the Group conducted a review of signature authorisations for its main subsidiaries, and the new authorisations are now in place. In order to step up supervision and control of certain

distant subsidiaries, the Group Cash Department receives details of monthly expenses incurred in order to verify them *a posteriori*.

- Budget and budget amendments: each subsidiary presents the budget which it has established for the ongoing financial year. It is presented to the members of the Management Board who authorise budgets. Budget reviews made during the financial year are subject to the same procedure.
- Periodic results and reporting: periodic results are submitted every month *via* the reporting and consolidation application (LINK). The Group Finance Division conducts a critical review of these results and obtains any further information required to understand them from the different subsidiaries.

The Group also attaches particular importance to the appropriate segregation of tasks in order to strengthen the control work relating to critical transactions, particularly payments.

In small structures, the appropriate segregation of tasks is sometimes naturally limited owing to the organisation. In such cases, payment controls are introduced, essentially in the form of increased supervision by Management which conducts an independent review of critical transactions for control and authorisation.

3.3.5/ Permanent Monitoring of the System and Regular Examination of its Functioning

Implementing the company's internal controls is one of the primary duties of the Management Board, Audit Committee, operating divisions, and operating divisions' management.

Management defines the general principles applicable to internal controls and ensures that these have been properly applied within the company.

The Audit Committee examines both the main financial statements and those concerning internal audit and control.

The Internal Audit Department plays a key role in monitoring and steering the internal control system. Its assignments are set forth in a plan which is approved by the Management Board and the Audit Committee. When the assignments are completed, the Internal Audit Department makes suitable recommendations in order to increase the efficiency of internal control. These recommendations are included in a report which is discussed with the Management of the subsidiaries and the relevant members of the Management Board. The reports are supplemented by an action plan and its status is sent for monitoring to the Internal Audit Department and for action to be taken by the members of the Management Board responsible for ensuring the proper implementation of corrective action. A summary of the assignments carried out is presented to the Audit Committee every six months.

In 2011, the assignments carried out by the Internal Audit Department mainly related to audits to ensure the national and international subsidiaries' compliance with the Group's rules.

The Internal Audit Department also relies on operational audits carried out at the operational units, which focus on sales conditions and contract performance.

Internal controls are also assessed by senior officers (*e.g.,* the General Managers and Chief Financial Officers) *via* letters they prepare certifying compliance with procedures for preparing financial statements and other information provided in the preparation of the annual financial statements.

3.3.6/ Monitoring of the 2011 Action Plan

The Group has placed internal control within the framework of a continuous improvement plan with the specific aim of improving the operational effectiveness of processes. In this respect, the action plan established for 2011 focused on the following key areas:

- Mapping of major risks and incidence of this on the insurance programme.
- Distribution of the Code of Ethics to all employees.
  The Group's Code of Ethics was drawn up in 2011 and approved by the Management Board. Its distribution method will be studied in 2012.
- Internal control self-appraisal.
  In 2011, the Internal Audit Department spent a great deal of time (about 6 man-months) assisting the Group with its external growth operations, therefore the internal control self-appraisal was put on hold during the past financial year. The Group would like internal control to become part of the continuous improvement process and this requires considerable support from the Internal Audit Department.
  The self-appraisal exercises will recommence during financial year 2012.

The Group's Management has instructed the Internal Audit Department to coordinate and monitor the implementation of this action plan.

Paris, 14 March 2012

Michel Combes
Chairman of the Supervisory Board

4/ STATUTORY AUDITORS' REPORT ESTABLISHED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT BY THE CHAIRMAN OF THE SUPERVISORY BOARD.

Year ended December 31, 2011

To the Shareholders,

In our capacity as statutory auditors of the company Assystem S.A. and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby present you with our report on the report by your company's Chairman for the financial year ended December 31, 2011, in accordance with Article L. 225-68 of the French Commercial Code.

It is the Chairman's responsibility to prepare a report detailing the internal control and risk management procedures implemented by the Company and providing other information required by Article L. 225-68 of the French Commercial Code relative, in particular, to the corporate governance policy, and submit the same to the Supervisory Board for approval.

It is our responsibility to:

- present you with our observations on the information contained in the Chairman's report regarding internal control and risk management procedures for the preparation and processing of accounting and financial information; and
- certify that the report contains the other information required by Article L. 225-68 of the French Commercial Code, it being stipulated that we are not responsible for verifying the accuracy of said other information.

We have performed our work in accordance with the professional standards applicable in France.

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

Professional standards require us exercise due care and concern in assessing the fairness of the disclosures contained in the Chairman's report, regarding the internal control and risk management procedures implemented for the preparation and processing of accounting and financial information. Due care mainly consists of:

- informing ourselves of the internal control and risk management procedures implemented for the preparation and processing of the accounting and financial information on which the information contained in the Chairman's report is based, as well as existing documentation;
- acquainting ourselves with the work enabling this existing documentation and information to be prepared;
- determining whether any significant failures in the internal control implemented for the preparation and processing of accounting and financial information that we may have identified in our tasks have been disclosed appropriately in the Chairman's report.

Based on our audit, we have no special observations to make on the company's internal control and risk management procedures implemented for the preparation and processing of the accounting and financial information contained in the report by the Chairman of the Supervisory Board, drawn up in accordance with the final paragraph of Article L. 225-68 of the French Commercial Code.

Other information

We hereby certify that the report by the Chairman of the Supervisory Board contains the other information required by Article L. 225-68 of the French Commercial Code.

Paris la Défense and Neuilly-sur-Seine, April 4, 2012

Statutory auditors

KPMG Audit	Deloitte & Associés
A division of KPMG S.A.	
Denis Marangé	**Bénédicte Sabadie-Faure**
Associate	*Associate*

5/ OBSERVATIONS OF THE SUPERVISORY BOARD ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

We remind you that in accordance with Article L. 225-115 of the French Commercial Code, the Supervisory Board must present the Annual General Shareholders' Meeting with its observations on the consolidated and separate company financial statements prepared by the Board of Directors, and on the management report submitted to the Meeting.

We hereby certify that the financial statements for the fiscal year ended 31 December 2011 and the management report were submitted to the Supervisory Board within the regulatory and legal deadlines.

The company statements for the year ended 31 December 2011 show the following items:

- Total balance sheet: €426.8 million
- Profit for the period: €4.4 million

The consolidated financial statements for the year ended 31 December 2011 show the following items:

- Total balance sheet: €584.4 million
- Consolidated net profit for the period, Group portion: €41 million

In view of the above, we have no particular observations to make, either with regard to any of the points made in the Management Board's report, or to the company statements and consolidated financial statements for the year ended 31 December 2011.

Paris, 13 March 2012

The Supervisory Board

7. CONSOLIDATED FINANCIAL STATEMENTS

1/ STATEMENT OF CONSOLIDATED FINANCIAL POSITION

€ millions

Assets	Notes	2011	2010	2009
Goodwill	7,8	114.0	75.6	75.0
Intangible fixed assets	9	5.4	6.2	9.2
Tangible fixed assets	10	16.5	13.6	14.9
Investment properties	11	1.4	1.4	1.4
Investments in associates	12	0.6	0.5	0.5
Available-for-sale financial assets	13	3.4	3.3	3.6
Other financial assets	14	7.1	4.0	3.8
Deferred tax assets	25	6.1	7.8	5.2
Total non-current assets		**154.5**	**112.4**	**113.6**
Assets held for sale		–	1.0	–
Trade receivables	15	250.3	205.6	203.7
Other receivables	15	26.7	14.5	13.7
Corporate income tax receivables		1.1	1.6	4.1
Cash and cash equivalents	16	151.8	127.9	92.9
Total current assets		**429.9**	**350.6**	**314.4**
Total assets		**584.4**	**463.0**	**428.0**

€ millions

Liabilities	Notes	2011	2010	2009
Share capital	18	20.4	20.2	20.0
Share premiums		66.2	64.2	63.3
Consolidated reserves		42.5	36.2	44.7
Profit for period		41.0	21.5	(0.8)
Shareholder's equity, Group share		**170.1**	**142.1**	**127.2**
Minority interests		2.9	2.6	1.4
Consolidated equity		**173.0**	**144.7**	**128.6**
Bond loans	19	103.9	47.1	87.7
Other non-current financial and derivative liabilities	20,17	6.5	0.2	1.0
Provisions	21	0.8	0.5	0.6
Employee benefits	22	14.3	14.7	12.5
Other non-current liabilities	23	0.4	8.2	6.0
Deferred tax liabilities	25	0.4	0.1	–
Non-current liabilities		**126.3**	**70.8**	**107.8**
Bond loans	19	24.4	42.2	–
Other current financial and derivative liabilities	20	4.7	4.4	5.0
Provisions	21	10.8	5.9	12.3
Trade and related payables		40.5	30.8	26.9
Corporate income tax liabilities		2.6	5.8	0.7
Other current liabilities	24	202.1	158.4	146.7
Current liabilities		**285.1**	**247.5**	**191.6**
Total liabilities		**584.4**	**463.0**	**428.0**

Notes in appendices form an integral part of the consolidated annual financial statements.

2/ CONSOLIDATED INCOME STATEMENT

Information for 2009 has been restated (see Note 41).

€ millions

	Notes	2011	2010	2009
Revenue	**28**	**760.6**	**636.5**	**607.3**
Employee benefits expense	31	(529.9)	(458.8)	(449.6)
Taxes and duties other than income tax		(1.7)	(1.5)	(7.0)
Depreciation and provisions expense	29	(11.0)	(10.9)	(11.5)
Other operating income and expenses	30	(159.3)	(121.0)	(113.5)
Ordinary operating result	**6**	**58.7**	**44.3**	**25.7**
Other operating revenues	32	–	–	0.3
Other operating expenses	32	–	–	(10.4)
Operating result	**28**	**58.7**	**44.3**	**15.6**
Share in income from associates		0.2	0.1	0.2
Net borrowing costs	33	(2.5)	(1.9)	(1.9)
ORNANE derivative fair value fluctuations	34	6.7	–	–
Other financial expenses and revenues	34	(3.2)	(4.2)	(2.9)
Net earnings for the period from continuing operations		**59.9**	**38.3**	**11.0**
Income tax expense	35	(18.6)	(14.7)	(3.5)
Net earnings from continuing operations		**41.3**	**23.6**	**7.5**
Result for period from discontinued operations	41	(0.1)	(1.1)	(8.4)
Consolidated profit for period		**41.2**	**22.5**	**(0.9)**
Attributable net profit – Group share (*)		41.0	21.5	(0.8)
Minority interest earnings		0.2	1.0	(0.1)

(*) Excluding ORNANE deriviative fair value net variation, attributable net profit was €36.7 million at 31 December 2011.

€

Basic earnings per share	36	2.13	1.10	(0.04)
Diluted earnings per share (**)	36	1.57 (**)	1.08	(0.04)
Basic earnings per share from continuing operations		2.13	1.16	0.39
Diluted earnings per share from continuing operations (**)		1.57 (**)	1.14	0.39

(**) In the hypothesis that the ORNANE settlement method would be completely made in cash (the conversion value at closing being being less than the bond face value), diluted earnings per share would reach €2.01 at 31 December 2011.

Notes in appendices form an integral part of the consolidated annual financial statements.

3/ GLOBAL CONSOLIDATED INCOME STATEMENT

€ millions

	Notes	2011	2010	2009
Net profit for period		**41.2**	**22.5**	**(0.9)**
Actuarial gains and losses on employee benefits	22	3.1	(0.1)	(0.7)
Tax effect	25,35	(1.1)	–	0.3
Actuarial gains and losses on employee benefits (net)		**2.0**	**(0.1)**	**(0.4)**
Gains and losses on assets available for sale	13	–	(0.4)	–
Gains and losses on assets available for sale (net)		–	**(0.4)**	–
Gains and losses on financial hedging instruments	17,18	2.3	1.0	(1.3)
Tax effect	25,35	(0.8)	(0.4)	0.4
Gains and losses on financial hedging instruments (net)		**1.5**	**0.6**	**(0.9)**
Foreign currency gains (losses)		**(0.3)**	**1.7**	**1.6**
Total of other items in the consolidated result		**3.2**	**1.8**	**0.3**
Total global result		**44.4**	**24.3**	**(0.6)**
Group share		**44.1**	**23.3**	**(0.6)**
Group share income		41.0	21.5	(0.8)
Group share in other items in the global result		3.1	1.8	0.2
Minority interest share		**0.3**	**1.0**	–
Minority interest share income		0.2	1.0	(0.1)
Minority share in other items in the global result		0.1	–	0.1

Notes in appendices form an integral part of the consolidated annual financial statements.

4/ STATEMENT OF CONSOLIDATED CASH FLOW

Information for 2009 has been restated (see Note 41).

€ millions

	Notes	2011	2010	2009
OPERATIONS				
Net earnings from continuing operations		41.3	23.6	7.5
Elimination of non-cash and non-operating income and expenses	40	22.6	30.5	28.7
WCR change	40	(1.1)	14.2	16.3
Income tax paid	40	(20.6)	(10.3)	(11.3)
Net cash flow from discontinued operations	41	0.9	(4.0)	0.8
Net cash flow from operating activities	**41**	**43.1**	**54.0**	**42.0**
INVESTMENT ACTIVITIES				
Fixed asset acquisitions	–	(13.8)	(7.1)	(6.1)
Fixed asset disposals	2,30	5.3	0.5	0.3
		(8.5)	**(6.6)**	**(5.8)**
Securities purchases	7,40	(36.0)	(0.5)	–
Securities disposals		–	–	–
		(36.0)	**(0.5)**	–
Loans to companies classified as available-for-sale assets	14	–	–	–
Loans repaid by companies classified as available-for-sale assets	14	–	–	0.3
Dividends received		0.1	0.2	0.1
Net cash flow from discontinued operations	41	–	0.8	–
Net cash flow from investment operations		**(44.4)**	**(6.1)**	**(5.4)**
FINANCING ACTIVITIES				
Bond loans and other financial debts	20	87.0	–	–
Bond repayments	20	(42.6)	(1.2)	(0.6)
Interest paid	33	(2.7)	(3.1)	(2.6)
Dividends paid to shareholders of parent company	–	(8.6)	(4.9)	(9.7)
Capital increases	18	2.2	1.1	0.7
Treasury share transactions		(9.8)	(4.9)	(2.1)
Net cash flow from financing activities		**25.5**	**(13.0)**	**(14.3)**
Change in net cash		24.2	34.9	22.3
Cash and equivalents opening balance	40	127.2	92.3	70.1
Effect of non-cash items and exchange-rate fluctuations		–	–	(0.1)
Change in net cash		24.2	34.9	22.3
Cash and equivalents closing balance	40	151.4	127.2	92.3

Notes in appendices form an integral part of the consolidated annual financial statements.

5/ STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€ millions	Share capital	Share premiums	Actuarial gains (losses) related to employee benefits	Reserves tied to assets available for sale
Shareholders' equity at 1 January 2009	**20.6**	**67.4**	**(2.3)**	–
Dividends distributed	–	–	–	–
Capital increases for cash	–	–	–	–
Capital reduction	(0.6)	(4.1)	–	–
Share-based payment and free share allotments	–	–	–	–
Transactions on treasury shares (net of tax)	–	–	–	–
Total global result	–	–	(0.5)	–
Income allocation for the previous period	–	–	–	–
Other	–	–	–	–
Shareholders' equity at 31 December 2009	**20.0**	**63.3**	**(2.8)**	–
Dividends distributed	–	–	–	–
Capital increases for cash	0.2	0.9	–	–
Share-based payment and free share allotments	–	–	–	–
Transactions on treasury shares (net of tax)	–	–	–	–
Total global result	–	–	(0.1)	(0.4)
Income allocation for the previous period	–	–	–	–
Other	–	–	–	–
Shareholders' equity at 31 December 2010	**20.2**	**64.2**	**(2.9)**	**(0.4)**
Dividends distributed	–	–	–	–
Capital increases for cash	0.2	2.0	–	–
Share-based payment and free share allotments	–	–	–	–
Transactions on treasury shares (net of tax)	–	–	–	–
Total global result	–	–	2.0	–
Income allocation for the previous period	–	–	–	–
Other	–	–	–	–
Shareholders' equity at 31 December 2011	**20.4**	**66.2**	**(0.9)**	**(0.4)**

Notes in appendices form an integral part of the consolidated annual financial statements.

Hedge instrument-related reserves	Foreign currency gains (losses)	Total of other items in the consolidated result	Income in period	Other reserves	Shareholders' equity, group share	Minority interests	Consolidated equity
(1.6)	**(10.0)**	**(13.9)**	**25.8**	**38.3**	**138.2**	**1.0**	**139.2**
–	–	–	–	(9.7)	(9.7)	–	(9.7)
–	–	–	–	–	–	0.7	0.7
–	–	–	–	4.7	–	–	–
–	–	–	–	1.1	1.1	–	1.1
–	–	–	–	(1.9)	(1.9)	–	(1.9)
(0.9)	1.6	0.2	(0.8)	–	(0.6)	–	(0.6)
–	–	–	(25.8)	25.8	–	–	–
–	–	–	–	0.1	0.1	(0.3)	(0.2)
(2.5)	**(8.4)**	**(13.7)**	**(0.8)**	**58.4**	**127.2**	**1.4**	**128.6**
–	–	–	–	(4.9)	(4.9)	–	(4.9)
–	–	–	–	–	1.1	–	1.1
–	–	–	–	0.6	0.6	–	0.6
–	–	–	–	(5.3)	(5.3)	–	(5.3)
0.6	1.7	1.8	21.5	–	23.3	1.0	24.3
–	–	–	0.8	(0.8)	–	–	–
–	–	–	–	0.1	0.1	0.2	0.3
(1.9)	**(6.7)**	**(11.9)**	**21.5**	**48.1**	**142.1**	**2.6**	**144.7**
–	–	–	–	(8.6)	(8.6)	–	(8.6)
–	–	–	–	–	2.2	–	2.2
–	–	–	–	0.4	0.4	–	0.4
–	–	–	–	(10.0)	(10.0)	–	(10.0)
1.5	(0.4)	3.1	41.0	–	44.1	0.3	44.4
–	–	–	(21.5)	21.5	–	–	–
–	–	–	–	(0.1)	(0.1)	–	(0.1)
(0.4)	**(7.1)**	**(8.8)**	**41.0**	**51.3**	**170.1**	**2.9**	**173.0**

6/ NOTES TO THE FINANCIAL STATEMENTS

NOTE 1/ GENERAL INFORMATION

The Assystem Group (hereinafter referred to as "the Group") is a leading international consultancy group in the field of engineering and innovation.

It is a public limited company under French law (*société anonyme*) with a Management Board and Supervisory Board. Assystem, parent and head of the Group, has its registered office at 70, boulevard de Courcelles, 75017 Paris, France.

The consolidated financial statements for 31 December 2011, as well as the accompanying Notes, were adopted by Assystem's Management Board on 8 March 2012.

However, these financial statements are only considered definitive upon their adoption by the General Meeting of Shareholders of 23 May 2012.

The consolidated financial statements show the accounting situation of Assystem and its subsidiaries. They are presented in millions of euros, rounded to the nearest hundred thousand.

NOTE 2/ HIGHLIGHTS

The 2011 financial year was marked the following significant events:

Financing Program

➤ Reimbursable Cash and New and/or Existing Share Bond (ORNANE) Issue

On 6 July 2011, the Assystem SA Company executed a convertible bond issue through reimbursable cash and new and/or existing share bonds (ORNANE) for a face value amount of €92 million, reimbursable 1 January 2017, allowing the Group to optimise its financial structure, and finance future acquisitions in the context of its development plan in France and internationally.

The principle characteristics of this bond issue were as follows:

Total amount of issue	€92 million
Issue date	6 July 2011
Due date (ultimately reimbursable)	1 January 2017
Number of bonds issued	4,181,818
Unit issue price (with 27.43% premium)	€22
Interest rate	4%, payable annually on 1 January

The Group can, at its discretion, apply the following reimbursement methods:

	Share price less or equal to face value of bonds	Share price above face value of bonds
Option 1	Reimbursement in new and/or existing shares.	Reimbursement of face value and of premium in new and/or existing shares.
Option 2	Reimbursement in cash.	Reimbursement of face value in cash and of premium in new and/ or existing shares.

This bond issue is not subject to any financial covenants nor was the subject of any guarantees.

➤ Other Available Bank Financing

Also from 22 July 2011, the Group benefitted concurrently from supplementary available bank financing of €220 million, including:

- a medium-term credit of a maximum amount of €100 million for financing of acquisitions; and
- a renewable credit of a maximum amount of €120 million for general Group needs.

Acquisition of the Berner & Mattner Company

At end January 2011, the Group acquired Berner & Mattner, adding to its capacity in the area of embedded systems and bolstering its German presence. Elements regarding this transaction are described in Note 7 – Business Combinations.

MPH Group Acquisition

At end July 2011, Assystem acquired the engineering firm MPH. This transaction occurred in two steps:

- end July 2011, full ownership of MPH France securities for €17.7 million; and
- also end July 2011, signature of an agreement, with suspensive conditions, for control of MPH operations in Dubai.

Elements regarding these operations are described in Note 7 – Business Combinations (MPH activity in France) and Note 43 – Events After the Closing (MPH activity in Dubai).

Disposal of ASG Subsidary Trading Assets

On 19 April 2011, the Group disposed of trading assets of its ASG subsidiary, specialising in the area of security and guardianship, taking effect 1 June 2011 for a disposal price of €2.1 million.

Income from this disposal, net of all expenses related to the disposal, recorded in operational income on the line "Other operating income and expenses" (see Note 30) is recognised for an amount of €1.4 million including disposal of tangible and intangible elements. On the other hand, a recovery of transferred employee pension commitments under income for €0.2 million was recognised.

ASG company 2010 financial year sales rose to €14.4 million generating €0.4 million in operational income for an approximate payroll of 400 employees.

Disposal of Assystem France Subsidiary Trading Assets

On 1 June 2011 the Group disposed of part of its activities in the naval sector concerning civil and military ship hull engineering. The disposal price of tangible and intangible elements was €2.2 million.

Income from this disposal recorded in operational income on the line "Other operating income and expenses" (see Note 30) is recognised for an amount of €1.6 million including tangible and intangible elements disposed and costs pertaining to this disposal. On the other hand, a recovery of transferred employee pension commitments for an amount of €0.2 million was recognised in income.

The financial year 2010 sales regarding civil and military ship hull engineering in the naval sector was €5.3 million for a payroll of around 40 employees.

NOTE 3/ ACCOUNTING PRINCIPLES

General Principles

Pursuant to European regulation 1606/2002 of 19 July 2002, the Assystem Group consolidated financial statements regarding the financial year ended 31 December 2011 were done according to IFRS standards and interpretations adopted by the European Union on the date of preparation of these consolidated financial statements. They are presented over three financial years.

The IFRS adopted by the European Union differ in certain respects from IFRS issued by the IASB. Nevertheless, the Group ensured that financial information for the periods presented would not have been substantially different if it had applied the IFRS as issued by the IASB.

Standards and Interpretations Issued

Mandatory applicable standards, amendments, and interpretations for the consolidated financial statements at 31 December 2011 were as follows:

- IAS 24 revised – Related Party Disclosures;
- IFRS 1 amendment – Exemption from Comparative IFRS 7 Disclosures;
- IAS 32 amendment – Classification of Rights Issues;
- IFRIC 14 amendment – Prepayments of Minimum Funding Requirements;
- IFRIC 19 – Extinguishing Financial debts with Equity Instruments;
- Other amendments to the annual improvement procedure of standards issued in May 2010.

The application of these texts did not significantly impact the consolidated financial statements at 31 December 2011.

The Group did not choose anticipatory application, when that option was available, of the new standards and interpretations below, adopted by the IASB, not yet applicable at 31 December 2011:

- IFRS 7 amendment – Information in notes on transfers of financial assets;
- IFRS 1 – Hyperinflation and suppression of Fixed Dates for First-time Adopters;
- IFRS 9 – Financial Instruments: Classification and Measurement;
- IAS 12 amendment – Recovery of Underlying Assets;
- IAS 1 amendment – Presenting global Income (other items);
- IFRS 10 – Consolidated Financial Statements;
- IFRS 11 – Joint Arrangements;
- IFRS 12 – Disclosure of Interests in Other Entities;
- IFRS 13 – Fair Value Measurements;
- IAS 27 amendment – Separate Financial Statements;
- IAS 28 amendment – Accounting for Investments in Associates/joint-ventures;
- IAS 19 – Employee Benefits;
- IFRS 7 amendment – Financial Instruments: Disclosures;
- IAS 32 amendment – Set-off of financial assets and liabilities.

Determination by the Group of the potential impact on the consolidated financial statements are currently being analysed.

Consolidation Method

➤ **Fully Consolidated Subsidiaries**

Companies in which the Group has a controlling stake are consolidated. Control is characterised by the power to direct operational and financial policies of the entity in order to benefit from them. Consolidated entity income is included in the financial statements from the date the controlling stake began through the date control ended in the subsidiary. Inter-company (balance sheet and profit/loss account) transfers are eliminated. Minority interests in shareholders' equity are presented separately in the financial statements. Losses attributed to minority interests exceeding minority interests in the net situation are allocated to Group interests except if minority interests have an obligation to or are in a position to make up said losses.

➤ Associated Companies

The equity method is applied to all associated companies in which the Group exercises a significant influence, presumed to be when voting rights are greater than or equal to 20%.

➤ Proportionally Consolidated Subsidiaries – Joint-Venture Stakes

Assystem proportionally consolidates joint-ventures in which it shares controlling stakes through agreements with a limited number of other associates.

Conversion of Foreign Company Financial Statements and Foreign-Currency Denominated Transactions

➤ Functional Currency and Presentation Currency

The financial statement figures for Group entities are measured in the currency of the primary economic environment, that is, in which the entity mainly generates and expends cash: this is called the functional currency.

The presentation currency of the Group financial statements is the euro.

➤ Transactions and balances

Foreign currency-denominated transactions are converted into the functional currency using the transaction date exchange rate. Foreign exchange gains and losses resulting from the conclusion of these transactions and those from conversion, at the rates on the closing date of monetary assets and liabilities denominated in foreign currency are recognised in the income statement except when recognised in other elements of the global result. Recognised income and expenses in other elements of the global result correspond to the effective part of eligible cash flow and net investment hedges in a foreign entity.

➤ Conversion of Subsidiary Accounts

Financial statements of foreign subsidiaries whose functional currency differs from the euro (the financial statement currency), are converted under the following conditions:
- using the closing rate method for the period balance sheet;
- the average rate method for the period income statement; this average rate is a proximate value of the quote on the transaction date in the absence of significant fluctuations.

Foreign currency gains (losses) are recognised within other elements of the consolidated result in a separate section.

Goodwill of foreign companies is recognised in the functional currency of the acquired subsidiary and converted into the reporting currency at the closing rate.

Business Combinations

➤ Business Combinations Completed Since 1 January 2010 (IFRS 3 revision applied)

Business combinations are recognised using the purchase method. According to this method, during initial consolidation of an entity which the Group has wholly purchased:
- acquired identifiable assets and liabilities are valued at their fair value on the ownership date. For this purpose, an analysis is conducted for each acquisition of a subsidiary, in particular in respect of customers (customer and contract portfolios);
- minority interests are valued at their fair value, hence at their proportional share in the identifiable net asset of the acquired entity. This option is available on a case-by-case basis for each acquisition.

Goodwill is valued as being the difference between:
- the fair value of the transferred counterparty, increased by the amount of all stakes not providing for control (minority interests) in the acquired company and, in case of business combinations done in stages, the fair value on the purchase date in the previously held stake by the purchaser in the company acquired; and
- the net amount, on the purchase date, of identifiable acquired assets and liabilities.

Evaluation of minority interests on their proportional share in the net identifiable assets results in calculation of goodwill on only the proportional share of the acquired capital.

Estimation of the fair value of minority interests results in increases to goodwill up to the portion allocated to minority interests, resulting in "full" goodwill.

The purchase price and its allocation must be finalised within twelve months from the purchase date, adjustments noted within this period are made relative to the facts and circumstances occurring on the purchase date.

A profit is recognised for negative goodwill directly on the income statement as a purchase under positive circumstances.

Goodwill is subsequently maintained at its original amount, reduced as required by the total of recorded impairments (see paragraph "Goodwill" below).

Additionally, the following principles apply to business combinations:
- all potential adjustments to the purchase price are recognised at the fair value from the purchase date, and all subsequent adjustments arising after the purchase price appropriation are recognised in income;
- costs directly tied to purchase are recognised as expenses in the period;
- during subsequent purchase from minority interests, as necessary, all variances between the price effectively paid and the original valuation of minority interests are allocated to Group shareholders' equity, pursuant to the revised IAS 27.

➤ Business Combinations Made Before 1 January 2010

In accordance with provisions of IFRS 1, during the IFRS transition, Assystem chose to not restate business combinations prior to 1 January 2004.

In its version published by IASB in March 2004, IFRS 3 already contained the acquisition method. Its provisions differ however from the revised standard on the following main points:

- minority interests were valued on the basis of their proportional share of the net identifiable asset in the acquired entity, and the fair value valuation option did not exist;
- potential adjustments of the purchase price were recognised in the purchase cost solely if occurrence was likely and the amount could be reliably assessed; and
- costs directly tied to purchase were recognised in the cost of the business combination.

➤ Goodwill

In accordance with the provisions of IFRS 3 – Business Combinations, goodwill recognised is no longer amortised but subject to at least annual impairment tests to identify any possible impairment loss that must be recognised.

Goodwill is allocated to cash generating units (CGU) or CGU groups defined by the Group. A CGU is the smallest identifiable group of assets of which the continued use generates cash inflows independent of those from other assets or another asset group. The level of CGU retained to test goodwill is determined by business, market or geographic segment characteristics of each operation.

The Group conducts impairment tests at each year-end or more often if there are signs of an impairment loss, in order to estimate the CGU's recoverable value. This is the larger of the asset's net fair value and its value in use, that is, the discounted value of estimated future cash flows expected from the use of the CGU. An impairment loss must thus be recognised for a CGU if its recoverable value becomes less than its carrying amount and is allocated primarily to the CGU's goodwill.

In the event of disposal of a company, the goodwill allocated to the subsidiary is taken into account in determining the proceeds of the disposal.

Goodwill generated in the acquisition of globally consolidated companies is identified in a separate line of the financial statements, under Goodwill. Goodwill generated for stakes in associate companies is included in the caption "Investments in Associates".

Intangible Fixed Assets

In accordance with the provisions of IAS 38 – Intangible Assets, only items of which the cost can be estimated reliably and from which it is probable that future economic benefits shall flow to the Group are recognised in intangible assets.

They consist mainly of software (intangible assets with a finite useful life), which is amortised in accordance with its type over its useful life, of between three and five years, on a straight-line basis:

• Management Software	5 years
• Production Software	3 to 5 years
• Office Software	1 to 3 years

Regarding internally generated fixed assets, the Group capitalises development costs when they fulfil all the conditions defined in IAS 38.

Capitalisable costs are those incurred as from the date when the Group can demonstrate all the following:

- the feasibility necessary to complete the intangible fixed asset's implementation or sale;
- the intention to complete and use or sell the intangible asset;
- the ability to use or sell the intangible asset;
- how the fixed asset shall generate probable future economic benefits;
- the current or future availability of the resources needed to implement the project; and,
- its ability to measure reliably the expenses related to this asset.

All expenses that can be reasonably, consistently, systematically and directly attributed to the creation, production and preparation of the asset with a view to its planned used are capitalised. Included therein are sales, administrative and general overheads. They are amortised over the useful life.

Intangible assets are measured at amortised cost, that is, the historical cost on the initial recognition date increased by subsequent amortisable expenses and decreased by cumulative amortisation expenses and recognised impairment losses.

Tangible Fixed Assets

Under IAS 16, tangible fixed assets held are classified either to be used in the production or the supply of goods and services, or for administrative purposes. These are recognised on the asset portion of the balance sheet if probable that the future economic benefits attributable to this asset shall flow to the Group and the asset's cost can be measured reliably.

They are depreciated over their useful lives, as follows:

- Fixtures, fittings and facilities: 3 to 10 years
- Transport equipment 3 to 5 years
- Office and IT equipment: 3 to 5 years
- Furniture: 10 years

They are valued at their historical purchase cost less cumulative depreciation and recognised impairment losses. The Group uses the straight-line depreciation method.

Subsequent costs are included in the value of the non-current asset or recognised separately if probable that future economic benefits attributable to this asset shall flow to the Group and the asset's cost can be measured reliably. Ongoing maintenance costs are recognised in period expenses.

The residual value is taken into account in the depreciable amount when considered material. Different components of a tangible fixed asset are recognised separately when their estimated useful lives and thus their depreciation periods differ significantly.

Investment Properties

Investment properties are defined in IAS 40 as property held for the purpose of obtaining rent or capital appreciation, or both, rather than to be used for production or administration, or to be sold in the ordinary course of business.

Investment properties are valued at fair value with changes therein taken to the period income statement.

Finance Leases

The items financed using a lease or long-term rental contract that substantially transfers all risks and benefits inherent in ownership of the asset to the lessee or tenant, are recognised in fixed assets.

Financial Assets

Pursuant to IAS 32 and 39, measurement of investments depends on the category to which they belong. Investment sales and purchases are recognised on the transaction date, that is, when the entity commits itself to performing the transaction. In the case of an instrument other than a financial asset at fair value through profit and loss, upon initial recognition, the entity must measure the asset at fair value plus transaction expenses directly attributable to the purchase. Derivative financial instruments are described in a specific Note.

➤ Loans and Receivables

Loans and receivables are non-derivative financial assets with scheduled at determinable payments which are not listed on an active market. They arise from the furnishing of services and goods, but also money-market funds to a debtor who does not intend to trade them. They are included in current assets, except for the long-term portion. They are valued at amortised cost. The impairment amount corresponds to the difference between the recoverable asset amount and the depreciated cost at the end date. The recoverable amount corresponds to the sum of probable future cash flows discounted at the operation's initial effective interest rate. This impairment loss is thus recorded on the income statement and is reversible in the event of a favourable change in estimates.

➤ Available-For-Sale Financial Assets

This category notably contains non-consolidated securities. They are valued at their fair value, with variations recorded in other global result elements up until their effective disposal excepting impairments which are recognised in the income statement. For listed securities, fair value is the market price. If the fair value cannot be measured reliably, the securities are recognised at their historical cost.

On each balance sheet date, the fair value of financial assets available for sale is calculated and recorded in assets. In the case of objective signs of impairment (significant or durable depreciation), irreversible impairment is recorded the income statement; recovery of that impairment can only occur upon disposal of the securities.

Treasury Shares

Pursuant to IAS 32, shares in the Group parent held by itself or one of its subsidiaries are recognised as a reduction to equity at acquisition cost. No change in the fair value of these shares is recognised. Capital gains or losses net of tax on disposal of treasury shares are recorded directly in shareholders' equity.

Trade Receivables and Related Accounts

This caption includes:

- services invoiced but still to be paid;
- services not yet invoiced valued at sales price; and
- work in process valued at cost price.

Trade receivables are initially recognised at fair value and then at amortised cost using the EIR method (effective interest rate), less allowances for impairment. An allowance is recognised if there are objective signs that the Group shall be unable to recover all sums initially specified by the terms of the debt. The amount of the allowance equals the difference between the figure appearing in assets and the fair value of discounted future cash flows.

Cash and Cash Equivalents

The amount appearing in the balance sheet caption in the item "Cash and cash equivalents" includes cash (cash on hand and demand deposits) and cash equivalents (highly liquid short-term investments readily convertible for a known amount of cash and subject to an insignificant risk of a change in value).

Cash and cash equivalents exclude investments in listed equities, investments with an initial maturity of more than three months and no possibility of early disposal, and bank accounts subject to restrictions (blocked accounts).

Net cash on the cash flow statement includes cash and cash equivalents after deduction of bank overdrafts.

Loans and Debts

➤ General Principles

Loans and financial liabilities are initially recognised at their fair value net of transaction fees then at the calculated depreciated cost on the basis of the EIR. They are subject to an allocation between current and non-current: if liabilities must be settled in the twelve months after the financial year end, they are classified as current liabilities.

➤ Bond loans with redeemable warrants (OBSAR) and bonds with share purchase warrants (OBSAAR)

An OBSAR is a bond with a redeemable share subscription warrant (BSAR) attached. Because of the BSAR, the interest rate offered is much lower than with normal financing. BSARs can be subject to an anticipated reimbursement at the discretion of to the issuer under certain conditions.

The difference between an OBSAR and an OBSAAR is the kind of warrant attached to the bond, the latter being a redeemable warrant for the subscription and for acquisition of shares.

OBSAR bond issues are considered by IFRS as hybrid instruments composed partly of debt and of equity instruments. For this reason, both components must be measured on the initial date and presented separately on the balance sheet.

The debt component figures in the section “Bond Issues” for an amount equal to the future contractual cash flow value discounted by the current market rate on the issue date for a normal debt (without BSAR) for identical due dates, to which is added a margin equal to the spread of the relevant credit on the issue date for similar bonds.

The “Shareholder’s Equity” component is incorporated in consolidated reserves for an amount equal to the difference between the income from the issue and the value of the discounted debt portion as set out above.

Issue fees are recognised as a reduction to the debt and shareholders’ equity portions, as per IFRS requirements.

➤ Bond Issue with Reimbursable Cash and New and/or Existing Shares (ORNANE)

An ORNANE is similar to a convertible bond (OCEANE), aligning investors with the development of the Group’s market price through allocating a performance premium from the difference between the market price on the maturity date and the bond face value.

The Group can thus issue a variable number of shares in function of the share price and the payment option exercised (see Note 2 – Highlights for details on possible payment options). Consequently, the ORNANE optional portion does not respect the fixed cash amount exchange against a set amount of shareholders’ equity instruments required by IAS 32 to recognise shareholders’ equity in a derivative instrument, and thus must be recognised as a derivative instrument on fair value in the income statement.

IAS 39 allows optional treatment, at the issuer’s discretion:

- separate recognition of the derivative; this method leads to the recognition of:
  - a debt component (host contract) recognised through the cost depreciation method, and
  - an incorporated derivative recognised at fair value in the income statement;
- fair-value option: all of the ORNANE is recognised at fair value with changes booked in the income statement.

The Group chose the first option, and separately recognised the incorporated ORNANE derivative. Given these characteristics, the incorporated derivative is not reliably and separately measurable, hence its fair value is determined as the difference between the hybrid contract and the debt component fair values.

The incorporated derivative fair value is determined by an external expert according to the Cox, Ross and Rubinstein model. Subsequent changes to the ORNANE implementation date are recognised in the income statement under “Other financial expenses and revenues”.

ORNANE issue costs are completely allocated to the debt portion.

Other Non-Current Liabilities

➤ Minority Puts

The Group can give minority shareholders of certain subsidiaries commitments to repurchase their stakes. The exercise price of these transactions can be fixed or established according to a predefined calculated formula.

The Group records a financial liability for sales options given to minority shareholders of the entities concerned. The difference between debt for the buy-back commitment and the book-value of the non-controlled interests is recorded as a deduction from shareholders’ equity.

The liability is initially recognised for the current value of the exercise price, then during subsequent closings, on the basis of the fair value of potentially purchased shares if the exercise price is based on the fair value. The subsequent fair value change in the commitment is recognised in the financial result.

Derivative Instruments

The Group uses financial instruments to manage and reduce its exposure to interest and exchange-rate risks.

Derivatives are initially recognised on inception at fair value and then subsequently remeasured. The recognition method for gains and losses in fair value depends on whether the derivative instrument is designated as a hedging instrument or not, as well as on the type of item hedged.

On inception of the hedge, the Group documents the relationship between the hedged item and the hedging instrument, as well as its own risk management objectives and hedging strategy. The Group also documents its estimates both on inception and prospectively to determine the effectiveness of the hedge in offsetting variations in the fair value or the cash flows attributable to the hedged risk.

➤ Fair Value Hedge

It is aimed at hedging exposure to recognized asset or liability fair value changes or an identified part of this asset or liability or a commitment to acquire or sell an asset at a set price which is attributable to a particular risk and which will affect the result presented. Changes in fair value are recognised on the income statement.

➤ Cash Flow Hedge

It is aimed at hedging exposure to cash flow changes which are attributable to a particular risk associated with a recognized asset or liability or to an anticipated transaction which will impact the result.

The Group applies cash flow hedge accounting when the following conditions are met:

- there is internal documentation on the hedge in place;
- the hedge is highly effective; and
- the planned transaction covered by the hedge is highly probable and carries exposure to changes in cash flows that could ultimately affect results.

Fair value changes are recognised in other elements of the global results for the part called "efficient", and the non-efficient part is allocated to the income statement for the period. If the hedge instrument expires, is sold, cancelled or exercised, profit or loss initially recognised in other elements of the global result must be maintained separately in other elements for so long as the anticipated transaction does not occur. If the commitment or transaction is no longer expected to be fulfilled, any net result recognised directly in other elements in the global result is transferred to the income statement.

Provisions

The Group recognises provisions when the enterprise has an existing current contractual, legal or constructive obligation resulting from a past event, for which the entity shall probably incur an outflow of financial resources to fulfill it and when that obligation can be measured reliably pursuant to IAS 37.

If the effect is significant, provisions are discounted using a rate that takes into account the risks specific to the transaction and the term-limit of the provision. The effect of discounting is recognised in financial results.

Employee Benefits

The Group accounts for defined-benefit and defined contribution plans in respect of retirement commitments in accordance with the laws and practices of each country where the Group is present.

➤ Defined Contribution Plans

These are plans in virtue of which an entity pays defined contributions to a distinct entity (a fund) or where its obligation is limited to the amount paid to the said entity. The entity has no legal or implicit obligation to pay additional contributions if the fund does not have sufficient assets to provide all benefits corresponding to services rendered by the staff during periods prior to termination of their employment.

Actuarial risk, that the benefits are greater than anticipated; and the investment risk (that invested assets are insufficient to cover anticipated benefits) is not borne by the employer entity.

For basic plans and others with defined contributions, the Group recognises contributions to be paid under expenses when they are due and no provision is recognised, the Group not being committed beyond contributions paid.

➤ Defined Benefit Plans

All post-employment plans other than defined contribution plans are defined benefit plans.

In this case, the entity must pay agreed benefits (level of benefits given) to current and retired employees. Two scenarios are possible:

- the entity may pay contributions to a separate entity, but must pay additional contributions (or pay benefits not covered) if the entity has insufficient assets to provide the benefits for the services provided by personnel; and
- the entity may itself assume the payment of benefits and cover these from its own assets.

That is, the entity bears the actuarial and investment risks.

In this context, the Group recognises its pension commitments according to the projected credit unit method as required by IAS 19 – Employee Benefits. This valuation includes mortality rate, employee turnover, and future salary rate hypotheses.

Debt recognised in the balance sheet for each closing date is the discounted value of the obligation according to defined benefits adjusted for costs of prior unrecognised services. The current value is the discounted value of future expected payments to meet the obligation resulting from services rendered during the financial year and prior periods less the fair value of fund assets.

Pursuant to the option anticipated by IAS 19, the Group recognises actuarial changes in other elements of the global result.

Deferred Taxes

Deferred taxes are calculated on the difference between the assets and liabilities recorded in the financial statements and the corresponding taxable value in the tax calculations. They are developed for using the liability method.

A deferred tax liability is generally recognised in respect of existing taxable temporary differences, except for exemptions set by IAS 12.

A deferred tax asset, in particular on unused tax credits and losses and deductible temporary differences, can only be recognised if it is likely that the entity shall have future taxable profits against which it can be offset.

To appreciate the Group's capacity to recover these assets, specific account is taken of:

- anticipated future taxable profits;
- non-recurring expenses which do not need to be renewed in the future which are included in prior losses; and
- past record of fiscal results for prior years.

A deferred tax liability is recognised for taxable temporary differences relating to investments in associates even if there is no probable distribution (where the Group does not control the enterprise and so cannot determine its distribution policy). This is except if there is an agreement anticipating that the profit of the associate shall not be distributed in the foreseeable future.

The deferred tax for a gain or loss recognised directly with an offsetting entry in equity is also recognised with a corresponding entry in equity.

Deferred tax assets and liabilities are offset by the tax authority and are not discounted. The Group offsets its deferred tax assets and liabilities if it has a legally enforceable right to offset current tax assets and liabilities, and these deferred taxes concern corporate income taxes accruing to the same tax authority.

In accordance with provisions of IAS 12, the Corporate Value-Added Contribution (CVAE) qualified as a tax on income which led to recognising deferred taxes from 31 December 2009 on temporary differences existing at that time, in counterpart to a net expense on the financial year income statement, the Finance Act having been approved in 2009. This deferred tax charge has been shown on the line "tax on earnings" in 2009. Moreover, from 2010 financial year onwards the total charge, both current and deferred, related to the CVBAE is reported on this same line.

Share Subscription or Purchase Options – Share-Based Payment

Pursuant to IFRS 2 – Share-based Payment, the Group recognises operations with employees remunerated in shares as an offsetting expense.

Benefits granted to employees as part of share option or free share allotment plans are recognised at fair value.

They are included as an expense calculated on a straight-line basis over the vesting period of the rights. Option valuations for measuring employee benefit expenses are calculated using the Black-Scholes model for stock options.

Although this restatement decreases the consolidated net result by recording employee benefit expenses, it has no effect on overall Group shareholder equity.

Only options granted after 7 November 2002 with rights not vested by 1 January 2005 were recognised as employee expenses, with an offsetting increase in shareholder equity (plans settled in shares).

Revenue

Elements recognised under income from ordinary activities ("Revenue") are gross inflows of economic benefits received or receivable by the entity on its own behalf for the period as part of its ordinary activities when these result in increases to shareholders' equity.

The standard requires that revenues be measured at the fair value of the consideration received or receivable. This fair value generally corresponds to the amount of the cash or cash equivalents expected.

Group revenue is recognised over the period in which the services are provided and consists of:

- invoices for services issued, or to be issued;
- appraisal of costs for services for which the Company is certain that it will receive an order from the client; and
- commissions for activities for which the Group is agent/delegate.

Depending on the transaction type, the percentage completion assessment methods for a given date can include:

- an assessment of work conducted;
- services provided as a proportion of the total services to be performed; and
- the costs incurred as a proportion of total costs expected.

Criteria retained are left to the manager's discretion at the operational unit in choosing the most suitable to assess the project.

Group services are valued as follows:

➤ Technical Assistance: these are services for which the valuation depends on the resources used. Revenue equals the time spent (established with the customer) multiplied by an hourly or daily rate.

➤ Fixed Fee: the percentage completion method is the valuation process, defined by IAS 11.

➤ Provision for Losses on Completion
Once a loss become likely, it is recognised through establishment of a provision. This is calculated based on the percentage completion method less the loss already recognised. Termination provision costs are recognised under "Depreciation and provisions".

Grants and tax credits

Public grants are recognised in revenue on a systematic basis over the periods necessary, such as to be linked to the costs they are supposed to offset. Grants related to income are recorded either as a:

- deduction of the corresponding charge if intended to cover an identified expense; or
- decrease to other operating expenses if granted in a more general framework.

The tax credits relating to operating expenses (research tax credits, etc.) are recognised in operating results as a deduction to the expenses with which they are associated using a procedure identical to that for grants.

Ordinary Operating Result/Operating Result

Ordinary operating result relates to the operating profit before unusual, atypical and infrequent items. These consist mainly of restructuring costs, asset impairment losses (including on goodwill), capital gains or losses on disposals and other revenues and expenses of significant materiality.

Net Borrowing Costs and Other Financial Expenses And Revenues

Net borrowing costs consist of all results from items forming net debt in the period, including the results of related interest and exchange-rate hedging.

Net debt consists of «Cash and cash equivalents» plus the current and non-current derivative assets included in "Other non-current investments and derivatives" and "Other current investments and derivatives" and less "Bond loans", "Other non-current financial and derivative liabilities" and "Other current financial and derivative liabilities".

Changes in the fair value of financial assets and liabilities included in the above mentioned items are excluded from net borrowing costs and classified in the net figure of other financial revenue and expenses.

Other financial expenses and revenues are those of a non-operational nature (financial revenues resulting from the main activity of the enterprise, a subsidiary or branch of business and the financial revenues related to a commercial activity) that are not part of net borrowing costs.

They consist mainly of dividends from non-consolidated companies, impairment of available-for-sale investments, results from the sale of available-for-sale investments, impairment and losses on the disposal of other current and non-current financial assets, discounting effects, changes in the fair value of financial assets and liabilities, exchange gains and losses on financial assets and liabilities and other miscellaneous financial expenses and revenues.

Basic and Diluted Earnings Per Share

Basic earnings per share are calculated by dividing the Group share of net earnings for the period by the average number of ordinary shares in circulation in the period. Diluted earnings are calculated from the Group share of net earnings for the period, net of correponding tax liability. The number of shares used for calculating diluted results takes into account the conversion of ordinary shares from dilutive instruments that are outstanding and exercisable at period-end into ordinary shares. Treasury shares recognised as a reduction to equity are excluded from the calculations of basic and diluted earnings per share.

ORNANE is considered a dilutive instrument, as the issuer can choose to settle the debt component and the derivative either in shares or cash.

To calculate the diluted result:

- earnings to use; the earnings serving as the basis for calculation of the diluted earnings per share is corrected by the ORNANE impact (interest accounted for in the period and fair value adjustment to redivative, net of taxes);
- number of shares to use; the most dilutive method is used; the Group thus must assume that the contract will be settled in ordinary shares, the number corresponding to potential ordinary shares being included in diluted earnings per share if their effect is dilutive.

Assets Held for Sale and Discontinued Operations

A non-current (fixed) asset or a group of assets and liabilities intended to be sold must be classified in assets held for sale if the carrying amount is to be recovered mainly through its sale rather than continuing operation.

For this to be the case, the asset or disposal group must be available for immediate sale in its current condition and the sale must be highly probable.

If material, these assets or disposal groups are presented separately from other assets or asset groups. The value of assets classified as held for sale is measured at the lesser of the following values: net book value and fair value less costs to sell.

An abandoned activity is defined as a significant component in the Company that is discontinued and classified as an asset to be sold, and which:

- represents a significant geographical zone or activity of the Group;
- is included in an overall disposal plan for a significant geographical zone or activity of the Group; or
- is a subsidiary acquired solely for the purpose of resale.

If material, the earnings and cash flow statement items relating to these discontinued operations are presented separately in the financial statements for all periods presented.

NOTE 4/ PRINCIPAL SOURCES OF ESTIMATION UNCERTAINTY

In accordance with IFRS, the consolidated financial statements are prepared by making a certain number of estimates and assumptions that can affect the assets and liabilities, and the revenues and expenses on the consolidated balance sheet and income statement at balance sheet date. These estimates are made by management based on the going concern principle using information available on the closing date of the accounts. They may change in accordance with events or new information that could require a reconsideration of the context in which they were prepared.

Actual results may thus vary from those expected. Given the current economic climate, the random character of certain estimates can be reinforced and especially makes it difficult to understand the Group's economic outlook, particularly to complete asset impairment tests (see Note 8).

The Group has chosen to expand on the items that are most sensitive to these estimates.

Recognition of Revenue

As mentioned in Note 3 – Accounting principles, revenue is recognised at the fair value of the consideration received or receivable when the enterprise provides the good or service.

For revenue and income regarding long-term service contracts processed according to IAS 11, the determination of the percentage completion and revenue to be recognised rests on the numerous estimates based on costs followup and acquired experience. Initial hypotheses and estimates may, however, be adjusted over the term of the contract and could have significant effects on future results.

Provisions for Guarantees for Fixed Fee Projects for Losses on Completion

Provisions for losses on completion can be recognised for engineering contracts in accordance with the percentage completion, based on IAS 18 and IAS 11 (see Note 3 – Accounting Principles, Revenue). A loss on a contract is recognised immediately *via* the allocation of a provision, after deduction of previously recognised losses, as soon as the loss becomes probable. The losses on contracts actually recorded may differ from the amounts originally provisioned, with an effect on future results.

Figures regarding provisions and project guarantees fixed-rate contracts for termination loss are presented in Note 21.

Impairment of Trade Receivables and Related Accounts

Impairment is recognised for trade receivables and related accounts if the discounted value of future receipts is less than the nominal value. The amount of impairment takes into account the debtor's capacity to honour its obligations and the age of the receivable. A smaller recoverability rate than estimated or default by an important customer could negatively affect future results.

Trade receivable and related account impairment figures are presented in Note 15.

Deferred Taxes

A deferred tax asset, in particular on fiscal losses and unused tax credits, and on deductible temporary differences, can only be recognised if probable that the entity shall have future taxable earnings against which it can be offset.

To assess the Group's ability to recover these assets, in particular, anticipated future taxable earnings, the portion of non-recurrent expenses included in past losses and the prior years' past record of taxable earnings are taken into account.

Figures related to deferred taxes on tax liabilities and temporary timings differences are presented in Note 25.

Goodwill Impairment

Estimates on hypothetical calculation assumptions in the context of goodwill impairment as well as sensitivity analyses are presented in Note 8.

Employee Benefits

Estimates based on calculation assumptions in context of employee benefits as well as sensitivity analyses are presented in Note 23.

ORNANE Derivative Instrument

ORNANE derviative valuation is based on the Cox, Ross and Rubinstein model using calculation assumptions for estimates. Sensitivity analyses are presented in Note 17.

NOTE 5/ FINANCIAL RISK MANAGMENT

The Group is exposed to the following risks in using financial instruments:

- credit risk;
- market risk;
- liquidity risk.

This note includes information on the Group's exposure to each of the above risks and those resulting from early repayment clauses in covenants, as well as its risk management and measurement procedures, objectives and policy. Quantitative information appears in other Notes to the consolidated financial statements.

The Supervisory Board defines and supervises the framework of the Group's risk management.

The Group's risk management policy aims to identify and analyse the risks the Group must face, to define the limits for these risks and the controls to be implemented, to manage the risks and to ensure compliance within the limits defined. The risk management systems and policy are regularly reviewed to take into account changes in the Group's market conditions and activities.

In its management and training procedures and rules, the Group aims to foster a constructive, rigorous control environment in which the staff members have a solid understanding of their roles and responsibilities.

The Group's Audit Committee is responsible for applying the Group's risk management policy and procedures and to examine the suitability of the Group's risk management structure to the risks it must face. Internal Audit assists the Group's Audit Committee with its supervisory work. Internal Audit has performed regular, targeted reviews of the risk management procedures and controls, the results of which are reported to the Audit Committee.

Credit Risk

Credit risk represents the risk of the Group incurring a financial loss if contractual obligations were not fulfilled by a client or financial instrument counterparty.

The book value of financial assets represents the maximum credit risk exposure:

€ millions

	Book value		
	2011	2010	2009
Available-for-sale financial assets	3.4	3.3	3.6
Other non-current financial assets	7.1	4.0	3.8
Trade receivables and related accounts	250.3	205.6	203.7
Other receivables	26.7	14.5	13.7
Cash and cash equivalents	151.8	127.9	92.9
Total	**439.3**	**355.3**	**317.7**

➤ Trade Receivables

Given the quality of its client portfolio, management estimates that its client default risk is limited. Below is a ranking of the ten most important clients in terms of sales:

2011	% of Group revenue	% of Group revenue (cumulative)
EADS	16.9%	16.9%
EDF	9.2%	26.1%
Renault	5.9%	32.0%
Peugeot-PSA	5.4%	37.4%
Areva	5.0%	42.4%
Rolls Royce	4.3%	46.7%
SPIRIT	4.2%	50.9%
General Electric	3.5%	54.4%
Alstom	2.5%	56.9%
CEA	2.4%	59.3%
End of period	59.30%	–

Business contracts exceeding a certain threshold and with unusual characteristics are systematically targeted by the Legal and Insurance Department to detect, evaluate, and process business risk to Group companies and this preliminarily to all firm and definitive commitments. The Company guards against accepting clauses it considers unacceptable.

Due to its client type, the Group experienced few losses in the period. The table below summarises the variation in impairment for the whole trade receivables and related accounts sections:

€ millions

	2011	2010	2009
Beginning of period	6.7	8.0	6.5
Change in impairment	(0.6)	(1.4)	1.5
Exchange differences	–	0.1	–
Effect of changes in scope of consolidation	0.2	–	–
Other changes	(0.1)	–	–
End of period	**6.2**	**6.7**	**8.0**

The Group determines the impairment level representing its estimate of losses incurred regarding trade receivables. It corresponds to specific losses related to to significant individual risks. The Group does not make impairments corresponding to losses incurred but not yet identified determined on historical payment data.

The Group, on the basis of its experience and given its trade receivables recovery policy, thus estimates that the period impairment level is in line with the risks incurred.

The table below summarises delays for all of the "Trade receivables and related accounts" items as well as provisions made in the light of client invoice disputes and defaults:

€ millions

	Gross		Impairment		Gross		Impairment		Gross		Impairment	
	2011	%	2011	%	2010	%	2010	%	2009	%	2009	%
Not due	220.8	86.1%	–	–	181.4	85.4%	0.7	10.4%	177.8	84.0%	0.7	8.8%
Up to 30 days past due	14.5	5.7%	–	–	14.8	7.0%	0.1	1.5%	15.9	7.5%	0.1	1.3%
Between 31 and 60 days past due	9.1	3.5%	0.1	1.6%	6.8	3.2%	0.1	1.5%	6.4	3.0%	0.2	2.5%
Between 61 and 180 days past due	4.3	1.7%	–	–	2.8	1.3%	0.2	3.0%	4.9	2.3%	1.1	13.8%
More than 181 days past due	7.8	3.0%	6.1	98.2%	6.5	3.1%	5.6	83.6%	6.7	3.2%	5.9	73.6%
Total	**256.5**	**100.0%**	**6.2**	**99.8%**	**212.3**	**100.0%**	**6.7**	**100.0%**	**211.7**	**100.0%**	**8.0**	**100.0%**

➤ Other Current and Non-Current Financial Assets

Current and non-current financial assets partly include guarantee deposits granted to establishments with which the Group contracts its real-estate leasing commitments. These deposits are returned to the Group at the end of the lease. The Group generally enters into commitments with leading real-estate market operators and so the credit risk is very limited.

This caption also includes amounts disbursed as loans repayable for payments under the employer's construction contribution system in France (*Effort à la Construction*), applicable only in that country. These loans are repayable by public bodies after a 20-year period and are subject to financial discounting.

The section finally includes a €1.2 million loan from by Assystem SA to Avances Services Réseaux, Inc. (ASR) , which is 15% owned by Assystem Canada. Given the percentage stake, the Company is not consolidated and its shares have been 100% depreciated since 2007.

Additionally, given the risk of non-recovery concerning the loan, a provision of €1.2 million was recognised in the 2009 statements.

➤ Other Receivables

This essentially is current operational receivables (tax and payroll).

➤ Cash and Cash Equivalents

Group cash and cash equivalents are €151.8 million. Investments such as monetary unit funds, certificates of deposit, and term accounts, are based mainly in the Assystem SA Group Treasury Department, in accordance with the investment policy stipulated by the Management Board.

Market Risk

Market risk relates to the possibility that changes in prices, such as in exchange and interest rates, shall affect the Group's profits. Market risk management aims to manage and control market risk exposure within acceptable limits, while optimising the risk-return relationship.

➤ Interest Rate Risk

Interest rate risk is managed by the Group Treasury Department which centralises subsidiary current and stable needs and surpluses, and centralises appropriate external financing.

In February 2010 the Group, as a reminder, renegotiated the rate hedge on the €65 million 2008 OBSAAR in-force to take into account and benefit from the lower interest rate. The 4.044% fixed rate swap and the 4.044% cap were cancelled and replaced with a 3.53% fixed rate swap against the 3 month Euibor, i.e. an effective rate of 2.65% after taking into account the spread refund of 0.88% resulting from the OBSAAR issue.

During financial year 2011 the Group implemented €220 million in bank financing unused to date, and issued a fixed rate ORNANE, thus without impact on interest rate fluctuations.

Interest rate fluctuations impact on Group results, taking into account the hedge instrument implemented on the OBSAAR, was insignificant for the year 2011.

Rate sensitivity on the 3 financial year is presented in the table below:

€ millions

	2011		2010		2009	
	+10%	-10%	+10%	-10%	+10%	-10%
Income statement impact in € million	**NS**	**NS**	**NS**	**NS**	**NS**	**NS**

➤ **Exchange Rate Risk**

Given the geographic diversity of its presence and operations, the Group is exposed to foreign exchange variations. Market volatility can impact shareholders' equity and Group results.

The Group is exposed to euro conversion risk from foreign subsidiary financial statements denominated in foreign currencies, and mainly on the EUR/GBP parity.

The net currency situation of UK subsidiaries is presented in the table below:

€ millions

	GBP
Non-current assets	9.0
Current assets	35.1
Total assets	**44.1**
Non-current liabilities	2.4
Current liabilities	13.6
Total liabilities	**16.0**
Net situation	**28.1**
Off balance sheet commitments	8.3
Net position	**19.8**

Exchange rate impact on results and Group shareholders' equity is presented in the following table:

€ millions

	2011		2010		2009	
	+10%	-10%	+10%	-10%	+10%	-10%
Income statement impact	1.2	(1.2)	0.9	(0.9)	(0.9)	0.9
Shareholders' equity impact	3.8	(3.8)	3.0	(3.0)	2.4	(2.4)

Exchange rate risk exposure from business transactions made in a foreign currency for each subsidiary is insignificant. The Group Treasury Department nevertheless hedges the exchange rate risk on contracts expressed in foreign currencies by forward-based sales or purchases in order to freeze operating margins.

➤ **Counterparty Risk**

In the context of transactions made on financial markets for risk management and cash management, the Group is exposed to counterparty risk. However loans, hedges from derivative financial instruments and investments are made through top-rank banking institutions approved by the Management Board. In 2011, the Group increased the number of its top-rank bank counterparties, notably in the context of implementation of new financing, its banking pool grew from four to eight French banks.

The treasury unit produces reports every ten days to the Chief Financial Officer on its positions, exposures, and performances.

Liquidity Risk

The Group Treasury Department is responsible for managing the liquidity risk and it provides the Group's subsidiaries with appropriate short or long-term financing resources.

Optimisation of liquidity is based on centralised management of the cash surpluses and requirements of the Group's subsidiaries. This management is carried out *via* cash-pooling agreements and intra-Group loans and borrowings in compliance with local regulations. When the consolidated cash position is in surplus, it is managed with an objective of security, liquidity and maximum return.

External financing is also centrally managed by the Treasury Department, thereby allowing for cost optimisation.

To ensure the Company's development and its liquidity for the next five years, Assystem has implemented a €312 million diversified financing programme, including:
- €92 million for ORNANE issued on 6 July 2011; to be used for (re)financing external growth;
- €220 million in available bank financing implemented 22 July 2011 which includes the following;
  - a medium-term credit of €100 million maximum for financing of acquisition projects,
  - a renewable credit of €120 million maximum for general Group needs.

The main characteristics of this financing programme are presented in Note 2 – Highlights.

The portion credit facilities/lines not drawn-down at the balance sheet date was as follows:

€ millions

	Currency	Date implemented	Amount in foreign currency	Euros equivalent	Amount drawn down	Amount available	Interest rate	Draw-down end date	Due date
France (RCF)	EUR	22 July 2011	120.0	120.0	–	120.0	Euribor 1, 3 or 6 month + credit spread*	–	22 July 2016
France (medium-term credit)	EUR	22 July 2011	100.0	100.0	–	100.0	Euribor 3 or 6 month + credit spread**	31 December 2013	22 July 2016
United Kingdom***	GBP	–	6.0	7.2	–	7.2	Libor +1.5%	–	–
Germany	EUR	–	1.6	1.6	–	1.6	–	–	–
Total	**–**	**–**	**–**	**227.2**	–	**227.2**	**–**	**–**	**–**

* Credit spread function of finance ratio level (net financial debt/EBITDA) calculated from a 0.85% level.
** Credit spread function of finance ratio level (net financial debt/EBITDA) calculated from a 1.1% level.
*** Line dependent on customer outstandings.

The contractual residual maturities of the financial liabilities can be broken down as follows, including interest payments. For forecasting cash flows, the Group uses the 3 month Euribor at 31 December for each year plus the credit spread.

€ millions

	Book value 2011	Contractual cash flows	< 1 year	1-5 years	> 5 years
Bond loans	128.3	159.5	28.3	39.2	92.0
Borrowing from credit institutions	2.5	3.0	0.5	2.2	0.3
ORNANE derivative and various financial debts	6.4	6.4	2.1	0.2	4.1
Other non-current liabilities	0.4	0.4	–	0.4	–
Current bank borrowing	0.4	0.4	0.4	–	–
Suppliers	40.5	40.5	40.5	–	–
Other current liabilities*	15.4	13.0	13.0	–	–
Operating leases	–	59.7	15.5	38.3	5.9
Total gross contractual obligations	**193.9**	**282.9**	**100.3**	**80.3**	**102.3**
Derivatives (rate hedges)	1.9	1.6	1.1	0.5	–
Total contractual obligations net of hedges	**195.8**	**284.5**	**101.4**	**80.8**	**102.3**

* Excluding social and tax debts and income recognised in advance.

€ millions

	Book value 2010	Contractual cash flows	< 1 year	1-5 years	> 5 years
Bond loans	89.3	91.2	42.4	48.8	–
Borrowing from credit institutions	0.1	0.1	–	0.1	–
Finance-lease liabilities	0.1	0.1	0.1	–	–
Various financial debts	0.6	0.6	0.5	0.1	–
Other non-current liabilities	8.2	8.2	–	8.2	–
Current bank borrowing	0.7	0.7	0.7	–	–
Suppliers	30.8	30.8	30.8	–	–
Other current liabilities*	7.4	7.4	7.4	–	–
Operating leases	–	58.3	13.2	35.1	10.0
Total gross contractual obligations	**137.2**	**197.4**	**95.1**	**92.3**	**10.0**
Derivatives (rate hedges)	2.9	3.7	1.8	1.9	–
Total contractual obligations net of hedges	**140.1**	**201.1**	**96.9**	**94.2**	**10.0**

* Excluding social and tax debts and income recognised in advance.

€ millions

	Book value 2009	Contractual cash flows	< 1 year	1-5 years	> 5 years
Bond loans	87.7	91.6	0.4	91.2	–
Borrowing from credit institutions	0.1	0.1	–	0.1	–
Finance-lease liabilities	0.3	0.3	0.3	–	–
Various financial debts	1.5	1.5	1.5	–	–
Other non-current liabilities	6.0	6.0	–	6.0	–
Current bank borrowing	0.6	0.6	0.6	–	–
Suppliers	26.9	26.9	26.9	–	–
Other current liabilities*	7.6	7.6	7.6	–	–
Operating leases	–	63.6	12.4	36.8	14.4
Total gross contractual obligations	**130.7**	**198.2**	**49.7**	**134.1**	**14.4**
Derivatives (rate hedges)	3.5	5.1	2.8	2.3	–
Total contractual obligations net of hedges	**134.2**	**203.3**	**52.5**	**136.4**	**14.4**

* Excluding social and tax debts and income recognised in advance.

Risks of Early Repayment Arising From Covenants

The OBSAAR bond loan, the revolving credit and the medium-term credit line include covenants stipulating compliance with certain financial ratios. No ratio is attached to an ORNANE.

These ratios on the one hand have a gearing calculation – solely for the 2008 OSBAAR (ratio of Net Financial Debt to Shareholders' Equity), and on the other hand a net financial debt/EBITDA calculation (Net Financial Debt to cash flow). These ratios are calculated annually from data in the consolidated financial statements. Non-compliance with the covenants entitles the lender concerned to demand early repayment of the borrowing.

At the end of the year, the Group's financial ratios were within the covenant thresholds:

	Net debt/EBITDA		Gearing
OBSAAR thresholds to respect	=<2.75	and	=<1
Medium-term and revolving credit thresholds to respect	=<2.75		–

According to covenant calculation contractual methods, the Group has no net financial debt.

NOTE 6/ CONSOLIDATION SCOPE

Name	Country	French business establishment no.	Interest percentage	Voting rights percentage	Consolidation Method
FRENCH COMPANIES					
Assystem SA	France	412076937	Parent		GC
Eurosyn Développement SAS	France	383335205	100	100	GC
Alphatest	France	400741740	49.84	49.84	ER
ASG	France	387943764	100	100	GC
Assystem France	France	322118605	100	100	GC
Assystem EOS	France	444159164	100	100	GC
Assystem Innovation	France	352268973	100	100	GC
Insiema	France	572004372	100	100	GC
Assystem Facilities Management Services	France	500989843	100	100	GC
SCI du Pont Noir	France	309112381	100	100	GC
Athos Aéronautique	France	415173210	100	100	GC
ANAFI	France	402032999	100	100	GC
ANAFI Plus	France	410357602	100	100	GC
Assystem International	France	429159106	100	100	GC
MPH Global Services (formerly Assystem Development)	France	499137610	100	100	GC
Silver Atena SAS	France	497631853	59.6	59.6	GC
Commit	France	521686857	25	25	IP
N Triple A	France	531136687	50	50	IP
Assystem Expert	France	509768917	100	100	GC
Assystem Environnement	France	519021695	100	100	GC
Extra Capital	France	523477339	95.1	95.1	GC
Sica	France	572123040	63.94	63.94	GC
MPH Group	France	382971885	100	100	GC
ASR International	France	381531110	100	100	GC
MPH France	France	343892915	100	100	GC
MPH International	France	332022334	100	100	GC
EME	France	343440822	100	100	GC
Seriacam	France	384318671	100	100	GC
Boreal Conseil	France	390367530	100	100	GC
FOREIGN COMPANIES					
Assystem Deutschland GmbH	Germany	–	100	100	GC
Assystem GmbH	Germany	–	100	100	GC
Silver Atena Electronic Systems Engineering GmbH	Germany	–	59.6	59.6	GC
Berner & Mattner Systemtechnik GmbH	Germany	–	100	100	GC
Berner & Mattner Systemtechnik GmbH	Austria	–	100	100	GC
Assystem Iberia	Spain	–	100	100	GC
Audifilm SA	Spain	–	100	100	GC
Silver Atena SL	Spain	–	59.6	59.6	GC
Assystem Portugal	Portugal	–	100	100	GC
Assystem Italia	Italy	–	100	100	GC
TFSI	Guernsey (U.K.)	–	100	100	GC
Assystem Roumanie	Romania	–	100	100	GC
Assystem Canada	Canada	–	100	100	GC
Assystem UK and subsidiaries	United Kingdom	–	100	100	GC
Silver Atena Ltd	United Kingdom	–	59.6	59.6	GC
Silver Atena UK Ltd	United Kingdom	–	59.6	59.6	GC
Specialist Services Ltd	United Kingdom	–	59.6	59.6	GC
Assystem Engineering Consulting Co Ltd	China	–	100	100	GC
A-Sino Automotive Engineering Corporation Ltd	China	–	95.34	95.34	GC
Assytem India Private Limited	India	–	100	100	GC

Name	Country	French business establishment no.	Interest percentage	Voting rights percentage	Consolidation Method
Silver Atena Electronic Systems Private Ltd	India	–	59.6	59.6	GC
Silver Software Development Centre Private Ltd	India	–	59.6	59.6	GC
Silver Atena Private Ltd	India	–	59.6	59.6	GC
Assystem Belgium	Belgium	–	100	100	GC
ASM Technologies	Morocco	–	100	100	GC
Silver Atena Inc	United States	–	59.6	59.6	GC
MPH Cifal Rus	Russia	–	51	51	GC
MPH International Human Resources	Abu Dhabi	–	80	100	GC

GC: Global consolidation.
ER: Equity method.
PI: Proportional integration.

Relations between Assystem SA, the parent, and its subsidiaries are described in Chapter 3 "Management Report by the Board of Directors", in particular in the sections on cash and parent company financial statements of Assystem SA.

NOTE 7/ BUSINESS COMBINATIONS

Related to Financial Year 2011 (see Note 8)

➤ Berner & Mattner Acquisition

The Group became full owner, shares conferring voting rights, on 31 January 2011 of the Berner & Mattner company, specialist in design, development and acquisition of embedded electronics systems. Its registered office is in Munich with offices in Cologne, Hamburg, Berlin, Stuttgart, Ingolstadt, Wolfsburg, and Vienna (Austria).

The Berner & Mattner company contributed to Group revenue up to €35.5 million and the net result up to €1.5 million for the 2011 financial year.

Details of the calculation of goodwill are as follows:

€ millions

	Provisional allocation of acquisition price
Portion paid in cash and cash equivalents	22.2
Fair value of net assets acquired	4.7
Goodwill	**17.5**
Purchase-related direct costs recognised in the income statement	0.2

This acquisition allowed the Group to bolster its presence in the electronics and embedded system market. The Group and Berner & Mattner benefited from complementary client portfolios which gave the Group a key advantage in European aerospace, automotive, defence, and transport markets.

The Berner & Mattner acquisition reinforces the Group's German presence as it will now employ more than 1,100 people for sales approaching €100 million.

Net acquired assets break down as follows:

€ millions

	Book value of net asset of acquired entity	Fair value of net asset acquired	Adjustments related to business combination recognition
Intangible fixed assets	0.3	0.9	0.6
Tangible fixed assets	0.9	0.9	–
Trade receivables	8.9	10.2	1.3
Other receivables	0.5	0.5	–
Cash and cash equivalents	6.5	6.5	–
Total assets	**17.1**	**19.0**	**1.9**
Provisions	1.2	1.2	–
Employee benefits	0.3	0.6	0.3
Financial liabilities	1.8	1.8	–
Deferred tax liability	–	0.4	0.4
Other liabilities	10.3	10.3	–
Total liabilities	**13.6**	**14.3**	**0.7**
Net assets acquired	**3.5**	**4.7**	**1.2**

The business combination recognition led the Group to:

- recognise an intangible asset corresponding to the fair value of software internally developed generating licensing revenue of €0.6 million;
- apply the percentage completion method on fixed rate contracts in accordance with IAS 11 Construction Contracts, contrary to German standards which use the completion method; in this context the Group revalued its Trade Receivables and Related Accounts item for €1.3 million;
- revalue retirement commitments in accordance with IAS 19 Employee Benefits for €0.3 million; and
- recognise a deferred tax liability of €0.4 million regarding the restatements described above.

Cash flow tied to the Berner & Mattner acquisition breaks down as follows:

€ millions

Cash and Cash Equivalents	6.5
Bank overdrafts	–
Net cash position acquired	**6.5**
Acquisition price	22.3
Cash flow related to the acquisition	**15.8**

In accordance with IFRS 3, the Group will finalise the allocation of the acquisition cost within twelve months of taking control. The allocation of the acquisition cost presented in the tables above is therefore provisional at 31 December 2011.

MPH Group Acquisition

On 28 July 2011, the Group purchased 100% of the shares with voting rights of the MPH Group in France. This acquisition allowed Assystem to bolster its energy sector presence, specifically in petrol and gas.

The MPH Group contributed to Group revenue by €15.1 million and to the net result by €0.8 million for the period 1 August to 31 December 2011. If the acquisition date of the MPH Group had been 1 January 2011, its contribution to Group revenue would have been €40 million.

Details of the calculation of goodwill are as follows:

€ millions

	Provisional allocation of acquisition price
Portion paid in cash and cash equivalents	17.7
Fair value of net assets acquired	0.1
Goodwill	**17.6**
Purchase-related direct costs recognised in the income statement	0.7

Net acquired assets break down as follows:

€ millions

	Book value of acquired asset of acquired entity	Fair value of asset acquired	Adjustments related to business combination recognition
Intangible fixed assets	0.1	–	(0.1)
Tangible fixed assets	0.4	0.4	–
Available-for-sale investments	0.1	0.1	–
Other non-current assets	0.1	0.1	–
Deferred tax assets	–	2.1	2.1
Trade receivables	15.0	15.0	–
Other receivables	3.0	2.7	(0.3)
Cash and cash equivalents	1.6	1.6	–
Total assets	**20.3**	**22.0**	**1.7**
Provisions	4.7	4.7	–
Employee benefits	–	0.6	0.6
Financial liabilities	2.6	2.6	–
Deferred tax liability	–	–	–
Other liabilities	13.9	13.9	–
Total liabilities	**21.2**	**21.8**	**0.6**
Net assets	**(0.9)**	**0.2**	**1.1**
Minority interests	0.3	0.1	(0.2)
Net assets acquired	**(1.2)**	**0.1**	**1.3**

Cash flow tied to the MPH Group acquisition broke down as follows:

€ millions

Cash and Cash Equivalents	1.6
Overdrafts and other debts	(3.9)
Net cash position acquired	**(2.3)**
Acquisition price	17.7
Cash-flow related to the acquisition	**20.0**

In accordance with IFRS 3, the Group shall finalise the allocation of the acquisition cost within twelve months of taking control. The allocation of the acquisition cost presented in the tables above is therefore provisional at 31 December 2011.

Other Events

- The Group acquired a complete business line from the Duons company in the French automotive sector for €3.5 million. This business was classified under "Goodwill" for €3.6 million after correction for acquired assets.
- The Group proceeded to buyback 16% of SICA securities for €0.2 million. During subsequent purchase from minority interests, as necessary, the gap between the price effectively paid and the original valuation of minority interests is allocated to Group shareholders' equity, pursuant to the revised IFRS 3.

➤ Related to Financial Year 2010 (see Note 8)

The Group proceeded to acquire 51% of shares with voting rights from the SICA company specializing in concrete studies. The purchase price of 51% of shares was €0.3 million. The fair value of identifiable assets and liabilities on the date of assuming control is €0.5 million and recognised goodwill related to this transaction was €0.1 million. Minority interests were valued at their proportional share in the net identifiable asset of SICA, *i.e.* €0.2 million.

➤ Related to Financial Year 2009 (see Note 8)

The Group finalised allocation of the acquisition price of the Silver Atena sub-group purchased in September 2008 during the 2009 financial year, pursuant to IFRS 3. Goodwill calculation detail, excluding foreign currency gain (loss), breaks down as follows:

€ millions

	Definitive allocation of purchase price	Definitive allocation of purchase price 2008
Portion paid in cash and cash equivalents	5.6	5.6
Direct costs related to the acquisition	2.1	2.1
Fair value of shares used as payment	2.3	2.3
Acquisition price	**10.0**	**10.0**
Fair value of net assets acquired	–	0.9
Goodwill	**10.0**	**9.1**

NOTE 8/ GOODWILL

€ millions

	2011	2010	2009
Beginning of period	**75.6**	**75.0**	**83.1**
Effect of changes in scope of consolidation	38.5	0.1	1.0
Impairment losses	–	–	(10.3)
Exchange differences	(0.1)	0.5	1.2
End of period	**114.0**	**75.6**	**75.0**
Gross value at end of period	*130.4*	*92.3*	*90.5*
Cumulative impairment losses at period-end	*16.4*	*16.7*	*15.5*

Effects of scope changes are described in Notes 2 and 7, and represent:

- goodwill on the Berner & Mattner acquisition, €17.5 million
- goodwill on the MPH Group acquisition, €17.6 million;
- goodwill on the Duons business line acquisition, €3.6 million; and
- goodwill exit related to the ASG trading assets disposal, €0.2 million.

As a reminder, an impairment was recognised in 2009 on the Silver Atena CGU, and difficulties encountered with Anglo-Indian operations of the Silver Atena division led the Group to a goodwill amortisation of €10.3 million.

The Group performs impairment tests annually or more frequently if there are objective signs of an impairment loss.

The allocation of the net carrying amounts of goodwill by CGU is shown below:

€ millions

	2009	2010	2011			
	Net value	Net value	Effect of changes in scope of consolidation	Fx translation adjustments	Net value	Cumulative impairment losses at end of period
France	51.7	51.8	21.0	–	72.8	–
Silver Atena	0.4	0.4	–	–	0.4	10.9
United Kingdom	5.8	6.3	–	(0.1)	6.2	5.3
Spain	2.2	2.2	–	–	2.2	–
Canada	–	–	–	–	–	0.2
Romania	0.3	0.3	–	–	0.3	–
Germany	14.6	14.6	17.5	–	32.1	–
Total	**75.0**	**75.6**	**38.5**	**(0.1)**	**114.0**	**16.4**

The recoverable amount of CGUs was calculated based on their value in use. To determine the value in use, the Group forecasts the future cash flows it expects to obtain from the CGU. This projection is based on five-year financial budgets. Future cash flows after five years are extrapolated taking a growth rate into account (see below). The growth rate should not exceed the average long-term growth rate of the business segment. Future cash flows are discounted using the segment's WACC (weighted average cost of capital).

The discount rates used by the Group are net of corporate income tax, and are applied to the cash flows net of corporate income tax. IAS 36 recommends performing discounting to obtain the recoverable amount by CGU by applying the rate before corporate income tax to cash flows before corporate income tax. These two methods thus enable identical results to be obtained.

The cash flows are based on budgeted forecasts established by CGU as part of planning its medium and long-term strategy. The Group retained a normative debt rate weighted for the gearing rate of the business sector and a capital cost to determine the average weighted cost of capital (WACC) per country: France 9.7%, Germany 8%, UK 8.9%, Spain 11.2%, and Romania 13.4%.

The table below presents the main factors for modelling the assumptions used for calculation of impairment loss tests:

2011 CGU	Growth rate to perpetuity for extrapolation of future cash flows beyond estimating period	Median margin over estimating period	Median income growth rate for future cash flow extrapolation over estimating period	Discount rate
France	1.25%	7.80%	4.00%	9.70%
Germany	1.25%	5.30%	5.50%	7.80%
Silver Atena	1.25%	4.10%	1.10%	8.60%
United Kingdom	1.25%	9.90%	3.00%	8.60%
Spain	1.25%	7.20%	5.00%	10.90%
Romania	1.25%	7.60%	4.00%	12.90%

2010 CGU	Growth rate to perpetuity for extrapolation of future cash flows beyond estimating period	Median margin over estimating period	Median income growth rate for future cash flow extrapolation over estimating period	Discount rate
France	1.25%	6.30%	3.70%	9.20%
Germany	1.25%	3.60%	5.20%	9.20%
Silver Atena	1.25%	1.40%	3.00%	9.20%
United Kingdom	1.25%	9.00%	4.20%	9.20%
Spain	1.25%	7.50%	7.00%	10.50%
Romania	1.25%	7.60%	4.00%	9.20%

2009 CGU	Growth rate to perpetuity for extrapolation of future cash flows beyond estimating period	Median margin over estimating period	Median income growth rate for future cash flow extrapolation over estimating period	Discount rate
France	1.25%	6.40%	3.40%	10.00%
Germany	1.25%	4.80%	5.90%	10.00%
Silver Atena	1.25%	4.50%	5.30%	10.00%
United Kingdom	1.25%	4.80%	4.20%	10.00%
Spain	1.25%	6.70%	7.00%	10.00%
Romania	1.25%	7.60%	4.00%	10.00%

Potential impairment resulting from a future discounted cash flow calculation and/or market value of assets concerned, or a change in market conditions or initially estimated cash flow can thus lead to the revision or modification of or modify previously recognised amortization.

Sensitivity analyses made on WACC used for the test marked up by 1% would not lead to an impairment on any of the CGUs.

NOTE 9/ INTANGIBLE FIXED ASSETS

€ millions

	Research and development costs	Software	Fixed assets in progress	Other	Total
Net value at 1 January 2009	**1.4**	**10.8**	**0.6**	–	**12.8**
Acquisitions	–	1.2	0.1	–	1.3
Depreciation	(0.1)	(4.9)	–	–	(5.0)
Other changes	–	0.7	(0.7)	–	–
Net value at 31 December 2009	**1.3**	**7.8**	**–**	**–**	**9.1**
Gross value at 31 December 2009	*1.7*	*38.5*	–	–	*40.2*
Cumulative depreciation and impairment at 31 December 2009	*0.4*	*30.7*	–	–	*31.1*
Net value at 1 January 2010	**1.3**	**7.8**	–	–	**9.1**
Acquisitions	–	1.2	0.2	0.3	1.7
Depreciation	(0.1)	(3.8)	–	–	(3.9)
Disposals and retirements	–	(0.9)	–	–	(0.9)
Exchange differences	0.1	0.1	–	–	0.2
Other changes	–	0.1	(0.1)	–	–
Net value at 31 December 2010	**1.3**	**4.5**	**0.1**	**0.3**	**6.2**
Gross value at 31 December 2010	*1.7*	*37.2*	*0.1*	*0.3*	*39.3*
Cumulative depreciation and impairment at 31 December 2010	*0.4*	*32.7*	–	–	*33.1*
Net value at 1 January 2011	**1.3**	**4.5**	**0.1**	**0.3**	**6.2**
Acquisitions	–	1.3	0.1	–	1.4
Effect of changes in scope of consolidation	–	0.9	–	–	0.9
Depreciation	(0.1)	(2.9)	–	–	(3.0)
Disposals and retirements	(0.1)	–	–	–	(0.1)
Other changes	–	0.1	(0.1)	–	–
Net value at 31 December 2011	**1.1**	**3.9**	**0.1**	**0.3**	**5.4**
Gross value at 31 December 2011	*1.6*	*39.3*	*0.1*	*0.3*	*41.3*
Cumulative depreciation and impairment at 31 December 2011	*0.5*	*35.4*	–	–	*35.9*

The carrying amount of software under finance leases for the last three yearshas been:

€ millions

	2011	2010	2009
Net value of software under finance leases	–	–	0,1

The Group does not plan to make significant future investments for which the management bodies have made firm commitments.

NOTE 10/ TANGIBLE FIXED ASSETS

€ millions

	Land, buildings and fittings	IT equipment	Other	Total
Net value at 1 January 2009	**6.4**	**6.9**	**3.4**	**16.7**
Acquisitions	1.4	1.6	0.3	3.3
Depreciation	(1.0)	(3.6)	(0.6)	(5.2)
Disposals and retirements	(0.2)	(0.1)	(0.1)	(0.4)
Exchange differences	–	0.1	(0.1)	–
Other changes	1.0	0.3	(0.8)	0.5
Net value at 31 December 2009	**7.6**	**5.2**	**2.1**	**14.9**
Gross value at 31 December 2009	*12.7*	*41.4*	*6.7*	*60.8*
Cumulative depreciation and impairment at 31 December 2009	*5.1*	*36.2*	*4.6*	*45.9*
Net value at 1 January 2010	**7.6**	**5.2**	**2.1**	**14.9**
Acquisitions	0.7	3.0	1.2	4.9
Depreciation	(1.2)	(3.0)	(0.4)	(4.6)
Disposals and retirements	(0.3)	(0.1)	(0.3)	(0.7)
Exchange differences	–	0.1	–	0.1
Other changes	(0.9)	–	(0.1)	(1.0)
Net value at 31 December 2010	**5.9**	**5.2**	**2.5**	**13.6**
Gross value at 31 December 2010	*9.9*	*41.0*	*6.7*	*57.6*
Cumulative depreciation and impairment at 31 December 2010	*4.0*	*35.8*	*4.2*	*44.0*
Net value at 1 January 2011	**5.9**	**5.2**	**2.5**	**13.6**
Acquisitions	1.5	4.5	1.5	7.5
Effect of changes in scope of consolidation	0.3	0.4	0.5	1.2
Depreciation	(1.3)	(3.4)	(0.8)	(5.5)
Disposals and retirements	(0.2)	(0.1)	–	(0.3)
Other changes	0.3	0.1	(0.4)	–
Net value at 31 December 2011	**6.5**	**6.7**	**3.3**	**16.5**
Gross value at 31 December 2011	*11.6*	*44.8*	*8.8*	*65.2*
Cumulative depreciation and impairment at 31 December 2011	*5.1*	*38.1*	*5.5*	*48.7*

The carrying value of office, IT and transport equipment under finance leases in the last three years equalled:

€ millions

	2011	2010	2009
Net value of IT equipment under finance leases	**0.2**	**0.3**	**0.5**

NOTE 11/ INVESTMENT PROPERTIES

Property recognised at 31 December 2011 on the "Investment Property" line is a fully-owned property located in Cherbourg. It is valued at its fair value. A valuation of the investment properties during December 2008 was performed by an independent expert with no legal link to the Group. This expert has all the qualifications required to conduct this type of valuation. The valuation method used, in accordance with IFRS, involves analysing transactions recently conducted on similar assets on the same market, as well as examining the incomed-based approach. Major market trends were also taken into consideration.

At 31 December 2011, with no appraisal completed, the Group did not consider it worthwhile to launch a new property appraisal, given its insignificant value, 0.2% of the total balance sheet. Moreover, we stipulate that the lease savings have not significantly changed since the last valuation.

€ millions

	Investment properties
Value at 1 January 2009	1.9
Reclassification to operations building	(0.5)
Value at 31 december 2009	1.4
Value at 31 december 2010	1.4
Value at 31 december 2011	**1.4**

NOTE 12/ INVESTMENTS IN ASSOCIATED COMPANIES

€ millions

	2011	2010	2009
Beginning of period	**0.5**	**0.5**	**1.0**
Dividends	(0.1)	(0.1)	(0.1)
Share of profit	0.2	0.1	0.2
Other changes	–	–	(0.6)
End of period	**0.6**	**0.5**	**0.5**

Investments in associates are made up of securities from the Alphatest company.

The Group's ownership interests in Alphatest are as follows:

	Value of investment	Non-current asset	Current asset	Non-current liabilities	Current liabilities	Revenue	Profit for period	% ownership	% voting rights
2011	0.6	–	3.4	0.3	2.0	7.7	0.3	49.84%	49.84%
2010	0.5	–	3.1	0.3	1.8	6.2	0.3	49.84%	49.84%
2009	0.5	–	3.0	0.3	1.7	5.9	0.3	49.84%	49.84%

NOTE 13/ AVAILABLE-FOR-SALE FINANCIAL ASSETS

€ millions

	Gross value		
	2011	2010	2009
Beginning of period	**4.9**	**5.2**	**4.4**
Acquisitions	–	0.2	0.2
Changes in fair value	–	(0.4)	–
Effect of changes in scope of consolidation	0.1	–	–
Other changes	–	(0.1)	0.6
End of period	**5.0**	**4.9**	**5.2**

€ millions

	Impairment		
	2011	2010	2009
Beginning of period	1.6	1.6	1.6
End of period	1.6	1.6	1.6
Net value at end of period	**3.4**	**3.3**	**3.6**
of which, unlisted securities	3.4	3.3	3.6

Details on financial assets available for sale is presented in the table below:

€ millions

	% ownership	2009 Net value	2010 Net value	Changes in fair value	Effect of changes in scope of consolidation	2011 Net value
Assystem Polska	100.0%	–	–	–	–	–
Polyform & others	25.0%	0.1	–	–	–	–
Avance Services Réseaux	15.0%	–	–	–	–	–
Holding Talan	7.0%	0.3	0.3	–	–	0.3
BTIC	68.0%	2.6	2.6	–	–	2.6
St Group	18.8%	0.6	0.4	–	–	0.4
MPH Algérie	100.0%	–	–	–	0.1	0.1
Total available-for-sale assets	**–**	**3.6**	**3.3**	**–**	**0.1**	**3.4**

NOTE 14/ OTHER NON-CURRENT ASSETS

€ millions

	Loans to non-consolidated companies	Loans and guarantee deposits	Total
Net value at 1 January 2009	**1.5**	**4.0**	**5.5**
Additions	–	1.3	1.3
Impairment losses	(1.3)	–	(1.3)
Changes in fair value	–	(0.5)	(0.5)
Repayment	(0.3)	(0.6)	(0.9)
Other changes	0.2	(0.5)	(0.3)
Net value at 31 December 2009	**0.1**	**3.7**	**3.8**
Cumulative impairment losses at 31 december 2009	*1.4*	–	*1.4*
Net value at 1 January 2010	**0.1**	**3.7**	**3.8**
Additions	–	1.2	1.2
Changes in fair value	–	(0.4)	(0.4)
Repayment	(0.1)	(0.5)	(0.6)
Net value at 31 December 2010	**–**	**4.0**	**4.0**
Cumulative impairment losses at 31 december 2010	*1.4*	–	*1.4*
Net value at 1 January 2011	–	**4.0**	**4.0**
Additions	–	2.5	2.5
Effect of changes in scope of consolidation	–	1.3	1.3
Changes in fair value	–	(0.3)	(0.3)
Repayment	–	(0.4)	(0.4)
Net value at 31 December 2011	**–**	**7.1**	**7.1**
Cumulative impairment losses at 31 december 2011	*1.4*	–	*1.4*

NOTE 15/ TRADE AND OTHER RECEIVABLES

Trade Receivables

€ millions

	2011	2010	2009
Trade receivables	204	168.9	171.2
Invoices to be issued and work in progress	52.5	43.4	40.5
Gross value	**256.5**	**212.3**	**211.7**
Impairment	(6.2)	(6.7)	(8.0)
Net value	**250.3**	**205.6**	**203.7**

Other Receivables

€ millions

	2011	2010	2009
Supplier receivables	2.0	1.1	1.3
Payroll receivables	1.2	0.7	0.7
Tax receivables	12.4	7.5	6.4
Other current receivables	5.4	2.9	3.3
Receivables for fixed assets	1.8	0.1	–
Prepaid expenses	4.3	2.2	2.1
Gross value	**27.1**	**14.5**	**13.8**
Impairment	(0.4)	–	(0.1)
Net value	**26.7**	**14.5**	**13.7**

NOTE 16/ CASH AND CASH EQUIVALENTS

€ millions

	2011	2010	2009
Cash	30.2	20.9	18.0
Cash equivalents	121.6	107.0	74.9
Total	**151.8**	**127.9**	**92.9**

Monetary unit funds, negotiable certificates of deposit, and term accounts constitute cash equivalents related to IAS 7 criteria – Cash Flow Statements. Bank accounts do not have any usage restrictions.

NOTE 17/ FINANCIAL DERIVATIVE INSTRUMENTS

Exchange Rate Derivatives

€ millions

	2011			2010			2009		
	Assets	Liabilities	Changes in fair value	Assets	Liabilities	Changes in fair value	Assets	Liabilities	Changes in fair value
Interest rate hedges – CFH*	–	(1.8)	1.1	–	(2.9)	0.6	–	(3.5)	(1.0)
Currency exchange rate hedges – CFH*	–	(0.1)	0.1	–	(0.2)	(0.2)	–	–	–
Total interest-rate products	**–**	**(1.9)**	**1.2**	**–**	**(3.1)**	**0.4**	**–**	**(3.5)**	**(1.0)**
Current portion	–	(1.9)	–	–	(3.1)	–	–	(3.5)	–
Changes in cash flow reserves	–	–	2.3	–	–	1.0	–	–	(1.3)
Financial result impact	–	–	(1.1)	–	–	(0.6)	–	–	0.3

* Cash Flow Hedge.

Hedge rate instruments are described in Note 5 “Risk Management”, in the “Rate Risk” paragraph.

Reimbursable Cash and New and/or Existing Share Bond (ORNANE) Issue Derivatives

€ millions

	2011	2010	2009
Beginning of period	0	0	–
ORNANE derivative from implementation date	10.8	–	–
Changes in fair value *via* profit and loss	(6.7)	–	–
End of period	**4.1**	**0**	**0**

The derivative instrument sensitivity to reasonable changes from main key market parameters, notably volatility and credit spread, is estimated at approximately €0.5 million.

NOTE 18/ CAPITAL AND SHARES

Shares

(in number of shares)

	Ordinary shares		
	2011	2010	2009
Beginning of period	**20,157,082**	**20,041,375**	**20,601,527**
Issue following BSA exercise	230,642	115,707	–
Capital reduction	–	–	(560,152)
Sub-total	230,642	115,707	(560,152)
Treasury shares	(1,676,580)	(1,032,406)	(791,749)
End of period	**18,711,144**	**19,124,676**	**19,249,626**
Number of shares issued and fully paid up	20,387,724	20,157,082	20,041,375
Number of shares issued but not fully paid up	–	–	–
Share face value (€ per share)	1.00	1.00	1.00

At 31 December 2011, Assystem SA shares voting rights were divided as follows:

- number of shares with single voting rights: 16 883 354;
- number of shares with double voting rights: 3 504 370.

Each share provides dividends under the same conditions.

Subscription Warrants (BSAR and BSAAR)

BSAR/BSAAR in circulation at the closing of the period were as follows:

- The number of 2012 ASBBS redeemable warrants (exercise price €10.15) in circulation period-end totalled 290,405. Exercise parity is 1.13 share for every 2012 redeemable stock warrant (ASBBS) exercised at €10.15.
- The number of 2013 ASBBS redeemable warrants (exercise price €35) in circulation period-end totalled 4,892,734. Exercise parity is 1 share for every BSAR ASBBR exercised at €35.
- The number of 2015 ASBBS redeemable warrants (exercise price €11.10) in circulation period-end totalled 3,189,513. Exercise parity is 1 share for every BSAAR ASBBR exercised at €11.10.

The maximum potential number of shares at 31 December 2011:

(in number of shares)

Number of shares issued and fully discharged	Number of total shares from the exercise of instruments in circulation at 31 December 2011				Maximum number of potential shares
Total Shares	**2012 Redeemable share subscription warrant**	**2013 Redeemable share subscription warrant**	**2015 Redeemable share subscription warrant**	**ORNANE***	**Total Shares**
20,387,724	328,158	4,892,734	3,189,513	4,181,818	32,979,947

* As in indicated in Note 3 – Accounting Principles, Earnings Diluted Per Share, the maximum dilution hypothesis used at 31 December 2011 corresponds to the face value reimbursement in shares of 4,181,818 bonds issued per the exchange rate (1 share for 1 bond issued).

Treasury Shares

(in number of shares)

	Treasury shares		
	2011	2010	2009
Beginning of period	**1,032,406**	**791,749**	**998,594**
Purchase of treasury shares	1,222,694	818,239	1,006,614
Disposal of treasury shares	(501,420)	(577,582)	(562,807)
Treasury stock given to employees and executives	(77,100)	–	(90,500)
Cancellation of treasury stock	–	–	(560,152)
End of period	**1,676,580**	**1,032,406**	**791,749**
Treasury stock value in shareholders' equity (€ millions)	**(21.9)**	**(11.5)**	**(5.4)**

NOTE 19/ BOND LOAN

	Amount issued	Maturity at issue date	Nominal interest rate	Interest paid in period (not including hedging)	Debt component on issue	Expenses allocated *via* EIR method	Shareholders' equity component on issue	Derivative incorporated on issue
2005 OBSAR*	26.0	21 March 2011	3-month Euribor +0.5%	0.1	23.0	1.0	2.0	–
2008 OBSAAR**	65.0	31 December 2013	3-month Euribor -0.88%	0.3	59.6	1.1	4.3	–
ORNANE***	92.0	1 January 2017	4.0%	1.8	79.3	1.9	–	10.8

* Total reimbursed in period.
** Repayable in three instalments, of €16.25 million on 31 December 2011 and two installments of €24.375 million respectively on 31 December 2012 and 31 December 2013.
*** Reimbursable 1 January 2017.

€ millions

	2011	2010	2009
Beginning of period	**89.3**	**87.7**	**85.6**
Increase	92.0	–	–
Repayment	(42.3)	–	–
Expenses allocated *via* EIR method	(1.9)	–	–
Amortised cost	2.0	1.6	2.1
ORNANE incorporated derivative	(10.8)	–	–
End of period	**128.3**	**89.3**	**87.7**

ORNANE:

On 6 July 2011 an ORNANE issue occurred for a total amount of €92 million. The main characteristics are described in Note 2 – Highlights.

This bond issue is not subject to any financial covenants nor was the subject of any guarantees.

The rate retained for calculating the bonded debt and derivative upon issue was 6.63%.

2008 OBSAR:

The rate retained for calculating the debt component and shareholders' equity was:
- market rate of 4.962% + a 0.8% percentage point spread, that is, 5.76%.

2005 OBSAR:

For information purposes, three OBSAR lines were originally issued between 2002 and 2004, and were subject to individual analyses in order to calculate the debt and equity components. The following assumptions were chosen:
- 2002 Brime Technologies OBSAR: market rate of 3.358% + a 2.15% percentage point spread, that is, 5.5%.
- 2003 Assystem OBSAR: market rate of 2.535% + a 1.15% percentage point spread, that is, 3.7%.
- 2004 Assystem OBSAR: market rate of 2.146% + a 1.30% percentage point spread, that is, 3.4%.

NOTE 20/ CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

€ millions

	Beginning of period	Increases	Payments	Changes in credit	Transfers	Changes in fair value	Effect of changes in scope of consolidation	End of period
Borrowing from credit institutions	0.1	0.1	–	–	(0.3)	–	2.2	2.1
Sundry financial debts	0.1	–	–	0.2	–	–	–	0.3
Long-term derivative instruments	–	10.8	–	–	–	(6.7)	–	4.1
Non-current total	**0.2**	**10.9**	–	**0.2**	**(0.3)**	**(6.7)**	**2.2**	**6.5**
Borrowing from credit institutions	–	–	(0.2)	–	0.3	–	0.3	0.4
Finance-lease liabilities	0.1	–	(0.1)	–	–	–	–	–
Sundry financial debts	0.5	–	–	1.4	–	–	0.1	2.0
Current bank borrowing	0.7	–	–	(2.1)	–	–	1.8	0.4
Short-term derivative instruments	3.1	–	–	–	–	(1.2)	–	1.9
Current total	**4.4**	–	**(0.3)**	**(0.7)**	**0.3**	**(1.2)**	**2.2**	**4.7**
Borrowing from credit institutions	0.1	0.1	(0.2)	–	–	–	2.5	2.5
Finance-lease liabilities	0.1	–	(0.1)	–	–	–	–	–
Sundry financial debts	0.6	–	–	1.6	–	–	0.1	2.3
Long-term derivatives	–	10.8	–	–	–	(6.7)	–	4.1
Short-term derivatives	3.1	–	–	–	–	(1.2)	–	1.9
Current bank borrowing	0.7	–	–	(2.1)	–	–	1.8	0.4
Total	**4.6**	**10.9**	**(0.3)**	**(0.5)**	**–**	**(7.9)**	**4.4**	**11.2**

The fair value change in the amount of €7.9 million is described in Notes 17 and 34.

NOTE 21/ PROVISIONS AND CONTINGENT LIABILITIES

Provisions

€ millions

	Beginning of period	Allowances	Reversals, used	Reversals, unused	Effect of changes in scope of consolidation	Transfer current /non-current	End of period
Guarantees for fixed fee projects and losses on completion	–	0.1	(0.2)	–	0.1	–	–
Other	0.5	0.1	–	(0.1)	0.4	(0.1)	0.8
Non-current total	**0.5**	**0.2**	**(0.2)**	**(0.1)**	**0.5**	**(0.1)**	**0.8**
Guarantees for fixed fee projects and losses on completion	0.8	1.9	(0.7)	(1.1)	5.2	–	6.1
Restructuring operations	0.4	–	(0.2)	–	–	–	0.2
Social and tax risks	3.2	1.1	(0.9)	(0.7)	0.5	–	3.2
Other	1.5	0.6	(0.5)	(0.6)	0.2	0.1	1.3
Current total	**5.9**	**3.6**	**(2.3)**	**(2.4)**	**5.9**	**0.1**	**10.8**
Guarantees for fixed fee projects and losses on completion	0.8	2.0	(0.9)	(1.1)	5.3	–	6.1
Restructuring operations	0.4	–	(0.2)	–	–	–	0.2
Social and tax risks	3.2	1.1	(0.9)	(0.7)	0.5	–	3.2
Other	2.0	0.7	(0.5)	(0.7)	0.6	–	2.1
Total	**6.4**	**3.8**	**(2.5)**	**(2.5)**	**6.4**	**–**	**11.6**

Provisions established and reversals of unused provisions ate recognized in the section “depreciation expenses and provisions” in the statement of results.

Contingent Liabilities

The legal dispute between the ASG company and the Sobrena, Acergy, and Iska Marine companies for a fire which occurred in January 2010 on board the ship Acergy Falcon, drydocked in Brest for maintenance operations, did not change during the 2011 financial year, nor did the Group's 2010 analysis for it. Thus to date, no element shows ASG has committed any wrongdoing, nor was the origin of the fire. The Group also confirms that in case of potential third-party proceedings, this incident would be covered under the Group's insurance policies, limited by an annual guaranteed cap and per incident of €20 million.

Assystem SA was subject to tax audit covering the 2008-2010 financial year for which only the conclusions for 2008 have been received and have been contested in their totality. Consequently, no provision was established at the close of the period.

NOTE 22/ EMPLOYEE BENEFITS

These consist mainly of retirement commitments payable in accordance with the Syntec agreement in France. The rights vested in accordance with seniority give entitlement to retirement benefits.

Net Commitment Recognised on the Balance Sheet

€ millions

	2011	2010	2009
Present value of funded or partially-funded retirement commitment provisions	15.9	16.6	14.5
Fair value of plan assets	(1.6)	(1.9)	(2.0)
Balance sheet provision	**14.3**	**14.7**	**12.5**

Amount Recognised on Income Statement

€ millions

	2011	2010	2009
Current period service cost	(0.8)	(1.6)	(1.5)
Finance costs	(0.6)	(0.7)	(0.7)
Return on scheme's assets	0.1	0.1	0.1
Scheme reduction	0.5	–	1.2
Amount recognised on income statement	(0.8)	(2.2)	(0.9)
Amount recognised in operational provision and depreciation expenses	(0.3)	(1.6)	(0.3)
Amount recognised in other financial expenses and revenues	(0.5)	(0.6)	(0.6)
Amount recognised on income statement	**(0.8)**	**(2.2)**	**(0.9)**

Net Liability Change Recognised on the Balance Sheet

€ millions

	2011	2010	2009
Net liability at beginning of period	14.7	12.5	10.7
Current period service cost	0.8	1.6	1.5
Finance costs	0.6	0.7	0.7
Return on scheme's assets	(0.1)	(0.1)	(0.1)
Actuarial gains and losses *via* equity	(3.1)	(0.1)	0.7
Effect of changes in scope of consolidation	2.1	0.2	0.2
Scheme reduction	(0.5)	–	(1.2)
Benefits paid	(0.5)	(0.4)	(0.2)
Allowances paid directly by the fund	0.3	0.3	0.2
Net liability at end of period	**14.3**	**14.7**	**12.5**

Actuarial spreads directly recognised in other elements of the consolidated result include:

- the change in the discount rate. The rate retained during financial year 2011 is 3.7% *versus* 4.5% in 2010 and 4.8% in 2009 (AA 10 year private bond rates); and
- update of the turnover rate following the study made in 2011 on French companies.

Current Value of Retirement Commitment

€ millions

	2011	2010	2009
Current value of retirement commitment at beginning of period	**16.6**	**14.5**	**12.8**
Service cost	0.8	1.6	1.5
Finance costs	0.6	0.7	0.7
Actuarial gains and losses *via* equity	(3.1)	(0.1)	0.7
Effect of changes in scope of consolidation	2.1	0.3	0.2
Scheme reduction	(0.5)	–	(1.2)
Benefits paid	(0.5)	(0.4)	(0.2)
Other	(0.1)	–	–
Current value of retirement commitment at end of period	**15.9**	**16.6**	**14.5**

Hedge Assets

€ millions

	2011	2010	2009
Fair value of plan assets at beginning of period	**1.9**	**2.0**	**2.1**
Return on assets	0.1	0.1	0.1
Effect of changes in scope of consolidation	–	0.1	–
Benefits paid	(0.3)	(0.3)	(0.2)
Other	(0.1)	–	–
Fair value of plan assets at end of period	**1.6**	**1.9**	**2.0**

Hedge assets are mainly split between three funds under the following conditions:

- up to €0.9 million with a minimum rate of 4.5%;
- up to €0.6 million in a diversified money, share and bond fund with a minimum return of 60% of the French government average loan rate (TmE);
- up to €0.1 million with an annual minimum net wage rate equal to 60% of TmE up to a 3.5% maximum.

Actuarial Hypotheses

	2011	2010	2009
France	–	–	–
Discount rate	3.7%	4.5%	4.8%
Salary growth rate	2.5%	2.5%	2.5%
Median turnover rate	10/15%	10/15%	10/15%

Retirement Plans with Defined Contributions

€ millions

	2011	2010	2009
Amount recognised in expenses for defined-contribution retirement plans	21.1	17.1	17.0

Sensitivity Analysis

The liability recognised for retirement allowances (Syntec agreement) is calculated per actuarial hypotheses: mortality table, staff turnover, future salaries, discount rate and expected return on plan assets. Changes in these hypotheses can more or less strongly impact liabilities.

The Group has chosen to present a sensitivity analysis for the discount rate, since any change in this assumption can significantly affect liabilities:

	Minus 1%	Minus 0.5%	Plus 0.5%	Plus 1%
Effect on total shareholders' equity (€ millions)	(1.8)	(0.8)	0.8	1.5
Effect on total equity (%)	(1.0)%	(0.5)%	0.5%	0.9%
Effect on net total retirement commitment (%)	12.6%	5.6%	(5.6)%	(10.5)%

NOTE 23/ OTHER NON-CURRENT LIABILITIES

Within the context of the acquisition of 59.6% of the Silver Atena Ltd. company completed in 2008, minority shareholders gave the Group the call option for the proportional share of capital they hold in Silver Atena between 15 April and 15 May 2014, and between 15 April and 15 May 2015.

On the other hand, the Group has granted the minority shareholders a put option for the fraction of the capital which they hold in Silver Atena Ltd, between 15 April and 15 May 2012 for 25% of their interest and between 15 April and 15 May 2013 for the balance.

The current put value was reclassified under "Other current liabilities".

An agreement with the minority shareholder is being finalized with a view to the group acquiring all the share capital held by the minority.

€ millions

	2011	2010	2009
Beginning of period	**8.2**	**6.0**	**6.9**
Other changes	(0.4)	0.9	–
Accretion effect	0.7	0.7	0.7
Fair value change recognised in income statement	(1.9)	0.6	(1.6)
Foreign currency gains (losses)	(0.1)	–	–
Reclassification in other current liabilities	(6.1)	–	–
End of period	**0.4**	**8.2**	**6.0**

The accretion affect and the fair value change were recognised in "Other financial expenses and revenues."

NOTE 24/ OTHER CURRENT LIABILITIES

€ millions

	2011	2010	2009
Customer payables	5.6	4.8	4.9
Payroll liabilities	106.7	89.0	82.0
Tax liabilities	53.5	45.5	42.0
Other operating liabilities	2.1	1.7	1.7
Operating asset liabilities	1.6	0.9	0.7
Long-term financial liabilities	–	–	0.3
Prepaid income	26.5	16.5	15.1
Silver Atena minority put	6.1	–	–
Total	**202.1**	**158.4**	**146.7**

The Group believes that the book value of the other liabilities corresponds to a reasonable approximation of their fair value.

NOTE 25/ DEFERRED TAXES

Deferred taxes presented on the balance sheet are grouped by tax units.

However, the table below is presented by type of deferred tax.

Net Deferred Tax on the Balance Sheet

€ millions

	2011	2010	2009
Deferred tax assets	–	–	–
Current	7.1	4.4	3.7
Non-current	5.0	5.1	4.3
	12.1	**9.5**	**8.0**
Deferred tax liabilities	–	–	–
Current	0.7	0.5	1.2
Non-current	5.7	1.3	1.6
	6.4	**1.8**	**2.8**
Net deferred taxes	**5.7**	**7.7**	**5.2**
of which, current	*6.4*	3.9	2.5
of which, non-current	*(0.7)*	3.8	2.7

The period changes in deferred tax assets and liabilities are broken down below:

€ millions

	2011	2010	2009
Beginning of period	**7.7**	**5.2**	**3.8**
Effect of changes in scope of consolidation	1.7	0.1	–
Period change taken to income statement	(1.9)	3.0	0.7
Deferred taxes recognised in equity	(1.8)	(0.4)	0.7
Other	–	(0.2)	–
End of period	**5.7**	**7.7**	**5.2**

Deferred Tax Assets

€ millions

	Employee profit-sharing	Provision for retirement payments	Carried-forward tax losses	Provisions for depreciation and items relating to assets	Other	Hedging derivatives	Total
At 1 January 2009	**1.4**	**3.1**	**0.4**	**2.0**	**0.6**	**0.7**	**8.2**
Period change taken to income statement	(0.8)	0.2	–	(0.9)	0.5	0.1	(0.9)
Deferred taxes recognised in other items in the global result	–	0.3	–	–	–	0.4	0.7
At 31 December 2009	**0.6**	**3.6**	**0.4**	**1.1**	**1.1**	**1.2**	**8.0**
Effect of changes in scope of consolidation	–	0.1	–	–	–	–	0.1
Period change taken to income statement	0.6	0.6	0.5	(0.4)	0.3	0.2	1.8
Deferred taxes recognised in other items in the global result	–	–	–	–	–	(0.4)	(0.4)
At 31 December 2010	**1.2**	**4.3**	**0.9**	**0.7**	**1.4**	**1.0**	**9.5**
Effect of changes in scope of consolidation	0.1	0.2	0.3	1.5	–	–	2.1
Other	–	–	(0.2)	0.2	0.1	–	0.1
Period change taken to income statement	0.5	0.4	0.4	(0.1)	0.5	0.5	2.2
Deferred taxes recognised in other items in the global result	–	(1.0)	–	–	–	(0.8)	(1.8)
At 31 December 2011	**1.8**	**3.9**	**1.4**	**2.3**	**2.0**	**0.7**	**12.1**

Deferred Tax Liabilities

€ millions

	Fair value of buildings	OBSAR restatement	ORNANE restatement	RCF restatement	Provisions	Advance revenue recognition	Other	Total
At 1 January 2009	**0.6**	**1.8**	–	–	**1.2**	–	**0.8**	**4.4**
Period change taken to income statement	0.1	(0.6)	–	–	(0.5)	–	(0.6)	(1.6)
At 31 December 2009	**0.7**	**1.2**	–	–	**0.7**	–	**0.2**	**2.8**
Other	–	–	–	–	–	–	0.2	0.2
Period change taken to income statement	–	(0.6)	–	–	(0.4)	–	(0.2)	(1.2)
At 31 December 2010	**0.7**	**0.6**	–	–	**0.3**	–	**0.2**	**1.8**
Effect of changes in scope of consolidation	–	–	–	–	–	0.4	–	0.4
Other	–	–	–	–	–	0.2	(0.1)	0.1
Period change taken to income statement	(0.1)	(0.3)	2.8	1.0	1.0	(0.2)	(0.1)	4.1
At 31 December 2011	**0.6**	**0.3**	**2.8**	**1.0**	**1.3**	**0.4**	–	**6.4**

Unrecognised Deferred Tax Assets

The amount of unused tax credits, tax losses and deductible temporary differences for which no deferred tax asset has been recognised on the balance sheet equals:

€ millions

	2011	2010	2009
Tax losses	16.9	16.8	18.9
Temporary differences	1.9	3.7	6.5
Total	**18.8**	**20.5**	**25.4**

NOTE 26/ ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

Financial Asset and Liability Accounting Classification

➤ Financial Assets

The table below presents the net carrying amount and fair value of Group financial assets during the past three financial years:

€ millions

		2011			
	Balance Sheet Value	Available-for-sale assets	Amortised cost	Fair value of assets on income statement	Fair value
Available-for-sale financial assets	3.4	3.4	–	–	3.4
Other non-current financial assets	7.1	–	7.1	–	7.1
Trade receivables and related accounts	250.3	–	250.3	–	250.3
Other receivables*	8.8	–	8.8	–	8.8
Cash and cash equivalents	151.8	–	120.3	31.5	151.8
Total	**421.4**	**3.4**	**386.5**	**31.5**	**421.4**

* Excluding social benefit and tax receivables and prepaid expenses.

€ millions

	2010				
	Balance Sheet Value	Available-for-sale assets	Amortised cost	Fair-value of assets on income statement	Fair value
Available-for-sale financial assets	3.3	3.3	–	–	3.3
Other non-current financial assets	4.0	–	4.0	–	4.0
Trade receivables and related accounts	205.6	–	205.6	–	205.6
Other receivables*	4.1	–	4.1	–	4.1
Cash and cash equivalents	127.9	–	76.9	51.0	127.9
Total	**344.9**	**3.3**	**290.6**	**51.0**	**344.9**

* Excluding social benefit and tax receivables and prepaid expenses.

€ millions

	2009				
	Balance Sheet Value	Available-for-sale investments	Amortised cost	Fair-value of assets on income statement	Fair value
Available-for-sale financial assets	3.6	3.6	–	–	3.6
Other non-current financial assets	3.8	–	3.8	–	3.8
Trade receivables and related accounts	203.7	–	203.7	–	203.7
Other receivables*	4.5	–	4.5	–	4.5
Cash and cash equivalents	92.9	–	60.9	32.0	92.9
Total	**308.5**	**3.6**	**272.9**	**32.0**	**308.5**

* Excluding social benefit and tax receivables and prepaid expenses.

➤ Financial Liabilities

The table below presents the net carrying amount and fair value of Group financial liabilities during the past three financial years:

€ millions

	2011				
	Balance Sheet Value	Liabilities at depreciated cost	Liability fair value by income statement	Derivatives	Fair value
Bond loans	128.3	128.3	–	–	128.3
Other current and non-current financial and derivative liabilities	11.2	5.2	–	6.0	11.2
Other non-current liabilities	0.4	0.4	–	–	0.4
Trade and related payables	40.5	40.5	–	–	40.5
Other current liabilities*	15.4	9.3	6.1	–	15.4
Total	**195.8**	**183.7**	**6.1**	**6.0**	**195.8**

* Excluding social and tax debts and income recognised in advance.

€ millions

	2010				
	Balance Sheet Value	Liabilities at depreciated cost	Liability fair value by income statement	Derivatives	Fair value
Bond loans	89.3	89.3	–	–	89.3
Other current and non-current financial and derivative liabilities	4.6	1.5	–	3.1	4.6
Other non-current liabilities	8.2	0.9	7.3	–	8.2
Trade and related payables	30.8	30.8	–	–	30.8
Other current liabilities*	7.4	7.4	–	–	7.4
Total	**140.3**	**129.9**	**7.3**	**3.1**	**140.3**

* Excluding social and tax debts and income recognised in advance.

€ millions

	2009				
	Balance Sheet Value	Liabilities at depreciated cost	Liability fair value by income statement	Derivatives	Fair value
Bond loans	87.7	87.7	–	–	87.7
Other current and non-current financial and derivative liabilities	6.0	2.5	–	3.5	6.0
Other non-current liabilities	6.0	–	6.0	–	6.0
Trade and related payables	26.9	26.9	–	–	26.9
Other current liabilities*	7.6	7.6	–	–	7.6
Total	**134.2**	**124.7**	**6.0**	**3.5**	**134.2**

* Excluding social and tax debts and income recognised in advance.

Fair Value Ranking

The Group distinguishes three categories of financial instruments and supports this classification, in accordance with international accounting standards to show financial instrument characteristics recognised in the balance sheet:

- Level 1: financial instruments subject to listing on an active market.
- Level 2: financial instruments whose fair value valuation relies on valorisation techniques based on observable market parameters.
- Level 3: financial instruments whose fair value valuation relies on valorisation techniques based on non-observable or partially observable parameters (whose value results from hypotheses disconnected from the observable transaction price on the markets, the same instrument, or observable market data available on the closing date). This model applies notably for unlisted equity securities which are valued at their purchase price marked up for transaction fees in the absence of an active market, and for the derivative incorporated for the ORNANE (see Note 17).

Fair value ranking by financial instrument class at 31 December 2011 is as follows:

€ millions

	2011			
	Level 1 Category Market Price	Level 2 Category Models with observable parameters	Level 3 Category Models with non-observable parameters	Total
Available-for-sale financial assets	–	–	3.4	3.4
Cash equivalents	31.5	–	–	31.5
Total	**31.5**	–	**3.4**	**34.9**
ORNANE derivatives	–	–	4.1	4.1
Exchange rate derivatives	–	1.9	–	1.9
Other current liabilities	–	–	6.1	6.1
Total	**–**	**1.9**	**10.2**	**12.1**

NOTE 27/ SHARE-BASED PAYMENTS

Free Share Allotment

	2007 Plan (1)		2009 Plan (2)		2009 Plan (3)		2011 Plan (4)		2011 Plan (5)		2011 Plan (6)	
Exercise price (€)		1.00		1.00		1.00		1.00		1.00		1.00
Furthest grant date		29 June 2007		28 April 2009		5 November 2009		13 April 2011		31 October 2011		29 November 2011
Furthest expiry date		29 June 2011		28 April 2011		5 November 2011		13 April 2013		31 October 2013		31 March 2016
	Number of free shares	Average weighted exercise price	Number of free shares	Average weighted exercise price	Number of free shares	Average weighted exercise price	Number of free shares	Average weighted exercise price	Number of free shares	Average weighted exercise price	Number of free shares	Average weighted exercise price
Outstanding at 1 January 2009	**95,800**	**1.00**	–	**1.00**	–	**1.00**	–	–	–	–	–	–
Free shares granted in period	–	–	4,700	–	60,000	–	–	–	–	–	–	–
Free shares waived in period	(3,600)	1.00	–	–	–	–	–	–	–	–	–	–
Free shares exercised in period	(79,500)	1.00	–	–	–	–	–	–	–	–	–	–
Free shares lapsed in period	–	–	–	–	–	–	–	–	–	–	–	–
Outstanding at 31 December 2009	**12,700**	**1.00**	**4,700**	**1.00**	**60,000**	**1.00**	–	–	–	–	–	–
Average weighted share price for free shares exercised in exercise period (€)	*9.37 (in 2009)*		–	–		–		–		–		–
In circulation at 1 January 2010	**12,700**	**1.00**	**4,700**	**1.00**	**60,000**	**1.00**	–	–	–	–	–	–
Free shares granted in period	–	–	–	–	–	–	–	–	–	–	–	–
Free shares waived in period	–	–	–	–	–	–	–	–	–	–	–	–
Free shares exercised in period	–	–	–	–	–	–	–	–	–	–	–	–
Free shares lapsed in period	–	–	–	–	–	–	–	–	–	–	–	–
Outstanding at 31 December 2010	**12,700**	**1.00**	**4,700**	**1.00**	**60,000**	**1.00**	–	–	–	–	–	–
Average weighted share price for free shares exercised in exercise period (€)	–	–	–	–		–		–		–		–
In circulation at 1 January 2011	**12,700**	**1.00**	**4,700**	**1.00**	**60,000**	**1.00**	–	–	–	–	–	–
Free shares granted in period	–	–	–	–	–	–	20,500	1.00	43,360	1.00	108,900	1.00
Free shares waived in period	–	–	(300)	1.00	–	–	–	–	(1,386)	1.00	–	–
Free shares exercised in period	(12,700)	–	(4,400)	1,00	(60,000)	1.00	–	–	–	–	–	–
Free shares lapsed in period	–	–	–	–	–	–	–	–	–	–	–	–
Outstanding at 31 December 2011	**–**	**–**	**–**	**–**	**–**	**–**	**20,500**	**1.00**	**41.974**	**1.00**	**108,900**	**1.00**
Average weighted share price for free shares exercised in exercise period (€)	*15.0 (in 2010)*		*15.0 (in 2010)*		*15.0 (in 2010)*			–		–		–

(1) Allocation granted by the Management Board on 29 June 2007 under the authorisation given by the General Shareholders' Meeting of 8 June 2006.
The vesting period for rights is two or four years from the allotment date. Definitive vesting is subject to continued employment of the beneficiary for the entire vesting period.
The lock-in period is four years.
(2) Allocation granted by the Management Board on 28 April 2009 under the authorisation given by the General Shareholders' Meeting of 15 May 2008.
The vesting period for rights is two years from the allotment date. Definitive vesting is subject to continued employment of the beneficiary for the entire vesting period.
The lock-in period is four years.
(3) Allocation granted by the Management Board on 5 November 2009 under the authorisation given by the General Shareholders' Meeting of 15 May 2008.
The vesting period for rights is two years from the allotment date. Definitive vesting is subject to continued employment of the beneficiary for the entire vesting period.
The lock-in period is four years.
(4) Allocation granted by the Management Board on 13 April 2011 under the authorisation given by the General Shareholders' Meeting of 15 May 2008.
The vesting period for rights is two years from the allotment date. Definitive vesting is subject to continued employment of the beneficiary for the entire vesting period.
The lock-in period is four years.
The vesting period for rights is two years from the allotment date. Definitive vesting is subject to continued employment of the beneficiary for the entire vesting period.
The lock-in period is four years.
(6) Allocation granted by the Management Board on 29 November 2011 under the authorisation given by the General Shareholders' Meeting of 5 October 2010.
The lock-in period is four years and four months.

Share-Based Payment Expenses

The amount of expenses relating to share-based payment is:

	2011	2010	2009
Share-based payment expenses	0.4	0.6	1.1

The fair value of options granted was measured using the following assumptions:

	2011	2010	2009
Average weighted fair value of options or free shares granted (in € per unit)	12.80	–	8.74

NOTE 28/ SECTORAL INFORMATION

At 31 December 2011, the Group was organised by geographical regions:
- France;
- Europe excl. France;
- Other regions.

The segments have their own resources and may share certain resources with other segments as part of synergies. This sharing takes the form of a reallocation of costs or by contractual relations between the different legal entities. The provision of shared resources is shown in the inter-segment revenues, while expenses are allocated to segment results. Segment results exclude management fees invoiced by the parent to its subsidiaries. Transactions with other segments are concluded under normal market conditions such as would be available to third parties.

Segment assets include those operating assets used by each segment as part of its operating activities that are directly or reasonably attributable to that segment. These do not include investment properties, available-for-sale investments, other non-current financial and derivative assets, deferred tax assets, corporate income tax receivables, other current financial and derivative assets or cash and cash equivalents.

Segment liabilities consist of the segment activities' operating liabilities that are directly or reasonably attributable to the segment. Debts, deferred tax liabilities and corporate income tax liabilities are excluded.

Sectoral information developed is presented by geographic zone:
- priority is given to increasing Group sales and its geographic reach (Germany, United Kingdom, Spain, and Canada, etc.), highlighting its sizable international reach within the Group;
- the country axis is by design extremely perennial though the Assystem business model, based on reactivity and mobility, resulting in highly frequent sectoral activity (which can change quickly, annualy or every two years). Sector information by country is thus that which best allows users of financial statements to appreciate with time comparisons, the nature and impact of financial activities in which the Assystem Group is involved and the economic environments in which it operates.

€ millions

Exercice 2011	France	Europe excl. France	Other regions	Unallocated items	Intrasegment	Total
External revenue	501.5	249.2	9.9	–	–	760.6
Intra-segment revenue	3.1	7.5	5.7	–	(16.3)	–
Total revenue	**504.6**	**256.7**	**15.6**	–	**(16.3)**	**760.6**
Operating income*	**39.1**	**17.6**	**2.0**	–	–	**58.7**
Financial result	(0.2)	0.6	(0.2)	0.8	–	1.0
Associates net income share	–	–	–	0.2	–	0.2
Profit for the period from continuing operations before tax	**38.9**	**18.2**	**1.8**	**1.0**	–	**59.9**
Income tax expense	(17.2)	(3.3)	(0.1)	2.0	–	(18.6)
Earnings from continuing operations	**21.7**	**14.9**	**1.7**	**3.0**	–	**41.3**
Segment assets	273.0	132.0	3.9	174.9	–	583.8
Investment in associates	–	–	–	0.6	–	0.6
Consolidated total assets	**273.0**	**132.0**	**3.9**	**175.5**	–	**584.4**
Segment liabilities	211.0	47.4	2.3	323.7	–	584.4
Consolidated total liabilities	**211.0**	**47.4**	**2.3**	**323.7**	–	**584.4**
Operating investments/divestments	(3.1)	(4.5)	(0.4)	(0.5)	–	(8.5)
Depreciation	(5.1)	(3.1)	(0.2)	(0.2)	–	(8.6)
Other non-cash operating revenue and expenses	3.8	1.8	0.2	1.2	–	7.0

* After reallocation of registered office expenses on pro-rata to sales basis.

€ millions

Exercice 2010	France	Europe excl. France	Other regions	Unallocated items	Intrasegment	Total
External revenue	438.3	183.2	15.0	–	–	636.5
Inter-segment revenue	3.0	6.3	5.8	–	(15.1)	–
Total revenue	**441.3**	**189.5**	**20.8**	–	**(15.1)**	**636.5**
Operating profit from continuing operations	**26.5**	**15.7**	**2.1**	–	–	**44.3**
Other operating revenue and expense	–	–	–	–	–	–
Operating income	**26.5**	**15.7**	**2.1**	–	–	**44.3**
Financial result	(0.7)	(1.6)	(0.2)	(3.6)	–	(6.1)
Associates net income share	–	–	–	0.1	–	0.1
Profit for the period from continuing operations before tax	**25.8**	**14.1**	**1.9**	**(3.5)**	–	**38.3**
Income tax expense	(12.3)	(2.9)	(0.2)	0.7	–	(14.7)
Earnings from continuing operations	**13.5**	**11.2**	**1.7**	**(2.8)**	–	**23.6**
Segment assets	212.7	101.5	1.4	146.9	–	462.5
Investment in associates	–	–	–	0.5	–	0.5
Consolidated total assets	**212.7**	**101.5**	**1.4**	**147.4**	–	**463.0**
Segment liabilities	174.1	37.0	2.1	249.8	–	463.0
Consolidated total liabilities	**174.1**	**37.0**	**2.1**	**249.8**	–	**463.0**
Operating investments/divestments	(3.4)	(2.8)	(0.2)	(0.2)	–	(6.6)
Depreciation	(5.9)	(2.2)	(0.2)	(0.1)	–	(8.4)
Other non-cash operating revenue and expenses	0.2	(0.1)	0.1	(1.5)	–	(1.3)

* After reallocation of office expenses on pro-rata to sales basis.

€ millions

Exercice 2009	France	Europe excl. France	Other regions	Unallocated items	Intrasegment	Total
External revenue	433.5	170.1	3.7	–	–	607.3
Inter-segment revenue	2.3	4.1	4.1	–	(10.5)	–
Total revenue	**435.8**	**174.2**	**7.8**	–	**(10.5)**	**607.3**
Operating profit from continuing operations	**21.0**	**5.2**	**(0.5)**	–	–	**25.7**
Other operating revenue and expense	–	(10.1)	–	–	–	(10.1)
Operating income	**21.0**	**(4.9)**	**(0.5)**	–	–	**15.6**
Financial result	(0.9)	1.1	–	(5.0)	–	(4.8)
Associates net income share	0.2	–	–	–	–	0.2
Profit for the period from continuing operations before tax	**20.3**	**(3.8)**	**(0.5)**	**(5.0)**	–	**11.0**
Income tax expense	(6.8)	(1.1)	–	4.4	–	(3.5)
Earnings from continuing operations	**13.5**	**(4.9)**	**(0.5)**	**(0.6)**	–	**7.5**
Segment assets	219.1	90.8	2.4	115.2	–	427.5
Investment in associates	–	–	–	0.5	–	0.5
Consolidated total assets	**219.1**	**90.8**	**2.4**	**115.7**	–	**428.0**
Segment liabilities	161.1	33.4	2.0	231.5	–	428.0
Consolidated total liabilities	**161.1**	**33.4**	**2.0**	**231.5**	–	**428.0**
Operating investments/divestments	(4.0)	(1.7)	(0.1)	–	–	(5.8)
Depreciation	(7.0)	(2.2)	(0.4)	(0.1)	–	(9.7)
Impairment losses recognised in result	–	(10.3)	–	–	–	(10.3)
Other non-cash operating revenue and expenses	(0.7)	2.4	0.2	(3.0)	–	(1.1)

* After reallocation of office expenses on pro-rata to sales basis.

NOTE 29/ AMORTISATION, DEPRECIATION AND PROVISIONS EXPENSE

€ millions

	2011	2010	2009
Depreciation expenses	8.6	8.5	9.7
Net change in provisions for risk and expense provisions	2.4	2.4	1.8
Total	**11.0**	**10.9**	**11.5**

NOTE 30/ OTHER ORDINARY OPERATING REVENUE AND EXPENSE

€ millions

	2011	2010	2009
Outsourced operations and business purchases	76.7	51.1	44.3
Cost of premises	17.6	18.1	19.8
IT expenses	6.4	4.8	4.8
Vehicle costs	11.0	10.6	10.7
Advertising and public relations	4.3	2.5	1.7
Fees and commissions	12.6	9.5	7.1
Travel expenses and entertainment allowances	20.6	15.4	15.5
Miscellaneous	10.1	9.0	9.6
Total	**159.3**	**121.0**	**113.5**

NOTE 31/ EMPLOYEE BENEFITS EXPENSES

€ millions

	2011	2010	2009
Salaries and wages	388.5	343.3	337.1
Retirement plan contributions	21.1	17.1	17.0
Social charges	112.2	94.2	92.6
Share-based payment expenses	0.4	0.6	1.1
Employee profit-sharing	7.7	3.6	1.8
Total	**529.9**	**458.8**	**449.6**

NOTE 32/ OTHER OPERATING REVENUE AND EXPENSE

€ millions

	2011	2010	2009
Impairment losses on tangible and intangible assets, and goodwill	–	–	(10.3)
Other	–	–	(0.1)
Total other operating expenses	–	–	**(10.4)**
Other operating revenues	–	–	0.3
Total other operating revenues	–	–	**0.3**
Total other operating revenue and expense	**–**	**–**	**(10.1)**

NOTE 33/ NET BORROWING COSTS

€ millions

	2011	2010	2009
Bond issues (OBSAAR and ORNANE)	(2.2)	(0.3)	(1.0)
Finance-lease credit facilities	–	–	(0.1)
Medium and long-term credit facilities	(0.5)	(0.2)	(0.2)
Short-term credit facilities	(0.1)	–	–
Interest on debts	**(2.8)**	**(0.5)**	**(1.3)**
Income from cash invested	1.9	1.1	1.3
Result of interest-rate hedges on financial debt	(1.6)	(2.5)	(1.9)
Net borrowing costs	**(2.5)**	**(1.9)**	**(1.9)**

The increase in the cost of debt from bonds comes from the ORNANE implementation (see Note 19), for €1.8 million.

NOTE 34/ OTHER FINANCIAL EXPENSES AND REVENUES

€ millions

	2011	2010	2009
ORNANE derivative fair value fluctuations	6.7	–	–
Total ORNANE fair value fluctuations	**6.7**	**–**	**–**

€ millions

	2011	2010	2009
Impairment and losses on disposal of other current and non-current financial assets	–	–	(1.2)
Discounting effect	(1.5)	(1.7)	(2.3)
Amortised cost of bond loans	(2.0)	(1.6)	(2.1)
Change in fair value of other financial assets and liabilities	0.9	(1.2)	2.5
Exchange gains and losses on financial assets and liabilities	(0.1)	0.5	0.3
Other financial expenses and revenues	(0.5)	(0.2)	(0.1)
Total other financial expenses and revenues	**(3.2)**	**(4.2)**	**(2.9)**

NOTE 35/ TAXES

Taxes booked during the Period

€ millions

	2011	2010	2009
Current taxes	(16.7)	(17.7)	(4.6)
Deferred Taxes	(1.9)	3.0	1.1
Amount recognised on income statement	**(18.6)**	**(14.7)**	**(3.5)**
Current tax on treasury stock	(0.2)	(0.4)	0.2
Deferred Taxes	(1.9)	(0.4)	0.7
Deferred taxes recognised in equity	**(2.1)**	**(0.8)**	**0.9**
Current taxes	(16.9)	(18.1)	(4.4)
Deferred Taxes	(3.8)	2.6	1.8
Total in period	**(20.7)**	**(15.5)**	**(2.6)**

Taxes booked in the Income Statement during the Period

€ millions

	2011	2010	2009
Current taxes	**(16.7)**	**(17.7)**	**(4.6)**
For the period	(17.6)	(16.6)	(4.5)
For prior periods	0.9	(1.1)	(0.1)
Deferred taxes	**(1.9)**	**3.0**	**1.1**
For the period	(2.8)	1.4	1.0
For prior periods	0.9	1.6	0.1
Amount recognised on income statement	**(18.6)**	**(14.7)**	**(3.5)**

As a reminder, the increase in required taxes between 2009 and 2010 is in part due to the recognition of the Business Value-Added Contribution (CVAE) of French subsidiaries in the section "Income Tax Expenses" for €6.5 million in accordance with the principle described in Note 3 ("Accounting Principles" in the paragraph "Deferred Taxes").

Type of Deferred Taxes booked in the Income Statement during the Period

€ millions

	2011	2010	2009
For temporary differences	(2.3)	1.7	1.1
For tax liabilitie	0.4	1.3	–
Amount recognised on income statement	**(1.9)**	**3.0**	**1.1**

Tax Proof

The Group's corporate income tax differs from the theoretical value arising from applying the rate applicable to the profits of the consolidated entities. The reconciliation between the theoretical and actual amounts of tax recognised is as follows:

€ millions

	2011	2010	2009
Profit before tax from continuing operations excluding equity method associates	59.7	38.2	10.8
Theoretical tax rate	36.10%	34.43%	34.43%
Theoretical tax charge	**(21.6)**	**(13.2)**	**(3.7)**
Permanent differences	6.5	2.2	1.2
Differences arising from tax rates	1.6	1.0	–
Other taxes	(6.7)	(5.2)	–
Period income or expense related to changes in tax rates or new taxes	0.3	–	–
Adjustments recognised in period for prior-period tax liabilities	0.9	(1.1)	(0.1)
Benefits arising from tax deficits, tax credits or timing differences not booked in prior periods	0.9	1.6	0.1
Period effects from non-capitalised losses	(0.5)	–	(1.0)
Total adjustments	3.0	(1.5)	0.2
Actual tax charge	**(18.6)**	**(14.7)**	**(3.5)**
Effective rate	**31.16%**	**38.48%**	**32.41%**

The amount in the line "Other taxes" comprises mainly CVAE on French subsidiaries.

NOTE 36/ EARNINGS PER SHARE

Basic Earnings Per Share

This figure is calculated by dividing the Group share of profit for the period by the average weighted number of ordinary shares in circulation during that time, excluding treasury shares.

€ millions

	2011	2010	2009
Profit for period, Group share	41.0	21.5	(0.8)
Average weighted number of ordinary shares in circulation in period	19,277,991	19,509,348	19,316,872
Basic earnings per share (€)	**2.13**	**1.10**	**(0.04)**

Diluted Earnings Per Share

The amount of diluted earnings per share is determined by adjusting the average weighted number of ordinary shares in circulation in the period for the effects of all potentially dilutive instruments. Potentially diluted ordinary shares correspond to:

- free share allotments;
- share subscription options; and
- settlement in shares of ORNANE debt (see below).

€ millions

	2011	2010	2009
Profit for period, Group share	41.0	21.5	(0.8)
ORNANE derviative fair value change (net of corporate taxes)	(4.3)	–	–
ORNANE interest expenses (net of corporate taxes)	1.8	–	–
Profit for period used to calculate diluted earnings per share	**38.5**	**21.5**	**(0.8)**
Average weighted number of ordinary shares in circulation in period	19,277,991	19,509,348	19,316,872
Options, share subscription warrants and equivalents	1,107,100	327,540	–
ORNANE dilutive effect	4,181,818	–	–
Average weighted number of ordinary shares used to calculated diluted earnings per share	**24,566,909**	**19,836,888**	**19,316,872**
Diluted earnings per share (€)	**1.57**	**1.08**	**-0.04**

Dilutive instruments recognised for calculation of the diluted earning per share are:

- 2012 BSAR for 328,158 (see Note 18);
- 2015 BSAR for 3,189,513 (see Note 18);
- all free share allotments not yet issued for 171,374 (see Note 27); and
- 4,181,818 shares settling the ORNANE bond debt (see Notes 18 and 3); the maximum dilution hypothesis used at 31 December 2011 corresponds to the reimbursement in shares of 4,181,818 bonds issued given the conversion rate (one share for one bond issues).

For information, the basic and diluted earning per share from discontinued operations is as follows:

€

	2011	2010	2009
Basic earnings per share from discontinued operations	(0.01)	(0.06)	(0.43)
Diluted earnings per share from discontinued operations	–	(0.06)	(0.44)

NOTE 37/ DIVIDEND PER SHARE

	2011*	2011	2010	2009
Date of dividend distribution from profits of prior year	–	21 June 2011	14 June 2010	30 May 2009
Date of proposed distribution on profits of prior year at the General Meeting	23 May 2012	12 May 2011	5 May 2010	30 April 2009
Total amount distributed (€ millions) from prior-year profit	8.5	8.6	4.9	9.7
Dividend per share (€ per share) from prior-year profit	0.45	0.45	0.25	0.50

* Subject to the approval of the General Meeting.

The financial statements do not reflect the dividend payable from profit for the previous period.

NOTE 38/ OFF BALANCE SHEET COMMITMENTS

At period end, the management considered that in respect of the list of off-balance sheet commitments given below, there remained no other commitments liable to affect the current or future situation of the Assystem Group significantly.

Operating Leases

The table below shows the minimum future payments for non-cancellable leases at the end of the period:

€ millions

	Less than a year	One to five years	More than five years	Total
Minimum future payments at 31 december 2011	**15.5**	**38.3**	**5.9**	**59.7**
Real estate	11.3	32.4	5.9	49.6
Office and transport equipment	4.2	5.9	–	10.1
Minimum future payments at 31 december 2010	**13.2**	**35.1**	**10.0**	**58.3**
Real estate	9.1	30.9	10.0	50.0
Office and transport equipment	4.1	4.2	–	8.3
Minimum future payments at 31 december 2009	**12.4**	**36.8**	**14.4**	**63.6**
Real estate	9.3	34.1	14.4	57.8
Office and transport equipment	3.1	2.7	–	5.8

Other Commitments

€ millions

	Commitments given		Commitments received		
	Avals, deposits and guarantees	Collateral	Avals, deposits and guarantees	Securities disposal payment guarantees	Unused credit lines
Holding company	4.0	–	–	–	220.0
France	2.9	–	0.4	–	–
Spain	0.4	–	–	–	–
United Kingdom	–	–	–	–	6.3
Germany	1.5	–	0.1	–	1.6
Joint-venture - Engage	11.0	–	11.0	–	–
Other	0.9	–	–	–	–
Total	**20.7**	**–**	**11.5**	**–**	**227.9**

Individual Training Rights

For the period, the volume of individual training rights outstanding and unused is approximately 416,643 hours.

NOTE 39/ RELATED PARTY INFORMATION

The Group defined three categories of related parties:

- Executives have the authority and responsibility of the control and leadership of the Group entities. They make up the Assystem SA Management Board.
- The HDL company (other related parties); the HDL company and its H2DA affiliate which holds 21.38% of voting rights, provides the Group with management, administration and business organization services.
- Minority shareholders of the Silver Atena subgroup (other related parties).

Transactions with related parties can be broken down as follows:

Remuneration and Benefits Granted to Managers

€ millions

	2011	2010	2009
Salaries and other short-term benefits*	–	2.2	0.7
Share-based payment	0.2	0.5	0.7
	0.2	**2.7**	**1.4**

* Corresponding to direct payment (expenses included) issued to Group Management Board members.

Additionally:

- in the event of the termination of the employment contract of Gilbert Vidal at the employer's initiative, payment of a total, fixed and definitive amount of €400,000 (except in the event of termination for serious misconduct or gross negligence);
- calculation methods of the termination package of the business agreement made by Assystem with the HDL company in case of a friendly and a hostile takeover are as follows:
  - in the event of a friendly takeover of Assystem, with three month's prior notice, equal to twice the average of the fixed portion due for services performed in the two years preceding the cancellation,
  - in the case of a hostile takeover – particularly a takeover bid or share swap that is unsolicited by its managers – the indemnity will be equal to three times the average of the fixed portion due for services performed in the two years preceding termination.

Executives benefit from stock purchase option plans and free share allotments:

	FSA	FSA	Total
2011	05/2008 Plan	11/2009 Plan	
S. Aubarbier	–	15,000	15,000
D. Bradley	–	15,000	15,000
G. Brescon	–	15,000	15,000
G. Vidal	–	15,000	15,000
	–	**60,000**	**60,000**
Of which corporate officers	–	**60,000**	**60,000**
2010			
S. Aubarbier	25,000	15,000	40,000
D. Bradley	25,000	15,000	40,000
G. Brescon	25,000	15,000	40,000
G. Vidal	25,000	15,000	40,000
	100,000	**60,000**	**160,000**
Of which corporate officers	**100,000**	**60,000**	**160,000**
2009			
S. Aubarbier	25,000	15,000	40,000
D. Bradley	25,000	15,000	40,000
G. Brescon	25,000	15,000	40,000
JF. Lours	25,000	–	25,000
G. Vidal	25,000	15,000	40,000
	125,000	**60,000**	**185,000**
Of which corporate officers	**125,000**	**60,000**	**185,000**

FSA: Free share allotment.

Transactions Recognised on Balance Sheet

€ millions

	2011	2010	2009
Joint ventures	2.4	1.3	–
Revenue	**2.4**	**1.3**	–
Joint ventures	0.3	0.2	–
Other operating income	**0.3**	**0.2**	–
Other related parties – HDL and its subsidiaries	3.0	3.0	2.1
Other related parties – Silver Atena minority shareholders	0.1	0.5	0.5
Other operating expenses	**3.1**	**3.5**	**2.6**

Transactions Recognised on Balance Sheet

€ millions

	2011	2010	2009
Joint ventures	0.9	0.4	–
Trade receivables	**0.9**	**0.4**	–
Joint ventures	0.2	–	–
Other receivables	**0.2**	–	–
Other related parties – HDL	2.0	2.0	0.6
Other related parties – Silver Atena minority shareholders	1.1	1.2	0.6
Current and non-current liabilities	**3.1**	**3.2**	**1.2**

NOTE 40/ INFORMATION ON THE CASH FLOW STATEMENT

Non-Cash Transactions

€ millions

	2011	2010	2009
Net earnings from continuing operations	**41.3**	**23.6**	**7.5**
Depreciation and provisions	8.1	7.4	7.2
Goodwill impairment	–	–	10.3
Share of profit (equity method)	(0.2)	(0.1)	(0.2)
Undisbursed financial items	(3.7)	4.6	3.3
Share-based payment expenses	0.4	0.6	1.1
Change in deferred taxes	1.9	(3.0)	(1.0)
Investment property fair value changes	–	–	–
Results of asset disposals	(4.9)	0.2	0.3
Non-cash items	**1.6**	**9.7**	**21.0**
Income tax expense	16.7	17.8	4.6
Interest paid (classified in financing activities)	4.3	3.0	3.1
Dividends received (classified as investment transactions)	–	–	–
Elimination of non-cash and non-operating income and expenses	22.6	30.5	28.7
Net cash flow from discontinued operations	0.9	(4.0)	0.8
Change in working capital requirement	(1.1)	14.2	16.3
Income tax paid	(20.6)	(10.3)	(11.3)
Cash flows from operating activities	**43.1**	**54.0**	**42.0**

Breakdown of cash flows into WCR (working capital requirements), fixed assets and securities

€ millions

	2011	2010	2009
Change in WCR – clients	(21.7)	(1.9)	45.7
Change in WCR – suppliers	6.9	3.8	(10.9)
Change in WCR – other operating receivables and payables	12.9	10.5	(15.9)
Change in WCR from operating activities	(1.9)	12.4	18.9
Net change in WCR – other sundry receivables and payables	0.8	1.8	(2.6)
Change in WCR from continuing operations	**(1.1)**	**14.2**	**16.3**
Acquisitions of operating fixed assets	(14.5)	(7.3)	(5.4)
Change in WCR for operating asset suppliers	0.7	0.2	(0.7)
Purchase of fixed assets, net of change in trade payables	**(13.8)**	**(7.1)**	**(6.1)**
Disposals of operating fixed assets	6.7	0.5	0.3
Change in WCR on receivables for operating fixed assets disposals	(1.4)	–	–
Fixed assets disposals, net of receivables changes	**5.3**	**0.5**	**0.3**
Securities purchases	**(33.9)**	**(0.1)**	**–**
Change in debts for financial investments	(2.1)	(0.4)	–
Net purchases of securities	**(36.0)**	**(0.5)**	**–**

Net Opening and Closing Cash

€ millions

	2011	2010	2009
Cash and Cash Equivalents	127.9	92.9	73.6
Bank overdrafts	(0.7)	(0.6)	(3.5)
Cash and equivalents opening balance	**127.2**	**92.3**	**70.1**
Cash and Cash Equivalents	151.8	127.9	92.9
Bank overdrafts	(0.4)	(0.7)	(0.6)
Cash and equivalents closing balance	**151.4**	**127.2**	**92.3**

2011 Share Purchase Cash Flow Reconciliation

€ millions

	2011
Cash flow on MPH Group and its subsidiaries shares acquisition	(20.0)
Cash flow on Berner & Mattner shares acquisition	(15.8)
Cash flow on SICA shares acquisition	(0.2)
Cash flows from purchase of consolidated investments	**(36.0)**

NOTE 41/ DISCONTINUED OPERATIONS

In 2010, the Group decided to withdraw from its Italian operations. This decision resulted in the disposal of operations in Rome in September 2010, and in Turin in November 2010.

In accordance with IFRS 5 provisions, the prior published income statement and cash flow table were restated.

The annual results from the Italian businesses classified in the income statement in profit for the period as discontinued operations can be broken down as follows:

€ millions

	2011	2010	2009
Revenue	–	**3.7**	**5.8**
Employee benefits expense	(0.2)	(3.1)	(6.3)
Depreciation and provisions expense	0.2	0.1	(1.5)
Other operating income and expenses	(0.1)	(1.7)	(1.5)
Operating profit from continuing operations	**(0.1)**	**(1.0)**	**(3.5)**
Other operating revenues	–	–	–
Other operating expenses	–	–	(4.3)
Operating income	**(0.1)**	**(1.0)**	**(7.8)**
Net borrowing costs	–	–	(0.1)
Other financial expenses and revenues	–	(0.1)	–
Pre-tax income from discontinued operations	**(0.1)**	**(1.1)**	**(7.9)**
Income tax expense	–	–	(0.5)
Earnings from discontinued operations	**(0.1)**	**(1.1)**	**(8.4)**

The cash flows generated from discontinued operations can be broken down as follows:

€ millions

	2011	2010	2009
OPERATIONS	–	–	–
Profit for period from discontinued operations	(0.1)	(1.1)	(8.4)
Elimination of non-cash and non-operating income and expenses	(0.6)	(3.7)	6.2
Change in net working capital requirement	1.6	0.8	3.2
Income tax paid	–	–	(0.1)
Net cash flow from operations	**0.9**	**(4.0)**	**0.9**
INVESTING ACTIVITIES	–	–	–
Fixed asset acquisitions	–	–	–
Fixed asset disposals	–	0.8	–
Cash flow from investment operations	–	**0.8**	–
Change in net cash	**0.9**	**(3.2)**	**0.9**

NOTE 42/ NET DEBT

Net debt equals gross debt (bond loans and other current and non-current financial and derivative liabilities) less cash and cash equivalents and the current and non-current financial derivative assets.

€ millions

	Balance at 31 december 2011	Due dates						Portion greater than one year
		2012	2013	2014	2015	2016	> 5 years	
Bond loans	128.3	24.4	23.7	–	–	–	80.2	103.9
Borrowing from credit institutions	2.5	0.4	0.3	0.4	0.6	0.5	0.3	2.1
Finance-lease liabilities	–	–	–	–	–	–	–	–
Sundry financial and derivative liabilities	8.3	4.0	0.1	0.1	–	–	4.1	4.3
Current bank borrowing	0.4	0.4	–	–	–	–	–	–
Total gross debt	**139.5**	**29.2**	**24.1**	**0.5**	**0.6**	**0.5**	**84.6**	**110.3**
Breakdown by due date in %	**100%**	**21%**	**17%**	–	–	–	**62%**	**79%**
Cash	30.2	30.2	–	–	–	–	–	–
Cash equivalents	121.6	121.6	–	–	–	–	–	–
Cash, cash equivalents and derivative assets	**151.8**	**151.8**	–	–	–	–	–	–
Total net debt	**(12.3)**	**(122.6)**	**24.1**	**0.5**	**0.6**	**0.5**	**84.6**	**110.3**

Below is a breakdown of net debt by currency, converted at the closing rate:

€ millions

	Balance at 31 december 2011	Euro	Pound sterling	Romanian Leu	US Dollar	Canadian dollar	Indian roupie	Other currencies
Bond loans	128.3	128.3	–	–	–	–	–	–
Borrowing from credit institutions	2.5	2.5	–	–	–	–	–	–
Finance-lease liabilities	–	–	–	–	–	–	–	–
Sundry financial and derivative liabilities	8.3	8.2	–	–	–	–	–	0.1
Current bank borrowing	0.4	0.4	–	–	–	–	–	–
Total gross debt	**139.5**	**139.4**	–	–	–	–	–	**0.1**
Breakdown in %	**100%**	**100%**	–	–	–	–	–	–
Cash	30.2	21.5	5.8	0.6	0.7	0.4	0.5	0.7
Cash equivalents	121.6	121.6	–	–	–	–	–	–
Cash, cash equivalents and derivative assets	**151.8**	**143.1**	**5.8**	**0.6**	**0.7**	**0.4**	**0.5**	**0.7**
Total net debt	**(12.3)**	**(3.7)**	**(5.8)**	**(0.6)**	**(0.7)**	**(0.4)**	**(0.5)**	**(0.6)**

NOTE 43/ EVENTS AFTER THE BALANCE SHEET DATE

At the beginning of 2012 the group finalized the acquisition of MPH Dubai, representing revenue in 2011 of around €60 million, paid partly in cash for €10 million, the balance (of €8.7million) being paid for by way of capital increases upon delivery of shares in companies held by the seller; these have been done or are currently in the process of realization. This acquisition will strengthen the group's growth in 2012 with potential in the oil & gas sectors as well as giving the Group a significant foothold in the Middle East.

As of this date, the booking of this merger in not completed. At this stage, the information required by revised IFRS 3 concerning the fair value transferred, the amount of goodwill and the description of underlying factors are not set, since the collection of the information is only underway.

7/ STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2011

To the Shareholders,

In accordance with the tasks assigned to us by your General Meetings, we hereby present our report for the year ended December 31, 2011, on:

- the audit of the accompanying consolidated financial statements of the company Assystem S.A.;
- the justification of our assessments;
- the specific verification stipulated by law.

The consolidated financial statements were approved by the Management Board. Our responsibility is to express an opinion on these financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require us to exercise due care and concern to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit consists of examining, by sampling or using other selection methods, the evidence supporting the amounts and disclosures contained in these consolidated financial statements. It also involves an assessment of the accounting principles and significant estimates used and an evaluation of the overall presentation of the financial statements. We believe that our audit provides a sufficient and reasonable basis for our opinion.

We certify that in respect of the IFRS system adopted by the European Union, the consolidated financial statements for the financial year are appropriate, accurate and give a true and fair view of the net assets, financial situation and earnings, concerning all persons and entities within the scope of consolidation.

II. Justification of assessment

In accordance with Article L. 823-9 of the Commercial Code governing the justification of our assessments, we draw your attention to the following matters:

- At least once a year, the Group conducts impairment tests on goodwill items and calculates any indicators of loss in value in long-term assets, using the procedures described:
    - Note 3 «Accounting Principles», under the captions «Business combinations» and «Goodwill»,
    - Note 4 «Key sources of estimation uncertainty», under the caption «Impairment of goodwill»,
    - and Note 8 «Goodwill» for consolidated financial statements.

  We examined the methods used for implementing the impairment test as well as the cash flow forecasts and assumptions used, and verified that the Notes 3, 4 and 8 to the consolidated financial statements contain the appropriate disclosures;
- Note 21 to the consolidated financial statements, «Provisions and contingent liabilities» specifies the nature of the various disputes to which the company is party as well as the methods implemented by the company to calculate the relevant provision amounts. Our work consisted of assessing the data used and the assumptions made, reviewing the calculations made by the company, inspecting the procedures used by the management for approving these estimations, and ensuring that Note 21 contains the appropriate disclosures.

The assessments thus made form part of our audit of the consolidated financial statements taken as a whole and therefore contributed to our opinion expressed in the first part of this report.

III. Specific verification

In accordance with professional standards applicable in France and as required by law, we also conducted the specific verification of the Group information contained in the Management Report.

We have no observation to make regarding its accuracy or its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, April 4, 2012

Statutory auditors

KPMG Audit	Deloitte & Associés
A division of KPMG S.A.	
Denis Marangé	**Bénédicte Sabadie-Faure**
Associate	Associate

8. PARENT COMPANY FINANCIAL STATEMENTS

1/ BALANCE SHEET

€ thousands

Assets	2011			2010
	Gross	Depreciation and provisions	Net	Net
Intangible Fixed Assets	**533**	**474**	**59**	**106**
Tangible Fixed Assets	**4,143**	**3,302**	**841**	**488**
Equity investments	319,437	55,242	264,195	229,395
Receivables on equity investments	–	–	–	–
Other investment securities	–	–	–	–
Loans	6,339	1,139	5,200	–
Other long-term investments	20,188	2,772	17,416	9,752
Long-term investments	**345,964**	**59,153**	**286,811**	**239,147**
Fixed assets	**350,640**	**62,929**	**287,711**	**239,741**
Operating receivables	11,090	479	10,611	7,584
Investments	120,267	–	120,267	106,919
Cash	7,892	–	7,892	5,883
Prepaid expenses	287	–	287	56
Deferred expenses	–	–	–	35
Unrealised exchange gains	69	–	69	70
Current assets	**139,605**	**479**	**139,126**	**120,547**
Total assets	**490,245**	**63,408**	**426,837**	**360,288**

Liabilities	2011	2010
Share Capital	20,388	20,157
Share premium account	66,216	64,251
Legal reserve	2,191	2,191
Regulated reserves and other reserves	4,158	4,158
Retained earnings	107,665	102,216
Net income for the period	**4,434**	**14,147**
Regulated provisions	–	47
Equity	**205,052**	**207,167**
Provisions for contingencies and charges	**1,828**	**1,859**
Convertible bond loans	–	–
Other bond loans	142,879	91,467
Loans and advances from credit institutions	170	321
Loans and Debts	68,411	51,312
Trade and related payables	5,383	4,295
Tax and payroll liabilities	1,924	2,647
Debts on fixed assets and related accounts	173	20
Other payables	766	733
Prepaid income	–	–
Unrealised exchange losses	251	467
Debts	**219,957**	**151,262**
Total liabilities	**426,837**	**360,288**

2/ INCOME STATEMENT

€ thousands

	2011	2010
Revenue	**10,658**	**9,991**
Reversal of provisions and transfer of charges	5	3
Other income	9	–
Operating revenue	**10,672**	**9,994**
External purchases and expenses	21,133	12,339
Duties, taxes and similar payments	117	114
Wages and social charges	920	1,170
Directors' attendance fees	239	234
Other ordinary management expenses	–	–
Allowances for depreciation and provisions	287	278
Provision for contingencies and charges	39	39
Operating expenses	**22,735**	**14,174**
Operating result	**(12,063)**	**(4,180)**
Financial income	19,620	23,617
Financial expenses	8,163	6,062
Financial result	**11,457**	**17,555**
Ordinary income	**(606)**	**13,375**
Extraordinary results	**93**	**1,234**
Corporate income tax	4,947	(462)
Net income for the period	**4,434**	**14,147**

3/ NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

This appendix complements the balance sheet before appropriation of the financial year ended 31 December 2011, and whose total reached €426,837 thousand, as well as the income statement which recorded a net profit of €4,434 thousand.

The accounting period covers the twelve months from 1 January to 31 December 2011.

Unless stated otherwise, the figures are given in thousands of euros.

NOTE 1/ MAJOR EVENTS IN FINANCIAL YEAR

Developments in Subsidiaries and Holdings

➤ Ownership Stake in New Subsidiaries

In July 2011, Assystem SA became full-owner of MPH Group company for €17,7 million.

➤ Capital Increase at Subsidiaries

In January 2011, Assystem SA increased the capital of its Assystem Germany Holding subsidiary at the time of the 100% acquisition by the latter of Berner & Mattner GmbH for €18 million.

➤ Affiliate Liquidation

Assystem Slovakia and SCICV Arc-en-Ciel affiliates were disbanded in 2011. Securities appeared in the assets of Assystem SA financial statements respectively for €5.1 thousand and €4.9 thousand.

➤ Assystem Engineering and Operations Services Spin Off to Assystem France

Assystem Engineering and Operations Services spun off its full "Aeronautics and Space" and "Transport" Operational Divisions to Assystem France, retroactively as of 1 January 2011.

By letter dated 11 October 2011, the Tax Authority provided these companies with approval stipulated in 2 of Article 115 of the General Tax Code, authorising Assystem Engineering and Operation Services to give Assystem France securities received in counterpart for spining off the aforementioned divisions to Assystem SA, without challenging the favourable tax status defined in Articles 210 A and B of the General Tax Code.

This stipulation is conditional upon approval of the 2011 Assystem Engineering and Operation Services period financial statements, as well as allocation of the newly increased premium contribution to retained earnings.

In Assystem's book, the Assystem Engineering and Operation Services securities book value will be reduced and in parallel Assystem France securities will be increased by the same amount of €15.1 million.

Treasury Shares

On 31 December 2011, based on the average stock market price in the last month of the year, the carrying amount of its own shares held by the Company was less than the purchase cost of the treasury shares. As a result, a €2,7 million impairment provision was recognised.

Due to implementation of the three free share allocation plans, a provision for risk for €542 thousand was recognised in 2011.

One of these plans being implemented in 2011, in favour of Assystem Engineering and Operation Services employees per a company-wide agreement on a profit-sharing premium measure instituted by the act of 28 July 2011, an amount receivable of €433 thousand was recognized and was subject to a chargeback agreement between Assystem SA and Assystem Engineering and Operation Services.

The provision recorded on 31 December 2010 was reversed in the amount of €605 thousand.

Bond Loan

The amount of this bonded debt grew from €91 million to €140,7 million following:

- reimbursement of the loan balance signed in 2005 for €26 million;
- reimbursement of €16.3 million of the loan signed in 2008; and
- the signing of a new ORNANE loan for €92 million in July 2011.

➤ Reimbursable Cash and New and/or Existing Share Bond (ORNANE) Issue

On 6 July 2011, the Assystem SA Company executed a convertible bond issue through "reimbursable cash and new and/or existing share bonds" (ORNANE) for a face value amount of €92 million, reimbursable 1 January 2017, allowing the Group to optimise its financial structure, and the financing of future acquisitions in the context of its development plan in France and internationally.

The principle characteristics of this bond issue were as follows:

Total Amount of Issue	€92 million
Issue Date	6 July 2011
Due Date (ultimately reimbursable)	1 January 2017
Number of bonds issued	4 181 818
Unit issue price (with 27.43% premium)	€22
Interest rate	4%

The Group can, at its discretion, apply the following reimbursement methods:

	Share price less or equal to face value of bonds	Share price above face value of bonds
Option 1	Reimbursement in new and/or existing shares.	Reimbursement of face value and of premium in new and/or existing shares.
Option 2	Reimbursement in cash.	Reimbursement of face value in cash and of premium in new and/ or existing shares.

This bond loan was not subject to any covenant and no guarantee was made in context of financing.

➤ Other Available Bank Financing

Also from 22 July 2011, the Group benefitted also from supplementary available bank financing of €220 million, including:

- a medium-term credit of a maximum amount of €100 million for financing of acquisitions; and
- a renewable credit of a maximum amount of €120 million for general Group needs.

These lines of credit were not used at 31 December 2011.

Related refinancing fees in 2011 were recognised as period expenses ((bank commisions and external service fees).

Share Capital Increase

On 7 July 2011, the Management Board recognised a capital increase of €209 thousand consecutive to the exercice of subscription warrants between January and June 2011.

During the period, the issue premium increase of these warrants was €1,7 million.

On 10 January 2012, the Management Board recognised a capital increase of €21 thousand consecutive to the exercice of subscription warrants between July and December 2011.

During the period, the issue premium increase of these warrants was €172 thousand.

Events After the Balance Sheet Date

At the beginning of 2012 the group finalized the acquisition of MPH Dubai, representing revenue in 2011 of around €60 million, paid partly in cash for €10 million, the balance (of €8.7 million) being paid for by way of share capital increases pursuant to the receipt of shares in campanies held by the seller; these have been effected or are underway as of this date.

Risk Factors

The legal dispute between the ASG company and the Sobrena, Acergy, and Iska Marine companies for a fire which occurred in January 2010 on board the ship Acergy Falcon, drydocked in Brest for maintenance operations, did not change during the 2011 financial year, nor did the Group's 2010 analysis for it. Thus to date, no element shows ASG has committed any wrongdoing, nor was the origin of the fire. The Group also confirms that in case of potential third-party proceedings, this incident would be covered under the Group's insurance policies, limited by an annual guaranteed cap per incident of €20 million.

NOTE 2/ ACCOUNTING METHODS AND RULES

The 2011 Company accounts were prepared and presented in accordance with Articles L. 123-12 to L. 123-28 of the French Commercial Code, the provisions of Decree no. 83-1020 of 29 November 1983 and the regulations of the French Accounting Regulations Committee, in particular CRC no. 99-03 of 29 April 1999.

Overview of Accounting Principles

General accounting principles are used in accordance with commonly accepted rules:

- going concern;
- independence of financial years; and
- consistency of accounting methods.

Items are accounted for using the standard historical cost method.

Fixed Assets

Tangible fixed assets are booked at their purchase cost (purchase price and related expenses less fixed asset acquisition costs) or production cost.

Interest on financing specific to the production of fixed assets is not included in their production cost of these assets.

Intangible fixed assets appear on the balance sheet at their original cost less any finance expenses.

Depreciation expenses are calculated using the straight-line method in accordance with the asset's expected useful life.

Depreciation methods and periods are as follows:

• Software	1 to 5 years
• Patents	4 years
• Fixtures and fittings	5 to 10 years
• Transport equipment	3 to 5 years
• Office equipment	3 to 5 years
• Office furniture	5 to 10 years
• Buildings	20 years

Equity Investments

Equity investments are booked at their historical purchase cost or contribution value.

Disposals are valued on the basis of cost price. Capital gains or losses are calculated using the book value of the shares sold.

A provision for impairment is recognised when the value in use is less than the purchase cost of the securities.

The value in use of the entity is assessed independently using a multi-criteria approach: DCF method, stock market valuation and peer group comparisons. In the absence of available data on these aggregates, the usage value corresponds to the net situation.

The preparation of the financial statements required use of estimates and hypotheses which can impact the carrying value of certain elements of the balance sheet or income statement as well as information provided in certain notes in the Appendix.

Assystem reviews its estimates and appraisals regularly to account for prior experience and other factors deemed pertinent regarding economic circumstances.

Equity Investment Purchase Cost

These costs are recognised in expenses.

For tax purposes, they are re-included in the year of acquiring the investment securities and then subject to an extra-accounting deduction over five years.

Other Long-Term Investments

Other long-term investments are recorded at their face value.

Receivables

Receivables and debts are recorded at their face value. If necessary, an impairment allowance is recorded for receivables to allow for risks of non-recovery.

These are mainly receivables from related companies.

Loan Issue Expenses

Loan issue expenses are fully recognised as an expense in the period during which they occurred. This expense was previously allocated for the duration of loans, and the method change did not significantly impact at 1 January 2011.

Marketable Securities

Marketable securities are recognised at their purchase cost, excluding related expenses. When their sale value is less than this cost, an impairment allowance is recognised for the difference.

Foreign Currency Transactions

Foreign currency revenues and expenses are recorded at their countervalue on the operation date. Foreign currency debts, receivables and cash appear on the balance sheet at their countervalue at the end of the period. Any difference from updating foreign currency debts and receivables with this closing rate is included in the balance sheet in «Foreign exchange gains or losses". A provision for contingencies is recognised in full for any unrealised foreign exchange losses that are not offset.

Retirement Benefits

A provision of €37 thousand was booked at the balance-sheet date.

Exceptional Depreciation

Exceptional depreciation recorded on the purchase of a building is reversed by tenths as from the tenth year.

Provisions for Contingencies and Charges

Provisions for contingencies and charges are allocated in accordance with accounting principles and CRC Regulation no. 00-06 regarding liabilities.

Provisions for Employee litigations

Allowances are measured on a case-by-case basis based on the risk and reasons for the claim.

Provisions for Subsidiary Risks

A provision is allocated for subsidiaries for which risks are envisaged.

The estimates, hypotheses, or appraisals are made based on existing information or situations on the date the financial statements are established which can in the future differ from reality.

These estimates mainly concern risk and expense provisions and hypotheses retained for making business plans used for valuing equity securities.

NOTE 3/ INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT

3.1/ Change in Fixed Asset Gross Values

€ thousands

	Gross amounts at beginning of period	Increase in gross amounts	Decrease in gross amounts	Gross amounts at end of period
Intangible fixed assets	533	–	–	533
Tangible fixed assets	3,678	855	390	4,143
Long-term investments	295,087	58,170	7,293	345,964
Total	**299,298**	**59,026**	**7,684**	**350,640**

Intangible fixed assets correspond to €490 thousand in software, €15 thousand for a fully amortised patent, and €28 thousand for assets in progress also amortized.

Tangible assets include buildings and fixtures and fittings for €2,7 million, furniture and office equipment for €1 million, €239 thousand for works of art, and €129 thousand for advances on fixed assets.

Changes in the "Long-Term Investments" line essentially correspond to acquisition of equity security previously mentioned in Note 1, as well as treasury stock transactions, detailed in paragraph 3.2 below.

3.2/ Long-Term Investments

This caption essentially includes equity investments, related receivables and treasury shares. The change is as follows:

€ thousands

	Gross amounts at beginning of period	Increase in gross amounts	Decrease in gross amounts	Gross Amounts at End of Period
Equity investments (1)	284,196	35,718	477	319,437
Loans attached to investments (2)	1,139	5,200	0	6,339
Treasury shares	9,717	17,232	6,806	20,143
Deposits and guarantees	35	20	10	45
Total	**295,087**	**58,170**	**7,293**	**345,964**

(1) Increases include €18,000 thousand concerning Assystem Germany Holding and €17,718 thousand for the MPH Group company.
(2) A €5,200 thousand loan was made to Assystem Germany Holding company.

Treasury stock changes are summarised below:

€ thousands

Treasury Stock Changes	Number of shares	Value
Number of treasury shares on 31 December 2010	798,272	9,717
Acquisitions	1,222,694	17,232
Disposals	578,520	6,806
Cancellations	–	–
Number of treasury shares on 31 December 2011	**1,442,446**	**20,143**

3.3/ Change in Depreciation and Deferred Expenses

€ thousands

Depreciable fixed assets	Amount at beginning of period	Increases – Allowances	Decreases – Reversals	Amount at end of period
INTANGIBLE FIXED ASSETS	–	–	–	–
Start-up expenses, R&D expenses	–	–	–	–
Other intangible fixed assets	400	47	–	446
	400	**47**	–	**446**
TANGIBLE FIXED ASSETS	–	–	–	–
Buildings on own land	1,835	50	–	1,884
Buildings, fixtures and fittings	99	46	–	145
General fixtures	251	28	46	233
Transport equipment	–	–	–	–
Furniture, IT and office equipment	816	46	11	851
	3,001	**169**	**56**	**3,114**
Total	**3,400**	**216**	**56**	**3,560**

Deferred expenses	Amount at Beginning of Period	Increases	Depreciation Charge	Amount at End of Period
Deferred expenses / bonds with redeemable warrants (OBSAR)	35	–	35	0

NOTE 4/ TABLE OF SUBSIDIARIES AND HOLDINGS

€ thousands

Subsidiaries and interests	Share capital	Equity (including 2011 net income)	% of share capital owned	Gross book value of securities held	Gross book value of securities held	Loans and advances granted (excluding Group income tax current accounts)	Amount of deposits and avals granted	Sales, excl. Tax of last financial year	Net income for last financial year	Dividends collected
DETAILED INFORMATION ON SUBSIDIARIES AND HOLDINGS										
1 - Subsidiaries (more than 50% of share capital owned)										
Eurosyn	40	1,163	100%	1	1	–	–	3,836	616	500
Assystem Polska	11	NC	100%	11	–	248	–	–	–	–
Assystem Deutschland	25	34,593	100%	33,585	33,585	6,220	–	0	(1,135)	–
Assystem Iberia	2,465	3,271	100%	10,447	5,297	–	–	8,998	366	–
Assystem Portugal	5	(117)	100%	105	105	–	–	1,548	(56)	–
Assystem Italia	200	(83)	100%	1,720	0	–	–	0	(283)	–
Assystem Canada (1)	8,856	1,129	100%	8,271	1,141	–	–	2,947	196	–
ASG	76	1,440	100%	432	432	–	–	6,072	869	–
Assystem France	26,655	79,045	75%	112,448	75,448	–	–	289,477	12,981	4,600
Assystem Engineering And Operation Services	2,786	45,847	100%	93,435	93,435	–	–	195,545	26,660	5,400
Assystem Innovation	6,480	4,220	100%	6,457	4,557	–	–	0	410	–
Assystem Romania (2)	0	3,164	100%	1,201	1,201	–	–	9,707	2,424	691
Field.Serv.Intern	40	7,059	100%	12,031	12,031	–	–	25,736	2,886	1,500
Assystem International	40	(1,079)	100%	40	0	–	–	0	(28)	–
Assystem UK (3)	371	24,470	100%	19,084	19,084	–	–	94,714	8,811	2,127
ANAFI	37	(83)	100%	1,250	0	–	–	1,072	53	–
Assystem Belgium	19	376	100%	18	18	–	–	4,785	205	–
MPH Global Services	40	(7)	100%	40	40	14	–	0	(32)	–
Assystem Expert	40	33	100%	40	40	–	–	0	(2)	–
Assystem Environnement	40	33	100%	40	40	–	–	0	(2)	–
Extra Capital	10	(74)	95%	10	10	590	–	0	10	–
Assystem Maroc Technologies (5)	27	853	51%	14	14	–	–	3,502	823	307
Assystem Brime Engineering Consulting (4)	1,074	(251)	100%	1,041	0	82	–	99	(24)	–
MPH Group (6)	–	–	100%	17,718	17,718	1,050	–	–	–	–
	–	**–**	**–**	**319,438**	**264,196**	**8,204**	**0**	**–**	**–**	**15,125**
2 - Participations										
(10 to 50% ownership) Not applicable										

(1) Average Canadian dollar exchange rate: 1 EUR = 1.3783 CAD.
(2) Average Romanian lev exchange rate: 1 EUR = 4.2329 RON.
(3) Average pound sterling exchange rate: 1 EUR = 0.8698 GBP.
(4) Average Chinese yuan exchange rate: 1 EUR = 9.0434 CNY.
(5) Average Mororocan dinar exchange rate: 1 EUR = 11.2621 MAD.
(6) Average Indian roupie exchange rate: 1 EUR = 64.6156 INR.

The company Assystem had to provide for the securities in some of its subsidiaries. Valuation tests made on 31 December 2011 at the Assystem Group level pursuant to the accounting methods and rules described previously did not reveal other indications of impairment.

NOTE 5/ PROVISIONS

€ thousands

Caption	Amount at beginning of period	Increases	Decreases	Amount at end of period
Exceptional depreciation [1]	47	–	47	–
Total regulated provisions	**47**	**–**	**47**	**–**
Provisions for contingencies [2]	1,764	569	612	1,721
Provisions for exchange losses	70	69	70	69
Provisions for retirement benefits	25	12	–	37
Total provisions for contingencies and charges	**1,859**	**650**	**682**	**1,827**
Provisions for fixed asset impairment	217	–	–	217
Provisions for equity investments [3]	54,802	540	100	55,242
Provisions for loans [4]	1,139	–	–	1 139
Provisions for deposits and guarantees	–	–	–	–
Provisions for treasury shares	–	2,772	–	2 772
Subtotal Provisions/Fixed Assets	**56,158**	**3,312**	**100**	**59,370**
Provisions for impairment of trade receivables	110	35	–	145
Provisions for impairment of current accounts [5]	1,147	107	923	331
Provision for impairment of sundry debtors	3	–	–	3
Subtotal Provisions/Current Assets	**1,260**	**142**	**923**	**479**
Total provisions for impairment	**57,418**	**3,454**	**1,023**	**59,849**
Total	**59,324**	**4,104**	**1,752**	**61,676**
OF WHICH ALLOCATIONS AND REVERSALS :	–	–	–	–
• operational	–	75	–	–
• financial	–	4,030	1,704	–
• exceptional	–	–	47	–

(1) Exceptional depreciations concern a building acquired in 1991.
The exceptional depreciation was determined in the amount of 50% of the gross value and is reversed by tenths as from the tenth year.
(2) The increase is made up of a €542 thousand for Assystem shares freely allotted and subsidiary provisions for €27 thousand.
The €612 thousand abatement essentially concerns free shares.
(3) The allocation for the period concerns Assystem Canada shares.
(4) A loan given a Canadian subsidiary is completely funded.
(5) The provision reversal concerns the Assystem Italy chequing account following the loan charge-off agreement signed in 2011.

Assystem SA was subject of tax audit covering the years 2008-2010. The conclusions made in the rectification proposal regarding financial year 2008 (the only year received so far), were totally contested, and consequently no provision was recognised at the close of the period on this matter.

NOTE 6/ RECEIVABLES

€ thousands

Statement of receivables (Gross Amount)	Gross Amount	Up to one year	More than one year
RECEIVABLES FOR FIXED ASSETS	–	–	–
Other investment securities	–	–	–
Loans	6,339	–	6,339
Interest accrued	–	–	–
Other long-term investments	45	0	45
Treasury shares (1)	20,143	20,143	–
	26,527	**20,143**	**6,384**
OPERATING RECEIVABLES	–	–	–
Bad or doubtful debts	–	–	–
Other trade receivables	4,251	4,251	–
Advances and instalments on orders	106	106	–
Government – corporate income tax	4,677	4,677	–
Government – valued added tax	770	770	–
Government – duties, taxes and similar payments	–	0	–
Receivables from Group and associates (current accounts)	655	655	–
Supplier receivables	–	0	–
Sundry receivables	631	631	–
	11,090	**11,090**	–
Prepaid expenses (2)	287	287	–
Total	**37,904**	**31,520**	**6,384**

(1) Representing 1,442,446 Assystem shares.
(2) Pre-paid expenses recognised are mainly comprised of rents booked in advance.

NOTE 7/ EXPENSES PAYABLE

- Suppliers – invoices to be received : .... €4,919 thousand
- Tax and payroll liabilities : .... €1,286 thousand
- Interest accrued on loans and debts: : .... €2,129 thousand

NOTE 8/ INCOME RECEIVABLE

- Customers – invoices to be issued: .... €2,365 thousand
- Other receivables – Sundry debtors: .... €0 thousand
- Interest accrued to be received: .... €750 thousand

NOTE 9/ DETAILS OF INVESTMENT SECURITIES

€ thousands

Category	Beginning of Period	Purchases	Disposals	End of Period
Certificates of deposit	5,000	–	5,000	0
Term accounts	51,860	101,031	62,151	90,740
SICAV (money-market funds)	50,059	384,319	404,851	29,527
Total	**106,919**	**485,350**	**472,002**	**120,267**

Investment securities include certificates of deposit, term accounts and money market funds (SICAV).

The portfolio is valued at the purchase price. The unrealised capital gain or SICAV is not recorded at year-end. However, it is recognised for tax purposes and totalled €8 thousand on 31 December 2011.

NOTE 10/ PREPAID INCOME AND EXPENSES

Prepaid income and expenses only relate to operations.

NOTE 11/ CAPITAL

The company's capital reached €20,387,724 at the close of the period. It is composed of shares with a face value of €1.

Share capital composition

Category of securities	Number
1 - Shares in share capital at beginning of period	20,157,082
2 - Shares in share capital issued in period	230,642
3 - Shares in share capital cancelled in period	–
4 - Shares in share capital at end of period	20 387,724

Statement of changes in equity

€ thousands

	31 December 2011	31 December 2010
Amount at beginning of period	207,167	196,993
Income for the year ended December 31	4,434	14,147
Dividend distributions/contribution premium reimbursements	(8,697)	(4,921)
Change in capital	–	–
• increase	231	116
• decrease	–	–
Change in share premium account reserves, retained earnings and regulated provisions	–	–
• increase	1,965	929
• decrease (1)	(47)	(97)
Amount at end of period (2)	205,053	207,167

(1) Regulated depreciation only.
(2) Including €70,374 thousand in reserves other than the legal reserve, equalling 3.5 times the purchase cost of the treasury shares owned.

NOTE 12/ OTHER INFORMATION

On 31 December 2011, the Company had three categories of dilutive instruments:

- redeemable Stock Warrants (BSARs);
- free share allotment plans:
  - at the end of the period, the dilutive effect represented by these securities at the average price corresponded to 327,540 shares, equal to 1.68% of the weighted number of shares;
- ORNANES: ORNANE is considered as a dilutive instrument, and the issuer and choose to settle the debt and derivative components either in shares or cash:
  - at 31 December 2011, the maximum dilution hypothesis corresponds to the face value reimbursement in shares of 4,181,818 bonds issued given the conversion rate (1 share per 1 bond issued), hence a number of dilutive instruments of 4,181,818 shares,
  - however, the Group's objective being the reimbursement of the face value in cash, and given the share price history, no dilution is anticipated at 31 December 2011.

NOTE 13/ DEBTS

€ thousands

Statement of debts	Gross Amount	Up to one year maximum	One to five years	More than five years
Convertible bond loans	–	–	–	–
Other bond loans	142,879	26,504	116,375	–
Other loans from credit institutions	170	170	–	–
Loans and guarantees	31	–	31	–
Group and affiliates	68,380	68,380	–	–
Trade and related payables	5,383	5,383	–	–
Staff and related payables	774	774	–	–
Social security and related bodies	263	263	–	–
State and other government authorities	888	888	–	–
Debts on fixed assets and related accounts	173	173	–	–
Other payables	766	766	–	–
Prepaid income	–	–	–	–
Unrealised exchange losses	251	251	–	–
Total	**219,958**	**103,552**	**116,406**	**–**

Bond loans	Beginning of Period	Increase	Decrease	Balance
€78 million bond loan	26,000	–	26,000	–
€65 million bond loan	65,000	–	16,250	48,750
€65 million bond loan	–	92,000	–	92,000
Subtotal	**91,000**	**92,000**	**42,250**	**140,750**
Interest accrued at 31/12/2011	467	2,129	467	2,129
Total bond loans	**91,467**	**94,129**	**42,717**	**142,879**

Borrowing from credit institutions	Beginning of Period	Increase	Decrease	Balance
COFACE	6	–	–	6
Subtotal	**6**	–	–	**6**
Borrowing from credit institutions	–	–	–	–
Bank overdrafts	315	–	151	164
Total debts to credit institutions	**321**	**–**	**151**	**170**

Financial loans and debts	Balance
Deposits and guarantees received	31
Total sundry loans and debts	31
Subsidiary current accounts	68,380
Subsidiary current accounts	68,380
Total subsidiary current accounts	**68,411**

Related expenses and revenues	Expenses	Revenues
Bond debt	3,753	–
Debt to credit institutions	–	–
Financial loans and debts	3	–
Subsidiary current accounts (1)	482	379

(1) Financial expenses and revenues relating to the interest on current accounts and the intra-Group cash pooling.

As indicated in Note 1, the Company's bond debt was modified during the period.

The loan characteristics comprising this debt are presented hereafter:

Bond Characteristics

Assystem's bond debt consists of two bond loans with the following characteristics:

Issue	2008 OBSAAR	2011 ORNANE
Issue	09/07/2008	06/07/2011
Face value	€500	€22
Amount (€ millions)	65	92
Maturity	2011/2012/2013	01/01/2017
Rate	Euribor 3 months -0.88%	4%
Due dates	quarters elapsed	1 January annually
Term	5 yearsredeemable	5.5 years reimbursable at term
Quantity	130,000	4,181,818
Code	FR0010630681	FR0011073006

Assystem has a derivative financial instrument covering the interest rate risk on the 2008 OBSAAR: it is a swap at fixed rate of 3.53% until 2013, pursuant to the renegotiation of the swap and the cap in 2010. Assystem has a derivative financial instrument covering the interest rate risk on the 2008 OBSAAR: it is a swap at fixed rate of 3.53% until 2013, pursuant to the renegotiation of the swap and the cap in 2010.

NOTE 14/ OFF-BALANCE SHEET COMMITMENTS

Guarantee Commitments

€ thousands

Commitments given	Amount
Avals and guarantees	4,017
Commitments received	**Amount**
Avals and guarantees	–
Securities payment guarantees	–
Unused credit lines	220,000

Reciprocal Commitments

€ thousands

Bonds	Total	Payments due by period		
		Less than a year	One to five years	More than five years
Long-term debts	–	–	–	–
Finance lease commitments	–	–	–	–
Operating leases	–	–	–	–
• vehicles	212	70	142	–
• premises	3,114	778	2,336	–
Binding purchase commitments	–	–	–	–
Other long-term commitments	–	–	–	–
Total	**4,442**	**771**	**2,939**	**–**

Derivative Financial Instruments

- Foreign exchange hedge: .... €88 thousand.
- Rate hedge: ....€1,836 thousand.

Financial Commitments

Not applicable.

Acquisition Purchase Price Increases

Not applicable.

NOTE 15/ SALES

Sales comprise management services, fees and the provision of various types of expertise, mainly to Assystem Group subsidiaries.

A breakdown of sales by business segment is not relevant. An analysis by geographical region would be insignificant.

NOTE 16/ REMUNERATION

Only one of the senior officers is paid directly by the Company. The salaries of the other officers are reinvoiced by the HDL company to Assytem in the context of a legal agreement for three Management Board members, through the UK subsidiary for another member, and by a French operational subsidiary for the latter member.

In 2011, €225 thousand was paid in attendance fees to Supervisory Board members.

NOTE 17/ AVERAGE EMPLOYEES

One salaried employee during the year.

NOTE 18/ EXPENSES TRANSFER

- Insurance reimbursement: €2 thousand.
- Benefit in-kind: €4 thousand.

NOTE 19/ FINANCIAL INCOME

€ thousands

Financial income	31 December 2011
Income from investments	**15,125**
Dividends received	15,125
Income from other securities and fixed asset receivables	**153**
Loan interest	153
Other interest and similar income	**761**
Income from marketable securities	255
Income from Group cash management	379
Other financial revenues	127
Reversal of provisions and transfer of charges	**2,031**
Reversal of provisions for exchange losses	70
Reversal of provisions for long-term investments (1)	1,961
Exchange differences	**106**
Exchange gains	106
Net proceeds from disposals of marketable securities	**1,444**
Interest on negotiable bills and money-market paper	1,444
Total financial income	**19,620**

(1) These amounts relate to provisions and reversals of provisions recorded for the Company's treasury shares, as well as impairment allowances for the shares in subsidiaries.

€ thousands

Financial expenses	31 December 2011
Provisions and write-downs for financial items	**3,923**
Provisions for financial risks and liabilities (1)	3,854
Provisions for exchange losses	69
Interest and similar expenses	**4,238**
Loan interest	3,753
Bank charges	3
Expenses for Group cash management	482
Other financial expenses	–
Exchange differences	**2**
Exchange losses	2
Total financial expenses	**8,163**
Financial result	**11,457**

(1) These amounts relate to provisions and reversals of provisions recorded for the Company's treasury shares, as well as impairment allowances for the shares in subsidiaries.

NOTE 20/ EXTRAORDINARY RESULT

€ thousands

Extraordinary income	31 December 2011
Extraordinary income from capital transactions	**2,127**
Proceeds from intangible asset disposals	–
Proceeds from tangible fixed asset disposals	2
Proceeds from long-term investment disposals	518
Proceeds from disposals of treasury shares issued	1,607
Reversal of provisions	**47**
Reversal of provisions for contingencies and charges	47
Total extraordinary revenues	**2,174**

€ thousands

Extraordinary expenses	31 December 2011
Extraordinary expenses on management transactions	**1,123**
Other extraordinary management expenses	1,123
Extraordinary expenses from capital transactions	**958**
Net value of intangible asset disposals	–
Net value of tangible fixed asset disposals	4
Net value of long-term investment disposals	10
Losses share buy-backs	944
Extraordinary depreciation allowance	–
Total extraordinary expenses	**2,081**
Extraordinary result	**93**

NOTE 21/ CORPORATE INCOME TAX

€ thousands

	Profit for period before tax	Tax	Net income for period after tax
Ordinary income	(606)	(4,816)	4,210
Extraordinary results	93	(131)	224
Net income for the period	(513)	(4,947)	4,434

Breakdown of Corporate Income Tax

Tax was broken down between ordinary and extraordinary income, applying a 36.10% theoretical tax rate. Adjustments to book income to obtain taxable income have been classified by type. The effect of the tax consolidation system (integration method) has been included in extraordinary items.

Tax Consolidation System

The Company, Assystem SA, is the parent of an integrated tax consolidation group that includes the following firms: Assystem France, Assystem Engineering and Operation Services, SCI Pont Noir, Assystem Innovation, ASG, Athos Aeronautique, Assystem International, Eurosyn, Anafi et Anafi Plus, Insiema, AFMS, MPH Global Services (ex-Assystem Developpement), Assystem Expert, Assystem Environnement and Extra Capital.

The tax calculation method for the companies of the tax group is determined according to common law tax rules in effect at the closing of the period per each Group tax entity, as if each one were taxed separately.

The exceptional 5% contribution applicable as of the 2011 financial year will be paid by Assystem SA on the amount of Group tax as the tax integration group has sales greater than €250 million.

The tax savings by the Group from subsidiaries' losses are recorded at the parent company but considered as a simple cash saving, since they revert to the loss-making subsidiary as soon as it returns to profitability.

On an exceptional basis, the parent company will definitively recognise a gain if a subsidiary would have lost its entitlement to the tax loss carry forward had it not belonged to the Group.

Increases and Decreases in Future Tax Liabilities

€ thousands

Increase in future tax liability (at a 36.10% rate)	2011 Base	Amount of tax
Deferred expenses	0	0
Total Deferred Tax Payable:	**–**	**0**

€ thousands

Decrease in future tax liability (at a 36.10% rate)	2011 base	Amount of tax
Unrealised capital gain on OPCVM investment fund	8	3
Organic welfare contribution payable	14	5
Unrealised exchange losses	251	91
Provision for contingencies and charges	325	117
Expenses on acquisition plans	1,401,170	505,822
Total Prepaid Taxes:	**1,401,768**	**506,037**

NOTE 22/ INFORMATION ON RELATED COMPANIES

€ thousands

Items	Gross amount related companies
Advances and on-account payments on fixed assets	–
Equity investments	319,437
Receivables on equity investments	–
Loans	1,499
Other long-term investments	–
Advances and down payments on orders	–
Trade and related receivables	4,050
Other receivables	1,088
Subscribed share capital called but not paid in	–
Convertible bond loans	–
Other bond loans	–
Loans and advances from credit institutions	–
Sundry loans and advances	68,380
Advances and on-account payments received on current orders	–
Trade and related payables	3,441
Debts on fixed assets and related accounts	–
Other payables	755
Income from equity investments	15,125
Other financial revenues	379
Financial expenses	482

Assystem has not identified other transactions with related parties concluded or other than normal market conditions or having a significant impact on the statements.

In this regard no additional information covered by Article 4.123-198 11 of the Business Code is necessary.

NOTE 23/ IDENTITY OF COMPANY CONSOLIDATING THE COMPANY FINANCIAL STATEMENTS

The Company, Assystem SA, is the consolidating parent of the Assystem Group.

4/ STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended December 31, 2011

To the Shareholders,

In accordance with the tasks assigned to us by your General Meetings, we hereby present our report for the year ended December 31, 2011, on:
- the audit of the accompanying annual financial statements of the company Assystem S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These annual financial statements have been prepared by the Management Board. Our responsibility is to express an opinion on these financial statements based on our audit.

I. Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require us to exercise due care and concern to obtain reasonable assurance that the annual financial statements are free from material misstatement. An audit consists of examining, by sampling or using other selection methods, the evidence supporting the amounts and disclosures contained in these annual financial statements. It also involves an assessment of the accounting principles and significant estimates used and an evaluation of the overall presentation of the financial statements. We believe that the audit evidence we have obtained provides a sufficient and reasonable basis for our opinion.

In our opinion, the annual financial statements are regular and accurate and give a true and fair view of the results of the Company's operations in the past financial year as well as its financial position and net assets at the end of this financial year.

Without qualifying the abovementioned opinion, we draw your attention to Note 2 to the financial statements ("Loan issue expenses") which explains the change in accounting method relating to recognising loan issue expenses.

II. Justification of assessments

In accordance with the provisions of Article L. 823-9 of the Commercial Code governing the justification of our assessments, we draw your attention to the following matters:
- With regard to the valuation and impairment of equity investments, whose principles are described in Note 2 to the financial statements («Investments» caption), in our assessment of the accounting rules and principles used by the Company, we examined the methods used for implementing the impairment test as well as the assumptions used, and verified that Note 2 to the financial statements contains the appropriate disclosures.

The assessments were made as part of our audit of the annual financial statements taken as a whole and therefore contributed to our opinion expressed in the first part of this report.

III. Specific verifications and disclosures

In accordance with professional standards applicable in France, we also conducted the specific verifications required by law.

We have no observation to make regarding the accuracy or consistency of the annual financial statements, of the disclosures contained in the Management Board's management report or in the documents addressed to the shareholders regarding the financial position and annual financial statements.

With regard to the disclosures provided pursuant to the provisions of Article L. 225-102-1 of the Commercial Code on the remuneration and benefit paid to the senior officers and the commitments granted in their favour, we verified that they are consistent with the financial statements or with the data used to draw up the financial statements and, where applicable, with the information gathered by your company from the companies controlling your company or that are controlled by it. Based on our audit, we hereby certify that these disclosures are accurate and fairly presented.

In accordance with the law, we obtained reasonable assurance that the management report contains the appropriate disclosures as to the acquisition of investments and controlling interests and the identity of both the shareholders and the owners of voting rights.

Paris La Défense and Neuilly-sur-Seine, April 4, 2012

Statutory auditors

KPMG Audit	Deloitte & Associés
A division of KPMG S.A..	
Denis Marangé	**Bénédicte Sabadie-Faure**
Associate	Associate

5/ STATUTORY AUDITORS' SPECIAL REPORT ON THE REGULATED AGREEMENTS AND COMMITMENTS

Year ended December 31, 2011

To the Shareholders

In our capacity as statutory auditors of the Company, we hereby present our report on the regulated agreements and commitments.

It is our responsibility, based on the disclosures given to us, to present you with the characteristics and main terms and conditions of the agreements and commitments of which we have been notified or that we discovered during our task, without having to express an opinion on their usefulness or appropriateness or look into the existence of other agreements and commitments. It is your responsibility, under Article R. 225-58 of the Commercial Code, to assess the benefit of concluding said agreements and commitments with a view to their adoption.

Additionally, it is our responsibility, where appropriate, to notify you of the disclosures stipulated in Article R. 225-58 of the Commercial Code regarding the performance of the agreements and commitments already approved by the General Meeting during the past financial year.

We exercised the due care and caution that we deemed necessary in accordance with the professional guidelines of the *Compagnie nationale des commissaires aux comptes* (French National Institute of Statutory Auditors) with regard to this assignment. This due care involved verifying that the disclosures provided to us were consistent with the underlying documents on which they were based.

> AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE GENERAL MEETING

Agreements and commitments authorised in the past financial year

In application of Article L. 225-88 of the Commercial Code, we have been advised of the agreements and commitments herebelow that were subject to prior authorisation by the Supervisory Board.

➤ Service agreement between the companies H.D.L. S.A.S. and Assystem S.A.

Signature of the Rider No. 11

- Interested parties: Mr. Dominique Louis, Chairman of the Management Board at Assystem S.A. and Chairman of H.D.L. S.A.S.
- Nature and terms and conditions:
  During the financial year 2011, the parties to the service agreement decided to sign a rider to said agreement (rider No. 11) to fix the amounts of the fixed portion and the variable portion owed by your Company in payment of the services provided in 2011.

On March 11, 2011, your Supervisory Board authorised the changes introduced by this rider which provides that:

- By way of payment for the services defined in the service agreement, H.D.L. S.A.S. shall receive for the year 2011 the fixed fee, excluding taxes, of €1,413,340 (fixed portion).
- In addition to the fixed portion, H.D.L. S.A.S. shall receive for the year 2011, a variable amount termed "success fee" based on:
  - in part, the fulfilment of a target margin rate fixed at 7% for the financial year 2011; and
  - in part, the assessment of individual performance by the Chairman of the Management Board.

The total amount of the variable portion, excluding taxes, is capped at €1,571,800.

On March 13, 2012, your Supervisory Board approved the payment of the variable portion for the financial year 2011 in the year 2012.

As a result, for the financial year 2011, the amount of the fixed portion owed by your company is €1,413,340 and the amount owed by way of the variable portion is €1,571,800, amounting to a total of €2,985,140 under this service agreement. This payment takes into consideration a portion of the services subcontracted by H.D.L. S.A.S. to its subsidiary, H2DA S.A.R.L.

➤ **Variable portion of the fee paid to Mr. Gilbert Vidal, member of the Management Board and the Group's Chief Financial Officer**

On March 11, 2011, your Supervisory Board modified the terms applicable for calculating the variable portion of Mr. Gilbert Vidal's fee. It comprises:
- in part, the fulfilment of a target margin rate fixed at 7% for the financial year 2011; and
- in part, the assessment of individual performance by the Chairman of the Management Board.

The total amount of the variable portion, excluding taxes, is capped at €260,000.

On March 13, 2012, your Supervisory Board authorised the payment of the variable portion for the financial year 2011 in the year 2012.

As a result, for the financial year 2011, the amount of the variable portion owed by your company towards Mr. Gilbert Vidal's fee is €260,000.

> AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in previous financial years and remaining in effect in the past financial year

In application of Article R. 225-57 of the Commercial Code, we have been informed that the agreements and commitments herebelow, already approved in the previous financial years by the General Meeting, remained in effect in the last financial year.

➤ **Commitments in favour of Mr. Gilbert Vidal, member of the Management Board and the Group's Chief Financial Officer**

The Supervisory Board meetings of March 18, 2008 and April 8, 2008 authorised the signature of an employment contract between Mr. Gilbert Vidal and your company, effective from February 1, 2008.

This employment contract provides for:
- an annual base fee paid over 12 months;
- a variable fee whose terms of calculation were modified by the Supervisory Board meeting of March 11, 2011. These terms are described in the first part of this report;
- a severance pay of €400,000, following termination of the employment contract on the employer's initiative. The criteria applicable for the payment of this severance pay were set down by the Supervisory Board meeting of April 8, 2008 and supplemented by the Remuneration Committee meeting of October 16, 2008.

Your company incurred a total of €253,600 in payment of the annual base fee for the financial year 2011. The amount paid by way of the variable portion of the fee is given in the first part of this report.

➤ **Service agreement between the companies H.D.L. S.A.S. and Assystem S.A.**

On January 22, 2004, Assystem S.A. and the HDL S.A.S. signed an agreement whereby H.D.L. S.A.S. undertook to provide Assystem S.A. with business management and organisation support services.

This agreement has been amended by 10 riders from the financial years 2005 to 2010.

The terms of said agreement and its riders fixed:
- the terms and conditions for subcontracting a part of the services by H.D.L. S.A.S. to its subsidiary, H2DA S.A.R.L.;
- the terms and conditions for fixing the fees that comprise a fixed portion and a variable portion. The latter, termed "success fee", was amended by rider 11 given in the first part of this report;
- the conditions for agreement renewal: the agreement is signed for a 4-year period, and is renewable by joint agreement;
- termination fee following a change of control at Assystem S.A. These termination benefits amount to twice the average of the fixed portion payable for the services provided in the two years preceding the termination of the agreement in the case of a friendly change of control, and shall amount to thrice the said average in case of a hostile change of control.

The amendments made by rider 11 signed during the financial year 2011 as well as the amounts paid out for the financial year 2011 are described in the first part of this report.

Agreements and commitments approved in the past financial year

We have also been informed of the performance, in the past year, of the agreement herebelow that has already been approved by the General Meeting on May 12, 2011, in the statutory auditors' special report of April 8, 2011.

➤ Writing-off of Assystem Italia S.p.A.'s receivable

- Interested parties: Mr. Gérard Brescon, Member of the Management Board at Assystem S.A. and Director at Assystem Italia S.p.A.
- Nature and terms and conditions:
  Your company agreed, as of the effective date April 20, 2011, to a write-off of receivables amounting to €1,122,580 in favour of Assystem Italia S.p.A., as approved by your Supervisory Board meeting on March 11, 2011.

Paris La Défense and Neuilly-sur-Seine, April 4, 2012

Statutory auditors

KPMG Audit	Deloitte & Associés
A division of KPMG S.A.	
Denis Marangé	**Bénédicte Sabadie-Faure**
Associate	Associate

9. CERTIFICATION BY THE PERSONS RESPONSIBLE FOR THE 2011 REFERENCE DOCUMENT

Having made every reasonable effort in this respect, we hereby certify that the information contained in this Reference Document is, to our knowledge, in conformity with the actual situation and free from any material misstatement.

We certify that to our knowledge the accounts have been prepared in accordance with the applicable accounting standards and give a true and fair view of the net assets, financial situation and results of the Company and the group of companies included in consolidation, and that the accompanying Management Report (pages 36 to 49) presents a true and fair image of the business developments, earnings and financial situation of the Company and the group of companies included in consolidation, as well as a description of the main risks and uncertainties they face.

We have received an audit completion letter from the Statutory Auditors stating that the information relating to the financial situation and accounts contained in this Document has been verified and that the entire Document has been read.

The historical financial information given in this Document has been covered in the Statutory Auditors' reports given in pages 125 and 142 of this Document, including the information incorporated by reference for the financial years 2010 and 2009.

The report on the consolidated financial statements for the year 2011, given on page 125 of this 2011 Reference Document is a certification without qualification and includes no observation. In their report on the 2011 annual accounts, given in page 142 of this Document, the Statutory Auditors pointed out the change in the method used for handling debt issue costs.

The reports on the consolidated and corporate financial statements as at 31 December 2010 and 2009 included by reference in this Document are given respectively in the Reference Document deposited with the French Market Authority AMF on 12 April 2011 under the deposit number D.11-0288 and on 31 March 2010 under the deposit number D.10-0195. These are unqualified reports with no observation other than the one in the report on the 2009 consolidated financial statement regarding the application of the new IFRS, namely the revised IAS 1 "Presentation of financial statements" and IFRS 8 "Operational segments".

Chairman of the Assystem SA Management Board
Dominique Louis

Person in charge of financial information:
Gilbert Vidal
Chief Financial Officer
Member of the Management Board

Paris, 11 April 2012

10. TABLE OF CONCORDANCE

References

References

References

In accordance with Article 28 of Commission Regulation (EC) No. 809/2004 of 29 April 2004, the reference document includes the following information:

- the consolidated financial statements for the year ended 31 December 2011, the Notes to the financial statements, the statutory auditors' report and the related management report, presented respectively on p. 68 to 124 and p. 125 of the Reference Document filed with the AMF on 12 April 2012 under No. D12-0335;
- the consolidated financial statements for the year ended 31 December 2010, the Notes to the financial statements, the statutory auditors' report and the related management report, presented respectively on p. 54-109 and p. 110 of the Registration Document filed with the AMF on 12 April 2011 under No. D.11-0288 and the updated version of the document filed with the AMF on June 28 2011;
- the consolidated financial statements for the year ended 31 December 2009, the notes to the financial statements, the statutory auditors' report and the related management report, presented respectively on p. 80-145 and p. 53-65 of the reference document filed with the AMF on 2 April 2009 under No. D.10-0195.

11. LIST OF DISCLOSURES ISSUED TO THE PUBLIC BY ASSYSTEM OVER THE LAST 12 MONTHS AND SINCE 1 JANUARY 2011

(Art. 221-1-1 of the AMF General Regulations)

> FINANCIAL AGENDA 2012

6 February 2012	Revenue for the year 2011
14 March 2012	Annual results 2011
15 March 2012	Presentation to financial markets
14 May 2012	Revenue for Q1 2012
23 May 2012	Annual General Meeting
30 July 2012	Revenue for Q2 2012
11 September 2012	Half-yearly results for 2012
12 September 2012	Presentation to financial markets
12 November 2012	Revenue for Q3 2012

> PUBLICLY AVAILABLE DOCUMENTS

The following documents in particular are available at the website www.assystem.com:

- This Registration Document filed with the Financial Market Authority on 12 April 2012;
- Reference Documents for 2010, 2009 and 2008 in the form of annual reports on 12 April 2011 (D. No. 11-0288), its update on 28 June 2011, 1 April 2010 (D. No. 10-0195), 2 April 2009 (D. No. 09-173);
- Financial press releases issued by the Company;
- Press release specifying the availability of a prospectus;
- Half-yearly financial report at 30 June 2011;
- Quarterly financial information for 2010, 2009;
- Information on the total number of voting rights and shares;
- Notice of availability and consultation of the Annual General Meeting's preparatory documents;
- Notice of availability of this Reference Document;
- Description of the share buyback program.

The by-laws and statutory financial statements of Assystem SA may be consulted at the company's registered office at 70 Boulevard de Courcelles, 75017 Paris, France, or obtained on request from the Company.

> LIST OF ASSYSTEM SA'S LEGAL ANNOUNCEMENT REFERENCES (FROM 1 JANUARY 2011 TO 31 DECEMBER 2011)

Published in: *Les Petites Affiches* **legal gazette**

2011		
12/01/2011	Announcement 001992	Capital increase
31/05/2011	Announcement 021016	Nomination of the Vice-Chairman of the Supervisory Board
22/06/2011	Announcement 023894	Appointment of two members to the Supervisory Board
11/07/2011	Announcement 027669	Capital increase
19/01/2012	Announcement 002519	Capital increase

List of BALO (Bulletin of obligatory legal announcements) financial publications

2011		
14/01/2011	Announcement 1100042	Liquidity agreement statement at 31/12/2010
06/04/2011	Announcement 1101111	Notice of the Annual General Meeting of 12 May 2011
20/04/2011	Announcement 1101480	Corrigendum to the notice of the Annual General Meeting
18/05/2011	Announcement 1102511	Shares and voting rights at AGM
01/02/2011	Announcement 1103127	Final annual financial statements 2010 approved by the Assembly
22/07/2011	Announcement 1104806	Liquidity agreement half-yearly statement at 30 June 2011

List of press releases

2011	
12/01/2011	Liquidity agreement half-yearly statement at 31 December 2010
24/01/2011	Monthly statement of number of shares and voting rights
31/01/2011	Assystem acquires Berner & Mattner
10/02/2011	Revenue for the year 2010
14/03/2011	Results for the year 2010
14/04/2011	Assystem starts exclusive negotiations with MPH
19/04/2011	Modalities of availability of preparatory documents - GA meeting on 12 May 2011
10/05/2011	Release of Q1 2011 revenue
12/05/2011	Shares and voting rights - GA meeting on 12 May 2011
18/05/2011	Share buyback plan authorised by the GA on 12 May 2011
09/06/2011	Dividend payment for 2010
28/06/2011	New financing for an overall amount of about €300 million towards the Group's growth strategy
28/06/2011	Bond issues with Cash Redemption option and/or New Shares and/or Existing Shares option (ORNANE)
04/07/2011	Bond issues by Assystem with Cash Redemption option and/or New Shares and/or Existing Shares option (ORNANE)
06/07/2011	ORNANE launched successfully by Assystem
18/07/2011	Half-yearly statement of the share buyback plan
25/07/2011	MPH joins Assystem
28/07/2011	Revenue for H1 2011
05/09/2011	Operating profit for H1 2011
07/09/2011	Half-yearly financial report on 30 June 2011
03/11/2011	Revenue for Q3 2011
01/01/2012	Monthly report of shares and voting rights

2012	
06/02/2012	Release of 2011 revenue
17/02/2012	Reinforcement of the n.triple.a alliance with Atkins
07/03/2012	Redeemable share subscription warrants 2012 mature on 31 March 2012
14/03/2012	Result for the year 2011
23/03/2012	Fuller information on outlook for 2010

APPENDIX

TERMS OF OFFICE AND FUNCTIONS CARRIED OUT BY MEMBERS OF THE MANAGEMENT BOARD AT 31 DECEMBER 2011

Dominique LOUIS

Professional address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

Terms of office and functions carried out in France	Company	Appointment date	Expiry of term of office
Chairman of the Management Board	Assystem SA	SBM 22 January 2004	22 January 2013
Chairman	HDL SAS	30 June 2003 (first appointment 24 December 1992)	Not determined
Chairman	Entreprises en Croissance SAS (EEC)	30 June 2003	Not determined
Chairman	CEFID SAS	24 March 2003	Not determined
Joint Manager – Chairman of the Management Committee	H2DA SARL	Renewal OGM 28 June 2011	OGM 2011 FS
Manager	SCI Les Grives Comtadines	13 December 2000	Not determined
Terms of office and functions carried out abroad	**Company**	**Appointment date**	**Expiry of term of office**
Member of the Board of Directors	Samuel Créations SA (Switzerland)	1997	Not determined

Stéphane AUBARBIER

Professional address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

Terms of office and functions carried out in France	Company	Appointment date	Expiry of term of office
Member of the Management Board	Assystem SA	SBM 29 March 2005	22 January 2013
Joint Manager – Member of the Management Board	H2DA SARL	Renewal AGM 28 June 2011	OGM 2011 FS
Manager	JEMS SCI	2010	2015
Terms of office and functions carried out abroad	**Company**	**Appointment date**	**Expiry of term of office**
Member of the Board of Directors	Assystem UK Ltd (GB)	30 June 2011	Not determined
Member of the Board of Directors	Assystem Romania	30 June 2011	Not determined

David BRADLEY

Professional address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

Terms of office and functions carried out in France	Company	Appointment date	Expiry of term of office
Member of the Management Board	Assystem SA	SBM 13 December 2007	22 January 2013
Terms of office and functions carried out abroad	**Company**	**Appointment date**	**Expiry of term of office**
Managing Director	Assystem Group UK Ltd (Holding)		Not determined
Managing Director	Assystem UK Ltd		Not determined
Managing Director	Inbis (Isle of Man) Limited		Not determined
Member of the Board of Directors	Silver Atena Limited (holding)	22 July 2009	Not determined
Member of the Board of Directors	Assystem Engineering Consulting (Shanghai) Co Ltd	6 February 2007	Not determined
Board Member (by delegation)	Assystem Italia	14 July 2009	

Gérard BRESCON

Professional address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

Terms of office and functions carried out in France	Company	Appointment date	Expiry of term of office
Member of the Management Board	Assystem SA	SBM 22 January 2004	22 January 2013
Joint Manager – Member of the Management Committee	H2DA SARL	Renewal OGM 28 June 2011	OGM 2011 FS
Chairman	Assystem France SAS	30 June 2005	Not determined
Terms of office and functions carried out abroad	**Company**	**Appointment date**	**Expiry of term of office**
Board Member and Chairman	Assystem Italia	13 July 2009	Not determined

Martine GRIFFON-FOUCO

Professional address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

Terms of office and functions carried out in France	Company	Appointment date	Expiry of term of office
Member of the Management Board	Assystem SA	SBM 4 November 2009	22 January 2013
Chairman	Anafi SAS	30 March 2009	Unlimited
Board Member and Chairman NRE	Insiema	12 December 2006	31 December 2011
Permanent rep., Assystem Engineering and Operation Services	ASG SA	1 February 2009	31 December 2012
Qualified Board Member	GIAT	6 October 2010	06/10/2015
Chairman and Board Member	Alphatest SA	14 June 2010 (renewal)	31 December 2015
Terms of office and functions carried out abroad	**Company**	**Appointment date**	**Expiry of term of office**
Not applicable			

Gilbert VIDAL

Professional address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

Terms of office and functions carried out in France	Company	Appointment date	Expiry of term of office
Member of the Management Board	Assystem SA	SBM 22 December 2006	22 January 2013
Chief Financial Officer	Assystem Group		
Chairman	Assystem Innovation SAS	Partner decision 4 December 2006	Unlimited
Chairman	Silver Atena France SAS	Partner decision 2 December 2008	Unlimited
Chairman	Assystem International	OGM of 30 June 2010	Unlimited
Terms of office and functions carried out abroad	**Company**	**Appointment date**	**Expiry of term of office**
Member of the Board of Directors	Assystem Engineering Consulting (Shanghai)		Unlimited
Member of the Board of Directors	Silver Atena Ltd	2008	Unlimited
Member of the Board of Directors	Specialist Services Ltd.	15 December 2008	Unlimited
Member of the Board of Directors	Assystem Group UK Ltd.		Unlimited
Member of the Board of Directors	Assystem Italia		Unlimited
Manager	Assystem Belgium		Unlimited

TERMS OF OFFICE AND FUNCTIONS CARRIED OUT OVER THE LAST 5 YEARS BY MEMBERS OF THE MANAGEMENT BOARD (SINCE 1 JANUARY 2007) – OUTSIDE GROUP UPDATED AT 31 DECEMBER 2011

Dominique LOUIS

Terms of office and functions carried out in France	Company	Term ongoing at 31/12/2010
Chairman	HDL SAS	Yes
Chairman	Entreprises en Croissance (EEC) SAS	Yes
Chairman	CEFID SAS	Yes
Chairman of the Management Committee	H2DA SARL	Yes
Permanent representative of EEC, Director	Léonardo Finance SA	No
Manager	SCI Les Grives Comtadines	Yes
Terms of office and functions carried out abroad	**Company**	**Term ongoing at 31/12/2010**
Member of the Board of Directors	Samuel Créations (Switzerland)	Yes

Stéphane AUBARBIER

Terms of office and functions carried out in France	Company	Term ongoing at 31/12/2010
Joint Manager – Member of the Management Committee	H2DA SARL	Yes
Manager	JEMS SCI	Yes
Terms of office and functions carried out abroad	**Company**	**Term ongoing at 31/12/2010**
Not applicable		

David BRADLEY

Terms of office and functions carried out in France	Company	Term ongoing at 31/12/2010
Not applicable		
Terms of office and functions carried out abroad	**Company**	**Term ongoing at 31/12/2010**
Not applicable		

Gérard BRESCON

Terms of office and functions carried out in France	Company	Term ongoing at 31/12/2010
Joint Manager – Member of the Management Committee	H2DA SARL	Yes
Terms of office and functions carried out abroad	**Company**	**Term ongoing at 31/12/2010**
Not applicable		

Martine GRIFFON-FOUCO

Terms of office and functions carried out in France	Company	Term ongoing at 31/12/2010
President and board member	Alphatest	Yes
Qualified Member	GIAT Industrie	Yes
Terms of office and functions carried out abroad	**Company**	**Term ongoing at 31/12/2010**
Not applicable		

Gilbert VIDAL

Terms of office and functions carried out in France	Company	Term ongoing at 31/12/2010
Chairman	Fracere	No
Member of the Board of Directors	Melox	No
Member of the Board of Directors	FCI	No
Member of the Board of Directors	Framapar	No
Member of the Board of Directors	Areva Insurance & Reinsurance	No
Terms of office and functions carried out abroad	**Company**	**Term ongoing at 31/12/2010**
Chairman and Member of the Board of Directors	TDI (Switzerland)	No

DESIGN & PRODUCTION
agence aristophane

PUBLISHING
MAY 2012

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