FOR A SUSTAINABLE GROWTH

assystem

2013 FINANCIAL REPORT

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This Registration Document was filed with AMF, the French Financial Market Authority on 15 April 2014 under No. D.14-0364, in accordance with Article 212-13 of its General Regulations.

It may be used in support of a financial operation if accompanied by a prospectus validated by the AMF.

This document was prepared by the issuer and under the responsibility of its signatories.

A NEW PATH TO GROWTH

CONTENTS

MESSAGE FROM THE CHAIRMEN

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

2013 was a year of several major events for the Company. The buyback of the majority of the shares held by Bpifrance marked the end of the period that began in 2005 with the entry of Caisse des Dépôts et Consignations in the shareholding. The phasing out initiated in 2013 ended in March 2014 with the closure of a takeover bid from HDL Development.

Assystem's founding shareholder controls 55.71% of the company. This show of trust in the company opens a new chapter in the history of Assystem, one of globalisation and international dimensions, with its two strategic business sectors, Energy and Aerospace.

As a consequence of this capitalistic change, the corporate governance structure will need to change. The proposal to adopt the articles of association of a public limited company (*société anonyme*) with a Board of Directors instead of a Management Board and a Supervisory Board will be put forward to the General Meeting of Shareholders on 22 May 2014.

Michel Combes

MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD

In 2013, Assystem's sales rose by 1.8%, totalling €871.4 million. The growth in France was 0.4%, whereas on the international side, it was 4.1%. Organic growth, albeit modest (up 1.6%) testifies to a noteworthy performance in the global economic environment. Assystem, 60% of whose sales are still generated in France, was unable to escape from the uncertainties of the economic climate in France in 2013, and was particularly hard hit by the downturn in the Automotive sector. France's structural handicap, although partially offset by certain tax provisions, generally urge the Company to continue balancing its business by increasing the share of costs outside the Euro zone. In this context, nonetheless, operating profit for 2013 reached €52.3 million, representing 6.1% of sales.

Backed by its 50-year experience in the nuclear industry and its unswerving commitment to the European aerospace industry, Assystem has a competitive edge in both fields. The company has hinged its future development on these two major areas of expertise.

A strong signal, marking the upturn of the nuclear sector, was sounded by EDF's signing a contract involving two 1,650 MW EPR reactors at Hinkley Point in the United Kingdom. For this project, Assystem has partnered with the engineering firm Atkins, with which it has ties under ITER or the n.triple.a alliance. The Energy sector also offers many promising prospects in the Middle East, in the nuclear, oil and gas and infrastructures fields.

In Aerospace, with the scheduled end of the major development programs of new aircraft, both at Airbus and Boeing, the Company will have to find new growth relays. New avenues are opening up in supply chain, production and supply of services to airliners. We already have a strong position in the ecosystem of Airbus and are set upon penetrating in the Boeing ecosystem.

In 2013, the automotive sector in France suffered from the difficulties experienced by one of our two major clients. We had to accept a fall in business of over 50% that our operations with the other auto manufacturers and our international developments, however promising, were unable to offset. Another characteristic of the automotive sector, the ever-increasing downward price pressure, prompts Assystem to put forward offerings with greater added value and lower cost.

One significant event in 2013 was the setting up of Assystem's Energy and Infrastructures business division in Dubai. This move is a concrete manifestation of the international dimension of our development strategy, with nearly half of the Group's business now being steered from the UAE. All these developments will show their full effect in the medium term, through the penetration into the steady, dynamic local Oil and Gas market, as well as through the development of nuclear programs. This strategy will be backed by acquisitions in that area, where countries with more developed economies, such as Saudi Arabia, will be prioritised. It was in this perspective that, at the very end of the year, Assystem declared its intention to acquire Radicon Gulf Consult, a leading design, engineering and services firm.

Despite the contrasted environment, Assystem was able to garner significant results in 2013 and maintain its growth objectives. Our trust in our teams, our cautious choices, our unflagging strategic dimensions allow us to look to the future with confidence and determination.

Dominique Louis

OUTCOME OF THE TAKEOVER BID BY HDL DEVELOPMENT FOR ASSYSTEM SHARES, ORNANE AND BSAAR

In order to strengthen his position in the capital of the Company he founded and developed, and to provide it with a stable and long-term controlling shareholder, Mr Dominique Louis, founder and reference shareholder of Assystem, deposited through the company HDL Development [(1)] (business registration number RCS 798 774 600), a takeover bid approved the AMF on 9 January 2014 for a unit price of:

- €20 per Assystem share;
- €23.50 per ORNANE;
- €8.90 per BSAAR.

At the close of the initial bid whose settlement and delivery took place on 27 February 2014, HDL Development held:

- 10,821,217 Assystem shares representing an equal number of voting rights, i.e. 55.69% of the capital and at least 51.21% of the voting rights of the Company;
- 2,624,601 BSAAR representing 90.69% of outstanding BSAAR;
- 136,174 ORNANE representing 3.26% of outstanding ORNANE.

At the close of the reopened bid whose settlement and delivery took place on 31 March 2014, HDL Development held:

- 10,844,948 Assystem shares representing an equal number of voting rights, i.e. 55.71% of the capital and at least 55.03% of the voting rights of the Company;
- 2,633,459 BSAAR representing 92.14% of outstanding BSAAR;
- 136,674 ORNANE representing 3.27% of outstanding ORNANE.

The breakdown of the capital at 31 March 2014 was as follows:

	Shares	%	Actual voting rights	%	Theoretical voting rights	%
HDL Development	10,844,948	55.71	10,844,948	55.35	10,844,948	55.04
Public	8,511,406	43.72	8,748,935	44.65	8,748,935	44.4
Treasury shares	110,990	0.57	–	–	110,990	0.56
Total	**19,467,344**	**100**	**19,593,883**	**100**	**19,704,873**	**100**

This new capital position will help guarantee the Company's independence and sustainability, both in its capacity to continue its industrial development strategy in the long term in those market cycles where the company has a distinct competitive edge, particularly in the Nuclear and Aerospace sectors, and in its commitment to pursue a socially responsible policy with regard to its employees.

As stated in the disclosure deposited by HDL Development and approved by AMF on 9 January 2014, a proposal has been put to the General Meeting of Shareholders of 22 May 2014 to adopt the articles of association of a public limited company (*société anonyme*) governed by a Board of Directors instead of a Management Board and a Supervisory Board; the Supervisory Board members whose appointment is put to the shareholders' vote are: Mr Dominique Louis, who shall also be appointed Chairman and Chief Executive Officer by the Board, Mr Gilbert Vidal, Salvepar, represented by Vincent Favier, Mr Gilbert Lehmann and Ms Miriam MAES.

Additionally, on 20 March 2014, Assystem informed the bearers of bonds redeemable in cash and/or new or existing shares (ORNANE) maturing on 1 January 2017 issued by Assystem on 6 July 2011 (ISIN code FR0011073006) that, following the takeover bid initiated by HDL Development, Assystem has undergone a "Change of control" as set out in section 4.17.7.3 of the transaction notice in the prospectus approved by AMF on 28 June 2011 under No. 11-268 (Transaction notice) when the ORNANE bonds were issued.

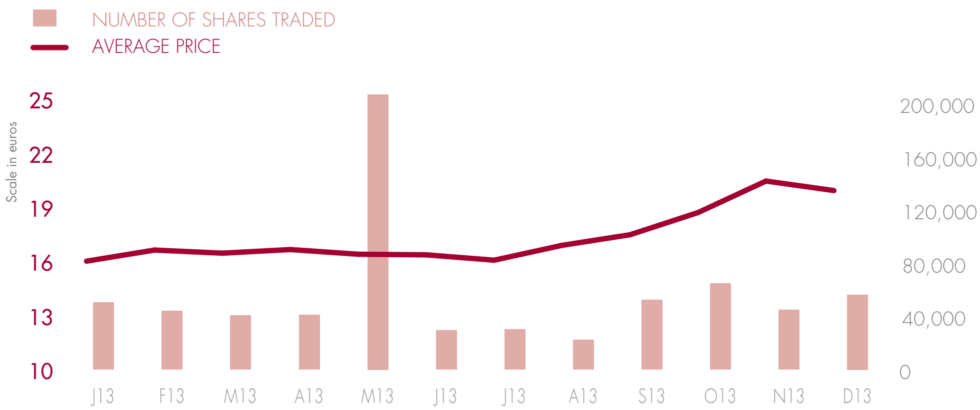
(1) HDL Development is a company that is 68.90%-controlled by HDL, of which 73.01% is controlled by Mr Dominique Louis, Chairman of the Assystem Management Board, 20.24% by the company Salvepar, 3.37% by the Tikehau Capital Partners fund, and 3.37% by the Tikehau Preferred Capital fund. The remaining capital of the company HDL Development is distributed as follows: 15.80%-owned by the company CEFID, 12.57% by H2DA, 0.72% by EEC, 0.48% by Mr Gérard Brescon, 0.42% by Mr David Bradley, 0.39% by Mr Dominique Louis, 0.20% by Mr Michel Combes and 0.48% by Mr Stéphane Aubarbier.

Owing to this "Change of control", the bearers of ORNANE bonds can, between 21 March 2014 and 10 April 2014 (inclusive), demand the early redemption in cash of all or a part of the ORNANE bonds they own. The date fixed for the early redemption of the ORNANE bonds for which an early redemption request has been made is 17 April 2014.

These disclosures supplement the information provided in the following chapters of the registration document:

- Chapter 1, sections 2.3 and 2.5;
- Chapter 2, introduction;
- Chapter 3, section 2.6;
- Chapter 5, section 1;
- Chapter 8, Note 43, Events after the balance sheet date;
- Chapter 9, Note 1, Events after the balance sheet date.

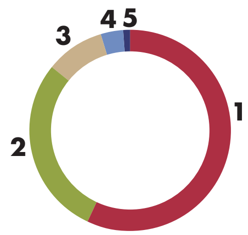
KEY FIGURES FOR 2013



AVERAGE PRICE AND MONTHLY VOLUMES
OF THE ASSYSTEM SHARE IN 2013

NYSE Euronext Paris Segment B
ISIN code: FR0000074148
Mid-caps with deferred settlement service (SRD)

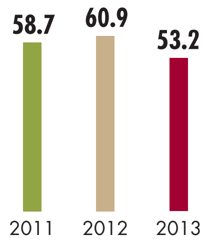
Indexes:
- CAC All-Tradable (formerly SBF250) –/CACT
- CAC SMALL/CACS
- CAC Mid & Small/CACMS
- CAC All-Share/PAX



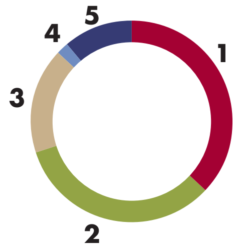
BREAKDOWN OF CAPITAL
AS AT 31 DECEMBER 2013

1.	PUBLIC	57.2%
2.	D. LOUIS/GROUPE HDL/ H2DA*/CEFID/EEC	28.7%
3.	TREASURY STOCK	9.5%
4.	MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD**	3.5%
5.	EMPLOYEE MUTUAL FUND FCP	1.1%

* H2DA held by HDL (10.8%) and some members of the Management Board; CEFID held by HDL, Dominique Louis and Michel Combes
** Excluding Dominique Louis
*** Distinct from the theoretical voting rights used for assessing threshold crossings

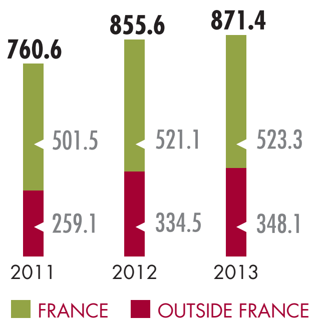


OPERATING PROFIT FROM CONTINUING OPERATIONS IN 2013
(€ MILLION)

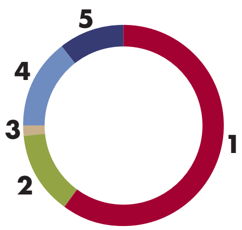


BREAKDOWN OF SALES FOR 2013
BY BUSINESS SECTOR

1. AEROSPACE	37%
2. ENERGY (including nuclear: 20%)	33%
3. TRANSPORT (including automotive: 12%)	17%
4. DEFENCE	2%
5. OTHER INDUSTRIES	11%

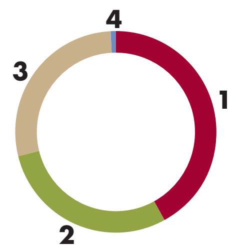


CHANGE IN SALES
BY GEOGRAPHICAL REGION
(€ MILLION)



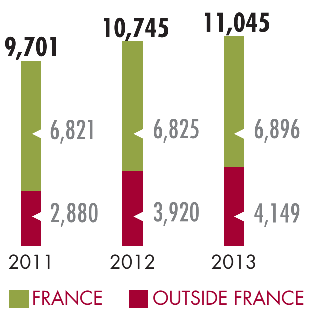
2013 SALES
BY COUNTRY (€MILLION)

1. FRANCE	523.3
2. CANADA/UNITED STATES/ UNITED KINGDOM	116.6
3. ROMANIA/SPAIN/PORTUGAL	14.9
4. GERMANY/BELGIUM/ AUSTRIA/SWITZERLAND	126.6
5. ASIA/MIDDLE EAST/AFRICA	90.0

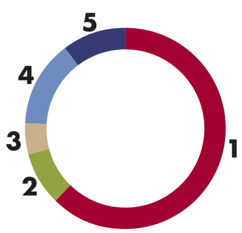


2013 SALES
BY BUSINESS UNIT (€ MILLION)

1. INFRASTRUCTURE ENGINEERING & OPERATIONS	365.9
2. AEROSPACE ENGINEERING	255.9
3. TECHNOLOGY & PRODUCT ENGINEERING	242.7
4. OTHER	6.9

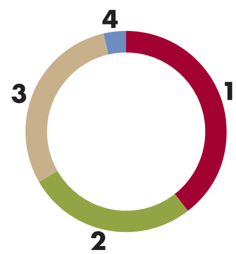


CHANGE IN HEADCOUNT
(FRANCE/OUTSIDE FRANCE)



HEADCOUNT FOR 2013
BY COUNTRY

1. FRANCE	6,896
2. CANADA/UNITED STATES/ UNITED KINGDOM	951
3. ROMANIA/SPAIN/PORTUGAL	557
4. GERMANY/BELGIUM AUSTRIA/SWITZERLAND	1,506
5. ASIA/MIDDLE EAST/AFRICA	1,135



HEADCOUNT FOR 2013
BY BUSINESS UNIT

1. INFRASTRUCTURE ENGINEERING & OPERATIONS	4,368
2. AEROSPACE ENGINEERING	3,021
3. TECHNOLOGY & PRODUCT ENGINEERING	3,268
4. OTHER	388

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 Extraordinary General Meeting of 9 June 2005) formerly known as Assystem Brime, following the acquisition of Assystem SA by Brime Technologies in February 2004.

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

70, boulevard de Courcelles, 75017 Paris, France
Company documents (accounts, minutes of General Meetings, Statutory Auditors' reports, etc.) may be inspected free of charge at the Company's registered office.

> DATE OF INCORPORATION

The company was founded on 26 April 1997.

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

Assystem is a public limited company (*société anonyme*) with a Management Board and Supervisory Board, subject to all of the laws governing commercial enterprises in France, and particularly the provisions of the French Commercial Code (*Code de Commerce*).

A proposal to adopt a new mode of governance with a Board of Directors will be put forward to the General Meeting of Shareholders of 22 May 2014.

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

The Company shall have a lifespan of 99 years, as 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 OBJECTS (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

The objects of the Company are 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 objects 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 identification number B 412 076 937 RCS Paris.

French business classification (NAF) code 7010 Z (head office activities).

> FINANCIAL YEAR (ARTICLE 20 OF THE ARTICLES OF ASSOCIATION)

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

> PROFIT DISTRIBUTION (ARTICLE 21 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, is 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 19 OF THE ARTICLES OF ASSOCIATION)

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

> SPECIAL STATUTORY PROVISIONS

The statutory amendments set out below relating to the operation of the Company were adopted by the Combined Ordinary and Extraordinary General Meeting of 10 December 2003.

Existence and crossing of statutory thresholds (Article 18 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 registered mail with acknowledgement of receipt, within the time limit laid down by Article L. 233-7, paragraph 1 of said Code.

The disclosure requirement referred to in the preceding paragraph for crossing thresholds of 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 submit 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 19 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 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

At 31 December 2013, share capital was set at €19,326,066 divided into 19,326,066 shares with a par value of €1.

The Company's securities, eligible for equity savings plans (PEA) or deferred settlement service (SRD) are listed on the Eurolist market in Segment B of NYSE Euronext Paris (France).

The securities are listed under the ISIN code FR0000074148.

2.1/ COMPANY BUYBACK OF ITS OWN SHARES

2.1.1/ Share buyback programme

Assystem's Ordinary General Meeting of 22 May 2013, 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, or until 22 November 2014.

This authorisation superseded the previous authorisation issued by the General Meeting of 23 May 2012.

A document describing the share buyback programme implemented by the Management Board at its 23 May 2013 meeting was published in full form and filed electronically with AMF, as announced electronically on 22 May 2013 through Hugin InPublic (a professional distributor from the AMF list).

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

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

Total ceiling: €40,000,000.

Shares may be purchased to:

- award shares to the employees or corporate officers of the Company and/or its affiliated or to-be-affiliated companies under the terms laid down by the law, in connection with share purchase options exercised or bonus shares granted;
- deliver shares upon the exercise of rights attached to debt securities giving entitlement to Company shares;
- hold as treasury shares to finance future acquisitions through either share swaps or payments in shares;
- support liquidity and share price regularity in the context of a liquidity contract signed with an independent investment services firm, and in conformity with the professional code of conduct endorsed by AMF;
- reduce the capital by cancelling shares following the cancellation authorisation granted to the Management Board by the Extraordinary General Meeting.

In the event of a transaction on the share capital, such as the incorporation of reserves, free share allotment or division or consolidation 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 price different from the purchase price.

2.1.2/ Liquidity contract

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

At 31 December 2013, the liquidity account held the following assets:

- 10,300 securities;
- €381,514.18 in cash.

2.2/ CHANGES IN SHARE CAPITAL SINCE THE COMPANY WAS ESTABLISHED

EGM/Management Board	Nature of transaction	Capital Increase/ reduction (in French francs and in euros)	Issue premium	Number of shares issued/ cancelled	Cumulative amount of share capital and securities
26 April 1997	Company established	FRF 250,000	0	2,500	FRF 250,000 (2,500 securities)
29 October 1998	Capital increase in cash	FRF 3,166,800	FRF 6,333,600	31,668	FRF 3,416,800 (34,168 securities)
29 October 1998	Capital increase in cash	FRF 3,917,300	FRF 8,332,488	39,173	FRF 7,334,100 (73,341 securities)
29 October 1998	Capital increase through contribution in kind of HBPS securities	FRF 3,099,900	FRF 6,199,800	30,999	FRF 10,434,000 (104,430 securities)
15 December 1998	Capital increase through contribution in kind of Brime SI securities	FRF 121,300	FRF 242,600	1,213	FRF 10,555,300 (10,555,300 securities)
26 August 1999	Capital increase through contribution in kind of Partners Informatique securities	FRF 2,353,700	FRF 37,894,570	23,537	FRF 12,909,000 (129,090 securities)
26 August 1999	Capital increase through contribution in cash	FRF 538,600	FRF 7,461,400	5,386	FRF 13,447,600 (134,476 securities)
26 August 1999	Share split – multiplication by 25 of the number of shares	–	–	–	FRF 13,447,600
22 October 1999	Capital increase through stock market flotation	FRF 3,370,704	FRF 79,540,188	842,676	FRF 16,818,304 (4,204,576 securities)
31 December 1999	Capital increase following the exercise of share subscription warrants	FRF 20,500	FRF 41,000	5,125	FRF 16,838,804 (4,209,701 securities)
11 September 2000	Capital increase through contribution of New Itaac and Groupe Androne securities	FRF 652,572	FRF 52,351,275	163,143	FRF 17,491,376
15 September 2000	Capital increase on issue of shares with subscription warrants	FRF 2,500,420	FRF 223,022,680	625,105	FRF 19,991,796
31 December 2000	Capital increase following the exercise of share subscription warrants	FRF 230,300	FRF 460,600	57,575	FRF 20,222,096
29 March 2001	Inclusion of share premium in share capital followed by conversion of capital into euros	FRF 12,938,968	(FRF 12,939,968)	0	€5,055,524
30 May 2001	Capital increase through contribution of Audifilm, Logisil and Techniglobe securities	€145,071	€7,193,173	145,071	€5,200,595
30 November 2001	Capital increase through contribution of HTS, Inforchip/Blue Point and Elite Consulting securities	€111,892	€3,709,235	111,892	€5,312,487
31 December 2001	Capital increase following the exercise of share subscription warrants	€30,000	€24,882	30,000	€5,342,487

EGM/Management Board	Nature of transaction	Capital Increase/ reduction (in French francs and in euros)	Issue premium	Number of shares issued/ cancelled	Cumulative amount of share capital and securities
26 June 2002	Capital increase through contribution of Sinc securities and for acquisition of Techniglobe	€34,031	€793,653.83	34,031	€5,376,518
30 September 2002	Capital increase through contribution of Avance, SGC and Groupe SEO securities	€517,150	€10,500,132.52	517,150	€5,893,668
29 November 2002	Capital increase through contribution of Groupe Conseil OSI and Technicrea securities	€105,877	€1,531,286.87	105,877	€5,999,545
31 December 2002	Capital increase following the exercise of share subscription warrants	€9,125	€7,568.17	9,125	€6,008,670
26 June 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 June 2003	Capital increase following the exercise of share subscription warrants	€37,625	€31,204	37,625	€6,179,301
31 December 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
9 February 2004	Capital increase following the absorption of Assystem SA	€1,210,591	–	1,210,591	€19,677,932
31 December 2004	Capital increase following the exercise of share subscription warrants in 2004	€116,506	€752,728.04	116,506	€19,794,438
25 April 2005	Capital increase following the exercise of share subscription warrants from 1 January to 13 April 2005 (prior to business combination)	€188,288	€1,723,263.20	188,288	€19,982,726
13 June 2005	Capital reduction through the cancellation of 1,109,231 treasury shares	(€1,109,231)	(€16,462,475.15)	(1,109,231)	€18,873,495
31 December 2005	Capital increase following the exercise of share subscription options in 2005 and share subscription warrants since 25 April 2005 (business combination)	€150,647	€1,541,228.01	150,647	€19,024,142
30 June 2006	Capital increase following the exercise of ASBBS FR 0010166371 share subscription warrants from 1 January to 31 May 2006	€30,604	€280,026.60	30,604	€19,054,746
15 September 2006	Capital increase following the public exchange offer for ASBBS redeemable share subscription warrants	€2,446,367	(€2,446,367)	2,446,367	€21,501,113
31 December 2006	Capital increase following the exercise of share subscription options and share subscription warrants not recognized during the period	€231,448	€1,431,929.84	231,448	€21,732,561
16 August 2007	Capital increase following the exercise of share subscription options not recognized between 1 January and 10 August 2007	€87,620	€422,225.85	87,620	€21,820,181
31 December 2007	Capital increase following the exercise of share purchase options not recognized in the period after 15 August 2007	€86,270	€452,326.60	86,270	€21,906,451
14 April 2008	Capital increase following the exercise of share subscription options not recognized in the period between 1 January and 14 April 2008	€85,500	€301,815.00	85,500	€21,991,951
10 June 2008	Capital increase following the exercise of share subscription options not recognized in the period between 10 June and 31 July 2008	€48,961	€316,777.67	48,961	€22,040,912
06 August 2008	Capital increase following the exercise of share subscription options not recognized in the period between 15 April and 10 June 2008	€60,615	€392,179.05	60,615	€22,101,527
24 November 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 May 2009	Capital reduction following the cancellation of 560,152 treasury shares	(€560,152)	(€4,030,789.77)	(560,152)	€20,041,375
24 June 2010	Capital increase following the exercise of share subscription warrants from 1 January to 24 June 2010	€203	€1,857.45	203	€20,041,578
12 January 2011	Capital increase following the exercise of share subscription warrants from 1 July to 31 December 2010	€115,504	€926,385.50	115,504	€20,157,082
7 July 2011	Capital increase following the exercise of share subscription warrants from 1 January to 30 June 2011	€209,091	€1,792,723.80	209,091	€20,366,174
10 January 2012	Capital increase following the exercise of share subscription warrants from 1 July to 31 December 2011	€21,550	€172,040.95	21,550	€20,387,724
26 July 2012	Capital increase following the exercise of share subscription warrants from 1 January to 30 June 2012	€346,554	€2,838,496.35	346,554	€20,734,278
22 May 2013	Capital reduction through cancellation of treasury shares	(€1,564,168)	(€19,576,044.58)	(1,564,168)	€19,170,110
1 July 2013	Capital increase following the exercise of share subscription warrants from 1 January to 30 June 2013	€49,730	€502,273	49,730	€19,219,840
3 December 2013	Capital increase following the exercise of share subscription warrants from 1 July to 30 November 2013	€79,002	€797,920.20	79,002	€19,298,842
3 January 2014	Capital increase following the exercise of share subscription warrants from 30 November to 31 December 2013	€27,224	€274,962.40	27,224	€19,326,066
6 March 2014	Capital increase following the exercise of share subscription warrants from 1 January to 28 February 2014	€140,278	€1,416,807.80	140,278	€19,466,344
2 April 2014	Capital increase following the exercise of share subscription warrants from 1 March to 31 March 2014	€1,000	€10,100.00	1,000	€19,467,344

2.3/ BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS (POST TAKEOVER BID)

The breakdown of the share capital at 31 March 2014 is given in page 6 of this Registration document. The Company is controlled by HDL Development.

To the Company's knowledge, the breakdown of share capital at the balance sheet date in the last three financial years was as follows:

AS AT 31 DECEMBER 2013

	Shares	%	Actual voting rights	%	Theoretical voting rights	%
D. Louis/Groupe HDL	5,546,475	28.70%	5,840,497	29.65%	5,840,497	27.13%
• HDL SAS	3,438,466	17.79%	3,553,466	18.04%	3,553,466	16.51%
• EEC SAS	59,090	0.31%	59,090	0.30%	59,090	0.27%
• CEFID SAS	1,020,607	5.28%	1,020,607	5.18%	1,020,607	4.74%
• H2DA/DL	1,028,312	5.32%	1,207,334	6.13%	1,207,334	5.61%
Extended concert party	114,738	0.59%	229,476	1.17%	229,476	1.07%
Extended concert party +	222,459	1.15%	376,272	1.91%	376,272	1.75%
Supervisory Board	347,159	1.80%	681,979	3.46%	681,979	3.17%
Employee mutual fund (FCP)	215,540	1.12%	430,100	2.18%	430,100	2.00%
Public	11,050,362	57.17%	12,137,599	61.63%	12,137,599	56.38%
Treasury shares	1,829,333	9.47%	0	0.00%	1,829,333	8.50%
Total	**19,326,066**	**100.00%**	**19,695,923**	**100.00%**	**21,525,256**	**100.00%**

AS AT 31 DECEMBER 2012

	Shares	%	Actual voting rights	%	Theoretical voting rights	%
Fonds Stratégique d'Investissement (FSI)	2,847,408	13.73%	5,694,816	23.40%	5,694,816	21.86%
CDC Entreprises Valeurs Moyennes	519,698	2.51%	519,698	2.14%	519,698	1.99%
D. Louis/Groupe HDL	5,546,475	26.75%	6,861,510	28.19%	6,861,510	26.33%
• D. Louis	485,658	2.34%	971,316	3.99%	971,316	3.73%
• HDL SAS	3,438,466	16.58%	3,838,466	15.77%	3,838,466	14.73%
• EEC SAS	59,090	0.28%	67,860	0.28%	67,860	0.26%
• CEFID SAS	1,020,607	4.92%	1,441,214	5.92%	1,441,214	5.53%
• H2DA	542,654	2.62%	542,654	2.23%	542,654	2.08%
Extended concert party	193,636	0.93%	318,374	1.31%	318,374	1.22%
Extended concert party +	146,813	0.71%	245,626	1.01%	245,626	0.94%
Supervisory Board	407,159	1.96%	801,979	3.29%	801,979	3.08%
Employee mutual fund (FCP)	239,824	1.16%	459,424	1.89%	459,424	1.76%
Public	9,117,416	43.97%	9,439,642	38.78%	9,439,642	36.23%
Treasury shares	1,715,849	8.28%	0	0.00%	1,715,849	6.59%
Total	**20,734,278**	**100.00%**	**24,341,069**	**100.00%**	**26,056,918**	**100.00%**

AS AT 31 DECEMBER 2011

	Shares	%	Theoretical voting rights	%
FSI + CDC 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%
Extended concert party	193,636	0.95%	268,374	1.13%
Extended concert party +	161,813	0.79%	225,626	0.94%
Supervisory Board	406,159	1.99%	799,479	3.35%
Employee mutual fund (FCP)	247,100	1.21%	466,700	1.95%
Public	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%**

2.4/ SHARE SUBSCRIPTION WARRANTS

At 31 December 2013, the following share subscription warrants had been issued by the company:

Listed on: Euronext Paris.

Warrant ticker	ISIN code	Issue date	Warrant expiry date	Exercise parity	Exercise price	Balance at 31 December 2013
ASYBS (BSAAR 2015) [(1)]	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 and/or acquisition warrant = 1 share	€11.10	2,999,463

(1) The BSAAR 2015 redeemable share subscription and/or acquisition warrants were created following the issue by Assystem between 24 and 30 June 2008 of a loan with a nominal amount of €65,000,000 represented by 130,000 OBSAARs (bonds with subscription and/or acquisition warrants) to which said warrants were attached. (See the prospectus approved by the AMF under number 08-128 on 13 June 2008).

At December 2013, the number of potential shares resulting from exercising all of the BSAAR was as follows: 2,999,463 shares representing a potential dilution of 15.52%.

SUMMARY

BSA	BSAAR 2015
Number of BSA (share subscription warrants) at issue	3,250,000
ISIN code	FR0010630590
Number of shares per BSA	1
Exercise price	€11.10
Start of forced exercise period	9 July 2013
Forced exercise price	€15.54
Expiry date	9 July 2015
Maximum capital increase	€36.1 million
Number of BSA at 31 December 2013	2,999,463
Share price at 28 December 2013	8.99

2.5/ ORNANE BONDS REDEEMABLE IN CASH AND/OR NEW OR EXISTING SHARES

On 6 July 2011, Assystem issued 4,181,818 ORNANE having the following specifications:

Ticker	ISIN code	Issue date	Expiry date	Exercise parity	Issue price	Number of ORNANE
ASSYSTORN4%JAN17	FR0011073006	06/07/2011	01/01/2017	1 ORNANE = 1 share	€22.00	4,181,818

- Total nominal amount: €91,999,996.
- Interest rate: annual nominal rate of 4% payable in arrears on 1 January of each year, *i.e.* €0.88 per ORNANE per year.
- Fully amortised at maturity by redemption at par. The redemption procedures and the potential dilution impact are detailed in the management report and in the notes to the consolidated financial statements.
- Share award entitlement: bond holders are entitled to new or existing share awards under the conditions set out in the Prospectus approved by AMF on 28 June 2011 under No. 11-268.

For information regarding post-takeover bid events, see pages 6 and 7 of this Reference Document.

2.6/ SHARE SUBSCRIPTION OPTIONS

No option or share subscription awards in 2013.

2.7/ BONUS SHARE AWARDS

No bonus shares were awarded by the Management Board during the 2013 reporting period.

The bonus share award history is given in Chapter 8 – Consolidated financial statements.

2.8/ DIVIDENDS

Statutory limitation periods

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

The General Meeting of 22 May 2013 set a dividend of €0.10 attributable to each share forming the share capital, excluding treasury shares.

At the next General Meeting on 22 May 2014, a dividend of €0.45 per share will be recommended.

2.9/ SHARE PRICE PERFORMANCE

Availability	Highest price	Highest price date	Lowest price	Lowest price date	Closing price	Average price (opening)	Average price (closing)	Number of securities exchanged	Capital (€ million)	Number of trading sessions
January 2013	16.95	18/01	14.95	03/01	16.57	15.94	16.01	504,139	8.1	22
February 2013	16.93	14/02	15.87	05/02	16.38	16.64	16.62	442,635	7.01	20
March 2013	16.85	11/03	16	13/03	16.3	16.46	16.45	408,464	6.7	20
April 2013	17.47	09/04	16.11	19/04	16.14	16.66	16.65	410,726	6.8	21
May 2013	16.91	29/05	15.91	02/05	16.89	16.35	16.39	2,070,032	33.2	22
June 2013	16.89	05/06	15.36	28/06	15.53	16.41	16.36	296,385	4.8	20
July 2013	16.59	15/07	15.27	02/07	16.13	16.02	16.06	303,946	4.8	23
August 2013	17.41	23/08	15.94	02/08	17.17	16.83	16.89	223,335	3.7	22
September 2013	18.25	26/09	16.81	12/09	18.12	17.44	17.47	524,373	9.1	21
October 2013	20.32	30/10	17.93	01/11	20.06	18.63	18.70	648,791	12.3	22
November 2013	21.09	12/11	19.96	01/11	20.28	20.43	20.45	450,282	9.1	21
December 2013	20.49	02/12	19.11	17/12	20.12	19.91	19.92	563,651	11.2	20

Source: Euronext. This document is supplied for information only and in no way releases the Company from its legal obligations.
Code: FR0000074148: Assystem.
Continuous trading, no deferred settlement – CAC All-Tradable index value.

2.10/ RETENTION UNDERTAKING BY CERTAIN SHAREHOLDERS

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

2.11/ PLEDGED SHARES OF THE COMPANY AND ITS SUBSIDIARIES (AT 31 DECEMBER 2013)

Name of directly-registered and managed shareholder	Beneficiary	Pledge start date	Pledge expiry date	Conditions for releasing pledge	Number of issuer's shares pledged	% of the issuer's capital pledged
HDL SAS	Swiss Life BP	01/07/2013	01/07/2014	Overdraft repayment	115,000	0.6%
	BNP Paribas	05/07/2013	31/07/2014	Overdraft repayment	193,550	1%
H2DA Sarl	HDL SAS BNP Paribas	28/07/2013 31/07/2013	28/07/2015 31/07/2014	Repayment of vendor loan Overdraft repayment	500,000 64,310	2.59% 0.33%
Cefid SAS	BNP Paribas	22/06/2011	22/06/2015	Repayment of loan	357,356	1.85%
	Swiss Life BP	30/06/2013	30/06/2014	Repayment of loan	600,000	3.11%

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.

In connection with HDL Development's takeover bid for Assystem shares whose settlement/delivery took place on 31 March 2014, all these pledges were released.

2.12/ SHAREHOLDERS' AGREEMENT

Not applicable.

2.13/ SHARE CAPITAL NOT YET ISSUED

Not applicable.

2.14/ DELEGATIONS OF RESPSONSIBILITY AND AUTHORISATIONS TO THE MANAGEMENT BOARD FOR SHARE CAPITAL INCREASES OR REDUCTIONS

The Management Board was granted the following authorisations:

Delegations of responsibility/Authorisations	Maximum capital increase/reduction amount	Term	EGM at which resolution was adopted
Cancellation of shares acquired under share buyback programmes.	Maximum reduction 2,073,427 securities Cancellation capped at 10% of the shares comprising the share capital at the transaction date	26 months (up to 21/07/2015)	22/05/2013 (15th resolution)
Issue of equity securities and/or securities granting access to capital **with** preferential subscription rights	Maximum increase in nominal €10,000,000 €	26 months (up to 21/07/2015)	22/05/2013 (16th resolution)
Issue of equity securities and/or securities granting access to capital without preferential subscription rights in connection with a **Private placement**	Maximum increase in nominal-10% of share capital per year, *i.e.* €2,000,000	26 months (up to 21/07/2015)	22/05/2013 (17th resolution)
Share issue reserved for **members of a company savings plan**	Nominal amount on the implementation date up to 2% of share capital	26 months (up to 21/07/2015)	22/05/2013 (18th resolution)
Award of bonus shares in existence or to be issued (new legal and tax system)	3% increase of nominal amount of share capital on date when authorisation was used Of which 1% of the nominal amount without performance condition for certain employees (excluding Management Board members)	38 months (up to 21/07/2016)	22/05/2013 (19th resolution)
Increase in the amount of each issue with or without preferential subscription rights	Up to 15% of the initial issue	26 months (up to 21/07/2015)	22/05/2013 (20th resolution)
Approval of the total amount of the authorisations granted to the Management Board for share capital increases, namely: • **14th, 15th, 16th, 17th and 18th resolution in share capital** • **14th, 15th, 16th, 17th and 18th resolution in debt securities**	€10,000,000 in nominal share capital and €150,000,000 maximum in debt securities	26 months (up to 21/07/2015)	22/05/2013 (21st resolution)
Issue of equity securities and/or securities granting access to the share capital **without** preferential subscription rights	€8,000,000 maximum in nominal share capital	26 months (up to 23/07/2014)	23/05/2012 (15th resolution) supersedes the 16th resolution of the EGM of 12 May 2011
Capitalisation of reserves, profits, merger or share premiums whether combined or not with bonus share issues	Increase by €20,000,000 in share capital	26 months (up to 21/07/2015)	22/05/2015 (22nd resolution)

The Management Board of 23 May 2013, by virtue of the powers conferred by the Ordinary and Extraordinary General Meeting of 22 May 2013, in the following resolutions:

- 8th resolution: authorisation of the regulated agreement with FSI;
- 10th resolution: new share buyback programme granting the authorisation to acquire blocks of shares;
- 15th resolution: authorisation for the cancellation of treasury shares;

decided to proceed to the immediate cancellation of 1,564,168 treasury shares held, thereby reducing the share capital by €1,564,168 through the cancellation of €1,564,168 shares at a par value of €1 each, from €20,734,278 to €19,170,110, divided into 19,170,110 shares at a par value of €1 each.

3/ FEES PAID TO STATUTORY AUDITORS AND THEIR AFFILIATED MEMBERS BY THE GROUP

In thousands of €

	Deloitte et Associés				KPMG			
	Pre-tax amount		%		Pre-tax amount		%	
	2013	2012	2013	2012	2013	2012	2013	2012
AUDITING								
Statutory auditing, certification and examination of corporate and consolidated financial statements								
Issuer	193	188	32	35	193	193	26	30
Fully-consolidated subsidiaries	352	347	58	65	414	423	55	65
Other responsibilities and services directly linked with statutory auditing								
Issuer	59	8	10	1	148	28	20	4
Fully-consolidated subsidiaries	–	–	–	–	–	6	–	1
Subtotal	**604**	**543**	**100**	**100**	**755**	**650**	**100**	**100**
OTHER SERVICES PROVIDED BY AFFILIATES TO FULLY-CONSOLIDATED SUBSIDIARIES								
Legal, tax, social								
Legal, tax, social	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Specify if > 10% of auditing fees	–	–	–	–	–	–	–	–
Subtotal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand total	**604**	**543**	**100**	**100**	**755**	**650**	**100**	**100**

2. GOVERNANCE

Assystem is a public limited company with a Management Board and a Supervisory Board.

In accordance with the terms of the Takeover Bid initiated by HDL Development on Assystem SA securities (see pages 6 and 7 of this reference document), the Company's General Shareholders' Meeting of 22 May 2014 will be asked to adopt a form of governance *via* a Board of Directors. Therefore, at this General Meeting, shareholders will be asked to vote on the appointment of Dominique Louis, Gilbert Vidal, Vincent Favier, Gilbert Lehamnn and Miriam Maes as members of the Board of Directors.

1/ SUPERVISORY BOARD

In accordance with the Articles of Association and its Rules of Procedure the Supervisory Board meets as often as required by the Company's interests and at least 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 the running of the Company each quarter.

In accordance with Article 15 of the Articles of Association, on 31 December 2013, the Supervisory Board is composed of at least three members with a maximum of fifteen. Its composition complies with the law of 27 January 2011 on gender equality in the workplace and, more specifically, a balance of male/female representation on corporate Boards. The Supervisory Board is currently composed of the following individuals:
- Mr. Michel Combes, who chairs the Board;
- Mr. Gilbert Lehmann, Deputy Chairman;
- Mr. Bruno Angles;
- Mr. Stanislas Chapron;
- Mrs. Martine Griffon Fouco;
- Mr. Pierre Guénant;
- Mrs. Miriam Maes;
- Société Amaryllis, represented by Armand Carlier.

Michel Combes

Born in 1962. A graduate of the *École Polytechnique* and the *École Nationale Supérieure des Télécommunications*, 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 Chief Executive Officer of Vodafone Europe since October 2008 and was appointed to the Vodafone Board of Directors in June 2009. On 1 April 2013, he was appointed Chief Executive of Alcatel-Lucent.

Michel Combes has been a member of the Assystem Supervisory Board since 2003 and its Chairman since 25 January 2004.

Bruno Angles

Born in 1964. A graduate of the *École Polytechnique*, Bruno ANGLES is a Canal and Port engineer with a diploma from the *Collège des Ingénieurs*, and is the French Chairman of Macquarie Infrastructure & 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.

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 (STMB) from 1994 to 1996, Technical Consultant to the office of 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.

Bruno Angles has been decorated "Officier de l'Ordre National du Mérite" and "Chevalier de l'Ordre National de la Légion d'Honneur".

He was Chairman of the *Association des Ingénieurs des Ponts et Chaussées* from 2003 to 2005 and Chairman of the Fondation de l'*École Nationale des Ponts et Chaussées* from 2006 to 2011.

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). He was Head of Mission for the DGA's International Relations Delegation, and subsequently Assistant Sub-Director for "Americas-Africa-Asia". In 1993, he became Technical Adviser to the Minister for Industry, Postal Services and Telecommunications, and 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 2006, he was appointed Chairman of the Management Board and Chief Executive Officer of Marsh 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 Guénant

Born in 1950. Having graduated from the *École Supérieure de Commerce de Paris* 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 Amaryllis)

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 the family-owned holding company, Amaryllis, 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 Advisor to the Management Board.

Gilbert Lehmann is Member and Chairman of the Audit Committee of Cadogan PLC.

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 Maes has been in charge of "business-to-business" operations for Unilever, ICI and Marmon Group (owned by the Pritzker family). Miriam Maes 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.

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

Since 2009 she 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.

In 2013, Miriam Maes was appointed Member of the Management Board and Member of the Remunerations Committee of Naturex, and Member of the Management Board and Chair of the Audit Committee of Villmorin & Cie.

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

Martine Griffon-Fouco

After obtaining her engineering degree from ENSMA (Mechanical and Aerotechnical engineering school) in Poitiers, Martine Griffon-Fouco started her career as Research Officer at the CEA and pursued it in the EDF Group for twenty 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, then became a member of the Group's Executive Committee. She left EDF to join CEGELEC as Director of the Non-Destructive Testing BU and Commercial Director.

In 2007, Martine Griffon-Fouco joined Assystem as President of Assystem Facilities. Her mission involved developing operational and maintenance activities for all industrial sectors in France and around the world. In January 2010, Martine Griffon-Fouco was appointed as Member of Assystem's Management Board but her term of office was not renewed in 2013. She was appointed as Member of the Supervisory Board at the General Meeting of 22 May 2013 and resigned from this position on 10 February 2014. Due to the change in governance indicated above, the General Meeting will not be asked to decide upon her replacement.

The composition of the Supervisory Board reflects the Group's businesses and markets. Six of its members satisfy the independence criteria as laid down in the corporate governance code for listed companies published by AFEP-MEDEF. Every year the Remuneration and Appointments Committee reviews each Supervisory Board member's status with regard to the aforesaid independence criteria, particularly at the meeting of 7 March 2014. The review concluded that Michel Combes, Bruno Angles, Armand Carlier, Pierre Guénant, Gilbert Lehmann and Miriam Maes are "independent". As he provides the Group with insurance services, Stanislas Chapron does not comply with criteria 3 of the AFEP-MEDEF code.

Members are appointed for renewable terms of 3 (three) years.

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

The General Meeting of 22 May 2013 renewed the terms of office of Pierre Guénant and Stanislas Chapron for three years. It also decided to appoint Martine Griffon Fouco as Member of the Board of Directors for three years.

Over the past financial year, the Supervisory Board has met ten times. On each occasion, it was sent the relevant preparatory documents. The attendance rate was 89%.

Over the past year, the Board discussed the following issues:
- all recurring subjects, such as half-yearly 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, acquisition projects and the disposal of assets/companies;
- the gradual exit of the FSI *via* Assystem's purchase of a block of 1,777,011 shares held by the Strategic Investment Fund (FSI) for €16 per share;
- the Group's strategic development;
- the proposed takeover bid initiated by Dominique Louis at the end of 2013. In this respect, the Supervisory Board appointed an independent expert and reviewed the proposed takeover bid filed by the Initiator.

On 5 June 2013, the Supervisory Board took note of the resignation of Bertrand Finet, permanent representative of the FSI, in accordance with the agreements signed on 8 April 2013 acknowledging the purchase of a block of 1,777,011 shares held by the Strategic Investment Fund (FSI) for €16 per share of which the commitments were executed on 23 May 2013.

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

To this end, the Supervisory Board decided to directly handle issues relating to the Group's strategic outlook and set up two Board committees, namely: an Audit Committee and a Remuneration and Nominations Committee, each with its own Rules of Procedure.

1.1/ THE AUDIT COMMITTEE (ACCOUNTS COMMITTEE)

At 31 December 2013, the Committee was composed of Gilbert Lehmann in the capacity of Chairman, Armand Carlier (representing Société Amaryllis) and Pierre Guénant 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 half-yearly 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 2013 and had an attendance rate of 96%.

The following specific points were examined:

- the projected budget for the year;
- changes to cash-flow;
- 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 in 2013.

Audit Committee meetings to examine half-yearly and annual financial statements are held two or three days before the date on which the Supervisory Board concludes upon the examination of said statements. Each member receives all of the documents concerned at least two days in advance.

1.2/ THE REMUNERATION AND APPOINTMENTS COMMITTEE

At 31 December 2013, 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 twice in 2013 with a 100% attendance rate.

The Committee is responsible for submitting proposals to the Supervisory Board relating to the appointment and re-appointment of members of the Supervisory Board, members of the Management Board, the Chairman of the Management Board, and of potential General managers and members of the Audit Committee. The Chairman of the Supervisory Board also keeps it informed of the appointment of other Group executives. 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.

Within the framework of the **"Comply or Explain"** rule set out in article L. 225-37 of the French Commercial code and referred to in Article 25.1 of the AFEP-MEDEF Code, the Company considers that its practices comply with the recommendations given in the AFEP-MEDEF Code. However, the Company has deviated from some of the provisions for the following reasons:

Provisions of the AFEP-MEDEF Code from which the Company has deviated	Explanations
Regular evaluation of the Supervisory Board	The last evaluation of the Supervisory Board's work was carried out in 2010 and was reviewed by an independent body. The recommendations expressed were dealt with and gradually implemented. As part of the study on the new organisation after the Takeover Bid initiated by HDL Development at the end of 2013 and for which the results were revealed on 21 March 2014, a new evaluation of the future board is proposed to be carried out after General meeting of 22 May 2014 at which shareholders will be asked to vote on its conversion into a Board of Directors and on its composition.
Specialised committees: avoiding the existence of cross-directorships in Committees	One member of the Supervisory Board is a member of the Audit Committee and the Remuneration and Appointments Committee. This situation takes account of this person's skills and specific knowledge of Company activities.

MANDATES AND FUNCTIONS CARRIED OUT BY MEMBERS OF THE SUPERVISORY BOARD OF ASSYSTEM AS AT 31 DECEMBER 2013

Michel COMBES

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 23/05/2012 (renewal)	OGM 2014 FS	Yes
Chairman of the Supervisory Board	Assystem SA	SBM of 30/04/2009 SBM 23/05/2012 (renewal)	OGM 2014 FS	Yes
Chairman	Alcatel Lucent	EGM 07/05/2013		Yes
Member of the Board of Directors	Altice	02/2014		Yes
Functions and mandates carried out abroad	**Company**			
Member of the Board of Directors	MTS Mobile TeleSystems (Russia)	07/2010		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 2015 FS	Yes
Manager	AMARYLLIS Conseil & Investissement	03/2004	OGM 2015 FS	Yes
Chairman	ALKAN SAS	15/05/2007	2015 General Meeting	Yes
Chairman of the Management Board	ACMF SAS	15/05/2007	2015 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 2015 FS	Yes
Member of the Management Board and Chairman	Marsh SA	SBM of 18/05/2006	OGM 2013 FS	Yes
Functions and mandates carried out abroad	**Company**			
Not applicable				

Pierre GUÉNANT

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 2015 FS	Yes
Joint manager	PGA Holding Sarl	31/08/1999	Open-ended	Yes
Member of the Board of Directors	Icare Assurance SA	19/12/2006	OGM 2018 FS	Yes
Deputy Chairman of the Supervisory Board	CFAO SA	20/05/2011	OGM 2015 FS	Yes
Member of the Supervisory Board and Chairman of the Audit Committee	Advini SA	04/05/2010	OGM 2015 FS	Yes
Functions and mandates carried out abroad	**Company**			
Not applicable				

Gilbert LEHMANN

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 23/05/2012 (renewal)	OGM 2014 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

Miriam MAES

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
Member of the Management Board, Member of the Remuneration Committee	Naturex	26/06/2013		Yes
Member of the Management Board and Chairman of the Audit Committee	Vilmorin & Cie	13/12/2013		Yes
Functions and mandates carried out abroad	**Company**			
Chairman	Foresee – London – United Kingdom	01/09/2007		Yes
Chairman	Sabien Technology Group Ltd – United Kingdom	01/09/2012		Yes
Non-executive Board member	ELIA – Brussels – Belgium	01/09/2007		Yes
Non Executive Director	ELIA System Operator – NV	01/09/2011		Yes
Non Executive Director	ELIA Asset – NV	01/09/2011		Yes
Non Executive Director	KIWI Power Ltd	15/02/2013		Yes

Bruno ANGLES

Business address: Macquarie Infrastructure & 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
	EIFFARIE SAS	16/02/2006		Yes
	FINANCIÈRE EFFARIE SAS	16/02/2006		Yes
Member of the Board of Directors	Autoroutes Paris-Rhin-Rhône	20/02/2006		Yes
	AREA	20/02/2006		Yes
Member of the Supervisory Board	Saft Group SA	12/05/2005		Yes
Member of the Board of Directors	Pisto SAS			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

Martine GRIFFON-FOUCO

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Member of the Supervisory Board	Assystem SA	OGM 22/05/2013	OGM 2015 FS	Yes
Chairman and Member of the Board of Directors	Alphatest SA	14/06/2010 Renewal	OGM 2015 FS	Yes
Member of the Board of Directors – qualified personnel	GIAT Industries	06/10/2010	06/10/2015	Yes
Member of the Board of Directors	GORGE SA			Yes
Member of the Board of Directors	KEDGE			Yes
Member of the Board of Directors	ISAE-ENSMA			Yes
Chairman	GALI SAS			Yes
Manager	SCI LAUFRED			Yes
Manager	SCI GALA			Yes
Functions and mandates carried out abroad	**Company**			
Not applicable				

LIST OF MANDATES AND FUNCTIONS CARRIED OUT BY MEMBERS OF THE SUPERVISORY BOARD DURING THE LAST FIVE FINANCIAL YEARS (1 JANUARY 2009 TO 31 DECEMBER 2013) OUTSIDE THE GROUP

Michel COMBES

Offices and posts held in France	Company	In effect
Chairman and Chief Executive	TDF	No
Member of the Board of Directors	Europacorp	No
Chairman of the Board of Directors	Carlson WagonLit France	No
Member of the Supervisory Board	Altamir	No
Functions and mandates carried out abroad	**Company**	
Member of the Supervisory Board	Equant (Netherlands)	No
Member of the Board of Directors	Liberty TV (Belgium)	No
Member of the Board of Directors	Weather (Italy)	No
Managing Director Europe	Vodafone	No
Non-executive member of the Executive Committee	ISS Equity A/S, ISS Holding A/S and ISS A/S	No

Armand CARLIER

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

Stanislas CHAPRON

Offices and posts held in France	Company	In effect
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 GUÉNANT

Offices and posts held in France	Company	In effect
Chairman of the Supervisory Board	PGA SA	No
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	In effect
Member of the Board of Directors	Framapar	No
Member of the Board of Directors	CNS	No
Member and Deputy Chairman of the Board of Directors – Member of the Audit Committee	Eramet	No
Chairman of the Supervisory Board	Lina's Développement	No
Functions and mandates carried out abroad	**Company**	
Member of the Board of Directors	ST MicroElectronics Holding BV	No
Chairman – Member of the Board of Directors	SEPI – (Switzerland)	No
Member of the Board of Directors and Chairman of the Audit Committee	Cadogan Plc (London)	Yes

Miriam MAES

Offices and posts held in France	Company	In effect
Member of the Management Board and Chairman of the Audit Committee	Vilmorin & Cie	Yes
Member of the Management Board, Member of the Remuneration Committee	Naturex	Yes
Functions and mandates carried out abroad	**Company**	
Chairman	Foresee – London – United Kingdom	Yes
Chairman	Sabien Technology Group Ltd – United Kingdom	Yes
Non-executive Board member	ELIA – Brussels – Belgium	Yes
Non Executive Director	ELIA System Operator – NV	Yes
Non Executive Director	ELIA Asset – NV	Yes
Non Executive Director	KIWI Power Ltd	Yes

Bruno ANGLES

Offices and posts held in France	Company	In effect
Member of the Board of Directors	Autoroutes Paris-Rhin-Rhône	Yes
	AREA	Yes
	Eiffarie SAS	Yes
	Financière Eiffarie SAS	Yes
Chairman	Macquarie Autoroutes de France SAS	Yes
Member of the Supervisory Board	SAFT Group SA	Yes
Member of the Board of Directors	Pisto SAS	Yes
Functions and mandates carried out abroad	**Company**	
Member of the Board of Directors	Aéroport de Bruxelles	Yes
Chairman of the Board of Directors	Arlanda Express	Yes

Martine GRIFFON-FOUCO

Offices and posts held in France	Company	Appointment date	Expiry of term of office	Current appointment
Chairman and Member of the Board of Directors	Alphatest SA	14/06/2010 Renewal	OGM 2015 FS	Yes
Member of the Board of Directors – qualified personnel	GIAT Industries	06/10/2010	06/10/2015	Yes
Member of the Board of Directors	GORGE SA			Yes
Member of the Board of Directors	KEDGE			Yes
Member of the Board of Directors	ISAE-ENSMA			Yes
Chairman	GALI SAS			Yes
Manager	SCI LAUFRED			Yes
Manager	SCI GALA			Yes
Functions and mandates carried out abroad	**Company**			
Not applicable				

2/ MANAGEMENT BOARD

Since 24 January 2013, the Management Board has refocused on corporate governance, leadership and providing support to Group entities, in particular in the areas of Finance and Human Resources. The Management Board is chaired by Dominique Louis, Assystem's Founding Chairman, helped by Gérard Brescon, responsible for Human Resources Development in Assystem and Gilbert Vidal, responsible for the Group's Finance and Legal Matters, both of whom are members of the Management Board.

Moreover, on the same date, an Executive Committee was set up to determine and implement Group strategy. It includes members of the Management Board and the Executive Deputy Chairmen responsible for operations, Stéphane Aubarbier and David Bradley, and Jean-Louis Ricaud, Deputy Chairman responsible for Strategy and Innovation. It also includes Pauline Bucaille, Director of Communications and Investor Relations who is not a member of the Board.

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 utmost 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.

Dominique Louis

A qualified Engineer (ENSEM), Dominique Louis began his career as a test engineer with ATEM, a company specialised in industrial and nuclear engineering. 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. In 1995, Dominique Louis managed Assystem's introduction to the stock exchange. At the time, Assystem had 3,000 engineers and technicians and posted a turnover of €250 million.

The withdrawal from nuclear power at the end of the 1990s marked a real transformation of Assystem which diversified into the aeronautical and automobile industry and developed internationally. The aim of Dominique Louis was to turn Assystem into a European engineering company of global dimension, working in infrastructures and R&D, with a presence in Europe, Asia and the Americas.

He is also Vice-President of the think tank Entreprise et Progrès and has been decorated "Chevalier de la Légion d'Honneur".

Gérard Brescon

An Engineer and graduate of the *École Nationale des Arts et Métiers*, 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 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.

Gilbert Vidal

With an MA in Economics and as a graduate of the *École Nationale des Impôts* (French national tax school), Gilbert Vidal started his career in 1977 at the General Tax Division of the Ministry of Finance where he was in charge of inspecting several international groups working in various sectors like aeronautics, defence and pharmacy.

In 1991, Gilbert Vidal joined the Framatome Group where, for ten years he held the positions of Tax Director, Director of Financial Services and then Finance Director and for the next five years Deputy Finance Director in charge of financial control and taxation for the entire AREVA Group.

In December 2006, he joined Assystem as Finance Director on the Management Board. He is responsible for Finance and Legal Affairs for the whole of the Assystem Group.

In the framework of the **"Comply or Explain"** rule set out in article L. 225-37 of the French Commercial code and referred to in Article 25.1 of the AFEP-MEDEF Code, the Company considers that its practices comply with the recommendations given in the AFEP-MEDEF Code. However, the Company has deviated from some of the provisions for the following reasons:

Provisions of the AFEP-MEDEF Code from which the Company has deviated	Explanations
Severance payments: making it possible for the Company to unilaterally waive the non-compete clause	Not applicable
Payment upon taking up duties	Not applicable
Instruments to cover risks related to free shares	To be implemented
Pension schemes	Not applicable; pension schemes are based on defined contributions and not on defined benefits

MANDATES AND FUNCTIONS CARRIED OUT BY MEMBERS OF THE MANAGEMENT BOARD AT 31 DECEMBER 2013

Dominique LOUIS

Business address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

Offices and posts held in France	Company	Appointment date	Expiry of term of office
Member and Chairman of the Management Board	Assystem SA	SBM of 22/01/2004	22/01/2016 SBM 17/01/2013 (renewal)
Chairman	HDL SAS	30/06/2003 1st appointment 24/12/1992	Open-ended
Chairman	Entreprises en Croissance SAS (EEC)	30/06/2003	Open-ended
Chairman	CEFID SAS	24/03/2003	Open-ended
Joint manager – Member of the Management Board	H2DA Sarl	OGM 24/06/2013 (renewal)	OGM 2013 FS
Manager	SCI Les Grives Comtadines	13/12/2000	Open-ended
Functions and mandates carried out abroad			
Member of the Board of Directors	Samuel Créations (Switzerland)	1997	Open-ended

Gérard BRESCON

Business address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

Offices and posts held in France	Company	Appointment date	Expiry of term of office
Member of the Management Board	Assystem SA	SBM of 22/01/2004	22/01/2016 SBM 17/01/2013 (renewal)
Joint manager – Member of the Management Board	H2DA Sarl	OGM 24/06/2013 (renewal)	OGM 2013 FS
Chairman	Assystem France SAS	30/06/2005	Open-ended
Functions and mandates carried out abroad			
Liquidator	Assystem Italia	05/11/2013	Open-ended

Gilbert VIDAL

Business address: Assystem SA – 70, boulevard de Courcelles – 75017 Paris

Offices and posts held in France	Company	Appointment date	Expiry of term of office
Member of the Management Board	Assystem SA	SBM of 22/12/2006	22/01/2016 SBM 17/01/2013 (renewal)
Chief Financial Officer	Assystem Group		
Chairman	Assystem Innovation SAS	Partner decision 04/12/2006	Open-ended
Chairman	Assystem International SAS	OGM 30/06/2010	Open-ended
Chairman	ASG SAS	EGM 26/12/2012	Open-ended
Functions and mandates carried out abroad			
Member of the Board of Directors	Assystem Engineering Consulting (Shanghai)		Open-ended
Member of the Board of Directors	Silver Atena Ltd	2008	Open-ended
Member of the Board of Directors	Specialist Services Ltd	15/12/2008	Open-ended
Member of the Board of Directors	Assystem Group UK Ltd		Open-ended
Manager	Assystem Belgium		Open-ended
Member of the Management Board and Chairman	Assystem Switzerland	11/01/2013	

MANDATES AND FUNCTIONS CARRIED OUT BY MEMBERS OF THE MANAGEMENT BOARD (1 JANUARY 2009 TO 31 DECEMBER 2013) – OUTSIDE GROUP

Dominique LOUIS

Offices and posts held in France	Company	Current appointment at 31/12/2013
Chairman	HDL SAS	Yes
Chairman	Entreprises en Croissance (EEC) SAS	Yes
Chairman	CEFID SAS	Yes
Joint manager – Member of the Management Board	H2DA SARL	Yes
Permanent representative of EEC, Member of the Board of Directors	Léonardo Finance SA	No
Manager	SCI Les Grives Comtadines	Yes
Functions and mandates carried out abroad		
Member of the Board of Directors	Samuel Créations (Switzerland)	Yes

Gérard BRESCON

Offices and posts held in France	Company	Current appointment at 31/12/2013
Joint manager – Member of the Management Committee	H2DA SARL	Yes
Functions and mandates carried out abroad		
Not applicable		

Gilbert VIDAL

Offices and posts held in France	Company	Current appointment at 31/12/2012
Not applicable		
Functions and mandates carried out abroad		
Not applicable		

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 (the Code of Conduct for the Group is set out as an Appendix to the Group chart of Deontology). 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 senior officers 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, to Assystem's knowledge, none of its corporate officers:
- has been convicted for fraud in the last five years;
- has been associated with a bankruptcy, receivership or liquidation in at least the previous five years;
- 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 an administrative, management or supervisory body of an issuer or from taking part in the management or conduct of the business of any issuer for at least the previous five years.

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 GRANTED BY THE COMPANY AND ITS AFFILIATES DURING THE 2013 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 2013 came to €350,000, €225,000 of which was attendance fees.

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 2013 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.

Remuneration paid in 2012 and 2013 in respect of the financial years 2012 and 2013 are set out in the following table:

Name	Title	Paid in 2012 (in euro)	Paid in 2013 (in euro)
Michel Combes	Chairman	51,500	30,857.14
Stanislas Chapron	Member of the Supervisory Board and Chairman of the Remuneration Committee	25,750	30,654.14
Gilbert Lehmann	Chairman of the Audit Committee and Deputy Chairman of the Supervisory Board	34,350	40,872.18
Armand Carlier	Member of the Supervisory Board + Audit Committee + Remuneration Committee	25,750	30,654.11
Pierre Guénant	Member of the Supervisory Board + Audit Committee	21,450	25,545.11
FSI – Bertrand Finet	Member of the Supervisory Board + Audit Committee	21,500	8,174.44
Miriam Maes	Member of the Supervisory Board + Remuneration Committee	21,500	25,545.11
Martine Griffon-Fouco	Member of the Supervisory Board	n/a	12,261.65
Bruno Angles	Member of the Supervisory Board	17,200	20,436.09
Total		**225,000**	**225,000**
• Of which attendance fees (round figure)		225,000	225,000
Other remuneration			
• Martine Griffon Fouco	Service provision agreement	–	125,000

5.2/ REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

At 31 December 2013, the Management Board was composed of the following members:
- Dominique Louis, Chairman of the Management Board, appointed on 22 January 2004;
- Gérard Brescon, appointed on 22 January 2004;
- Gilbert Vidal, appointed on 21 December 2006;

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 on 22 January 2004 and renewed for the financial year 2013, defines the general management and strategy management services provided by HDL to Assystem, of which a portion is subcontracted by HDL to its subsidiary H2DA.

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

The fourteen amendments signed between 22 January 2004 and 9 September 2013 cover each of the modifications made to that agreement, which were all authorised by the Supervisory Board prior to signature, pursuant to the procedure for regulated agreements and commitments. The principal modifications concern: the sub-contracting of H2DA in 2005, the method used to fix the variable portion, the modifications made to the calculation of the variable portion to include multiple criteria formulae.

In 2013, the services mentioned here above were covered by fees including a fixed portion of €1,331,750 (of which €572,460 was paid to and retained by HDL, the balance being paid out by HDL to H2DA) and a variable portion for financial year 2012 of €1,407,260 (of which €721,410 was 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 €2,739,010 paid out by Assystem SA to HDL in respect of the financial year 2013. 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 €1,445,140.

In 2013, in his capacity as Chairman of HDL, Dominique Louis received from HDL gross remuneration of €153,600, which includes benefits in kind, identical to the sum received in 2012, which forms part of the €572,460 paid out to HDL.

Dominique Louis Chairman of the Management Board	Amounts for 2012 financial year		Amounts for 2013 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	€3,600	€3,600	€3,600	€3,600
Total	**€153,600**	**€153,600**	**€153,600**	**€153,600**

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

No share subscription option or bonus shares were allocated in the financial years 2012 and 2013.

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

5.2.2/ Remuneration of Gérard Brescon

In 2013 and since 1 October 2005, the remuneration of Gérard Brescon has been paid by H2DA – as a subcontractor of HDL under the agreement mentioned earlier. According to this agreement, Gérard Brescon provides management services to Assystem SA and its subsidiaries.

Although there is no control link between Assystem, on the one hand, and HDL or H2DA on the other hand, and although the services form part of a business agreement (referred to here above), in the interests of transparency towards Assystem shareholders, details of the remuneration paid by H2DA to Gerard Brescon in 2013 are shown here below, pursuant to the model of the AFEP-MEDEF tables.

Gérard Brescon receives payment from Assystem SA for the expenses incurred by way of his management services.

Gérard Brescon Member of the Management Board Controlling Director H2DA	Amounts for 2012 financial year		Amounts for 2013 financial year	
	Owed	Paid	Owed	Paid
Gross fixed portion	€275,000	€275,000	€288,750	€288,750
Gross variable portion	€236,500 paid in 2013 in respect of 2012	€260,000 paid in 2012 in respect of 2011	€125,500 paid in 2014 in respect of 2013	€236,500 paid in 2013 in respect of 2012
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	**€511,500**	**€535,000**	**€414,250**	**€525,250**
Bonus shares allocated (number)	12,000	Not applicable	Not applicable	Not applicable

5.2.3/ Remuneration of Gilbert Vidal

Gilbert Vidal carries out corporate duties as member of the Management Board. The salary that he receives pays for these corporate duties.

Table 10 summarises all payments (including deferred payments to Gilbert Vidal, where remuneration is paid directly by Assystem SA).

Table 1 – Summary of remuneration paid out in 2013, with comparison to 2012, and options and shares allocated to each corporate officer

Gilbert Vidal Member of the Management Board Employee of Assystem SA	Financial Year 2012	Financial Year 2013
Remuneration paid for the financial year (detailed in table 2)	€513,600	€502,600
Valuation of options granted during the financial year (detailed in table 4)	Not applicable	Not applicable
Valuation of bonus shares allotted during the financial year (detailed in table 6)	€180,720*	Not applicable*
Total	**€694,320**	**€502,600**

* The final allocation of bonus shares was subject to achieving a certain level of performance which was partially achieved for the financial year 2013.

Table 2 – Summary of the remuneration of each corporate officer

➤ 2.1.

Gilbert Vidal Member of the Management Board	Amounts for 2012 financial year		Amounts for 2013 financial year	
	Owed	Paid	Owed	Paid
Gross fixed remuneration	€250,000	€250,000	€262,500	€262,500
Variable remuneration	€6,500 for 2012 to pay in 2013	€260,000 for 2011 paid in 2012	€125,500 for 2013 paid in 2014	€236,500 for 2012 paid in 2013
Exceptional remuneration	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable	Not applicable	Not applicable
Benefits in kind	€3,600	€3,600	€3,600	€3,600
Total	**€490,100**	**€513,600**	**€391,600**	**€502,600**

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

Name	Title	Paid in 2012 (in euro)	Paid in 2013 (in euro)
Michel Combes	Chairman	51,500	30,857.14
Stanislas Chapron	Member of the Supervisory Board and Chairman of the Remuneration Committee	25,750	30,654.14
Gilbert Lehmann	Chairman of the Audit Committee and Deputy Chairman of the Supervisory Board	34,350	40,872.18
Armand Carlier	Member of the Supervisory Board + Audit Committee + Remuneration Committee	25,750	30,654.11
Pierre Guénant	Member of the Supervisory Board + Audit Committee	21,450	25,545.11
FSI – Bertrand Finet	Member of the Supervisory Board + Audit Committee	21,500	8,174.44
Miriam Maes	Member of the Supervisory Board + Remuneration Committee	21,500	25,545.11
Martine Griffon-Fouco	Member of the Supervisory Board	n/a	12,261.65
Bruno Angles	Member of the Supervisory Board	17,200	20,436.09
Total		**225,000**	**225,000**
• Of which attendance fees (round figure)		225,000	225,000
Other remuneration			
• Martine Griffon Fouco	Service provision agreement	–	125,000

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 to each corporate officer

Not applicable.

Table 6 – Bonus shares allocated to each corporate officer, according to the legal stipulations in force at the time

➤ Financial Year 2013

Not applicable.

➤ Financial Year 2012

Bonus shares allocated during the financial year to each corporate officer	No. and date of plan	Number of shares allocated during the financial year 2012	Share valuation at price listed on date allocation is decided	Acquisition date	Number of shares definitively acquired	Availability date
Gérard Brescon	13/03/2012	12,000	€180,720	Acquisition on 14/03/2015, subject to attendance and annual performance over a three-year period.	10,480(1)	14/03/2017
Stéphane Aubarbier	13/03/2012	18,000	€271,080	Acquisition on 14/03/2015, subject to attendance and annual performance over a three-year period.	15,720(1)	14/03/2017
Gilbert Vidal	13/03/2012	12,000	€180,720	Acquisition on 14/03/2015, subject to attendance and annual performance over a three-year period.	10,480(1)	14/03/2017
David Bradley	13/03/2012	15,000	€225,900	Acquisition on 14/03/2015, subject to attendance and annual performance over a three-year period.	13,100(1)	14/03/2017
Martine Griffon-Fouco	13/03/2012	3,000	€45,180	Acquisition on 14/03/2015, subject to attendance and annual performance over a three-year period.	–(2)	14/03/2017

(1) The performance criteria set out within the framework of the bonus share plan of 13/03/2012 were only partially fulfilled.
(2) The resignation of Martine Griffon-Fouco renders the bonus share allocation of March 2012 null and void.

➤ Financial Year 2011

Not applicable.

➤ Financial Year 2010

Not applicable.

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 ten non-corporate officers and options exercised

Not applicable.

Table 10 – Summary of executive remuneration

Executive corporate officers	Employment contract		Supplementary pension scheme		Compensation or benefit due or likely to be due as a result of termination of duties		Compensation relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Louis Dominique								
Chairman of the Management Board		No		No		No		No
Start of term: 22/01/2004								
End of term: 18/01/2016								
Gérard Brescon								
Member of the Management Board		No		No		No		No
Start of term: 22/01/2004								
End of term: 18/01/2016								
Gilbert Vidal								
Member of the Management Board	Yes		Yes Art. 83 defined contribution scheme		Yes in the event of termination at the employer's initiative except in the event of termination for serious misconduct or gross negligence Defined amount of €400,000			No
Start of term: 21/01/2006								
End of term: 18/01/2016								

3. MANAGEMENT BOARD REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1/ BUSINESS

1.1/ ASSYSTEM'S MARKET AND BUSINESS SEGMENTS

1.1.1/ Market trends

Assystem serves the engineering market in the study, design and construction management, in whole or in part, of civil engineering structures or industrial components.

Its teams provide assistance to major manufacturers to cut down their project costs and time lines, optimise their development, manufacturing and marketing processes, and to design and produce innovations anywhere in the world.

In France, in 2012, this market represented 19,111 establishments specialised in engineering and technical studies. That same year, it employed 237,936 people[1].

According to the Xerfi sample analysis, revenue of engineering and technical design specialists declined by 0.5% in 2013. Given the suppressed production levels in the construction industry and the worsening economic climate, operators were less in demand. The aerospace industry continued to fare well especially with the development of the A350. In the automotive industry, service providers found themselves in difficult circumstances again in 2013 owing to the cost-cutting measures implemented by Renault and especially by PSA. French companies' policies to curb spending did not spare R&D, as shown in the Trendeo survey which concludes on the destruction of jobs in France in this sector in 2013.

Faced with the bleak market conditions in France, engineering groups accelerated their expansion abroad in 2013. Attracted by the dynamic German industry, leading technology consultants continued to develop to the East of the Rhine whereas major engineering groups in the construction field directed their focus mostly outside of Europe, notably South America and the Middle East.

However, after a difficult year in 2013, the outlook for engineering groups will brighten up in 2014. France and Europe are seemingly set to come out of the crisis, and investing in industry and the services sector will resume. Moreover, the energy and transportation sectors will continue to fare well to respond to the increasing need for modernisation. The engineering groups' business will also be spurred by the need for energy efficiency works. The increased sales in this sector will however be mitigated by the slow business in the construction sector and by the strong downward pressure on the price of services. In this context, the sales in the Xerfi sample companies will increase by 2% in 2014.

1.1.2/ Assystem's positioning

Assystem began as Atem, founded in 1966 by former engineers of the French nuclear programme. This business accounted for the most part of its sales up until the end of the last century. Atem then merged with Alphatem, jointly owned by Dominique Louis and Cogema, to create Assystem that went public in 1995. The company diversified shortly after, with the acquisition of an engineering firm in 1996 and launched its outsourced R&D business that sustained the Group's growth as from the year 2000, especially following its merger with Brime. A series of international acquisitions followed, positioning Assystem among the top 10 European engineering groups in 2012.

Today, Assystem serves the engineering market in two major specialisations: complex infrastructure engineering and outsourced industrial R&D.

Complex infrastructure engineering, representing 42% of Assystem's sales in 2013, is focused mainly on the energy sector (33% of the Group's overall sales in 2013), especially nuclear energy (20% of Group sales), but also conventional energy, oil and gas. The Group's competitors in the latter segment are not only the French groups Technip, Egis and Ingérop, but also the British group Atkins (which is also Assystem's partner in the n.triple.a joint venture), CH2M Hill, AECOM, or Jacobs Engineering.

In the energy segment, Assystem brings added value, drawing on its long-standing expertise in the nuclear sector and hence its experience in constrained environments with stringent safety requirements. The alliance with Atkins, n.triple.a, established in early 2011, has expanded Assystem's capacity to deploy its know-how world-wide. This non-capitalistic and essentially commercial alliance aims to bring together the strengths and skills of both companies to meet the requirements of governments and electricity suppliers in countries that wish to develop nuclear energy, by providing support for setting up new electricity generation infrastructures, and for the entire fuel cycle.

(1) Source: Xerfi France, Engineering, design and consulting services, Market analysis – 2014 forecast – Forces en présence (Driving forces), February 2014.

In 2011 and early 2012, Assystem acquired the MPH Group that is well-placed in the oil and gas market. With its Middle-Eastern and African structures and teams, MPH offers Assystem a forward base for operations anywhere in the world and access to new clients. In 2013, the General Management of the complex infrastructure engineering branch relocated to Dubai to be in a better position to capture opportunities in Asian, Middle East and African markets, and gain insight into the trends in this world market.

Outsourced R&D accounted for 58% of Assystem's sales in 2013. The Group expanded strongly in the transportation sector with aerospace representing 37%, and transportation 17% (of which automotive accounted for 12%). Its main competitors in this fragmented market are listed French companies such as Altran, Alten and Akka operating in sectors other than the industry, whereas Assystem serves industrial clients exclusively.

The supplier panel restrictions initiated since several years by major principals are still in force and have led to the general trend of fixed-price services that give preference to large companies such as Assystem.

At present, 60% of Assystem's services are fixed-price services, testifying to its clients' recognition of its teams' capabilities in steering projects, developing know-how and generating productivity in a recurring and reliable manner.

1.1.3/ Assystem's organisation

To meet the challenges of the different sectors, Assystem is organised by geographic regions (France, Europe, AMEA, Others) and in three business units.

➤ Infrastructure Engineering & Operations
As a part of the complex infrastructure engineering business, this business unit provides support to the industry in managing its industrial investments at every step – designing infrastructures, construction, maintenance, and decommissioning.

The other two units operate in the outsourced R&D business:

➤ Aerospace Engineering
Provides mechanical and technological expertise for aerospace, engine, and equipment manufacturers and companies, and is involved in all or part of their programmes, from the research stage to development.

➤ Technology & Product Engineering
Handles the hardware and software development of products and systems for the transportation, defence and new technologies sectors.

Currently operating in 19 countries with a particularly strong base in Europe, expertise centres in India and Romania, and positioning in the Middle East and Africa, the Assystem Group can readily call upon those of its experts who are the best-suited for the success of each operation to meet its demands and constraints.

1.2/ COMMENTS ON THE GROUP'S OVERALL BUSINESS AND KEY EVENTS IN 2013

At December 2013, Assystem's consolidated sales stood at €871.4 million, up 1.8% (+1.6% in terms of organic growth).

On the complex infrastructure engineering front (42% of the business), sales rose by 4% over the year (+3.4% in terms of organic growth). Assystem's nuclear operations maintained its solid growth at +10%, benefiting from the upgrading of the French nuclear power plants and the strong momentum of the operations in the United Kingdom.

Assystem's outsourced R&D operations remained stable on the whole compared to the financial year 2012, reflecting the contrasting realities between sectors. Aerospace grew by 6.8% (up 8.5% excluding the unfavourable impact of the pound sterling). The automotive sector had yet another difficult year owing to the lower workload of French manufacturers (down 19.5%) that the international growth (up 13%) was unable to offset.

At 31 December 2013, the Group had 11,045 employees, 300 persons more than at 31 December 2012.

The Group's operational invoicing rate remained stable at 91% in 2013 compared to the previous year. This rate corresponds, in a given period, to the ratio of the total hours invoiced to the total hours worked by billable staff.

The company's main employee-related information and more broadly, its actions and key indicators for Corporate Social Responsibility are given in a separate chapter (Chapter 5 – CSR report).

2/ GROUP RESULTS

2.1/ KEY FIGURES

€ million

	2013	2012
MAIN INCOME STATEMENT ITEMS		
Sales	871.4	855.6
Operating profit from continuing operations	60.3	61.9
Operating profit	53.2	60.9
As % of sales	6.1%	7.1%
Consolidated net profit – Group share	27.1	33.2
Net profit excluding ORNANE derivative fair value change – Group share	27.9	34.2
MAIN CASH FLOW ITEMS		
Net available cash flow from operating activities	22.3	34.0
MAIN BALANCE SHEET ITEMS		
(Net debt)/Net cash	(3.6)	17.0
PER SHARE DATA (IN €)		
Net non-diluted earnings per share	1.46	1.73
Net diluted EPS	1.37	1.65
Dividend to be proposed to the AGM	0.45	0.45

See also Key figures of the Group, p. 6 and 7.

2.2/ SALES AND INVOICING RATE

Assystem's sales in 2013 were up 1.8% (+1.6% in terms of organic growth at the prevailing exchange rate). In France, growth was 0.4%, affected by the difficult situation of the automotive sector as well as an adverse calendar effect of -2 days. International sales grew by 4.1%, penalised by the sterling exchange effect and the slower growth of certain aerospace programmes in the United Kingdom and in Germany in the second half-year.

The operational invoicing rate for 2013 remained stable at 91% compared to 2012.

2.3/ RESULTS

2.3.1/ Operating profit

Operating profit from continuing operations at €60.3 million remained at a level comparable to that of 2012 (6.9% of sales). Operating profit amounted to €53.2 million, down compared to 2012 owing to international operations. Assystem recorded non-current expenses of €7.1 million. Operating margin perked up in the second half-year (7.0%) but remained below that of the previous year (7.9%).

€ million

	2013	As % of sales	2012	As % of sales
France	38.6	7.4%	38.7	7.4%
International	14.6	4.2%	22.3	6.7%
Total	**53.2**	**6.1%**	**60.9**	**7.1%**

In France, Assystem's operating profit held steady, sustained by the good performance of the nuclear and aerospace sectors and the competitiveness measures that were to the company's benefit in 2013. International operations held fast despite the low profitability of the on-site technical assistance business (MPH Global Services) and the weaker performance and adaptation measures in aerospace in Germany.

The complex infrastructure engineering margin was 5.5% (7.1% in 2012) and includes the costs of commercial initiatives and internal development as well as the dilutive effect of MPH Global Services.

The outsourced R&D margin stood at 6.5% (7.1% in 2012). Barring the underperformance of the operations in Germany and Spain, the aerospace sector continues to perform well (6.9% in 2013). Profitability remained sound in the other sectors (5.7%) testifying to the encouraging outcome of the transformation that was initiated at the end of 2012, notably in the automotive sector.

2.3.2/ Financial result

The financial result dropped by €4.7 million compared to 2012, mostly due to the practically general loss in value of minority interests acquired prior to 2004 representing €3.4 million. The residual costs of financing in 2011 were expensed due to their non-use. The financial result for 2013 shows a loss of €13.4 million as opposed to the €8.7 million loss in 2012.

2.3.3/ Net income

The effective taxation rate, at 32.41%, was lower than that of 2012.

Considering these figures, the Group share of the consolidated net profit was €27.1 million, down 18% compared to 2012 (profit of €33.2 million).

Excluding the change in fair value of the ORNANE derivative, the Group share of the consolidated net profit stood at €27.9 million at 31 December 2013, compared to €34.2 million at 31 December 2012.

2.4/ NET DEBT AND CAPITAL STRUCTURE

At 31 December 2013, the Group had gone from a positive cash position of €17.0 million in 2012 to a net debt position of €3.6 million in 2013.

€ million

	2013
Positive net cash position at start of period	17.0
Free cash flow from operations – continuing operations	22.3
Cash flows from financial investments	0.2
Net cash flow from financing activities	(25.3)
Net cash flow from discontinued operations	0.2
Change in net cash	**(2.6)**
Revolving credit line drawdown	40.0
OBSAAR redemption	(24.1)
Other	1.9
Change in net debt	**17.8**
Net debt at end of period	**(3.6)**

2.4.1/ 2.4.1/ Change in net cash: -€2.6 million

➤ Free cash flow from continuing operations: +€22.3 million

Net available cash flow from operating activities amounted to €22.3 million in 2013. DSO (Days Sales Outstanding) maintained a good level on average with 84 days compared to 82 days in 2012. DSO is the ratio of the trade outstanding multiplied by 360 (trade receivables and work-in-progress less prepaids and downpayments) to the tax-inclusive external sales in the current year.

The Assystem Group's business is not very capital-intensive: the acquisition of capital assets net of disposals in the year 2013 amounted to €10.5 million (€10.5 million in 2012 and €8.5 million in 2011).

➤ Net cash flow from financial investments: +€22.3 million

The net cash flow from financial investments was not significant at 31 December 2013.

For the record, financial investments amounted to €10.7 million in 2012 following the acquisition of Groupe MPH Dubai, net of cash acquired and minority interests in Silver Atena. They accounted for €35.9 million in 2011 following the acquisition of the MPH group in France and of Berner & Mattner in Germany, net of cash acquired.

➤ Net cash flow from financing activities: -€25.3 million

The net cash flow from financing activities broke down as follows at 31 December 2013:

- OBSAAR redemption: (€24.1) million;
- revolving credit line drawdown: €40.0 million;
- financing fees and financial interest paid: (€5.9) million;
- dividend payout: (€8.2) million;
- capital increase and premiums from share subscription warrants exercised: €1.7 million;
- treasury share transactions: (€27.9) million;
- capitalisation of the costs of the new RCF: (€0.7) million.

2.4.2/ Change in net debt €17.8 million

Group debt, representing €137.2 million at 31 December 2013 (including €92.3 million in non-current debt), increased by €17.8 million in 2013, following the drawdown of €40 million on a revolving credit line, notably to finance the partial buyback of the FSI shareholding in May 2013 amounting to €28.3 million and the repayment of OBSAARs amounting to €24.3 million.

2.5/ OUTLOOK

Assystem continues to roll out its plan to put the Group on the world map in strategic sectors of engineering, especially the nuclear field, while consolidating its positions in the aerospace and automotive sectors. In this regard, 2014 is an important year for its international deployment, starting with the Middle East. Assystem aims for a slight improvement in operational performance.

2.6/ EVENTS AFTER THE REPORTING DATE

HDL Development made a takeover bid for the Company shares for a period between 14 January 2014 and 17 February 2014. At the close of this period, HDL Development holds 10,821,217 Assystem shares representing 55.69% of the capital and at least 51.21% of voting rights, 2,624,601 BSAAR representing 90.69% of the BSAAR in circulation, and 136,174 ORNANE representing 3.26% of the ORNANE in circulation.

As stated in the initial documentation and in accordance with the governing law, the bid will be opened again for 10 stock market days, from 3 March to 14 March 2014. The results will be announced on 21 March.

In connection with this bid, an information note (approval No. 14-004 dated 9 January 2014) and Assystem's response (approval No. 14-005 dated 9 January 2014) were published. The document providing information, notably on Assystem's legal, financial and accounting characteristics, submitted to AMF on 10 January 2014 can be viewed on AMF's website (www.amf-france.org) as well as Assystem's website (www.assystem.com/investors).

3/ ASSYSTEM SA PARENT COMPANY FINANCIAL STATEMENTS

The Company continued to focus on its development as the head of the Group during the fiscal year.

The company specifically:

- subscribed to the capital of new subsidiaries: Assystem Switzerland and Assystem US;
- participated in the capital increase of its subsidiary Extra Capital;
- and sold a share in its subsidiary ANTHELYS.

Operating revenue in the period totalled €11.6 million, against €12.3 million in 2012. These were the proceeds from management services and provision of expertise to Assystem Group subsidiaries.

The result for the financial year was a profit of €25.6 million in 2013 compared to a profit of €26.4 million in 2012.

The balance sheet total stood at €462.7 million at 31 December 2013, up €20.7 million compared to 31 December 2012.

At 31 December 2013, the Company had one employee, same as at the previous period closing.

3.1/ SUPPLIER PAYMENT TIMES

Pursuant to Article D.441-4 of the French Commercial Code, the breakdown of supplier payable balances by due date at 31 December 2013 is given in the table below.

In thousands of €

Due dates	Total	0-30 days	31-60 days	Beyond 60 days	Overdue payables	Grand total
As at 31/12/2012						
Suppliers (401-403)	715	715	–	–	–	715
Fixed assets (404-405)	17	17	–	–	–	17
Total	**732**	**732**	**–**	**–**	**–**	**732**
As at 31/12/2013						
Suppliers (401-403)	525	525	–	–	–	525
Fixed assets (404-405)	–	–	–	–	–	–
Total	**525**	**525**	**–**	**–**	**–**	**525**

3.2/ CHANGES IN SHARE CAPITAL DURING THE YEAR

Date of Management Board meeting	Nature of transaction	Capital increase/ reduction	Issue premium	Number of shares issued/cancelled	Cumulative amount of share capital and securities
			Capital at 31/12/2012		€20,734,278
22/05/2013	Capital reduction following the cancellation of 1,564,168 treasury shares	(€1,564,168)	(€19,576,045)	(€1,564,168)	€19,170,110
01/07/2013	Capital increase following the exercise of redeemable share warrants in the first quarter	49,530	€502,273	€49,530	€19,219,840
03/12/2013	Capital increase following the exercise of redeemable share warrants from July to November 2013	€79,002	€797,920	€79,002	€19,298,842
03/01/2014	Capital increase following the exercise of redeemable share warrants in December	€27,224	€274,962	€27,224	€19,326,066

3.3/ CROSSINGS OF STATUTORY THRESHOLDS IN 2013

Shareholder	Caisse des Dépôts et Consignations (CDC) – Fonds Stratégique d'Investissement – CDC Entreprises Valeurs Moyennes	Caisse des Dépôts et Consignations	Banque Publique d'Investissement (EPIC BPI Groupe) formerly FSI	BNP PARIBAS Investment Partners
Date of threshold crossing	29/05/2013	28/05/2013	12/07/2013	25/11/2013
Reason	Sale of shares by FSI and its loss of double voting rights	Sale of shares by FSI and its loss of double voting rights	Founding of Bpifrance Participations SA (formerly FSI)	Statement of controlled companies
Direction	Below	Below	Above	Above
	20%, 15% and 10% of capital and voting rights	All statutory thresholds between 16% and 8% of the capital and between 23% and 7% of voting rights Legal thresholds of 15% and 10% of the capital and legal thresholds of 20%, 15% and 10% of voting rights	Statutory thresholds of 2% and 4% of capital – legal threshold of 5% of the capital	–
Reference capital	20,734,278	20,734,278	20,734,278	19,170,110
Reference voting rights	24,673,961	24,673,961	24,673,961	21,442,853
Number of securities owned	1,070,397 shares and voting rights held by FSI, 519,698 shares and voting rights held by CDC Entreprises Valeurs Moyennes, representing a total of 1,590,095 shares and voting rights for CDC	1,070,397 shares and voting rights held by FSI, 519,698 shares and voting rights held by CDC Entreprises Valeurs Moyennes, representing a total of 1,590,095 shares and voting rights for CDC	1,070,397	50,000 ordinary shares – 395,775 ORNANE
Percentage of equity	7.67%	7.67%	5.58%	0.2608%
Percentage of voting rights	6.44%	6.44%	4.99%	0.2332%
	AMF Decision and Information No. 213C0620	CDC letter to the issuer dated 29 May 2013	Letter to the issuer dated 18 July 2013	Letter to the issuer dated 4 November 2013

3.4/ CORPORATE OFFICER TRADING TRANSACTIONS (ON THE BASIS OF DISCLOSURES FROM THE DIRECTORS TO AMF)

TRANSACTIONS INVOLVING COMPANY SECURITIES UNDER ARTICLES L 222-14 AND L 222-15 OF THE AMF GENERAL REGULATIONS

Officer or entity	Comments	Availability	Description of financial instrument	Nature of transaction	Number of securities
Dominique Louis	Chairman of the Management Board of Assystem	24/06/2013	Shares	Contribution to H2DA SARL – a company controlled by Dominique Louis	485,658
HDL SAS	73.01%-owned by Dominique Louis, Chairman of the Assystem Management Board	17/12/2013	BSAARS 2015 FR0010630590	Sale to HDL Development – a company controlled by Dominique Louis, that launched the takeover bid for Assystem shares	250,000
CEFID SAS	80%-owned by Dominique Louis, Chairman of the Assystem Management Board and 20%-owned by Michel Combes, Chairman of the Assystem Supervisory Board	17/12/2013	BSAARS 2015 FR0010630590	Sale to HDL Development – a company controlled by Dominique Louis, that launched the takeover bid for Assystem shares	880,000
H2DA SARL	94.53%-owned by Dominique Louis, Chairman of the Assystem Management Board, 2.76%-owned indirectly by Michel Combes, Chairman of the Assystem Supervisory Board, and 2.71%-owned directly by Gérard Brescon, member of the Assystem Management Board	17/12/2013	BSAARS 2015 FR0010630590	Sale to HDL Development – a company controlled by Dominique Louis, that launched the takeover bid for Assystem shares	80,225
EEC SAS	94.87%-owned by Dominique Louis, Chairman of the Assystem Management Board	17/12/2013	BSAARS 2015 FR0010630590	Sale to HDL Development – a company controlled by Dominique Louis, that launched the takeover bid for Assystem shares	10,720

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

Securities issued by the Company and statutory rules

To the Company's knowledge, the breakdown of share capital at the balance sheet date in the last three financial years was as follows:

AS AT 31 DECEMBER 2013

	Shares	%	Actual voting rights	%	Theoretical voting rights	%
D. Louis/Groupe HDL	5,546,475	28.70%	5,840,497	29.65%	5,840,497	27.13%
• HDL SAS	3,438,466	17.79%	3,553,466	18.04%	3,553,466	16.51%
• EEC SAS	59,090	0.31%	59,090	0.30%	59,090	0.27%
• CEFID SAS	1,020,607	5.28%	1,020,607	5.18%	1,020,607	4.74%
• H2DA/DL	1,028,312	5.32%	1,207,334	6.13%	1,207,334	5.61%
Extended concert party	114,738	0.59%	229,476	1.17%	229,476	1.07%
Extended concert party +	222,459	1.15%	376,272	1.91%	376,272	1.75%
Supervisory Board	347,159	1.80%	681,979	3.46%	681,979	3.17%
Employee mutual fund (FCP)	215,540	1.12%	430,100	2.18%	430,100	2.00%
Public	11,050,362	57.17%	12,137,599	61.63%	12,137,599	56.38%
Treasury shares	1,829,333	9.47%	0	0.00%	1,829,333	8.50%
Total	**19,326,066**	**100.00%**	**19,695,923**	**100.00%**	**21,525,256**	**100.00%**

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 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. This agreement was maintained through 2013.

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 months' prior notice, equal to twice the average of the fixed portion due for services performed in the two years preceding the termination;
- in the case of a hostile takeover – particularly a takeover bid or share swap for Assystem that is unsolicited by its company directors – 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 provisions applicable in the case of an early termination of the commercial agreement signed between Assystem and HDL, the mean of the fixed portion of this agreement at 31 December 2013 for the years 2012 and 2013 amounted to €1,372,545.

The very nature of the Group's business (access to R&D programmes, innovative developments, involvement in classified defence operations, etc.) is founded on Assystem's independence; our business relationships, our business agreements that consolidate our position in a given sector may also include "change of control" clauses that may be implemented by our clients should the need arise, or in the event of an unsolicited takeover bid.

Financial operations

In the event of a change of control of the Company, the contracts signed with banks participating in the ORNANE bond subscription stipulate that they can redeem their bonds at any time, given that the reference control is exercised by Dominique Louis directly and by companies that he heads or controls (HDL, H2DA, EEC, CEFID). The bond amount at the time of their issue on 6 July 2011 totalled €92 million.

To ensure the development of the Company and its liquidity, Assystem SA implements a diversified financing programme of €212 million which at 31 December 2013 included:

- ORNANE totalling €92 million;
- revolving credit facility of up to €120 million set up on 22 July 2011 to meet the Group's general needs, on which a drawdown of €40 million was made in May 2013. A revolving credit facility of up to €120 million signed on 16 December 2013 shall replace the previous contract in April 2014. At the time of accounts closing, Assystem had not yet replaced the credit with the new one.

The medium-term credit facility of up to €100 million set up July 2011 to finance acquisitions was not drawn at 31 December 2013, the cut-off date for drawings on this credit line. It therefore became void.

3.6/ CHANGES TO THE SHARE BUYBACK PROGRAMME DURING THE 2013 FINANCIAL YEAR

The table below summarises the use of the programmes during the 2013 financial year:

Balance of treasury shares held at 31 December 2012	1,715,849
NUMBER OF SHARES USED ACCORDING TO END PURPOSE	
Liquidity contract	
• Shares acquired under the liquidity contract	442,622
• Shares acquired outside the liquidity contract	1,777,011
→ of which blocks purchased	1,777,011
• Shares sold under the liquidity contract	490,382
• Shares cancelled during the FY	0
For the benefit of salaried employees or corporate officers	
• Shares transferred in exchange for free share options	51,599
• Shares transferred in exchange for share purchase options	0
Acquisition operations	
• Shares used to finance acquisitions	0
Share cancellations	
• Shares cancelled during the FY	1,564,168
• Shares cancelled over the past 24 months	1,564,168
Balance of treasury shares held at 31/12/2013	1,829,333
VALUE OF SHARES REGISTERED AT 31/12/2013 AT THE AVERAGE PURCHASE PRICE	
Additional information	
• Average purchase price	16.2
• Average sale price	15.4
• Amount of trading fees	68,925.11

3.7/ DIVIDENDS

The Management Board shall propose to the Annual General Meeting of 22 May 2014 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 provide entitlement to a dividend, with the balance being posted to the "Retained earnings" account.

Dividends paid during the last three financial years:

Year	Income eligible for tax allowance	
	Dividends	Other distributed earnings
2010	€0.45 per share	Not applicable
2011	€0.45 per share	Not applicable
2012	€0.45 per share	Not applicable

The dividend payout policy is decided by the management bodies as a function of the distributive capacity, the financial position and the financial requirements of Assystem and its subsidiaries.

The dividend payouts may change with respect to previously paid amounts and shall under all circumstances remain in line the Group's business plan.

3.8/ SUBSIDIARIES AND ASSOCIATES

At 31 December 2013, Assystem SA held, either directly or indirectly, all the shares and voting rights of its main operating subsidiaries, which are as follows:

- Assystem France, SAS (simplified joint stock company) under French law;
- Assystem Engineering & Operation Services, SAS, as well as its subsidiaries under French law Athos, Insiema, SNC Engage, n.triple.a;
- Assystem Innovations, SAS under French law;
- Assystem International, SAS under French law;
- Assystem UK, incorporated in the United Kingdom and its subsidiaries;
- Assystem Iberia, incorporated in Spain;
- Assystem Portugal, incorporated in Portugal;
- Assystem Deutschland, incorporated in Germany, and its subsidiaries Assystem Gmbh, Berner & Mattner and Silver Atena;
- Assystem Romania, incorporated in Romania;
- Assystem Belgium, incorporated in Belgium;
- ASM Technologies, incorporated in Morocco;
- Eurosyn Développement, incorporated in France.

It owns 80.75% of the capital and voting rights of:

MPH Global Services which directly owns the Technical Services Support business unit composed of TFSI, MPH International SAS and other MPH subsidiaries.

3.9/ REINTEGRATION OF OVERHEADS

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 €59,072 in 2013.

4/ CORPORATE OFFICER COMPENSATION

See Chapter 2 – Governance.

5/ INFORMATION CONCERNING THE ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

5.1/ MEMBERS OF THE SUPERVISORY BOARD AT 31 DECEMBER 2013

See Chapter 2 – Governance.

5.2/ MEMBERS OF THE MANAGEMENT BOARD AT 31 DECEMBER 2013

At 31 December 2013, the Management Board comprised three members, including the Chairman, Dominique Louis, who represents the Company with regard to third parties, Gérard Brescon and Gilbert Vidal, together combining all the functional and operational competencies necessary for the Group's development.

The Group governance changed in early 2013.

See Chapter 2 – Governance.

5.3/ APPOINTMENT OF ASSYSTEM SA'S STATUTORY AUDITORS AT 31 DECEMBER 2013

Incumbent Statutory Auditors

- KPMG

1, cours Valmy – 92923 Paris-La Défense France

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 France

Re-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 France

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 Di Cicco

7-9, Villa Houssay
92200 Neuilly-sur-Seine France

Re-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/ STATEMENT OF ASSYSTEM SA'S FINANCIAL RESULTS FOR THE LAST FIVE FINANCIAL YEARS

Year	2009	2010	2011	2012	2013
I. FINANCIAL SITUATION AT YEAR-END					
Share capital	20,041,375	20,157,082	20,387,724	20,734,278	19,326,066
Number of existing shares	20,041,375	20,157,082	20,387,724	20,734,278	19,326,066
Number of bonds convertible into shares	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
II. OVERALL RESULT OF CURRENT OPERATIONS					
Pre-tax sales	10,706,748	9,990,586	10,657,852	11,125,335	11,427,562
EDITDA	25,603,211	12,957,060	1,658,777	21,233,801	26,215,004
Corporate income tax	2,571,367	(461,988)	4,946,636	1,011,224	2,250,236
Earnings after tax, depreciation, amortisation and provisions	(12,155,118)	14,147,406	4,434,216	26,409,431	25,589,684
Distributed earnings	4,922,144	8,692,674	8,430,934	7,787,732	*
III. PER SHARE DATA					
Earnings after tax but before depreciation, amortisation, and provisions	1.41	0.62	0.32	1.61	1.47
Earnings after tax, depreciation, amortisation and provisions	(0.61)	0.70	0.22	1.27	1.32
Dividend payout per share	0.25	0.45	0.45	0.45	*
IV. PERSONNEL					
Headcount	1	1	1	1	1
Wage bill	468,660	503,889	517,817	493,731	307,438
Mandatory employer contributions	113,397	665,700	401,869	431,163	241,251

* Dividend of €0.45 per share put to vote at the next General Meeting.

7/ DELEGATIONS OF RESPONSIBILITY AND AUTHORISATIONS TO THE MANAGEMENT BOARD FOR SHARE CAPITAL INCREASES

The Management Board, in view of the various decisions taken by the Combined Ordinary and Extraordinary General Meetings of 12 May 2011, 23 May 2012 and 22 May 2013, has been vested with the following powers:

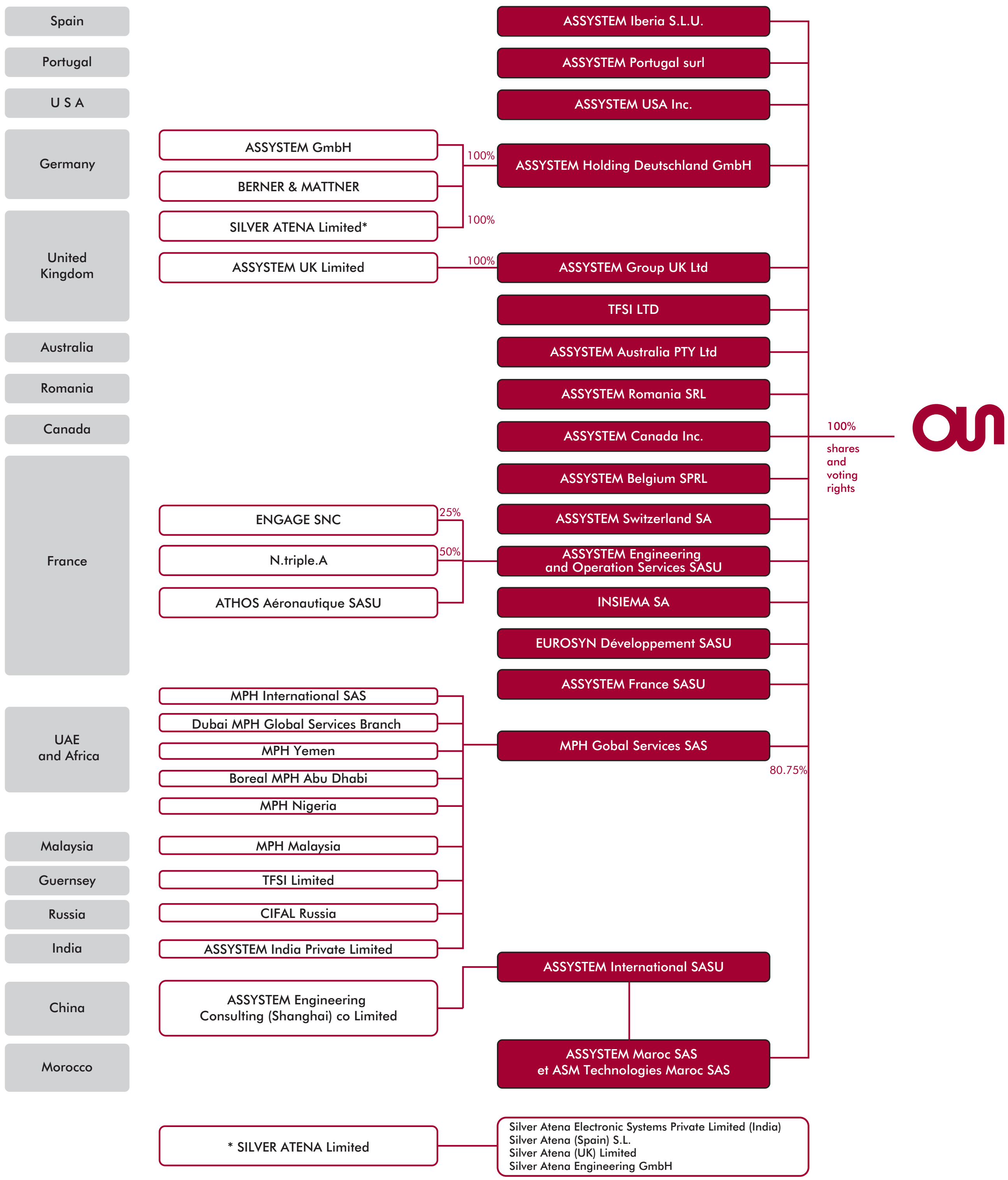
Delegation of authority/Authorisations	Maximum capital increase/ reduction amount	Term	EGM at which resolution was adopted
Cancellation of shares acquired under share buyback programmes.	Maximum reduction 2,073,427 securities Cancellation capped at 10% of the shares comprising the share capital at the transaction date	26 months (up to 21/07/2015)	22/05/2013 (15th resolution)
Issue of equity securities and/or securities granting access to capital **with** preferential subscription rights	Maximum increase in nominal €10,000,000	26 months (up to 21/07/2015)	22/05/2013 (16th resolution)
Issue of equity securities and/or securities granting access to capital without preferential subscription rights in connection with a **Private placement**	Maximum increase in nominal 10% of share capital/year, *i.e.* €2,000,000	26 months (up to 21/07/2015)	22/05/2013 (17th resolution)
Share issue reserved for **members of a company savings plan**	Nominal amount on the implementation date up to 2% of share capital	26 months (up to 21/07/2015)	22/05/2013 (18th resolution)
Award of bonus shares in existence or to be issued (new legal and tax system)	3% increase of nominal amount of share capital on date when authorisation was used Of which 1% of the nominal amount without performance condition for certain employees (excluding Management Board members)	38 months (up to 21/07/2016)	22/05/2013 (19th resolution)
Increase in the amount of each issue with or without preferential subscription rights	Up to 15% of the initial issue	26 months (up to 21/07/2015)	22/05/2013 (20th resolution)
Approval of the total amount of the authorisations granted to the Management Board for share capital increases, namely: • 14th, 15th, 16th 17th and 18th resolution in share capital • 14th, 15th, 16th, 17th and 18th resolution in debt securities	€10,000,000 in share capital and €150,000,000 maximum in debt securities	26 months (up to 21/07/2015)	22/05/2013 (21st resolution)
Issue of equity securities and/or securities granting access to the share capital **without** preferential subscription rights	€8,000,000 maximum in nominal share capital	26 months (up to 23/07/2014)	23/05/2012 (15th resolution) supersedes the 16th resolution of the EGM of 12/05/2011
Capitalisation of reserves, profits, merger or share premiums whether combined or not with performance share issues	Increase by €20,000,000 in share capital	26 months (up to 21/07/2015)	22/05/2013 (22nd resolution)

8/ RISK FACTORS

See Chapter 4 – Risk factors, p. 49.

> SIMPLIFIED ORGANISATIONAL CHART OF THE ASSYSTEM GROUP AT 1 JANUARY 2014

The percentages show the ownership of capital and voting rights or economic control.



* Assystem SA still holds 100% of the Assystem Italia spa shares, classified under discontinued operations.

4. RISK FACTORS

Assystem conducts its business in an ever-changing environment. The Group is therefore exposed to risks which, if they materialise, could have a significant adverse effect on its business, its financial position or earnings and considers that there are no significant risks other than those mentioned below.

This chapter presents the risk factors to which the Group could be exposed: risks relating to the economic environment, operating risks, legal risks and financial risks.

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

Please refer to chapter 7 for a description of the risk identification and management procedures.

The Group formulated its major risk mapping 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 reduction 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.

1/ RISKS RELATING TO THE ECONOMIC ENVIRONMENT

Nature	Impact	Risk reduction measures
Risk of the markets and geographic areas in which the Group operates having a dilutive effect on margins.	Crumbling gross margin from business and ultimately on the operating profit.	Close monitoring of ongoing projects and new business by the division concerned and regularly providing information on them to members of the Management Board Review of gross margins on business for ongoing projects and new business.
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 of (partial or total) non-recovery of trade receivables.	Negative impact on realisable and available assets and on operating 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 regularly monitor the collection of trade receivables, track progress in the collection of outstanding receivables, and issue the necessary reminders.
Risk that the investments made are not useful, are not properly 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), which sets down the authorised signatories in the operating entity and which requires the involvement of one or even two members of the Management Board beyond a certain threshold. Investments relating to the acquisition of equity investments and acquisitions require the Supervisory Board to be consulted and notified in advance at all times.

2/ CONTRACTUAL RISKS

Nature	Impact	Risk reduction measures
Risk that business on a fixed-price basis leads to excess non-billable hours.	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, in which the Executive Vice-President in charge of Finance and Legal Affairs and the Executive Vice-President in charge of HR are involved, 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 risks 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 of a selection of projects covering all our areas of business.

3/ RISKS RELATING TO THE BUSINESS ACTIVITY

Nature	Impact	Risk reduction measures
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 ten leading clients, the Group implements varied skills in diverse business sectors that, by their nature, significantly curb the potential impact in terms of dependence. The Group's strong position with its clients (notably as a top-ranking provider) considerably reduces this risk by ensuring its business volumes in the medium and long term. The recourse to subcontracting and the implementation of training courses with a view to redeveloping skills also enable changes in workloads to be managed.
Risk that the operational non-billing rate (called TNFO) exceeds the limit of 10%.	Negative impact on operating income.	As a key operational indicator for the Group, TNFO is therefore included in the periodic reporting reviewed by the members of the Executive Committee. If the TNFO deviates from the established limit, 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 TNFO is determined 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 project performance and revenue.	Staff turnover management is placed under the ultimate responsibility of the Management Board member in charge of developing 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 staff is measured as below: Staff departures during the year/Average headcount during the year.

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).

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 month, the Group Cash Department presents reports to the Executive Vice-President in charge of Finance and Legal Affairs 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 measures
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 Executive Vice-President in charge of Finance and Legal Affairs. The financial instruments used are swaps for active debt management. On 31/12/2013, the company no longer had any interest-rate hedges. At end-December 2013, the Group's external debt consisted of a bond debt at a fixed rate (ORNANE), a short-term credit line of €40 million, drawn down in 2013, based on 3M Euribor + margin. The weakness of the Euribor over the last few months meant the Group did not have to hedge this interest rate.
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 operations.	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 freeze operating margins for large contracts denominated in foreign currency. The hedge mechanisms implemented upon identifying a risk are mainly forward sells or forward buys whose amount and maturity are tied to underlying economic factors. Moreover, the balance sheet risk essentially remains limited to the euro/pound sterling parity and the euro/dollar parity.
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.
Risk of inability to keep 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 month to the Executive Vice-President in charge of Finance and Legal Affairs; • Active management of its debt. The Group avails of a credit line of €120 million, €40 million of which has been drawn down, of a sufficient maturity to finance its operating requirements. 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.
Risk of lack of control over the number of shares to be delivered for the repayment of ORNANE.	Dilutive effect on capital.	Contractual provision 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 2013 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 the financial income. The impact of this recognition, which could be significant, has no cash effect and is in the opposite direction compared to the change in share price. 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 flow.	The revolving credit includes clauses (covenants) that call for compliance with a financial ratio. This ratio is used to calculate the net financial debt/EBITDA. This ratio is 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 period-end, the ratio was calculated to be below the threshold established in the agreement. No ratio is linked to ORNANE.

Furthermore, at HDL Development, as part of a loan contract signed on 16 December 2013, an excess cash flow clause determined by taking into account the HDL Development Group, will apply from 31 December 2015. As a result, part of the cash flow exceeding a certain level will be distributed to all shareholders, including HDL Development, which will use this sum to repay the loan.

5/ EMPLOYEE-RELATED RISKS

Nature	Impact	Risk reduction measures
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 and has significantly developed sector or profession-specialised structures within the in-house training institute (the Assystem Institute). The skill reviews that are conducted annually for all engineers 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.
Risk of losing key skills needed for the Group to be able to function and develop.	Negative impact on Group image and revenue.	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 measures taken to ensure the continuity of our internal risk control process 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.

6/ RISKS RELATING TO IT SYSTEMS

Nature	Impact	Risk reduction measures
Risk that information is not available or is corrupted.	Inability to pursue projects, the Group's image tarnished and a negative impact on revenue.	Given the Group's high dependence on information systems (for the performance of client projects as well as for its own needs) and the decentralisation of the IT function, the information system-related risks are closely scrutinised. Business continuity and recovery plans have been established and tested in all of our operating units. 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, REGULATORY AND TAX RISKS

Nature	Impact	Risk reduction measures
Risk of lack of control over the legal and tax aspects of the Group's business and operations in a context of globalisation and lack of regulatory compliance.	Group's image tarnished, negative impact on operating profit.	The business acceptance process includes a legal and tax review at all times. These reviews are 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, which was dry-docked in Brest for maintenance). In 2012, Sobrena dropped all charges in France against ASG and Iska Marine, following an agreement signed between Acergy and Sobrena, as part of English proceedings. At this time, as in previous years, there is also no evidence that ASG is at fault, and the cause of the fire has yet to be ascertained. As it has done in previous years, the Group confirmed that in the event of the Group's liability, this claim would be eligible for coverage by the Group's insurance policies.

Concerning the "equal pay" risk identified in 2010 (see our 2010 Reference 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 brought an action against our German subsidiaries. Out of an initial provision of €0.2 million, the case ended with the payment of €0.1 million as at 31 December 2013. The remaining provision was reversed on the balance sheet date.

Assystem SA has been subject to a tax inspection for the years 2008 to 2010. The findings of the tax authorities set out in the proposed tax assessment of 23 April 2012 were contested in full by Assystem. No developments took place in 2013 to report.

Tax audits have also been underway at Assystem France (for 2010 and 2011) since the start of the 2014 financial year, in Germany and in Nigeria.

Furthermore, a notice of assessment was received in April 2014 by the company Assystem Engineering & Operation Services, in addition to a notice of adjustment for the company MPH Global Services, concerning its business in Gabon. An analysis of the validity of this notice of adjustment was underway on the date this Reference Document was deposited.

To date, there is no other governmental, legal or arbitration procedure, including any procedure 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 position or profitability of the company and the Group, over the last twelve months.

8/ RISKS RELATING TO THE INTERNATIONALISATION OF BUSINESS ACTIVITY

Nature	Impact	Risk reduction measures
Risk that clients relocate their business or projects in areas 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 emphasise its deployment capacity in the geographic areas in which clients may relocate a part of their business. The Group already has two engineering centres, one in Romania, and the other in India. Our clients in the automobile sector, who developed a part of their business in 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. With regard to the development of AMEA area, 2013 saw the installation of the Group's Engineering & Operations Division in Dubai.
Risk that the business undertaken does not generate sufficient margin in the geographic areas where the Group was not present.	Negative impact on revenue and operating profit.	

9/ INDUSTRIAL AND ENVIRONMENTAL RISKS

Due to 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. In chapter 5 on Corporate and Social Responsibility (CSR) the Company describes the policy and action conducted by the Group in this area.

10/ RISKS RELATING TO THE GROUP'S DECENTRALISATION

By its very construction (by acquisitions), the Group is structurally decentralised. This structure is mirrored in the Group's management method, which gives its operational units a certain degree of autonomy. 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. The following are checked centrally: delegation of powers and signing authority, management reviews, appointment of key managers, approval of key managers' compensation packages, budgets and forecasts 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.

11/ RISKS RELATING TO ACQUISTION OPERATIONS

Nature	Impact	Risk reduction measures
Risk of the acquired companies not generating operating results in line with the Groups objectives and expectations.	Dilutive effect on gross margins and also on operating results. Group profitability/performance objectives not met.	A post-acquisition plan supports the companies newly acquired by the Group. The use of our reporting application is one of our priorities and allows results and their changes to be quickly monitored in order to play a part in making the appropriate corrective decisions.

12/ INSURANCE STRATEGY

The Group's insurance strategy involves an active risk prevention and protection approach and takes into account the coverage of major risks. To cover these risks, Assystem has contracted a professional and operating liability insurance covering its French and international subsidiaries.

This professional liability insurance compensates for the different conditions and limits of its local foreign policies as part of an integrated policy.
For the Aeronautics activities, the Group has signed a specific insurance policy covering property damage and consequential losses.
With regard to all other elements, the Group's main policies were renewed in 2013 under the same conditions.
The Group has not identified any other significant risks to date.

5. 2013 CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

Assystem's commitment to Corporate Social Responsibility (CSR) complies with the principles set out in the UN Global Compact and is overseen by the Company's highest level of management.

It is developed in these fundamental documents: The Manifesto for the Growth to Be[1] and the Company's Code of Conduct. It is embodied in its continuous improvement system of management.

1/ THE SCOPE OF RESPONSIBILITY

Assystem engages its corporate responsibility in three main areas:
- anticipating and integrating our clients' social and environmental challenges in the services we offer them;
- ensuring the professional and personal development of our engineers and their employability;
- contributing to collective progress *via* our views, expertise and social and economic offering.

Stakeholders	Impact of CSR:
Clients	Nurture long-term partnerships based on our like-mindedness as concerns our demands of quality, risk control and competitive advantage.
	Adopt responsible behaviour and develop solutions that promote sustainable development.
Employees	Put employees on a track that allows them to make professional and personal progress.
	Promote their employability.
Suppliers	Develop lasting relationships, based on shared values and their complete integration into projects.
Investors	Conduct our business in a rigorous, controlled and transparent manner, abiding by the principles set down in the Assystem Professional Code of Conduct.
	Deliver regular and transparent information and promote dialogue.
Communities	Ensure that Assystem's activities and innovations promote collective progress.
	Take part in the development of territories and community initiatives.

2/ KEY INDICATORS AND METHODOLOGICAL DETAILS

Since 2011, Assystem has drawn up a list of key indicators to assess the impact of its activity on its environment and its stakeholders. These indicators are the subject of regular monitoring and an annual report. In line with the Group's CSR policy, they are constantly enhanced and improved. They complete the Group's key figures published on pages 8 and 9. The social and environmental information in the report corresponds to the fiscal year.

The social data published in the table below is taken from the annual social report drawn up by Assystem's human resources department, based on the census as of 31 December 2013. The scope of the social data report covers the entire workforce in all the group's wholly consolidated companies, excepting INSIEMA and MPH Global Services.
The scope chosen takes account of the pertinence and coherence of the indicators in relation to the Group's main activities.
The workforce at the end of the year includes employees on open-ended contracts, fixed-term contracts, open-ended contracts for specific projects, work-study students and similar contracts, but does not include interns, temporary staff or subcontractors.
The absence rates include absences due to illness, maternity, paternity and workplace accidents.
Accident rates and severity and frequency rates of workplace accidents are calculated according to a weighted average based on the workforce at the end of the period.
Training data includes internal and external training as well as distance training (*e.g.*: e-learning).
In accordance with the improvement plan set up after the publication of the 2012 CSR report, Assystem has included in the 2013 key indicators the number of redundancies.

Greenhouse gases are calculated on the basis of the carbon footprint of Assystem's establishments in France (excluding INSIEMA, MPH International and Eurosyn, *i.e.* 7% of the workforce in France).
The carbon footprint takes account of direct and indirect energy-related emissions (gas and electricity). The study also included work-related travel and trips. The scope used as a reference is likely to expand to include other countries.
ADEME Carbon Footprint conversion factors are used to calculate greenhouse gas emissions.

(1) Published in 2011, The Manifesto for the Growth To Be expresses the Group's desire to promote a growth model that gives social and ecological equilibrium the same consideration as economic and financial equilibrium. Its ambition is to create sustainable shared value between companies and their stakeholders. The Manifesto is available on Assystem's website.

The number of kilometres travelled by car or by plane during business trips is based on financial amounts or fuel consumption if there is no data on the number of kilometres.

2013 INDICATORS

	2013	2012	Global Reporting Initiative equivalent
Sales	€871.4 million	€855.6 million	G4-9/G4-10
Total workforce(1)	11,045	10,745	G4-9
Social indicators(2)			
% permanent contracts	93%	92%	G4-10 (b)
% of women	22%	21%	G4-10 (a)
% of employees over the age of 45	20%	19%	G4-LA12 (a)
% of disabled employees	1%	1.25%	G4-LA12 (a)
Average age (in years)	35.4	35.3	G4-LA12 (a)
Number of hires	2,234	2,980	G4-LA1 (a)
Number of redundancies	312	NC	G4-LA1 (b)
Absence rate (number of days off work per 100 days worked)	3.08	2.84	G4-LA6 (a and b)
Lost time injury frequency rate (in number of accidents per million hours worked)	2.69(5)	3.28	G4-LA6 (a and b)
Work-related accident severity rate (in number of days off work per 1,000 hours worked)	0.06(5)	0.09	G4-LA6 (a and b)
Number of employees trained during the year	5,479	4,937	G4-LA9 (a)
Total number of training hours	142,205	169,736	G4-LA9 (a)
Average duration of training courses (in hours)	26	35	G4-LA9 (a)
Environmental indicators(3)			
Greenhouse Gas (GHG) Emissions in MTCDE(4)	7,548	7,716	G4-EN15 (b)
Emissions of MTCDE per person per year	1.18	1.22	G4-EN15 (b)
Km per person of work-related car travel	4,733	4,808	G4-EN30 (a)
Km per person of work-related air travel	2,095	2,062	G4-EN30 (a)

(1) Workforce in the Group which also includes the pro rata of the workforce of two companies that are consolidated according to the proportional integration method (Engage and MPH Yemen Limited), as n.triple.a does not have a workforce. Contractors UK are not included in the Group's workforce.
(2) Group workforce excluding the workforce of INSIEMA & MPH Global Services (i.e. a total workforce of 1,116 people).
(3) Assystem in France (excluding INSIEMA, MPH International and Eurosyn).
(4) Ton of CO2 equivalent.
(5) Assystem in France, Germany, the United Kingdom, Belgium and Portugal.

The workforce breakdown per geographic area is given on page 9 of this document.

The breakdown and evolution of salaries in the Group are given in Chapter 8 (Consolidated financial statements – Personnel costs).

The evolution of subcontracting costs is given in Chapter 8, note 30 on page 123 of this document.

3/ GOVERNANCE

Assystem is organised in the form of a public limited company with a Management Board and a Supervisory Board.

Management at Assystem places great importance on the efficiency of its decision-making process and the flow of information within the Group. This constant concern results from its highly decentralised structure and it continues to be pertinent today with the increasing internationalisation of the company.

In January 2013, the Management Board refocused on *corporate governance*, leadership and providing support to Group entities, in particular in the areas of Finance and Human Resources. It is chaired by Dominique Louis, Assystem's Founding Chairman, helped by Gérard Brescon, responsible for Human Resources Development in Assystem and Gilbert Vidal, Executive Vice-Chairman, responsible for Finance and Legal Matters in the Group.

The mission of the Supervisory Board is to constantly oversee the management activities of the Management Board. Its composition complies with the criteria of representativeness, independence and gender balance, as required by law and according to the recommendations set out in the AFEP-MEDEF code, related to the governance of listed companies.

For further information on Governance at Assystem, see Chapter 2, page 20.

4/ HUMAN RIGHTS

> SUBSCRIBING TO THE UN GLOBAL COMPACT AND ANNUAL RENEWAL

A code of conduct based on strong commitments and action involving the whole company is integrated into Assystem's policies and business methods. The Group is a member of the UN Global Compact which has established ten universal principles on Human Rights, labour rights, environmental protection and anti-corruption. Within the company these ten principles are expressed as requirements regarding behaviour and practices, fostered by the Management Board, enacted in a Code of Conduct and applied at all levels.

> THE ADVANTAGE OF GENDER EQUALITY AND DIVERSITY

Diversity is an integral part of the values at Assystem which has made it is a driving force for development and the subject of a proactive policy based on three objectives:

Ensuring equal opportunities

Assystem takes concrete initiatives to enable young people from disadvantaged backgrounds to follow careers in engineering.

2013 News: In 2012, Assystem signed a five-year partnership with the Fondation INSA, an applied sciences engineering school, to support the "Cordées de la réussite-Convention Diversité" programme which helps bright pupils from less fortunate backgrounds succeed in their studies. Some of these pupils are given grants and receive mentoring from engineers at Assystem which also undertakes to provide them with work placements in English-speaking environments. Through this partnership, Assystem also helps disabled pupils attend and access schools and sets up a special circuit to facilitate their school-to-work transition. Lastly, a specific female mentoring initiative also enables female employees at Assystem to support young women who are training to be engineers and to help them prepare their careers.

Giving women the means to succeed in their careers

Assystem's policy in favour of gender equality and professional equality is based on the conviction that increasing the proportion of women, especially in senior positions, leads to enhanced team work and improved management. With a workforce comprising 22% of women, the Group focuses its action on two main priorities: recruitment (in 2013, 28% of the newly hired employees were women, well over the objective of 25%) and mentoring which gives impetus to this initiative. In 2010, the company set up an internal network in France called "Femmes d'Énergie" which now has more than 300 members.

2013 News: a charter on the Work/Life Balance was set up in French subsidiaries in July 2013 as part of the collective agreement on equal opportunities for Men and Women in the workplace. Focusing on three main areas – encouraging best practices, supporting parenthood and respecting time (part-time work, rest periods), it reflects the Group's desire to promote a healthy and respectful working environment.

Furthermore, throughout the year, Assystem took numerous initiatives to encourage exchanges on best practices and combat clichés: recruitment evenings for women (in Paris and Toulouse) with presentations of the Group's businesses, breakfasts organised as part of the "InterElles" circle, a network of technological and scientific companies that have pioneered the fight for gender equality and professional equality and which Assystem joined in 2011.

Encouraging the employment of disabled people

With an employment rate three times higher than the sector's average rate, Assystem has established itself as a pioneer in the integration of disabled employees. This proactive policy was initiated in 2007 when the "Mission Handicap" scheme was set up. The implementation of three successive agreements with the AGEFIPH (an association that manages funds for the professional insertion of disabled people) has more than doubled the number of disabled employees.

2013 News: In France, Assystem signed a three-year company-wide agreement with the Department of Labour and social partners. This will increase the budget and enable the initiative to advance even faster and the actions to be targeted more precisely. Assystem has set itself the goal of increasing its overall rate of disabled employees by 1% by 2015.

Leveraging the experience of senior employees

Assystem endeavours to recruit older people and take advantage of their experience. In 2013, they represented 20% of the overall workforce and 8% of the people hired. The company has set up a career management system to allow them to maintain and enhance their skills, and to pass their know-how on to younger generations. In France, this system is accompanied by an interview organised in the second part of their career which helps them define their medium-term career objectives.

2013 News: On 18 September 2013, Assystem signed a company-wide agreement with trade union organisations regarding the "Generation Contract". It aims to integrate the young unemployed and make the most of senior employees' experience by focusing on the transmission of know-how and skills. The agreement specifies the induction and integration of new employees, the conditions under which interns are hosted, and commitments to employ senior employees and to keep them in employment. It undertakes to promote requests for part-time positions expressed by senior employees and organises inter-generational cooperation to create "technical expertise" sectors within the framework of the Assystem Institute, the Group's internal training institution.

> DEVELOPING TALENT

Talent, commitment and a sense of community are all part of Assystem's DNA. In an effort to preserve and reinforce this asset, the Group focuses on training and mobility which represent performance levers for the company and attractive advantages for employees. The aim is to provide everyone with the means of developing and moving forwards in their careers.

Offering opportunities to fresh graduates

To support its growth, Assystem conducts a very active recruitment policy which places great importance on hiring fresh graduates. In 2013, they accounted for 27% of recruitment.

2013 News: In 2013, Assystem made a remarkable entrance in the Palmarès Universum in France (which lists the Group as one of the Top 100 favourite employers of young engineering school graduates) and in the Focus rankings in Germany (which lists it as one of the best employers in 2013).

Developing skills with the Assystem Institute

The key to ensuring Assystem's excellence and to maintaining its cutting-edge technology is to develop and continuously upgrade skills. This is at the heart of the Human Resources policy and fulfils two goals: enable all its employees to progress and enhance their skills *via* tailor-made courses while ensuring their employability throughout their whole career.

The Assystem Institute: Assystem has an in-house training centre which was originally developed for the nuclear sector. The model was gradually extended to include all Group sectors and over time it has become a benchmark in the engineering sector.

2013 News:

- The Assystem Automotive Institute set up in Romania to anticipate and support the transnational development of the automobile industry.
- The Assystem Systems Institute is the latest addition to the Assystem Institute. It aims to develop the Group's expertise in complex systems and on-board solutions in the industry's sectors.

Supporting future industry *via* sponsorships

In line with its desire to support student engineers, Assystem has decided to support schools and universities *via* sponsorship initiatives which enable it to become involved in the training of future engineers.

2013 News:
In September 2013, Assystem and INSA, the engineering school in Rouen, signed a partnership agreement to set up the Academic Chair of Excellence "Engineering and Commissioning". This chair is the first of its kind and results from a shared desire to fulfil market requirements. It focuses on the engineering skills required during the commissioning phase (testing and putting into operation) which is a decisive stage in the completion of an industrial project. It is organised by Assystem experts.

5/ WORKING CONDITIONS AND RELATIONS

> ENSURING EMPLOYEE WELL-BEING

Priority to health and safety

Health and safety in the workplace (HSE) are top priorities for the Group which has developed a real culture in this field inherited from its nuclear engineering know-how.

2013 News: Due to the fact that Assystem has expanded its activity in new regions of the world and become active in the oil sector, it decided to publish a guide outlining all its commitments, *i.e.* promoting sustainable development, identifying and reducing risks, improving working conditions, training and specialising employees and protecting the environment. This guide was made available to all the customers, employees and partners concerned. Still within the framework of its expanding activity, the company also initiated a proactive approach in France at the beginning of 2012 and rolled it out in 2013. This involved improving its system of managing health, safety and the environment to obtain MASE certification (manual for the improvement of company safety – MASE). Almost 1,100 employees were concerned. The best practices resulting from this safety management system will be gradually extended within the Group.

Effective stress prevention

The quality of the attention paid to employees by managers and Human Resource teams is an essential aspect of well-being, motivation and performance. At Assystem, the weekly working time is between 35 and 45 hours depending on the country. The main occupational risk of consultancy is stress, often caused by the isolation experienced by engineers or by their routine being upset in between assignments. Aware of these risks, Assystem very quickly became committed to preventing stress by developing a psychosocial risk management system in France in 2008. This established increased vigilance regarding a certain number of indicators. The process is accompanied by targeted training initiatives and the integration of risk prevention into managerial practices. Moreover, an in-depth study carried out by Management, social partners and members of the health and safety committee has given rise to a prevention, vigilance and information sharing scheme called “Tous attentifs”. Driven by Management, supported by identified and trained intermediaries (Managers, Human Resources Manager, occupational health doctors), this scheme is aimed at providing support to employees who are encountering problems.

Raising awareness on the use of social media

2013 News: Assystem wants to warn its employees and develop their sense of responsibility regarding the use of new media and social networks which can put their own, or the company's, reputation, image and confidential data at risk. With this in mind, Assystem has produced and circulated a guide for all the Group's employees on best practices together with an educational video and an awareness-raising kit for managers.

> SOCIAL PARTNERS: REINFORCING SOCIAL DIALOGUE

In accordance with its values, Assystem has established relations with trade union organisations that help promote responsible operating methods and practices. In 2013, this dialogue was particularly active, giving rise to 38 meetings which led to the conclusion of eight company agreements in France regarding gender equality, the employment of older workers, disabilities, health and safety and provident schemes. No agreement was reached regarding health and safety at work. However, in the company's joint monitoring commission, collective efforts were made to prevent psychosocial risks.

> PROMOTING INTERNAL MOBILITY

Having so many different missions within the Group represents a great advantage and through its different business activities it offers employees interesting career prospects. Employee mobility is encouraged as it ensures continuous progression and sustainable employability. This mobility can be either functional or geographical (evolving in one's job, moving to a new sector and even to a new country). The Assystem Institute promotes this mobility by providing training courses adapted to individual careers.

6/ THE ENVIRONMENT: A CONTROLLED CARBON FOOTPRINT

The carbon footprint calculated in France 2013 confirms the low environmental impact of the Group's activities. To achieve this, Assystem continued to reduce its emissions by developing management tools and encouraging the sharing of best practices.

> TAKING ACTION IN THE WORKING ENVIRONMENT

In 2013, efforts were made to improve the Futura site in Saint-Quentin-en-Yvelines (Île-de-France), which represents 20% of the total surface area rented by Assystem in France. The building management system that was implemented allowed potential savings to be identified (mainly ventilation) and corrective action to be taken (for example, making individual temperature adjustments impossible) which resulted in reduced energy consumption.

Encouraged by these improvements, Assystem will carry out the same procedure at its Toulouse site in 2014 (more than 15% of the office space rented in France).

> REMEMBERING ECO-GESTURES

Through its investments, Assystem continued to encourage everyday eco-gestures: by adjusting printer settings and implementing selective sorting methods, paper consumption was reduced and by systematically installing presence detectors and LED lighting, the consumption of electricity and water was reduced.

> RATIONALISING BUSINESS TRAVEL

With regard to transport, in 2013, the Group continued its efforts by concentrating on two main areas: vehicle fleet management (the Group's policy is to always replace old vehicles with the most energy-efficient models) and the development of cleaner transportation solutions. Two campaigns were launched in 2013, the first one on the company's social network to encourage car pooling and the second one within the company involving posters and flyers promoting energy-efficient driving. Car pooling was also encouraged at the Saint-Quentin-en-Yvelines site: three tests were carried out and they enabled the number of vehicles in use to be reduced by one third. This initiative will soon be introduced at all the sites which have a suitable set-up. Lastly, as part of the business travel policy, several measures were recommended to reduce energy consumption efficiently: in particular, giving preference to telephone and video conferencing rather than travelling and taking trains rather than planes.

Assystem's goal is to achieve an emission reduction of 15% by 2015, *i.e.* the same as planting 300 trees per year. Moreover, in 2014, meetings will be held with the managers in the main countries in which the Group operates in order to pool and harmonise initiatives. The aim is to formalise an environmental impact reduction policy at Group level.

7/ FUTURE GROWTH: CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT OF THE INDUSTRY

The challenges of sustainable development foster the emergence of a virtuous circle in the industrial world, closely linking economic performance and environmental performance. As an engineering company, Assystem helps perpetuate this movement. To achieve this, the Group has made innovation a strategic lever for development.

> SHARING THE CHALLENGES OF THE INDUSTRY

Assystem helps its customers meet the challenges of sustainable development. Its ability to support them rests on two pillars: an industrial culture of environments with strong constraints, especially as regards regulations, safety and risk management, and cutting-edge expertise focused on finding solutions that respect the environment and human health. These skills are implemented very early on when designing and sizing the projects and during the continuous improvement management process. Assystem also takes account of the social and environmental impact of its suppliers and sub-contractors. In France, the company has drawn up criteria which have been integrated into its purchasing policy.

Playing an active role in the initiatives of Syntec

Assystem is actively involved in initiatives designed to promote its activities and circulate best practices in safety and security.

2013 News: within Syntec-Ingénierie, a French trade union association chaired by Assystem since 2012, the Group helped draw up reference systems for the application of the ISO 26000 standard. Assystem also helped produce a guide on the setting up of a CSR process in engineering companies. This guide was published in August 2013.

Involvement in the French nuclear sector

As an active member of the French Nuclear Industry Strategy Committee (CSFN), Assystem helps French companies working in the nuclear sector develop skills and know-how and export them (founding member of the Association of French Nuclear Export Companies – AIFEN), and also to market them locally. On 27 November 2013, an engineering platform dedicated to the decommissioning of nuclear installations was inaugurated in Pierrelatte. Not only will this enable the Group to consolidate its skills in this sector, it will also ensure the employability of local teams. Composed of thirty engineers (33% of them women) specialised in decommissioning, nuclear waste and nuclear safety, this platform is intended for all project management and project management assistance activities.

> OFFERING INNOVATIVE SOLUTIONS TO PROMOTE LASTING GROWTH

Cutting down power consumption and greenhouse gas (GHG) emissions is part of the strategy that all companies adopt to optimise costs. This is the goal of the work carried out by Assystem which aims to develop energy-efficiency and eco-mobility right from the start of its projects.

2013 News: In 2012, Assystem set up the Assystem Innovation Factory and in 2013 it launched the Group's first Innovation Awards. These Awards prompted the emergence of about one hundred projects proposed by employees from all countries and sectors.

Active participation in Efficacity, the French energy transition Institute

Assystem closely follows subjects related to energy efficiency. Therefore, along with other industrial partners, it is a founding member of the Efficacity Institute which is devoted to the energy transition of towns. Inaugurated on 17 October 2013, this institute aims to manage an ambitious research programme by combining the complementary viewpoints of researchers, engineers and industrial players. In particular, the Group has established a position in the recovery of unavoidable energy, working in collaboration with EDF R&D, Vinci, GDF Suez and the École Nationale des Ponts et Chaussées.

8/ LOCAL COMMUNITIES AND DEVELOPMENT: FOSTERING COLLECTIVE PROGRESS

Assystem integrates studies conducted by the profession and the economic sphere to nurture its views and collective intelligence on responsible practices. Thus, the Group continued its efforts by implementing a wide variety of initiatives to address major social issues: employment, the fight against discrimination and global warming. These initiatives were implemented locally in the different regions in which the Group operates.

> PLAYING A ROLE NEXT TO DECISION-MAKERS

Through the Chairman of the Management Board, Assystem took part in the Entreprise & Progrès think tank. This think tank has been bringing together the heads of France's leading companies since 1970. Its aim is to maintain a constructive dialogue with policy makers and economic players and place the person at the heart of company objectives and place the company at the heart of society.

> SUPPORTING CIVIC INITIATIVES

Assystem supports and accompanies the civic commitments of its employees. These initiatives are chosen and managed at local level in order to remain in touch with the concerns of the communities with whom the employees interact. In France for example, the company backs the “Femmes d'Énergie” network's initiative to take part in La Parisienne running event to combat breast cancer, La Toulousaine and La Féline. Another example is in England where Assystem employees received support from the Group to raise funds for CLIC Sargent, an association that helps children suffering from cancer.

Moreover, when Assystem's new touchscreen-controlled flight simulator was launched at Le Bourget International Air Show, the Group organised a competition to help the Aviation Without Borders Association (ASF) provide support to sick children and those suffering from malnutrition in some African countries and in Madagascar. Assystem undertook to pay an endowment to the association for each winner. This endowment enabled Aviation Without Borders (ASF) to buy one ton of milk for these children.

Some of the information required by the decree to implement Article 225 of the Grenelle II law has not been included in the chapter on CSR because it is not very relevant to the activities carried out by the Assystem Group. The following themes have not been covered:

- *resources devoted to the prevention of environmental risks and pollution;*
- *measures to prevent, reduce or repair environmentally damaging discharges into the air, water and soil;*
- *measures to prevent, recycle and eliminate waste;*
- *the integration of noise pollution and all other forms of pollution specific to an activity;*
- *water consumption and water supply according to local constraints;*
- *the consumption of raw materials and measures taken to improve their efficiency;*
- *land use;*
- *adaptation to the consequences of climate change;*
- *measures taken to protect or develop biodiversity;*
- *measures taken in favour of consumer health and safety.*

Moreover, there is no amount of provisions and guarantees set aside for environmental risks.

9/ REPORT OF THE STATUTORY AUDITORS, DESIGNATED AS THIRD-PARTY INDEPENDENT BODIES, ON THE SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION GIVEN IN THE MANAGEMENT REPORT

Year ended 31 December 2013

To the Shareholders,

In our capacity as Statutory Auditors of Assystem S.A, appointed as independent third-party bodies, whose certification request was approved by the COFRAC on 28 October 2013 for KPMG and whose certification request was approved by the COFRAC for Deloitte & Associés under the number 3-1048[(1)], we hereby present to you our report on the consolidated social, environmental and societal information for the year ended 31 December 2013, presented in the management report included in the reference document (hereinafter referred to as "CSR Information"), in accordance with the provisions article L.225-102-1 of the French Commercial Code.

Responsibility of the Company

The Management Board is responsible for establishing a report that includes the CSR Information specified in Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the guidelines used by the Company (the "Guidelines"), summarized in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulations, the Code of Ethics for our profession and the provisions of L.822-11 of the French Commercial Code. We have also set up a quality control system that includes policies and documented procedures to ensure compliance with rules of ethics, professional standards and applicable laws and regulations.

Responsibility of the Statutory Auditors

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

- attest that the required CSR Information appears in the management report or that the exclusion of any information is explained in accordance with paragraph 3 of Article R. 225-105 of the French Commercial Code (Attestation of completeness of CSR Information);
- express a moderate assurance on the fact that the CSR Information is presented fairly, in all material aspects, in accordance with the Guidelines (opinion on the fair presentation of CSR Information).

Our work was performed by a team of about ten people between January and April 2014. We called upon our CSR experts to assist us in our work.

We conducted the procedures below in accordance with professional standards applicable in France, with the order dated May 13, 2013 establishing the manner in which independent third-party bodies must carry out their work, and concerning our opinion on the fair presentation of CSR Information, with ISAE,3000[(2)].

➤ 1. Attestation of completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the Company's sustainable development strategy with respect to the social and environmental impact of its activities and its societal commitments and, if applicable, any initiatives or programmes it has implemented as a result.

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

If certain consolidated information was excluded, we verified that an explanation was provided, in accordance with Article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, *i.e.* the Company and its subsidiaries as defined in Article L. 233-1 and the companies it controls, as defined in Article L. 233-3 of the French Commercial Code, subject to the limitations described in the the section "Key indicators and methodological details" presented in Chapter 5 of the management report.

Based on these procedures and taking into account the limitations mentioned above, we attest that the management report includes the required CSR Information.

➤ 2. Opinion on the fair presentation of CSR Information

NATURE AND SCOPE OF OUR PROCEDURES

We conducted five interviews with the people responsible for preparing CSR Information in departments in charge of data collection processes and, where appropriate, those responsible for internal control procedures and risk management, to:

- assess the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account best practices in the industry, if applicable;
- verify that a data collection, compilation, processing and quality control process has been implemented to ensure the completeness and consistency of the Information and review the internal control and risk management procedures involved in the preparation of the CSR Information.

(1) The scope of which is available on the website www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We determined the nature and scope of tests and quality control processes, based on the type and importance of the CSR Information with respect to the characteristics of the Company, the social and environmental impacts of its activities, its sustainable development strategy, and industry best practices.

For the CSR information we considered to be most important[3]:

- at the consolidating company level, we consulted documentary sources and conducted interviews to corroborate qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures for quantitative information and verified the calculation and the consolidation of data on a sample basis, and we verified that this information was coherent and consistent with the other information in the management report;
- at the entity level, for a representative sample of entities selected[4] on the basis of their business activity, contribution to consolidated indicators, where they operate and a risk analysis, we conducted interviews to verify the proper application of procedures and performed substantive tests using sampling techniques, to verify calculations and reconcile data with supporting documents. The selected sample accounted for 32% of the workforce and 100% of the quantitative environmental information published.

For the rest of the consolidated CSR information, we assessed whether it was consistent with our knowledge of the Company.

Lastly, and if appropriate, we assessed the adequacy of the justifications provided to explain the entire or partial exclusion of certain information.

We consider that the sampling methods and sizes of the samples used, based on our professional judgment, enable us to form a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification. Due to the use of sampling techniques and other inherent limitations of the functioning of any information or internal control system, the risk of non-detection of a material misstatement in the CSR Information cannot be completely eliminated.

CONCLUSION

Based on our work, we did not identify any material anomaly likely to call into question the fact that the CSR Information has been presented fairly, in all material aspects, in accordance with the Guidelines.

Neuilly-sur-Seine and Paris-La-Défense, 14 April 2014

The Statutory Auditors,

Deloitte & Associés

Bénédicte Sabadie
Partner

Florence Didier-Noaro
Social and Environmental Responsibility Partner

KPMG Audit
Division of KPMG SA.

Denis Marangé
Partner

Philippe Arnaud
Partner

Climate Change & Sustainable Development Department

(3) Quantitative information:
Total workforce (Percentage of employees over the age of 45, Percentage of women, Percentage of permanent contracts and distribution per geographical area); Number of recruitments; Number of redundancies; Absenteeism; Lost time injury frequency rate; Work-related accident severity rate; Total number of training hours; Number of employees trained during the year; Greenhouse gas emissions in tons of CDO equivalent; Km per person of work-related car travel; Km per person of work-related plane travel.
Qualitative information:
Code of Conduct; The Manifesto for the growth to be; Charter on Work/Life Balance; Company-wide agreement regarding the Generation Contract.

(4) Assystem France (AFR) for the social data; The scope of Assystem France excluding INSIEMA, MPH International and Eurosyn for the environmental data.

6. OTHER REPORTS BY THE MANAGEMENT BOARD

1/ SPECIAL REPORT ON TRANSACTIONS SUBJECT TO ARTICLES L. 225-197-1 TO L. 225-197-3 OF THE FRENCH COMMERCIAL CODE

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

➤ General Meeting of 22 May 2014

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/ BONUS SHARE ALLOTMENTS ADOPTED BY THE COMPANY MANAGEMENT BOARD

1.2.1/ In the year ended 31 December 2009

The Management Board used its authorisation from the Extraordinary General Meeting of 15 May 2008 in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code to grant, on one or more occasions, free ordinary shares in the Company that either already exist (*i.e.*, treasury shares purchased under a share buyback programme) or that shall be issued, within a limit of 2% of the Company’s capital on the grant date. These shares can be issued to corporate officers and certain employees meeting the criteria set forth in Articles L. 225-197-1 *et seq.* of the French Commercial Code, and related companies as defined in Article L. 225-197-2 of the same Code.

- 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 ended on 28 April 2013 and 5 November 2013.

1.2.2/ In the year ended 31 December 2010

Not applicable.

1.2.3/ In the year ended 31 December 2011

The Management Board used its authorisation from 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 to grant, on one or more occasions, free ordinary shares in the Company that either already exist (*i.e.*, treasury shares purchased under a share buyback programme) or that shall be issued, within a limit of 2% of the Company’s capital on the grant date. These shares can be issued to corporate officers and certain employees meeting the criteria set forth in Articles L. 225-197-1 *et seq.* of the French Commercial Code, and related companies as defined in Article L. 225-197-2 of the same Code.

- 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.

For these free share plans, the acquisition period ended on 14 April 2013, 29 October 2013 and 30 November 2013 respectively.

The holding periods will end on 14 April 2015, 29 October 2015 and 31 March 2016 respectively.

1.2.4/ In the year ended 31 December 2012

The Management Board used its authorisation from 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 to grant, on one or more occasions, bonus shares in the Company that either already exist (*i.e.*, treasury shares purchased under a share buyback programme) or that shall be issued, within a limit of 2% of the Company’s capital on the grant date. These shares can be issued to corporate officers and certain employees meeting the criteria set forth in Articles L. 225-197-1 *et seq.* of the French Commercial Code, and related companies as defined in Article L. 225-197-2 of the same Code.

- at its meeting of 13 March 2012, it made an allotment of 60,000 bonus shares to members of the Company’s Management Board (with the exception of the Chairman). These allotments are subject to conditions of presence and conditions of performance which define their definitive acquisition by third parties at the end of a three-year period;

- at its meeting of 13 March 2012, it allotted 1,000 bonus shares to salaried members of staff in the Group's companies in France [1];
- at its meeting of 7 November 2012, it allotted 46,393 bonus shares to the Group's salaried staff [1].

For these bonus share plans, the acquisition periods will end on 14 March 2015 and 8 November 2014 respectively. The holding periods will end on 14 March 2017 and 8 November 2016.

1.2.5/ In the year ended 31 December 2013

No bonus shares allotments were made in the financial year 2013.

1.3/ BONUS 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 2013

Not applicable.

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

Not applicable.

Paris, 6 March 2014

Dominique Louis
Chairman of the Management Board

2/ SPECIAL REPORT ON SHARE SUBSCRIPTION OR PURCHASE OPTIONS

Not applicable.

Paris, 6 March 2014

Dominique Louis
Chairman of the Management Board

(1) Allocation of these shares is subject to a condition of presence.

7. 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.

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 June 2013.

This report, together with the 2013 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 10 March 2014. A report from the Statutory Auditors sets out 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 French 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, and following the appointment of Martine Griffon Fouco at the Annual General Meeting of 22 May 2013, I take this opportunity to inform you that at 31 December 2013, female members represented 25% of Supervisory Board membership.

With regard to preparations for Assystem's Combined General meeting to be held on 22 May 2014, which will decide on the transition to a Board of Directors and on the composition of that Board, shareholders will be asked to approve the appointment of Miriam Maes as a Board member, thereby achieving compliance with the 20% percent female membership threshold on conclusion of the first General Meeting following 1 January 2014. The percentage of female Board membership must be increased to 40% by conclusion of the first General Meeting following 1 January 2017.

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

Please see Chapter 2 – Governance, page 20.

1.1/ THE SUPERVISORY BOARD

Please see Chapter 2 – Governance, page 20.

- **Mandates and functions carried out by members of the Supervisory Board of Assystem as at 31 December 2013.**

Please see Chapter 2 – Governance, pages 24 to 25.

- **Mandates and functions carried out by members of the Supervisory Board during the last five financial years (1 January 2009 to 31 December 2013).**

Please see Chapter 2 – Governance, pages 26 to 27.

1.2/ THE MANAGEMENT BOARD

Please see Chapter 2 – Governance, page 28.

- **Mandates and functions carried out by members of the Management Board as at 31 December 2013.**

Please see Chapter 2 – Governance, page 29.

- **Mandates and functions carried out by members of the Management Board during the last five years (since 1 January 2009) – outside the Group.**

Please see Chapter 2 – Governance, page 30.

1.3/ INSIDER TRADING AND MARKET CODE OF CONDUCT

Please see Chapter 2 – Governance, page 30.

1.4/ CONFLICTS OF INTEREST

Please see Chapter 2 – Governance, page 31.

1.5/ REMUNERATION AND BENEFITS IN KIND AWARDED BY THE COMPANY AND ITS AFFILIATES DURING THE 2013 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 31.

1.5.2/ Remuneration of members of the Management Board

➤ Remuneration of Mr. Dominique Louis – Chairman of the Management Board

Please see Chapter 2 – Governance, pages 31 to 32.

➤ Remuneration of other members of the Management Board during 2013 and the previous three years

Please see Chapter 2 – Governance, pages 32 to 35.

2/ IMPLEMENTATION OF THE APEF-MEDEF RECOMMENDATIONS SET FORTH IN THE CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES REVISED IN JUNE 2013

The Assystem Group has chosen to adhere to the AFEP-MEDEF recommendations set forth in the Corporate Governance Code for Listed Companies revised in June 2013.

Following analysis of this code, we have not identified any non-compliance, with the exception of those set out in Chapter 2 section 1 (Supervisory Board), in relation to Governance. Furthermore, the Group has assessed the work of the Supervisory Board on the basis of a questionnaire submitted to each Board member.

As part of a review of the Group's new structure following the public tender offer launched by HDL Development at the end of 2013, the results of which will be known on 21 March 2014, it is anticipated that a new assessment of the Board will be carried out following the General Meeting of 22 May 2014, during which the transition to Board of Directors and the composition of that Board will be submitted to a shareholder vote.

The application of the recommendations and provisions concerning the remuneration of directors and corporate officers is described in chapter 2 "Governance".

3/ INTERNAL CONROL PROCEDURES

The Group's Internal control system comprises a combination of resources, behavioural standards, procedures and actions adapted to the specific features of each Group company and to the Group as a whole, which:

- helps to control the Group's business activities, the effectiveness of its operations and the efficient use of its resources;
- should enable it to appropriately factor in significant risks, be they operational, financial or compliance-related.

The purpose of internal control is to ensure:

- compliance with legislation and regulations;
- the application of instructions and guidelines stipulated by the Management Board;
- the smooth functioning of the internal procedures of each company, in particular those serving to protect company assets;
- the reliability of financial information.

However, internal control cannot provide an absolute guarantee that Assystem's objectives will be achieved. Naturally, there are inherent limits to any internal control system such as, for example, uncertainty in the external environment, the outcome of decision-making or the cost/benefit relationship associated with the implementation of new control mechanisms.

The Group's internal control concerns all consolidated subsidiaries controlled by the Group.

The summary information set out in this report concerning the internal control procedures in place focuses on significant items that are likely to have an impact on financial and accounting information published by the Assystem Group.

The Assystem Group has chosen to implement the internal control framework recommended by the AMF in accordance with its recommendation No. 2013-17 issued on 4 November 2013.

The internal control procedures implemented in the 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 (see paragraph 3.3 of this chapter).

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 main thrust of the internal control system resides in its sound prior establishment within the Group. We have an entire set of measures intended to control and reduce risks that might prevent us from achieving our objectives. These measures take the form of procedures, instructions, supervisory arrangements, authorisations, delegations of responsibility, etc.

This system caters for the entire sphere of the Group: Business divisions, business units, legal entities, countries, management divisions, departments, and services. It is well-grounded within the Group and relates to all its business activities and processes. It is in this respect that the 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 the Group, the 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 the integrated internal control system.

Projects are carried out by work teams close to their customers, 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 about it. • 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 risks portfolio.
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 consistent 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 preparation of financial information.

The completeness of the system also involves the participation of external players, among them the Statutory Auditors. It is not part of the statutory function of the Statutory Auditors to assume ownership of the internal control and risk management systems. They are aware of them and they render an entirely independent opinion on their suitability.

Each year they perform a Group audit as part of their legal duty to certify the consolidated financial statements and to audit the individual financial statements of Group companies. In accordance with French commercial law, certification of Assystem's consolidated and stand alone financial statements is carried out by two Statutory Auditors who jointly examine all the financial statements, the methods used for their presentation and specific internal control procedures related to the preparation of financial and accounting information. The Statutory Auditors present their observations concerning the Chairman's report and the internal control procedures relating to financial reporting, and they certify that other information required by law has been produced.

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 (tangible or intangible);
- the application of instructions and guidelines stipulated by the Management Board;

and, in general, it contributes to controlling activities, the efficiency of operations and processes, and the 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, tangible 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 mostly described within the following "Organisation, responsibilities, operating procedures, tools" section.

3.3.1/ Organisation, responsibilities, operating procedures, tools

➤ Organisation

The Group's organisation is generally 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 following approval by Management. They are reviewed as and when required, particularly to take account of intervening changes.

The Group's Code of Conduct, validated by the Management Board, may be accessed by all employees.

➤ 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 with compliance with procedures, updates of these, 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. In this respect, the Human Resources Divisions play a key role in guaranteeing this suitability. With the agreement of the operational departments, they 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 that need to be acquired and consolidated to be identified.

➤ Operating procedures

BUSINESS OPERATING PROCEDURES

In France, the United Kingdom and Germany, the Quality Management System (QMS) is a quality benchmark which can be accessed on the 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 project's technical status, the associated costs and revenues, cash flow and margin at completion are organised monthly for the major fixed-price projects.

In addition, a specific team within the Group, essentially composed of operational Managers, conducts periodic audits covering all Group Business Units. In particular, a summary of these audits was sent to the Group's Management and to the Internal Audit Department.

In 2012, this system was reinforced *via* the creation of the *Project Management Community* providing a forum in which the Group's 350 lead project managers can exchange ideas, share experiences and remain in constant contact. It also provides a specific and structured training course accommodated within the *Project Management Institute* set up in 2012. In 2013, the *Project Management Community* developed a new risk analysis procedure for all existing offerings and contracts. This new system will be rolled out across the entire Group in 2014.

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 and managed by each country's Human Resources Department. Overall budget increases are controlled by each operational entity and each country and reviewed by the Management Board.

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 drifts 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 Group'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.

Points of particular significance for the Company are dealt with at a centralised level; in this way, regular tests on the value of Company assets, disposals and acquisitions are reviewed by the Group's Finance Division.

• Accounting

The ERP introduced at the main operating entities in France provides a better guarantee of the integrity of data *via* the routing of information within applications. The Group Finance Division coordinates the closing accounting work and, if necessary, sends out memorandums and instructions to all subsidiaries. In addition, it meets regularly with the Statutory Auditors in order to present specific and significant 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 eurozone countries. The Management Board defines the cash management policy every year aiming to ensure the liquidity and security of investments.

For the Group's French companies, cash flow, exchange-rate hedges and interest-rate hedges are centralised at Assystem S.A. The number of banks is limited.

The Group monitors cash flow for each subsidiary on a monthly basis, in France and in other countries. These reviews also involve cash flow forecasts and an examination of the main related 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

An investment authorisation procedure covering all investment categories is applicable 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. Entities held by MPH Global Services SAS and which operate in the Middle East and Africa have their own insurance programme for their expatriation and impatriation assignments.

• Legal Disputes

Legal disputes involving 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.

• **Disposals – Acquisitions**

Disposal and acquisition transactions are validated by the Group’s Management Board; an *ad hoc* committee meets in-house to analyse and validate the various propositions.

Significant disposals are submitted for prior approval by the Supervisory Board.

• **Communication of results**

The preparation and validation of press releases and investor presentations concerning the Group's results are governed by a special procedure involving Group Management, the Finance Division, the Communications Division and the 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 of the various subsidiaries and Business Units. These indicators are enhanced by specific monitoring of the Group's indirect costs, billable staff time and invoicing rates. In addition, the Group’s internal control measures serve to consolidate the tools introduced.

3.3.2/ Internal dissemination of information

The 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 locally. These procedures relate to IT, human resources and of operations management.

All the subsidiaries are equipped with the reporting and consolidation system (LINK). This contains the financial information published by the Group. An accounting guide is distributed to all Group subsidiaries to ensure that information is submitted in a standardised fashion.

The Group communicates with its subsidiaries by circulating memorandums and procedures in order to ensure that common subjects, such as investments, cash management, the monitoring of trade receivables, etc., are dealt with in a consistent 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 objectives. 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 chapter headed “Risk Factors” 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 to decide on actions to be taken 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 resulting reserves and provisions;
- cash flows.

Monthly project reviews are also organised in the Business Units. These reviews cover virtually all of 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 annual recruitment campaigns. The Human Resources 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 an optimum fashion.

The Group works with a diversified client base and with various sectors of industry, which allows it to harmoniously and satisfactorily balance the risks relating to the markets in which it operates. The Management Board meets as often as required by any 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 systems and information, data integrity and the continuity of operations. These key procedures are covered by a business continuity plan.

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.

The risk mapping procedure introduced by the Group 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).

Assystem has opted for a "top-down" approach to allow Management to obtain a concerted view of the risks confronting the Group. This choice was the result of discussions with Assystem's Management (mainly with members of the Management Board and the main Operating and Functional Divisions) conducted by the Group's Internal Audit Department. These discussions were based on an inventory of the main risk factors, their impact and their probability of occurrence, and were articulated around 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 related risks were identified, defined and assessed in terms of their impact and probability of occurrence.

The following criteria are used to assess the impact and probability convergence.

➤ Impact

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

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

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, which 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 risk appetite or the courses of action aimed at reducing them.

3.3.4/ Control work in line with 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;
  - contract riders.
- 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 invoices issued and addressed to clients.
- Time management and invoicing: each subsidiary verifies the time entered into the applications provided for this purpose. The checks carried out ensure the accuracy of time allocation to ongoing projects and enable 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. In order to step up supervision and control of certain distant subsidiaries, the Group's 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's Finance Division conducts a critical review of these results and obtains any further information required to better understand them from the relevant 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

Supervising the Company's internal controls is one of the primary duties of the Management Board, the Audit Committee, and the Group's functional and operating management.

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

The Audit Committee examines both the main financial statements and those concerning internal audits and controls.

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 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.

Assignments carried out by the Internal Audit Department mainly relate to audits to ensure that international subsidiaries are compliant with Group rules. In particular, companies or groups acquired during the last two financial years have been the subject of internal audits which have focussed, in particular, on customer care, projects and IT tools.

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 local Divisions (General Managers and Chief Financial Officers) by way of letters issued by them certifying compliance with procedures for preparing financial statements and other information provided in the preparation of the annual financial statements.

3.3.6/ 2014 Action Plan

The Group has placed internal control within the framework of a continuous improvement plan with the aim of improving the operational effectiveness of processes. In this respect, the action plan established for 2014 specifically includes the following points:

- Updated risk mapping;
- Specific audits on foreign subsidiaries.

Paris, 10 March 2014

Michel Combes
Chairman of the Supervisory Board

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

Year ended 31 December 2013

To the Shareholders,

As Statutory Auditors of Assystem S.A. and pursuant to Article L. 225-235 of the French Commercial Code, we hereby present to you our report on the report drawn up by your company's Chairman for the year ended 31 December 2013, in accordance with Article L. 225-68 of the Commercial Code.

The Chairman is responsible for preparing a report for submission to the Supervisory Board for its approval, detailing the internal control and risk management procedures introduced by the Company and providing the other information required by Article L. 225-68 of the French Commercial Code relating, in particular, to corporate governance policy.

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 in relation to 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, while it is here stipulated that we are not responsible for verifying the accuracy of such information.

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

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

The professional standards applicable to Statutory Auditors require that we perform the necessary procedures to verify the accuracy of the information contained in the Chairman's report on internal control and risk management procedures in relation to the preparation and processing of accounting and financial information. Specifically, these procedures consist of:
- taking note of the internal control and risk management procedures in relation to the preparation and processing of accounting and financial information underlying the information contained in the Chairman's report as well as relevant existing documentation;
- familiarising ourselves with the work involved in the preparation of this information and with the existing documentation;
- determining if any significant failures in internal controls related to the preparation and processing of accounting and financial information that we may have identified in our work have been disclosed appropriately in the Chairman's report.

Based on our audit, we have no particular observations to make concerning the information on the company's internal control and risk management procedures in relation to the preparation and processing of accounting and financial information as set out in the report from the Chairman of the Supervisory Board, drawn up in accordance with article L. 225-68 of the French Commercial Code.

Other information

We hereby certify that the report from 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, 14 April 2014

Statutory Auditors

KPMG Audit	Deloitte & Associés
A division of KPMG S.A.	
Denis Marangé	**Bénédicte Sabadie**
Partner	*Partner*

5/ OBSERVATIONS OF THE SUPERVISORY BOARD ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 parent company financial statements approved by the Management Board, and on the management report submitted to that Meeting.

We hereby certify that the financial statements for the fiscal year ended 31 December 2013 and the management report were submitted to the Supervisory Board within the regulatory and legal deadlines.

The parent company financial statements for the year ended 31 December 2013 show the following items:

- Total balance sheet: €462,688,000
- Profit for the period: €25,590,000

The consolidated financial statements for the year ended 31 December 2013 show the following items:

- Total balance sheet: €617.1 million
- Consolidated net profit for the period, Group portion: €27.1 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 parent company and the consolidated financial statements for the year ended 31 December 2013.

Paris, 10 March 2014

The Supervisory Board

8. CONSOLIDATED FINANCIAL STATEMENTS

1/ STATEMENT OF CONSOLIDATED FINANCIAL POSITION

€ millions

Assets	Notes	2013	2012	2011
Goodwill	7, 8	119.8	120.1	114.0
Intangible assets	9	5.0	4.7	5.4
Property, plant and equipment	10	19.1	20.0	16.5
Investment property	11	1.4	1.4	1.4
Investments in associates	12	0.7	0.6	0.6
Available-for-sale financial assets	13	0.2	3.1	3.4
Other financial assets	14	8.5	8.4	7.1
Deferred tax assets	25	7.5	5.3	6.1
Total non-current assets		**162.2**	**163.6**	**154.5**
Trade receivables	15	273.8	270.9	250.3
Other receivables	15	43.1	30.0	26.7
Corporate income tax receivables		4.2	3.9	1.1
Other current financial and derivative assets		0.2	0.6	–
Cash and cash equivalents	16	133.6	136.5	151.8
Total current assets		**454.9**	**441.9**	**429.9**
Total assets		**617.1**	**605.5**	**584.4**

€ millions

Liabilities	Notes	2013	2012	2011
Share capital	18	19.3	20.7	20.4
Share premiums		51.1	69.1	66.2
Consolidated reserves		91.2	74.1	42.5
Net income		27.1	33.2	41.0
Equity, Group share		**188.7**	**197.1**	**170.1**
Minority interests		7.1	7.5	2.9
Consolidated equity		**195.8**	**204.6**	**173.0**
Bond issues	19	84.5	82.3	103.9
Other non-current financial and derivative liabilities	20, 17	7.8	7.6	6.5
Provisions	21	0.3	0.5	0.8
Employee benefits	22	17.2	15.3	14.3
Other non-current liabilities	23	6.4	6.9	0.4
Deferred tax liabilities	25	1.4	0.3	0.4
Non-current liabilities		**117.6**	**112.9**	**126.3**
Bond issues	19	–	24.1	24.4
Other current financial and derivative liabilities	20	44.9	5.4	4.7
Provisions	21	5.2	6.0	10.8
Trade payables		41.6	43.7	40.5
Corporate income tax liabilities		2.8	1.8	2.6
Other current liabilities	24	209.2	207.0	202.1
Current liabilities		**303.7**	**288.0**	**285.1**
Total liabilities		**617.1**	**605.5**	**584.4**

Notes to the financial statements form an integral part of the consolidated financial statements.

2/ CONSOLIDATED INCOME STATEMENT

€ millions

	Notes	2013	2012	2011
Sales	**28**	**871.4**	**855.6**	**760.6**
Payroll costs	31	(626.2)	(611.8)	(529.3)
Taxes and levies		(1.9)	(2.1)	(1.7)
Depreciation and provisions expense	29	(10.3)	(11.0)	(11.0)
Other operating income and expenses	30	(172.7)	(168.8)	(161.8)
Operating profit from continuing operations		**60.3**	**61.9**	**56.8**
Costs related to performance shares/stock options		(1.2)	(1.1)	(0.4)
Other non-operating income and expenses	32	(5.9)	0.1	2.3
Operating profit	**28**	**53.2**	**60.9**	**58.7**
Share in income from associates		0.2	0.2	0.2
Net borrowing costs	33	(3.6)	(4.3)	(2.5)
ORNANE derivative fair value fluctuations	34	(1.3)	(1.5)	6.7
Other financial income and expenses	34	(8.5)	(2.9)	(3.2)
Pre-tax earnings from continuing operations		**40.0**	**52.4**	**59.9**
Income tax expense	35	(12.9)	(18.2)	(18.6)
Net profit from continuing operations		**27.1**	**34.2**	**41.3**
Net income from discontinued operations	41	0.1	(0.1)	(0.1)
Consolidated net profit		**27.2**	**34.1**	**41.2**
Consolidated net profit – Group share*		27.1	33.2	41.0
Net income – minority interest		0.1	0.9	0.2

* Excluding the change in fair value of the ORNANE derivative before tax, the Group share of the consolidated net profit stood at €27.9 million at 31 December 2013, compared to €34.2 million at 31 December 2012.

In €

	Notes	2013	2012	2011
Earnings per share	36	1.46	1.73	2.13
Diluted earnings per share**	36	1.33**	1.56**	1.57**
Earnings per share from continuing operations		1.46	1.74	2.13
Diluted earnings per share from continuing operations**		1.33**	1.56**	1.57**

** Assuming that the ORNANE is redeemed entirely in cash (the conversion value at closing being less than the bond face value), diluted earnings per share would be €1.37 at 31 December 2013 and €1.65 at 31 December 2012.

Notes to the financial statements form an integral part of the consolidated financial statements.

3/ GLOBAL CONSOLIDATED INCOME STATEMENT

€ millions

	Notes	2013	2012	2011
Net income		**27.2**	**34.1**	**41.2**
Total Other comprehensive income		**–**	**0.2**	**3.5**
Including non-recyclable items of other comprehensive income				
Actuarial gains and losses on employee benefits	22	(0.9)	–	3.1
Tax effect	25, 35	0.3	–	(1.1)
Actuarial gains and losses on employee benefits (net)		**(0.6)**	**–**	**2.0**
Including recyclable items of other comprehensive income				
Gains and losses on available-for-sale assets	13	0.4	–	–
Gains and losses on financial hedging instruments	17, 18	0.4	0.3	2.3
Tax effect	25, 35	(0.2)	(0.1)	(0.8)
Gains and losses on financial hedging instruments (net)		**0.6**	**0.2**	**1.5**
Translation adjustments		**(2.8)**	**2.1**	**(0.3)**
Total Other comprehensive income		**(2.8)**	**2.3**	**3.2**
Total comprehensive income		**24.4**	**36.4**	**44.4**
Group share		**24.5**	**35.4**	**44.1**
Group share in earnings		27.1	33.2	41.0
Group share in Other comprehensive income		(2.6)	2.2	3.1
Minority interest share		**(0.1)**	**1.0**	**0.3**
Earnings – Minority interest share		0.1	0.9	0.2
Minority interest share in Other comprehensive income		(0.2)	0.1	0.1

Notes to the financial statements forman integral part of the consolidated financial statements.

4/ CONSOLIDATED STATEMENT OF CASH FLOWS

€ millions

	Notes	2013	2012	2011
OPERATIONS				
Net profit from continuing operations		27.1	34.2	41.3
Elimination of non-cash and non-operating income and expenses	40	38.3	34.3	22.6
Change in working capital requirement	40	(15.5)	(3.1)	(1.1)
Corporate income tax paid	40	(17.1)	(21.3)	(20.6)
Net cash flow from discontinued operations	41	0.2	(0.1)	0.9
Net cash flow from operating activities	**41**	**33.0**	**44.0**	**43.1**
INVESTMENT ACTIVITIES				
Fixed asset acquisitions		(10.6)	(12.0)	(13.8)
Fixed asset disposals		0.1	1.9	5.3
		(10.5)	**(10.1)**	**(8.5)**
Securities purchases	7, 40	(0.2)	(12.3)	(36.0)
Securities disposals		–	1.7	–
		(0.2)	**(10.6)**	**(36.0)**
Loans granted by the Group to non-consolidated companies	14	–	(0.3)	–
Loans repaid to the Group by non-consolidated companies	14	0.3	–	–
Dividends received		0.1	0.2	0.1
Net cash flow from investment operations		**(10.3)**	**(20.8)**	**(44.4)**
FINANCING ACTIVITIES				
Bond issues and other financial debt	20	39.6	0.1	87.0
Bond redemptions	19, 20	(24.6)	(25.3)	(42.6)
Interest paid	33	(5.9)	(4.4)	(2.7)
Dividends paid to parent company shareholders		(8.2)	(8.5)	(8.6)
Capital increases	18	1.7	3.2	2.2
Treasury share transactions		(27.9)	(3.5)	(9.8)
Net cash flow from financing activities		**(25.3)**	**(38.4)**	**25.5**
Change in net cash		(2.6)	(15.2)	24.2
Cash and cash equivalents opening balance	40	136.3	151.4	127.2
DISCONTINUED OPERATIONS:				
Impact of non-cash items and changes in exchange rates		(0.3)	0.1	–
Change in net cash		(2.6)	(15.2)	24.2
Cash and cash equivalents closing balance	40	133.4	136.3	151.4

Notes to the financial statements form an integral part of the consolidated financial statements.

5/ STATEMENT OF CHANGES IN EQUITY

€ millions

	Share capital	Share premiums	Actuarial gains (losses) related to employee benefits	Reserves tied to available-for-sale assets
Equity at 1 January 2011	**20.2**	**64.2**	**(2.9)**	**(0.4)**
Dividends distributed	–	–	–	–
Capital increases for cash	0.2	2.0	–	–
Share-based payment and bonus share awards	–	–	–	–
Transactions on treasury shares (net of tax)	–	–	–	–
Total comprehensive income	–	–	2.0	–
Income allocation for the previous period	–	–	–	–
Other	–	–	–	–
Equity at 31 December 2011	**20.4**	**66.2**	**(0.9)**	**(0.4)**
Dividends distributed	–	–	–	–
Capital increases for cash	0.3	2.9	–	–
Share-based payment and bonus share awards	–	–	–	–
Transactions on treasury shares (net of tax)	–	–	–	–
Total comprehensive income	–	–	–	–
Income allocation for the prior period	–	–	–	–
Acquisition of subsidiaries with minority interests	–	–	–	–
Acquisition of minority interest without change of control	–	–	–	–
Divestment of a portion of interest without change of control	–	–	–	–
Minority shareholders' put allocated to equity	–	–	–	–
Equity at 31 December 2012	**20.7**	**69.1**	**(0.9)**	**(0.4)**
Dividends distributed	–	–	–	–
Capital increases for cash	0.2	1.5	–	–
Share-based payment and bonus share awards	–	–	–	–
Transactions on treasury shares (net of tax)	–	–	–	–
Total comprehensive income	–	–	–	–
Income allocation for the previous period	–	–	–	–
Acquisition of minority interest without change of control	–	–	–	–
Equity at 31 December 2013	**20.9**	**70.6**	**(0.9)**	**(0.4)**

Notes to the financial statements are an integral part of the consolidated financial statements.

	Hedging instrument-related reserves	Translation adjustments	Total Other comprehensive income	Income in period	Other reserves	Shareholders' equity, Group share	Minority interests	Consolidated equity
	(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**
	–	–	–	–	(8.4)	(8.4)	–	(8.4)
	–	–	–	–	–	3.2	–	3.2
	–	–	–	–	1.1	1.1	–	1.1
	–	–	–	–	(0.2)	(0.2)	–	(0.2)
	0.2	2.0	2.2	33.2	–	35.4	1.0	36.4
	–	–	–	(41.0)	41.0	–	–	–
	–	–	–	–	–	–	0.1	0.1
	–	–	–	–	2.0	2.0	(2.0)	–
	–	–	–	–	1.0	1.0	5.5	6.5
	–	–	–	–	(7.1)	(7.1)	–	(7.1)
	(0.2)	**(5.1)**	**(6.6)**	**33.2**	**80.7**	**197.1**	**7.5**	**204.6**
	–	–	–	–	(7.7)	(7.7)	(0.4)	(8.1)
	–	–	–	–	–	1.7	–	1.7
	–	–	–	–	1.2	1.2	–	1.2
	–	–	–	–	(27.9)	(27.9)	–	(27.9)
	–	(2.6)	(2.6)	27.1	–	24.5	(0.1)	24.4
	–	–	–	(33.2)	33.2	–	–	–
	–	–	–	–	(0,2)	(0,2)	0,1	(0,1)
	(0.2)	**(7.7)**	**(9.2)**	**27.1**	**79,3**	**188,7**	**7,1**	**195,8**

6/ NOTES TO THE FINANCIAL STATEMENTS

NOTE 1/ GENERAL INFORMATION

The Assystem Group (hereinafter “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 is the parent company heading the Group, with its registered office at 70, boulevard de Courcelles, 75017, Paris, France.

The consolidated financial statements at 31 December 2013 as well as the accompanying Notes were adopted by Assystem’s Management Board on 6 March 2014.

However, these financial statements are considered definitive only upon their adoption by the General Meeting of Shareholders of 22 May 2014.

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 financial year 2013 was marked by the following significant events:

FSI shares buyback

Under the terms of the agreement announced on 8 April 2013, the Group bought a block of 1,777,011 shares held by Fonds Stratégique d’Investissement (FSI) at €16 per share (total of €28.3 million included under "Treasury share transactions" in the Consolidated statement of cash flows).

This transaction was carried out in connection with the new share buyback programme approved by the Assystem General Meeting of 22 May last year. The post-transaction FSI shareholding represents 5.58% of the capital (13.73% previously) and 5.07% of voting rights (20.69% previously).

This transaction was preceded by a capital reduction involving 1,564,168 shares, totalling €21.1 million, of which 1.6 million and 19.5 million was allocated respectively to Assystem's share capital and share premiums.

NOTE 3/ ACCOUNTING PRINCIPLES

General principles

Pursuant to European regulation 1606/2002 of 19 July 2002, the Assystem Group’s consolidated financial statements for the financial year ended 31 December 2013 were prepared according to IFRS standards and interpretations adopted by the European Union. They are presented over three financial years.

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

Standards and interpretations issued

The new texts issued by IASB, mandatory as from 1 January 2013, do not have a material impact for the Group:

- IFRS 13 – Fair value measurement;
- IFRS 1 amended – Severe hyperinflation public loans;
- IFRS 7 amended – Required disclosures for transfers of financial assets;
- IAS 1 amended – Presentation of items of Other comprehensive income;
- IAS 12 amended – Recovery of underlying assets;
- IAS 19 amended – Employee benefits;
- IFRIC 20 – Stripping costs in the production phase of a surface mine.

The first-time adoption of these standards and amendments had no material impact on the financial statements for the year ended 31 December 2013 (the amended IAS 19 had no impact as the Group had recognized all actuarial gains and losses in equity prior to 1 January 2013).

The Group decided not to opt for early application (wherever that option was available) of the new standards, other amendments and interpretations approved by the European Union, where their application was not mandatory at 1 January 2013:

- IAS 32 amended – Offsetting financial assets and financial liabilities;
- IAS 36 amended – Recoverable amount disclosures for non-financial assets;
- IFRS 10, 11, 12 amended – Transition guidance;
- IFRS 10, 12 and IAS 27 amended – Investment entities;
- IAS 27R – Separate financial statements;
- IAS 28R – Investments in associates and joint ventures;
- IFRS 10 – Consolidated financial statements;
- IFRS 11 – Joint arrangements;
- IFRS 12 – Disclosure of interest in other entities.

At 1 January 2014, the entry into force of the standards IFRS 10, 11 and 12 will bring three proportionally-consolidated companies within the scope of the Group's companies accounted under the equity method. This change would have had a negative impact in 2013 of €7.7 million on the consolidated net income and an impact of -€0.1 million on the consolidated operating profit.

The Group did not opt for the early adoption of the new standards, other amendments and interpretations that are yet to be approved by the European Union, notably:

- IAS 39 amendments – Novation of derivatives and continuation of hedge accounting;
- IFRS 9 – Financial instruments;
- IFRIC 21 – Levies.

Consolidation method

➤ Fully-consolidated subsidiaries

The companies over which the Group has control are fully-consolidated. Control is understood as the ability to govern the operating and financial policies of the entity in order to obtain the benefits thereof. The results of consolidated companies are included in the financial statements as from the acquisition date or up to the date of loss of control of the subsidiary. Inter-company balance sheet and income statement transactions are eliminated. Minority interests in equity are presented separately in the financial statements. Losses attributable to minority interests in excess of their share in the net situation are allocated to Group interests unless the minority shareholders have a commitment to and are able to compensate for these losses.

➤ Associates

The equity method applies to all associates in which the Group has a significant influence, assumed to exist when the percentage of voting rights held equals at least 20%.

➤ Proportionally-consolidated subsidiaries – Investments in joint ventures

The Group uses the proportional method to consolidate joint ventures in which it shares control through arrangements with a limited number of other parties.

Translation of foreign companies' 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 translated into the functional currency at the prevailing exchange rate on the transaction date. Foreign exchange gains and losses from the settlement of these transactions and those resulting from conversion of foreign currency-denominated monetary assets and liabilities at the exchange rates applicable on the closing date are recognised in the income statement except when reported in Other comprehensive income. The income and expenses reported in Other comprehensive income relate to the effective part of eligible cash flow and net investment hedges in a foreign entity.

➤ Translation of financial statements of subsidiaries

The financial statements of foreign subsidiaries whose functional currency differs from the euro, that is, the account presentation currency, are translated using:

- the closing rate method for the period balance sheet;
- the average rate method for the period income statement: the average exchange rate is the nearest rate on the transaction date in the absence of significant fluctuations.

Exchange gains and losses are recognised under a separate heading in Other comprehensive income.

The goodwill of foreign companies remains in the functional currency of the subsidiary acquired and is converted into the presentation currency at the closing rate.

Business combinations

The business combinations created between 1 January 2004 and 31 December 2009 have been recognised according to the stipulations of the previous version of IFRS 3.

As of 1 January 2010, business combinations are reported according to the revised IFRS 3. Under the revised standard, during the first-time consolidation of an entity over which the Group has acquired exclusive control:

- identifiable assets acquired and liabilities assumed are measured at their fair value on the date of taking control. For this purpose, an analysis is conducted for each acquisition of a company, in particular in respect of clients (client and contract portfolios);
- minority interest is measured either at fair value or 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.

At this date, goodwill is measured as the difference between:

- the fair value of the consideration transferred, plus the amount of any non-controlling (minority) interest in the acquired company, and, in the case of a business combination carried out in stages, the fair value on the acquisition date of the acquirer's previous interest in the acquired company; and
- the net amount, on the acquisition date, of the identifiable assets acquired and the liabilities assumed.

Measuring minority interest at their proportional share in the identifiable net asset results in goodwill being calculated based only on their share of the acquired capital.

When minority interest is measured at the fair value, goodwill increases to the extent of the share attributable to the minority interest, resulting in full goodwill being recognised.

The acquisition price and its allocation must be finalised within 12 months from the acquisition date, and any adjustments recognised in this period are made in relation to the facts and circumstances that existed on the acquisition date.

A profit is recognised for negative goodwill directly in the income statement as a bargain purchase.

Goodwill is subsequently maintained at its initial amount, less any accumulated impairment losses (refer to the section on Goodwill below).

Additionally, the following principles apply to business combinations:

- any adjustment to the acquisition price is recognised at its fair value right from the acquisition date, and any adjustment made beyond the acquisition price allocation period is recognized in profit or loss;
- direct costs of acquisition are expensed in the period;
- during subsequent acquisition of minority interest, if any, any variance between the price actually paid and the initial measurement of the minority interest is allocated to Group equity, pursuant to the revised IAS 27.

➤ Goodwill

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

Goodwill is allocated to cash-generating units (CGU) or to CGU groups defined by the Group: A CGU is the smallest identifiable group of assets whose continued use generates cash inflows independent of those from other assets or other asset groups. The level of CGU used for testing goodwill depends on the business, market or geographic segment characteristics of each operation.

The Group conducts impairment tests at each year-end or more frequently 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, representing the discounted value of estimated future cash flows expected from the use of the CGU. An impairment loss is recognised for a CGU if its recoverable value falls below 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 fully-consolidated companies is identified in a separate line of the financial statements. The goodwill from investments in associated companies is included under the heading "Investments in associates".

Intangible assets

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

They consist mainly of software (fixed assets with a finite useful life) which, based on its type, is amortised 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 automation software	1 to 3 years

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

The costs that must be capitalised are those incurred as from the date when the Group can demonstrate all the following:

- the technical feasibility needed to complete the intangible asset with a view to its entry into service or sale;
- the intention to complete and use or sell the intangible asset;
- the ability to use or sell the intangible asset;
- the manner in which 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 reliably measure 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 use are capitalised. Disposal and administrative costs as well as indirect overheads are ignored. These are amortised over the useful life.

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

Property, plant and equipment

Under IAS 16, assets held either to be used in the production or the supply of goods and services, or used for administrative purposes are classified as property, plant and equipment. These are recognised on the asset side of the balance sheet if it is likely that the future economic benefits attributable to this asset shall flow to the Group and if 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 equipment and hardware:	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 it is likely that the future economic benefits attributable to this asset shall flow to the Group and if 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. The different components of a property, plant and equipment item are recognised separately when their estimated useful lives and hence their depreciation periods differ significantly.

Investment property

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 purposes or to be sold in the ordinary course of business.

Investment property is 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 transfers a substantial portion of the 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, the measurement of financial assets depends on the category to which they belong. Financial asset sales and purchases are recognised on the transaction date, that is, the date on which the entity commits itself to performing the transaction. Upon initial recognition of a financial asset that is not at fair value in the income statement, the entity must measure the asset at fair value adding all transaction expenses directly attributable to the acquisition. Derivative financial instruments are described in a specific Note.

➤ Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They arise not only from the supply of goods and services but also money market funds to a debtor with no intention of trading them. They are included in current assets, except for the long-term portion. They are valued at amortised cost. The amount of any impairment loss corresponds to the difference between the recoverable amount of the asset and the amortised cost on the reporting date. The recoverable amount is the sum of probable future cash flows discounted at the operation's initial EIR. This impairment loss is recorded in the income statement and can be reversed in the event of a favourable change in estimates.

➤ Available-for-sale financial assets

This category notably includes non-consolidated securities. They are measured at fair value, with variations in fair value recorded in Other comprehensive income up to their effective disposal, except for impairment losses that are recognized in profit or loss. 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 reporting date, the fair value of available-for-sale financial assets is calculated and recorded in assets. If there are objective signs of an impairment loss (significant or lasting impairment), an irreversible impairment loss is recognised in profit or loss, and can be reversed only on the 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 at acquisition cost as deductions from equity. No change in these shares' fair value is recognised. Net-of-tax capital gains or losses on the disposal of treasury shares are recorded directly in equity.

Trade receivables

This caption includes:
- services invoiced but still to be paid;
- services not yet invoiced, measured at the sale price;
- work-in-progress measured at cost price.

Trade receivables are initially recognised at fair value and then at amortised cost using the effective interest rate (hereinafter, “EIR”) method, less allowances for impairment. A provision is recognised if there are objective signs that the Group shall be unable to recover all sums initially stated in the terms and conditions of the receivable. The provision amount is equal to the difference between the amount shown in assets and the fair value of the discounted future cash flows.

Cash and cash equivalents

The amount shown in balance sheet assets under “Cash and cash equivalents” includes cash (cash in hand and demand deposits) and cash equivalents (highly liquid short-term investments readily convertible into a known amount of cash and subject to an insignificant risk of a change in value).

Investments in listed equities, those with an initial maturity of more than three months without the possibility of early disposal and bank accounts subject to restrictions (blocked accounts) are excluded from cash and cash equivalents.

Net cash shown in the cash flow statement includes cash and cash equivalents after deducting bank overdrafts.

Borrowings and financial debt

➤ General principles

Borrowings and financial liabilities are initially recognised at fair value less transaction expenses and then at amortised cost calculated based on the EIR. They are divided into current and non-current portions: liabilities to be settled within 12 months of financial year closing are classified in current liabilities.

➤ OBSAR and OBSAAR bond issues

OBSAR is a bond with an attached redeemable share subscription warrant (BSAR). Given the presence of the BSAR, the interest rate served is lower than for conventional financing. The redeemable share subscription warrant (BSAR) may be redeemed early at the issuer’s initiative under certain conditions.

The difference between OBSAAR and OBSAR is the nature of the warrant attached to the bond, in this case, a redeemable share subscription and/or acquisition warrant.

The OBSAR bond issues with redeemable share subscription warrants are considered to be hybrid instruments under IFRS, formed of both a debt portion and an equity instrument. For this reason, both components must be measured on the initiation date and presented separately on the balance sheet.

The debt component is shown under "Bond issues" as the amount of the future contractual cash flows discounted at the market rate applicable on the issue date for a standard bond, that is without redeemable share subscription warrants, with the same due date, to which a credit spread applicable to similar bonds on the issue date is added.

The equity component is recognised in consolidated reserves as an amount equal to the difference between the proceeds of the issue and the value of the debt component discounted as set out above.

As required by IFRS, issuance expenses are recognised as deductions from the equity and debt portion.

At 31 December 2013, the Group no longer had any OBSAR and OBSAAR bond issues.

➤ Bonds redeemable in cash and/or new or existing shares (ORNANE)

ORNANE is comparable to a convertible bond (OCEANE) where investors benefit from the Group's share price performance through the attribution of an outperformance premium representing the difference between the market price at the maturity date and the par value of the bond.

The Group may issue a number of shares that varies according to share price and the payment option exercised. Consequently, the optional component of ORNANE does not abide by 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 must therefore be recognised as a derivative instrument at fair value in the income statement.

IAS 39 allows optional treatment at the issuer's discretion:

- separate recognition of the derivative: this method recognises:
  - a debt component (host contract) recognised through the amortised cost method,
  - an embedded derivative recognised at fair value in the income statement;
- fair value option: all of the ORNANE is recognised at fair value, with the changes recorded in the income statement.

The Group chose the first option, and recognises the embedded derivative of ORNANE separately. Given its characteristics, the embedded derivative cannot be measured reliably and separately, hence its fair value is determined as the difference between the fair value of the hybrid contract and that of the debt component.

The fair value of the embedded derivative is determined by an external expert based on the Cox-Ross-Rubinstein model. Any changes subsequent to ORNANE's inception date are recognised in the income statement under "Other financial income and expenses".

ORNANE issuance costs are fully allocated to the debt component.

Other non-current liabilities

Minority puts

The Group may give minority shareholders of certain subsidiaries commitments to buy back their stakes. The exercise price of these transactions may be fixed or calculated using a predefined calculation formula.

The Group records a financial liability for the put options given to minority shareholders of the entities concerned. The difference between the 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. Subsequent changes to the fair value of the commitment are recognised in income from financial activities.

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 subsequently remeasured. The recognition method for gains and losses in fair value depends on whether or not the derivative instrument is designated as a hedging instrument, as well as 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 intended to hedge the exposure to changes in the fair value of a recognised asset or liability, an identifiable portion of such an asset or a liability, or a commitment to sell or purchase an asset at a fixed price that is attributable to a given risk and shall affect the reported earnings. Changes in fair value are recognised on the income statement.

Cash flow hedge

It is used to hedge the exposure to changes in cash flows attributable to a specific risk associated with a recognised asset or liability or an expected transaction that shall affect earnings.

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 likely and carries exposure to changes in cash flows that could ultimately affect earnings.

Changes in fair value for the portion considered effective are recognised under Other comprehensive income, while those for the ineffective portion are allocated to the period income statement. If the hedging instrument has expired, been sold, cancelled or exercised, the profit or loss initially recognised in Other comprehensive income must remain separate in Other comprehensive income until the planned transaction takes place. If the commitment or transaction is no longer likely to occur, any net earnings recognised directly in Other comprehensive income 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 fulfil the obligation and which can be measured reliably in accordance with 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 of the provision. The effect of discounting is recognised in income from financial activities.

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 in which it operates.

➤ Defined-contribution plans

These are plans whereby an entity pays fixed contributions into a separate entity (a fund) and where its commitment is limited to the amounts paid to this entity. The Group has no legal or constructive obligation to pay additional contributions if the fund's assets are insufficient to provide all the benefits corresponding to the services provided by the staff in the years prior to ceasing employment.

The actuarial risk, that is (that the benefits may be larger than expected) and the investment risk (that the assets invested shall not be enough to pay the benefits expected) are not borne by the employing entity.

For basic and other defined-contribution plans, the Group recognises the contributions payable in expenses when due and no provision is funded given that the Group has no commitment beyond the contributions paid.

➤ Defined-benefit plans

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

In this case, the entity has the obligation to pay the agreed benefits (a given benefit level) to current and former employees. There are two likely scenarios:

- the entity may pay contributions to a separate entity, but must pay additional contributions (or the benefits not covered) if the entity's assets are not sufficient 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.

In this case, the entity bears both the actuarial and investment risks.

In this respect, the Group recognises its retirement commitments using the projected unit credit method as required by IAS 19 – Employee benefits. This measurement includes assumptions on mortality rates, staff turnover and future salary forecasts.

The liability recognised on each reporting date is the discounted value of the defined benefit commitments adjusted for unrecognised past service costs: the present value is the discounted value of future payments expected to meet the obligation resulting from services provided during the financial year and prior periods, less the fair value of plan assets.

Pursuant to the option anticipated by IAS 19, the Group recognises actuarial changes in Other comprehensive income.

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 accounted for using the liability method.

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

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

To measure the Group's capacity to recover these assets, the following is taken into account:

- anticipated future taxable profits;
- non-recurring expenses which do not need to be renewed in the future and which are included in past losses;
- past history of taxable earnings in the 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 associate company and so cannot determine its distribution policy), unless there is an arrangement stipulating that the associate company's profit 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 itself recognised with a corresponding entry in equity.

Deferred tax assets and liabilities shall be 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 the 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, to offset a net expense on the income statement for that financial year, pursuant to the adoption of the Finance Act in 2009. This deferred tax expense was shown under Corporate income tax in 2009. Additionally, from FY 2010 onwards, the total charge, both current and deferred, 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 stock option or performance share allotment plans are recognised at fair value.

They are expensed on a straight-line basis over the vesting period of the rights. Option pricing, used for measuring the employee benefits expense, is based on the Black-Scholes model for stock options.

Although this restatement decreases the consolidated net earnings by recording an additional employee benefits expense, it has no effect on overall Group equity.

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

Sales

The items recognised in income from ordinary business (“sales”) are gross inflows of economic benefits received or receivable by the entity on its own behalf for the period as part of its ordinary business when these inflows lead to increases in 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.

Depending on the transaction type, the completion percentage assessment criteria for a given date can include:
- an assessment of the work conducted;
- services provided as a proportion of the total services to be performed; and
- costs incurred as a proportion of the total estimated costs.

The criteria applied are left to the discretion of the operating unit’s business manager who shall choose those best suited for monitoring the project.

Group services are valued as follows:
- **Time and materials:** these are services whose valuation depends on the resources used. The income is equal to the time spent, established with the client, multiplied by an hourly or daily rate.
- **Fixed-price:** the valuation method is based on the stage of completion as defined in IAS 11.
- **Provision for losses on completion:** if the loss becomes probable, it is recognised by making a provision. This is calculated by reference to the stage of completion less the loss already recognised. The charge relating to the provisions for losses on completion is recognised in the item "Depreciation and provisions expense".

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 in one of two ways:
- as a deduction in the corresponding charge if intended to cover an identified expense; or
- as a decrease in Other operating expense if granted in a more general framework.

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

Operating profit from continuing operations/operating profit

Operating profit from continuing operations is the operating profit prior to accounting for:
- costs related to performance shares and stock options;
- acquisition costs (external fees associated with external growth operations);
- capital gains or losses from divestment of business;

- income and expenses relating to unusual, atypical or infrequent events, mainly comprising restructuring costs, asset impairment losses (including on goodwill), and other income and expenses of significant materiality.

Net borrowing costs and other financial income and expenses

Net borrowing costs consist of all gains and losses from items forming net debt in the period, including those of related interest rate and currency hedges.

Net debt consists of "Cash and cash equivalents" plus the current and non-current derivative assets included in "Other non-current financial and derivative assets" and "Other current financial and derivative assets" 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 abovementioned items are excluded from net borrowing costs and classified in the net figure of other financial income and expenses.

Other financial income and expenses are those of a non-operational nature (financial income resulting from the main activity of the Company, a subsidiary or branch of business and the financial income 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, proceeds from the sale of available-for-sale investments, impairment and losses on the disposal of other current and non-current financial assets, provision 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 income and expenses.

Earnings per share and diluted earnings per share

Earnings per share are calculated by dividing the net profit for the period attributable to the Group's shareholders by the average number of ordinary shares in circulation in the period. Diluted earnings are calculated from net income for the period attributable to the Group's shareholders, net of the corresponding tax liability. The number of shares used for calculating diluted earnings accounts for the conversion of 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 calculation of earnings per share 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 new and/or existing shares or in cash.

To calculate the diluted earnings:
- earnings to use: earnings serving as a basis for calculating the diluted earnings per share are corrected for the impact of ORNANE (interest accounted for in the period and change in derivative fair value, net of taxes);
- number of shares to use: the most dilutive method is used: the Group must therefore assume that the contract will be settled in ordinary shares, where the corresponding number of potential ordinary shares is included in diluted earnings per share if their effect is dilutive.

Assets held for sale and discontinued operations

A non-current 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 its continued use.

For this to be the case, the asset or asset group held for sale must be available for immediate sale in its current state and the sale must be highly likely.

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

A discontinued operation is defined as a significant component of the company that it is separated from and that is classified as an asset held for sale, and which:
- represents a significant business or geographical zone of the Group;
- is included in a single coordinated plan for the Group to divest itself of a significant geographical zone or operation; or
- is a subsidiary acquired solely for the purpose of resale.

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

NOTE 4/ MAIN SOURCES OF ESTIMATION UNCERTAINTY

In accordance with IFRS, the financial statements are prepared by making estimates and assumptions that can affect the assets, liabilities, income and expenses. The impact of the changes in the estimates is accounted for prospectively. These estimates are made by management based on the going concern principle using information available on the date of accounts closing. 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 expected figures. The random nature of certain estimations may make it difficult to grasp the economic outlook of the Group, in particular when testing assets for impairment losses (see Note 8).

The Group has chosen to provide additional information for the items most sensitive to these estimates.

Recognition of sales

As mentioned in Note 3, "Accounting principles", sales are recognised at the fair value of the consideration received or receivable for the services provided by the company.

For income and earnings relative to long-term service level agreements, they are processed according to IAS 11. The percentage of completion and the income to be recognised are determined based on the numerous estimations regarding the monitoring of costs and past experience. The assumptions and estimation of the outcome may be adjusted over the term of the contract and could have a significant impact on future results.

Provision for expected loss/for project completion guarantee

Provisions for expected losses can be recognised for engineering contracts in accordance with the stage of completion, based on IAS 18 and IAS 11 (see Note 3 – "Accounting principles, Sales"). When the loss on a contract becomes probable, it is recognised immediately *via* the allocation of a provision, after deducting any previously recognised losses. The losses on contracts actually recorded may differ from the amounts originally provisioned, and may have an impact on future results.

The figures relative to provisions are presented in Note 21.

Impairment loss on trade receivables

Impairment loss is recognised on trade receivables 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 a major client could negatively affect future results.

The figures relative to trade receivable impairment are presented in Note 15.

Deferred taxes

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

To assess the Group's ability to recover these assets, in particular, the forecast future taxable income, the portion of non-recurrent expenses included in past losses and unlikely to recur and the previous years' past record of taxable profit are taken into account.

The figures relative to deferred taxes on tax liabilities and temporary differences are presented in Note 25.

Goodwill impairment

The estimates from calculation assumptions regarding goodwill impairment and the sensitivity analyses are given in Note 8.

Employee benefits

The estimates from calculation assumptions regarding goodwill impairment and the sensitivity analyses are given in Note 22.

ORNANE derivative instrument

The ORNANE derivative pricing uses the Cox-Ross-Rubinstein model and is based on estimates from calculation assumptions. The sensitivity analyses are given in Note 17.

NOTE 5/ FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks in its use of 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 Management Board defines the Group's risk management policy and monitors the same.

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 controls to implement, to manage the risks and to ensure compliance with the limits defined. The risk management systems and policy are regularly reviewed to take into account changes in the Group's market conditions and businesses.

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 good 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 to the risks it must face. Internal Audit assists the Group’s Audit Committee with its supervisory work. Internal Audit conducts regular, targeted reviews of the risk management procedures and controls, and reports the results to the Audit Committee.

Credit risk

Credit risk represents the risk of the Group's incurring a financial loss if a client or financial instrument counterparty failed to fulfil its contractual obligations.

The carrying amount of financial assets represents the maximum credit risk exposure:

€ millions

	Carrying amount		
	2013	2012	2011
Available-for-sale financial assets	0.2	3.1	3.4
Other non-current financial assets	8.5	8.4	7.1
Trade receivables	273.8	270.9	250.3
Other receivables	43.1	30.0	26.7
Cash and cash equivalents	133.6	136.5	151.8
Total	**459.2**	**448.9**	**439.3**

➤ Clients

Owing to the quality of its client portfolio, the management believes that the credit risk associated with its clients is limited. Given below is the ranking of its ten biggest clients in terms of sales:

2013	% of Group sales	% of Group sales (cumulative)
EADS	18.6%	18.6%
EDF	10.1%	28.7%
Rolls Royce	7.2%	35.9%
Renault	5.1%	41.0%
Areva	4.9%	45.9%
Total	4.7%	50.6%
Alstom	3.1%	53.7%
General Electric	2.6%	56.3%
SPIRIT	2.6%	58.9%
CEA	2.3%	61.2%
End of period	**61.20%**	**–**

Beyond a given threshold and when they are of an unusual nature, business contracts are systematically validated by the Legal Affairs and Insurance Department in order to detect, measure and process the Group companies’ business risk prior to any firm and final commitment.

Due to its client type, the Group experienced few losses in the period. The table below summarises the changes in impairment losses for all trade receivables:

€ millions

	2013	2012	2011
Beginning of period	7.4	6.2	6.7
Change in impairment losses	0.6	(0.4)	(0.6)
Exchange differences	(0.1)	0.1	–
Effect of changes in consolidation scope	–	1.5	0.2
Other changes	–	–	(0.1)
End of period	**7.9**	**7.4**	**6.2**

The Group establishes an impairment level representing its estimate of losses incurred in trade receivables. This corresponds to specific losses relating to significant individual risks. The Group does not recognise impairment for losses incurred but are still to be identified based on past payment information.

Based on its experience and taking into account its trade receivable recovery policy, therefore, the Group believes the level of impairment in the year is in line with the risks incurred.

The table below summarises the delays experienced in Trade receivables as a whole and the provisions made for disputes and defaults by the clients invoiced:

€ millions

	Gross		Impairment loss		Gross		Impairment loss		Gross		Impairment loss	
	2013	%	2013	%	2012	%	2012	%	2011	%	2011	%
Not due	233.6	82.9%	–	–	233.4	83.9%	–	–	220.8	86.1%	–	–
Up to 30 days past due	23.7	8.4%	0.1	1.3%	19.5	7.0%	–	–	14.5	5.7%	–	–
Between 31 and 60 days past due	7.2	2.6%	0.1	1.3%	6.4	2.3%	–	–	9.1	3.5%	0.1	1.6%
Between 61 and 180 days past due	6.5	2.3%	–	–	6.1	2.2%	0.1	1.4%	4.3	1.7%	–	–
More than 181 days past due	10.7	3.8%	7.7	97.5%	12.9	4.6%	7.3	98.6%	7.8	3.0%	6.1	98.4%
Total	**281.7**	**100.0%**	**7.9**	**100.1%**	**278.3**	**100.0%**	**7.4**	**100.0%**	**256.5**	**100.0%**	**6.2**	**100.0%**

➤ Other current and non-current financial receivables

The other current and non-current financial assets partly include guarantee deposits granted to entities 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 contribution to the construction 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.

Lastly, this heading includes a €1.2 million loan from Assystem SA to Avances Services Réseaux Inc. (ASR), 15%-owned by Assystem Canada. Given the percentage of holding, the company is not consolidated and its shares are fully written down for impairment since 2007.

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

➤ Other receivables

These are mainly current operating receivables (tax and employee-related).

Cash and cash equivalents

The Group's cash and cash equivalents stood at €133.6 million. The investments are mainly held at Assystem SA, the Group's central corporate treasury, in line with the investment policy approved by the Management Board, in SICAV money-market funds and term accounts.

Market risk

Market risk relates to the possibility that changes 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's Treasury department that centralises the subsidiaries' current and stable requirements and surpluses and implements the appropriate external financing in a centralised manner.

The last of the due OBSAAR 2008 was redeemed in the period.

Exchange rate risk

Owing to the geographic diversity of its establishments and businesses, the Group is exposed to fluctuations in exchange rates. Exchange rate fluctuations may affect Group equity and earnings.

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 position of UK subsidiaries is given in the table below:

£ million

	GBP
Non-current assets	8.5
Current assets	43.7
Total assets	**52.2**
Non-current liabilities	4.4
Current liabilities	13.7
Total liabilities	**18.1**
Net situation	**34.1**
Off-balance sheet commitments	8.8
Net position	**25.3**

The exchange rate sensitivity of the Group's earnings and shareholders' equity is shown in the table below:

€ millions

	2013		2012		2011	
	+ 10%	- 10%	+ 10%	- 10%	+ 10%	- 10%
Income statement impact	1.1	(1.1)	1.4	(1.4)	1.2	(1.2)
Shareholders' equity impact	4.9	(4.9)	5.1	(5.1)	3.8	(3.8)

The exposure to exchange rate risk arising from business transactions carried out in a currency other than the currency used by each subsidiary is not significant. The Group's Treasury Department 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

The Group is exposed to counterparty risks as part of cash and risk management operations on financial markets. However, loans, hedging by derivative financial instruments and investments are conducted with top-ranking banking institutions approved by the Management Board. The main banks of the Group are Société Générale, CIC Nord-Ouest, LCL, BNP Paribas and CA-CIB.

The Treasury Department reports every month on the positions, exposure and performance levels to the Group's Executive Vice-President in charge of Finance and Legal affairs.

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.

The Group optimises liquidity by managing the cash surpluses and requirements of its subsidiaries centrally. This is done through 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 a target for liquidity and maximum return.

External financing is also centrally managed by the Treasury Department, thereby allowing for cost optimisation.

To ensure the development of the Company and its liquidity, Assystem SA implements a diversified financing programme of €212 million which at end-December 2013 included:

- €92 million in ORNANE;
- a revolving credit facility of up to €120 million set up on 22 July 2011 to meet the Group's general needs, on which a drawdown of €40 million was made in May 2013. A revolving credit facility of up to €120 million signed on 16 December 2013 shall replace the previous contract in April 2014. At the time of accounts closing, Assystem had not yet replaced the credit with the new one.

The medium-term credit facility of up to €100 million set up July 2011 to finance acquisitions was not drawn at 31 December 2013, the cut-off date for drawings on this credit line. It therefore became void.

The proportion of medium-term credit facilities to facilities not drawn down at the reporting 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 (revolving credit)	EUR	22/07/2011	120.0	120.0	40.0	80.0	Euribor 1, 3 or 6 month + credit spread*	–	22 July 2016
United Kingdom**	GBP	–	6.0	7.1	–	7.1	2% above Lloyds TSB base rate	–	–
Bank overdrafts	–	–	–	**127.1**	**40.0**	**87.1**	–	–	–
Total	**–**	**–**	**–**	**127.1**	**40.0**	**87.1**	**–**	**–**	**–**

* Credit spread depending on finance ratio level (net financial debt/EBITDA) calculated from a 0.85% level.
This financing includes a financial covenant calculated on the net financial debt to EBITDA ratio.
** Line dependent on customer outstandings.
This financing includes a financial covenant calculated on the net financial debt to EBITDA ratio.

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 3M Euribor at 31 December for each year to which it adds the credit spread.

€ millions

	Book value 2013	Contractual cash flows	< 1 year	1-5 years	> 5 years
Bond issues	84.5	103.1	3.7	99.4	–
Borrowing from credit institutions	41.0	43.0	0.9	42.1	–
Finance-lease liabilities	0.3	0.3	0.1	0.2	–
ORNANE derivative and various financial debts	11.2	11.2	4.2	7.0	–
Other non-current liabilities	6.4	6.4	–	6.4	–
Bank overdraft facilities	0.2	0.2	0.2	–	–
Suppliers	41.6	41.6	41.6	–	–
Other current liabilities*	9.7	9.7	9.7	–	–
Operating leases	–	58.6	17.5	34.9	6.2
Total gross contractual obligations	**194.9**	**274.1**	**77.9**	**190.0**	**6.2**
Derivatives (rate hedges)	–	–	–	–	–
Total contractual obligations net of hedges	**194.9**	**274.1**	**77.9**	**190.0**	**6.2**

€ millions

	Book value 2012	Contractual cash flows	< 1 year	1-5 years	> 5 years
Bond issues	106.4	132.0	28.9	103.1	–
Borrowing from credit institutions	1.9	2.3	0.4	1.9	–
Finance-lease liabilities	0.4	0.5	0.1	0.4	–
ORNANE derivative and various financial debts	9.4	9.4	3.8	5.6	–
Other non-current liabilities	6.9	10.1	–	10.1	–
Bank overdraft facilities	0.2	0.2	0.2	–	–
Suppliers	43.7	43.7	43.7	–	–
Other current liabilities*	9.0	9.0	9.0	–	–
Operating leases	–	61.0	16.4	38.8	5.8
Total gross contractual obligations	**177.9**	**268.2**	**102.5**	**159.9**	**5.8**
Derivatives (rate hedges)	0.8	0.8	0.8	–	–
Total contractual obligations net of hedges	**178.7**	**269.0**	**103.3**	**159.9**	**5.8**

€ millions

	Book value 2011	Contractual cash flows	< 1 year	1-5 years	> 5 years
Bond issues	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	–
Bank overdraft facilities	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 employee-related debts and tax debts and prepaid income

Inherent risks of early repayment arising from covenants

The revolving credit facility includes covenants stipulating compliance with a financial ratio. No ratio is linked to ORNANE.

This ratio is applied when calculating the net financial debt/EBITDA (net financial debt to internal cash flow ratio). It is calculated annually from the data in the consolidated financial statements. Non-compliance with the covenants entitles the lender to demand early repayment of the borrowing. At financial year closing, the Group's financial ratios were well within the covenant thresholds:

	Net debt/EBITDA
Revolving credit thresholds to comply with	≤ 2.75

According to the contractual calculation procedures stipulated in the covenants, the Group complies with the ratio.

NOTE 6/ CONSOLIDATION SCOPE

Name	Country	French business ID.	Interest percentage	Voting rights percentage	Consolidation method
FRENCH COMPANIES					
Assystem SA	France	412076937	Parent		FC
Eurosyn Développement SAS	France	383335205	100	100	FC
Alphatest	France	400741740	49.84	49.84	EC
ASG	France	387943764	100	100	FC
Assystem France	France	322118605	100	100	FC
Assystem EOS	France	444159164	100	100	FC
Assystem Innovation	France	352268973	100	100	FC
Insiema	France	572004372	100	100	FC
SCI du Pont Noir	France	309112381	100	100	FC
Athos Aéronautique	France	415173210	100	100	FC
Assystem International	France	429159106	100	100	FC
MPH Global Services	France	499137610	80.75	80.75	FC
Silver Atena SAS	France	497631853	100	100	FC
Engage	France	521686857	25	25	PC
N Triple A	France	531136687	50	50	PC
Assystem Expert	France	509768917	100	100	FC
Anthelys (formerly Assystem Environnement)	France	519021695	100	100	FC
Extra Capital	France	523477339	100	100	FC
Sica	France	572123040	100	100	FC
MPH International	France	332022334	80.75	100	FC
Holistia	France	481683969	100	100	FC
Assystem Avenir	France	790420509	100	100	FC
FOREIGN COMPANIES					
Assystem Deutschland Holding GmbH	Germany		100	100	FC
Assystem GmbH	Germany		100	100	FC
Silver Atena Electronic Systems Engineering GmbH	Germany		100	100	FC
Berner & Mattner Systemtechnik GmbH	Germany		100	100	FC
Berner & Mattner Systemtechnik GesmbH	Austria		100	100	FC
Assystem Iberia	Spain		100	100	FC
Audifilm SA	Spain		100	100	FC
Silver Atena SL	Spain		100	100	FC
Assystem Portugal	Portugal		100	100	FC
Assystem Italia	Italy		100	100	FC
TFSI	Guernsey		80.75	100	FC
Assystem Romania	Romania		100	100	FC
Assystem Canada	Canada		100	100	FC

Name	Country	French business ID.	Interest percentage	Voting rights percentage	Consolidation method
Assystem UK and subsidiaries	United Kingdom		100	100	FC
Silver Atena Ltd	United Kingdom		100	100	FC
Silver Atena UK Ltd	United Kingdom		100	100	FC
Specialist Services Ltd	United Kingdom		100	100	FC
Assystem Engineering Consulting (Shanghai) Co. Ltd	China		100	100	FC
A-Sino Automotive Engineering Corporation Ltd	China		95.43	95.43	FC
Assystem India Private Limited	India		100	100	FC
Silver Atena Electronic Systems Private Ltd	India		100	100	FC
Silver Software Development Centre Private Ltd	India		100	100	FC
Silver Atena Private Ltd	India		100	100	FC
Assystem Belgium	Belgium		100	100	FC
Assystem Morocco SAS	Morocco		100	100	FC
ASM Technologies	Morocco		100	100	FC
MPH Cifal Rus	Russia		41.18	51	FC
MPH International Human Resources	Abu Dhabi		80.75	100	FC
MPH Technical Services LLC	Abu Dhabi		80.75	100	FC
GNRS	Dubai		80.75	100	FC
MPH Consulting Services JLT	Dubai		80.75	100	FC
Assystem Solutions JLT	Dubai		100	100	FC
MPH Technical Services LLC	Qatar		80.75	100	FC
MPH Technical Services	Nigeria		80.75	100	FC
MPH Yemen Limited	Yemen		40.38	50	PC
MPH Technical Services Malaysia	Malaysia		80.75	100	FC
Assystem US Inc.	United States		100	100	FC
Assystem Australia	Australia		100	100	FC
Assystem Switzerland	Switzerland		100	100	FC

FC: fully-consolidated.
EC: equity-method.
PC: proportionally-consolidated.

Relations between Assystem SA, the parent, and its subsidiaries are described in Chapter 3 of the "Management Report by the Board of Directors", and in particular in the sections on cash and separate financial statements of Assystem SA.

In the financial year 2013, Assystem SA subscribed to the capital of its two new subsidiaries, Assystem Switzerland and Assystem US.

NOTE 7/ BUSINESS COMBINATIONS

In the 2013 financial year

No business combination took place in 2013.

In the 2012 financial year (see Note 8)

➤ Acquisition of the MPH Dubai business unit

On 1 February 2012, the Group acquired the business of the MPH Dubai unit that covers the full spectrum of the oil and gas offering, with operations in the AMEA zone.

This acquisition, which is a part of the Assystem Group's external growth strategy, strengthens the Group's positions in the fast-growing energy sector, particularly in oil and gas, and broadens its international operations capabilities.

The MPH Dubai business unit employs about 500 people.

Its contribution to Group income and to net earnings was respectively €44.5 million and €1.6 million for the period from 1 February to 31 December 2012. If the acquisition date of the MPH Dubai Group had been 1 January 2012, its contribution to Group income would have been €48.5 million.

The goodwill calculation can be broken down as follows:

€ millions

Share of acquisition price paid in cash	10.0
Share of acquisition price paid in MPH Global Services shares	8.7
Acquisition price	**18.7**
Fair value of net assets acquired	10.4
Goodwill	**8.3**
Group holding percentage	*77.3%*
Group share in goodwill	*6.4*
Minority interest	*0.1*

Net acquired assets break down as follows:

€ millions

	Book value of the net assets of the acquired entity	Fair value of the net assets of the acquired entity	Adjustments related to business combination recognition
Property, plant and equipment	2.0	2.0	–
Other non-current assets	0.2	0.2	–
Deferred tax assets	0.7	0.2	(0.5)
Trade receivables	14.1	13.3	(0.8)
Other receivables	0.3	0.3	–
Cash and cash equivalents	3.1	3.1	–
Total assets	**20.4**	**19.1**	**(1.3)**
Financial liabilities	1.5	1.5	–
Trade payables	1.1	1.1	–
Other liabilities	5.6	6.1	0.5
Total liabilities	**8.2**	**8.7**	**0.5**
Net assets	**12.2**	**10.4**	**(1.8)**
Net assets used as basis for calculating goodwill	**12.2**	**10.4**	**(1.8)**

In recognising the business combination, the Group:

- cancelled deferred tax assets of €0.5 million due to lack of visibility about a subsidiary;
- made a provision for certain trade receivables owing to their long age, amounting to €0.8 million;
- adjusted the level of acquired liabilities to €0.5 million.

The cash flow associated with the acquisition of the MPH Dubai business unit breaks down as follows:

€ millions

Cash and cash equivalents	3.1
Bank overdrafts	(1.0)
Net cash position acquired	**2.1**
Acquisition price paid in cash	(10.0)
Cash flow on the acquisition	**(7.9)**

In addition, the following commitments were made in connection with this operation:

- the minority shareholder granted the Group the right to purchase (call option) all or a part of its share in the MPH Global Services (MPH GS) capital, according to the following calendar:
  - within 30 days of the approval of the MPH GS consolidated financial statements as at 31 December 2014,
  - within 30 days of the approval of the MPH GS consolidated financial statements as at 31 December 2015,
  - within 30 days of the approval of the MPH GS consolidated financial statements as at 31 December 2016;
- the Group granted the minority shareholder the right to sell it (put option) its share of MPH Global Services capital under the same terms as above. Given the assumptions made regarding the exercise of the put option, the Group recognised a financial liability of €7.1 million on 1 February 2012, adjusted to €6.9 million in 2012 and €6.4 million in 2013 after accretion. It is recorded under "Other non-current liabilities" in the consolidated financial position (see Note 23).

In accordance with the revised IFRS 3, the Group finalised the allocation of the acquisition cost within twelve months of taking control. The allocation of the acquisition cost presented in the table above is therefore the final allocation as at 31 December 2012.

➤ Acquisition of Holistia

On 4 January 2012, the Group acquired Holistia, a company specialised in services to companies in the fields of construction, extension, restructuring or refurbishment of buildings for professional use. These range from advisory services to the turnkey development of complex projects and include general contracting and prime contracting support.

The acquisition cost was €0.8 million and goodwill was €0.6 million.

In the 2011 financial year (see Note 8)

➤ Acquisition of Berner & Mattner

On 31 January 2011, the Group purchased 100% of the shares (with voting rights) in the company Berner & Mattner, specialised in the specification, development and testing of on-board electronic systems. This company is headquartered in Munich and has operations in Cologne, Hamburg, Berlin, Stuttgart, Ingolstadt and Wolfsburg, and in Vienna, Austria.

Berner & Mattner's contribution to Group income and to net earnings amounted to €35.5 million and €1.5 million respectively for the 2011 financial year.

The goodwill calculation can be broken down as follows:

€ millions

	Final allocation on acquisition price
Portion paid in cash and cash equivalents	22.2
Acquisition price	**22.2**
Fair value of net assets acquired	4.7
Goodwill	**17.5**
Acquisition-related direct costs recognised in the income statement	0.2

With this acquisition, the Group bolstered its presence in the on-board electronic systems and embedded software markets. The Group and Berner & Mattner have complementary client portfolios which give the Group a definite edge in the aerospace, automobile, defence and transport sectors in Europe.

The acquisition of Berner & Mattner strengthened the Group's presence in Germany, where it now employs over 1,100 people, with nearly €100 million in sales.

Net acquired assets break down as follows:

€ millions

	Book value of the net assets of the acquired entity	Fair value of the net assets of the acquired entity	Adjustments related to business combination recognition
Intangible assets	0.3	0.9	0.6
Property, plant and equipment	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	**3.5**	**4.7**	**1.2**
Net assets acquired	**3.5**	**4.7**	**1.2**

In recognising the business combination, the Group:

- recognised an intangible asset corresponding to the fair value of software developed in-house, generating income of €0.6 million from licencing;
- applied the stage of completion method for fixed-price contracts pursuant to IAS 11 Construction contracts, contrary to the German standards that advocate the full completion method. in this connection, the Group revalued its Trade receivables for €1.3 million;
- revalued retirement commitment pursuant to IAS 19 Employee benefits for €0.3 million;
- recognised a deferred tax liability of €0.4 million relative to the above restatements.

The cash flow associated with the acquisition of Berner & Mattner breaks down as follows:

€ millions

Cash and cash equivalents	6.5
Net cash position acquired	**6.5**
Acquisition price	(22.3)
Cash flow on the acquisition	**(15.8)**

In the financial year 2012, the Group finalised the allocation of the acquisition cost with no change compared to 31 December 2011.

Acquisition of the MPH Group in France

On 28 July 2011, the Group purchased 100% of the shares with voting rights in the MPH Group in France. With this acquisition, Assystem stepped up its presence in the energy sector, particularly in oil and gas.

The MPH Group's contribution to Group income and to net earnings was respectively €15.1 million and €0.8 million for the period from 1 August to 31 December 2011. If the acquisition date of the MPH Group had been 1 January 2011, its contribution to Group income would have been about €40 million.

In the financial year 2012, the Group finalised the allocation of the acquisition cost with some non-significant changes compared to 31 December 2011.

The goodwill calculation can be broken down as follows:

€ millions

	Final allocation on acquisition price
Portion paid in cash and cash equivalents	17.8
Acquisition price	**17.8**
Fair value of net assets acquired	0.3
Goodwill	**17.5**
Acquisition-related direct costs recognised in the income statement	0.7

Net acquired assets break down as follows:

€ millions

	Book value of the net assets of the acquired entity	Fair value of the net assets of the acquired entity	Adjustments related to business combination recognition
Intangible assets	0.1	–	(0.1)
Property, plant and equipment	0.4	0.4	–
Available-for-sale assets	0.1	0.1	–
Other non-current assets	0.1	0.1	–
Deferred tax assets	–	1.8	1.8
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**	**21.7**	**1.4**
Provisions	4.3	4.3	–
Employee benefits	–	0.6	0.6
Financial liabilities	2.6	2.6	–
Deferred tax liability	–	–	–
Other liabilities	13.9	13.9	–
Total liabilities	**20.8**	**21.4**	**0.6**
Net assets	**(0.5)**	**0.3**	**0.8**
Minority interests	0.3	–	(0.3)
Net assets acquired	**(0.8)**	**0.3**	**1.1**

The cash flow associated with the acquisition of the MPH Group breaks 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 on the acquisition	**(20.0)**

Other events

- In June 2011, the Group purchased from the company Duons, a complete business line in the automotive sector in France for €3.5 million. This business was classified under "Goodwill" for €3.6 million after adjusting for acquired assets.
- The Group proceeded to buy back 16% of SICA securities for €0.2 million. Pursuant to the revised IFRS 3, during subsequent acquisition of minority interest, the variance between the price actually paid and the initial measurement of the minority interest was allocated to Group equity, *i.e.* €0.1 million.

NOTE 8/ GOODWILL

€ millions

	2013	2012	2011
Beginning of period	**120.1**	**114.0**	**75.6**
Effect of changes in consolidation scope	–	5.8	38.5
Exchange differences	(0.3)	0.3	(0.1)
End of period	**119.8**	**120.1**	**114.0**
Gross value at end of period	*136.4*	*136.5*	*130.4*
Cumulative impairment losses at period-end	*16.6*	*16.4*	*16.4*

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

	2011	2012	2013		Cumulative impairment losses at end of period
	Net value	Net value	Translation adjustments	Net value	
France	72.8	58.4	–	58.4	–
Silver Atena	0.4	–	–	–	–
United Kingdom	6.2	6.9	(0.3)	6.6	16.4
Spain	2.2	2.2	–	2.2	–
Canada	–	–	–	–	0.2
Romania	0.3	0.3	–	0.3	–
Germany	32.1	32.1	–	32.1	–
Asia-Middle East-Africa	–	20.2	–	20.2	–
Total	**114.0**	**120.1**	**(0.3)**	**119.8**	**16.6**

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.

The discount rates used by the Group are net of corporate income tax and 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 produce identical results.

The cash flows are based on budgeted forecasts established by CGU as part of planning its medium and long-term strategy. The Group applied a normative rate of debt weighted for the gearing rate of the business sector and an equity cost to determine the weighted average cost of capital (WACC) per country (see the table below).

The table below presents the main factors for modelling the assumptions used for the calculation of impairment loss tests:

2013				
CGU	Perpetuity growth rate 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%	7.20%	3.60%	9.30%
Germany	1.25%	5.00%	5.50%	9.10%
United Kingdom	1.25%	10.80%	5.00%	9.20%
Spain	1.25%	8.00%	5.00%	11.20%
Romania	1.25%	7.20%	5.00%	10.90%
Asia-Middle East-Africa*	1.23%	6.40%	5.00%	10.85%

* Composite rate derived from the discount rates applicable to the main CGU entities.

2012				
CGU	Perpetuity growth rate 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%	7.00%	4.00%	9.30%
Germany	1.25%	5.00%	5.00%	8.60%
United Kingdom	1.25%	11.90%	5.00%	8.95%
Spain	1.25%	7.50%	5.00%	12.35%
Romania	1.25%	7.20%	5.00%	12.70%
Asia-Middle East-Africa*	1.25%	7.50%	5.00%	11.35%

* Composite rate derived from the discount rates applicable to the main CGU entities.

2011				
CGU	Perpetuity growth rate 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%

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 may therefore call for the revision or modification of the previously recognised impairment.

Sensitivity analyses made on WACC used for the tests marked up by 1% would not lead to impairment loss in any of the CGUs.

NOTE 9/ INTANGIBLE ASSETS

€ millions

	Research and development costs	Software	Assets under construction	Other	Total
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 consolidation scope	–	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 losses at 31 December 2011	*0.5*	*35.4*		*–*	*35.9*
Net value at 1 January 2012	**1.1**	**3.9**	**0.1**	**0.3**	**5.4**
Acquisitions	–	1.9	0.1	–	2.0
Depreciation	(0.1)	(2.7)	–	–	(2.8)
Exchange differences	0.1	–	–	–	0.1
Other changes	–	0.1	(0.1)	–	–
Net value at 31 December 2012	**1.1**	**3.2**	**0.1**	**0.3**	**4.7**
Gross value at 31 December 2012	*1.7*	*41.3*	*0.1*	*0.3*	*43.4*
Cumulative depreciation and impairment losses at 31 December 2012	*0.6*	*38.1*	*–*	*–*	*38.7*
Net value at 1 January 2013	**1.1**	**3.2**	**0.1**	**0.3**	**4.7**
Acquisitions	–	2.2	0.4	–	2.6
Exchange differences	(0.1)	–	–	–	(0.1)
Depreciation	(0.2)	(1.9)	–	–	(2.1)
Other changes	–	–	(0.1)	–	(0.1)
Net value at 31 December 2013	**0.8**	**3.5**	**0.4**	**0.3**	**5.0**
Gross value at 31 December 2013	*1.6*	*43.0*	*0.4*	*0.3*	*45.3*
Cumulative depreciation and impairment losses at 31 December 2013	*0.8*	*39.5*	*–*	*–*	*40.3*

The Group does not plan to make significant future investments for which the management bodies have not made firm commitments.

NOTE 10/ PROPERTY, PLANT AND EQUIPMENT

€ millions

	Land, buildings and fittings	IT equipment	Other	Total
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 consolidation scope	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 losses at 31 December 2011	*5.1*	*38.1*	*5.5*	*48.7*
Net value at 1 January 2012	6.5	6.7	3.3	16.5
Acquisitions	2.0	4.3	2.1	8.4
Effect of changes in consolidation scope	1.7	–	0.1	1.8
Depreciation	(1.8)	(4.0)	(0.8)	(6.6)
Disposals and retirements	–	(0.1)	(0.1)	(0.2)
Exchange differences	–	0.1	–	0.1
Other changes	0.9	0.1	(1.0)	–
Net value at 31 December 2012	**9.3**	**7.1**	**3.6**	**20.0**
Gross value at 31 December 2012	*16.2*	*48.5*	*9.1*	*73.8*
Cumulative depreciation and impairment losses at 31 December 2012	*6.9*	*41.4*	*5.5*	*53.8*
Net value at 1 January 2013	9.3	7.1	3.6	20.0
Acquisitions	2.2	3.3	1.3	6.8
Depreciation	(2.2)	(4.1)	(0.9)	(7.2)
Disposals and retirements	(0.1)	–	(0.2)	(0.3)
Exchange differences	(0.1)	(0.1)	–	(0.2)
Other changes	0.1	0.1	(0.2)	–
Net value at 31 December 2013	**9.2**	**6.3**	**3.6**	**19.1**
Gross value at 31 December 2013	*17.9*	*50.9*	*9.3*	*78.1*
Cumulative depreciation and impairment losses at 31 December 2013	*8.7*	*44.6*	*5.7*	*59.0*

The carrying amount of fixed assets under finance leases for the last three years has been:

€ millions

	2013	2012	2011
Net value of IT equipment under finance leases	0.1	0.3	0.2

The Group does not plan to make significant future investments for which the management bodies have not made firm commitments.

NOTE 11/ INVESTMENT PROPERTY

Property recognised at 31 December 2013 under "Investment property" is fully-owned property located in Cherbourg, France. It is recognised at fair value. It was measured in February 2014 by an independent expert with no legal ties with the Group. This expert has all the qualifications required to conduct this type of valuation. The measurement method used, in accordance with IFRS, involves analysing transactions recently conducted on similar assets on the same market, as well as a return-based approach. Major market trends are also taken into consideration.

The fair value measurement was classified as level 3 given the data used in the measurement method.

At 31 December 2013, the value of investment property was €1.4 million.

It must be noted that there has been no marked change in the economics of the lease contract since the last measurement.

NOTE 12/ INVESTMENTS IN ASSOCIATED COMPANIES

€ millions

	2013	2012	2011
Beginning of period	**0.6**	**0.6**	**0.5**
Dividends	(0.1)	(0.2)	(0.1)
Share of profit	0.2	0.2	0.2
End of period	**0.7**	**0.6**	**0.6**

Investments in associated companies are composed of Alphatest company securities.

The Group's ownership interests in Alphatest are as follows:

€ millions

	Value of investment	Current assets	Non-current liabilities	Current liabilities	Income	Profit for period	% ownership	%voting rights
2013	0.7	4.5	0.4	2.7	7.7	0.5	49.84%	49.84%
2012	0.6	3.7	0.3	2.2	7.0	0.3	49.84%	49.84%
2011	0.6	3.4	0.3	2.0	7.7	0.3	49.84%	49.84%

NOTE 13/ AVAILABLE-FOR-SALE FINANCIAL ASSETS

€ millions

	Gross value		
	2013	2012	2011
Beginning of period	**4.7**	**5.0**	**4.9**
Acquisitions	0.1	–	–
Effect of changes in consolidation scope	–	–	–
Disposals	–	(0.3)	–
End of period	**4.8**	**4.7**	**4.9**

€ millions

	Impairment		
	2013	2012	2011
Beginning of period	**1.6**	**1.6**	**1.6**
Impairment losses *via* profit and loss	3.0	–	–
End of period	4.6	**1.6**	**1.6**
Net value at end of period	**0.2**	**3.1**	**3.4**
Of which, unlisted securities	0.2	3.1	3.4

The details of available-for-sale financial assets are given in the table below:

€ millions

	% ownership	2011	2012	2013		
		Net value	Net value	Impairment	Additions	Net value
Polyform & other	25.0%	0.1	0.1	–	–	0.1
Holding Talan	7.0%	0.2	–	–	–	–
Alyotech	8.95%	2.6	2.6	(2.6)	–	–
St Group	18.8%	0.4	0.4	(0.4)	–	–
MPH Algeria	100.0%	0.1	–	–	–	–
Eradma	4.0%	–	–	–	0.1	0.1
Total available-for-sale assets		**3.4**	**3.1**	**(3.0)**	**0.1**	**0.2**

The Group wrote down its shareholding in ST Group and Alyotech by respectively €0.8 million (of which €0.4 million reclassified from consolidated reserves to income from financial activities) and €2.6 million recognised under "Other financial income and expenses", judging that the loss in value was irreversible.

NOTE 14/ OTHER NON-CURRENT FINANCIAL ASSETS

€ millions

	Loans to non-consolidated companies	Loans and guarantee deposits	Total
Net value at 1 January 2011	–	**4.0**	**4.0**
Additions	–	2.5	2.5
Effect of changes in consolidation scope	–	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*
Net value at 1 January 2012	–	**7.1**	**7.1**
Additions	0.3	1.7	2.0
Effect of changes in consolidation scope	0.2	–	0.2
Reversals of losses	0.1	–	0.1
Changes in fair value	–	0.3	0.3
Repayment	(0.1)	(0.3)	(0.4)
Other changes	(0.5)	(0.4)	(0.9)
Net value at 31 December 2012	**–**	**8.4**	**8.4**
Cumulative impairment losses at 31 December 2012	*1.3*	–	*1.3*
Net value at 1 January 2013	–	**8.4**	**8.4**
Additions	–	2.2	2.2
Changes in fair value	–	(0.6)	(0.6)
Repayment	(0.3)	(1.1)	(1.4)
Other changes	0.3	(0.4)	(0.1)
Net value at 31 December 2013		**8.5**	**8.5**
Cumulative impairment losses at 31 December 2013	*1.3*	–	*1.3*

NOTE 15/ TRADE AND OTHER RECEIVABLES

Trade receivables

€ millions

	2013	2012	2011
Trade receivables	219.5	218.5	204
Unbilled revenue and work-in-progress	62.2	59.8	52.5
Gross value	**281.7**	**278.3**	**256.5**
Impairment	(7.9)	(7.4)	(6.2)
Net value	**273.8**	**270.9**	**250.3**

Other receivables

€ millions

	2013	2012	2011
Supplier receivables	1.1	2.2	2.0
Employee-related receivables	1.0	1.6	1.2
Tax receivables	33.9	17.1	12.4
Other current receivables	3.8	4.4	5.4
Receivables for non-current assets	–	0.1	1.8
Prepaid expenses	3.8	5.1	4.3
Gross value	**43.6**	**30.5**	**27.1**
Impairment	(0.5)	(0.5)	(0.4)
Net value	**43.1**	**30.0**	**26.7**

NOTE 16/ CASH AND CASH EQUIVALENTS

€ millions

	2013	2012	2011
Cash	34.5	39.8	30.2
Cash equivalents	99.1	96.7	121.6
Total	**133.6**	**136.5**	**151.8**

Sicav money-market funds and term accounts are cash equivalents according to the criteria defined by IAS 7 "Statements of cash flows". No restrictions are placed on the use of bank accounts.

NOTE 17/ FINANCIAL DERIVATIVE INSTRUMENTS

Interest and exchange rate derivatives

€ millions

	2013			2012			2011		
	Assets	Liabilities	Changes in fair value	Assets	Liabilities	Changes in fair value	Assets	Liabilities	Changes in fair value
Interest rate hedges – CFH*	–	–	0.8	–	(0.8)	1.0	–	(1.8)	1.1
Currency exchange rate hedges – CFH*	–	–		–		0.1	–	(0.1)	0.1
Total interest rate revenue	**–**	**–**	**0.8**	**–**	**(0.8)**	**1.1**	**–**	**(1.9)**	**1.2**
Current portion	–	–	–	–	(0.8)	–	–	(1.9)	–
Changes in cash flow reserves	–	–	0.4	–	–	0.3	–	–	2.3
Impact on income from financial activities	–	–	0.4	–	–	0.8	–	–	(1.1)

* Cash flow hedge.

Rate hedge instruments are described in Note 5 "Risk management" in the section "Interest rate risk".

ORNANE derivatives

€ millions

	2013	2012	2011
Beginning of period	5.6	4.1	–
ORNANE derivative from inception date	–	–	10.8
Changes in fair value *via* profit and loss	1.3	1.5	(6.7)
End of period	**6.9**	**5.6**	**4.1**

The ORNANE derivative is recognised in "Other non-current financial and derivative liabilities".

The sensitivity of the derivative to reasonable changes from the main key market parameters (notably volatility and credit spread) is estimated at approximately €0.5 million.

NOTE 18/ CAPITAL AND SHARES

Shares

Number of shares

	Ordinary shares		
	2013	2012	2011
Beginning of period	20,734,278	20,387,724	20,157,082
Issue following BSA exercise	155,956	346,554	230,642
Capital reduction	(1,564,168)	–	–
Sub-total	(1,408,212)	346,554	230,642
Treasury shares	(1,829,333)	(1,715,849)	(1,676,580)
End of period	**17,496,733**	**19,018,429**	**18,711,144**
Number of shares issued and fully paid in	19,326,066	20,734,278	20,387,724
Share face value (€ per share)	1.00	1.00	1.00

At 31 December 2013, Assystem SA shares in terms of voting rights were divided as follows:

- number of shares with single voting rights: 17,126,876;
- number of shares with double voting rights: 2,199,190.

Each share gives entitlement to dividend payment under the same terms.

Share subscription warrants (BSAR and BSAAR)

The number of BSAAR 2015 redeemable share subscription and/or acquisition warrants (ASSBR, exercise price €11.10) in circulation at period-end was 2,999,463; the exercise parity was 1 share for one BSAAR ASSBR exercised at €11.10.

The maximum potential number of shares at 31 December 2013 was as follows:

Number of shares

Number of shares issued and fully paid in	Total number of shares from the exercise of instruments in circulation at 31 December 2013		Potential maximum number of shares
Total shares	BSAR 2015	ORNANE*	Total shares
19,326,066	2,999,463	4,181,818	26,507,347

* As stated in Note 3 – Accounting principles – Diluted earnings per share, the maximum dilution assumption at 31 December 2013 represents the redemption in shares of 4,181,818 issued bonds at par value at the conversion rate (1 share for 1 bond issued).

Treasury shares

Number of shares

	Treasury shares		
	2013	2012	2011
Beginning of period	**1,715,849**	**1,676,580**	**1,032,406**
Purchase of treasury shares	2,219,633	835,454	1,222,694
Disposal of treasury shares	(490,382)	(796,185)	(501,420)
Treasury shares given to employees and corporate officers	(51,599)	–	(77,100)
Cancellation of treasury shares	(1,564,168)	–	–
End of period	**1,829,333**	**1,715,849**	**1,676,580**
Treasury stock value in shareholders' equity (€ millions)	(29.6)	(23.4)	(21.9)

NOTE 19/ BOND ISSUE

	Amount issued	Maturity at issue date	Nominal interest rate	Interest paid in period	Debt component on issue	Expenses allocated *via* EIR method	Embedded derivative on issue
ORNANE*	92.0	01/01/2017	4.0%	3.7	79.3	1.9	10.8

* Redeemable on 1 January 2017.

€ millions

	2013	2012	2011
Beginning of period	**106.4**	**128.3**	**89.3**
Increase	–	–	92.0
Redemption	(24.3)	(24.4)	(42.3)
Expenses allocated *via* EIR method	–	–	(1.9)
Amortised cost	2.4	2.5	2.0
ORNANE embedded derivative	–	–	(10.8)
End of period	**84.5**	**106.4**	**128.3**

➤ ORNANE

On 6 July 2011, bonds redeemable in cash and/or new or existing shares (ORNANE) were issued for a total of €92 million.

This bond issue is not subject to any bank covenant, and no guarantees were given in connection with the financing.

The rate applied for calculating the bond debt component and derivative upon issue was 6.63%.

NOTE 20/ CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

€ millions

	Opening	Increases	Payments	Cash credit changes	Transfers	Changes in fair value	Closing
Borrowing from credit institutions	1.7	(0.7)	–	–	(0.4)	–	0.6
Finance-lease liabilities	0.3	–	–	–	(0.1)	–	0.2
Sundry financial liabilities	0.3	–	–	(0.2)	–	–	0.1
Long-term derivative instruments	5.6	–	–	–	–	1.3	6.9
Non-current total	7.9	(0.7)	–	(0.2)	(0.5)	1.3	7.8
Borrowing from credit institutions	0.2	40.0	(0.2)	–	0.4	–	40.4
Finance-lease liabilities	0.1	–	(0.1)	–	0.1	–	0.1
Sundry financial liabilities	3.8	–	–	0.4	–	–	4.2
Bank overdraft facilities	0.2	–	–	–	–	–	0.2
Short-term derivative instruments	0.8	–	–	–	–	(0.8)	
Current total	5.1	40.0	(0.3)	0.4	0.5	(0.8)	44.9
Borrowing from credit institutions	1.9	39.3	(0.2)	–	–	–	41.0
Finance-lease liabilities	0.4	–	(0.1)	–	–	–	0.3
Sundry financial liabilities	4.1	–	–	0.2	–	–	4.3
Long-term derivative instruments	5.6	–	–	–	–	1.3	6.9
Short-term derivative instruments	0.8	–	–	–	–	(0.8)	–
Bank overdraft facilities	0.2	–	–	–	–	–	0.2
Total	**13.0**	**39.3**	**(0.3)**	**0.2**	**–**	**0.5**	**52.7**

In the course of the financial year, Assystem made a drawdown of €40 million on its revolving credit facility of up to €120 million.

The -€0.7 million change in non-current borrowings from credit institutions corresponds to the capitalisation of the set-up costs of the new revolving credit facility signed on 16 December 2013.

The change in fair value of €0.5 million is described in Notes 17 and 34.

NOTE 21/ PROVISIONS AND CONTINGENT LIABILITIES

Provisions

€ millions

	Beginning of period	Additions	Reversals, used	Reversals, unused	Transfer current /non-current	End of period
Guarantees for fixed-fee projects and losses on completion	0.1	–	(0.1)	–	–	–
Other	0.4	0.1	(0.1)	–	(0.1)	0.3
Non-current total	**0.5**	**0.1**	**(0.2)**	**–**	**(0.1)**	**0.3**
Guarantees for fixed-fee projects and losses on completion	1.9	0.5	(0.5)	(1.1)	–	0.8
Restructuring operations	–	0.8	–	–	(0.2)	0.6
Employee-related and tax risks	2.4	0.6	(0.3)	(0.3)	0.3	2.7
Other	1.7	0.4	(0.5)	(0.5)	–	1.1
Current total	**6.0**	**2.3**	**(1.3)**	**(1.9)**	**0.1**	**5.2**
Guarantees for fixed-fee projects and losses on completion	2.0	0.5	(0.6)	(1.1)	–	0.8
Restructuring operations	–	0.8	–	–	(0.2)	0.6
Employee-related and tax risks	2.4	0.6	(0.3)	(0.3)	0.3	2.7
Other	2.1	0.5	(0.6)	(0.5)	(0.1)	1.4
Total	**6.5**	**2.4**	**(1.5)**	**(1.9)**	**–**	**5.5**

Additions to provisions and reversal of unused provisions are recognised under "Depreciation and provisions expense" in the income statement.

Contingent liabilities

No change has occurred in the year 2013 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 in Brest for maintenance). In 2012, Sobrena dropped all charges in France against ASG and Iska Marine, following an agreement signed between Acergy and Sobrena, as part of the English proceedings. With this agreement, Acergy is now obliged to show evidence of pure tortious liability by ASG to hold it liable, which at this juncture is considered to be favourable circumstances. To date, and as in prior financial years, there is also no evidence that ASG is at fault, nor has the cause of the fire been ascertained. As it has done in previous years, the Group further confirms that in the event of the Group's liability, this claim would be eligible for coverage by the Group's insurance policies.

Assystem SA was under tax inspection from 2008 to 2010. The findings of the tax authorities set out in the proposed tax reassessment of 23 April 2012 were contested in full by Assystem. There is no change to report in this case in 2013.

NOTE 22/ EMPLOYEE BENEFITS

These consist mainly of retirement severance packages payable in accordance with the Syntec agreement in France. The rights vested in accordance with seniority give entitlement to retirement benefits.

Net commitment recognised in the balance sheet

€ millions

	2013	2012	2011
Present value of funded or partially-funded retirement commitment provisions	18.8	16.8	15.9
Fair value of plan assets	(1.6)	(1.5)	(1.6)
Balance sheet provision	**17.2**	**15.3**	**14.3**

Impact on the income statement

€ millions

	2013	2012	2011
Period current service cost	(1.3)	(1.1)	(0.8)
Financial costs	(0.6)	(0.5)	(0.6)
Return on plan assets	0.1	–	0.1
Plan reduction	–	–	0.5
Amount recognised in the income statement	**(1.8)**	**(1.6)**	**(0.8)**
Amount recognised in operational provision and depreciation expenses	(1.3)	(1.1)	(0.3)
Amount recognised in other financial income and expenses	(0.5)	(0.5)	(0.5)
Amount recognised in the income statement	**(1.8)**	**(1.6)**	**(0.8)**

Change in net liability recognised in the balance sheet

€ millions

	2013	2012	2011
Net liability at beginning of period	**15.3**	**14.3**	**14.7**
Period current service cost	1.3	1.1	0.8
Financial costs	0.6	0.5	0.6
Return on plan assets	(0.1)	–	(0.1)
Actuarial gains and losses *via* equity	0.9	–	(3.1)
Effect of changes in consolidation scope	–	(0.1)	2.1
Plan reduction	–	–	(0.5)
Benefits paid	(0.9)	(0.6)	(0.5)
Allowances paid directly by the fund	0.1	0.1	0.3
Net liability at end of period	**17.2**	**15.3**	**14.3**

The actuarial gains or losses recognised directly in Other comprehensive income comprise:

- the change in the discount rate: the rate applied for the year 2013 is 3.02% for France and Germany. The rate applied for 2013 is the Bloomberg AA LT 15+ rate with no change in panel compared to the financial year 2012;
- the updated turnover rates.

Current value of the retirement commitment

€ millions

	2013	2012	2011
Current value of retirement commitment at beginning of period	**16.8**	**15.9**	**16.6**
Service cost	–	1.1	0.8
Financial costs	0.6	0.5	0.6
Actuarial gains and losses *via* equity	0.9	–	(3.1)
Effect of changes in consolidation scope	–	(0.1)	2.1
Plan reduction	–	–	(0.5)
Benefits paid	(0.8)	(0.6)	(0.5)
Other	–	–	(0.1)
Current value of retirement commitment at end of period	**17.5**	**16.8**	**15.9**

Hedge assets

€ millions

	2013	2012	2011
Fair value of plan assets at beginning of period	**1.5**	**1.6**	**1.9**
Return on assets	0.1	–	0.1
Benefits paid	–	(0.1)	(0.3)
Other	–	–	(0.1)
Fair value of plan assets at end of period	**1.6**	**1.5**	**1.6**

The hedge assets are mostly split between three funds on the following terms:

- up to €0.9 million with a minimum return of 60% of the TmE (average rate of French government borrowings) not exceeding 3.5%;
- up to €0.6 million in a diversified money-market, equity and bond fund with a maximum return of up to 60% of the TmE average rate of French government borrowings;
- up to €0.1 million with a minimum annual net return at 60% of TmE (average rate of French government borrowings) not exceeding 3.5%.

Actuarial assumptions

	2013	2012	2011
France			
Discount rate	3.0%	2.7%	3.7%
Salary growth rate	2.5%	2.5%	2.5%
Median turnover rate	10/15%	10/15%	10/15%

Defined-contribution retirement plans

€ millions

	2013	2012	2011
Amount recognised in expenses for defined-contribution retirement plans	20.0	21.6	21.1

Sensitivity analysis

The liability recognised for retirement allowances (Syntec agreement) is calculated based on actuarial assumptions: mortality rate table, staff turnover, future salaries, discount rate and expected return on plan assets. Changes in these assumptions can impact liability to a greater or lesser extent.

The Group has chosen to present a sensitivity analysis for the discount rate for the France zone, 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)	(2.1)	(1.0)	0.9	1.7
Effect on total shareholders' equity (%)	(1.1)%	(0.5)%	0.5%	0.9%
Effect on net total retirement commitment (%)	12.2%	5.8%	(5.2)%	(9.9)%

NOTE 23/ OTHER NON-CURRENT LIABILITIES

€ millions

	2013	2012	2011
Beginning of period	**6.9**	**0.4**	**8.2**
Effect of changes in consolidation scope	–	7.1	–
Other changes	–	(0.4)	(0.4)
Accretion effect	1.1	0.6	0.7
Fair value change recognised in income statement	(1.6)	(0.8)	(1.9)
Translation adjustments	–	–	(0.1)
Reclassification in Other current liabilities	–	–	(6.1)
End of period	**6.4**	**6.9**	**0.4**

In connection with the MPH Dubai business acquisition, the Group recognised a put on minority shareholders of an initial amount of €7.1 million in 2012, remeasured at €6.4 million at 31 December 2013 (see Note 7).

The accretion effect and change in fair value were recognised in "Other financial income and expenses".

NOTE 24/ OTHER CURRENT LIABILITIES

€ millions

	2013	2012	2011
Customer payables	6.0	5.0	5.6
Employee-related liabilities	120.6	115.0	106.7
Tax liabilities	50.6	54.0	53.5
Other operating liabilities	2.3	2.6	2.1
Operating asset liabilities	1.4	1.4	1.6
Prepaid income	28.3	29.0	26.5
Minority puts	–	–	6.1
Total	**209.2**	**207.0**	**202.1**

The Group believes the carrying amount of the other liabilities corresponds to a reasonable approximation of their fair value.

NOTE 25/ DEFERRED TAXES

Deferred taxes presented in the balance sheet are grouped by tax units.

However, the table below uses the presentation by type of deferred tax.

Net deferred taxes in the balance sheet

€ millions

	2013	2012	2011
Deferred tax assets			
Current	3.5	4.7	7.1
Non-current	5.8	5.1	5.0
	9.3	**9.8**	**12.1**
Deferred tax liabilities			
Current	2.4	2.1	0.7
Non-current	0.8	2.7	5.7
	3.2	**4.8**	**6.4**
Net deferred taxes	**6.1**	**5.0**	**5.7**
of which, current	*1.1*	*2.6*	*6.4*
of which, non-current	*5.0*	*2.4*	*(0.7)*

The period changes in deferred tax assets and liabilities are broken down below:

€ millions

	2013	2012	2011
Beginning of period	**5.0**	**5.7**	**7.7**
Effect of changes in consolidation scope	–	(0.2)	1.7
Period change taken to income statement	0.8	(0.4)	(1.9)
Deferred taxes recognised in equity	0.1	(0.1)	(1.8)
Other	0.2	–	–
End of period	**6.1**	**5.0**	**5.7**

Deferred tax assets

€ millions

	Employee profit-sharing	Provision for retirement benefits	Carried-forward tax losses	Provisions for amortisation and items relating to fixed assets	Hedging derivatives	Discounting of receivables and debt	Other	Total
At 1 January 2011	**1.2**	**4.3**	**0.9**	**0.7**	**1.0**	**–**	**1.4**	**9.5**
Effect of changes in consolidation scope	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 comprehensive income	–	(1.0)	–	–	(0.8)	–	–	(1.8)
At 31 December 2011	**1.8**	**3.9**	**1.4**	**2.3**	**0.7**	**–**	**2.0**	**12.1**
Effect of changes in consolidation scope	–	–	0.1	(0.3)	–	–	–	(0.2)
Period change taken to income statement	0.2	0.2	(0.5)	(1.0)	(0.3)	–	(0.6)	(2.0)
Deferred taxes recognised in other comprehensive income	–	–	–	–	(0.1)	–	–	(0.1)
At 31 December 2012	**2.0**	**4.1**	**1.0**	**1.0**	**0.3**	**–**	**1.4**	**9.8**
Other	–	–	–	–	–	0.8	(0.6)	0.2
Period change taken to income statement	(0.8)	0.4	0.5	(0.8)	(0.1)	0.2	(0.2)	(0.8)
Deferred taxes recognised in other comprehensive income	–	0.3	–	–	(0.2)	–	–	0.1
At 31 December 2013	**1.2**	**4.8**	**1.5**	**0.2**	**–**	**1.0**	**0.6**	**9.3**

Deferred tax liabilities

€ millions

	Fair value of property	OBSAR restatement	ORNANE restatement	RCF restatement	Provisions	Completion stage income recognition	Other	Total
At 1 January 2011	**0.7**	**0.6**	**–**	**–**	**0.3**	**–**	**0.2**	**1.8**
Effect of changes in consolidation scope	–	–	–	–	–	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**
Period change taken to income statement	–	(0.2)	(1.3)	(0.2)	(0.5)	0.6	–	(1.6)
At 31 December 2012	**0.6**	**0.1**	**1.5**	**0.8**	**0.8**	**1.0**	**–**	**4.8**
Period change taken to income statement	–	(0.1)	(1.3)	(0.6)	0.1	0.3	–	(1.6)
At 31 December 2013	**0.6**	**–**	**0.2**	**0.2**	**0.9**	**1.3**	**–**	**3.2**

Unrecognised deferred tax assets

The unused tax credits, tax losses and deductible temporary differences for which no deferred tax asset has been recognised on the balance sheet amount to:

€ millions

	2013	2012	2011
Tax losses	6.4	5.9	16.8
Temporary differences	1.9	1.1	3.7
Total	**8.3**	**7.0**	**20.5**

NOTE 26/ ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

Accounting classification of financial assets and liabilities

➤ Financial assets

The tables below show the carrying amount and the fair value of the Group's financial assets over the past three financial years:

€ millions

	2013				
	Balance sheet value	Available-for-sale assets	Amortised cost	Fair value of assets by the income statement	Fair value
Investment property	1.4	–	–	1.4	1.4
Available-for-sale financial assets	0.2	0.2	–	–	0.2
Other non-current financial assets	8.5	–	8.5	–	8.5
Trade receivables	273.8	–	273.8	–	273.8
Other receivables*	4.4	–	4.4	–	4.4
Other current financial and derivative assets	0.2	–	0.2	–	0.2
Cash and cash equivalents	133.6	–	116.3	17.3	133.6
Total	**422.1**	**0.2**	**403.2**	**18.7**	**422.1**

* Excluding employee-related and tax receivables and prepaid expenses.

€ millions

	2012				
	Balance sheet value	Available-for-sale assets	Amortised cost	Fair value of assets by the income statement	Fair value
Investment property	1.4	–	–	1.4	1.4
Available-for-sale financial assets	3.1	3.1	–	–	3.1
Other non-current financial assets	8.4	–	8.4	–	8.4
Trade receivables	270.9	–	270.9	–	270.9
Other receivables*	6.2	–	6.2	–	6.2
Other current financial and derivative assets	0.6	–	0.6	–	0.6
Cash and cash equivalents	136.5	–	116	20.5	136.5
Total	**427.1**	**3.1**	**402.1**	**21.9**	**427.1**

€ millions

	2011				
	Balance sheet value	Available-for-sale assets	Amortised cost	Fair value of assets by the income statement	Fair value
Investment property	1.4	–	–	1.4	1.4
Available-for-sale financial assets	3.4	3.4	–	–	3.4
Other non-current financial assets	7.1	–	7.1	–	7.1
Trade receivables	250.3	–	250.3	–	250.3
Other receivables*	8.8	–	8.8	–	8.8
Other current financial and derivative assets	–	–	–	–	–
Cash and cash equivalents	151.8	–	120.3	31.5	151.8
Total	**422.8**	**3.4**	**386.5**	**32.9**	**422.8**

* Excluding employee-related and tax receivables and prepaid expenses.

Financial liabilities

The tables below show the carrying amount and the fair value of the Group's financial liabilities over the past three financial years:

€ millions

	2013				
	Balance sheet value	Liabilities at depreciated cost	Liability fair value by income statement	Derivatives	Fair value
Bond issues	84.5	84.5	–	–	84.5
Other non-current financial and derivative liabilities	52.7	45.8	–	6.9	52.7
Other non-current liabilities	6.4	–	6.4	–	6.4
Trade payables	41.6	41.6	–	–	41.6
Other current liabilities*	9.7	9.7	–	–	9.7
Total	**194.9**	**181.6**	**6.4**	**6.9**	**194.9**

€ millions

	2012				
	Balance sheet value	Liabilities at depreciated cost	Liability fair value by income statement	Derivatives	Fair value
Bond issues	106.4	106.4	–	–	106.4
Other non-current financial and derivative liabilities	13.0	7.4	–	5.6	13.0
Other non-current liabilities	6.9	–	6.9	–	6.9
Trade payables	43.7	43.7	–	–	43.7
Other current liabilities*	9.0	9.0	–	–	9.0
Total	**179.0**	**166.5**	**6.9**	**5.6**	**179.0**

* Excluding employee-related and tax debts and prepaid income

€ millions

	2011				
	Balance sheet value	Liabilities at depreciated cost	Liability fair value by income statement	Derivatives	Fair value
Bond issues	128.3	128.3	–	–	128.3
Other non-current financial and derivative liabilities	11.2	7.1	–	4.1	11.2
Other non-current liabilities	0.4	0.4	–	–	0.4
Trade payables	40.5	40.5	–	–	40.5
Other current liabilities*	15.4	9.3	6.1	–	15.4
Total	**195.8**	**185.6**	**6.1**	**4.1**	**195.8**

* Excluding employee-related and tax debts and prepaid income

Fair value ranking

The Group classifies financial instruments into three categories and, in keeping with international accounting standards, applies that classification to outline the characteristics of financial instruments recognized in the balance sheet:

- Level 1 category: financial instruments listed on an active market.
- Level 2 category: financial instruments whose fair value measurement uses pricing techniques that rely on observable market parameters.
- Level 3 category: financial instruments whose fair value measurement uses pricing techniques that rely on non-observable market parameters (parameters whose value is derived from assumptions that do not depend on transaction prices that can be observed on the markets, on the same instrument or on observable market data available on the closing date) or that are observable only partially. This model applies notably to unlisted equity securities, which are priced at their acquisition cost with a mark-up for transaction costs, in the absence of an active market, and for the ORNANE embedded derivative (see Note 17).

The fair value ranking by financial instrument class was as follows at 31 December 2013:

€ millions

	2013			
	Level 1 Category Market price	Level 2 Category Models with observable parameters	Level 3 Category Models with non-observable parameters	Total
Investment property	–	–	1.4	1.4
Available-for-sale financial assets	–	–	0.2	0.2
Cash equivalents	17.3	–	–	17.3
Total	**17.3**	**–**	**1.6**	**18.9**
ORNANE derivatives	–	–	6.9	6.9
Other non-current liabilities	–	–	6.4	6.4
Total	**–**	**–**	**13.3**	**13.3**

NOTE 27/ SHARE-BASED PAYMENT

Performance share awards

	2011 plan[1]		2011 plan[2]		2011 plan[3]		2012 plan[4]		2012 plan[5]		2012 plan[6]	
Exercise price (€)		1.00		1.00		1.00		1.00		1.00		1.00
Farthest grant date		13/04/2011		31/10/2011		29/11/2011		13/03/2012		13/03/2012		07/11/2012
Farthest holding date		13/04/2015		31/10/2015		31/03/2016		13/03/2017		13/03/2017		07/11/2016
	Number of performance shares	Average weighted exercise price	Number of performance shares	Average weighted exercise price	Number of performance shares	Average weighted exercise price	Number of performance shares	Average weighted exercise price	Number of performance shares	Average weighted exercise price	Number of performance shares	Average weighted exercise price
Outstanding at 1 January 2011	–	–	–	–	–	–	–	–	–		–	
Performance shares granted in period	20,500	1.00	43,360	1.00	108,900	1.00	–	–	–	–	–	–
Performance shares waived in period	–	–	(1,386)	1.00	–	–	–	–	–	–	–	–
Performance shares exercised in period	–	–	–	–	–	–	–	–	–	–	–	–
Performance shares lapsed in period	–	–	–	–	–	–	–	–	–	–	–	–
Outstanding at 31 December 2011	**20,500**	**–**	**41,974**	**–**	**108,900**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Average weighted share price for performance shares exercised in exercise period	–	–	–	–	–	–	–	–	–	–	–	–
Performance shares granted in period	–	–	–	–	–	–	60,000	1.00	1,000	1.00	46,393	1.00
Performance shares waived in period	–	–	(5,576)	1.00	–	–	–	–	–	–	(1,296)	1.00
Performance shares exercised in period	–	–	–	–	–	–	–	–	–	–	–	–
Performance shares lapsed in period	–	–	–	–	–	–	–	–	–	–	–	–
Outstanding at 31 December 2012	**20,500**		**36,398**		**108,900**		**60,000**		**1,000**		**45,097**	
Average weighted share price for performance shares exercised in exercise period	–	–	–	–	–	–	–	–	–	–	–	–
Performance shares granted in period	–	–	–	–	–	–	–	–	–	–	–	–
Performance shares waived in period	–	–	(2,799)	–	(1,500)	–	–	–	–	–	(4,461)	–
Shares not awarded due to failure to reach the performance level fixed for 2013	–	–	–	–	–	–	(10,220)	–	–	–	–	–
Performance shares delivered in period	(18,000)	–	(33,599)	–	–	–	–	–	–	–	–	–
Performance shares lapsed in period	–	–	–	–	–	–	–	–	–	–	–	–
Outstanding at 31 December 2013	**2,500**	**1.00**	**–**	**–**	**107,400**	**1.00**	**49,780**	**1.00**	**1,000**	**1.00**	**40,636**	**1.00**
Average weighted share price for performance shares exercised in exercise period	*€17.23 Price at delivery date*		*€20.06 Price at delivery date*			–		–		–		–

(1) Allocation granted by the Management Board on 13 April 2011 following the authorisation given by the Extraordinary General Meeting of 15 May 2008.
The vesting period for rights is two years from the award date. Full vesting is subject to continued employment of the awardee for the entire vesting period.
The lock-in period is four years.

(2) Allocation granted, in context of the company agreement of the subsidiary Assystem EOS regarding the profit sharing premium system established by the Act of 28 July 2011 (duration of the agreement: three years) by the Management Board on 28 October 2011 following the authorisation given by the Extraordinary General Meeting of 5 May 2010.
The vesting period for rights is two years from the award date. Full vesting is subject to continued employment of the awardee for the entire vesting period.
The lock-in period is four years.

(3) Allocation granted by the Management Board on 29 November 2011 following the authorisation given by the Extraordinary General Meeting of 5 May 2010.
The vesting period for rights is two years and four months from the award date. Awarded shares will vest in successive thirds subject to the awardee's actual presence in the Group at the end of the vesting period and to their reaching the performance level (operational income) set annually, except for the first one third.
The lock-in period is four years and four months.

(4) Allocation granted by the Management Board on 13 March 2012 following the authorisation given by the Extraordinary General Meeting of 5 May 2010.
The vesting period for rights is three years from the award date. Awarded shares will vest in successive thirds subject to the awardee's actual presence in the Group at the end of the vesting period and to their reaching the performance level (Assystem Group margin) set annually, except for the first one third.
The lock-in period is two years at the end of the vesting period.

(5) Allocation granted by the Management Board on 13 March 2012 following the authorisation given by the Extraordinary General Meeting of 5 May 2010.
The vesting period for rights is three years from the award date. Awarded shares will vest in successive thirds subject to the awardee's actual presence in the Group at the end of the vesting period.
The lock-in period is five years.

(6) Allocation granted, in the context of the company agreement of the subsidiary Assystem EOS regarding the profit sharing premium system established by the Act of 28 July 2011 (duration of the agreement: three years) by the Management Board on 7 November 2012 following the authorisation given by the Extraordinary General Meeting of 5 May 2010.
The vesting period for rights is two years from the award date. Full vesting is subject to continued employment of the awardee for the entire vesting period.
The lock-in period is four years.

Share-based payment expense

Expenses relating to share-based payment amounted to:

€ millions

	2013	2012	2011
Share-based payment expense	1.2	1.1	0.4

The fair value of performance shares awarded was measured using the following assumptions:

	2013	2012	2011
Average weighted fair value of options or performance shares granted in the financial year (in euros per unit)	–	14.45	12.80

NOTE 28/ SECTOR-BASED INFORMATION

At 31 December 2013, the Group was organised by geographical regions:

- France;
- Europe excluding France;
- AMEA (Asia Middle-East Africa);
- Other regions.

The sectors have their own resources and may share certain resources with other sectors in connection with synergies. This sharing takes the form of a reallocation of costs or *via* contractual relations between the different legal entities. The provision of shared resources is shown in the inter-sector revenues, while expenses are allocated to sector earnings. Sector earnings exclude management fees invoiced by the parent to its subsidiaries. Transactions with other sectors are concluded under normal market conditions such as would be available to third parties.

Sector assets include those operating assets used by each sector as part of its operating activities that are directly or reasonably attributable to that sector. These do not include investment property, 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.

Sector liabilities consist of the sector activities' operating liabilities that are directly or reasonably attributable to the sector. Debts, deferred tax liabilities and corporate income tax liabilities are excluded.

€ millions

Financial year 2013	France	Europe excluding France	Asia-Middle East-Africa	Other regions	Holding & misc.	Inter-segment	Total
External sales	523.3	251.7	88.7	7.7	–	–	871.4
Inter-segment sales	4.1	13.1	3.7	0.3	–	(21.2)	
Total sales	**527.4**	**264.8**	**92.4**	**8.0**	**–**	**(21.2)**	**871.4**
Operating profit*	**38.6**	**12.2**	**2.3**	**0.1**	**–**		**53.2**
Income from financial activities	(4.3)	(0.4)	–	(0.1)	(8.6)	–	(13.4)
Share in net income from associates	0.2	–	–	–	–	–	0.2
Pre-tax earnings from continuing operations	**34.5**	**11.8**	**2.3**	–	**(8.6)**	–	**40.0**
Income tax expense	(11.5)	(3.1)	(1.5)	–	3.2	–	(12.9)
Net profit from continuing operations	**23.0**	**8.7**	**0.8**	**–**	**(5.4)**	**–**	**27.1**
Sector-based assets	262.9	133.0	48.2	2.7	14.0	–	460.8
Investment in associates	0.7	–	–	–	–	–	0.7
Unallocated assets	–	–	–	–	155.6	–	155.6
Consolidated total assets	**263.6**	**133.0**	**48.2**	**2.7**	**169.6**	**–**	**617.1**
Sector-based liabilities	212.2	38.6	16.2	1.3	11.6	–	279.9
Unallocated liabilities	–	–	–	–	337.2	–	337.2
Consolidated total liabilities	**212.2**	**38.6**	**16.2**	**1.3**	**348.8**	**–**	**617.1**
Operating investments/divestments	(5.1)	(3.9)	(0.3)	(0.9)	(0.3)	–	(10.5)
Depreciation	(4.6)	(3.7)	(0.6)		(0.3)	–	(9.2)
Other non-cash income and expenses	(4.6)	0.1	(0.3)	0.2	(5.0)	–	(9.6)

* After reallocation of registered office expenses on pro-rata of sales.

€ millions

Financial year 2012	France	Europe excluding France	Asia-Middle East-Africa	Other regions	Holding & misc.	Inter-segment	Total
External sales	521.0	245.8	83.4	5.4	–	–	855.6
Inter-segment sales	3.1	8.6	3.5	0.1	–	(15.3)	
Total sales	**524.1**	**254.4**	**86.9**	**5.5**	**–**	**(15.3)**	**855.6**
Operating profit*	**38.6**	**17.0**	**5.3**	**–**	**–**	**–**	**60.9**
Income from financial activities	0.3	(1.7)	(0.4)	–	(6.9)	–	(8.7)
Share in net income from associates	0.2	–	–	–		–	0.2
Pre-tax earnings from continuing operations	**39.2**	**15.3**	**4.9**	**(0.1)**	**(6.9)**	–	**52.4**
Income tax expense	(15.2)	(4.6)	(0.5)	–	2.1	–	(18.2)
Net profit from continuing operations	**24.0**	**10.7**	**4.4**	**(0.1)**	**(4.8)**	**–**	**34.2**
Sector-based assets	257.8	132.6	41.5	2.6	11.2	–	445.7
Investment in associates	–	–	–	–	0.6	–	0.6
Unallocated assets	–	–	–	–	159.2	–	159.2
Consolidated total assets	**257.8**	**132.6**	**41.5**	**2.6**	**171.0**	**–**	**605.5**
Sector-based liabilities	212.2	40.8	12.1	1.1	13.2	–	279.4
Unallocated liabilities	–	–	–	–	326.1	–	326.1
Consolidated total liabilities	**212.2**	**40.8**	**–**	**1.1**	**339.3**	**–**	**605.5**
Operating investments/divestments	(4.3)	(4.3)	(0.7)	–	(0.8)	–	(10.1)
Depreciation	(5.1)	(3.6)	(0.5)	–	(0.2)	–	(9.4)
Other non-cash income and expenses	1.9	(1.1)	0.9	–	(2.3)	–	(0.6)

* After reallocation of registered office expenses on pro-rata of sales.

€ millions

Financial year 2011	France	Europe excluding France	Asia-Middle East-Africa	Other regions	Holding & misc.	Inter-segment	Total
External sales	496.9	224.7	36.0	3.0	–	–	760.6
Inter-segment sales	3.2	7.3	5.3	0.2	–	(16.0)	
Total sales	**500.1**	**232.0**	**41.3**	**3.2**	**–**	**(16.0)**	**760.6**
Operating profit*	**39.2**	**14.8**	**4.5**	**0.2**	**–**	**–**	**58.7**
Income from financial activities	(0.2)	0.7	(0.2)	(0.1)	0.8	–	1.0
Share in net income from associates	–	–	–	–	0.2	–	0.2
Pre-tax earnings from continuing operations	**39.0**	**15.5**	**4.3**	**0.1**	**1.0**	–	**59.9**
Corporate income tax	(17.0)	(3.2)	(0.4)	–	2.0	–	(18.6)
Net profit from continuing operations	**22.0**	**12.3**	**3.9**	**0.1**	**3.0**	**–**	**41.3**
Sector-based assets	264.0	117.4	25.4	2.1	4.0	–	412.9
Investment in associates	–	–	–	–	0.6	–	0.6
Unallocated assets	–	–	–	–	170.9	–	170.9
Consolidated total assets	**264.0**	**117.4**	**25.4**	**2.1**	**175.5**	**–**	**584.4**
Sector-based liabilities	208.2	45.0	6.9	0.6	8.1	–	268.8
Unallocated liabilities	–	–	–	–	315.6	–	315.6
Consolidated total liabilities	**208.2**	**45.0**	**6.9**	**0.6**	**323.7**	**–**	**584.4**
Operating investments/divestments	(3.0)	(4.5)	(0.3)	(0.2)	(0.5)	–	(8.5)
Depreciation	(5.1)	(3.1)	(0.2)	–	(0.2)	–	(8.6)
Other non-cash income and expenses	3.8	1.8	0.2	–	1.2	–	7.0

* After reallocation of registered office expenses on pro-rata of sales.

NOTE 29/ DEPRECIATION AND PROVISIONS EXPENSE

€ millions

	2013	2012	2011
Depreciation expenses	9.2	9.4	8.6
Net change in provisions for contingencies and charges	1.1	1.6	2.4
Total	**10.3**	**11.0**	**11.0**

NOTE 30/ OTHER OPERATING INCOME AND EXPENSES

€ millions

	2013	2012	2011
Outsourced operations and business expenses	75.6	82.8	76.7
Cost of premises	19.2	18.9	17.6
IT expenses	7.5	6.4	6.4
Vehicle costs	11.5	11.5	11.0
Advertising and public relations	4.1	4.3	4.3
Fees and commissions	10.8	9.3	10.2
Travel expenses and entertainment allowances	20.4	20.8	20.6
Miscellaneous	23.6	14.8	15.0
Total	**172.7**	**168.8**	**161.8**

NOTE 31/ EMPLOYEE BENEFITS EXPENSE

€ millions

	2013	2012	2011
Salaries and wages	476.7	463.9	388.3
Retirement plan contributions	20.0	21.6	21.1
Social security contributions	122.5	117.5	112.2
Employee profit-sharing	7.0	8.8	7.7
Total	**626.2**	**611.8**	**529.3**

NOTE 32/ OTHER NON-OPERATING INCOME AND EXPENSES

€ millions

	2013	2012	2011
Acquisition costs	1.0	(0.6)	(2.4)
Property sale capital gains	–	–	1.2
Capital gains from securities transactions	–	0.7	3.5
Restructuring costs	4.9	–	–
Total Other non-operating income and expenses	**5.9**	**0.1**	**2.3**

NOTE 33/ NET BORROWING COSTS

€ millions

	2013	2012	2011
Bond issues (OBSAAR and ORNANE)	(3.8)	(3.8)	(2.2)
Medium and long-term credit facilities	(1.1)	(1.2)	(0.5)
Short-term credit facilities	(0.1)	(0.1)	(0.1)
Interest on financial debt	**(5.0)**	**(5.1)**	**(2.8)**
Income from cash invested	2.2	2.2	1.9
Results of interest-rate hedges on financial liabilities	(0.8)	(1.4)	(1.6)
Net borrowing costs	**(3.6)**	**(4.3)**	**(2.5)**

NOTE 34/ OTHER FINANCIAL INCOME AND EXPENSES

€ millions

	2013	2012	2011
Change in ORNANE derivative fair value	(1.3)	(1.5)	6.7
Total change in ORNANE fair value	**(1.3)**	**(1.5)**	**6.7**

€ millions

	2013	2012	2011
Capital gains from disposal of available-for-sale assets	–	0.9	–
Discounting effect	(2.3)	(0.8)	(1.5)
Amortised cost from bond issues	(4.7)	(2.5)	(2.0)
Exchange gains and losses on financial assets and liabilities	(0.3)	(0.1)	(0.1)
Other financial income and expenses	0.1	(1.1)	(0.5)
Net loss arising from financial assets designated as at fair value through profit or loss	(3.0)	–	–
Net profit (net loss) arising from financial liabilities designated as at fair value through profit or loss	1.7	(0.1)	1.9
Profit (loss) arising from derivatives designated as hedge instruments in fair value hedges	0.4	0.8	(1.0)
Loss reclassified from equity upon impairment of available-for-sale investments	(0.4)	–	–
Total Other financial income and expenses	**(8.5)**	**(2.9)**	**(3.2)**

The net loss arising from financial assets designated as at fair value through profit or loss corresponds to the impairment of non-consolidated equity investments.

The net profit arising from liabilities designated as at fair value through profit or loss of €1.7 million corresponds to the change in fair value of the MPH Dubai minority put.

NOTE 35/ TAXES

Taxes recognised in the period

€ millions

	2013	2012	2011
Current tax	(13.7)	(17.9)	(16.7)
Deferred taxes	0.8	(0.3)	(1.9)
Total recognised in the income statement	**(12.9)**	**(18.2)**	**(18.6)**
Current tax on treasury stock	0.4	–	(0.2)
Deferred taxes	0.1	(0.1)	(1.9)
Total recognised in equity	**0.5**	**(0.1)**	**(2.1)**
Current tax	(13.3)	(17.9)	(16.9)
Deferred taxes	0.9	(0.4)	(3.8)
Total in period	**(12.4)**	**(18.3)**	**(20.7)**

Taxes recognised in the income statement in the period

€ millions

	2013	2012	2011
Current tax	(13.7)	(17.9)	(16.7)
Regarding the period	(13.5)	(18.8)	(15.6)
Regarding prior periods	(0.2)	0.9	(1.1)
Deferred taxes	0.8	(0.3)	(1.9)
Regarding the period	0.7	(0.2)	(2.8)
Regarding prior periods	0.1	(0.1)	0.9
Total recognised in the income statement	**(12.9)**	**(18.2)**	**(18.6)**

Nature of deferred taxes recognised in the income statement in the period

€ millions

	2013	2012	2011
Regarding temporary differences	0.3	0.2	(2.3)
Regarding tax liabilities	0.5	(0.5)	0.4
Total recognised in the income statement	**0.8**	**(0.3)**	**(1.9)**

Tax proof

The Group's corporate income tax differs from the theoretical value obtained using 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

	2013	2012	2011
Profit before tax from continuing operations excluding equity-method companies' income	39.8	52.2	59.7
Theoretical tax rate	38.00%	36.10%	36.10%
Theoretical tax charge	(15.1)	(18.8)	(21.6)
Permanent differences	6.5	6.9	6.5
Differences arising from taxation rates	2.6	2.1	1.6
Other taxes	(6.1)	(8.2)	(6.7)
Period income or expense related to changes in taxation rates or new tax liability	–	(0.1)	0.3
Adjustments made in the period for prior periods	(0.1)	(0.1)	0.9
Benefits arising from temporary differences and tax credits or losses not recognised in prior periods	0.2	0.2	0.9
Period effects from non-capitalised losses	(0.9)	(0.2)	(0.5)
Total adjustments	2.2	0.6	3.0
Actual tax charge	(12.9)	(18.2)	(18.6)
Effective rate	**32.41%**	**34.87%**	**31.16%**

The amount shown under "Other taxes" mainly comprises the Corporate Value-Added Contribution (CVAE) for French subsidiaries.

NOTE 36/ EARNINGS PER SHARE

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.

	2013	2012	2011
Profit for period, Group share	27.1	33.2	41.0
Average weighted number of ordinary shares in circulation in period	18,519,429	19,157,041	19,277,991
Basic earnings per share (€ per share)	**1.46**	**1.73**	**2.13**

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. The potentially dilutive ordinary shares are:

- performance share awards;
- share subscription warrants;
- settlement of ORNANE in shares (see below).

€ millions

	2013	2012	2011
Profit for period, Group share	27.1	33.2	41.0
Change in ORNANE derivative fair value (net of corporate income tax)	0.8	1.0	(4.3)
ORNANE interest expenses (net of corporate income tax)	3.9	3.8	1.8
Profit for period used to calculate diluted earnings per share	**31.8**	**38.0**	**38.5**
Average weighted number of ordinary shares in circulation in period	18,519,429	19,157,041	19,277,991
Options, share subscription warrants and equivalents	1,288,619	1,012,678	1,107,100
ORNANE dilutive effect	4,181,818	4,181,818	4,181,818
Average weighted number of ordinary shares used to calculate diluted earnings per share	**23,989,866**	**24,351,537**	**24,566,909**
Diluted earnings per share (€ per share)	**1.33**	**1.56**	**1.57**

The dilutive instruments used for calculating diluted earnings per share are:

- BSAAR 2015 of 2,999,463 (see Note 18);
- all performance shares that are not yet delivered, of 211,536 (see Note 27);
- shares in settlement of the ORNANE bond debt, of 4,181,818 (see Note 18: the maximum dilution assumption used at 31 December 2013 corresponds to the par value redemption in shares of the 4,181,818 bonds issued at the conversion rate (1 share for 1 bond issued)).

NOTE 37/ DIVIDENDS PER SHARE

	2014*	2013	2012	2011
Date of dividend distribution from profits of prior year	30/06/2014	05/07/2013	22/06/2012	21/06/2011
Date of dividend distribution from profits for previous period proposed to the General Meeting	22/05/2014	23/05/2013	23/05/2012	12/05/2011
Total amount distributed (€ millions) from prior-year profit for period	7.9	7.8	8.5	8.6
Dividend per share (€ per share) from prior-year profit for period	0.45	0.45	0.45	0.45

* Subject to the approval of the General Meeting.

The financial statements do not reflect the dividend payout on the profit of 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 commitments liable to significantly affect the current or future situation of the Assystem Group that are not mentioned in this Note.

Operating leases

The table below shows the minimum future payments for non-cancellable leases at the reporting date:

€ millions

	Less than a year	One to five years	More than five years	Total	Expenses for the period
Minimum future payments at 31 December 2013	**17.5**	**34.9**	**6.2**	**58.6**	–
Real estate	11.1	29.2	6.2	46.5	–
Office and transport equipment	6.4	5.7	–	12.1	–
Minimum future payments at 31 December 2012	**16.4**	**38.8**	**5.8**	**61.0**	–
Real estate	10.9	31.0	5.8	47.7	–
Office and transport equipment	5.5	7.8	–	13.3	–
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	–

Other commitments

€ millions

	Commitments given		Commitments received		
	Deposits, guarantees and securities	Collateral	Deposits, guarantees and securities	Securities disposal payment guarantees	Unused credit lines
Holding company	3.6	–	–	–	80.0
France	2.3	–	0.3	–	–
Spain	0.2	–	–	–	–
United Kingdom		–	–	–	7.2
Germany	1.9	–	–	–	–
Joint venture – Engage	9.6	–	9.6	–	–
AMEA	1.1	–	–	–	–
Other	0.1	–	0.1	–	–
Total	**18.8**	**–**	**10.0**	**–**	**87.2**

Individual training rights

For the period, the number of individual training rights outstanding and unused was approximately 469,395 hours.

NOTE 39/ RELATED PARTY INFORMATION

The Group defined three categories of related parties:

- directors: they have the authority and responsibility of the control and leadership of the Group's entities. They are the members of the Assystem SA Management Board;
- the company HDL (other related parties): HDL and its subsidiary H2DA, that holds 23.66% of voting rights, provide the Group with business management services;
- the minority shareholders of MPH Global Services and the Silver Atena subgroup (other related parties).

Transactions with related parties can be broken down as follows:

Compensation and benefits granted to managers

€ millions

	2013	2012	2011
Salaries and other short-term benefits*	0.5	1.6	1.5
Payments in shares	0.2	0.2	0.2
	0.2	**1.8**	**1.7**

* Corresponding to direct payment (expenses included) issued to Group Management Board salaried members

Additionally:

- in the event of the termination of the employment contract of Mr. Gilbert Vidal at the employer's initiative, payment of a total, final, fixed amount of €400,000 (except in the event of termination for serious misconduct or gross negligence);
- calculation methods of the package for the termination of the business agreement between Assystem and HDL, in the event of a friendly or a hostile takeover are as follows:
  - in the event of a friendly takeover of Assystem, with three months' prior notice, it is equal to twice the average of the fixed portion due for services performed in the two years preceding the termination,
  - in the case of a hostile takeover – particularly a takeover bid or share swap for Assystem that is unsolicited by its company directors – the indemnity will be equal to three times the average of the fixed portion due for services performed in the two years preceding the termination.

Directors are entitled to share purchase option plans and performance share awards:

	Performance shares Plan 11 2009	Performance shares* Plan 03 2012	Total
2013			
S. Aubarbier	–	15,720	15,720
D. Bradley	–	13,100	13,100
G. Brescon	–	10,480	10,480
G. Vidal	–	10,480	10,480
M. Griffon Fouco**	–	–	–
	–	**49,780**	**49,780**
Of whom, corporate officers	–	**49,780**	**49,780**
2012			
S. Aubarbier	–	18,000	18,000
D. Bradley	–	15,000	15,000
G. Brescon	–	12,000	12,000
G. Vidal	–	12,000	12,000
M. Griffon Fouco	–	3,000	3,000
	–	**60,000**	**60,000**
Of whom, corporate officers	–	**60,000**	**60,000**
2011			
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 whom, corporate officers	**60,000**	–	**60,000**

* The performance share awards are subject to performance conditions that were partially reached in 2013.
** Following Mrs. Griffon Fouco's resignation, the performance share awards for March 2012 are no longer valid.

Transactions recognised in the income statement

€ millions

	2013	2012	2011
Joint ventures	2.7	3.1	2.4
Sales	**2.7**	**3.1**	**2.4**
Joint ventures	0.5	0.3	0.3
Other operating income	**0.5**	**0.3**	**0.3**
Joint ventures	(0.2)	–	–
Other related parties – HDL and its subsidiaries	(2.1)	(2.9)	(3.0)
Other related parties – Silver Atena minority shareholders	–	–	(0.1)
Other related parties – MPH Global Services minority shareholders	(0.5)	(0.3)	–
Other operating expenses	**(2.8)**	**(3.2)**	**(3.1)**

Transactions recognised on balance sheet

€ millions

	2013	2012	2011
Joint ventures	1.2	1.0	0.6
Trade receivables	**1.2**	**1.0**	**0.6**
Joint ventures	0.4	0.2	0.2
Other receivables	**0.4**	**0.2**	**0.2**
Joint ventures	0.4	–	–
Other related parties – HDL	0.9	1.8	2.0
Other related parties – Silver Atena minority shareholders	–	–	1.1
Other related parties – MPH Global Services minority shareholders	–	–	–
Current and non-current liabilities	**1.3**	**1.8**	**3.1**

NOTE 40/ INFORMATION ON THE CASH FLOW STATEMENT

Non-cash transactions

€ millions

	2013	2012	2011
Net profit from continuing operations	**27.1**	**34.2**	**41.3**
Depreciation and provisions	8.8	5.5	8.1
Share of profit of associates (equity method)	(0.2)	(0.2)	(0.2)
Non-disbursed financial items	9.6	4.6	(3.7)
Share-based payment expenses	1.2	1.1	0.4
Change in deferred taxes	(0.8)	0.3	1.9
Other non-disbursed items	–	(1.0)	–
Earnings from asset disposals	0.2	(0.3)	(4.9)
Non-cash items	**18.8**	**10.0**	**1.6**
Corporate income tax	13.7	17.9	16.7
Interest paid (classified under financing activities)	5.8	6.4	4.3
Elimination of non-cash and non-operating income and expenses	38.3	34.3	22.6
Net cash flow from discontinued operations	0.2	(0.1)	0.9
Net change in working capital	(15.5)	(3.1)	(1.1)
Corporate income tax paid	(17.1)	(21.3)	(20.6)
Net cash flow from operating activities	**33.0**	**44.0**	**43.1**

Breakdown of cash flows in working capital requirement (WCR), fixed assets and securities

€ millions

	2013	2012	2011
Change in WCR – clients	(5.9)	(5.7)	(21.7)
Change in WCR – suppliers	(1.6)	1.6	6.9
Change in WCR – other operating payables and receivables	(6.4)	0.4	12.9
Change in WCR relative to operations	(13.9)	(3.7)	(1.9)
Net change in WCR – other sundry payables and receivables	(1.6)	0.6	0.8
Change in WCR from continuing operations	**(15.5)**	**(3.1)**	**(1.1)**
Acquisitions of operating fixed assets	(10.6)	(11.8)	(14.5)
Change in WCR for operating asset suppliers	–	(0.2)	0.7
Acquisitions of fixed assets, net of change in trade payables	**(10.6)**	**(12.0)**	**(13.8)**
Disposal of operating fixed assets	0.1	0.1	6.7
Change in WCR on receivables for operating asset disposals	–	1.8	(1.4)
Proceeds from sales of non-current assets, net of change in trade receivables	**0.1**	**1.9**	**5.3**
Securities purchases	(0.2)	(12.3)	(33.9)
Change in debts for financial investments	–	–	(2.1)
Net purchases of securities	**(0.2)**	**(12.3)**	**(36.0)**
Securities disposals	–	1.7	–
Net disposals of securities	**–**	**1.7**	**–**

Net opening and closing cash

€ millions

	2013	2012	2011
Cash and cash equivalents	136.5	151.8	127.9
Bank overdrafts	(0.2)	(0.4)	(0.7)
Cash and cash equivalents opening balance	**136.3**	**151.4**	**127.2**
Cash and cash equivalents	133.6	136.5	151.8
Bank overdrafts	(0.2)	(0.2)	(0.4)
Cash and cash equivalents closing balance	**133.4**	**136.3**	**151.4**

"Share purchase" cash flow reconciliation

€ millions

	2013	2012	2011
Cash flow on acquisition of MPH Group and its subsidiaries' securities	–	–	(20.0)
Cash flow on acquisition of Berner & Mattner securities	–	–	(15.8)
Cash flow on acquisition of SICA securities	(0.1)	–	(0.2)
Cash flow on acquisition of MPH Dubai and its subsidiaries' securities	–	(7.9)	–
Cash flow on acquisition of Holistia securities	–	(0.7)	–
Cash flow on payment of Silver Atena minority put	–	(3.7)	–
Cash flows on acquisition of available-for-sale investments	(0.1)	–	–
Cash and cash equivalents opening balance	**(0.2)**	**(12.3)**	**(36.0)**

NOTE 41/ DISCONTINUED OPERATIONS

In 2010, the Group decided to withdraw from its Italian operations. This decision led to the disposal of operations in Rome in September 2010, and in Torino in November 2010.

In keeping with IFRS 5 stipulations, the prior published income statement and the statement of cash flows were restated.

The annual earnings of the Italian businesses, classified in the income statement in profit for the period from discontinued operations, can be broken down as follows:

€ millions

	2013	2012	2011
Payroll costs	–	(0.1)	(0.2)
Depreciation and provisions expense	–	–	0.2
Other operating income and expenses	0.1	–	(0.1)
Operating profit from continuing operations	**0.1**	**(0.1)**	**(0.1)**
Operating profit	**0.1**	**(0.1)**	**(0.1)**
Pre-tax income from discontinued operations	**0.1**	**(0.1)**	**(0.1)**
Profit from discontinued operations	**0.1**	**(0.1)**	**(0.1)**

The cash flows generated by discontinued operations can be broken down as follows:

€ millions

	2013	2012	2011
OPERATIONS			
Net income from discontinued operations	0.1	(0.1)	(0.1)
Elimination of non-cash and non-operating income and expenses	–	(0.3)	(0.6)
Change in working capital requirement	0.1	0.3	1.6
Net cash flow from operating activities	**0.2**	**(0.1)**	**0.9**
Change in net cash	**0.2**	**(0.1)**	**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 2013	Maturity schedule						Portion > 1 year
		2014	2015	2016	2017	2018	More than five years	
Bond issues	84.5	–	–	–	84.5	–	–	84.5
Borrowing from credit institutions	41.0	40.4	0.6	(0.2)	0.2	–	–	0.6
Sundry financial debt, derivatives and finance-lease liabilities	11.5	4.3	0.2	0.1	6.9	–	–	7.2
Bank overdraft facilities	0.2	0.2				–	–	
Total gross debt	**137.2**	**44.9**	**0.8**	**(0.1)**	**91.6**	**–**	**–**	**92.3**
Breakdown by due date (%)	**100%**	**33%**	**1%**	–	**66%**	–	–	**67%**
Cash	34.5	34.5	–	–	–	–	–	–
Cash equivalents	99.1	99.1	–	–	–	–	–	–
Cash, cash equivalents and derivative assets	**133.6**	**133.6**	–	–	–	–	–	–
Total net debt	**3.6**	**(88.7)**	**0.8**	**(0.1)**	**91.6**	**–**	**–**	**92.3**

Below is a breakdown of net debt by currency, converted at the closing rate:

€ millions

	Balance at 31 December 2013	Euro	Pound sterling	US dollar	Canadian dollar	Indian rupee	Russian rouble	Dubai-Abu Dhabi dirham	Other currencies
Bond issues	84.5	84.5	–	–	–	–	–	–	–
Borrowing from credit institutions	41.0	41.0	–	–	–	–	–	–	–
Sundry financial debt, derivatives and finance-lease liabilities	11.5	11.3	–	–	–	–	–	0.2	–
Bank overdraft facilities	0.2	0.2	–	–	–	–	–	–	–
Total gross debt	**137.2**	**137.0**	**–**	**–**	**–**	**–**	**–**	**0.2**	**–**
Breakdown (%)	**100%**	**100%**	–	–	–	–	–	–	–
Cash	34.5	24.5	4.1	3.6	0.3	0.5	0.1	0.4	1.0
Cash equivalents	99.1	99.1	–	–	–	–	–	–	–
Cash, cash equivalents and derivative assets	**133.6**	**123.6**	**4.1**	**3.6**	**0.3**	**0.5**	**0.1**	**0.4**	**1.0**
Total net debt	**3.6**	**13.4**	**(4.1)**	**(3.6)**	**(0.3)**	**(0.5)**	**(0.1)**	**(0.2)**	**(1.0)**

NOTE 43/ EVENTS AFTER THE BALANCE SHEET DATE

HDL Development made a takeover bid for the Company shares for a period between 14 January 2014 and 17 February 2014. At the close of this period, HDL Development holds 10,821,217 Assystem shares representing 55.69% of the capital and at least 51.21% of voting rights, 2,624,601 BSAAR representing 90.69% of the outstanding BSAAR, and 136,174 ORNANE representing 3.26% of the outstanding ORNANE.

As stated in the initial documentation and in accordance with the governing law, the bid will be opened again for 10 stock market days, from 3 March to 14 March 2014. The results will be announced on 21 March.

In connection with this bid, an information note (approval No. 14-004 dated 9 January 2014) and Assystem's response (approval No. 14-005 dated 9 January 2014) were published. The document providing information, notably on Assystem's legal, financial and accounting characteristics, submitted to AMF on 10 January 2014 can be viewed on AMF's website (www.amf-france.org) as well as Assystem's website (www.assystem.com/investors).

7/ STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

To the Shareholders,

In accordance with the tasks assigned to us by the General Meeting, we hereby present our report for the year ended 31 December 2013, on:

- the audit of the accompanying consolidated financial statements of the company Assystem S.A.;
- the justification of our assessments; and
- the specific verifications required 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 perform procedures to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit consists of examining, by sampling or using other selection methods, the evidence supporting the amounts and data 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 results of all persons and entities within the scope of consolidation.

II. Justification of assessments

In accordance with Article L. 823-9 of the Commercial Code governing the justification of our assessments, we draw the following matters to your attention:

- The group performs goodwill impairment tests at least annually and also assesses whether there is any indication of impairment loss on long-term assets, using the methods described in the following notes to the consolidated financial statements:
  - Note 3 "Accounting principles" under the heading "Business combinations";
  - Note 4 "Main sources of estimation uncertainty" under the heading "Goodwill impairment";
  - and in Note 8 "Goodwill".

  We examined the methods used for implementing these impairment tests as well as the cash flow forecasts and assumptions made, and verified that the Notes 3, 4 and 8 to the consolidated financial statements disclose the appropriate information.
- Note 21 "Provisions and contingent liabilities" in the notes to the consolidated financial statements describes the nature of the various disputes that the Company is exposed to and the methods used by the Company for determining the amount of the relevant provisions. Our work consisted in evaluating the data used and assumptions made, reviewing the calculations carried out by the Company, examining the procedures used by Management for adopting these estimates, and verifying that Note 21 provides appropriate information.

The assessments we made are part of our audit of the consolidated financial statements as a whole and have therefore contributed to our opinion expressed in the first part of this report.

III. Specific verification

In accordance with professional standards applicable in France, we also performed the specific verifications required by law of the disclosures relating to Group given in the management report.

We have no qualification to make regarding their accuracy or consistency with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, 14 April 2014

Statutory auditors

KPMG Audit	Deloitte & Associés
Division of KPMG S.A.	
Denis Marangé	**Bénédicte Sabadie**
Partner	*Partner*

9. ANNUAL FINANCIAL STATEMENTS

1/ BALANCE SHEET

€ thousands

	2013			2012
	Gross	Depreciation and provisions	Net	Net
Intangible assets	**651**	**535**	**116**	**12**
Property, plant and equipment	**4,613**	**3,101**	**1,512**	**1,582**
Equity investments	330,081	54,868	275,213	275,925
Receivables on equity investments	–	–	–	–
Other investment securities	–	–	–	–
Loans	13,704	1,139	12,565	10,280
Other long-term investments	29,654	–	29,654	23,449
Long-term investments	**373,439**	**56,007**	**317,432**	**309,655**
Fixed assets	**378,703**	**59,643**	**319,060**	**311,249**
Operating receivables	40,054	1,250	38,804	26,819
Investment securities	97,209	–	97,209	95,325
Cash	7,442	–	7,442	8,490
Prepaid expenses	69	–	69	85
Deferred expenses	–	–	–	–
Unrealised exchange losses	104	–	104	1
Current assets	**144,878**	**1,250**	**143,628**	**130,720**
Total assets	**523,582**	**60,893**	**462,688**	**441,969**

Liabilities	2013	2012
Share capital	19,326	20,734
Share premiums	51,053	69,054
Legal reserve	2,191	2,191
Regulated reserves and other reserves	4,158	4,158
Retained earnings	122,298	103,669
Income for the period	**25,590**	**26,410**
Regulated provisions	–	–
Shareholders' equity	**224,616**	**226,216**
Provisions for contingencies and charges	**2,509**	**1,164**
Convertible bond issues	–	–
Other bond issues	95,947	120,466
Borrowings and debt with credit institutions	40,094	17
Borrowings and financial debt	89,613	83,151
Trade payables	5,649	5,794
Tax and employee-related liabilities	3,602	4,233
Liabilities on non-current assets and related payables	41	57
Other debt	500	504
Prepaid income	–	–
Unrealised exchange gains	117	367
Debts	**235,563**	**214,589**
Total liabilities	**462,688**	**441,969**

2/ INCOME STATEMENT

€ thousands

	2013	2012
Sales	**11,428**	**11,125**
Reversal of provisions and transfer of charges	104	1,190
Other income	25	–
Operating income	**11,557**	**12,315**
External purchases and expenses	14,329	14,216
Taxes, duties and similar payments	173	180
Wages and social security contributions	549	925
Directors' fees	270	225
Other ordinary management expenses	104	3
Allowances for depreciation and provisions	257	304
Provision for contingencies and charges	11	20
Operating expenses	**15,693**	**15,873**
Operating income	**(4,136)**	**(3,558)**
Financial income	40,304	39,589
Financial expenses	13,109	9,592
Income from financial activities	**27,195**	**29,997**
Ordinary income	**23,059**	**26,439**
Extraordinary income	**281**	**(1,041)**
Corporate income tax	2,250	1,012
Income for the period	**25,590**	**26,410**

3/ NOTES TO THE 2013 PARENT COMPANY FINANCIAL STATEMENTS

These are the Notes to the balance sheet before appropriation of earnings for the year ended 31 December 2013, of which the total amount is €462,688 thousand, as well as to the income statement, showing a net profit of €25,590 thousand.

The reporting period covers the 12 months from 1 January to 31 December 2013.

Unless stated otherwise, the figures are stated in thousands of euros.

NOTE 1/ MAJOR EVENTS IN FINANCIAL YEAR

Developments in subsidiaries and holdings

➤ Equity investment in new subsidiaries

In January 2013, Assystem SA subscribed to the share capital of the company Assystem Switzerland for €83 thousand.

In February 2013, Assystem SA subscribed to the share capital of the company Assystem US for €0.75 thousand.

In April 2013, Assystem SA subscribed to the share capital of the company Eradma for a total of €120 thousand.

➤ Capital increase at subsidiaries

Extra Capital: in June 2013, Assystem SA bought the last 49 shares of the company Extra Capital for €0.5 thousand, taking its stake to 100%.

➤ Sale of subsidiaries shares

Anthelys: in February 2013, Assystem SA sold one share of the company to Mr. Zarka for €20.

Treasury shares

At 31 December 2013, based on the average stock market price in the last month of the year, the carrying amount of the Company's treasury shares was higher than the purchase cost. As a result, no provision for impairment loss was required.

Given the existence of three bonus share award plans, a provision for risk amounting to €2,337 thousand was made on 31 December 2013. The provision recognised at 31 December 2012 was reversed in the amount of €1,106 thousand.

Two other plans were set up in 2011 and 2012 to the benefit of Assystem Engineering and Operation Services employees pursuant to the company agreement on the profit sharing premium system established by the Act of 28 July 2011. Accrued revenue of €340 thousand was recognised at 31 December 2013 given that the expense recognised in connection with these plans come under the charge-back agreement between Assystem SA and Assystem Engineering and Operation Services.

Following the delivery of shares under the 2011 plan in November 2013, a total of €538 thousand was charged back to Assystem Engineering and Operation Services.

Bond loan

Bond debt was reduced from €116,375 thousand to €92,000 thousand following the redemption of the €24,375 thousand in bonds issued in 2008 and maturing in 2013.

➤ ORNANE characteristics

With Assystem SA's ORNANE convertible bond issue (bonds redeemable in cash and/or new or existing shares) in July 2011 for a nominal amount of €92 million redeemable on 1 January 2017, the Group was able to optimise its financial structure and finance its future acquisition operations in connection with its development plan in France and abroad.

The main characteristics of the bond issue are as follows:

Total issue amount	€92 million
Issue date	06/07/2011
Maturity (bullet repayment)	01/01/2017
Number of bonds issued	4,181,818
Unit issue price (with a premium of 27.43%)	€22
Interest rate	4%

The Group may opt for either of the following repayment procedures:

	Share price at or below bond face value	Share price above bond face value
Option 1	Redemption in new and/or existing shares	Nominal and outperformance premium paid in new and/or existing shares
Option 2	Redemption in cash	Nominal repaid in cash and outperformance premium paid in new and/or existing shares

This bond issue is not subject to any bank covenant, and no guarantees were given in connection with the financing.

To ensure the development of the Company and its liquidity, Assystem SA implements a diversified financing programme of €212 million which at end-December 2013 included:

- €92 million in ORNANE;
- a revolving credit facility of up to €120 million set up on 22 July 2011 to meet the Group's general needs, on which a drawdown of €40 million was made in May 2013. A revolving credit facility of up to €120 million signed on 16 December 2013 shall replace the previous contract in April 2014. At the time of accounts closing, Assystem SA had not yet replaced the credit with the new one.

The medium-term credit facility of up to €100 million set up July 2011 to finance acquisitions was not drawn down at 31 December 2013, the cut-off date for drawings on this credit line. It therefore became void.

Change in share capital and issue premium

On 23 May 2013, the Management Board took note of the capital decrease of €1,564 thousand following the cancellation of 1,564,168 treasury shares.

The decrease pursuant this in the issue premium amounted to €19,576 thousand.

On 1 July 2013, the Management Board took note of the capital increase of €50 thousand following the subscription warrants exercised in the first half-year of 2013.

The issue premium at the time the warrants were exercised increased by €502 thousand.

On 3 December 2013, the Management Board took note of the capital increase of €79 thousand following the subscription warrants exercised in the period from 1 July to 30 November 2013.

The issue premium at the time the warrants were exercised increased by €798 thousand.

On 3 January 2014, the Management Board took note of the capital increase of €27 thousand following the subscription warrants exercised in December 2013.

The issue premium at the time the warrants were exercised increased by €275 thousand.

At the close of the financial year, the capital was €19,326,066.

Events after the reporting date

HDL Development made a takeover bid for the Company shares for a period between 14 January 2014 and 17 February 2014. At the close of this period, HDL Development holds 10,821,217 Assystem shares representing 55.69% of the capital and at least 51.21% of voting rights, 2,624,601 BSAAR representing 90.69% of the outstanding BSAAR, and 136,174 ORNANE representing 3.26% of the outstanding ORNANE.

As stated in the initial documentation and in accordance with the governing law, the bid will be opened again for 10 stock market days, from 3 March to 14 March 2014. The results will be announced on 21 March.

In connection with this bid, an information note (approval No. 14-004 dated 9 January 2014) and Assystem's response (approval No. 14-005 dated 9 January 2014) were published. The document providing information, notably on Assystem's legal, financial and accounting characteristics, submitted to AMF on 10 January 2014 can be viewed on AMF's website (www.amf-france.org) as well as Assystem's website (www.assystem.com/investors).

Risk factors

No change has occurred in the past financial years 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). In 2012, Sobrena dropped all charges in France against ASG and Iska Marine, following an agreement signed between Acergy and Sobrena, as part of the English proceedings. To date, there is no evidence that ASG is at fault, nor has the cause of the fire been ascertained. As it has done in previous years, 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.

In 2011, Assystem SA was under tax inspection for the financial years 2008 to 2010. The findings of the tax authorities set out in the proposed tax reassessment of 23 April 2012 were contested in full. There is no change to report in this case in 2013.

NOTE 2/ ACCOUNTING METHODS AND RULES

The 2013 Company accounts were prepared and presented in accordance with Articles L. 123-12 to L. 123-28 of France’s Commercial Code, the provisions of Decree No. 83-1020 of 29 November 1983 and the regulations of the French Accounting Regulations Committee (CRC), 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 periods;
- consistency of accounting methods.

Items are accounted for using the standard historical cost method.

Fixed assets

Property, plant and equipment are booked at their purchase cost (purchase price and related expenses, excluding fixed asset acquisition costs) or their production cost.

Interest on financing specific to the production of fixed assets is not included in their production cost.

Intangible assets appear on the balance sheet at their original cost less any financial expenses.

Depreciation expenses are calculated using the straight-line method over the asset’s expected useful life.

The depreciation periods and methods are as follows:

• Software	1 to 5 years;
• Patents	4 years;
• Fixtures, 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 acquisition 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 acquisition 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). If no data is available on these indicators, the value in use is based on the net position.

Equity investment acquisition cost

These costs are recognised in expenses.

For tax purposes, they are added back in the year of acquiring the investment securities and then deducted in extra-accounting over five years starting from the date of acquisition of the securities.

Other long-term investments

Other long-term investments are recorded at their nominal value.

Receivables

Receivables and debts are recorded at their nominal value. If necessary, an impairment allowance is recorded for receivables to allow for risks of non-recovery.

These are mainly receivables from related companies.

Bond issue expenses

The bond issue expenses are fully expensed in the year in which they are incurred.

Investment securities

Investment securities are recognised at their purchase cost, excluding related expenses. When their book value is less than this cost, an impairment allowance is recognised for the difference.

Foreign currency transactions

Foreign currency income and expenses are translated using the exchange rate at the transaction date. Foreign currency payables, receivables and cash appear on the balance sheet at their rate of exchange at the reporting date. Any difference from updating foreign currency debts and receivables with this closing rate is included in the balance sheet in unrealised 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 €68 thousand was booked at financial year closing.

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 disputes brought before the industrial tribunal

The provisions are measured on a case-by-case basis based on the risk and reasons for the claim.

Provisions for subsidiary risks

A provision is made for risks that may arise from subsidiaries.

Estimates and assumptions

The financial statements are prepared by making estimates and assumptions that can affect the carrying amount of certain items of the balance sheet or income statement as well as the information provided in certain notes to the financial statements.

Assystem regularly reviews these estimates and measurements to account for past experience and other factors deemed relevant in respect of the economic conditions.

As these estimates, assumptions or appraisals are made on the basis of the information available or circumstances existing on the date when the financial statements were prepared, the actual future events may differ.

These estimates mainly concern provisions for contingencies and charges and the assumptions made for the preparation of business plans used for assessing the value of equity investment securities.

NOTE 3/ INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT

3.1/ Change in non-current asset gross values

€ thousands

	Gross value at beginning of period	Increase in gross value	Decrease in gross value	Gross value at end of period
Intangible assets	533	118	–	651
Property, plant and equipment	4,463	150	–	4,613
Long-term investments	364,746	39,247	30,553	373,440
Grand total	**369,742**	**39,515**	**30,554**	**378,704**

Intangible assets account for €608 thousand in software, €15 thousand in a fully-amortised patent and €28 thousand in goodwill, also amortised.

Plant, property and equipment include €3,668 thousand in buildings, fixtures and fittings, €706 thousand in office furniture and equipment, and €239 thousand in works of art.

The changes in "Long-term investments" mostly relate to acquisitions of equity investment securities mentioned earlier in Note 1, new loans to subsidiaries, as well as to treasury share transactions detailed in section 3.2 below.

3.2/ Long-term investments

This heading mainly includes equity investments, related receivables, treasury shares, and deposits and guarantees. The change is as follows:

€ thousands

	Gross value at beginning of period	Increase in gross value	Decrease in gross value	Gross value at end of period
Equity investments(1)	329,877	204	–	330,081
Loans for equity investments(2)	11,420	3,069	785	13,704
Deposits and guarantees	27	20	26	22
Treasury shares	23,422	35,954	29,744	29,632
Grand total	**364,746**	**39,247**	**30,555**	**373,439**

(1) Increases include €0.5 thousand for the subscription to Extra Capital capital in cash, €0.7 thousand for the subscription to Assystem US capital in cash, €83 thousand for the subscription to Assystem Switzerland capital in cash, and €120 thousand for the subscription to Eradma capital in cash.
(2) Two loans were granted to Group subsidiaries in the financial year:
€1,693 thousand to MPH Global Services DMCC;
€1,376 thousand to Silver Atena UK Ltd Holding.

The transactions in treasury shares are summarised below:

€ thousands

Transactions in treasury shares	Number of shares	Value
Number of treasury shares at 31 December 2012	**1,715,849**	**23,422**
Acquisitions	2,219,633	35,954
Disposals	541,981	10,168
Cancellations	1,564,168	19,576
Number of treasury shares at 31 December 2013	**1,829,333**	**29,632**

3.3/ Change in depreciation

€ thousands

Depreciable assets	Amount at beginning of period	Increases – additions to provisions	Decreases – reversals	Amount at end of period
INTANGIBLE ASSETS				
Start-up expenses, R&D expenses	–	–	–	–
Other intangible assets	493	14	–	507
	493	**14**	**–**	**507**
PROPERTY, PLANT AND EQUIPMENT				
Buildings on own land	1,884	–	–	1,884
Buildings, general fixtures and fittings	196	51	–	247
General fixtures	261	111	–	372
Transport equipment	–	–	–	–
Furniture, IT and office equipment	352	58	–	410
	2,692	**221**	–	**2,913**
Grand total	**3,185**	**235**	**–**	**3,420**

NOTE 4/ TABLE OF SUBSIDIARIES AND EQUITY INVESTMENTS

€ thousands

Subsidiaries and equity investments	Share capital	Equity (including 2013 income)	Percentage of share capital owned	Gross carrying amount of shares held	Net book value of shares held	Loans and advances granted (excluding group income tax current accounts and term accounts)	Amount of guarantees and sureties granted	Net of tax sales in the previous financial year	Net income for previous financial year	Dividends collected	Provisions current account
DETAILED INFORMATION ON SUBSIDIARIES AND HOLDINGS											
1. Subsidiaries (more than 50% of share capital owned)											
Eurosyn	40	1,470	100%	1	1	–	–	5,418	916	500	–
Assystem Polska	11	NC	100%	11	0	248	–	NC	NC	–	248
Assystem Deutschland Holding GmbH	25	37,721	100%	33,585	33,585	8,934	–	0	(875)	–	–
Assystem Iberia	2,465	3,301	100%	10,447	5,297	–	–	5,553	(318)	–	–
Assystem Portugal	155	(220)	100%	255	0	–	–	1,180	(138)	–	–
Assystem Italia	200	(149)	100%	1,720	0	108	–	0	80	–	108
Assystem Canada[1]	1,213	1,961	100%	8,271	3,389	–	–	4,893	411	–	–
ASG	76	1,461	100%	432	432	–	–	0	(67)	–	–
Assystem France	26,655	82,355	100%	126,544	89,544	–	–	281,446	15,730	14,000	–
Assystem Engineering and Operation Services	2,786	44,671	100%	97,058	97,058	–	–	221,280	10,901	6,800	–
Assystem Innovation	6,480	2,180	100%	6,457	3,099	–	–	0	(2,443)	–	–
Assystem Romania[2]	350	3,343	100%	1,201	1,201	–	–	13,460	1,842	800	–
Assystem International	401	399	100%	1,540	99	–	–	0	(301)	–	–
Assystem UK[3]	401	32,145	100%	19,084	19,084	–	–	114,102	5,988	9,487	–
Assystem Belgium	19	1,101	100%	18	18	–	–	6,587	621	396	–
MPH Global Services	16,248	34,267	81%	22,070	22,070	1,093	–	24,726	1,321	1,509	–
Assystem Expert	40	24	100%	40	40	–	–	0	(5)	–	–
Anthelys	40	51	100%	40	40	–	–	372	22	–	–
Extra Capital	10	(571)	95%	10	0	614	–	0	(483)	–	614
Assystem Maroc Technologies[4]	27	(124)	51%	14	14	–	–	583	(153)	35	–
Assystem Engineering Consulting (Shanghai) Co., Ltd[5]	1,194	(252)	100%	1,041	0	80	–	NC	NC	–	83
Assystem Avenir	40	20	100%	40	40	–	–	0	0	–	–
Assystem Australia	0	0	100%	0	0	–	–			–	–
Assystem US[6]	1	(127)	100%	1	1	164	–	1,192	8	–	–
Assystem Switzerland[7]	83	(219)	100%	83	83	170	–	546	(300)	–	–
Eradma	120	NC	4%	120	120	–	–	NC	NC	–	–
				330,081	**275,513**	**11,411**	**–**	**–**	**–**	**33,527**	**1,053**
2. Holdings (10% to 50% ownership)											
Not applicable											

(1) Average Canadian dollar exchange rate: €1 = CAD 1.3645.
(2) Average Romanian lev exchange rate: €1 = RON 4.4169.
(3) Average pound sterling exchange rate: €1 = GBP 0.8497.
(4) Average Moroccan dirham exchange rate: €1 = MAD 11.1615.
(5) Average Chinese yuan exchange rate: €1 = CNY 8.1576.
(6) Average US dollar exchange rate: €1 = USD 1.3262.
(7) Average Swiss franc exchange rate: €1 = CHF 1.2313.

The company Assystem had to provide for the securities in some of its subsidiaries. The impairment tests performed on 31 December 2013 for the Assystem Group in accordance with the accounting rules and methods described above did not detect any other signs of impairment.

NOTE 5/ PROVISIONS

€ thousands

	Amount at beginning of period	Increases	Decreases	Amount at end of period
Special depreciation				
Total regulated provisions				
Provisions for exchange losses	1	104	1	104
Provisions for retirement benefits	57	11	–	68
Other provisions for contingencies(1)	1,106	2,337	1,106	2,337
Total provisions for contingencies and charges	**1,164**	**2,452**	**1,107**	**2,509**
Provisions for amortisation of intangible assets	29	–	–	29
Provisions for amortisation of property, plant and equipment	188	–	–	188
Provisions for equity investments(2)	53,952	3,164	2,248	54,868
Provisions for loans(3)	1,139	–	–	1,139
Provisions for treasury shares	–	–	–	–
Sub-total provisions/non-current assets	55,308	3,164	2,248	56,224
Provisions for impairment of trade receivables	174	22	–	196
Provisions on advances	100	–	100	–
Provisions for impairment of current accounts(4)	592	614	152	1,054
Provision for impairment of sundry debtors	–	–	–	–
Sub-total provisions/current assets	866	636	252	1,250
Total provisions for impairment	**56,174**	**3,800**	**2,500**	**57,474**
Grand total	**57,338**	**6,252**	**3,607**	**59,983**
OF WHICH				
• operating additions and reversals	–	33	100	–
• financial	–	6,219	3,507	–
• exceptional	–	–	–	–

(1) The increase relates to a provision de €2,337 thousand for Assystem shares involved in bonus share award plans.
The decrease of €1,106 thousand relates to the reversal of the provision made at 31 December 2012.

(2) Impairment losses were recognised for the shares of the subsidiaries Assystem Innovation, Assystem International, Extra Capital et Assystem Portugal of respectively €1,458 thousand, €1,441 thousand, €10 thousand and €255 thousand.
A partial reversal of the provision made for the Canadian subsidiary amounting to €2,248 thousand.

(3) A full provision was recognised for the loan to a lower-tier Canadian subsidiary.

(4) Impairment losses were recognised in full for the current accounts of Assystem Polska representing €248 thousand, Assystem Engineering Consulting (Shanghai) Co., Ltd representing €83 thousand, Assystem Italia representing €108 thousand and Extra Capital representing €614 thousand.

NOTE 6/ RECEIVABLES

€ thousands

Statement of receivables	Gross amount	Up to one year	More than one year
RECEIVABLES FOR NON-CURRENT ASSETS			
Other investment securities	–	–	–
Loans	13,704	–	13,704
Accrued interest	–	–	–
Other long-term investments	22	–	22
Treasury shares(1)	29,632	29,632	–
	43,358	**29,632**	**13,726**
OPERATING RECEIVABLES			
Bad or doubtful debts	–	–	–
Other trade receivables	11,455	11,455	–
Other social bodies	582	582	–
Advances and downpayments on orders	–	0	–
Government – corporate income tax	23,971	23,971	–
Government – valued added tax	912	912	–
Government – other taxes, duties and similar payments	1,970	1,970	–
Receivables for Group and associates (current accounts)	447	447	–
Supplier receivables	–	0	–
Sundry receivables	717	717	–
	40,054	**40,054**	–
Prepaid expenses(2)	69	69	–
Grand total	**83,481**	**69,755**	**13,726**

(1) Representing 1,829,333 Assystem shares.
(2) The prepaid expenses mainly comprise lease costs, insurance and prepaid fees.

NOTE 7/ EXPENSES PAYABLE

- Suppliers – unbilled payables: €4,954 thousand.
- Tax and payroll liabilities: €2,705 thousand.
- Interest accrued on borrowings and financial debt: €3,947 thousand.

NOTE 8/ ACCRUED INCOME

- Clients – unbilled revenue: €3,917 thousand.
- Tax receivables: €1,970 thousand.
- Employee-related receivables: €582 thousand.
- Dividends receivable: €384 thousand.
- Accrued interest receivable: €823 thousand.

NOTE 9/ DETAILS OF INVESTMENT SECURITIES

€ thousands

Category	Beginning of period	Purchases	Disposals	End of period
Term accounts	74,784	59,589	54,472	79,901
SICAV (money-market funds)	20,540	442,893	446,125	17,308
Total	**95,324**	**502,482**	**500,597**	**97,209**

Investment securities comprise term accounts and SICAV money-market funds.

The portfolio is valued at the purchase price. The unrealised capital gain on SICAV is not recognised at financial year closing. However, it is recognised for tax purposes and totalled €3 thousand at 31 December 2013.

NOTE 10/ PREPAID INCOME AND EXPENSES

Prepaid income and expenses only relate to operations.

NOTE 11/ SHARE CAPITAL

The company's capital stood at €19,326,066 at financial year closing. It is composed of shares with a par value of €1.

Composition of share capital

Category of shares	Number
1. Shares or interests in share capital at beginning of period	20,734,278
2. Shares or interests in share capital issued in period	155,956
3. Shares or interests in share capital cancelled in period	1,564,168
4. Shares or interests in share capital at end of period	19,326,066

Statement of changes in equity

€ thousands

	31/12/2013	31/12/2012
Amount at beginning of period	226,216	205,052
Income for the year ended 31 December	25,590	26,410
Dividend payouts/contribution premium repayments	(7,781)	(8,431)
Change in capital	–	–
• increase	156	347
• decrease	(1,564)	–
Change in additional paid-in capital, reserves, retained earnings and regulated provisions	–	–
• increase	1,575	2,838
• decrease	(19,576)	–
Amount at end of period(1)	224,616	226,216

(1) Including €55,212 thousand in premiums and reserves other than the legal reserve, exceeding 1.9 times the purchase cost of the treasury shares owned.

NOTE 12/ OTHER DISCLOSURES

At 31 December 2013, the Company had three categories of dilutive instruments:

- BSAR redeemable share subscription warrants;
- Performance share award plans:
  - at the end of the period, the dilutive effect at the average price represented by these two categories corresponded to 1,288,619 equities, representing 6.96% of the weighted number of shares;
- ORNANE: ORNANE is considered a dilutive instrument, as the issuer can choose to settle the debt component and the derivative either in shares or in cash:
  - the maximum dilution assumption used at 31 December 2013 corresponds to the par value redemption in shares of the 4,181,818 bonds issued at the conversion rate (1 share for 1 bond issued), *i.e.* the number of dilutive instruments equal to 4,181,818 shares,
  - however, the Group's objective being cash redemption at par value, and considering the share price, there was no dilution to be recognised at 31 December 2013.

NOTE 13/ DEBT

€ thousands

Statement of debts	Gross amount	Up to one year	One to five years	More than five years
Convertible bond issues	–	–	–	–
Other bond issues	95,947	3,947	92,000	–
Other borrowings from credit institutions	40,095	95	40,000	–
Loans and guarantees	50	–	50	–
Trade and related payables	5,649	5,649	–	–
Payroll costs and related payables	398	398	–	–
Social security and related bodies	708	708	–	–
Central and other government authorities	1,279	1,279	–	–
Other taxes and related levies	1,217	1,217	–	–
Liabilities on non-current assets and related payables	41	41	–	–
Group and affiliates	89,563	89,563	–	–
Other debt	500	500	–	–
Prepaid income	–	–	–	–
Unrealised exchange gains	117	117	–	–
Grand total	**235,564**	**103,514**	**132,050**	**–**

Bond issues	Beginning of period	Increase	Decrease	Balance
€65 million bond loan	24,375	–	24,375	–
€92 million bond loan	92,000	–	–	92,000
Sub-total	**116,375**	**–**	**24,375**	**92,000**
Accrued interest	4,091	3,947	4,091	3,947
Total bond debt	**120,466**	**–**	**–**	**95,947**

Borrowing from credit institutions	Beginning of period	Increase	Decrease	Balance
COFACE receivable	6	–	–	6
Sub-total	**6**	**–**	**–**	**6**
Debts with credit institutions				
RCF borrowing	–	40,000	–	40,000
Bank overdrafts	11	78		89
Total borrowings and debt with credit institutions	**17**	**–**	**–**	**40,095**

Borrowings and financial debt	Beginning of period	Increase	Decrease	Balance
Deposits and guarantees received	46	4	–	50
Total sundry borrowings and debt	**46**	**–**	**–**	**50**
Subsidiary current accounts	83,104	6,459	–	89,563
Total subsidiary current accounts	**83,104**	**–**	**–**	**89,563**

Related income and expenses	Expenses	Income
Bond debt	4,510	–
Debt with credit institutions	336	–
Sundry borrowings and financial debt	7	–
Subsidiary current accounts(1)	145	190

(1) Financial income and expenses relating to the interest on current accounts and the intra-Group cash pooling.

As specified in Note 1, the Company's bond debt was modified in the financial year.

The characteristics of the bonds comprising this debt are given below:

Bond characteristics

Assystem's bond debt consists of a bond loan with the following characteristics:

Year	2011 ORNANE
Issue	06/07/2011
Face value	€22
Amount (€ millions)	92
Maturity	01/01/2017
Rate	4%
Due date	1 January of each year
Term	5.5 years
Quantity	4,181,818
Code	FR0011073006

NOTE 14/ OFF-BALANCE SHEET COMMITMENTS

Guarantee commitments

€ thousands

Commitments given	Amount
Sureties and guarantees	3,615
Commitments received	**Amount**
Sureties and guarantees	–
Securities payment guarantees	–
Unused credit lines	80,000

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	118	59	59	–
• premises	2,379	793	1,586	–
Binding purchase commitments	–	–	–	–
Other long-term commitments	–	–	–	–
Total	**2,497**	**852**	**1,645**	**–**

Derivative financial instruments

Currency hedge: €16 thousand.

Financial commitments

Not applicable.

Acquisition price increases

Not applicable.

NOTE 15/ SALES

Sales are composed of administration and management services and invoicing for 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 not be significant.

NOTE 16/ COMPENSATION

Only one Company director is paid directly by the Company. The salaries of two members of the Management Board are billed back to Assystem by HDL under a regulated agreement, and those of two other members by the UK subsidiary and by a subsidiary in Dubai.

In 2013, €225 thousand was paid in attendance fees to Supervisory Board members.

NOTE 17/ AVERAGE HEADCOUNT

One salaried employee during the year.

NOTE 18/ TRANSFERRED EXPENSES

- Insurance reimbursement: €0 thousand.
- Benefits in kind: €4 thousand.

NOTE 19/ INCOME FROM FINANCING ACTIVITIES

€ thousands

Financial income	31/12/2013
Income from equity investments	**33,526**
Dividends received	33,526
Income from other securities and receivables for non-current assets	**191**
Loan interest	191
Other interest and similar income	**842**
Income from investment securities	69
Income from Group cash management	190
Other financial income(1)	583
Reversal of provisions and transfer of charges	**3,507**
Reversal of provisions for exchange losses	1
Reversal of provisions for long-term investments(2)	3,506
Exchange differences	**107**
Exchange gains	107
Net proceeds from disposals of investment securities	**2,131**
Interest on negotiable bills and commercial paper	2,131
Total income from financial activities	**40,304**

€ thousands

Financial expenses	31/12/2013
Provisions and write-downs for financial items	**6,219**
Provisions for financial risks and liabilities(2)	6,115
Provisions for exchange losses	104
Interest and similar expenses	**6,870**
Interest on borrowings	4,846
Bank charges	7
Expenses for Group cash management	145
Other financial expenses(3)	1,872
Exchange differences	**20**
Exchange losses	20
Total financial expenses	**13,109**
Income from financial activities	**27,195**

(1) Of which €583 thousand charged back by Assystem SA to its subsidiary Assystem Engineering and Operation Services in connection with the bonus share award plans set up in 2012.
(2) Amounts relating to provisions and reversals of provisions recognised for the Company's treasury share portfolio, as well as the provisions and reversals of provisions for impairment losses in subsidiaries' shares.
(3) Including €583 thousand for the bonus share award plan set up in 2012 by Assystem Engineering and Operation Services.

NOTE 20/ EXTRAORDINARY INCOME AND EXPENSE

€ thousands

Extraordinary income	31/12/2013
Extraordinary revenues from capital transactions	**1,167**
Proceeds from intangible asset disposals	–
Proceeds from property, plant and equipment disposals	–
Proceeds from long-term investment disposals	–
Bonus from disposals of treasury shares issued	1,167
Reversal of provisions	–
Reversal of provisions for contingencies and charges	–
Total extraordinary result	**1,167**

€ thousands

Extraordinary expenses	31/12/2013
Extraordinary expenses on management transactions	–
Other extraordinary management expenses	–
Extraordinary expenses from capital transactions	**886**
Net value of intangible asset disposals	–
Net value of property, plant and equipment disposals	–
Net value of long-term investment disposals	–
Losses on treasury share buybacks	886
Extraordinary depreciation allowance	–
Total extraordinary expenses	**886**
Extraordinary income	**281**

NOTE 21/ CORPORATE INCOME TAX

€ thousands

	Net income for period before tax	Tax	Net income for period after tax
Ordinary income	23,059	(2,762)	25,821
Extraordinary income	281	512	(231)
Income for the period	23,340	(2,250)	25,590

Breakdown of corporate income tax

Tax was broken down between ordinary and extraordinary income, applying a 38% theoretical tax rate. Adjustments to book income to obtain taxable income have been classified by type. The effect of the tax consolidation has been included in extraordinary income.

Tax consolidation

The Company, Assystem SA, is the parent of an integrated tax consolidation group that includes the following firms: Assystem France, Assystem Engineering & Operation Services, SCI du Pont Noir, Assystem Innovation, ASG, Athos Aéronautique, Assystem International, Eurosyn, Insiema, Assystem Expert, Anthelys, Extra Capital and Holistia.

The methods and procedures for calculating corporate income tax payable by each entity of the tax consolidation group are defined according to the ordinary tax rules in force on the financial year end date and as if each entity of the tax group were taxed separately.

The exceptional 5% contribution applicable as of the 2011 financial year, increased to 10.70% in 2013 has been paid by Assystem SA on the Group tax amount as the tax integration group sales exceeded €250 million.

Increases and decreases in future tax liabilities

€ thousands

Increase in future tax liability (at a 38% rate)	2013 basis	Amount of tax
Deferred expenses	0	0
Total deferred tax payable		**0**
Decrease in future tax liability (at a 38% rate)	2013 basis	Amount of tax
Unrealised capital gain on OPCVM Investment fund	2	1
Organic welfare contribution payable	21	8
Unrealised exchange gains	117	44
Provision for impairment losses	189	72
Provision for contingencies and charges	68	26
Acquisition project expenses	698	265
Total prepaid taxes	**1,095**	**416**

NOTE 22/ INFORMATION ON RELATED PARTIES

€ thousands

Items	Gross amount related companies
Advances and downpayments on non-current assets	–
Equity investments	329,951
Receivables on equity investments	–
Loans	12,565
Other long-term investments	–
Advances and downpayments on orders	–
Trade receivables	10,994
Supplier receivables	–
Other receivables	384
Subscribed share capital called but not paid in	(41)
Convertible bond issues	–
Other bond issues	–
Borrowings and debt with credit institutions	–
Sundry borrowings and financial debt	(89,562)
Advances and downpayments received on open orders	–
Trade payables	(1,857)
Liabilities on non-current assets and related payables	–
Other debt	(500)
Income from equity investments	33,526
Other financial revenue	190
Financial expenses	(145)

Assystem has not identified any other transactions with related parties concluded at market conditions other than normal or having a material impact on the financial statements.

In this regard, no additional information need be provided pursuant to Article R.123-198 11 of the French Commercial Code.

NOTE 23/ IDENTITY OF COMPANY CONSOLIDATING THE COMPANY FINANCIAL STATEMENTS

The Company, Assystem SA, is the consolidating parent company of the Assystem Group.

4/ STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended 31 December 2013

To the Shareholders,

In accordance with the tasks assigned to us by the General Meeting, we hereby present our report for the year ended 31 December 2013, on:

- the audit of the accompanying annual financial statements of the company Assystem S.A.;
- the justification of our assessments; and
- the specific verifications and disclosures required by law.

These 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 perform procedures to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit consists of examining, by sampling or using other selection methods, the evidence supporting the amounts and disclosures given 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 our audit provides a sufficient and reasonable basis for our opinion.

In our opinion, the annual financial statements are appropriate, accurate and give a true and fair view of the income from the Company's operations in the period elapsed as well as its financial position and net assets at the end of this period in accordance with French accounting principles and standards.

II. Justification of assessments

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:

- Regarding the valuation and impairment of the equity investments, of which the principles are described in Note 2 to the financial statements ("Investments"), in assessing the accounting rules and principles used by the Company we reviewed the methods for implementing the impairment tests and assumptions made, and verified that Note 2 discloses the appropriate information.

The assessments we made are part of our audit of the annual financial statements as a whole and have therefore contributed to our opinion expressed in the first part of this report.

III. Specific verifications and disclosures

In accordance with professional standards of practice applicable in France, we also performed the specific verifications required by law.

We have no qualification to make regarding the accuracy or consistency with the annual financial statements of the information contained in the Management Board's management report or in the documents addressed to the shareholders with regard to the financial position and annual financial statements.

Regarding the information provided in accordance with Article L. 225-102-1 of the Commercial Code on the compensation and benefits paid to the corporate officers and the commitments granted in their favour, we verified their consistency with the financial statements or with the data used for preparing these financial statements and, where appropriate, with the information gathered by the Company from the companies controlling the Company or controlled by it. On the basis of our audit, we certify that this information is 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 the shareholders.

Paris-La Défense and Neuilly-sur-Seine, 14 April 2014

Statutory auditors

KPMG Audit	Deloitte & Associés
Division of KPMG S.A.	
Denis Marangé	**Bénédicte Sabadie**
Partner	*Partner*

5/ STATUTORY AUDITORS' SPECIAL REPORT ON THE REGULATED AGREEMENTS AND COMMITMENTS

Year ended 31 December 2013

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 carried out the work which we considered necessary in accordance with the professional guidelines of the *Compagnie Nationale des Commissaires aux Comptes* (French National Company of Statutory Auditors) in respect of this assignment. This work involved verifying that the information provided to us is consistent with the underlying documents on which it is based.

Agreements and commitments subject 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 H.D.L S.A.S. AND ASSYSTEM S.A.

• Signature of the Rider 13

Interested party:
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 2013, the parties to the service agreement decided to sign a rider to said agreement (rider 13) to determine the methods for calculating the fixed portion and the variable portion amounts owed by your Company in payment of the services provided in 2013.

On 12 March 2013, 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 2013 the fixed fee, excluding taxes, of €1,484,000.
- in addition to the fixed portion, H.D.L. S.A.S. shall receive for the year 2013, a variable amount termed "success fee" based on:
  - in part, the fulfilment of a target margin rate (operating profit) fixed at 6.6% for the financial year 2013; and
  - in part, the fulfilment of a free cash flow objective fixed at €34 million for the financial year 2013.

The total amount of the variable portion, excluding taxes, is capped at €1,571,800.

The fixed portion and the capped variable portion amounts were amended when signing Rider 14 that was adopted by the Supervisory Board of 6 September 2013.

SERVICE AGREEMENT BETWEEN H.D.L S.A.S. AND ASSYSTEM S.A.

• Signature of the Rider 14

Interested party:
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 2013, the parties to the service agreement decided to sign a rider to said agreement (rider 14) to modify the amounts of the fixed portion and the cap of the variable portion owed by your Company in payment of the services provided in 2013.

On 6 September 2013, your Supervisory Board approved the amendments to this rider stipulating that by way of compensation for the services defined in the service agreement, H.D.L. S.A.S. shall receive for the financial year 2013, the pre-tax flat amount of €1,331,750, and that over and above said fixed amount, H.D.L. S.A.S. shall receive for the financial year 2013 a variable amount termed "success fee" calculated under the same terms as those set out hereabove in rider 13.

The total amount of the variable portion, excluding taxes, is capped at €1,194,800.

On 10 March 2014, your Supervisory Board approved the payment of the variable portion for the financial year 2013 in 2014.

As a result, for the financial year 2013, the amount of the fixed portion owed by your company is €1,331,750 and the amount owed by way of the variable portion is €449,500, amounting to a total of €1,781,250 under this service agreement. This payment takes into consideration the part of the services subcontracted by H.D.L. S.A.S. to its subsidiary, H2DA S.A.R.L.

VARIABLE PORTION OF THE COMPENSATION PAID TO MR. GILBERT VIDAL, MEMBER OF THE MANAGEMENT BOARD AND EXECUTIVE VICE PRESIDENT IN CHARGE OF GROUP FINANCE AND LEGAL AFFAIRS

On 12 March 2013, your Supervisory Board modified the terms applicable for calculating the variable portion of Mr. Gilbert Vidal's compensation. It is based on:
- in part, the fulfilment of a target margin rate (operating profit) fixed at 6.6% for the financial year 2013; and
- in part, the fulfilment of a free cash flow objective fixed at €34 million for the financial year 2013;
- in part, the assessment of individual performance by the Chairman of the Management Board.

The total amount of the shared variable portion, excluding taxes, is capped at €200,000.

Additionally, on 13 March 2012, your Supervisory Board approved the award of 12,000 bonus shares to Mr. Gilbert Vidal.

These bonus shares were awarded based on the following criteria:
- Award of the first one third of the bonus shares subject to the mandatory presence of Mr. Vidal in the Group;
- Award of the other two thirds of the bonus shares subject to reaching the target margin rate expected by the Group for the financial years 2012 and 2013.

On 10 March 2014, your Supervisory Board approved the payment of the variable portion for the financial year 2013 in 2014.

The amount owed by your Company for the variable portion of Mr. Gilbert Vidal's compensation for the financial year 2013 is therefore €125,500.

In addition, in consideration of the margin rates reached by the Group for the financial years 2012 and 2013, your Supervisory Board of 10 March 2014 approved the award of 2,480 fully-vested bonus shares to Mr. Gilbert Vidal.

Agreements and commitments already approved by the General Meeting

Agreements approved in previous financial years and remaining in effect in the last reporting period

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 EXECUTIVE VICE PRESIDENT IN CHARGE OF GROUP FINANCE AND LEGAL AFFAIRS

The Supervisory Board meetings of 18 March 2008 and 8 April 2008 authorised the signature of an employment contract between Mr. Gilbert Vidal and your company, effective from 1 February 2008.

This employment contract provides for:
- an annual base fee paid over 12 months;
- a variable amount of compensation whose terms and conditions of payment were amended by the Supervisory Board of 12 March 2013 as set out hereabove;
- 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 8 April 2008 and supplemented by the Compensation Committee meeting of 16 October 2008.

Your company incurred a total of €260,416 in payment of the annual base compensation for the financial year 2013, including €3,600 towards benefits in kind.

SERVICE AGREEMENT BETWEEN H.D.L S.A.S. AND ASSYSTEM S.A.

On 22 January 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 13 riders from the financial years 2005 to 2013.

The terms of said agreement and its riders laid down:
- 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 conditions for agreement renewal: agreement signed for a 4-year period, renewable by joint agreement;

- termination benefits 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 13 signed during the financial year 2013 as well as the amounts paid out for the financial year 2013 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 agreements and commitments herebelow that has already been approved by the General Meeting of 22 May 2013, in the Statutory Auditors' special report of 11 April 2013.

SERVICE AGREEMENT BETWEEN MS. GRIFFON-FOUCO AND ASSYSTEM S.A.

Interested party:
Ms. Martine Griffon-Fouco, whose appointment as member of the Supervisory Board was approved by the General Meeting of 22 May 2013.

Nature and terms and conditions:
Your Supervisory Board of 12 March 2013 approved the service agreement signed between Assystem S.A. and Ms. Martine Griffon-Fouco.

The services to be provided relate to development support for stakeholders in the energy and nuclear industry.

An annual fee of €150,000 is paid by Assystem S.A. by way of compensation for these services.

At 31 December 2013, the expenses booked under this agreement stood at €125,000.

BUYBACK BY ASSYSTEM OF 1,777,011 SHARES HELD BY FONDS STRATÉGIQUE D'INVESTISSEMENT (FSI)

Interested party:
FSI S.A. (Fonds Stratégique d'Investissement) represented by Mr. Bertrand Finet, member of the Assystem S.A. Supervisory Board.

Nature and terms and conditions:
Your General Meeting of 22 May 2013 decided to pursue the transaction with FSI concerning the buyback of 1,777,011 shares by your Company.

On 23 May 2013, your Company proceeded to buy back 1,777,011 shares at a unit amount of €16, totalling €28,432,176.

SERVICE AGREEMENT BETWEEN H.D.L S.A.S. AND ASSYSTEM S.A.

Interested party:
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:
Your General Meeting of 22 May 2013 approved the payment in 2013 of the variable amount owed for the services supplied for the financial year 2012, as authorised by your Supervisory Board of 12 March 2013.

The amount therefore paid by your Company for the financial year 2012 stood at €1,407,260.

Paris-La Défense and Neuilly-sur-Seine, 14 April 2014

Statutory auditors

KPMG Audit	Deloitte & Associés
Division of KPMG S.A.	
Denis Marangé	**Bénédicte Sabadie**
Partner	*Partner*

10. CERTIFICATION BY THE PERSONS RESPONSIBLE FOR THE 2013 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 of the group of companies included in consolidation and that the accompanying Management Report on pages 36 to 48 presents a true and fair image of the business outlook, financial situation and results of the Company and of 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 Reference 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 on pages 133 and 150 of this Document, including the information incorporated by reference for the financial years 2012 and 2011.

The Statutory Auditors' report on the consolidated financial statements for the year 2013, given on page 133 of this 2013 Reference Document, is an unqualified opinion. The Statutory Auditors' report on the annual financial statements for the same year, given on page 150 of this Reference Document, is an unqualified opinion.

The reports on the consolidated and corporate financial statements as on 31 December 2012 and 2011, included for reference in this Document, are given respectively in the Reference Document deposited with the French Market Authority AMF on 12 April 2013 under number D.13-0346 and on 12 April 2012 under number D.12-0335. These are unqualified reports, with the exception of the report on the 2012 consolidated financial statements, which contains an observation on the change in presentation of the total "business operations profit" and the report on the 2011 corporate financial statements, which contains an observation on the change in the method of booking loan issue expenses.

Chairman of the Assystem SA Management Board:
Dominique LOUIS

Person in charge of financial information:
Gilbert VIDAL
Executive Vice-President in charge of the Group's Finance and Legal Affairs

Paris, 14 April 2014

11. TABLE OF CONCORDANCE

References

In accordance with Article 28 of Commission Regulation (EC) No. 809/2004 of 29 April 2004, the Reference Document contains indication of the following:

- The consolidated financial statements for the year ended 31 December 2013, the Notes to the financial statements, the Statutory Auditors' report and the related management report, presented respectively on pp. 76-132 and on page 133 of the Reference Document filed with the AMF on 15 April 2014 under No. D. 14-0364.
- The consolidated financial statements for the year ended 31 December 2012, the Notes to the financial statements, the Statutory Auditors' report and the related management report, presented respectively on pp. 74-130 and on page 131 of the Reference Document filed with the AMF on 12 April 2013 under No. D.13-0346.
- 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 pp. 68-124 and on page 125 of the Reference Document filed with the AMF on 12 April 2012 under No. D.12-0335.

12. LIST OF DISCLOSURES PUBLISHED BY ASSYSTEM OVER THE LAST 12 MONTHS AND SINCE 1 JANUARY 2013

(ART. 221-1-1 OF THE AMF GENERAL REGULATIONS)

> 2014 FINANCIAL AGENDA

10 February 2014	Revenue for the year 2013
12 March 2014	Results for the year 2013
13 May 2014	Revenue for Q1 2014
22 May 2014	General Meeting of Shareholders
30 July 2014	Revenue for Q2 2014
8 September 2014	Results for first half-year 2014

> DOCUMENTS AVAILABLE TO PUBLIC

In particular, the following documents are available from the website www.assystem.com:

- the present Reference Document filed with the AMF on 15 April 2014;
- Reference Documents for 2012, 2011, 2010, 2009 and 2008 in the form of annual reports on 12 April 2013 (No. D.13-0346), 12 April 2012 (No. D.12-0335), 12 April 2011 (No. D.11-0288), its update on 28 June 2011, 1 April 2010 (No. D.10-0195) and on 2 April 2009 (No. D.09-173);
- financial press releases issued by the Company:
- press release specifying the modalities for providing a prospectus;
- financial reports as at 30 June 2013 and as at 31 December 2013;
- quarterly financial information for 2013, 2012, 2011, 2010, 2009 and 2008;
- information on the total number of voting rights and shares;
- notice of availability and consultation of the annual General Assembly meeting's preparatory documents;
- notice of availability of this Reference Document;
- description of the share buyback programme;

The Articles of Association and parent company financial statements of Assystem SA may be consulted at the Company's registered office at 70, boulevard de Courcelles, 75017 Paris, France, or be obtained on request from the Company.

> LIST OF ASSYSTEM SA'S LEGAL ANNOUNCEMENT REFERENCES (FROM 1 JANUARY 2013 TO 31 DECEMBER 2013)

Medium: *Les Petites Affiches* legal gazette

2013		
4 February 2013	Announcement No. 004388	Changes to the Management Board
7 June 13	Announcement No. 023337	Capital reduction – Appointment of a new member – Resignation of a member of SB
8 July 2013	Announcement No. 029037	Increase in share capital
18 December 2013	Announcement No. 056319	Increase in share capital
16 January 2014	Announcement No. 002079	Increase in share capital
21 March 2014	Announcement No. 012818	Increase in share capital

List of BALO financial publications

2013		
1 March 2013	Announcement No. 1300523	Appointment of a holder of registered shares
15 April 2013	Announcement No. 1301325	Notice of the Annual General Meeting of 22 May 2013
26 April 2013	Announcement No. 1301598	Corrigendum to the notice of the Annual General Meeting
29 May 2013	Announcement No. 1302768	Shares and voting rights of those present at the Annual General Meeting
14 June 13	Announcement No. 1302816	Final annual financial statements 2012 approved by the Annual General Meeting

List of press releases

2013	
24 January 2013	Changes to Assystem governance
7 February 2013	Strong growth in 2012 consolidated revenue: +12.5%
12 February 2013	Aero India 2013: Assystem signs a memorandum of understanding and partnership agreement with Maini and BEML
15 February 2013	Assystem is committed to professional diversity and equality
12 March 2013	Having achieved its 2012 objectives, Assystem continues to expand internationally
19 March 2013	Assystem and Silver Atena at the 2013 Aircraft Interiors Expo
21 March 2013	Partnership between Assystem, Athos and Saint-Exupéry Secondary School: training in aeronautics professions
8 April 2013	Assystem signs an agreement in view of the acquisition of almost two-thirds of FSI
11 April 2013	Assystem is one of the favourite employers of French and German engineers
23 April 2013	New ESA contract to improve railway security through satellites
29 April 2013	Stable revenue in Q1 2013 of €217.5 million
23 March 2013	Assystem acquires almost two-thirds of the FSI
14 June 2013	Assystem at the 2013 Paris Air Show: the challenges facing European engineering
17 June 2013	New touch-screen flight simulator at the 2013 Paris Air Show
30 July 2013	Resumption of organic growth in Q2 of +4.4%
9 September 2013	Resilient operating margin in an unfavourable climate
17 September 2013	Handicap: Assystem signs a company agreement
26 September 2013	Assystem and INSA Rouen unveil the “Engineering and Commissioning” Academic Chair
12 November 2013	The Supervisory Board takes note of the friendly nature of the proposed bid announced by D. Louis
12 November 2013	Organic growth of +3.3% in Q3 and 2.1% in the first nine months of 2013
30 December 2013	A letter of intent signed for the acquisition of Radicon Gulf Consult in Saudi Arabia

2014	
10 February 2014	Growth in 2013 consolidated revenue of +1.8%
12 March 2014	2013 results in line with objectives
20 March 2014	Possible reimbursement of ORNANE Assystem
8 April 2014	Assystem strengthens its position in aeronautical services with the acquisition of Sud Aviation Services

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