Registration document

Annual financial report

“Putting innovation at the heart of business, targetting and driving transformation”

The power of simplicity
«Ce qui est simple est fort»

solucom
management & IT consulting

“Ambitious targets for 2014/15”

Presidents’cross interview

Michel Dancoisne and Pascal Imbert offer a roundup of the past year and the firm’s outlook for the future

What lessons have you drawn from the 2013/14 fiscal year?

M.D: For me, it has been Solucom's dynamic revenue growth, which has exceeded the targets we set at the beginning of the fiscal year and despite a lacklustre market. And our growth has not been at the expense of profitability, quite the contrary. With our current operating margin of 12.9% well above the range we expected at the beginning of the period, Solucom is a leading profit-maker in its sector.

P.I: These strong results are immensely satisfying for all our people at Solucom, and more than anything confirm the proactive approach we have adopted despite the economic context. A proactive approach in terms of recruitment, boosting our headcount by 9% on a like-for-like basis. A proactive approach also in terms of external growth, with two new mergers this fiscal year with Lumens Consultants and Trend Consultants, reinforcing our organisational and management consulting expertise.

The market has been tight since the launch of “Solucom 2015”. You are nearing the end of your strategic plan, where are you with the targets set three years ago?

M.D: Undeniably, with "Solucom 2015" we pushed out the boundaries. Our value proposition combining business and technological expertise was perfectly manifested in sectors such as Transport, Energy and Insurance.

At the same time, the firm took its first step internationally with successful initiatives in Morocco, Belgium and the United Kingdom. A strong growth dynamic was also triggered. It allowed Solucom to become the second-largest independent consulting firm in France.

Thank you for your support and loyalty.

P.I: So we are meeting our targets. But we still have goals to achieve. In particular, we need better penetration among key clients in the banking sector by making the most of our recent acquisitions. We also need to double our growth efforts. Our target of €170 million revenue for 2015 remains fully on the cards, even though it will undoubtedly not be achieved by 31 March.

What is your approach for 2014/2015?

P.I: The market environment is gradually easing. After several years of tight budgets, our clients seem more inclined to commit to new investment. And the digital transformation which is gradually extending through every business sector is becoming the central theme in those investments, and in market recovery. A theme that is a tremendous opportunity for our firm, given our cutting-edge know-how in business process transformation, digital innovation and operational excellence.

M.D: In this context, Solucom’s priority goal, of course, is and always will be growth. Organic growth and external growth, with the desire to desire to capitalise on our new acquisitions in the past fiscal year. As you know, with more than €30 million in financial resources, the firm undeniably has the clout to execute its ambitions.

P.I: This approach translates into ambitious targets. Our goals for fiscal 2014/15 include revenue growth of over 8%, and current operating margin between 11% and 13%. Targets that reflect our confidence in Solucom’s ability to be, yet again, among the most profitable companies in its industry.

"The trend to enterprise digital transformation is a tremendous opportunity for Solucom."

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About Solucom and its activities

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Solucom, the 2nd-largest independent consulting firm in France

A model focused on one ambition: to become the champion of enterprise transformation

Solucom is a management and IT consultancy firm.

Our clients are the largest businesses and administrations in the market, clients increasingly facing the imperative of transformation.

What are their challenges? To find new growth levers, innovate in their business models, improve their operating performance. Challenges that are part of an irresistible trend: digital transformation.

We believe that the ability to closely combine in-depth business understanding, organisational skills and technological expertise is the key success factor in this transformation.

We have therefore brought together the best skills in the marketplace – focused on the core business of our clients, organisational and process efficiency, innovation and technology – skills that we deploy on a daily basis among our multidisciplinary teams to offer our clients a service that is unique, comprehensive, and dedicated to the challenges of enterprise digital transformation.

This strategy, our firm's focus on the consulting business, and our independence are the fundamentals of Solucom's model.

A model put into action by our 1,300 employees.

With one ambition, to become the No. 1 independent consultancy in the French market.

"Solucom 2015", our strategic plan

"Solucom 2015" is the firm's strategic plan launched in 2011.

Through this plan, Solucom pursues three objectives:

- To become a champion of enterprise digital transformation by combining business and technological know-how;
- To reach beyond our boundaries to better support our international clients;
- To set a new ambitious goal and achieve €170 million revenue in 2015.

2014
1 – *BCG*
2 – Solucom
3 – *McKinsey*
4 – Kurt Salmon
5 – PWC

Ranking of independent consultancy firms in France – Source: PAC, 2014

A clientele of very large companies

Solucom has chosen to exclusively target large companies.

The mission of this sales force is to develop real "intimacy" with every client, to gradually raise Solucom to the position of preferred partner. To do so, our account managers rely on a range of offers that evolve regularly to be in phase with market expectations and our clients' individual challenges.

To develop the firm's business with this clientele, we have set up a sales force that works closely with out teams of consultants.

And our clients demonstrate great loyalty to us. At least 90% of Solucom's revenue each year comes from missions undertaken for existing clients.

Solucom strives to maintain a balanced sector distribution in its revenue sources. This diversification ensures resiliency to economic fluctuations and allows the firm to capture growth in the most dynamic sectors.

Our Top 20 clients in 2013/14

GDF SUEZ	*13%*
EDF	*10%*
LA POSTE	*7%*
CREDIT AGRICOLE	*6%*
TOTAL	*6%*
BANQUE DE FRANCE	*5%*
SNCF	*5%*
THALES	*4%*
ALLIANZ	*3%*
BNP PARIBAS	*2%*
SOCIETE GENERALE	*2%*
CARREFOUR	*2%*
AIR LIQUIDE	*2%*
BP CE	*2%*
AXA	*2%*
SAINT-GOBAIN	*2%*
POLE EMPLOI	*1%*
ADP	*1%*
AREVA	*1%*
RFF	*1%*

3 questions for Pierre Niccolini, *key account manager*

What is special about Solucom's business model?

What is special about our business operation is our Account Manager / Consultant pairing. The consultants are responsible for the pertinence of our know-how and offers while the sales force is responsible for stimulating and driving Solucom activity among the large accounts that we target.

What is the account manager's role?

Account managers have to know the client inside out, and have two main missions.
They operate the account strategy to grow the firm's position with a given account or in a given sales territory. They are in charge of working the various levers to advance that strategy: organising target prospection plans, developing action plans in line with the firm's expertise, operating ongoing market intelligence and watch for business opportunities, reputational development, etc...
Along with this, they run the entire contractual sale and procurement cycle, from approving the client's needs, to overseeing tender submissions, lobbying and negotiations, and closing the deal.

You are in charge of La Poste. What is your objective?

For this account, I run a small team of account managers, our goal being to transform our positions in line with the Solucom 2015 plan. In 2011, 90% of our revenue from this account came from IT consulting. Today, though, we have made a major shift with more than 50% of our revenue coming from business consulting. And we plan to keep growing it! Our association with Trend, for example, allows us to strengthen our ambitions with La Banque Postale from whom we have just won our first joint mission, highly visible, to improve the business performance of their financial centres.

A comprehensive response, dedicated to enterprise transformation

Solucom believes that the key to successful enterprise transformation lies in the simultaneous mastery of business, organisational and technological challenges.

Solucom has chosen to accumulate in-depth expertise in five business segments: banking, insurance, energy, transport and telecoms. This combines closely with the operational know-how and technical expertise that the firm has developed over a long period of time.

This consultancy offering, which is one of a kind, is split into six *Practices*.

An offering strengthened, during fiscal 2013/14, by the arrival of Lumens Consultants and Trend Consultants.

Lumens Consultants supports its clients in all their operational excellence challenges with top-tier know-how in the organisation and transformation of human resources (HR) functions.

Trend Consultants has developed strong expertise in the financial sector, particularly in retail banking.

iDBUS, a new way of criss-crossing Europe

A few months after carriers were authorised to operate interregional coach lines on international routes, SNCF attacked this new market with its "iDBUS" for routes between Paris, Lille, London, Brussels and Amsterdam. A super-fast launch that Solucom supported in numerous ways and which we continue to support in terms of customer experience, in business terms, as well as in IT terms for its technological and organisational choices.

Learn more: ***http://fr.idbus.com/fr***

All mail carriers equipped with smartphones by 2015

La Poste is going to equip all its mail carriers with smartphones by 2015. These handsets will facilitate their current operations and allow new functionalities to be created, to improve local service as well as quality and innovation for all La Poste customers, both those sending mail and receiving it. Solucom is supporting La Poste Group in developing new services on the new handsets called "FACTEO".

Learn more: ***http://legroupe.laposte.fr/Actualite***

Our mission statement, the expression of our identity

Our clients are the leading companies in their sectors. They all share the desire to tackle the challenges in their markets to achieve top rank for the long term.

For these companies we have built a new type of consultant.

Our mission? To put innovation at the heart of business, to target and drive value-creating transformation, to make the information system a real asset for their strategy.

We are not out to make out clients' decisions for them, to hide behind our expertise, or create complexity.

On the contrary, our approach to consulting is to recommend simple, clear targets and ways of getting there, that will be sources of sustainable performance.

We build close, long-term relationships with our clients as a balance between challenge and respect. Challenge, by taking a focused and independent approach. Respect, by constant attention to the company's particular culture and teams.

Solucom is 25 years old.

Twenty-five years during which challenges, team spirit, simplicity and the taste for entrepreneurship have been the wellspring of our success.

Values that have forged our approach to consulting.

Values that we implement on a daily basis to further our clients' ambitions.

Smart Electric Lyon, the most important European experiment for tomorrow's electricity systems

Coordinated by EDF in the Greater Lyon region, this project - one-of-a-kind in Europe - rolls out a large number of experimental innovations in power consumption. Launched in November 2013, it is a real-scale test – of 25,000 households in Lyon and many dozens at other sites – a wide range of solutions based on technological advances in "smart" information and communication systems. It aims at better control of power consumption, improving home comfort, and increasing the efficiency of companies and local authorities.

Learn more: http://www.smart-electric-lyon.fr/

Trend Consultants investigates the role of Structure in the banking & insurance industries

For 20 years, Trend Consultants has conducted a bi-annual study of changes in Structure in the financial services industry. These studies have been an opportunity to identify current and coming trends. It has restarted them in spring 2014. What are its conclusions? Previously focused on rolling out the latest versions of information systems and tools, which is now part of multidisciplinary project management, the Structure teams are now more than ever focused on supporting enterprise digital transformation, in nearly a third of its surveys, with recruitment being key.

Learn more: http://www.trendconsultants.fr/publications

A privileged position in the market

The consulting market in France

According to Pierre Audoin Consultants (PAC), the consultancy market worth €5 billion euros in France in 2013, has grown slightly by 2% in 2014.

For all that, after several years of tight budgets, major clients now seem more confident and ready to enter a new investment cycle. The main post-crisis themes are becoming clear and are part of the vast trend for digital transformation affecting all businesses. According to SourceForConsulting, a specialist UK consultancy, 84% of entities have committed – or intend to commit – to digital transformation.

According to PAC, the medium-term market should be worth €5.2 billion in 2015.

Diverse competition

The firm faces three main types of competition in its market:

- Independent consultancies, whose core business is consulting and includes large general consultancies as well as specialised ones: BearingPoint, Eurogroup, Kurt Salmon, Sia Partners, Weave, etc.
- Major IT consultancies, which in addition to management and IS consulting provide all major IT services: Accenture, Capgemini, CGI, Sopra Group, etc.
- Consulting "practices" or "advisories" of major audit firms that have positioned themselves in the consultancy market: E&Y, Deloitte and PWC.

In this competitive landscape, Solucom has a privileged position thanks to its combination of two major advantages:

- A wide range of know-how (business, organisational, technological) meeting the expectations of clients facing the challenges of digital transformation.
- With an increasingly commanding footprint and position in the market, Solucom is now the 2nd-largest independent consulting firm in France.

A position that Solucom intends to strengthen by 2015, to become the No. 1 independent consultancy in France.

Market relationships undertaken with total independence

Through its consulting activity, Solucom enters into ongoing relationships with all the major players in the market: technology and solutions suppliers, outsourcing, innovative startups, think tanks. These relationships are part of the firm's market intelligence and technology watch activities and protect the firm's independence.

"In the consulting market in France, the ability to focus actions and investments is what distinguishes here-today-gone-tomorrow players from firms who are in for the long term... like Solucom. Solucom has selected one of the key trends in the market – transformation – and has tackled it with impressive organisational ability, heavy investment in business development and consultancy, and very targeted clientele." **Edward Haigh, SourceforConsulting, 2013.**

2% **growth expected for 2014 in the consultancy market**

84% **organisations committed to digital tranformation**

Capitalising on and disseminating our know-how: staying a step ahead

To confirm and establish our status as a benchmark firm in the market, Solucom operates a policy of capitalising on its know-how, focused on a single objective: to build its unique vision, drawing on the shared skills and expertise in the firm.

A culture of excellence at the heart of our strategy

Solucom has brought together the top people in the market. These teams are all committed to the same objective: for each to become, in their particular field, the best in expertise and know-how. To achieve that and to develop the firm's collective skills, Solucom undertakes many actions throughout the year: internal and external training, technological watch and market intelligence, capitalisation of know-how, development of methodologies and principles.

Collective knowledge, the keystone of Solucom's vision

Solucom’s knowledge management (KM) focuses on growing the firm’s collective expertise, and making all employees players in building the Solucom vision. Skills management is overseen and run by a KM committee, a multidisciplinary body in the firm representing all the *Practices*. Knowledge Management relies on a unique mechanism cascaded through various channels:

- The KM Store: a space for sharing the firm’s key knowledge (studies, presentations, benchmarks, methodologies, etc.);
- Jargon busters: open to everyone and run by Solucom consultants, these weekly workshops are opportunities to disseminate and share knowledge on key themes and methodologies, such as “Smart Energy”, “Cloud Computing”, “Solvency 2”, etc).
- Communities: networks of employees who share a common interest in a given field – on a theme or sector – with the goal of sharing experience feedback and disseminating technological and market intelligence.
- Belief: constructing Solucom’s positions on a key issue often involves collective effort in the face of criticism from key market players.

Publications and stances to communicate our vision

Solucom has set up a communication policy to share its vision and thinking with the market in its main fields of competence.

- **Publications:** white papers, special features, newsletters, and enterprise transformation intelligence reports are downloadable from www.solucom.fr.
- **SolucomINSIGHT:** an online review by Solucom consultants offers insights on organisational and information system news, via theme- and sector-based features (IT projects and strategy, marketing & innovation, client relationships, etc.): www.solucominsight.fr.
- **Telcospinner, Energystream, InsuranceSpeaker**: 3 sector blogs dedicated, respectively, to the digital universe and innovation (www.telcospinner-solucom.fr), energy (www.energystream-solucom.fr), and insurance (www.insurancespeaker-solucom.fr).

Many occasions to meet and challenge market opinion

Solucom has also developed its own events calendar to offer regular opportunities to meet its clients: Atelier Solucom, Escales. Note that a new event has been created this year, the **Innovation Club**.

Launch of the Solucom Innovation Club

In founding the Innovation Club, Solucom demonstrates its ambition to create sharing communities with its strongly innovative clients and allow them to exchange ideas on their day-to-day challenges, regardless of their function or business. Once a quarter, the Club meets at a different venue to address a particular theme (time-to-market improvement, fast prototyping, dissemination of an innovation culture, etc.).
For its first meeting in April 2014, the Club took its participants to the heart of Silicon Sentier to tour Numa and its *Data Shaker* program.

Human resources: to become a reference employer

Solucom has set itself the goal of becoming a reference employer in the consulting market. This strategy is based on the following HR model:

- Recruitment of young graduates with high potential;
- Fast ramping-up of skills and responsibilities by proactive career management;
- Giving employees long-term development prospects, to buy them into the corporate project.

A strategy built around respect for company values – challenge, team spirit, simplicity, entrepreneurship – and cascaded in four main areas:

Recruitment: attracting the best talent in a hypercompetitive market

Identifying and recruiting tomorrow's talent

At the heart of Solucom's HR model is the recruitment of high-potential young talent: nearly 80% are young graduates, from France's main schools (of engineering and management) and universities. The preferred profiles combine a high degree of training, along with professional and human qualities, and the ability to synthesize and see the overall picture.

To identify and attract such talent, Solucom uses a wide range of sourcing and reputational measures including relations with schools, recruitment agencies, headhunting, web and social networks, and job fairs.

An active partnership policy with higher education

Solucom operates a strong School Relations policy with some 30 major schools and universities, working closely with faculty professors, training and careers services, and association networks.

This partnership policy is formed around a comprehensive set of actions aimed at transmitting to students the know-how inherent in consulting activities (project management, client relations), and to support them in their entry into working life (CV workshops, simulated interviews, etc.). More than 100 trainees each year are inducted and trained by the firm's teams.

Recruitment processes respectful to candidates

In 2013, Solucom published a Recruitment Charter setting out nine key commitments in terms of equality of opportunity and personalised monitoring of candidates. Rolled out internally to everyone involved in recruitment, this charter aims to promote the principles of transparency and respect at the heart of Solucom's HR policy. > *For the full charter, go to Solucom.fr > careers*

Human resources: retaining our employees and developing the firm's human potential

Given its consulting activity, the management and development of human resources is a priority and an essential success factor for Solucom. The firm strives to develop the potential of its young talents, support their skills development, and foster their loyalty.

Fast and diversified development prospects

Rapid employee development is based on a comprehensive programme of external and internal training. Internal training sessions are dispensed at Solucom'*university*.
The programme includes business, communication and management modules with a three-fold objective: to support employee development in the long term, to share best practices and feedback, and to disseminate the firm's culture and values.

To guarantee its employees' skills development and rapid assumption of responsibility, Solucom does everything it can to ensure proactive career management. Based on occupational milestones called the Solucomway, these personalised paths are role-based (consulting, business) and allow employees to drive their own development. For example, the Consulting path is based on five positions and three routes: core consulting, technical expertise, and management.

A competitive pay policy

Communicated totally transparently internally and externally, this policy is based on three fundamental principles: competitiveness (regular benchmarking of the pay policies of players in the market), fairness and consistency among employees, and professionalism in the evaluation of performance (common evaluation standards and collective decision-making process, regardless of the subject of the evaluation or pay increases).

Attractiveness & selectivity

"The key to recruitment at Solucom: Attractiveness & selectivity. Every year, we meet over 5,500 candidates. And more than 75% of our job offers are accepted."

Laure Michel, Head of Recruitment Solucom

Human relations and a high-quality working environment: wellbeing at Solucom

Ensuring the quality of the working environment and a work-life balance for its employees is an integral part of Solucom's HR policy.

The firm does everything it can to allow its employees to develop in a working environment that is conducive to trust and pleasant day-to-day.

Sharing and team cohesion

- the pace of work includes multiple opportunities for exchanging ideas: induction seminars, *practices* forum, team dinners, annual party, etc.
- proximity of management, operating as a network

Work-life balance

- services made available for employees: private sports hall at head office, company concierge services, etc.
- specific measures for employees with children: company crèche, "Child sick days" policy, flexible working and home-based working during pregnancy, mechanism for gradual return to work after maternity leave, etc.

  In 2013, the firm also manifested its commitment to promoting the non-discrimination of employees with children by signing the Company Parenthood Charter.

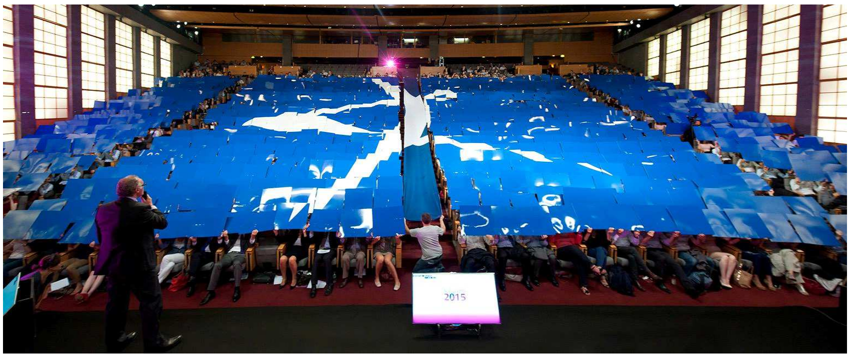
Wellbeing & health at work:
Since 2011, the firm has implemented an action plan to prevent, identify and support employees under excessive stress and/or suffering at work. HR contacts, WHSC members and internal management teams have been trained in detecting such situations.

Employee stakeholders in the corporate project

At the heart of its model is Solucom's keen desire to give its employees a strong sense of involvement in the firm's development. Mobilised at various internal levels (knowledge management, school relations, business development, Corporate Foundation), they are also closely involved in the construction of the strategic plan. In 2013/14, more than 200 employees participated in focus workshops to redraw Solucom practices.

The firm has also set up various mechanisms for employee shareholding, which now accounts for over 5% of its share capital.

> For more details about Solucom's industrial relations policy, see section 2 "Management Board Report – Corporate Responsibility" of this Registration document.



Key figures

1,300 employees

200 hires a year

HR labels & certifications

StageAdvisor label for the quality of workplace training dispensed at Solucom

HappyAtWork ranking of companies preferred by young graduates to start their career

Top Employers for the quality of the firm's HR practices

Corporate social responsibility

A long-term CSR initiative rooted in the firm's strategy

In 2011, Solucom launched an initiative aimed at structuring and developing its commitments in terms of sustainable development. This includes concrete commitments in all areas of responsibility, continuing its historical initiatives promoting ethics, transparency and, more broadly, its social, societal, environmental and economic performance.

Seen as an field in its own right, the initiative is driven by a multidisciplinary steering committee, consisting of the Chairman of the Management Board and representatives of the firm's operational and support functions. This initiative addresses three challenges for Solucom:

- to conduct itself as a responsible business in its environment and sphere of influence;
- to contribute to the quality of its relationship with its stakeholders;
- to ensure the firm complies with applicable legal and regulatory obligations.

To determine its priorities in terms of CSR, Solucom has mapped out its sphere of influence and identified in that ecosystem the stakeholders on whom it has the greatest impact: employees, candidates, clients and suppliers, shareholders and investors, environment and local authorities, associations.

Four target commitments to structure and orient our CSR policy

Beyond just legal compliance, Solucom constructs its CSR approach as a set of responsible professional practices and conduct, in the service of all its stakeholders. This is, ultimately, with the goal of continuous progress in its main areas of responsibility: social, environmental, societal and economic.

Solucom has set four commitments, each with a hierarchy of prioritised actions:

- To be a responsible and engaged employer
- To limit the firm's environmental footprint
- To promote equality of opportunity and non-discrimination
- To guarantee to its stakeholders compliance with strict rules of governance, transparency and ethics

Examples of community projects supported by Solucom

In terms of societal responsibility, Solucom's approach is to promote equality of opportunity and non-discrimination. This commitment is mainly reflected in three action areas: education, access to higher education, occupational integration & jobs.

CSR recognitions and labels

- **Gaia Index**: 2nd place in the segment of companies with revenue under €150 million. The Gaia Index is an SRI index representing the average of the highest-performing companies in extra-financial terms.

- **Ecovadis**: recognises "confirmed" commitment on the four themes (social, environmental, business ethics, responsible procurement) as assessed by Ecovadis, an independent extra-financial rating agency specialising in evaluating companies' CSR performance.

Solucom corporate Foundation

The Solucom corporate Foundation's mission is to intervene in France or abroad in the humanitarian field, by supporting or developing actions aimed at combating child poverty and extreme deprivation. Since its creation in 2009, it has supported some 40 projects with a high socio-educational content, mainly in Africa and Asia. Each project tracked by Solucom is sponsored by an employee of the firm.

Three questions for the Graine de Développement association
(Caroline Rosset – Founder of the association)

Why did you create the Graine de Développement? (GDD)

The creation of GDD is more than anything the story of a meeting. Having gone to Africa in 2009 with the intention of becoming involved in a solidarity initiative, we soon found that there was certainly a lot of aid needed... but also that a lot of people in the West were surfing philanthropy issues. So when we met the NGO S.A.D., our current partner in Togo, with its members who had come spontaneously and with no external support to help the underprivileged in their sector, we forged a strong friendship. Since then, we have been working to develop their projects, particularly to help children in Togo.

What is its mission?

GDD and SAD's first mission is to help needy children, whether they are the victims of child trafficking, or have lost one or both parents. Both our associations are also developing numerous income generating projects, to help the Togo partner achieve financial independence.

What are your current projects and the next steps?

GDD and SAD are currently building the infrastructures for the future reception centre for needy children. The first three buildings, partly funded by the Solucom Foundation, are nearing completion. At the same time, GDD and SAD are training a team of supervisors for the 120 children currently being monitored by the partner in Togo, making welcome visits to families and organising play-based learning groups as well as school support. GDD and SAD are also supporting the central Childhood (*Enfance*) initiative with numerous income generating projects that also participate in the region's socioeconomic development (fruit tree and forest nurseries, farming, etc.).

Learn more**: **http://www.grainededeveloppement.fr/

Villebon - *Georges Charpak* Institute philanthropy

Institut Villebon
Georges Charpak

Since 2012, Solucom has sponsored the Villebon Institute, a project with a social mission run jointly by the ParisTech Foundation, higher education bodies (major schools and universities), and the socioeconomic world. The goal of this new pilot scheme in educational innovation is to offer universal access to the top ranks of higher education, while guaranteeing the social, cultural and intellectual diversity of students... and ultimately reveal the scientific talents of tomorrow.

The Institute opened its doors in September 2013. Its first year intake (2013/14) was nearly 40 students – partly sponsored by Solucom employees – and 70% of them on scholarships. Students with potential, but also with learning problems, mainly from low-income homes or with disabilities. *Learn more: www.villebon-charpak.fr*

According to Bénédicte Humbert, Director of the Villebon Institute, "The Villebon – *Georges Charpak* Institute has chosen to leave significant room for companies which, like Solucom, share its values of diversity, mutual aid and creativity."

> For more details about Solucom's CSR policy, see section 2 "Management Board Report – Corporate Responsibility" of this Registration document.

Quality: client satisfaction is at the heart of our approach

Solucom has defined and rolled out a quality initiative applicable to all its services, with the objective of guaranteeing client satisfaction.

This initiative is based on a quality charter with five principles:

Quality charter	
1 Quality of services	Every service delivered by the firm must be a high quality service, i.e. it must provide a solution that is entirely satisfactory for the client.
2 Ongoing dialogue with the client	We must be able to discuss confidently with the client about the service on an ongoing basis.
3 Total commitment	There can be no legitimate reason for terminating a provision of service without the client being completely satisfied.
4 Listening and treatment	Any suspicion of a quality defect must imperatively give rise to an analysis and, where necessary corrective action until fully resolved.
5 Mobilisation of the whole firm	Solucom and its whole staff commit themselvesto flawless implementing previous principles.

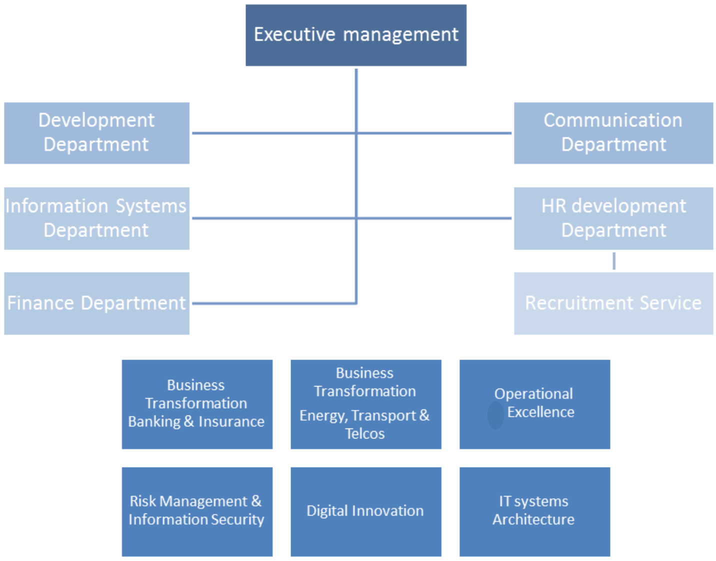
In addition to this charter, Solucom's quality policy rests on the following components:

- Structure
  - A quality committee representing the company's various functions is responsible for the firm's quality policy, its ongoing evaluation and its improvement.
  - A quality manager runs the rollout of the initiative and the associated processes, and assists employees.
  - A network of quality contacts to identify and monitor client risks/alerts.
  - The quality committee and the quality manager report directly to the firm's Executive Committee.
- Training and awareness actions
  - Right from their arrival at Solucom, employees are informed of the firm's quality policy.
  - For consultants and account managers, this first awareness programme is supplemented by training sessions as and when they progress in the company, as part of the syllabus of their mandatory training.
- Resources
  - Consultants have tools, collections of good practices, and model documents, which promote quality control of the services that they are in charge of and provide operational solutions when they are confronted by difficulties.
- A process for identifying and managing quality-related risks
  - This process involves all of management and is integrated into the firm's steering mechanism.
- Indicators consolidated on a quarterly basis to measure the effectiveness of the policy.

> - All consulting firms have a policy on service quality. At Solucom, this initiative is more than just words. It is part of our DNA and the entire firm is wholeheartedly committed to the quality of the services offered to our clients.
> - An illustration of our approach: Solucom consultants have no personal profit incentive in the missions they are in charge of. One way of guaranteeing that, for Solucom's teams, nothing is more important than the client's satisfaction.

"In general, I find Solucom... highly responsive with great capacity to adapt to unexpected situations, especially when taking charge of actions and responsibilities at short notice. As proof of their ongoing involvement, their deliverables are always high quality and fully correspond to my expectations." Marc Foulquier, Project Manager, Risks, Clients & Tenders at BNP PARIBAS, Cardiff.

A structure that encourages the pooling of know-how



Operating structure 2014/15

Solucom has adopted a structure that encourages the pooling of skills and know-how, consistency towards clients, and the development of inter-team synergies.

The firm's teams are organised into six *Practices*.

A *Practice* is responsible for representing Solucom's know-how in a particular field of intervention, with a value proposition that is clear to clients and consistent over time. Each *Practice* hosts one or more teams of consultants ("business lines") and support functions (HR, sales administration).

Most of the firm's teams are based in Paris. Some *Practices* can also include teams in Lyon.

Solucom also has two regional offices (Solucom Atlantique, Solucom Méditerranée) and an international subsidiary, Solucom Morocco. In terms of operational control, these two offices and the subsidiary are attached to one of the firm's *Practices*, even when their scope of intervention extends beyond that of the *Practice* they report to.

Business lines are teams of consultants that make up the productive strength of the *Practices*. A business line is responsible for the firm's know-how and as such operates one more offers that can evolve over time.

The sales force, consisting of account managers, key account managers and sales managers, is responsible for selling the services. Each account manager markets all the firm's offers to the clients he is in charge of.

The sales force is organised into small teams of about ten account managers, led by a sales manager.

Development department

The development department is in charge of steering the firm's external growth strategy, mergers, integrating new acquisitions, and international development.

Support departments

The financial department groups the finance, accounting and management control functions. The Chief Financial Officer also supervises sales administration.

The communication department is responsible for the communication strategy and drives the firm's image and reputational development.

The human resources development department is responsible for defining and implementing Solucom's human resources strategy. It relies partly on decentralised HR teams within the *Practices*. It also includes the recruitment service which takes charge of all hiring actions.

The information system service is tasked with planning, designing and implementing IS developments to support the firm's strategy. As such, it is responsible for all the hardware (workstations, servers, network equipment, etc.) and software (office applications, business solutions), as well as the availability of telecommunications services.

Knowledge management, quality, and corporate social responsibility are defined and driven by multidisciplinary steering committees led by one or more members of the firm's Executive Committee.

The firm’s management

The firm’s management is the remit of its Executive Committee. It is in charge of defining and implementing strategy as well as developing budgets and action plans.

The firms Executive Committee operates in two configurations:

In **plenary configuration**, the Committee drives the firm’s strategic thinking, and develops and monitors the strategic plan. It also drives the firm’s non-operational development areas.

In **restricted configuration**, with 14 members, called the **Executive Committee**, it develops action plans and annual budgets and ensures that goals are achieved. On a day-to-day basis, it supervises the operations and activities of support services, oversees risk control, and adapts processes and structure to the firm’s needs and challenges.

The members of this committee are:

- Pascal Imbert, Chairman of the Management Board
- Patrick Hirigoyen, Chief Operating Officer and member of the Management Board
- Reza Maghsoudnia, Development Director
- Marc de Montgolfier, Deputy Sales Director
- Anne Régnier, Deputy Sales Director
- Eric Baudin, Executive Partner and co-founder of Lumens Consultants
- Laurent Bellefin, Executive Partner
- Loïc Carpentier, Executive Partner and Director of Trend Consultants
- Guillaume Chassard, Executive Partner
- Philippe Dajean, Executive Partner
- Benoît Darde, Executive Partner
- Frédéric Goux, Executive Partner
- Siegfried Günther, Executive Partner
- Reza Karimi, Executive Partner and co-founder of Stance
- Frédéric Kroenlein, Executive Partner and President of Stance
- Pascal Nicaud, Executive Partner and co-founder of Lumens Consultants
- Dan Ohayon, Executive Partner and co-founder of Stance
- Olivier Schmitt, Executive Partner and President of Trend Consultants
- Laurent Stoupy, Executive Partner
- Tiphanie Bordier, Chief Financial Officer
- Sarah Lamigeon, Communication Director
- Fanny Rouhet, Human Resources Development Director

Legal structure at 01/04/14

At 01/04/14, the firm Solucom consisted of a parent company (Solucom) and six subsidiaries:

- Alturia Consulting, wholly owned
- Eveho, wholly owned
- Stance, wholly owned
- Lumens Consultants, wholly owned
- Trend Consultants, wholly owned
- SLM Consulting, wholly owned

Solucom encompasses the firm's pooled departments and services as well as the business lines representing a major part of the firm's operating activity.

Solucom's subsidiaries encompass other business lines which, like that of the parent company, undertakes consulting missions in the respective specialist fields.

For a detailed income statement of each subsidiary at 31/03/14, see the Management Board Report in section 2 of this Registration document.

Within the firm, the parent company holds most of the assets necessary for operations. The subsidiaries pay royalties to the parent company for the use of those assets (premises, technical resources). Additionally, the subsidiaries may hold some assets necessary for their own particular operations. However, they do not hold any strategic firm assets.

As part of the synergies set up between the firm's companies, various collaborations are established.

These collaborations are primarily for running joint operations. These joint operations involving several of the firm's companies are reflected in internal subcontracting agreements. The internal invoicing for the fiscal year ended 21/03/14 is disclosed below.

		Suppliers						
	€000	Solucom	Alturia	Eveho Conseil	Stance	Lumens Consultants	Trend Consultants	SLM Consulting
Customers	Solucom		2,103	1,080	1,821	112	8	40
	Alturia	374		182	-	-	-	-
	Eveho Conseil	80	442		185	-	-	-
	Stance	387	-	-		-	-	-
	Lumens Consultants	-	-	-	-		-	-
	Trend Consultants	32	-	-	-	-		-
	SLM Consulting	127	-	45	81	-	-	

Other internal invoicing corresponds to the pooling of firm-wide resources: sharing of premises, technical resources, central cash management, pooling of certain support functions.

Management Board and Supervisory Board

The Management Board is composed of:

- Pascal Imbert, Chairman of the Management Board
- Patrick Hirigoyen, member of the Management Board

At 01/04/14, the Supervisory Board was composed of five members:

- Michel Dancoisne, Chairman of the Supervisory Board
- Jean-Claude Malraison, Vice Chairman of the Supervisory Board
- Jacques Pansard, member of the Supervisory Board
- Jean-François Perret, member of the Supervisory Board
- Marie-Ange Verdickt, member of the Supervisory Board.

The biographies of the members of the Supervisory Board appear in the Report of the Chairman of the Supervisory Board in section 4 "Corporate Governance".

Bases

All of the firm's Paris teams are grouped at a single site at La Défense.

Tour Franklin
100/101, terrasse Boieldieu
92042 Paris La Défense Cedex
The firm also has four regional sites:

- **West (Solucom Atlantique)**
  Immeuble Les Salorges 2
  1, bd Salvador Allende
  44100 Nantes
- **Provence Alpes Côtes d'Azur (Solucom Méditerranée):**
  Chemin de St Lambert
  Actiburo 1, Bâtiment A
  13400 Aubagne
- **Rhône Alpes (Solucom):**
  Le Parc de Villeurbanne
  107, bd Stalingrad
  69628 Villeurbanne Cedex

The firm also has an international subsidiary in Morocco:

- **Morocco (Solucom Maroc)**
  11, rue El Wahda,
  Casablanca
  Maroc

The premises occupied by the firm are leased from owners independent of Solucom and its subsidiaries.

Investment and asset policy

Solucom's activity does not require investments other than those related to computer equipment, the purchase of software licences, office furniture and office fittings needed for ongoing operations.

These transactions are recognised as investment, or are leased (hardware financed in this way is on a lease-purchase basis and acquired at the end of the lease period).

Investments	31/03/2012	31/03/2013	31/03/2014
Tangible and intangible assets	797*	927**	1 938***

*of which €451k leased

**of which €296k leased

***of which €413k leased

Report of the management board

To the combined ordinary and extraordinary shareholders' general meeting of 11 july 2014

Ladies and Gentlemen,

We are holding this Combined Ordinary and Extraordinary Shareholders' General Meeting as required by law and our Company's Articles of Association.

The Notice of Meeting and all documentation specified by the applicable regulations have been duly sent to you or have been kept available for you, within the legal deadlines.

Preamble

The purpose of this report is to present Solucom's financial and business situation, for the company Solucom[1] *and its subsidiaries.* This consists of the "Management Report - *General Report*" supplemented by:

- The "Management Report – Corporate Responsibility Report"
- The "Management Report – Risk factors"
- The "Management Report – Additional Notes"

This report also constitutes the management report referred to in article 222-3 of the General Regulations of the French Financial Markets Authority (AMF), which forms an integral part of the annual financial statements specified in article L. 451-1-2 of the AMF.

[1] By convention, Solucom, the parent company of the consulting firm Solucom, may also be called Solucom SA in this document.

Chapter 2

Management report

Part of the Ordinary General Meeting

1. Activity

The financial statements for the fiscal year ended 31 March 2014 consolidate Solucom SA, Alturia Consulting, Eveho, Stance and SLM Consulting over 12 months, Lumens Consultants over 4 months and Trend Consultants over 3 months.

Lumens Group, a holding company owning 100% of the share capital of Lumens Consultants, was absorbed by Lumens Consultants on 31 March 2014, with retroactive effect to 1 July 2013.

The financial statements for the fiscal year ended 31 March 2013, as also reported subsequently, consolidated Solucom SA, Alturia Consulting and Eveho over 12 months, Eveho Actuariat, Eveho Services, Stance, Hekla and SLM Consulting over 6 months, and Solucom DV and New'Arch over 3 months.

For the record, as part of Solucom's legal simplification policy, Eveho Actuariat, Eveho Services, Hekla, Solucom DV and New'Arch had been absorbed by their respective parent companies during the 2012/13 fiscal year.

1.1. Analysis of Solucom results

In thousands of euros	2013/14	2012/13	Change
Revenue	**141,622**	**130,545**	**8%**
EBIT	**18,243**	**15,480**	**18%**
Current operating margin	***12.9%***	***11.9%***	**-**
Operating profit	**17,686**	**15,434**	**15%**
Net income, Group share	**10,946**	**10,336**	**6%**
Net margin	***7.7%***	***7.9%***	**-**

Consolidated revenue was €141,622k, versus €130,545k the previous fiscal year, up 8%.

EBIT was €18,243k (after employee profit-sharing), 18% higher than the €15,480k the previous fiscal year.

Current operating margin (obtained by dividing current operating income by revenue) was 12.9%, versus 11.9% for the previous fiscal year. This current operating margin benefits from a research tax credit for the year 2013. Without that research tax credit, current operating margin would have been 12.4%.

Including other non-current operating income and expenses, operating profit was €17,686k, up 15% on the previous fiscal year's operating profit which was €15,434k.

Other non-current operating expenses consisted of:

- acquisition costs in the amount of €257k;
- non-recurring expenses arising from the reorganisation of Alturia Consulting in the amount of €155k;
- appropriation to the Solucom corporate Foundation in the amount of €200k.

Other non-current operating income amounted to €59k. This consisted of a reversal of unused provisions relating to the agreement signed between Stance and its former property landlord for the early termination of the lease, following the company's physical move to Solucom premises.

The cost of net financial debt was €198k over the period. This included financial income in the amount of €56k and financial expenses of €254k. The cost of net financial debt in the previous fiscal year was €143k.

Profit before taxes was €17,476k, up 14% on the previous fiscal year's pre-tax profit which was €15,334k.

Income tax expense was €6,530k, versus €4,998k the previous fiscal year.

Net income for the period was €10,946k (a net margin of 7.7%). This income figure was 6% up on the previous fiscal year's net income of €10,336k (a net margin of 7.9%).

In the absence of non-controlling interests, net income Group share was also €10,946k, versus €10,336k the previous fiscal year, an increase of 6%.

In thousands of euros	31/03/2014	31/03/2013	Change
Non-current assets	**48,774**	**42,663**	**14%**
of which Goodwill	***41,077***	***36,603***	***12%***
Current assets (excluding cash)	**56,063**	**51,162**	**10%**
Cash and cash equivalents	**20,034**	**18,145**	**10%**
Shareholders' equity	**63,880**	**54,411**	**17%**
Non-current liabilities	**8,067**	**6,916**	**17%**
of which Financial liabilities	***3,131***	***3,258***	***-4%***
Current liabilities	**52,925**	**50,643**	**5%**
of which Financial liabilities	***345***	***361***	***-4%***
Total balance sheet value	**124,871**	**111,970**	**12%**

Net consolidated financial position as at 31 March 2014 was €63,880k, versus €54,5411k the same date the previous year, an increase of 17%.

Cash and cash equivalents net of overdrafts (obtained by subtracting bank overdrafts and corresponding accrued interest not yet due, from total cash) was €20,025k as at 31 March 2014, versus €18,104k the same date the previous fiscal year.

Financial liabilities amounted to €3,476k as at 31 March 2014, versus €3,619k the previous year. Excluding overdrafts, the €3,467k consists of €2,960k bank loans and other financial debt with an additional €507k borrowing reflecting the restatement of lease agreements. For the record, financial liabilities excluding overdrafts amounted to €3,577k as at 31 March 2013.

Solucom's net cash[2] (negative net financial debt, excluding treasury shares) was €16,558k as at 31 March 2014, versus €14,526k the same date the previous fiscal year.

The movements underlying the improvement in its cash position are summarised in the following table:

In thousands of euros	31/03/2014	31/03/2013
Gross cash flow [1]	***11,671***	***12,193***
Change in working capital requirements	***-1,022***	***2,359***
Net cash flow from operating activities	**10,648**	**14,552**
Net cash flow from investing activities	**-6,513**	**-10,854**
Net cash flow from financing activities	**-2,221**	-176
Change in cash & cash equivalents	**1,914**	**3,521**

[1] *After cost of net financial debt and current tax expense*

[2] Gross cash minus financial liabilities.

The main components are:

- gross cash flow of €11,671k, along with an increase in working capital requirements in the amount of €1,022k, thus generating net cash flow from operating activities in the amount of €10,648k over the period;
- dividend payments in the amount of €1,571k;
- investments in the amount of €1,428k:
- change in financial assets which generated €864k cash;
- inflows from changes in consolidation scope in the amount of €5,949k.

Note that the company does not resort to factoring or discounting.

1.2. Key Solucom financial data

Solucom revenue was €130,227k, versus €115,552k the previous fiscal year, up 13%.

Operating profit before employee profit-sharing was €17,081k, versus €13,345k the previous fiscal year, a 28% year-on-year increase. Accordingly, the operating margin was 13.1%, versus 11.5% for the previous year.

Financial profit was €85k, versus a €113k loss the previous fiscal year. Financial profit for the year mainly consisted of €49k investment interest, €204k financial expenses, and €242k net reversals of provisions for impairment of treasury shares.

Non-recurring income was a let loss of €754k, mainly consisting of the value of treasury shares vested under the bonus share plans, capital gains and losses on the liquidity contract, and appropriation to the Solucom corporate Foundation. Non-recurring income in the previous fiscal year was a loss of €566k.

Income tax amounted to €3,740k, versus €362k for the previous fiscal year.

Employee profit sharing amounted to €1,830k, versus €1,596k for the previous fiscal year.

Taking these factors into account, net profit amounted to €10,841k, versus €10,708k for the previous fiscal year.

Shareholders' equity as at 31 March 2014 was €65,579k, versus €56,309k the same date the previous year.Net cash and cash equivalents at 31 March 2014 excluding treasury shares and including the bank debt of €3,090k amounted to €12,485k, versus net cash and cash equivalents of €12,730k at 31 March 2013.

1.3. Solucom and Group business activity during the fiscal year

In 2013/14, Solucom posted consolidated revenue of €141.6 million, up 8% on the previous fiscal year or 6% at constant scope.

Despite still difficult market conditions, the firm substantially exceeded the 5% annual growth rate that it had set itself at the beginning of the year, which it then revised upwards to 6.5% and then 7% over the course of the fiscal year.

This growth was accompanied by steady growth in the workforce, which increased from 1,185 to 1,327 employees by 31 March 2014, a 12% year-on-year rise or 9% at constant scope.

Thanks to this dynamic year, Solucom has now become the 2nd-largest independent consultancy in France (source: PAC – May 2014).

Strong operating indicators

Its activity ratio was strong at 83%, up one point on the previous fiscal year.

The average daily rate remained steady year-on-year at €713. Excluding Lumens Consultants and Trend Consultants, the annual sale price was €710, down slightly by -0.4%, in line with the 0% to -1% trend anticipated at the beginning of the year.

Further increase in operating profitability

EBIT was €18.2 million, up 18% on the previous fiscal year.

Current operating margin was 12.9% in 2013/14, versus 11.9% the previous year. Excluding research tax credit, current operating margin was 12.4% versus 11.2% the previous year.

The firm also once again improved its current operating margin, exceeding its target of 10% and 12% set at the beginning of the year.

Other operating income and expenses amounting to -€0.6 million included acquisition and restructuring costs, as well as an appropriation to the Solucom corporate Foundation. After taking these elements into account, operating profit amounted to €17.7 million.

Net income, Group share, amounted to €10.9 million, up 6%. For the record, in 2012/13 the firm benefitted from a lower tax rate due to the tax credits posted. Net margin was 7.7%, versus 7.9% the previous fiscal year.

Increase in net cash to €16.6 million

As at 31 March 2014, consolidated shareholders' equity was €63.9 million.

Net cash was up, at €16.6 million versus €14.5 million the previous year, despite outflows during the year linked to acquisitions.

At the end of March, the firm had substantial financial resources: Total cash and cash equivalents in the amount of €20.0 million plus €12.8 million in confirmed lines of credit. Financial obligations linked to acquisitions remain light at less than €1.0 million.

At the Shareholders' General Meeting of 11 July 2014, Solucom will propose a dividend payment of €0.33 per share, up 3%.

1.4. Recent developments and future outlook

Towards a more confident consultancy market in 2014

At the beginning of 2014, the economic environment remains uncertain. Visibility is still limited while sector dynamics remain considerably uneven.

For all that, after several years of tight budgets, major clients now seem more confident and ready to enter a new investment cycle. Post-crisis themes are beginning to take shape, and mainly reflect the vast digital transformation affecting all businesses.

Solucom has cutting-edge know-how in terms of operational excellence, business-process transformation, digital innovation and cybersecurity – all key topics in digital transformation.

This know-how, along with its renewed growth dynamic and the potential of its sector portfolio, put the firm in a strong position to seize the coming resurgence in the market.

2014/15 Goals: 8% growth; 11% to 13% current operating margin

In this gradually improving context, Solucom intends to maintain its aggressive approach, in both organic and external growth, while accelerating its sectoral development into banking.

The firm also intends to pay particular attention to human resources, in a market that is becoming increasingly fiercely competitive.

Solucom's targets for fiscal 2014/15 include revenue growth of over 8% excluding new acquisitions, and current operating margin between 11% and 13%.

2. Key legal events in the fiscal year

2.1. Acquisition of Stance

In accordance with the Memorandum of Understanding of 2 October 2012, on 14 June 2013 Solucom purchased all the remaining shares in Stance (29%).

Solucom now owns the entire share capital of Stance.

2.2. Takeover of Lumens Consultants

In accordance with the Memorandum of Understanding of 4 December 2013, Solucom acquired the entire share capital of Lumens Group, a non-operating holding company, which itself wholly owns Lumens Consultants.

Created in 2009, Lumens Consultants advises on structure and management to support its clients in every aspect of operational excellence. Lumens Consultants has, in particular, developed cutting-edge know-how in the organisation and transformation of the human resources (HR) function.

This acquisition was paid mainly in cash, plus a component in the form of Solucom shares.

Lumens Consultants has been consolidated in Solucom's financial statements since 1 December 2013, therefore for four months of the latter's 2013/14 fiscal year.

On 31 March 2014, by decision of the sole partners of Lumens Group and Lumens Consultants, Lumens Group was absorbed by Lumens Consultants with retroactive effect to 1 July 2013. Lumens Consultants is now wholly and directly owned by Solucom SA. This transaction had no impact on the consolidated financial statements.

2.3. Takeover of Trend Consultants

In accordance with the Memorandum of Understanding of 10 January 2014, Solucom has acquired the entire share capital of Trend Consultants.

Created in 1991, Trend Consultants is a consulting firm on organisation and management which has developed strong expertise in the financial sector, particularly in retail banking.

This acquisition was paid entirely in cash.

Trend Consultants has been consolidated in Solucom's financial statements since 1 January 2014, therefore for three months of the latter's 2014/14 fiscal year.

2.4. Bonus (free) shares granted

2.4.1 Shares vested under the plan of 1 July 2011 "Employee Plan No. 6"

For the record, on 1 July 2011, your Management Board using the authorisation given by the Combined General Meeting of 25 September 2009 set up a plan to grant on a cost-free basis existing shares or shares to be issued, for the benefit of Solucom's employees, in accordance with the option chosen under the employee savings scheme. This plan is called "Employee Plan No. 6".

This plan, with a vesting period of twenty-four (24) months, expired on 1 July 2013.

At its meeting of 1 July 2013, the Management Board:

- decided that the vesting would be executed as a delivery of existing Solucom treasury shares under its buyback program;
- verified each potential beneficiary's eligibility under the vesting conditions and criteria;
- consequently granted a total 7,067 shares to 214 employees.

2.4.2 Shares vested under the plan of 15 October 2010 "Executive Plan No. 5"

For the record, on 15 October 2010, your Management Board using the authorisation given by the Combined General Meeting of 25 September 2009 set up a plan to grant on a cost-free basis existing shares or shares to be issued: the "Executive Plan No. 5".

This plan, with a vesting period of thirty-three (33) months, expired on 15 July 2013.

At its meetings of 1 and 22 July 2013, the Management Board:

- decided that the vesting would be executed as a delivery of existing Solucom treasury shares under its buyback program;
- verified each potential beneficiary's eligibility under the performance conditions and criteria;
- consequently granted a total 37,950 shares to 5 senior executives of the firm.

Furthermore, the Management Board acknowledged that in accordance with the decision of the Supervisory Board of 18 June 2007, one of the beneficiaries, Patrick Hirigoyen, Deputy Chief Executive and member of the Management Board of Solucom, is required to hold in registered form until the cessation of his functions as corporate officer, 25% of his vested shares (1,898 of 7,590 shares).

2.4.3 Initial grant under the plan of 1 July 2013 "Employee Plan No. 8"

On 2 July 2012, your Management Board partially used the authorisation given by the Combined General Meeting of 28 September 2011 in its Resolution 15, and set up a Solucom share allotment plan. This "Employee Plan No. 8" is intended for Solucom employees in accordance with the option they adopt under this employee savings scheme.

Note that, at initial allotment date, there were 271 employees and 6,344 Solucom shares to be allotted, subject to definitive grant at the end of the vesting period which was set as 24 months counting from 1 July 2013.

For further details about the information in this section, see the special report issued by your Management Board pursuant to article L. 225-197-4 of the French Commercial Code.

2.4.4. Initial grant under the plan of 1 July 2013 "Executive Plan No. 8"

On 1 July 2013, your Management Board partially used the authorisation given by the Combined General Meeting of 28 September 2011 in its Resolution 15, and granted cost-free to three senior executive employees of Solucom a maximum of 18,375 shares (6,125 shares each), in accordance with the allotment criteria it had defined, and subject to their definitive grant at the end of the vesting period set as 36 months counting from 1 July 2013.

For further details about the information in this section, see the special report issued by your Management Board pursuant to article L. 225-197-4 of the French Commercial Code.

2.5. Profit-sharing bonus

Note that if dividends are increased to higher than the average of the two preceding fiscal years, a profit-sharing bonus must be paid to employees, pursuant to articles L. 3322-6 and L. 3322-7 of the French Labour Code.

As the dividends decided by the Combined General Meeting of 25 September 2013 were higher than the average of the dividends paid in the two preceding fiscal years, Solucom paid a profit-sharing bonus in accordance with the agreement signed with the Works Committee on 10 December 2013.

2.6. Eligibility of Solucom shares for a PEA-PME scheme

Note that Solucom has created a new share-based employee savings scheme (PME-PEA) alongside the Employee Savings Scheme (PEA), to promote the financing of small and medium enterprises.

A company is eligible for PEA-PME if a) it has fewer than 5,000 employees, and b) its annual revenue is less than €1.5 billion or its balance sheet does not exceed €2 billion. These limits should rise given that the company is potentially part of a group.

In a press release dated 1 March 2014, Solucom announced that it was in compliance with the PEA-PME eligibility criteria specified in implementation order 2014-283 of 4 March 2014.

Solucom shares may therefore be included in PEA-PME accounts, which, for the record, benefit from the same tax advantages as the traditional employee share-based savings scheme (PEA).

2.7. Renewal of Solucom's "innovative enterprise" status

On 25 February 2014, BPIFrance announced that Solucom's "Innovative Enterprise" status had been renewed for three years.

This status is necessary for “Innovation” mutual funds to be able to buy Solucom shares.

3. Significant post-closure events for Solucom as a Company and as a consolidated Group

3.1. Early winding up without liquidation of Eveho, a wholly-owned subsidiary of Solucom, with universal transfer of assets to solucom

The universal transfer of Eveho assets (a wholly owned subsidiary of Solucom) was implemented by a decision of the sole partner of Eveho on 27 May 2014.

This universal transfer of assets (UTA), under the terms of article 1844-5-3 of the French Civil Code, was part of the desire to simplify and rationalise Solucom internally.

The asset transfer will be completed at the end of the legal creditor claim period, covering the entire assets of Eveho, to Solucom on 30 June 2014 in legal, accounting, corporate and tax terms with retroactive effect to 1 April 2014.

Eveho will be removed from the Companies Register on 30 June 2014.

3.2. Early winding up without liquidation of Alturia Consulting, a wholly-owned subsidiary of Solucom, with universal transfer of assets to solucom

The universal transfer of Alturia Consulting assets (a wholly owned subsidiary of Solucom) was implemented by a decision of the sole partner of Alturia Consulting on 27 May 2014.

This universal transfer of assets, under the terms of article 1844-5-3 of the French Civil Code, was part of the desire to simplify and rationalise Solucom internally.

The asset transfer will be completed at the end of the legal creditor claim period, covering the entire assets of Alturia Consulting, to Solucom on 30 June 2014 in legal, accounting, corporate and tax terms with retroactive effect to 1 April 2014.

In tax terms, Solucom should also benefit from transferring the losses of Alturia Consulting, in accordance with article 209 of the French General Tax Code, following a certification application submitted on 28 May 2014 with a view to obtaining that certification before 31 July 2014.

Alturia Consulting will be removed from the Companies Register on 30 June 2014.

4. Research and development activity of Solucom and the Group

Solucom is qualified by BPIFrance as an “innovative enterprise”, a status that was renewed in April 2014 for three years.

The Company regularly carries out R&D activities.

For all that, R&D actions are capitalised only in exceptional circumstances.

Some of these R&D actions are eligible for research tax credit.

During the fiscal year, Solucom also benefitted from research tax credit for the year 2013 in the amount of €833 million.

5. Solucom's subsidiaries and equity interests

5.1. Activities of its subsidiaries and equity interests

Period of 12 months ended 31 March 2014 unless otherwise indicated

In thousands of euros

Subsidiaries	Turnover	Growth	Operating profit	Operating margin (%)
Alturia Consulting	7,046	-8%	-57	-0.8%
Eveho (1)	3,968	n/a	22	0.6%
Stance (2)	5,441	n/a	201	3.7%
Lumens Consultants (3)	3,284	n/a	-49	-1.5%
Trend Consultants (4)	3,349	n/a	588	17.6%
SLM Consulting (5)	544	n/a	15	2.8%

(1) Change versus previous year is not applicable due to universal transfer of assets of Eveho Actuariat and Eveho Services to Eveho on 30 September 2012.

(2) Change versus previous year is not applicable because the fiscal period ended 31 March 2013 is 15 months..

(3) The Lumens Consultants data as at 31 March 2014 includes Lumens Group data over 9 months from 1 July 2013 to 31 March 2014, the Group having merged with Lumens Consultants by absorption on 31 March 2014 with retroactive effect to 1 July 2013. Change versus previous year is not applicable due to this merger.

(4) Period of 15 months ended 31 March 2014. Change versus previous year is not applicable because the fiscal period ended 31 December 2012 is 12 months.

(5) Change versus previous year is not applicable because the fiscal period ended 31 March 2013 is 6 months..

5.2. Equity interests, takeovers

5.2.1 Acquisition of the balance of the share capital of Stance

See section II.A above.

5.2.2 Takeover of Lumens Consultants

See section II.B above.

5.2.3 Takeover of Trend Consultants

See section II.C above.

5.3. Cross holdings

None.

5.4. Disposal of equity interests

None.

6. Approval of Company and consolidated financial statements – Allocation of the profit of Solucom and of the Group

6.1. Company Financial Statements

You are asked to approve Solucom's annual financial statements, namely the statement of financial position, the income statement, and the notes to the financial statements for the fiscal year ended 31 March 2014 as presented to you, which show a net profit of €10,841,319.78.

You are asked to approve a dividend payment in the amount of €0.33 per share.

Based on the shareholder register as at 8 April 2014, 4,903,945 shares have the right to the dividend.

The total proposed dividend payment is therefore €1,612,302.

This total dividend represents a distribution of 15% of the Group's share of net profit.

The profit for the fiscal year ended 31 March 2014 would therefore be affected as follows:

Profit for the year	€10,841,319.78
Retained earnings	€9,223,017.78
Total distributable and to be distributed	**€1,618,302**

The dividend will be paid in cash, from 21 July 2014.

This entire distribution is eligible for the 40% relief mentioned in article 148.3 2°) of the French General Tax Code for those shareholders who can benefit from it.

Note that dividends eligible for the 40% relief are subject to social security and additional social contributions at 15.5%, which the Company will deduct at source and pass to the French tax authorities.

If at the time of the dividend payout, the number of Company treasury shares ineligible for dividend has changed, the resulting variance in the total dividend (not paid or to be paid as the case may be) will be posted to the credit or debit side of retained earnings.

As required by law, the following table shows the dividends paid in the previous three fiscal years:

Fiscal year	Number of shares receiving dividend (1)	Dividend paid per share (2)	Portion of dividend eligible for 40% relief (3)
31 March 2013	4,909,878	€0.32	100%
31 March 2012	4,846,317	€0.22	100%
31 March 2011	4,884,738	€0.21	100%

(1) Company treasury shares are not eligible for dividend
(2) Before tax and social security deductions
(3) The Company has not distributed income that is ineligible for relief

Furthermore, pursuant to article 223.4 of the French General Tax Code, we inform you that the non-deductible expenses mentioned in article 39-4 of that Code amounted to €18,522 and attracted a tax expense of €6,377.

Lastly, a statement of the Company's financial income for the last five fiscal years is attached to this report.

6.2. Group consolidated income statements

You are asked to approve the financial statements for the fiscal year ended 31 March 2014 as presented to you, which show a consolidated net profit of €10,945,922.

6.3. Debt and dividend policy

Solucom is a growth company and as such reinvests a major part of its profits into its own business to fund its development. Solucom's dividend policy is historically 15% of the Group's share of net profit. However, the Company reserves the right to adjust this ratio based on its financing needs, its cash generation, and the practices in its industry.

This profit reinvestment policy and Solucom's cash generation capacity have allowed it to self-finance its working capital requirements for over 10 years.

Solucom also strives to maintain sufficient financial room for manoeuvre so as not to limit its ability to seize appropriate growth opportunities. Solucom thus has an annually repayable €12,800k line of credit maturing in 2017, unused as at 31 March 2014, and an outstanding bond issue in the amount of €3,000k redeemable in full in 2018.

7. Breakdown of trade payables

In accordance with regulations that came into effect on 1 January 2009, the following table shows the outstanding trade payables at the end of the last two fiscal years, by maturity date.

The figures in this table are expressed in thousands of euros and relate only to the parent company Solucom SA.

In thousands of euros	< 30 days		30 > 60 days		Total	
	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014
External suppliers	2,476	3,094,	1,015	960	3,491	4,055
Internal suppliers to the firm	110	0,	700	1,046	810	1,046
Total	**2,586**	**3,094**	**1,715**	**2,006**	**4,301**	**5,100**
Supplier invoices not received					***2,149***	***3,311***
Supplier payables on the balance sheet					***6,450***	***8,411***

Invoices not received as at 31 March 2014 consist of €1,891k payables to external suppliers and €1,420k payables to internal suppliers to the firm.

8. Agreements and commitments under articles L.225-86 and following of the French Commercial Code, in particular its articles L.225-79-1 and L.225-90-1

Pursuant to articles L.225.86, L.225-79-1 and L.225-90-1 of the French Commercial Code, we ask you to note the following:

1/ No new agreement or commitment has been authorised, agreed or signed during the fiscal year ended 31 March 2014;

2/ The information relating to the previously approved agreement still in effect during the fiscal year ended 31 March 2014;

3/ The absence of previously signed agreements by the Company.

Pursuant to article R.225-57 of the French Commercial Code, your Statutory Auditors have been duly informed of the agreement mentioned in section "2/" above which they describe in their special report.

9. Information concerning share capital

9.1. Declaration of threshold exceeded

In a letter received 21 June 2013, the simplified joint-stock company Lazard Frères Gestion, acting on behalf of the Funds that it manages, declared that on 19 June 2013 it had fallen below the 5% threshold in respect of Solucom share capital. At that date it held 221,000 Solucom shares representing 4.45% of the share capital and 2.81% of the voting rights.

9.2. Composition of capital and voting rights

In accordance with article L.233-13 of the French Commercial Code and taking into account the information received pursuant to articles L.233-7 and L.233-12 of that Code, we disclose below, as at 31 March 2014,[3] the identity of shareholders with more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% and 95% of the share capital or voting rights:

- Pascal Imbert owns more than 25% of share capital and more than 33.33% of voting rights;
- Michel Dancoisne owns more than 20% of share capital and more than 25% of voting rights;
- According to the declaration to the CMF of 4 March 2003, the existing agreement between Pascal Imbert and Michel Dancoisne to act in concert covers more than 50% of share capital and more than 50% of voting rights;
- To Solucom's best knowledge, no other shareholder owns more than 5% of share capital.

9.3. Collective lock-in undertakings

On this point, please see section X.3 of the Management Report presented to the Combined General Meeting of 28 September 2011.

During the fiscal year elapsed, Solucom has not been informed of any other undertaking of this type or any other type relating to Solucom securities.

9.4. Change in share capital (increase or reduction)

There were no transactions on Solucom share capital in the fiscal year elapsed.

[3] Based on the composition of share capital (outstanding shares and voting rights) in accordance with the declaration made by Solucom under article 223-16 of the AMF General Regulations and published on its website (http://www.solucom.fr), 31 March 2014.

9.5. Change in Solucom market price

The market price of a Solucom share was €15.40 at the start of the fiscal year (2 April 2013), and €36.50 at the end of the fiscal year (31 March 2014), showing a 137% increase over the period.

The share prices mentioned are closing prices on the trading days concerned.

9.6. Treasury shares – buyback program

Under the authorisations mentioned in section XV "Share buyback program" of this report, Solucom purchased Solucom shares on the open market under statutory conditions and in accordance with the buyback program it had instituted, which is fully described in the Registration document filed on 25 July 2013 with the French Financial Markets Authority (AMF) under number D.13-0812 pursuant to article 241-2 of the AMF General Regulations.

The information as at 31 March 2014 required under article L.225-211 of the French Commercial Code is disclosed in the Notes to the Solucom company financial statements and is summarised in section XV "Share buyback program".

With the exception of the shares held by Solucom under its buyback program, there are no other treasury shares.

9.7. Statement of employee shareholding

In accordance with article L.225-102 of the French Commercial Code, we hereby inform you that, as at 8 April 2014, employees or former employees of the company Solucom and/or of companies related to it in the sense of article L.225-180 of that Code, as part of the Employee Savings Scheme set up by Solucom, held 73,819 Solucom shares (1.49% of share capital) via a Solucom equity fund.

10. Employee shareholding

10.1 Principle of Management Board non-interference in employee shareholder voting

Your Management Board wishes to emphasise that Solucom is particularly attentive to employee shareholding. Accordingly, several years ago it set up an employee savings scheme that promotes employee access to company capital.

As part of this policy, your Management Board by a decision dated 25 September 2013 explicitly stated it shall refrain from interfering in any way in employee shareholder voting.

10.2. Staff incentives

There are no incentive agreements within Solucom.

10.3. Stock options

As at 31 March 2014, there was no stock subscription or purchase option plan in effect within Solucom.

10.4. Bonus (free) shares granted

On this point, see section II.D and the special report issued by your Management Board pursuant to article L.225-197-4 of the French Commercial Code.

11. Information on corporate officers

11.1 Management bodies

Solucom is a limited company with a Management Board and a Supervisory Board.

The composition of the management bodies in the year ended 31 March 2014 was as follows:

Management Board

• Pascal Imbert	Chairman of the Management Board
• Patrick Hirigoyen	Member of the Management Board

Supervisory Board

• Michel Dancoisne	Chairman of the Supervisory Board
• Jean-Claude Malraison	Vice Chairman of the Supervisory Board
• Jacques Pansard	Member of the Supervisory Board
• Jean-François Perret	Member of the Supervisory Board
• Marie-Ange Verdickt	Member of the Supervisory Board

11.2 Corporate officers and their functions in the fiscal year ended 31 March 2014 and during the last five years

Name	Date of first appointment and date of renewal	Expiry date of mandate	Main function in the Company	Main function outside the Company	Other mandates and functions in any company	Other mandates in the last five years
Pascal Imbert	30/09/2002 26/09/2008	26/09/2014	Chairman of the Management Board	MiddleNext President	Axway Director	Cosmosbay~Vectis Director
Patrick Hirigoyen	30/09/2002 26/09/2008	26/09/2014	Member of the Management Board		Solucom Chief Operating Officer	Cosmosbay~Vectis Director Deputy CEO, then Chairman & CEO from 6 June 2011
Michel Dancoisne	30/09/2002 26/09/2008	11/07/2014 [1]	Chairman of the Supervisory Board		Solucom Level III management with expertise in financial, development and external growth policy	
Jean-Claude Malraison	30/09/2002 26/09/2008	11/07/2014 [1]	Vice Chairman of the Supervisory Board	BOpartner Belgique Director	Kervillen SARL Manager	Critical Eye Chairman of the Board of Directors
Jacques Pansard	30/09/2002 26/09/2008	11/07/2014 [1]	Member of the Supervisory Board	Independent consultant		
Jean-François Perret	26/09/2008	11/07/2014 [1]	Member of the Supervisory Board	Pierre Audoin Consultants Vice Chairman of the Supervisory Board	CVMP Conseil Manager	Pierre Audoin Consultants Chairman of the Management Board and member of the Supervisory Board
Marie-Ange Verdickt	26/09/2012	AGM called to approve the financial statements for the year ending 31/03/2016	Member of the Supervisory Board	Independent consultant	ABC Arbitrage Director Caphorn Invest Member of the Supervisory Board	Financière de l'Échiquier Director Head of Research Head of SRI

[1] Date of AGM called to approve the financial statements for the fiscal year ended 31/03/2014

The corporate officers individually confirm that in the last five years they have:

- not been convicted of fraud;
- not been associated with a bankruptcy, sequestration or liquidation for which as a member of a management, executive or supervisory body they are personally liable;
- not been charged with or publicly sanctioned for an offense by a legal or regulatory authority.

The corporate officers declare that they know of:

- no potential conflict of interest between their duties as corporate officers and their private interests or other duties;
- no existing family links between any corporate officers.

11.3. Compensation of executives and corporate officers

Preamble

As required by law and the Corporate Governance Code published by MiddleNext, which Solucom follows, the following sections disclose the total compensation paid in any form to each corporate officer during the year elapsed.

The following table shows the compensation and benefits in any form, received by Solucom company corporate officers, from all the companies in the firm.

This table shows the compensation due for the fiscal year, and the compensation actually paid during the fiscal year. Part of the compensation due for any fiscal year is actually paid in the first months of the following year.

		Gross annual remuneration 2013/14				Gross annual remuneration 2012/13			
(€)		Fixed	Variable	Director's fees	Total	Fixed	Variable	Directors' fees	Total
Pascal IMBERT	Due	157,752	63,149		**220,901**	153,996	70,715		**224,711**
	Paid	*157,752*	*71,349*		***229,101***	*153,996*	*44,985*		***198,981***
Patrick HIRIGOYEN	Due	146,398	57,060		**203,458**	142,392	63,730		**206,122**
	Paid	*146,398*	*64,418*		***210,816***	*142,392*	*40,451*		***182,843***
Michel DANCOISNE	Due	55,718			**55,718**	54,148			**54,148**
	Paid	*55,718*			***55,718***	*54,148*			***54,148***
Jean-Claude MALRAISON	Due			9,000	**9,000**			8,000	**8,000**
	Paid			*0*	***0***			*8,000*	***8,000***
Jacques PANSARD	Due			9,000	**9,000**			8,000	**8,000**
	Paid			*0*	***0***			*8,000*	***8,000***
Jean-François PERRET	Due			*9,000*	***9,000***			*8,000*	***8,000***
	Paid			*0*	***0***			*8,000*	***8,000***
Marie-Ange VERDICKT	Due			*9,000*	***9,000***			*4,000*	***4,000***
	Paid			*0*	***0***			*4,000*	***4,000***

Explanations and comments

- Change in compensation between 2012/13 and 2013/14.

  The compensation of corporate officers changed in 2013/14 to be consistent with the pay policy applied to all the firm's employees.

- Fixed compensation

  The fixed component is determined by taking into account the level and difficulty of responsibilities, the person's experience in the role, length of service at Solucom, as well as the pay practices of groups or companies with similar business activities.

- Variable compensation

  For Pascal Imbert, Chairman of the Management Board, the variable component is based on the differences between the targets budgeted at the beginning of the year and the corresponding results actually achieved over the period. This performance criterion applies to the following items: EBIT and the Group's share of net profit measured at constant scope, i.e., excluding change in scope in the current fiscal year. The gross value of the performance-related variable component was €52,580 in 2013/14 (€51,330 gross in 2012/13). The variable component may vary between 50% and 200% of this amount.

For Patrick Hirigoyen, member of the Management Board, the variable component is based on the differences between the targets budgeted at the beginning of the year and the corresponding results actually achieved over the period. This performance criterion applies to the following items: EBIT and the Group’s share of net profit measured at constant scope, i.e., excluding change in scope in the current fiscal year. The gross value of the performance-related variable component was €47,510 in 2013/14 (€46,260 gross in 2012/13). The variable component may vary between 50% and 200% of this amount.

- Other information

As Solucom is not controlled by any company, its executives and corporate officers do not receive compensation from any such company.

Solucom’s executives and corporate officers have not received any compensation other than that shown in the summary table above, including compensation covered by article L.225-102-1 paragraph 1 of the French Commercial Code (relating to controlled companies).

The Company has not put in place any mechanism for arrival or departure bonuses or deferred compensation connected with its sale or with change of functions for Solucom corporate officers in the sense of article L.225-90-1 of the French Commercial Code.

There also exists no specific additional pension plan for Solucom corporate officers in the sense of article L.225-79-1 of the French Commercial Code.

No Solucom executive or corporate officer receives benefits in kind.

No corporate officer has been granted, during the fiscal year, capital stock or options that give immediate or future access to Solucom shares or rights to be allocated such shares.

The following table, prepared in accordance with AMF recommendations, shows all the information required by all applicable regulations.

Compensation and options and shares granted to each executive corporate officer (table 1 of AMF recommendations)

(€)	Gross annual remuneration 2013/14 Amount due	Gross annual remuneration 2012/13 Amount due
Pascal Imbert Management board chairman		
Remuneration due for the year	220,901	224,711
Value of options granted during the year	n/a	n/a
Value of performance shares allotted during the year	n/a	n/a
Total	**220,901**	**224,711**
Patrick Hirigoyen Management board member		
Remuneration due for the year	203,458	206,122
Value of options granted during the year	n/a	n/a
Value of performance shares allotted during the year	n/a	n/a
Total	**203,458**	**206,122**

Compensation paid to each executive corporate officer (table 2 of AMF recommendations)

	Gross annual remuneration 2013/14		Gross annual remuneration 2012/13	
En Euros	Amount paid	Amount due	Amount paid	Amount due
Pascal Imbert				
Management board chairman				
Fixed remuneration	157,752	157,752	153,996	153,996
Variable remuneration	71,349	63,149	44,985	70,715
Exceptional remuneration	n/a	n/a	n/a	n/a
Directors' fees	n/a	n/a	n/a	n/a
Benefits in kind	n/a	n/a	n/a	n/a
Total	**229,101**	**220,901**	**198,981**	**224,711**
Patrick Hirigoyen				
Management board member				
Fixed remuneration	146,398	146,398	142,392	142,392
Variable remuneration	64,418	57,060	40,451	63,730
Exceptional remuneration	n/a	n/a	n/a	n/a
Directors' fees	n/a	n/a	n/a	n/a
Benefits in kind	n/a	n/a	n/a	n/a
Total	**210,816**	**203,458**	**182,843**	**206,122**

Attendance fees and other compensation received by non-executive corporate officers (table 3 of AMF recommendations)

	Amount paid during 2013/14	Amount paid during 2012/13
Michel Dancoisne		
Directors' fees	n/a	n/a
Other remuneration	55,718	54,148
Jean-Claude Malraison		
Directors' fees	0	8,000
Other remuneration	n/a	n/a
Jacques Pansard		
Directors' fees	0	8,000
Other remuneration	n/a	n/a
Jean-François Perret		
Directors' fees	0	8,000
Other remuneration	n/a	n/a
Marie-Ange Verdickt		
Directors' fees	0	4,000
Other remuneration	n/a	n/a
Total	**55,718**	**82,148**

History of grants of free shares (table 10 of AMF recommendations)

History of free share allocations		
Information on free shares granted	Plan en date du 15/09/2006	Plan en date du 15/10/2010
Date of GM	30/09/2005	25/09/2009
Date of Mgt Board meeting	15/09/2006	15/10/2010
Total number of free shares granted of which granted to:	27,840	45,540
Patrick Hirigoyen	9,280	7,590
Vesting date of shares (1)	15/09/2009	15/07/2013
End date of lock-in period	15/09/2011	15/07/2015
Number of shares vested as at 31/03/2014	27,840	37,950
Total number of shares cancelled or voided	0	0
Number of free shares granted remaining to be vested at 31/03/2014	0	0

(1) The final vesting of these free shares under both of the plans indicated above, is conditional partly on the beneficiary having a personal shareholding in Solucom, and partly on a performance criterion in terms of a Solucom consolidated EBIT target.

Absence of multiple mandates (table 11 of AMF recommendations)

Executive directors	Employment contract		Supplementary pension scheme		Compensation or benefits due or liable to fall due owing to severance or change in function		Non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pascal Imbert Management board chairman		X		X		X		X

In accordance with AMF recommendations, the following information is not applicable to Solucom for the 2013/14 fiscal year:

- share subscription or purchase options granted during the year to each executive corporate officer by the issuer and by any company in the group (table 4 of AMF recommendations);
- subscription or purchase options exercised by each executive corporate officer (table 5 of AMF recommendations);
- free shares granted to each corporate officer (table 6 of AMF recommendations);
- free shares granted that have become available for each corporate officer (table 7 of AMF recommendations);
- history of grants of share subscription or purchase options – Information on subscription or purchase options (table 8 of AMF recommendations);
- subscription or purchase options granted to the ten highest-earning employees or corporate officers and options exercised by them (table 9 of AMF recommendations).

11.4. Restrictions on executives pursuant to articles L. 225-185 and L. 225-97 II paragraph 4 of the French Commercial Code

In accordance with statutory provisions, at its meeting of 18/06/07 the Supervisory Board decided to set at 25% the quantity of shares that the corporate officers of Solucom and all its subsidiaries must hold in registered form until the cessation of their functions, under each Plan set up by Solucom in which those corporate officers would be beneficiaries as a result of their mandate.

This provision applies only to the Plans that were set up for the benefit of those corporate officers after the Law of 30/12/06 came into effect.

11.5. Transactions on Company shares by executives and their relatives

In accordance with applicable laws and regulations, the following table shows the transactions on Company shares by executives, senior managers, and persons closely related to them, in the fiscal year elapsed.

Executive	Transaction date	Type of transaction	Number of shares	Transaction price
Michel Dancoisne	30/05/2013	Sale	10,000 shares	€20.90
Patrick Hirigoyen	26/09/2013	Sale	3,500 shares	€23.60
Patrick Hirigoyen	19/02/2014	Sale	1,500 shares	€36.88

11.6. Update on Management Board and Supervisory Board mandates

Management Board

About Pascal Imbert:

- The mandate of Pascal Imbert as Chairman of the Management Board was renewed by the Supervisory Board on 26/09/08, for a six-term term. His mandate will expire on 26/09/14.

About Patrick Hirigoyen:

- The mandate of Patrick Hirigoyen as member of the Management Board was renewed by the Supervisory Board on 26/09/08, for a six-term term. His mandate will expire on 26/09/14.

Supervisory Board

About Michel Dancoisne:

- Michel Dancoisne's mandate as member and Chairman of the Supervisory Board was renewed by the Shareholders' General Meeting and Supervisory Board on 26/09/08, for a six-year term. His mandate will expire at the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ended 31/03/14.

About Jean-Claude Malraison:

- Jean-Claude Malraison's mandate as member and Vice Chairman of the Supervisory Board was renewed by the Shareholders' General Meeting and Supervisory Board on 26/09/08, for a six-year term. His mandate will expire at the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ended 31/03/14.

About Jacques Pansard:

- Jacques Pansard's mandate as member of the Supervisory Board was renewed by the Shareholders' General Meeting on 26/09/08, for a six-term term. His mandate will expire at the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ended 31/03/14.

About Jean-François Perret:

- Jean-François Perret was appointed a member of the Supervisory Board by the Shareholders' General Meeting on 26/09/08, for a six-term term. His mandate will expire at the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ended 31/03/14.

About Marie-Ange Verdickt:

- Marie-Ange Verdickt was appointed a member of the Supervisory Board by the Shareholders' General Meeting on 26/09/12, for a four-term term. Her mandate will expire at the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ending 31/03/16.

The Management Board asks you to:

1) Renew, for four years, until the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ending 31/03/18, the mandates of:

    - Michel Dancoisne
    - Jean-François Perret

2) Appoint as a new member of the Supervisory Board, for four years, until the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ending 31/03/18:

- Nathalie Wright

The information concerning Michel Dancoisne, Jean-François Perret and Nathalie Wright in accordance with articles L. 225-115-3 and R. 225-83-5 of the French Commercial Code as well as the reasons for proposing their appointment or renewal are presented below.

About Michel Dancoisne:

Born 13/03/1947, a graduate of Institut Supérieur d'Électronique du Nord and the holder of an HEC group Executive MBA, Michel Dancoisne joined Télésystèmes, a subsidiary of France Telecom, in 1971 as a technical/commercial engineer. In 1974, he became a commercial engineer at CII-Honeywell Bull.

In 1979, he participated in creating the Questel (database server) business at Télésystèmes, taking on the commercial management of that business, then of the Questel business as a whole. In 1985 he became Director of the Networks Division and a member of the Télésystèmes Executive Committee.

In 1990 he co-founded Solucom, and was its co-President until his appointment as Chairman of the Supervisory Board in 2002.

His current mandates and functions as well as over the last five years are shown in the table in section XI.2 below. Michel Dancoisne owns 1,140,072 Solucom shares.

The Management Board proposes to renew Michel Dancoisne's mandate for the following reasons:

- His agreement to act in concert with Pascal Imbert controls the majority of the capital of the Company.
- His status as co-founder of Solucom.
- His experience of general management and his in-depth knowledge of Solucom's culture and business activities.

About Jean-François Perret:

Born 05/06/1942, a graduate of École Nationale Supérieure d'Électronique, Électrotechnique, Informatique, Hydraulique et Télécommunications de Toulouse (ENSEEIHT) and of the IAE in Paris, Jean-François Perret joined Société Anonyme de Télécommunications (SAT) in 1967 as a Design Engineer. In 1969, he became Business Engineer at ELECMA (the electronics division of SNECMA).

In 1970, he was appointed head of Information Technology Development attached to the Prime Minister' office and participated in studies on the emergence of the software industry and in strategic planning to create a European information technology industry (UNIDATA). In 1974, he became economic and financial head of the Department for Electronic and Information Technology Industries (DIELI) at the Industry Ministry.

In 1977, he joined Pierre Audoin Consultants (PAC) where he continued his career successively as Deputy CEO, CEO and Chairman of the Board. As such, he helped establish PAC as a recognised leader in strategic consulting and studies and marketing in the software and IT services markets. He also played an essential role in PAC's international development. Jean-François Perret is currently Vice Chairman of the Supervisory Board of Pierre Audoin Consultants, manager of CVMP Conseil, and is also very active in the engineering community facilitating and chairing committees (TIC, social networks), at IESF (French association of engineers and scientists), at Institut G9+, and at the ENSEEIHT association of engineers.

His current mandates and functions as well as over the last five years are shown in the table in section XI.2 below. Jean-François Perret owns 1,000 Solucom shares.

The Management Board proposes to renew Jean-François Perret's mandate to give the Supervisory Board the benefit of:

- his extensive knowledge of the IT consulting and services market in France and Europe;

- his experience in international development.
- his financial expertise acquired as part of his general management functions.

About Nathalie Wright:

Born 11/08/1964, Nathalie Wright is a graduate of INSEAD and the Paris Institute of Business Administration. She also holds a Master of Economics from Université Paris II.

She began her professional career in 1987 at Digital Equipment France where she became head of management control in 1993.

In 1995, she joined Newbridge Networks where she became a member of the Executive Committee.

From 1999 to 2004 she worked at MCI (Worldcom) where she became Country Leader in charge of the Sales France division.

In 2004 she joined EASYNET France, and then AT&T as Vice President France, Southern Europe and Middle East from 2005 to 2009.

In 2009, she joined MICROSOFT France where she was a member of the Management Board. Since 2011, she is Director of the Public Sector Division France and CEO of the Large Enterprises and Alliances Division of MICROSOFT France.

Nathalie Wright also runs the pilot program on "diversity" at Microsoft France, where she works to advance the promotion prospects of women.

She is also a member of the Board of Directors of Indexel.

Nathalie Wright is a Chevalier de la Légion d'Honneur.

In the last five years, Nathalie Wright has not exercised any mandates or functions with the exception of those mentioned above. She exercises no function or job at Solucom and is not currently a Solucom shareholder.

The Management Board proposes to appoint Nathalie Wright to give the Supervisory Board the benefit of:

- her understanding of digital challenges;
- her in-depth knowledge of very large French accounts;
- her experience in large international enterprises;
- her vision in terms of diversity and gender equality.

Michel Dancoisne, Jean-François Perret and Nathalie Wright have indicated in advance that they would accept these functions and that nothing would prevent or prohibit them from exercising those functions.

The mandates of four Supervisory Board members are due to expire simultaneously at the close of the General Meeting called to approve the financial statements for the fiscal year ended 31/03/2014. In order to, in the future, better stagger the expiry dates of mandates of Supervisory Board members, the Management Board proposes to renew or appoint only three members of the Supervisory Board at the General Meeting of 11 July 2014. The appointment of one or two new members would be proposed at the General Meeting called to approve the financial statements for the fiscal year ending 31/03/2015.

At the same time, in order not to reduce the collegiality and richness of Supervisory Board debates, the Management Board will propose, in the Extraordinary part of the General Meeting (immediately followed by the Ordinary General Meeting), in this Report:

- the insertion into the Company's Articles of Association a new article 23 allowing the General Meeting to appoint one or more non-voting Observers to participate in Supervisory Board meetings.

- the immediate appointment of an Observer if the proposed amendment to the Articles of Association is adopted.

The Management Board intends to propose, one year from now, the appointment as Supervisory Board member, of the person today proposed as Observer.

11.7 – UPDATE ON THE MANDATES OF THE STATUTORY AUDITORS

Regarding Cabinet SLG EXPERTISE, principal Statutory Auditors:

- The mandate of Cabinet SLG EXPERTISE, principal Statutory Auditors, will expire at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31/03/2014.

Regarding Cabinet DELOITTE & ASSOCIES, principal Statutory Auditors:

- The mandate of Cabinet DELOITTE & ASSOCIES, principal Statutory Auditors, will expire at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31/03/2019.

Regarding Valérie Dagannaud, alternate Statutory Auditor:

- The mandate of Valérie Dagannaud, alternate Statutory Auditor, will expire at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31/03/2014.

Regarding Cabinet BEAS, alternate Statutory Auditors:

- The mandate of Cabinet BEAS, alternate Statutory Auditors, will expire at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31/03/2019.

Consequently, your Supervisory Board, in accordance with article L. 225-228 of the French Commercial Code and the recommendation of the Supervisory Board through the Audit Committee at its meeting of 24 March 2013, will propose that the following be appointed:

- Cabinet MAZARS – 61 rue Henri Regnault – 92075 Paris – la Défense Cedex, as new principal Statutory Auditors,
- Cabinet FIDUS – 12 rue Ponthieu – 75008 PARIS, as alternate Statutory Auditors,

for six fiscal years, specifically until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 21 March 2020.

12. SOCIAL AND ENVIRONMENTAL INFORMATION

On this point, see the attached document entitled “Management Report – Corporate Responsibility Report” which forms an integral part of the Report of the Management Board to the Combined General Meeting of 11 July 2014 as stated in the Preamble.

13. RISKS INCURRED BY THE SOLUCOM COMPANY AND FIRM

On this point, see the attached document entitled “Management Report – Risk Factors” which forms an integral part of the Report of the Management Board to the Combined General Meeting of 11 July 2014 as stated in the Preamble.

14. SHARE BUYBACK PROGRAM

The Combined General Meeting of 25 September 2013 (Resolution 8) authorised your Management Board to implement a new share buyback program under the applicable laws and regulations.

This program succeeded the previous program authorised by your Ordinary Annual General Meeting on 26 September 2012.

The buyback program implemented immediately by the Management Board on 25 September 2013 was the 15th of its kind and is described in the Registration document filed with the AMF on 25 July 2013 under number D.13-0812 and the subject of a press release on the Solucom website dated 25 September 2013.

In accordance with statutory requirements, the key features as at 31 March 2014 of the two previous successive programs during 2013/14 were as follows:

- 37,232 treasury shares were purchased in the fiscal year at a total purchase cost of €1,091,703, or an average €29.32 per share;
- 31,368 treasury shares were sold in the fiscal year for a total sale price of €860,929, or an average €27.45 per share;
- Trading charges amounted to €800;
- 45,017 free shares were granted to employees with a total value, in terms of purchase cost, of €909,850, or an average redemption price of €20.21 per share;
- 7,174 shares were given in partial payment for the acquisition of Lumens Consultants with a total value, in terms of sale price, of €200,012, or an average redemption price of €27.88 per share;
- 61,788 shares were recorded on the balance sheet as at 31 March 2013 with a total market value of €2,255,262 calculated on the basis of the closing price on 31 March 2014 of €36.50; their nominal value is €0.10 per share;
- Treasury shares represented 1.24% of total share capital.

The following table summarises the information relating to this buyback program in terms of its various objectives:

	Market stimulation	**External growth**	**Granted to employees**	**Delivered upon exercise of rights attached to securities**
Position at 31/03/13	**21,267**	**86,848**	**-**	**-**
Purchases	27,595	9,637	-	-
Sales	(31,368)	-	-	-
Reallocations	-	(45,017)	45,017	-
Redemptions	-	(7,174)	(45,017)	-
Position at 31/03/14	**17,494**	**44,294**	**-**	**-**
Gross carrying value[1] (in €)	605,256	852,677	-	-
% of share capital at 31/03/2014	0.35%	0.89%	0.00%	0.00%

[1] *The gross carrying value ("book value") of the shares is calculated as purchase cost*

New authorisation

Your Management Board asks you for a new authorisation in principle, based on the main conditions described below. The key features of this new program would be as follows:

a) Objectives

- To ensure an active secondary market in, or the liquidity of, Solucom share through a investment services provider dealing independently as part of a liquidity contract in compliance with the Ethics Charter recognised by the French Financial Markets Authority;
- To hold the purchased shares for use, at a later date, as payment or exchange in external growth operations;
- To grant or sell, as the case may be, shares to employees and/or corporate officers of the Company or of the companies in its Group, under statutory terms and conditions, in particular as profit-sharing in the company, any shareholding plan, the implementation of any company or inter-company savings plan, the hedging of any share purchase option plan, or any free share allocation plan;
- Deliver shares as counterpart of the exercise of rights attached to securities conferring access in any way to Company capital.

b) Limit

10% of share capital, minus the shares already held, and reduced to 5% for shares acquired to be held for use at a later date as payment in exchanges, mergers, contributions and external growth operations.

c) Financial terms of purchase

Minimum purchase price per share: €80

d) Cancellation of shares

No, unless subsequently decided by an Extraordinary General Meeting.

e) Validity period

From the Combined General Meeting of 11 July 2014 until the next General Meeting called to approve the financial statements for fiscal year ending 31 March 2015 and, in any case, for no longer than 18 months, it being understood that the Combined General Meeting of 11 July 2013 will cancel the previous authorisation and previous program and will replace them, without discontinuity, with the new authorisation.

This program will be described in the 2013/14 Registration document.

15. ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

As required under article L.225-100-3 of the French Commercial Code, we draw your attention to the following points:

- The capital structure as well as known direct and indirect equity interests in the Solucom company and all related information are described in this report and in terms of the Registration document filed with the AMF on 25 July 2013 under number D.13-0812;
- To Solucom's best knowledge, no agreements or other commitments exist between shareholders, with the exception of the collective lock-in undertakings mentioned above in section X "Information concerning share capital";
- No securities exist that have special control rights, with the exception of the double voting rights provided in article 11-4 of the Articles of Association and in accordance with regulations;
- No statutory restrictions exist on the exercise of the right to vote and to transfer shares;
- The voting rights attached to Solucom shares, under the Group employee savings scheme mentioned in section II.D, are exercised by the Solucom equity fund FCPE Solucom Actions ;
- The rules for appointing and revoking members of the Management Board are rights under common law;
- As regards the powers of the Management Board, current delegations are described in section XV "Share buyback program" of this report and in the table of authorisations to increase capital attached to this report, and mentioned in section XX below;

- Amendments to Solucom's Articles of Association are made in accordance with legal and regulatory provisions;
- No agreement exists to provide compensation to Management Board members for cessation of functions.

16. Social Responsibility Report and observations of the Works Committee

a) Social Responsibility Report:

As required by regulations, Solucom has prepared a social responsibility report under the terms of article L. 2323 of the French Labour Code in consultation with the Works Committee dated 28 May 2014.

The social responsibility report and the Works Committee consultation form part of the documents made available to shareholders and reviewed by the Statutory Auditors to the extent that they relate to their mission.

b) Observations of the Works Committee on the economic and social situation pursuant to article L. 2323-8 of the French Labour Code:

None.

17. Chairman's report pursuant to Article L.225-68 of the French Commercial Code

Attached to this document is the report by the Chairman of the Supervisory Board on the conditions under which the work of the Board is prepared and organised, on internal control and on risk management.

This report will be submitted to your Supervisory Board for approval, then will be sent to your Statutory Auditors as legally required, who will in a report attached to their general review present their observations on the Supervisory Board Chairman's report in accordance with article L. 225-235 of the French Commercial Code.

18. Table of authorisations to increase capital

In accordance with article L.225-100 paragraph 7 of the French Commercial Code, you will find attached to this report a table summarising the authorisations that are currently valid regarding capital increases, granted by your Combined General Meeting of 25 September 2013.

19. Statutory Auditors' review

Please find attached:

- the report of your Statutory Auditors on the Company financial statements;
- their report on the consolidated financial statements;
- their special report on regulated agreements and commitments;
- their report on the Supervisory Board Chairman's report prepared under article L.225-68 of the French Commercial Code.

Your Management Board asks you to read the Statutory Auditors' report and the Supervisory Board Chairman's report and then to adopt the resolutions that it will submit for your vote in the Ordinary part of the Combined Ordinary and Extraordinary General Meeting.

Extraordinary part of the General Meeting

(immediately followed by the Ordinary part of the General Meeting)

PREAMBLE

Under the terms of this Management Board report, you are asked to:

- acting with the quorum and majority required for Extraordinary General Meetings, to adopt a resolution that the Articles of Association be amended (by inserting a new Article 23) to allow the Shareholders' General Meeting to appoint one or more individuals to attend Supervisory Board meetings as non-voting Observer(s);
- acting with the quorum and majority required for Ordinary General Meetings, if the proposed resolution is adopted, to immediately appoint a first Observer.

1. Amendment to the Articles of Association: Insertion of a new article 23 relating to Observers (Resolution Eleven)

To encourage the participation of qualified individuals in the work of Solucom's Supervisory Board, your Management Board proposes, with the consent of your Supervisory Board which agreed to this measure at its meeting of 2 June 2014, to insert into the Articles of Association a mechanism for appointing one or more individuals as Observers to attend Supervisory Board meetings in a non-voting consultative capacity.

These Observers have no decision-making power and will be available to the Supervisory Board and its Chairman to provide advice on any type of issue that may be submitted to them, particularly of a technical, commercial, administrative or financial nature. If requested by the Supervisory Board, they may also sit on its committees.

In all cases, the Observers' role will be strictly limited to one of consultation and their advice will in no way be binding on the management bodies (Management Board, Supervisory Board, Statutory Auditors) or on the committees created by the Supervisory Board (in particular the Supervisory Board sitting as the Audit Committee), which will always be free to assess how and whether to act on the Observers' advice.

Accordingly, your Management Board proposes, in Resolution Eleven, that a new article be inserted as Article 23 to allow the Shareholders' General Meeting to appoint one or more individuals as Observer(s) for a renewable term of two (2) years to participate in a non-voting capacity in Supervisory Board meetings.

This new Article 23 regarding Observers will read as follows:

> ***"ARTICLE 23 - OBSERVERS***
>
> *In the course of business, the Shareholders' General Meeting acting with the quorum and majority required for Ordinary decisions, may appoint one or more individuals as Observers to attend Supervisory Board meetings in a consultative capacity.*
>
> *No more than three Observers may exist at any one time.*
>
> *Observers shall be appointed for a period of two (2) years, their functions ending at the close of the Ordinary General Shareholders' Meeting called to approve annual financial statements held in the year in which their functions expire.*
>
> *If an Observer position becomes vacant due to death or resignation, the Supervisory Board may not make a provisional appointment to fill the vacancy.*
>
> *Observers are eligible for reappointment subject to the terms and conditions of this Article.*

An Observer may be revoked and replaced at any time by an Ordinary General Meeting without compensation to the outgoing Observer.

In principle, the functions of Observers are unpaid. However, they may receive compensation for services actually rendered to the Company subject to duly submitted justification.

Observers participate in Supervisory Board meetings and are convened under the same terms and conditions as the Board members.

They receive all the communications and documents provided to the Supervisory Board.

However, failure to convene Observers or to send them documents prior to a Supervisory Board meeting shall under no circumstances constitute grounds for annulling decisions taken at said meeting by the Supervisory Board.

If requested by the Supervisory Board, they may also sit on its committees.

Observers are required to keep all deliberations secret and in general to use discretion regarding confidential information that is provided as such by the Chairman of the Supervisory Board.

Observers have no decision-making power and shall be available to the Supervisory Board and its Chairman to provide their advice on any type of issue that may be submitted to them, particularly of a technical, commercial, administrative or financial nature.

They shall take part in deliberations in a non-voting consultative capacity only.

Agreements between the Company and Observers are not subject to the regulations governing agreements between the Company and a Supervisory Board member."

Note that the insertion of this new Article 23 will cause the articles after it to be renumbered with no discontinuity or other modification.

2. Appointment of Sarah Lamigeon as first Observer (Resolution Twelve)

Should you decide to adopt the proposal to amend the Articles of Association as mentioned above (to insert a new Article 23 regarding Observers), your Management Board asks you to immediately appoint a first Observer.

To this effect, and with the consent of the Supervisory Board, the Management Board proposes to appoint Sarah Lamigeon as Observer for the statutory period of two (2) years ending at the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ending 31/03/2016.

Information regarding Sarah Lamigeon and the reasons for her appointment are presented below.

Born 08/05/1972, Sarah Lamigeon has an Economics degree and holds a Masters in European Studies from the College of Europe, Belgium.

She began her professional career in Brussels in 1997 as Project Manager for the Erasmus Technical Assistance Office at the European Commission.

In 2000 in London she joined the communication department of Future PLC, a media group listed on the London Stock Exchange.

She joined Solucom in 2001 to develop its communication functions.

She was appointed Communication Director in 2011, at which point she joined Solucom's Executive Committee. As Communication Director, she is responsible for developing Solucom’s image and reputation. Sarah Lamigeon and her teams are also involved in financial communication, recruitment communication and internal communication at Solucom.

She is also Treasurer and a member of the Board of Directors of Solucom corporate Foundation.

In the last five years, Sarah Lamigeon has not exercised any mandates or functions apart from those mentioned above.

Sarah Lamigeon owns 1,417 Solucom shares.

The Management Board proposes to appoint Sarah Lamigeon to give the Supervisory Board the benefit of the viewpoint of a member of the Company's shareholding executive team based on:

- her intimate knowledge of the Company, its culture and its values;
- her understanding of the challenges of image and reputation in the consulting market;
- her experience in financial communication and the stock market environment of a mid-cap company.

Sarah Lamigeon has indicated in advance that she would accept this appointment.

The Management Board also wishes to state that at the Solucom General Meeting in one year's time it will propose the appointment of Sarah Lamigeon as a Supervisory Board member. That appointment would end her role as Observer.

Your Supervisory Board offers its opinion and comments on all these matters in its report.

Your Management Board asks you to adopt the resolutions that it submits for your vote for the Extraordinary part, followed immediately by the Ordinary part of the Combined General Meeting.

The Management Board

2 June 2014

Management Board Report

Corporate Responsibility Report

This report describes Solucom's approach, strategy and actions in terms of Corporate Responsibility. It forms an integral part of the Management Board Report and is structured as follows:

1. Presentation of the firm's general approach in terms of Corporate Responsibility.
2. Information relating to Solucom's social, societal and environmental performance in accordance with article 225 of Law no. 2010-788 of 12/07/10 known as the "Grenelle II" law and its implementing decree.
3. Other Corporate Responsibility information (economic responsibility).
4. Methodological note regarding Solucom's 2013/14 extra-financial reporting.
5. Independent auditor's report certifying the presence and reasonable assurance of social, societal and environmental information.

Additional information about the firm's Corporate Social Responsibility (CSR) is presented in section 1 of Solucom's Registration document, as well as on the Company's website www.solucom.fr under the heading Corporate Responsibility.

The 2013/14 fiscal year is the second year of extra-financial reporting by Solucom, in accordance with the "Grenelle II" regulatory framework. Quantitative data for historical comparability therefore covers only the last two fiscal years. The changes in consolidation scope between 2012/13 and 2013/14 are explained at the end of the report in the methodological note.

1. Solucom's general approach and strategy in terms of Corporate Responsibility

1.1 General policy

In 2011, Solucom launched an initiative aimed at structuring and developing its commitments in terms of sustainable development. This includes concrete commitments in all areas of responsibility, continuing its historical initiatives promoting ethics, transparency and, more broadly, its social, societal, environmental and economic performance.

Solucom's Corporate Responsibility approach is based on three pillars:

- **to conduct itself as a responsible business in its environment and sphere of influence;**
- **to contribute to the quality of its relationship with its stakeholders;**
- **to ensure the firm complies with applicable legal and regulatory obligations.**

To determine its priorities in terms of CSR, Solucom has mapped out its sphere of influence and identified in that ecosystem the stakeholders on whom it has the greatest impact: employees, candidates, clients and suppliers, shareholders and investors, environment and local authorities, associations.

1.2 Commitments

Solucom has set four commitments in terms of Corporate Responsibility, each with a hierarchy of prioritised actions.

1. To be a responsible and engaged employer
2. To limit the firm's environmental footprint
3. To promote equality of opportunity and non-discrimination
4. To guarantee compliance with strict rules of governance, transparency and ethics

These four commitments have been defined on the basis of the key goal which Solucom has set itself in terms of CSR: to conduct itself as a responsible business vis-à-vis its principal stakeholders.

It should be noted that commitments 1 and 4, while addressing this goal, are also at the same time performance vectors for Solucom.

In fact, as regards commitment 1 (social responsibility), the quality of Human Resources management is an essential success factor for a consulting firm. The goals that Solucom has prioritised for actions under this commitment largely match the objectives it has set in its HR strategy. *(For more details, see section 1 of Solucom's Registration document.)*

As regards commitment 4 (economic responsibility), the goals prioritised for action clearly contribute to strengthening the loyalty of it clients, increasing its attractiveness to candidates, and boosting the value of the company in the eyes of shareholders and investors.

Details of goals prioritised for action per field of responsibility

Solucom's CSR policy consists of implementing these commitments and moving ahead continuously in the four associated fields of responsibility.

- *Commitment 1* – To be a responsible and engaged employer
  - To guarantee skills improvement and increasing responsibility for our employees;
  - To operate a competitive, transparent and fair pay policy that promotes internal cohesion;
  - To offer a high-quality work environment;
  - To combat stress and suffering at work;
  - To retain seniors in employment.

- *Commitment 2* - To limit the firm's environmental footprint
  - To improve its waste management and its recycling policy;
  - To reduce the firm's environmental footprint;
  - To heighten employees' awareness of eco-friendly behaviour and responsible procurement practices

- *Commitment 3* - To promote equality of opportunity and non-discrimination
  - To encourage the promotion of women to positions of responsibility;
  - To raise the qualifications of young people with disabilities and boost their occupational integration;
  - To diversify its graduate recruitment.

- *Commitment 4* - To guarantee compliance with strict rules of governance, transparency and ethics
  - To conduct our Consultancy with integrity, independence and transparency;
  - To guarantee to candidates an exemplary and added-value recruitment process;
  - To develop long-term relations with our suppliers, based on shared values (respect, probity);
  - To deliver transparent information on a regular basis to our shareholders, including individuals, and to promote dialogue.

1.3 Organisation of the CSR initiative

Steering

Solucom's Corporate Responsibility initiative and policy are defined and run by a multidisciplinary steering committee composed of the Chairman of the Management Board and heads of operational and support functions,[4] representing the firm's main challenges in CSR terms.

This committee is in charge of defining Solucom's Corporate Responsibility policy and steering the firm's social, societal, environmental and economic performance.

Operational organisation

Operationally, the CSR initiative is run by a project manager reporting to the CSR steering committee. The manager is in charge of coordinating the projects in the various fields concerned (social, societal, environmental, economic), the employee awareness actions, and the consolidation of extra-financial reporting.

On a project by project basis, the manager relies on a network of internal contacts tasked with individual issues at the various sites or services concerned.

Supervision of the initiative

Once a year, the firm's CSR policy is presented and debated at a Supervisory Board meeting.

1.4 CSR recognitions and labels

In 2013/14, Solucom received a number of distinctions recognising its CSR efforts.

[4] *HR Development Director, Practice Director also in charge of the IS Department, Recruitment and School Relations Manager, Director of Communication and Treasury of Solucom corporate Foundation*

- Social responsibility:
  - **Top Employers Certification** France: awarded for the third year running by the Corporate Research Foundation (CRF) Institute, for the quality of the firm's HR practices.
  - **"StageAdvisor" Label**: distinction awarded by JobTeaser for the second year running for the quality of workplace training dispensed at Solucom, based on a study of more than 7,700 trainees and work/study program students.
- Economic responsibility and extra-financial transparency:
  - **Gaia Index 2013** : 2nd place in the segment of companies with revenue under €150 million. The Gaia Index is an SRI index representing the average of the highest-performing companies in extra-financial terms.
  - **Ecovadis** : recognises "confirmed" commitment on the four themes (social, environmental, business ethics, responsible procurement) as assessed by Ecovadis, an independent extra-financial rating agency specialising in evaluating companies' CSR performance.

2. Information about Solucom's social, societal and environmental performance, in accordance with the Grenelle II Law (art. 225)

Preamble

This chapter addresses the provisions in articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of the French Commercial Code relating to the corporate obligation of transparency on social, societal and environmental issues. The information presented covers the 42 themes of the implementing decree of 24/04/2012.

For details of the methodology of extra-financial reporting, see section 4. Note in particular that the social, societal and environmental reporting for fiscal year 2013/14 does not cover the acquisitions completed during that fiscal year, specifically, Lumens Consultants and Trend Consultants which were acquired 1/12/2013 and 10/01/2014, respectively.

2.1 Social information

In social terms, Solucom's commitment is to conduct itself as a responsible and engaged employer. This translates into five priority goals – as mentioned earlier – the Director of HR development being responsible for achieving them. Major resources are mobilised to do so; the firm's success depends essentially on its ability to attract the best talents, develop their potential, and retain them.

For the record, Solucom's HR strategy is presented in section 1 of the Company's Registration document.

2.1.1 Employment

1) Total Workforce

As at 31 March 2014, Solucom's total workforce, excluding Lumens Consultants and Trend Consultants, was **1,286 employees**, versus 1,185 the previous year, a total increase of 8.5%.
At 31 March 2014, it had the following characteristics:

- 60% of employees are under 30 years of age
- 31% are women
- 92% are in the Paris region (Solucom's head office)
- 97% are managers
- over 99% have permanent indefinite contracts
- 3 job categories: consultant, sales, support.

2) Breakdown of workforce by gender, age, geographic region and job category

- **Breakdown by gender**

(% of total workforce)	***At 31/03/14***	***At 31/03/13***
Men	**69.0%**	**68.0%**
Women	**31.0%**	**32.0%**
Total	***100%***	***100%***

Consultants category		
Men	***73.3%***	*72.6%*
Women	***26.7%***	*27.4%*

As part of its 2013-16 action plan for professional gender equality, the firm has put measures in place to ensure strict non-discrimination in that respect. *(For more details, see section 2.1.6 "Equality of treatment".)*

- **Breakdown by age range**

The average age of Solucom's total workforce at 31 March 2014 was **32.4 years**, versus 32.7 on the same date the previous year. The following table shows a breakdown by age range:

(% of total workforce)	*At 31/03/14*	*At 31/03/13*
age 18-25	**13.7%**	**13.4%**
age 25-30	**45.9%**	**43.4%**
age 30-50	**34.7%**	**37.9%**
> 50 yrs	**5.8%**	**5.3%**
of which > 55 yrs	***2.4%***	***2.6%***
Total	***100.0%***	***100.0%***

- **Average length of service**

The average length of service, all occupations combined, was **5.6 years**, versus 5.2 years on the same date the previous year.

	2013/14	2012/13
Total for the firm	**5.6 yrs**	5.2 yrs
of which Consultants	*5.4 yrs*	*5.2 yrs*

- **Breakdown by geographic region**

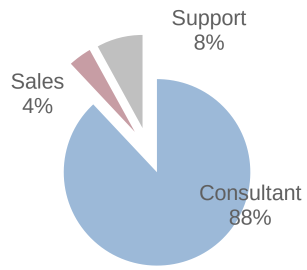
All of the firm's Paris teams are grouped at a single site at La Défense. Solucom also has 3 regional offices: Rhône-Alpes (Lyon), Provence-Alpes-Côte d'Azur (Marseille), West (Nantes); and an international office in Morocco (Casablanca).

(% of total workforce)	*At 31/03/14*	*At 31/03/13*
France - Paris IDF	**91.8%**	**91.0%**
France - Regional	**7.8%**	**8.9%**
International - Morocco	**0.4%**	**0.2%**
Total	***100.0%***	***100.0%***

- **Breakdown by job category**

The three job categories at Solucom (consultant, sales, support) break down as follows:

(number of employees as % of total workforce)



3) Starters and leavers

Recruitment policy

Solucom made 200 recruitments in 2013/14. The firm's recruitment policy prioritises young graduates (72% in 2013/14), mainly from the major engineering and management schools, and universities.

Breakdown of starters and leavers

The following tables show a breakdown of starters and leavers:

	2013/14		2012/13	
Starters	Number	%	Number	%
Total external recruitment (excluding internal mobility)	**273**	*100.0%*	242	*100.0%*
of which permanent indefinite contracts	*261*	***95.6%***	*238*	*98.3%*
of which non-permanent contracts (fixed-term, work/study programs, apprenticeships)	*12*	*4.4%*	*4*	*1.7%*
Leavers				
Leavers (excluding internal mobility)	**173**	*100.0%*	193	*100.0%*
of which resignations	*119*	*68.8%*	*145*	*75.1%*
of which completed non-permanent contracts (fixed-term, work/study programs, apprenticeships) and terminated probationary periods	*36*	*20.8%*	*38*	*19.7%*
of which dismissals	*13**	*7.5%*	*5*	*2.6%*
of which mutually agreed contract termination	*4*	*2.3%*	*0*	*0.0%*
of which term of office ended	*0*	*0.0%*	*1*	*0.5%*
of which retirements	*1*	*0.6%*	*3*	*1.6%*
of which deceased	*0*	*0.0%*	*1*	*0.5%*

* *13 dismissals for individual reasons.*

During the fiscal year, two part-time persons were employed at the firm.

Turnover

Turnover (the number of resignations divided by the workforce at year end) was low, at 9% over the entire fiscal year, versus 12% in 2012/13.

	2013/14	2012/13
Turnover (%)	**9%**	12%

4) Compensation and changes in compensation

Pay policy

Solucom's pay policy is based on three principles:

- **Competitiveness:** in a competitive market, the firm's competitiveness on pay is a key feature in attracting and retaining the best talent. The striving for competitiveness requires continuously ensuring that the firm's pay practices are consistent with the market, notably by regularly assessing them against benchmarks (studies by a specialist HR consultancy).
- **Fairness and cohesion**: salary increases based on individual performance; variable components based mainly on collective targets to encourage the achievement of results through team spirit in line with the firm's values; transparent communication (internal and external) on the firm's pay policy and practices.
- **Professionalism in performance assessment:** individual performance determines the pace of pay rises. To ensure the quality of performance assessments, Solucom relies in particular on common assessment standards and a collective decision-making process for assessing performance and pay rises.

Payroll

In thousands of euros	2013/14	2012/13	*Change*
Solucom SA	57,901	50,568	
Subsidiaries	8,067	9,891	
Total for the firm	**65,969** (1)	**60,459**	***+9%***

Employer social contributions

In thousands of euros	2013/14	2012/13
Solucom SA	26,127	23,012
Subsidiaries	3,638	4,447
Total for the firm	**29,765** (1)	**27,459**

(1) *excluding Lumens Consultants and Trend Consultants*

Profit sharing, calculated for fiscal year 2013/14 using the statutory formula, amounted to a total €1,830k, versus €1,451k the previous year.

In February 2014, the employees of Solucom SA, Alturia Consulting, Eveho, and Stance present throughout 2012/13 received profit-sharing bonuses for 2012/13 totalling €278k, or €250 gross per employee present throughout fiscal year 2012/13.

2.1.2 Organisation of work

1) Organisation of working hours

All of the firm's companies have implemented the reduction in working hours in accordance with the Syntec branch agreement. This branch agreement on working time applies without exception to all the entities in Solucom as follows:

- Engineers and managers:
  - mode 2 (35 hrs + 10% per week, limited to 218 days a year)
  - mode 3 (fixed 218 days a year)
- Employees, technicians, supervisors:
  - mode 1 (35 hrs per week, or 37 hrs per week and 12 days paid leave with a ceiling of 1,607 hours).

2) Absenteeism

Solucom has low absenteeism, of 2.6% in 2013/14, versus 2.1% the previous year, mainly due to sickness. Maternity leave, paternity leave, and unpaid leave (including full-time parental leave) are excluded when calculating absenteeism.

2.1.3 Industrial relations

1) Organisation of social dialog

Solucom SA has a committee of staff representatives and a works committee. In 2013/14, staff elections were organised, renewing the mandates of these two bodies for four years.

Alturia Consulting has a single staff representation committee (*Délégation Unique de Personnel*) that combines the functions of the staff representatives and the works committee. Staff elections were organised during the fiscal year, re-electing the single committee for four years.

Stance has staff representatives.

Eveho and SLM Consulting have neither staff representatives nor a works committee (as their headcount is below the statutory limit).

There is no trade union representative in the firm.

Internal social initiatives are managed by the works committees of Solucom SA and Alturia Consulting. The activities organised in this respect are mainly of a sports and cultural nature.

2) Overview of collective agreements

Solucom SA, Alturia Consulting and Eveho each have a profit-sharing agreement.

Solucom SA and Alturia Consulting have put in place an action plan for professional gender equality after consultation with their respective works committees.

Solucom has also put in place an action plan to support the intergenerational contract, after consultation with the works committee. *(For more details, see section 2.1.6.)*

In July 2013, Solucom SA signed a company-wide agreement with its works committee implementing the law on exceptional unlocking of profit-sharing and incentive schemes to authorise the early release of locked-in shares held in the group savings scheme through the Solucom Equity Fund ("Solucom Actions").

2.1.4 Health and safety

1) Occupational health and safety conditions

Workplace Health and Safety Committee (WHSC)

Solucom SA and Alturia Consulting each have a Workplace Health and Safety Committee (WHSC). These committees are associated with actions aimed at occupational risk prevention and improvement in working conditions.

In accordance with articles L. 4611-8 and L. 4612 of the French Labour Code, each year the WHSCs prepare a report of the actions taken or launched during the fiscal year. Some examples of training given as part of these actions include first aid, road safety, work ergonomics, workload anticipation and management, psychosocial risk prevention.

The WHSC at Solucom SA met seven times during fiscal year 2013/14, and at Alturia Consulting four times.

Since October 2013, Solucom employs a full-time occupational nurse at the firm's head office.

Wellbeing programme at Solucom

Ensuring the quality of the working environment and a work-life balance for its employees is part of the priority objectives of Solucom's Human Resources policy. In this respect, the firm makes a number of services available for its employees aimed at ensuring their development in a calm working environment conducive to a better work-life balance.

For illustration purposes, below are some examples of measures and services offered to employees:

- **Better balance between work and family responsibilities**: company crèche available since 2008 with 42 cots available for Solucom employees in 2013/14 in the Babilou network; childcare leave (Solucom employees with one or more children under age 12 have up to three days' paid leave singly or consecutively during the year); flexible vacations (no seniority required and, except for strong operational reasons, no mandatory holiday dates imposed).

  Specific measures for expectant parents are also offered: flexible working during pregnancy (can request part-time and/or home-based working from fifth month of pregnancy); mechanism for gradual return to work after maternity leave; subrogation; 100% pay maintained throughout maternity or paternity leave, etc.

  To anchor the company's commitment to parenthood and promote the non-discrimination of employees with children, Solucom signed the **Company Parenthood Charter** (*Charte de la Parentalité en Entreprise*) in December 2013.

- **High-quality work environment:** services for employees (company concierge services; private sports hall at Solucom head office, etc.); business schedules planned around multiple opportunities for exchanging ideas and sharing (practices forums, team dinners, etc.).

- **Prevention and treatment of psychosocial risks:** since 2011 a counselling unit is available to support employees under excessive stress and/or suffering at work.

  As at 31 March 2014, HR contacts, WHSC members and internal management teams were receiving training in detecting such situations. This training aims to provide an overview of the regulatory framework covering occupational stress, raising managers' awareness of the issue and giving them the tools to identify the signals and provide support in such situations. This training is to be rolled out to all team managers.

2) Occupational Health and Safety agreements

No occupational health and safety agreements have been signed by Solucom SA.

3) Workplace accidents and occupational illness

	2013/14	*2012/13*
Number of workplace accidents	**13**	**15**
of which commuting accidents	***13*** (1)	***13***
Number of industrial illness declarations	**0**	**0**

(1) *In 2013/14, of 13 commuting accidents, 7 led to absence from work totalling 73 days' absence over the fiscal year..*

2.1.5 Training

1) Training policy

Solucom's training policy is focused on developing the potential and employability of its employees. Their skills improvement and rapid assumption of responsibility is all the more important for Solucom as the firm's HR model is based on recruiting large numbers of young graduates (72% of hires in 2013/14).

Training programme and skills management

Employee development is based on a **comprehensive programme of external and internal training**. Internal training seminars are given at Solucom'*university,* the firm's training institute. The training programme includes, business, communication and management modules with a three-pronged objective: to support employee development in the long term, to share best practices and feedback, and to disseminate the firm's culture and values.

This training service is supplemented by numerous knowledge-management tools and services aimed at promoting the sharing and dissemination of know-how (how-to workshops, communities, etc.).

- **Total number of hours and days of training** [(1)]

(calendar-year data)	***At 31/12/13***	***At 31/12/12***
Number of days training dispensed in the year	**2,477**	**2,294**
Number of hours training dispensed in the year	**17,344**	**16,740**
Number of employees who received at least one training session in the year	**828**	**927**
Percentage of workforce that received at least one training session in the year	***67%***	***79%***

[(1)] *Professional training dispensed externally or internally by the firm's training institute.*

Number of hours available at 31 December 2013 under the Individual Right to Training (*DIF*) was 70,346 hours, versus 64,833 hours at 31 December 2012.

- **Total expenditure on training**

(calendar-year data)	***At 31/12/13***	***At 31/12/12***
Total expenditure on professional training	**1,758**	**1,606**
Percentage of total payroll	***2.7%***	***3.1%***

Career path development and management

To guarantee its employees' skills development and rapid assumption of responsibility, Solucom does everything it can to ensure proactive career management. Personalised career paths are based on **occupational guidelines**, called *Solucomway*. They are deployed and facilitated by close management support, in small teams ensuring a human dimension.

To diversity and enrich personal development paths, **internal mobility** is strongly encouraged within the firm. These programmes are run by the HR Development team. All vacancies in the recruitment plan are eligible. The firm is also ready to listen to any request, even if there is no open post available. In 2013/14, 24 employees were able to benefit from internal mobility.

Number of internal moves by type	**2013/14**		**2012/13**	
Geographical moves	*3*	*12.5%*	*7*	*25.0%*
Occupational moves	*9*	*37.5%*	*9*	*32.1%*
Inter-practice moves	*12*	*50.0%*	*12*	*42.8%*
Total	***24***	*100%*	*28*	*100%*

Induction seminar

Rolled out firm-wide and focused on multiple opportunities for exchanging ideas and discussions, Solucom holds an induction seminar (Solucom *Inside*) twice a year. It aims to support new employees in discovering the company, their job and developing their internal network.

Supervision and evaluation

Every employee is closely supervised in small teams of generally less than 15 people. Trainees are closely monitored by a consultant, an HR contact, and a team manager.

For evaluation purposes, in addition to the annual interviews, their manager-mentors and HR contacts hold quarterly Career Development and Management Meetings to discuss progress.

2.1.6 Equality of treatment

Solucom is in the process of constructing and rolling out a number of equal-opportunity action plans, in accordance with the firm's commitment to strict adherence to the principles of ethics and fairness. Solucom's social and societal policy is reflected in its programme to promote diversity and non-discrimination.

On the social front, the working priorities are professional gender equality, integration and support for employees with disabilities, and retaining seniors.

1) Gender equality

Gender Equality action plan 2013-2016

Continuing the first initiatives launched in previous years, in 2012/13 Solucom rethought its gender equality policy and constructed a three-year plan which took effect in fiscal 2013/14.

The fields of action and targets for 2016 are as follows:

- **Recruitment** : Ensure strict non-discrimination between genders so that the gender breakdown in its Consultant employee category reflects the gender proportions in the firm's target schools.
- **Career progression** : Move towards a balance between the percentage of women in roles of responsibility (operational or hierarchical management) and their percentage of total workforce.
- **Compensation** : Maintain strict equality of treatment between men and women in applying its pay policy.
- **Work-life balance** : Encourage a healthy balance between work and personal life for both men and women, particularly by specific measures aimed at facilitating this balance for employees with children.

Percentage women in the firm

	At 31/03/14	At 31/03/13
% of total workforce	**31%**	32%
% of its Consultants category	***27%***	*27%*

The high representation of men in the firm's workforce is due to the large proportion of consultants recruited from engineering schools, which traditionally are disproportionately male.

For the record, Consultants made up 88% of Solucom's total workforce as at 31 March 2014, versus 87% the previous year. In 2013/14, 68% of the Consultant employees recruited by Solucom were from engineering schools, versus 65% in 2012/13.

2) Employment and integration of people with disabilities

Solucom is in the process of constructing its policy to promote employment and support for people with disabilities. Set up as part of a dedicated working group, the first Disability action plan focused on two fields of action will be formalised in the upcoming fiscal year.

- Social component – **as part of Solucom's HR policy**, via the following levers: recruitment (primarily in conjunction with the firm's target schools strongly committed to the issue, by taking on work/study or apprenticeship candidates with disabilities); more recruitment from the protected sector (especially for printing and catering services for internal and external events); internal awareness campaigns.
- Societal component – **as part of Solucom's actions to promote equal opportunity** and non-discrimination : Solucom's recruitment charter, support for humanitarian and citizenship projects (see section 2.3.2). These initiatives are intended to provide *upstream support for students with disabilities to access high education*, professional development, and ultimately to facilitate their employability and ***integration into working life***.

As at 31 December 2013, the firm had four employees with disabilities. Solucom contributed €359k to the Agefiph disability support fund in calendar year 2012.

3) Anti-discrimination policy

Intergenerational Contract action plan 2013-16

In 2013, after consulting one of the Groups' committees, implemented a three-year action plan to support the intergenerational contract. This 2013-16 action plan has been implemented to continue the initiatives already underway in the firm, to keep seniors in employment (continuing the seniors accord of 2010) and the recruitment and integration of young graduates.

The proposed measures were defined at the end of an in-depth review undertaken jointly with staff representatives. They are based on the following three commitments and actions:

- **Commitments to keep seniors in employment**
  - **Continuing employment :** Keep at least 85% of employees aged 55 or over.
  - **Career progression and skills development planning** by setting up a Seniors Career Management Committee (*Comité de gestion des carrières des seniors / CGCS*) with support from HR contacts and management teams. Examples of proposed mechanisms include latter-stage career interviews for over 50s, dedicated training and career management, etc.
  - **End-of-career arrangements:** Specific actions have been implemented for those aged 50 and over, to meet seniors' end-of-career aspirations and to make the most of their acquired experience while adapting to their individual circumstances, such as retirement coaching, access to assisted part-time work for 60s and over, etc.

At 31 March 2014, 5.8% of the firm's total workforce was over 50 years of age, versus 5.3% the same time the previous year. Of those, 31 employees were over the age of 55, the same as the previous year.

- **Commitments to long-term youth employment**
  - **Recruitment** : The firm's target is to recruit at least 70% its permanent FTEs from candidates under 26 years of age.
  - **Integration, training, monitoring and supervision, and induction of trainees**: To allow young recruits to integrate fast in the best possible conditions, Solucom has set up comprehensive training and integration procedures and mechanisms (mentoring, induction meetings, seminars, etc.) run by the firm's HR. (see *2.1.5).*
- **Knowledge and skills transfer**
  - **Key skills benchmarks**: A formal description of consultancy and sales skills is being put together for support functions. These skills are also broken down for every stage of every career path.
  - **Skills mapping** : Annual interviews, career reviews, job titles, etc.
  - **Skills and knowledge development** (see 2.1.5).

For more details of the firm's anti-discrimination initiatives, see section 2.3.1 of this report.

2.1.7 Promotion and compliance with fundamental International Labour Organisation (ILO) conventions

Suppression of discrimination in respect of employment and occupation

For more information about the firm's initiatives to combat discrimination in employment, see section 2.1.6.

2.2 Environmental information

As Solucom's activities are solely intellectual, its total impact on the environment is limited. The firm is, however, committed since 2012/13 to proactively monitoring and reducing its environmental footprint.

To measure its main impact areas and identify action priorities, it carried out an initial carbon audit (*Bilan Carbone*®) in 2012/13, which showed Solucom's main environmental challenges as being business travel, the environmental footprint of premises and the use of paper, and computing and datacenter energy loads. It reporting and actions therefore focus on these points, without ignoring other areas for study and improvement.

At the same time, the firm has implemented an environmental reporting procedure in compliance with articles 75 and 225 of the Grenelle II Law. This initiative identifies the key benchmarks and contacts for obtaining data, sets up an information upload circuit, and provides data usable for comparative purposes to produce key indicators on an annual basis.

Explanation of environmental reporting methodology

The methodology set up in 2012/13 remained in place in fiscal year 2013/14. However, as not all the regulatory reporting points remained relevant for Solucom's business,[5] some insignificant points have been discarded.

The 2013/14 reporting covers **Solucom SA, Alturia Consulting, Eveho** and **Stance**, which is 99% of the firm's workforce (excluding Lumens and Trend Consultants). For ease of reading, these four entities together are referred to as "Solucom" in this section.

[5] *See concordance table in appendix (1).*

These entities' employees are spread across four sites:

Site	Solucom workforce at 31/03/14	Breakdown *(% of Solucom workforce)*
Paris La Défense	1,181	92.2%
Lyon	38	3.0%
Marseille	29	2.3%
Nantes	33	2.6%
Total	**1,281**	100.0 %

The data was collected from all four sites. As some data was not available for Lyon, Marseille and Nantes, the Paris ratios were extrapolated for them. Also, in some cases, totals for the 2013 calendar year were used as a default estimate, instead of actuals for fiscal 2013/14 which were difficult to obtain.

To help understand the information presented, the definitions and calculation methods for some indicators are shown in footnotes in this document.

2.2.1 General environmental policy

1) Solucom organisation for environmental issues

Until 2011/12, Solucom took an ad-hoc unstructured approach to environmental issues. In 2012/13, Solucom launched a structured environmental initiative as part of its Corporate Responsibility policy. This focused in particular on internal audits to better pinpoint the main environmental impacts and to identify priority action areas. This led to its first carbon audit (Bilan Carbone®) in 2012/13.

In 2013/14, Solucom continued its commitment by refining its internal environmental audit, mainly by including the Lyon site, and partially the Marseille and Nantes sites, in its reporting scope.

2) Environmental training and information for employees

To increase environmental awareness, Solucom has provided information to support top-level environmental actions such as the implementation of new practices (eg, using recycled paper) and awareness programmes (eg, for eco-responsible printing).

The results of the first carbon audit as well as the main lessons from that initiative were communicated to all the firm's employees via its website.

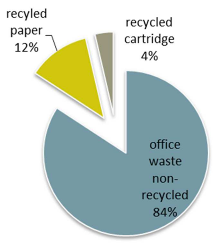
2.2.2 Pollution and waste management

The waste generated by Solucom is mainly office waste, plus computer hardware coming up to end of life.

1) Office waste

In fiscal 2013/14, Solucom collected some 38 metric tons of waste,[6] about **30 kg per employee**, broken down as follows :

- **Non-recycled: 32 metric tons of non-hazardous office waste[7]**
- **Recycled:**
  - 4.6 metric tons of paper
  - 1.4 metric tons of ink cartridges used in printers and photocopiers. These cartridges are collected and recycled by specialist service providers.



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6 *This data has been estimated by the heads of general services at the Paris, Lyon and Marseille sites and are not based on actual samples. The amount of waste generated at the Nantes site has been estimated based on the Paris ratio, hence the decision not to offer comparative data.*

7 *This is standard office waste (paper, board, packaging, office supplies, etc.) classified as non-hazardous business waste.*

2) Computer waste

It was decided that, as Solucom employees need efficient computer equipment in their roles and activities, the computer hardware would be replaced on a regular basis, particularly laptops (every four years). In 2013/14, some 70 machines were nearing end of life (mainly computers and mobile phones), about 60 kg of computer waste. The variance against 2012/13 (300 machines trashed) reflects the purchasing cycle for that equipment.

To extend the service life of ageing computer equipment (especially laptops), they are offered to employees for personal use or to associations. Equipment not taken up or out of service is temporarily stored by Solucom. A recycling service is being arranged to start in 2014.

2.2.3 Sustainable use of resources

Solucom has no manufacturing activity. Its use of resources is therefore limited to office consumables and resources jointly used to operate its office buildings.

3) Consumption of raw materials

Paper	2013/2014	%
A4 paper	11.49	89%
A3 paper	0.15	1%
Paper for marketing	1.33	10%

The main raw material consumed by the Company is paper (for printers, photocopiers, marketing material). in 2013/14, Solucom's total annual consumption was **13 tonnes of paper**, or **10.1 kg per employee**.

	2013/14	2012/13
Paper consumption (kg/employee)	**10.1**	12.7

Employees are able to print 2-sided black & white for work-related printing (internal proofs or printing). A pilot scheme was launched at head office by a group of employees to test the benefits of the "green print" option in the printing window, to automate print setup and avoid printing errors.

Paper reduction initiatives were implemented, mainly to virtualise certain publications (made available as interactive versions to reduce printed copies). For example, the firm has reduced its annual report printing by more than 60% since 2009/10 (from 800 copies in 2010 to 100 in 2013). Similarly, the firm now encourages the use of electronic business cards to dispense with the 2,500 cards and envelopes printed annually in the past.

For the record, Solucom recycles its paper (*see 2.2.3*). And the paper it uses is recycled (*see 2.2.5*).

4) Energy consumption

Solucom's direct power consumption is for its buildings for various needs such as heating, air conditioning, ventilation, lighting and office equipment.

In 2013/14, Solucom's final power consumption (electricity, heating, cooling)[8] was 2.76 GWh, or 323 kWh fp/m²**,** which – converted to primary power (the power needed to produce that final power) – is an estimated 4.82 GWh pp, or 565 kWh pp/m². These ratios are substantially lower than in previous years, due to the particularly warm winter in France.

	2013/14	2012/13
Final power consumption (*kWh/m²*)	**322,78**	332,05

The following chart shows its breakdown per use:

[8] *The power consumption of the Marseille and Nantes sites is extrapolated from Paris data (as kWh/m²).*

Final energy	2013/2014	%
Electricity	1.31	48
Heating system	0.66	24
Cold	0.78	28

As regards Solucom's main site (92% of its workforce), its offices occupy approximately 8,000m² of the Franklin Tower, in the La Défense district. The tower is connected to urban heating and cooling networks, that provide heating and air conditioning for offices. In addition, two independent air conditioning units are installed in the server rooms.

The power consumption is high (at the top of the band for office buildings in Ile de France) but reflects the architectural characteristics of the Franklin Tower at La Défense and the massive cooling requirements of server rooms (electricity to power independent cooling systems).

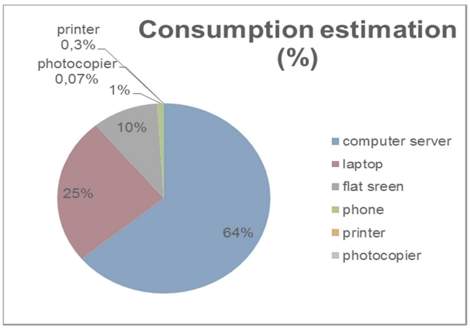
In 2013, Solucom extended its Franklin Tower premises to include an additional 1,000 m². The layout and facilities of these offices took into account environmental criteria listed in the specifications, such as the use of LED bulbs, the incorporation of presence detectors and the intensity of natural light, etc.

Focus on computer and telecommunications equipment

Solucom's computer equipment uses electricity. The total consumption of its computers is estimated [9] to be 0.2 GWh, based on average consumption during working hours and average consumption data.

Taking into account certain uses outside Solucom premises,[10] total consumption by computers represents **15% of Solucom's total electricity consumption**, versus 20% last year.

The following chart shows a breakdown of its consumption:



Its laptops all carry the EPEAT label,[11] either *Silver* (64% of total equipment), or *Gold* (36% of total equipment). This guarantees, among other things, a cautious use of natural resources in their manufacturing, product recyclability and compliance with the *Energy Star* standard for power consumption while in use Labelling is now one of the selection criteria in the procurement process.

5) Water consumption

The main source of water consumption at Solucom is for sanitary purposes in the buildings. The water consumption studied here is the domestic water supply, used for sanitary and cleaning purposes, and by air conditioning equipment. Solucom's annual water consumption is approximately 12,000 m³, or **9.40 m³ per employee.**[12]

	2013/14	*2012/13*
Water consumption *(m³/employee)*	**9.40**	9.52

Solucom's offices are all located outside water stress areas (defined as areas with water supply less than 1,700 m³ per inhabitant per year for all uses combined),[13] and therefore there is no need to study here the pressure exerted by Solucom on local water resources.

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[9] *The estimate is based on the number of devices used by Solucom, average device usage, and the average performance of this equipment in France (source: IDATE). The following assumptions were used: laptops, screens and mobile phones are used an average of 1,760 hours a year and servers 8,760 hours. The assumption for photocopiers and printers is 100,000 copies per device per year.*

[10] *Estimated as 30% for laptops and mobile phones*

[11] *The Electronic Product Environmental Assessment Tool (EPEAT) label requires, among other things, the limited use of dangerous substances, guaranteed recyclability and durability, low power consumption, and packaging with low environmental impact (http://www.epeat.net/)*

[12] *Water consumption at the Marseille and Nantes sites is extrapolated from Paris data (as m3/employee).*

[13] *For more information on water stress areas : http://www.un.org/french/waterforlifedecade/scarcity.html*

2.2.4 Climate change: greenhouse gas emissions[14]

6) Summary

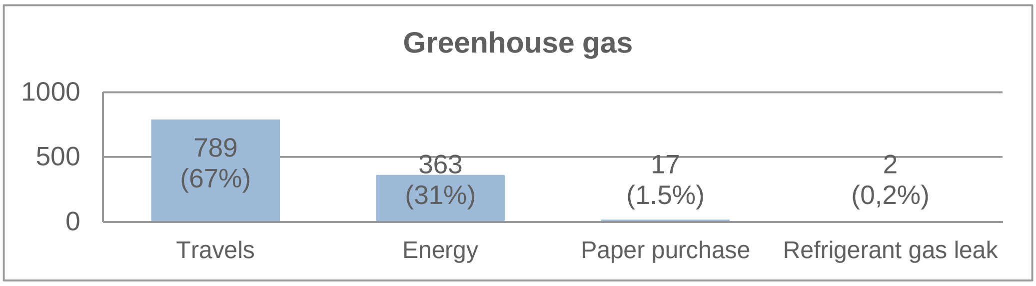
The scope of this analysis is restricted to the following four sources of emissions:

- energy consumption of buildings
- leaks of coolants used in air conditioning
- paper buying
- business travel and commuting

For these four sources, Solucom's greenhouse gas emissions in fiscal year 2013/14 amounted to 1,172 teq CO_2, or **0.92 teq CO_2 per employee.**

	2013/14	2012/13
Greenhouse gas emissions *(teq CO2 / employee)*	**0.9**	**1.2**

The following chart shows a breakdown of emissions:



7) Focus on travel

Travel by Solucom employees is the main source of greenhouse gas emissions (67%). To better understand these emissions, Solucom has studied the volume and the means of transport in travel, distinguishing between business travel and commuting.

Business travel

Total business travel[15] is approximately **6 million kms per year**, all transport methods combined, or approximately **4,700 km per year per employee**. This is explained by the high mobility of Solucom employees, a classic characteristic of the consulting sector.

(km/yr/employee)	2013/14	2012/13
Business travel	**4,700**	5,700

This 18% drop between 2012/13 and 2013/14 is due to a significant reduction in the use of cars (taxis, private vehicles, rental cars), in line with Solucom's desire to opt for public transport where it exists.

The following table shows a breakdown of business travel in 2013/14 by **mode of transport:**

(km/yr)	2013/14	2012/13
Air	**22%**	22%
Rail	**53%**	54%
Public transport	**19%**	14%
Cars including taxis	**6%**	10%

To reduce the environmental impact of business travel, Solucom encourages two forms of working:

1. Limit travel by opting for audio and videoconferencing systems: Solucom's meeting rooms are equipped with remote conferencing systems. This means of communication is preferred mainly for internal discussions, between the firm's various sites.

[14] *The methodology used is that recommended by article 75 of Grenelle II. The emission sources taken into account are those required by article 75 (scope 1 and 2), as well as paper purchasing and travel. The latter have been identified as major sources in terms of Solucom's activity.*

[15] *The data for rail travel, air travel, and short-term car rental are provided by the travel agency Egencia. Distances have been calculated for each trip, thus giving a result close to reality. Data for travel by public transport, taxis and private cars have been collected from the accounting department. The € amounts collected have been converted into distance travelled (km).*

2. C**hoose less-polluting modes of transport:** Solucom employees are encouraged to use public transport for business travel in accordance with its present travel policy. Some examples of the measures put in place include:

- air travel authorised only if the train would take more than three hours;
- Solucom pays 50% of the charges for public bike schemes (*Vélib, Vélov, Bicloo, etc);*
- car hire authorised only in the absence of public transport.

Commuting

Commuting[16] totals approximately **6.9 million kms** per year, all modes of transport combined, or approximately **25 kms per employee per day worked**. The ratio is very similar to the previous year (slight drop of 3%).

As for modes of transport, Solucom employees are encouraged to use public transport for commuting. It can be broken down as follows:

Commuting per mode of transport *(% km²)*	***2013/14***	***2012/13***
Public transport	**85%**	81%
Private vehicle (cars & motorcycles)	**15%**	19%

2.2.5 Protection of biodiversity

Solucom has no sites situated in protected or high biodiversity areas. Its activities have no direct significant impact on biodiversity. Solucom has a limited indirect impact through paper consumption in its activities. To minimise this impact, the firm uses mainly paper made from pulp from sustainably managed forests **(certified FSC or PEFC) or 100% recycled paper.** Since 2012, this requirement has been incorporated in the specifications for printing services as well as in the purchasing of printing paper.

[16] *To calculate the distance travelled by employees using their own vehicle, the analysis is based on the postal codes declared by the beneficiaries of car or motorbike parking. The distance travelled by employees using public transport is calculated per trip declared (per zone).*

Appendix to environmental reporting – Concordance table between Solucom data and article 225 of Grenelle II

The following table shows the concordance between the information presented in this report and implementing decree 2012-557 of 24/04/2012 on the obligation of corporate social and environmental transparency. Some information has been judged not relevant given the firm's activities. (*See details in column "Solucom treatment".*).

Decree 2012-557, article 1- 2		*Solucom treatment*
a) General Policy	The Company is organised to address environmental issues and, where necessary, environmental assessment and certification initiatives.	§ 2.2.1 (1)
	Employee are given training and information on environmental protection.	§ 2.2.1 (2)
	Resources dedicated to the prevention of environmental and pollution risks.	Solucom's activities are not of a material nature and do not carry high environmental risk or cause major pollution (releases into air, water, soil, noise nuisance, soil use, etc.)
	Provisions and guarantees for environmental risks, subject to this information not being seriously prejudicial to the Company in an ongoing litigation.	
b) Pollution & waste management	Measures to prevent, reduce or remedy releases into the air, water and soil that seriously affect the environment.	Solucom's activities are not of a material nature and do not carry high environmental risk or cause major pollution (releases into air, water, soil, noise nuisance, soil use, etc.)
	Measures to prevent, recycle and eliminate waste.	§ 2.2.2
	Management of noise and other forms of pollution specific to an activity.	Solucom's activities are not of a material nature and do not create major noise nuisance.
c) Sustainable use of resources	Water consumption and supply in accordance with local restrictions.	§ 2.2.3 (3)
	Consumption of raw materials and measures taken to improve the efficiency of their use.	§ 2.2.3 (1)
	Energy consumption, measures taken to improve energy efficiency, and use of renewable energy.	§ 2.2.3 (2)
	Soil use.	Solucom's activities are not of a material nature and do not carry high environmental risk or cause major soil pollution. Also, Solucom's premises are located in already urbanised areas.
d) Climate change	Greenhouse gas emissions.	§ 2.2.4
	Adaptation to the consequences of climate change.	Solucom's activities are not of a material nature and are not directly impacted by the consequences of climate change.
e) Protection of biodiversity	Measures taken to protect or develop biodiversity.	§ 2.2.5

2.3 Information on societal commitments

In terms of societal responsibility, Solucom's approach is to promote equality of opportunity and non-discrimination. This commitment is mainly reflected in three action areas: education, access to higher education, occupational integration & jobs.

For this goal, Solucom's societal responsibility strategy is based on the following initiatives: support for humanitarian and citizenship projects (Solucom corporate Foundation, Villebon Institute); raising awareness among the firm's employees of the challenges of sustainable development and their involvement in the firm's philanthropy actions; the gradual integration of social and environmental criteria into all of Solucom's activities.

2.3.1 Regional, economic and social impact of the Company's activities

As, given its activity, Solucom has a relatively moderate regional and economic impact, it has opted to focus primarily on initiatives linked to its social and civic footprint. These initiatives are structured around the following challenges and action areas: occupational integration and jobs, access to higher education, promotion of diversity and equality of opportunity.

For more details, see sections 2.3.2 and 3 (Economic responsibility).

2.3.2 Relations between persons or organisations with an interest in the Company's activities

1) Actions taken on the jobs front and occupational integration

As a responsible employer, Solucom pays particular attention to its social footprint**.**

For the record, at 31 March 2014, Solucom's workforce excluding new acquisitions totalled 1,286 employees, most of them young managers (60% of employees are under 30 years of age), distributed across 99% of France.

As a growth company, Solucom is a net creator of jobs every year, and since its founding in 1990 has always strived to keep its employees in work. More than 200 hires were made in 2013/14, 96% of them on permanent indefinite contracts. The firm also welcomes over a hundred trainees every year (short courses, gap year, end-of-study, apprenticeships, work/study programmes) on a pre-employment basis.

In 2013/14, more than 5,000 candidates entered a recruitment process with Solucom and were accepted for a first interview. These candidates come from various sourcing mechanisms (relations with schools, cooptation campaigns, events, and spontaneous applications) and are processed by its HR development unit.

- **Solucom Recruitment Charter for candidates**

In 2012/13, Solucom formalised a Recruitment Charter, rolled out internally to everyone involved in recruitment and published externally. It is in line with the firm's continuous improvement approach to the recruitment process and aims to promote the principles of transparency and respect which is at the heart of Solucom's Human Resources policy. This charter, which is available in full on the Company website, is based on nine key commitments in recruitment (transparency, equal opportunity, personalised monitoring of candidates, professionalism of recruitment methods, confidentiality of information, etc.).

2) Partnership and philanthropy actions to promote equal opportunity

- **Solucom corporate Foundation**

Created in 2009, the Solucom corporate Foundation's mission is to intervene in France or abroad in the humanitarian field, by supporting or developing actions aimed at combating child poverty and extreme deprivation.

The Foundation has chosen to focus its interventions on projects that take a sustainable development approach.

Since its creation, it has supported some 40 projects with a high socio-educational content, mainly in Africa and Asia. Each project monitored by Solucom is sponsored by an employee of the firm.

In 2013/14, at the end of a new call for projects, 14 new projects were adopted by the Foundation's Board of Directors.

The Solucom Foundation has also been extended for a further five years from 17/01/2014.

The Foundation Charter as well as all previous years' activity reports are available on the Foundation's website: www.fondation-solucom.fr

- **Villebon – *Georges Charpak* Institute**

Since 2012, Solucom has sponsored the Villebon – *Georges Charpak* training institute, a project with a social mission run jointly by the ParisTech Foundation, higher education bodies (major schools and universities), and the socioeconomic world.

A new pilot scheme in educational innovation, the Villebon Institute's goal is to offer universal access to the top ranks of higher education, while guaranteeing the social, cultural and intellectual diversity of students. Awarded the Excellence in Innovative Education (IDEFI) label in 2012, the Institute's educational approach is based on experimentation, interdisciplinarity and group working, in project mode.

The Institute opened its doors in September 2013. Its first year intake (2013/14) was nearly 40 students, 70% of them on scholarships. Students with potential, but also with learning problems, mainly from low-income homes or with disabilities.

In this partnership, Solucom encourages voluntary involvement by its employees in various aspects of the project, such as training, selecting and sponsoring students, or inducting trainees. For this first intake, a dozen Villebon Institute students were sponsored by Solucom employees, who supported and advised on building their professional project.
For more information: www.villebon-charpak.fr

3) Relations with institutions of higher education

As part of its Human Resources strategy, Solucom operates a schools policy based on close relationships with higher education. For the record, the firm's recruitment targets are nearly 80% young graduates. Long-term relations have thus been forged for several years with over 30 French schools and universities, in Ile de France as well as in the regions.

This proactive partnership policy aims to support students in their personal and professional development. Personal, by the transmission of knowledge and know-how inherent in consulting roles (project management, client relationship management); and professional, by running various career coaching programmes, and the recurring integration of trainees into the firm's teams (more than a hundred each year). For illustrative purposes, here are some examples of actions on the campus: associative coaching and sponsoring ("Junior Enterprises", students' unions, association forums), CV/covering letter workshops, mock interviews, experience feedback and informal discussions with the firm's alumni, etc.

On the educational level, the firm also maintains strong relations with the careers services and faculty bodies of its target schools. In this respect, Solucom actively participates in major events in the life of these establishments, at multiple levels: participation in selection panels; philanthropy of promotions; running conferences, roundtables and course modules.

To support the development of the firm's partner schools and universities and to strengthen the mechanism in place, Solucom has since 2012/13 undertaken a review to develop more frequent integration of work/study syllabuses and apprenticeships among its employees, across all occupations.

2.3.3 Subcontractors and suppliers

Social and environmental issues taken into account in the firm's procurement policy

The implementation of a structured responsible procurement policy is a focus for the firm for the next few years.

To date, sustainable development criteria – environmental, social and/or societal – are incorporated into certain specific procurement processes, but not deployed and formalised on a firm-wide scale for all processes. For example:

- Printing services and paper buying (100% recycled or eco-labelled) (*see 2.2.5*).
- Computer equipment: all laptops in the firm are labelled EPEAT[17] (*gold* or *silver* level). This label requires, among other things, the limited use of dangerous substances, guaranteed recyclability and durability, low power consumption, and packaging with low environmental impact (*see 2.2.3*).
- Recourse to the protected sector and adapted for certain services, particularly when organising internal and external events (catering, printing). *(see 2.1.6).*

Furthermore, as a signatory of the United Nations Global Compact since 2012 (*see 2.3.4*), Solucom is committed to meeting international ethics standards and, as part of its continuous improvement initiative, to continuing efforts towards social progress and economic development.

Lastly, a very large majority of Solucom's partners and suppliers are located in France and are subject to French laws and obligations regarding human rights, labour laws, etc.

Subcontracting

As part of its consulting services to large companies, Solucom may occasionally have to subcontract part of its services to other specialist firms, particularly in the case where special expertise, outside its own core scope, is necessary for a project.

However, Solucom does not itself use staff made available under a subcontracting agreement.

2.3.4 Fair practices

Solucom is committed, and ensures that its employees are likewise committed, to the prevention of direct or indirect corruption, to the rules governing competition and the confidentiality of information to which employees have access as part of their missions and activities in the firm.

[17] *Electronic Product Environmental Assessment Tool label*

To this end and in accordance with its basic principles, Solucom is signatory since late 2012 of the United Nations Global Compact. This membership formalises the firm's long-term commitment to pursue all its actions responsibly and transparently. Accordingly, Solucom supports and undertakes to promote the 10 principles of the Compact (human rights, labour rights, environmental protection, anti-corruption measures) in its sphere of influence (clients, employees, shareholders, clients and suppliers, civil society).

In 2013/14, the firm published its first "Communication on Progress", reporting to its stakeholders the initiatives it has launched and the work it is doing in terms of the principles of the Compact.

3. Other information on Solucom's corporate responsibility: economic responsibility

Solucom aims to conduct itself as a responsible player in its environment. As such, the firm guarantees to all its stakeholders – financial, economic, civic and social – its adherence to the principles of good governance, transparency and ethics.

Governance

Solucom has adopted the structure of Management Board plus Supervisory Board to ensure a clear separation between the Management and Control functions of the Company.

Solucom complies unreservedly with the Corporate Governance Code published by MiddleNext.

The Supervisory Board is composed of five members, of which four are independent. As Solucom is an equity-controlled company, this composition of the Supervisory Board allows particular attention to be paid to the interests of minority shareholders.

For more details, see "Report of the Chairman of the Supervisory Board on the conditions for preparing and organising the work of the Board and on internal control and risk management" in section 4 of Solucom's Registration document.

Transparency

In addition to compliance with its regulatory obligations regarding financial communication, Solucom strives for high transparency and frequent regular communication, regardless of the economic context or the Company's performance.

The firm is also diligent in communicating to analysts and institutional investors, as well as individual shareholders, including six scheduled annual meetings with investors, the creation of a Shareholders' Club to strengthen relations with individual shareholders, and regular participation in trade fairs.

Ethics

More details about the mechanism put in place by Solucom to ensure the quality of services and ethics, see the Quality heading of section 1 of Solucom's Registration document.

4. Methodological note regarding Solucom's 2013/14 extra-financial reporting

4.1 Scope of consolidation

- Unless explicitly stated otherwise, the social and societal information by default covers the firm's entire consolidation scope, excluding the new acquisitions completed during the fiscal year as they are not integrated into the firm's extra-financial reporting process. In other words, Solucom's social and societal reporting for 2013/14 does not cover Lumens Consultants and Trend Consultants, acquired 4/12/2013 and 10/01/2014, respectively.
- Environmental data is handled by a separate methodology detailed in the environmental report (*see 2.2*). The coverage corresponds to the firm's entire consolidation scope excluding the new acquisitions completed during the fiscal year, and is limited to France (the Moroccan subsidiary SLM Consulting being excluded).
Some of the data is also collected only at head-office level, but as it represents over 90% of the workforce, it can be extrapolated for a faithful estimate of the values of environmental indicators for the entire corporate scope.
- The economic data is exclusively qualitative.

4.2 Reporting period

The data covers the fiscal year 2013/14 ended 31 March 2014. In a few rare cases, explicitly stated, the information covers a calendar year.

4.3 Sources and methods of collecting extra-financial data

Solucom's extra-financial data is collected and consolidated at the firm's head office. Data collection and consolidation is the responsibility of the heads of Communication and HR Development, under the supervision of the Chief Financial Officer.

Data collection and consolidation

- **Social data**

  Given Solucom's consulting activity, the social aspect of sustainable development is a major topic and a priority for the firm.

  The HR Development Department is responsible for defining and implementing Solucom's human resources strategy. It is based partly on decentralised human resource teams within *practices*, and partly on the recruitment unit which is in charge of all recruitment actions.

  Social reporting and the management of the associated indicators are under the responsibility of a single dedicated contact within Solucom's HR Development Department, in charge of consolidating the data at firm-wide level.

- **Environmental data**

  On environmental aspects, Solucom has been working since 2013 with the firm Icare Environment. The first carbon audit for Solucom SA was carried out for fiscal year 2012/13, using the Bilan carbone® method developed by the French Environment and Energy Management Agency *ADEME*. An environmental reporting procedure, in accordance with articles 75 and 225 of Grenelle II, was also set up in 2012/13.

  The processing and analysis of environmental data is supervised by Icare. Data collection is by a contact within Solucom, who is in charge of gathering and consolidating all information from contributors identified in the departments concerned (IT, Pay, etc.).

- **Societal data**

  Societal reporting is mainly qualitative. It is supervised by the head of communication, liaising with the contributors identified in the various departments.

Exclusions

In this report Solucom publishes qualitative and quantitative data on all the social, environmental and societal themes required by the implementing decree of article 225 of the Grenelle II Law.

However, and in accordance with the "comply or explain" rule provided by law, information considered not pertinent and therefore inapplicable to the firm given its exclusively intellectual activity, is not included in this report. The exclusions mainly have to do with environmental information (*see appendix "Concordance Table: pursuant to decree 2012-557 of 24/04/12 Grenelle II"*), and societal information, on topics relating to consumer health and safety, and actions to promote human rights.

4.4 Control methods

Internal control

An initial check of the data is carried out by those responsible for collecting it.

Data consistency checks are then performed by the departments concerned when consolidated. These checks include comparison with previous years' data, and gaps or variances considered to be significant are systematically analysed.

External control

Under the new regulatory provisions in the Grenelle II Law, its implementing decree, and the order of 13 May 2013, Solucom commissioned the firm FinexFi, a designated independent third-party, to audit its social, environmental and societal information for fiscal year 2013/14. The resulting audit report is presented below.

Independent auditor's report certifying the presence and reasonable assurance of social, societal and environmental information

For the attention of General Management,

In accordance with the request we received and as independent auditors of the company Solucom, we hereby present our report on the consolidated social, environmental and societal information presented in the management report covering the fiscal year ended 31/03/2014, pursuant to article L. 225-102-1 of the French Commercial Code.

Responsibility of Management

It is the Management Board's responsibility to prepare a management report covering the consolidated social, environmental and societal information specified in article R. 225-10501 of the French Commercial Code (the "Information"), established in accordance with the benchmarks used (the "Benchmarks") by the Company and available on request from Solucom head office.

Independence and quality control

Our independence is defined by regulatory texts, by the code of professional ethics, and by the provisions in article L. 822-11 of the French Commercial Code. Furthermore, we have put in place a system of quality control that includes documented policies and procedures aimed at ensuring compliance with the rules of ethics, professional standards and the applicable laws and regulations.

Responsibility of the independent auditor

It is our responsibility, based on our work:

- to certify that the required information is presented in the management report or, if omitted, is explained in accordance with paragraph three of article R. 225-105 of the French Commercial Code and decree 2012-557 of 24 April 2012 (Certificate of Presence);
- to express an opinion of reasonable assurance that the information is presented in every significant aspect in a fair and true manner in accordance with the benchmark adopted (Reasonable Assurance Report).

Certificate of Presence

We have carried out our review in accordance with the applicable professional standards in France:

- We have compared the information presented in the management report with the list in article R. 225-105-1 of the French Commercial Code;
- We have verified that the information covers the consolidation scope, specifically the Company and its subsidiaries in the sense of article L. 233-1 and the companies that it controls in the sense of article L. 233-3 of the French Commercial Code;
- In the case where certain consolidated information is omitted, we have verified that explanations are provided in accordance with decree 2012-557 of 24 April 2012.

Based on our work, we certify that the required information is present in the management report.

Reasonable Assurance Report

Nature and scope of work

We have carried out our review in accordance with ISAE 3000 (International Standard on Assurance Engagements and the professional principles applicable in France. We have carried out the following due diligence to obtain reasonable assurance of the fact that the Information contains no significant omissions or errors that may call into question its truth and fairness in all significant aspects, in accordance with the benchmark. A higher level of assurance would be necessary for a more extensive audit.

We have carried out the following work:

- We have assessed the appropriateness of the benchmark in terms of its pertinence, completeness, neutrality, clarity and reliability, taking into consideration existing best practices in the sector.
- We have verified that the Group has put in place a process for collecting, compiling, processing and checking information to ensure that it is complete and consistent. We have noted the procedures for internal control and risk management regarding the preparation of the Information. We have interviewed the individuals responsible for social and environmental reporting.

We have identified the consolidated information to be tested and have determined the nature and scope of the tests to be done in consideration of their importance in terms of the social and environmental consequences linked to the characteristics of the Group and to its societal commitments.

- Regarding the quantitative consolidated information we considered to be most important:
  - At the level of the parent company Solucom and its controlled entities, we used analytical procedures and, based on samples, verified the calculations as well as the consolidation of the information;
  - At head office, and the sites or subsidiaries that we selected[18] based on their contribution to the consolidated indicators, and a risk analysis, we :
    - carried out interviews to check that procedures were applied correctly and to identify any omissions;
    - carried out detailed tests based on samples, consisting of checking the calculations and reconciling the data with supporting documentation.

    The selected sample represents 100% of the contributions to the social data and more than 92% of the contributions to the environmental data for the reporting scope.
- Regarding the qualitative consolidated data that we considered the most important, we carried out interview and reviewed the associated documentary sources to corroborate the information and assess its truth and fairness. Regarding the subject of fair practices, interviews were conducted only at the level of the parent company Solucom.

- As regards other published consolidated information, we assessed its truth and fairness and its consistency with our knowledge of the Company and with our interviews and consultations of documentary sources, if any.
- We also assessed the pertinence of the explanations for the absence of certain information.

Comments on the benchmark

- The CRS benchmark defined by the firm Solucom covers the information in article R. 225-105-1 of the French Commercial Code.

Comments on the Information

- The quantitative social data is drawn mainly from a single database in the group which is internally closely audited.
- The quantitative environmental data covers 99.6% of the workforce.

Conclusion

Based on our work, we have found not significant omissions or errors that may call into question that the Information is presented in all significant aspects truthfully and faithfully in accordance with the benchmark.

Lyon, 3 June 2014

The Independent Auditor
FINEXFI
Isabelle Lhoste

[18] *Database for the tests: the firm's employee database, and the Paris La Défense site for environmental data.*

Risk Factors

Solucom has carried out a review of its risks and considers that it has no significant risks other than those presented below.

1. Market risk

Liquidity risk

The Company has conducted a specific review of its liquidity risk, and believes that it is able to meet its future contractual maturities.

As at 31 March 2014, the firm has gross cash and equivalents of €20 million, net of overdrafts. The Company's policy is to invest its surplus cash exclusively in risk-free money-market instruments recognised as cash equivalents in the firm's consolidated financial statements. Solucom does not engage in factoring or discounting.

In October 2012, the firm took out a covenant-free line of credit in the amount of €16 million amortisable over five years. At 31 March 2014, available credit after annual amortisation was €12.8 million.

The firm also issued a bond in October 2012 through the Micado France 2018 Fund in the amount of €3 million, redeemable in full on maturity.

As at 31 March 2014, financial liabilities consisted of:

- €3.0 million of bank loans and other financial debts excluding overdrafts, corresponding to a Micado bond net of issuance expenses recognised as a deduction from the value of the borrowing in the firm's consolidated statements;
- €0.5 million leases.

As at 31 March 2014, the firm had net cash and equivalents[19] in the amount of €16.6 million.

The Group's gross cash flow (€11.7 million at 31/03/14) amply covers Solucom's annual financing needs excluding acquisitions (in particular, changes in working capital requirements and short-term capital expenditure) as well as any bank loans and bond repayments due.

Furthermore, with available cash and credit totalling €42.3 million at 31 March 2014, the firm has significant financial room for manoeuvre.

Available cash and credit at 31 March 2014 can be broken down as follows:

- €20.0 million in cash (cash and equivalents in the form of short-term securities, net of overdrafts);
- €12.8 million in open lines of credit (to date, not all drawn down);
- €9.5 million overdraft facilities.

[19] Gross cash & equivalents minus financial liabilities

Breakdown of the firm's financial debt

Number	Characteristics of contracted borrowing	Type of rate	Amount at 31/03/14	Maturity	Hedges
1	€3.0 million bond, 6-year maturity, redeemable at maturity, with 6-monthly interest payouts.	Fixed (5.50%)	€3 million	02/10/2018	n/a

Breakdown of available credit (unused lines of credit)

Number	Characteristics of contracted borrowing	Type of rate	Amount at 31/03/14	Maturity	Hedges
1	€16 million line of credit over 5 years amortisable annually.	Variable (based on EURIBOR)	€12.8 million	05/10/2017	n/a

Interest-rate risk

Interest-rate risk is managed by the firm's finance department in conjunction with its main bank counterparties. The firm's policy is in principle to hedge against an increase in future repayment flows by using derivatives signed with top-tier banks.

No hedges of this type were in place as at 31 March 2014. The bond issued by Solucom in October 2012 carries a fixed annual rate of interest of 5.50%. The new line of credit at variable interest based on the Euribor rate had not been drawn down as at 31 March 2014.

Should it draw from this line of credit, Solucom would assess the economic benefit of hedging that rate.

The following table shows the maturities of the Group's assets and liabilities:

At 31/03/14 (in thousands of euros)	**Total**	**< 1 year**	**1 ≥ 5 years**	**> 5 years**
Financial liabilities	3 476	345	196	2 935
Financial assets (1)	20 034	20 034	0	0
Net position before hedges	**(16 558)**	**(19 689)**	**196**	**2 935**
Hedges	0	0	0	0
Net position after hedges	**(16 558)**	**(19 689)**	**196**	**2 935**

(1) Cash and cash equivalents

The firm's sensitivity to a 1% change in the short-term interest rate is estimated at €197k.

This figure is calculated based on the net position of debt maturing in less than a year, considering that the maturity of all the financial assets and liabilities constituting this net position is one year.

The firm's cash debt is supervised by Solucom's finance department and is subject to monthly reporting. For managing Solucom's cash, the finance department uses cash management software directly connected to the data transmission systems of its partner banks.

Exchange rate risk

Solucom invoices its services to its clients located in France or the eurozone. At firm level, the proportion of revenue generated by its Moroccan subsidiary was insignificant at 31 March 2014.

Exchange rate risk at 31 March 2014 was therefore insignificant.

Furthermore, should an invoice be issued in a foreign currency, Solucom would consider the economic benefit of hedging the exchange rate.

During 2013/14, the firm entered into an exchange rate hedge to cover the risk of certain sales transacted in pounds sterling (see Note 3.15 of the notes to the financial statements).

Equity risk

The firm's treasury shares consist exclusively of the shares owned by Solucom as part of the share buyback programme.

As at 31 March 2014, Solucom owned 61,788 Solucom shares, with a market value of €2,255k based on the closing price on 31 March 2014 of €36.50 per share.

The average cost price of all treasury shares in fiscal year 2013/14 was €23.60.

For the record, in the firm's IFRS financial statements, Solucom treasury shares are carried as a deduction from equity and any fluctuation in their value has no impact on consolidated profit or loss.

In addition to the foregoing, the firm's cash-equivalent investment policy consists of using only risk-free money market instruments.

As regards sensitivity, a 10% increase or decrease in the price of Solucom shares would represent a €226.5k increase or decrease, respectively, in shareholders' equity.

2. Legal risks

Third-party liability risk

The firm carries a risk of civil liability for injury to a third party during the course of its professional activities. However, as its services are mainly the delivering of advice and expertise, the risk of incurring professional liability is much lower than for engineering or integration activities.

To ensure the quality of execution of its mission, the firm has a set of methods and tools, and mission managers have special training to develop the most advanced skills in their respective fields of intervention. These mission managers ensure strict compliance with the specifications approved by the client and the mission steering committee, in direct liaison with the client's operations contacts.

However, the possibility cannot be excluded that faults may appear during the course of Solucom's services. Solucom also cannot guarantee that all contractual terms agreed with its clients, suppliers and partners will always be followed. Such potential faults or breaches of contractual terms may entail damages for which Solucom may be held liable.

Accordingly, the firm is covered by a professional civil liability insurance policy (see section 5 "Insurance and risk cover").

Labour relations risk

Given its activity, Solucom is exposed to a risk of complaints by its employees that may lead to human-rights disputes. To arm itself against such risks, the firm is diligent in defining internal procedures governed by labour law with the aid of specialist external consultancies, and in harmonising its human resources practices across all the Group's companies.

All known disputes are reviewed at the time that the financial statements are prepared and any provisions considered necessary are constituted to cover the estimated risks.

The total amount provisioned for disputes is disclosed in Note 16 of the notes to the financial statements.

Regulatory risk

As a player in the information system management consulting sector, the firm is subject to multiple, constantly changing laws and regulations, which exposes it to the risk of breach of the latest regulations.

Solucom has put in place procedures aimed at ensuring as much as possible that the firm complies with all regulatory and statutory provisions in force and meets all its obligations, particularly in the field of employment law.

3. Industrial and environmental risks

As Solucom's activities are exclusively intellectual, its total impact on the environment is limited. This is particularly the case for the use made of the firm's assets as it has a low impact on the environment.

For more details about Solucom's environmental responsibility, see the attached "Corporate Responsibility Report".

4. Operating risks

The risks disclosed below are pertinent or significant for Solucom's activity.

Risk related to the current economic context

The existence of economic cycles increasingly close to each other and possibly increasingly volatile, can cause uncertainty to weigh on Solucom's activities. This can be reflected in clients tightening their budgets, halting projects, and in general by a contraction in the volume of demand at the same time as an increase in competition.

Historically, Solucom has always managed to take measures to minimise the impact of such difficulties. in 2012/13, in light of the market conditions, Solucom focused on strengthening its sales resources to mitigate the decline in demand among its clients, and centred its sales efforts on sectors and clients with the best potential. Continuing this approach in 2013/14, Solucom also rethought the internal organisation of its teams to gain commercial agility. In particular, it set up a system for periodic adjustment of its sales mechanism to continuously adapt to changes in demand among its clients and prospects. To date, these measures have been effective as the firm, in 2013/14, increased its revenue by 6% at constant scope, in a declining market. For all that, Solucom cannot guarantee that the firm will in future be able to successfully manage all the effects of the economic crisis.

Credit risk

As Solucom's clients are almost entirely large companies, the risk that they will fail to pay or go bankrupt is low.

The risk of client non-payment or bankruptcy is, however, higher when the firm sells its services to SMEs or to foreign companies outside the European Union (which account for less than 10% of the firm's revenue). In such cases, it is up to the management of the entity concerned within the firm, in liaison with the finance department, to do everything possible to obtain reasonable assurance of payment.

In this respect, in 2013/14 the firm continued to strengthen its client oversight mechanism and its process for ensuring the recovery of client receivables. This mechanism consists of producing multiple indicators for client monitoring and identifying at-risk client receivables, presented as a monthly report to the steering committee. In addition, past-due client receivables are reviewed on a quarterly basis by the finance department and general management.

As at 31 March 2014, write-downs of client receivables represented less than 1% of gross client receivables (see Note 14 of the 2013/14 financial statements).

Dependency risk

As at 31 March 2014, the firm's top five and top ten clients accounted for 42% and 61% of its revenue, respectively, which represents a significant concentration of Solucom's revenue in its main clients.

It should be noted that the firm's client portfolio is diversified in sector terms, which minimises the risk associated with Solucom's dependency on its main clients. Specifically, at 31 March 2014, the utilities sector accounted for 43% of the firm's revenue; the banking and insurance sector 27%; and services and distribution sector 23%.

Despite this sectoral diversity, it would be prudent to note that the loss of any one of its main clients could entail a significant loss of revenue for the firm.

Seasonality risk

The only seasonality risk results from the concentration of holidays in certain months of the year. These are the months of July and August, as well as May. The impact of these holiday months thus affects the first half of Solucom's fiscal year (April to September).

This phenomenon does not represent a major risk as its effect is relatively predictable (impact similar from year to year).

Fixed-price risk

Fixed-price contracts account for 30% to 40% of the firm's revenue (37% in 2013/14).

Solucom has set up rigorous project oversight, the firm's management tools are closely tied to such monitoring.

Every fixed-price project is split into separate lots. A project manager is assigned to each lot. The project manager is responsible for delivering the contracted services and for supervising the players in that lot.

On a monthly basis, the project manager analyses the costs charged by each player and sets up a forecast of the services remaining to be delivered. This establishes a schedule of progress to date, monthly revenue achieved, and budgeted-day overruns for the lot, if any.

This analysis, which is automatically passed to management in the first days of every month, allows variances to be identified as fast as possible and any corrective action to be triggered.

In recent years, the average budget overrun has never exceeded 2% of the total days' presence of productive teams excluding holidays. The average overrun in 2013/14 was actually negative at -1%.

Subcontracting risk

Solucom acts as a subcontractor only on an exceptional basis. The firm runs most of key-client projects directly, which guarantees Solucom the ability to forge client loyalty.

Solucom is occasionally forced to combine its services with those of specific companies that have the necessary complementary skills to fully meet its clients' needs in some projects. When Solucom takes the responsibility for delivering the services provided by such companies to the end client, a subcontracting agreement is usually drawn up.

Competition risk

Solucom operates in a highly competitive market that includes many local and international players. Some of those players are strongly positioned alongside Solucom, which makes competition particularly fierce in terms of the quality of the services rendered as well as in terms of price.

Quality risk

To ensure the quality of execution of its missions, the firm has a set of methods, and project managers have special training to develop the most advanced skills in their respective fields of intervention. These mission managers ensure strict compliance with the specifications approved by the client and the mission steering committee, in direct liaison with the client's operations contacts.

The firm has set up monthly monitoring of quality risk to identify suspected or proven incidents and their resolution by executing specific action plans.

Nonetheless, services can prove to be more difficult to perform than initially estimated and/or some factors may have not been clearly defined in the specifications. Such problems, if not identified in time, in addition to major budget overruns on certain projects and the resulting damages for which the firm may be liable, could damage Solucom's reputation.

Risks related to information systems

With growth, the information system becomes an increasingly important asset for Solucom. It is used to manage business and operations, produce financial statements, communicate internally and externally, and to consolidate, organise and manage the knowledge databases used by all the firm's employees.

An IT disaster recovery plan has been put in place to ensure that every essential service of the system can be restored promptly regardless of the cause, except in the case of total system failure. In addition, to protect against total system failure, all data is backed-up daily, and a full backup package is sent on a weekly basis to an off-site location.

The system is protected against intrusion and hacking by state-of-the-art firewall and security systems.

In 2012, Solucom decided to install a new information management system (Activesys) to meet the firm's medium-term development goals (growth, international, etc.). The first phase of the system was successfully rolled out during fiscal 2013/14.

The firm remain, however, vigilant regarding the upcoming rollouts and is particularly focused on the changeover phase to minimise disruption.

Risk related to human resources

Solucom's development inextricably depends on recruiting and retaining high-potential employees. Solucom's recruitment plan focuses on young graduates from the best big schools and universities.

Recruitment is a major challenge for Solucom, given the structural competition for the recruits that the firm seeks to attract.

To succeed in this key initiative, Solucom invests heavily in recruitment each year. As a result, Solucom was able to achieve and exceed its target of 200 hires for fiscal year 2013/14.

In addition to recruitment, staff turnover is a second challenge for Solucom as its experienced consultants are highly sought-after on the market. Solucom considers its normal turnover to be 12% to 15%.

Managing turnover is the joint responsibility of management and the firm's human resources managers. The firm has put in place numerous initiative to reduce turnover: Solucom strives to define a career progression structure for all its employees based on long-term development to suit each person's potential. A turnover monitoring mechanism has also been set up to identify risks of leaving so that adequate measures can be taken to minimise them.

Solucom also incorporates, to the extent possible, non-solicitation clauses in its contracts with its clients, suppliers and partners and is as vigilant as possible in ensuring that those clauses are not breached.

The firm's employee turnover dropped from 12% in 2012/13 to 9% in 2013/14, well below the industry norm.

Risks related to acquisitions

Solucom's external growth strategy regularly leads to the integration of new companies. It may take longer or be more difficult than anticipated to integrate new companies, especially in terms of human resources, sales, information systems, and internal procedures.

For each acquisition, Solucom meticulously ensures that the acquired company's management "buys in" to the common corporate project. Such upstream thinking facilitates the integration process and reduces the risk of key people leaving.

When integrating a new company, Solucom is also careful to:

- quickly roll out the firm's management tools to the new entity to have a close view of its operations as quickly as possible;
- install revenue synergies, especially by rolling out the acquired company's know-how to the firm's existing clients;
- harmonise operating processes, for greater efficiency, and search for pooling possibilities to reduce costs.

This associative methodology has been refined through each of its five latest acquisitions: Alturia Consulting, Eveho, Stance, Lumens Consultants and Trend Consultants. Focused on the human dimension and on support for teams, it has led to the adoption of a project mode managed by a dedicated task force consisting of the firm's directors representing Solucom's various operating and support functions. These new processes have been set up to accelerate the integration of the acquired companies (releasing synergies, adapting to the organisational model of the firm's practice).

The new companies have to integrate into the firm's organisational structure within about one year.

The firm is very diligent in overseeing such integrations. Nonetheless, there are many risks inherent in any external growth operations and Solucom cannot guarantee that it will always follow its theoretical model.

Risk of goodwill impairment

As at 31 March 2014, goodwill impairment tests were carried out on Alturia Consulting, Eveho, Stance and Solucom SA.

These impairment tests have confirmed the value of goodwill based on generally accepted assumptions.

Sensitivity tests have also been carried out, the results of which are disclosed in Note 10 of the notes to the financial statements.

These tests have not led to a write-down of goodwill in the financial statements ended 31 March 2014.

Furthermore, as the acquisitions of Lumens and Trend were recent (4 months and 3 months, respectively), no goodwill impairment tests were performed on these two companies.

Solucom, however, cannot exclude the possibility that future business or operational difficulties may lead to the impairment of the goodwill in the firm's balance sheet.

Dependency on third-party software or software licenses

The firm has no significant dependency on third-party patents or licenses.

5. Insurance and risk cover

General insurance approach

The firm's general insurance approach is to prevent and protect against risks that may impact its activities.

Solucom's services are purely intellectual consisting of consultation, advice and technical expertise for major clients. Accordingly, all of the firm's companies are insured with top-tier insurance companies with coverage appropriate for their field of activity:

- operating loss and property damage;
- damage to clients or third parties as part of performing the contracted services;
- job-related risks, in particular accidents while consultants are travelling for business purposes.

Premiums and cover

Solucom has the following cover:

- premises and equipment insurance;
- employee transport and repatriation insurance;
- civil and professional operating liability;
- third-party liability cover for executives and corporate officers.

There are no significant insured or uninsured internal risks.

The annual coverage ceilings are as follows:

Type of cover	Guaranteed amount
Operational third party liability	
‣ personal injury	€10.0 million per claim
‣ property damage / intangible consequential loss	€10.0 million per claim
Third party liability	
‣ property damage / intangible and consequential loss	€10.0 million per year
Third-party liability cover for executives and corporate officers	€15 million per year
Comprehensive premises and equipment insurance	
‣ Contents	€4.6 million per year
‣ IT equipment	€1.3 million per year

The premiums per risk category paid by the firm for fiscal year 2013/14 are as follows:

Type of cover	**Premium** (in thousands of euros)
- Third party liability	159
- Third party liability of corporate officers	17
- Comprehensive premises and equipment insurance	52
- Transport insurance	43
- Repatriation insurance	7

Management Board Report

Additional Notes

COMPANY RESULTS AND OTHER ITEMS IN THE LAST FIVE YEARS

(In thousands of euros)	31/03/10	31/03/11	31/03/12	31/03/13	31/03/14
Capital at end of period					
Share capital	497	497	497	497	497
Number of ordinary shares	4,966,882	4,966,882	4,966,882	4,966,882	4,966,882
Operations and profit/loss					
Revenue (excl. tax)	56,094	63,880	66,045	115,552	130,227
Earnings before tax, profit-sharing, amortisation, depreciation and provisions	9,652	12,794	11,051	13,149	17,108
Income tax	2,082	2,581	417	362	3,740
Employee shareholding	606	589	591	1,596	1,830
Earnings after tax, profit-sharing, amortisation, depreciation and provisions	787	9,051	8,906	10,708	10,841
Distributed profit	937	1,026	1,066	1,555	1,618
Earnings per share					
Earnings before tax, profit-sharing, amortisation, depreciation and provisions	1,40	1.94	2,02	2,,25	2,32
Earnings after tax, profit-sharing, amortisation, depreciation and provisions	0,16	1,82	1,79	2,16	2,18
Dividends paid	0,19	0,21	0,22	0,32	0,33
Personnel					
Average headcount	286	302	407	953	1093
Total payroll	14,239	14,829	21,293	52,289	58,641
Amount paid in social welfare contributions	6,947	7,310	10,495	25,898	28,481

VALID AUTHORISATIONS TO INCREASE CAPITAL AND THEIR USE BY THE COMBINED GENERAL MEETING OF 25 SEPTEMBER 2013

Resolution No.	Purpose	Term of the authorisation	Ceiling at nominal price	Use
9	Issue ordinary shares and securities giving access to the Company's share capital while maintaining shareholders' preemptive subscription rights (PSR). Articles L.225-129 to L.225-129-6, L.225-134, L.228-91 and L.228-92 of the French Commercial Code.	26 months	Securities €248,344.10 Debt securities: €30,000,000.	None
10	Issue with removal of PSR and an offering to the public (preemptive rights to existing shareholders for the first five days) of ordinary shares and securities giving access to the Company's share capital. Articles L.225-129 to L.225-129-6, L.225-134, L.225-135, L.225-136, L.225-148, L.228-91 and L.228-92 and following of the French Commercial Code.	26 months	Money market instruments offered to the public €99,337.64 Debt securities: €12,000,000.	None
11	If the demand for subscriptions for a capital increase decided under Resolutions 9 and 10 (with our without PSR) exceeds the number of ordinary shares and securities to be issued under article L.225-135-1 of the French Commercial Code, within 30 days of the closure of the subscription at the same price as used for the initial issue. Articles L.225-129 to L.225-129-6, L.225-135, L.225-135-1 and following, L.228-91 and L.228-92 of the French Commercial Code.	26 months	15% of the initial issue subject to the ceiling in the Resolution for this issue and subject to the ceilings in Resolution 13.	None
12	Issue or ordinary shares and securities giving access to the Company's share capital with the removal of PSR with a view to compensating benefits in kind to the Company consisting of shares and securities giving access to third-party capital when article L.225-148 of the French Commercial Code does not apply (outside an IPO). Articles L.225-129 to L.225-129-6 and L.225-147 of the	26 months	10% of share capital subject to the ceiling in Resolution 10 and the total ceiling in Resolution 13.	None

	French Commercial Code.			
13	Total ceiling on issues under Resolutions 9 to 12.	26 months	Securities: €248,344.10 Debt securities: €30,000,000	None
14	Incorporation of reserves or profits, issue premiums, or contribution by the creation of ordinary shares by the grant of free shares or splitting of existing shares. Articles L.225-129 to L.225-129-6 and L.225-130 of the French Commercial Code.	26 months	€400,000 on the understanding that this ceiling is independent and separate from those in Resolution 13.	None
15	Issue of ordinary shares and financial securities giving access to the Company's share capital, removing PSR, to the benefit of employee members of a Company share-based savings scheme. Articles L.3332-18 and following of the French Labour Code and articles L.225-129-2 to L.225-129-6 and L.225-138-1 of the French Commercial Code..	26 months	5% of share capital on the day that the authorisation is used it being understood that the amount is independent and separate from those set in Resolutions 9 to 13 but combine with Resolutions 16 and 17, subject to the total ceiling for these three resolutions as specified in Resolution 18.	None
16	Free grant of existing shares or shares to be created to employees or certain categories, corporate officers of the Company and/or its subsidiaries. Articles L.225-197-1 to L.225-197-6 of the French Commercial Code.	38 months	a) 1% of the Company's share capital on the date of the Management Board's decision for the Company's corporate officers b) 6% of the Company's share capital on the date of the Management Board's decision for employees or corporate officers or companies in the Group, or some of them, other than those mentioned in a). The amounts in a) and b) above are independent and separate from those set in Resolutions 9 to 13 but combined with	None For the preceding uses under the authorisations of previous GMs, see the previous Registration documents and management report tables.

			those in Resolutions 15 and 17, subject to a total ceiling for these three resolutions as set in Resolution 18.	
17	Issuance of financial securities giving access to capital to the benefit of the employees and corporate officers of the Company and its subsidiaries, with the removal of PSR. Articles L.228-91 and following, L.225-129 and following, and L.225-138 of the French Commercial Code..	18 months	6 % of share capital on the day that the authorisation is used it being understood that the amount is independent and separate from those set in Resolutions 9 to 13 but combine with Resolutions 15 and 16, subject to the total ceiling for these three resolutions as specified in Resolution 18.	None
18	Total ceiling for the use by the Management Board of the authorisations in Resolutions 15 to 17.	-	8 % of share capital	None

Information on trends

For a description of recent changes and the outlook for the Company, see “Management Report – *General Report*” in section 2 of this Registration document.

Chapter 3

Financial information

Consolidated Financial Statements as at 31 March 2014

Consolidated Income Statement

	Note	31/03/14	31/03/13
Revenue	1	**141,622**	**130,545**
Cost of sales	2	3,185	4,449
Personnel expense (including profit-sharing)	3 & 4	102,155	94,011
External expenses	5	14,290	13,318
Levies and taxes		2,347	2,409
Depreciation charges and provisions		1,493	896
Other current income and expenses		(92)	(18)
EBIT		**18,243**	**15,480**
Other operating income and expenses	6	(557)	(45)
Operating profit		**17,686**	**15,434**
Financial income	7	56	11
Gross cost of financial debt	7	254	154
Net cost of financial debt		**198**	**143**
Other financial income and expenses	7	(12)	43
Income before tax		**17,476**	**15,334**
Tax charge	8	6,530	4,998
Net income for the period		**10,946**	**10,336**
Non controlling interests		0	0
Net income, Group share		**10,946**	**10,336**
Net earnings per share (Group share) (euros) (1) (2)	9	2.23	2.11
Net diluted earnings per share (Group share) (euros) (1) (2)	9	2.20	2.08

(1) weighted number of shares in the period

2) In accordance with IAS 33, net earnings per share as at 31/03/13 have been restated retrospectively based on the number of shares at 31/03/14.

Statement of Financial Position

	Note	31/03/14	31/03/13
Goodwill	10	41,077	36,603
Intangible assets	11	1,292	634
Property, plant and equipment	11 & 12	2,220	2,083
Financial assets - longer than 1 year	13	975	834
Other non-current assets	13	3,210	2,509
Non-current assets		**48,774**	**42,663**
Trade receivables and related accounts	14	49,367	43,610
Other receivables	14	6,696	7,551
Cash and cash equivalents	14	20,034	18,145
Current assets		**76,097**	**69,307**
Total Assets		**124,871**	**111,970**
Capital	15	497	497
Additional paid-in capital		11,218	11,218
Reserves and consolidated income		52,165	42,696
Total shareholders' equity, Group share		**63,880**	**54,411**
Non controlling interests		0	0
Total shareholders' equity		**63,880**	**54,411**
Long-term provisions	16	3,934	3,362
Financial liabilities > 1 year	17	3,131	3,258
Other non-current liabilities	18	1,002	296
Non-current liabilities		**8,067**	**6,916**
Short-term provisions	16	1,637	1,102
Financial liabilities < 1 year	17	345	361
Trade payables and related accounts	18	5,653	6,160
Tax and social security liabilities	18	38,388	34,800
Other current liabilities	18	6,901	8,221
Current liabilities		**52,925**	**50,643**
Total Liabilities		**124,871**	**111,970**

Change in Consolidated Cash & Equivalents

	31/03/14	31/03/13
Consolidated net income	**10,946**	**10,336**
Elimination of non-monetary items		
Net depreciation charges and provisions	1,940	1,727
Gain (loss) on disposals, net of tax	3	(10)
Other calculated income and expenses	(1,218)	139
Gross cash flow[1]	**11,671**	**12,193**
Change in working capital requirements	(1,022)	2,359
Net cash flow from operating activities	**10,648**	**14,552**
Acquisition of tangible and intangible assets	(1,428)	(927)
Asset disposals	0	1
Change in financial assets	864	222
Impact of changes in consolidation scope [2]	(5,949)	(10,150)
Net cash flow from investing activities	**(6,513)**	**(10,854)**
Dividends paid to shareholders of parent company	(1,571)	(1,066)
Dividends paid to consolidated non-controlling interests	0	0
Other cash flow from financing activities	(650)	890
Net cash flow from financing activities	**(2,221)**	**(176)**
Change in net cash	**1,914**	**3,521**
Impact of changes in exchange rates	(1)	0
Cash and equivalents at start of period	18,098	14,577
Cash and equivalents at end of period	20,012	18,098

(1) Gross cash flow is calculated after net cost of financial debt and after current tax expense.

Tax paid amounted to €7,211k as at 31/03/14, versus €2,490k the previous fiscal year.

Interest amounted to €226k as at 31/03/14, versus €121k the previous fiscal year.

(2) The line "Impact of changes in consolidation scope" relates to the acquisition of Lumens Consultants and Trend Consultants, the price supplement for Eveho Conseil, and the purchase of the remaining shares in Stance.

Change in Consolidated Shareholders' Equity

	Capital	Premiums	Consolidated reserves	Profit for the year	Translation gain (loss)	Shareholders' equity
Consolidated shareholders' equity at 31/03/12	**497**	**11,218**	**26,444**	**6,999**	**0**	**45,158**
Consolidated profit for the year	0	0	0	10,336	0	10,336
IAS 19 actuarial gain (loss)	0	0	(224)	0	0	(224)
Insignificant IFRS restatements	0	0	0	0	0	0
Comprehensive net income	**0**	**0**	**(224)**	**10,336**	**0**	**10,112**
Appropriation of profit	0	0	6,999	(6,999)	0	0
Change in capital of the consolidating company	0	0	0	0	0	0
Distributions of the consolidating company	0	0	(1,066)	0	0	(1,066)
Treasury shares	0	0	226	0	0	226
Restatement of provision for free shares	0	0	(18)	0	0	(18)
Translation gain (loss)	0	0	0	0	(1)	(1)
Consolidated shareholders' equity at 31/03/13	**497**	**11,218**	**32,361**	**10,336**	**(1)**	**54,411**
Consolidated profit for the year	0	0	0	10,946	0	10,946
IAS 19 actuarial gain (loss)	0	0	(140)	0	0	(140)
Insignificant IFRS restatements	0	0	52	0	0	52
Comprehensive net income	**0**	**0**	**(88)**	**10,946**	**0**	**10,858**
Appropriation of profit	0	0	10,336	(10,336)	0	0
Change in capital of the consolidating company	0	0	0	0	0	0
Distributions of the consolidating company	0	0	(1,571)	0	0	(1,571)
Treasury shares	0	0	159	0	0	159
Restatement of provision for free shares	0	0	23	0	0	23
Translation gain (loss)	0	0	0	0	0	0
Consolidated shareholders' equity at 31/03/14	**497**	**11,218**	**41,220**	**10,946**	**(1)**	**63,880**

The dividend paid during the fiscal year amounted to €0.32 per share, or €1,571k in total.

The proposed dividend is €0.33 per share, or an estimated €1,618k.

Shareholder equity contains no taxable item. Total deferred tax assets relating to items recognised in shareholders' equity since founding amounted to €349k and are generated by actuarial gains or losses linked to the application of IAS 19.

Statement of Net Comprehensive Income

	Note	31/03/14	31/03/13
Net income		**10,946**	**10,336**
IAS 19 actuarial gain (loss)	16	(140)	(224)
Insignificant IFRS restatements		52	0
Total recognised as equity		**(88)**	**(224)**
Net comprehensive income, Group share		**10,858**	**10,113**

1. Overview

Solucom is a limited liability company (*société anonyme*) incorporated under French law and is subject to all provisions applicable to business enterprises in France and the French Commercial Code in particular. Its registered office and headquarters is at Tour Franklin – 100/101 terrasse Boieldieu – 92042 Paris La Défense Cedex. The company is listed on NYSE Euronext Paris, compartment C.

The consolidated financial statements of the firm Solucom (consisting of the company Solucom and its subsidiaries) were approved by the Management Board on 02/06/2014. These financial statements are not final until approved by the Shareholders' General Meeting to be held on 11/07/2014.

All amounts presented in the Notes are expressed in thousands of euros (€k).

2. Significant events in the fiscal year

Acquisition of Lumens Consultants

On 04/12/13, Solucom acquired the entire share capital of Lumens Group, a non-operating holding company, which itself wholly owns Lumens Consultants.

Founded in 2009, Lumens Consultants advises on structure and management to support its clients in every aspect of operational excellence. Lumens Consultants has, in particular, developed cutting-edge know-how in the organisation and transformation of the human resources (HR) function.

For its fiscal year ended 31/03/13, Lumens Consultants reported revenue of €3,862k and an operating margin exceeding 8%. The company has 25 employees.

This acquisition was paid mainly in cash, plus a component in the form of Solucom shares. Goodwill was recognised in the firm's consolidated financial statements, including a potential price supplement amounting to 7% of the recognised acquisition price.

Lumens Consultants has been consolidated in Solucom's financial statements since 1 December 2013, therefore for four months of the latter's 2013/14 fiscal year.

On 31/03/14, by decision of the sole partners of Lumens Group and Lumens Consultants, Lumens Group was absorbed by Lumens Consultants with retroactive effect to 1 July 2013. Lumens Consultants is thus now wholly and directly owned by Solucom SA. This transaction had no impact on the consolidated financial statements.

Lumens Consultants reported company revenue of €3,284k and an operating loss of €49k as at 31/03/14.

Acquisition of Trend Consultants

On 10/01/14, Solucom acquired the entire share capital of Trend Consultants.

Founded in 1991, Trend Consultants advises on organisation and management and has developed strong expertise in the financial sector, particularly in retail banking.

For its fiscal year ended 31/12/12, Trend Consultants reported revenue of €2,238k and a slightly positive operating margin. The company has 18 employees.

This acquisition was paid entirely in cash. Goodwill was recognised in the firm's consolidated financial statements, including a potential price supplement amounting to 29% of the recognised acquisition price.

Trend Consultants has been consolidated in Solucom's financial statements since 01/01/14, therefore for three months of the latter's 2013/14 fiscal year.

Trend Consultants reported company revenue of €3,349 and an operating profit of €588k for the 15 months ended 31/03/14.

Payment of the Eveho price supplement

Following the acquisition of Eveho on 06/04/12, and in accordance with the Memorandum of Understanding for the transaction, Solucom paid a price supplement to the company during the first half of fiscal 2013/14.

Purchase of the remaining shares in Stance

Following the acquisition of the majority interest in Stance (71%) on 02/10/12, and in accordance with the Memorandum of Understanding for the transaction, Solucom purchased the remaining shares making up the company's share capital (29%) during the first half of fiscal 2013/14.

Impact on business combinations

On the same scope as the previous year (ie, excluding the three new acquisitions Stance, Lumens Consultants and Trend Consultants), revenue amounted to €136,976k, ROC €17,815k, and the Group's share of net profit was €10,869k.

On the firm's entire consolidation scope (ie, including the three new acquisitions), revenue amounted to €141,622k, ROC €18,243k, and the Group's share of net profit was €10,946k.

3. Accounting methods and principles

3.1. Consolidation principles

Framework

Since 01/04/05, Solucom's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and European Regulation 1606/2002 of 19/07/02. These consist of IFRS and IAS standards as well as their interpretations, as adopted by the European Union at 31/03/14.

The accounting principles used for these consolidated financial statements are identical to those used by the firm for its consolidated financial statements for the previous fiscal year.

Changes in standards

The IFRS and IAS standards and IFRIC interpretations, as adopted by the European Union (which are available on the European Commission website http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission) for reporting periods starting on or after 01/04/13, have been applied by the firm and have entailed no significant changes in measurement or presentation methods for the financial statements.

IFRS standards, IFRIC interpretations or amendments applied by the firm since 01/04/13

Standards, Amendments or Interpretations	Date of adoption by the European Union	Effective date: reporting periods starting on or after
IAS 19 Revised "Employee Benefits"	06/06/13	01/01/13
Annual Improvements to IFRS (2009-2011)	28/03/13	01/01/13
IFRA 13 "Fair Value Measurement"	29/12/12	01/01/13
Amendment to IAS 12 "Deferred Tax on Revalued Assets"	29/12/12	01/01/13
Amendment to IFRS 7 "Financial Instruments: Disclosures – Offsetting of Financial Assets and Financial Liabilities"	29/12/12	01/01/13

The application of these new provisions has had no impact on the firm's financial statements.

Accounting standards or interpretations that the firm will apply in the future

The IASB has published standards and interpretations that have not yet been adopted by the European Union as at 31/03/14, and have therefore not been applied by the firm as at that date.

Standards, Amendments or Interpretations	Date published by IASB	Effective date: reporting periods starting on or after
IFRS 9 "Financial Instruments—Phase I: Classification and Measurement"	12/11/09, 28/10/10, 16/12/11 and 28/11/12	01/01/15
IFRIC 21 "Levies and Taxes"	20/05/13	01/01/14
Limited Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"	21/11/13	01/07/14
Annual Improvements to IFRS (2010-2012)	12/12/13	01/07/14
Annual Improvements to IFRS (2011-2013)	12/12/13	01/07/14

The IASB has published standards and interpretations, adopted by the European Union as at 31/03/14, that are applicable to reporting periods starting on or after 01/01/14. These provisions have not been early-adopted.

Standards, Amendments or Interpretations	Date of adoption by the European Union	Effective date: reporting periods starting on or after
IAS 27 Revised "Separate Financial Statements"	21/12/13	01/01/14 (1)
IAS 28 Revised "Investments in Associates and Joint Ventures"	29/12/12	01/01/14 (1)
IFRS 10 "Consolidated Financial Statements"	29/12/12	01/01/14 (1)
IFRS 11 "Joint Arrangements"	29/12/12	01/01/14 (1)
IFRS 12 "Disclosure of Interests in Other Entities"	29/12/12	01/01/14 (1)
Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	21/11/13	01/01/14
Amendments to transitional provisions of IFRS 10, 11 and 12	05/04/2013	01/01/14 (1)
Amendments to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets"	20/12/13	01/01/14

(1) These provisions must be applied in the same period.

The impact of draft standards or interpretations currently being considered by the IASB have not been anticipated in these financial statements and cannot reasonably be estimated to date.

Comparability of financial statements

The financial statements for the period ended 31/03/14 are comparable with those for the previous fiscal year with the exception of the changes in consolidation scope.

3.2. Consolidation methods

Solucom is the consolidating company.

The financial statements of companies under the exclusive control of Solucom are consolidated fully.

Solucom does not exert significant influence or joint control on any other company. Solucom does not directly or indirectly control any other ad hoc entity.

The financial statements of the consolidated companies, if any, are restated to ensure uniformity of measurement and accounting rules.

The merger mentioned in section 2 "Significant events in the fiscal year" had no impact on the consolidated financial statements.

The period-end for the financial statements of all consolidated companies is 31/03/14.

As at 31/03/14, the consolidated financial statements consolidate all the firm's companies over 12 months with the exception of Lumens Consultants which has been consolidated over the last 4 months, and Trend Consultants which has been consolidated over the last 3 months.

3.3. Currency translation methods

Translation of financial statements from one currency to another

Foreign companies' statements of financial position are translated into euros at the prevailing exchange rate on the period-end date. The income statement and the cash flow statement are translated at the average exchange rate for the period. Resulting translation gains or losses are posted to shareholders' equity as "Translation gain (loss)" for the Group's share.

The currency-to-euro closing rates and average rates used are shown below:

	Closing rate		Average rate	
	31/03/14	31/03/13	31/03/14	31/03/13
Dirham (MAD) (1)	0.088875	0.089726	0.089276	0.090175

(1) Source: Banque de France

The average rate is determined by calculating the average of the closing monthly rates over the period.

Recognition of transactions in a foreign currency

Transactions in a foreign currency are translated into euros at the effective exchange rate on the transaction date, or at the guaranteed rate when covered by a currency hedge.

3.4. Use of estimates

The preparation of financial statements to IFRS standards requires estimates and assumptions to be made regarding the measurement of some of the values in the financial statements, particularly for the following sections:

- Amortisation periods of assets
- Valuation of provisions and pension obligations
- Values used in impairment tests
- Fair-value measurement of financial instruments
- Estimates of accrued income and expenses
- Value of share-based payments
- Calculation of deferred tax liabilities
- Determination of revenue from fixed-price contracts.

Management makes such estimates and assessments continuously, based on its past experience and on various other factors that it considers reasonable in making its assessments. Actual results may differ significantly should assumptions or conditions change.

3.5. Business combinations and goodwill

Each of the companies in the consolidation scope are treated as a Cash Generating Unit (CGU).

Due to the legal restructuring (universal transferral of assets) and operational restructuring undertaken in fiscal years 2011/12 and 2012/13, the initial individual goodwill from the absorption of each company by Solucom SA are now grouped and assigned to the absorbing entity with the result that it is not possible to track them individually as the absorbed companies' activities are now intertwined. It should also be noted that these activities are identical in nature.

At each fiscal year end, or when there is evidence of impairment, an impairment test is carried out on each of the holdings associated with a goodwill entry.

These tests use the discounted future cash flow method. Cash flows are based on 5-year forecasts. Growth rate to infinity is applied from the sixth year. The cash flow resulting from these forecasts is then discounted.

The key assumptions used in these tests are as follows:

- Growth rate to infinity of 2%, as this seems reasonable in light of past performance observed in the activity sector concerned (information systems services).
- Discount rate of 10% after tax. This rate takes into account the 10-year risk free rate, a market risk premium, a beta coefficient observed in comparable listed companies, including Solucom, and a risk premium specific to Solucom.

A sensitivity analysis is also carried out to assess the impact of reasonably probable changes to these key assumptions (of growth rate to infinity and discount rate).

3.6. Intangible assets and property, plant and equipment

All assets have been purchased by Solucom, with the exception of leased property.

Software and tangible assets are measured at their acquisition cost, less total depreciation and impairment. Financial expenses are not capitalised and therefore remain as expenses for the period.

Each identified asset component is recognised and depreciated separately.

Depreciation is on the straight-line method without deduction residual value, applied over the estimated service life of the assets. The service life of major fixed assets are reviewed at every period end. The initial estimated service life is lengthened or shortened in accordance with actual use conditions encountered.

When the firm finances the acquisition of a major tangible asset via a lease, its value is posted to assets and depreciated using the method described above. The corresponding debt is posted to liabilities.

The depreciation periods generally used are as follows:

- Software: 3 or 5 years
- Fixtures and fittings: 6 or 9 years
- Passenger vehicles: 4 yrs
- Computer hardware: 3 yrs
- Office furniture: 9 yrs

3.7. Impairment and recoverable value of non-current assets

Intangible and tangible fixed assets are subject to impairment tests in certain circumstances.

Assets with an indefinite service life (see Note 3.5 on goodwill), are tested for impairment at least once a year and whenever there is evidence of loss of value.

3.8. Guarantees and deposits

Guarantees and deposits with maturities longer than 1 year and bearing no interest are discounted in accordance with IAS 39 “Financial Instruments” when they are significant.

3.9. Non-current financial assets

Non-current financial assets include those with maturities longer than 1 year and receivables valued at amortised cost. Normalised purchases and sales of financial assets are recognised on the settlement date.

3.10. Receivables

Receivables are measured at their nominal value. A provision for impairment is constituted when the recoverable value is less than the carrying value.

3.11. Cash and cash equivalents

The cash and equivalents line on the asset side of the balance sheet consists of available cash, sight deposits, and cash equivalents.

Cash equivalents are tradable securities that meet IAS 7 criteria: short-term investments, easily convertible into a known amount of cash and which are subject to negligible risk that they will change in value.

Such securities are initially recognised at acquisition cost, then measured at fair value which, for listed securities, is the market price at reporting period end. Any change in fair value is posted to financial profit or loss. Net income or expenses from disposals are also posted to financial profit or loss.

3.12. Treasury shares

Solucom holds treasury shares as part of its share buyback programme authorised by its Shareholders' General Meeting.

In accordance with IAS 32-39, all treasury shares are carried as a deduction from consolidated shareholders' equity, regardless of the purpose of the acquisition and how they are classified in the separate financial statements of the owning companies. Furthermore, proceeds from the sale of treasury shares as well as any provisions set aside for their impairment are neutralised in equity.

3.13. Employee benefits

In accordance with IAS 19 “Employee Benefits”, obligations resulting from defined benefit schemes, as well as their cost, are measured by independent actuaries using the projected unit credit method. The firm's only obligation is the severance package.

It is based on the following assumptions:

- Application of the Syntec (3018) collective bargaining agreement
- High staff turnover
- TGHF 2015 mortality table with extension of age brackets to take into account longer life expectancies for the youngest generations
- Social security expense ratio: 45%
- Pay reviews: 2%
- Discount rate: 3% (source: iboxx AA)
- Age at leaving: 65 yrs
- Voluntary retirement

In accordance with the Amendment to IAS 19 “Employee Benefits” of 16/06/11, applicable to reporting periods starting on or after 01/01/13, Solucom recognised all actuarial gains and losses at 31/03/14 directly in shareholders' equity.

Some benefits are also provided under defined contribution schemes. The contributions for these schemes are expensed when incurred.

Solucom has no other long-term or severance obligations.

3.14. Borrowings and financial debt

Financial liabilities include restated equipment-leasing contracts, bonds, borrowings from banks, and overdrafts. Financial debt maturing in less than 1 year is recognised under current financial liabilities. Financial debt is recognised at amortised cost using the effective interest rate method.

3.15. Financial instruments

The firm has put in place exchange rate hedges (cash flow hedges) to cover the risk of certain export sales. Gains and losses due to the fair-value revaluation of hedge instruments are recognised in “Other comprehensive income”. Unrealised gains and losses are posted to the income statement when the hedged position is closed.

3.16. Potential liabilities and assets

None.

3.17. Segment information

As the firm sells only one type of service (advice on management and information systems), and all its services are subject to the same risks, generating similar profit rates, and almost all its revenue arises in France, no separate business segments have been identified.

3.18. Recognition of revenue

Revenue is recognised by the type of contract entered into with the client.

Services invoiced by time spent

The revenue from these services is recognised as and when the service is rendered. Revenue is calculated as the contracted selling price multiplied by the invoiceable time spent. Invoices to be issued and prepaid income are recognised when invoicing is not in phase with the progress of work.

Fixed-price services

The revenue from these services is recognised as and when the various stages of the work are completed based on the costs incurred and the costs still to be incurred. A provision for loss on completion is constituted on a contract-per-contract basis when a loss is forecast. Invoices to be issued and prepaid income are recognised when invoicing is not in phase with the progress of work.

Subscription services

The revenue from these services is recognised *prorata temporis* over the term of the contract. Invoices to be issued and prepaid income are recognised when invoicing is not in phase with the *prorata temporis*.

3.19. R&D expenses

The Company regularly carries out R&D activities. Some of them are eligible for the French research tax credit.

These expenses are capitalised only on an exceptional basis (see Note 11).

3.20. Deferred tax

Deferred tax is calculated by the Company for temporary differences between the carrying value of assets and liabilities and their taxable value.

In accordance with IAS 12, tax assets are recognised on a company-by-company basis only when the estimated future profit is sufficient to cover those assets and when their maturity does not exceed 10 years.

Deferred tax assets and liabilities are calculated at the expected tax rate for the fiscal year in which the asset will be realised or the liability will be settled.

Tax on items recognised directly in shareholders’ equity is recognised in equity.

4. Scope of consolidation

The various changes in scope (mergers and acquisitions) are mentioned in section 2 “Significant events in the fiscal year”.

The consolidated financial statements include the following company financial statements:

Company	Head office	Siret	Legal form	% interest	Nationality	Number of months consolidated
Solucom SA	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	37755024900041	SA	Parent company	France	12
Alturia Consulting	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	35071510800063	SAS	100%	France	12
Eveho Conseil	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	48352938400032	SAS	100%	France	12
Stance Partners	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	48135193000039	SAS	100%	France	12
SLM Consulting	Résidence RIBH, angle Bir Anzarane et Caid Achtar International - Morocco	266961	SARL	100%	Morocco	12
Lumens Consultants	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	51120513000020	SAS	100%	France	4
Trend Consultants	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	49538342400035	SAS	100%	France	3

All companies have been consolidated using the full consolidation method.

5. Notes on certain items of the income statement and the statement of financial position

Note 1. Revenue

The firm's consolidated revenue is mainly generated in France.

Note 2. Purchases consumed

Purchases consumed consist exclusively of purchases of subcontracted services.

Note 3. Personnel expense

	31/03/14	31/03/13
Personnel expense		
Salaries and benefits	69,536	63,282
Social contributions	32,620	30,729
Total	**102,155**	**94,011**

Average FTE headcount	31/03/14	31/03/13
Engineers and managers	1,193	1,079
Employees	36	35
Total	**1,228**	**1,114**

Note 4. Executive compensation

	31/03/14	31/03/13
Executive compensation		
Compensation paid to Management Board members	440	382
Compensation paid to Supervisory Board members	56	82
Total	**496**	**464**

Note 5. External expenses

	31/03/14	31/03/13
Rent and other lease expenses	5,299	4,503
Professional fees	2,813	2,543
Travel, assignments	2,995	2,965
Other external expenses	3,183	3,306
Total	**14,290**	**13,318**

Other external expenses consists mainly of equipment and supplies not in inventory, maintenance and repair expenses, postal and excommunication expenses, and expenditure on advertising and training.

Note 6. Non-current operating income and expenses

	31/03/14	31/03/13
Tax credits net of charges	0	1,072
Other	59	4
Other operating income	**59**	**1,077**
Securities trading charges	(257)	(678)
Other	(358)	(444)
Other operating expenses	**(615)**	**(1,122)**
Total net	**(557)**	**(45)**

Other operating expenses relate to philanthropy and the Solucom corporate Foundation and non-recurring expenses linked to the merger of the two Alturia Consulting business units based in Bordeaux and Paris.

Note 7. Financial profit (loss)

	31/03/14	31/03/13
Net income from sale of cash equivalents	51	11
Interest on borrowing	(254)	(154)
Change in fair value of cash and equivalents	5	(7)
Net cost of debt	**(198)**	**(151)**
Other financial income and expenses	(12)	0
Change in fair value of other financial assets	0	50
Financial profit (loss)	**(211)**	**(101)**

Note 8. Tax charge

Net impact of tax on profit:

	31/03/14	31/03/13
Current tax	6,822	4,420
Deferred tax	(292)	578
Total	**6,530**	**4,998**

In accordance with the French Accounting Board (CNC) circular of 14/01/10, Solucom has opted to post the Company Added-Value Contribution (CVAE) tax levy to income from 2010. The CVAE recognised under "tax expense" amounted to €1,749k.

Origin of deferred taxes:

	Consolidated statement of financial position		Income statement	
	31/03/14	31/03/13	31/03/14	31/03/13
Temporary timing differences on provisions	1,561	1,298	(231)	727
Discounting of guarantee deposits	0	17	0	11
Consolidation entries	1,386	1,180	(101)	(243)
Total deferred tax assets	**2,947**	**2,495**	**(332)**	**496**
Consolidation entries	176	171	40	82
Total deferred tax liabilities	**176**	**171**	**40**	**82**
Deferred tax charge			**(292)**	**578**

At 31/03/14, tax deferred for longer than one year amounted to €2,177k. All the deferred taxes generated by transactions in the year have been recognised.

Tax reconciliation:

The following table explains the difference between the theoretical and actual tax expense:

	31/03/14	31/03/13
Consolidated net income	10,946	10,336
Tax expense (income)	6,530	4,998
CVAE	(1,749)	(1,213)
Tax credits	(1,943)	(2,793)
Profit before tax	13,784	11,328
Theoretical tax rate	33.33%	33.33%
Theoretical tax expense (income)	**4,594**	**3,776**
Reconciliation:		
Permanent differences	71	12
Activities taxed at a different rate	174	75
Tax credit	(59)	(78)
CVAE	1,749	1,213
Actual tax expense (income)	**6,530**	**4,998**

Note 9. Earnings per share

	31/03/14	31/03/13
Earnings per share		
Net income (Group share)	10,946	10,336
Weighted average number of shares outstanding [1]	4,905,094	4,905,094
Net undiluted earnings per share (Group share)	**2.23**	**2.11**
Number of shares issued as at 31 March	4,966,882	4,966,882
Net diluted earnings per share (Group share)	**2.20**	**2.08**

[1] Excluding treasury shares

In accordance with IAS 33, net earnings per share as at 31/03/13 have been restated retrospectively based on the number of shares at 31/03/14.

Note 10. Goodwill on the balance sheet

	Net value at 31/03/13	Change in scope	Reduction in the fiscal year	Net value at 31/03/14
Solucom SA	24,137	0	0	24,137
Alturia Consulting	4,266	0	0	4,266
Eveho	3,020	0	0	3,020
Stance	5,180	0	(800)	4,380
Lumens Consultants	0	3,075	0	3,075
Trend Consultants	0	2,199	0	2,199
Total	**36,603**	**5,273**	**(800)**	**41,077**

Taking into consideration the revenue and profit reported by Stance in the second half of fiscal 2013/14, the price supplement provisioned as at 31/03/13 in the company's goodwill will not be paid.

Solucom's consolidated financial statements have therefore not been adjusted.

Calculation of goodwill of entrants

The goodwill of entrants into the consolidation scope can be broken down as follows:

	Lumens Consultants	Trend Consultants	Total
Acquisition cost			
Acquisition price	3,675	973	4,648
Price supplement	288	400	688
Total I	**3,963**	**1,373**	**5,335**

For Lumens Consultants, the maximum price supplement would be €575k.

	Lumens Consultants	Trend Consultants	Total
Assets acquired at acquisition date			
Net assets	57	9	66
Non-current assets	36	28	65
Current assets	2,003	1,043	3,046
Subtotal B	**2,097**	**1,080**	**3,177**
Liabilities acquired at acquisition date			
Non-current liabilities	30	65	96
Short-term provisions	0	195	195
Current liabilities	1,179	1,646	2,825
Subtotal C	**1,209**	**1,906**	**3,115**
Total II - Net assets acquired (B-C)	**888**	**(826)**	**62**

	Lumens Consultants	Trend Consultants	Total
Goodwill (I-II)	**3,075**	**2,199**	**5,273**

Impairment tests

As the acquisitions of Lumens Consultants and Trend Consultants were recent (4 months and 3 months, respectively), no goodwill impairment tests were performed on these two companies.

The impairment tests carried out on the goodwill relating to Solucom SA, Alturia Consulting, Eveho and Stance confirmed the value of their goodwill based on the nominal assumptions used.

Sensitivity tests were also performed.

The following shows the results of those tests.

	Solucom SA	Alturia Consulting	Eveho	Stance
Difference between value in use and carrying value	> 100,000	> 2,100	> 900	> 1,200
Theoretical impairment if 1 point reduction in growth to infinity (a)	0	0	0	0
Theoretical impairment if 1 point increase in the discount rate (b)	0	0	0	0
Theoretical impairment if (a) and (b) combined	0	0	0	0

Based on these sensitivity tests, Management considers it reasonably unlikely that the key assumptions used will require the recognition of impairment.

Consequently, the impairment and sensitivity tests carried out confirm that there are no grounds for writing-down the goodwill tested.

Note 11. Intangible assets and property, plant and equipment

Gross value	31/03/13	Change in scope	Increase	Decrease	Translation gain (loss)	31/03/14
Software	1,879	19	1,005	(1)	0	2,902
Intangible assets in construction	402	0	675	(768)	0	309
Total intangible assets	**2,281**	**19**	**1,680**	**(770)**	**0**	**3,210**
Other tangible assets	4,962	187	613	(146)	0	5,617
Other lease assets	3,187	0	205	(568)	0	2,824
Tangible assets in construction	0	0	847	(717)	0	130
Total tangible assets	**8,149**	**187**	**1,666**	**(1,431)**	**0**	**8,571**

Depreciation	31/03/13	Change in scope	Increase	Decrease	Translation gain (loss)	31/03/14
Software	1,647	16	257	(2)	0	1,918
Total intangible assets	**1,647**	**16**	**257**	**(2)**	**0**	**1,918**
Other tangible assets	3,508	145	483	(117)	0	4,020
Other lease assets	2,527	0	354	(562)	0	2,319
Total tangible assets	**6,035**	**145**	**838**	**(679)**	**0**	**6,339**

Impairment	31/03/13	Change in scope	Increase	Decrease	Translation gain (loss)	31/03/14
Software	1	0	0	0	0	1
Total intangible assets	**1**	**0**	**0**	**0**	**0**	**1**
Other tangible assets	30	18	0	(37)	0	12
Other lease assets	0	0	0	0	0	0
Total tangible assets	**30**	**18**	**0**	**(37)**	**0**	**12**
Total net intangible assets	**634**	**3**	**1,423**	**(768)**	**0**	**1,292**
Total net tangible assets	**2,083**	**24**	**828**	**(715)**	**0**	**2,220**

No ownership restrictions have been identified on any intangible assets.

No ownership restriction applies to any intangible asset with the exception of those leased.

Software includes commercial software as well the development expenses activated to develop the management system used by the company (Activsys), in the amount of €762k.

The change in “Debt on fixed assets” amounted to €433 at 31/03/14, versus €1k the previous year.

Note 12. Leases

Net Asset Value by asset class:

Asset class	31/03/14	31/03/13
Office and computer equipment	505	659
Total	**505**	**659**

Impact on income statement:

Income statement	31/03/14	31/03/13
Recognised depreciation	(354)	(303)
Financial expenses	(19)	(21)
Restated royalties for the fiscal year	374	321
Total	**1**	**(3)**

Royalties:

Royalties	31/03/14	31/03/13
Original value of goods	2,824	3,187
Royalties paid:		
- in previous years	2,180	2,422
- in the fiscal year elapsed	374	321
Total	**2,554**	**2,743**
Royalties remaining to be paid		
< 1 year	349	322
1 ≥ 5 years	253	338
> 5 years	0	0
Total royalties	**601**	**659**
of which future financial expenses	*14*	*24*
Residual value at end of contract	7	32

Note 13. Other assets

Financial assets consist only of guarantees and deposits.

Other non-current assets consist mainly of deferred tax assets in the amount of €2,947k (€2,495k at 31/03/13).

Note 14. Current assets

Trade receivables and related accounts	31/03/13	Change in consolidation scope	Change	Translation gain (loss)	31/03/14
Gross value	**43,683**	**1,473**	**4,289**	**(3)**	**49,441**
Impairment	**(73)**	**0**	**(1)**	**0**	**(74)**
Net value	**43,610**	**1,473**	**4,288**	**(3)**	**49,367**

The firm analyses its trade receivables on a case by case basis and recognises impairment on an individual basis taking into account the customer's situation and late payments. No overall impairment is recognised.

Other receivables	31/03/13	Change in consolidation scope	Change	Translation gain (loss)	31/03/14
Advances and downpayments	122	0	(55)	0	68
Tax receivables	5,174	134	(993)	0	4,314
Other debtors	437	19	(84)	0	372
Prepaid expenses	1,827	44	80	0	1,952
Gross value	**7,560**	**197**	**(1,052)**	**0**	**6,705**
Impairment of other receivables	(9)	0	0	0	(9)
Impairment	**(9)**	**0**	**0**	**0**	**(9)**
Net value	**7,551**	**197**	**(1,052)**	**0**	**6,696**

Cash and cash equivalents	31/03/13	Change in consolidation scope	Change	Translation gain (loss)	31/03/14
Money-market Sicavs - Cash equivalents	7,865	517	1,421	0	9,803
Cash and cash equivalents	10,280	860	(908)	(1)	10,231
Gross value	**18,145**	**1,377**	**513**	**(1)**	**20,034**
Impairment	**0**	**0**	**0**	**0**	**0**
Net value	**18,145**	**1,377**	**513**	**(1)**	**20,034**

The historical-cost value of money-market Sicavs (mutual funds) was €9,789k at 31/03/14 (€7,860k the previous year).

Note 15. Capital

As at 31/03/14, Solucom parent company share capital consisted of 4,966,882 fully paid up shares at €0.10 per share.

There were 61,788 treasury shares at 31/03/14.

Additionally, as authorised by the Shareholders' General Meeting, Solucom's Management Board on 01/07/13 decided to grant free existing and future shares to be issued, to the firm's executives. This plan delivers shares at the end of a vesting period subject to the person fulfilling certain service conditions and personally investing in Solucom shares, and the number of shares granted is based on performance criteria in terms of a predefined consolidated EBIT target for the firm.

At that same meeting, Solucom's Management Board also decided to grant free existing and future shares to be issued, to the employees of Solucom or the firm or to certain categories of them, as part of the Employee Savings Scheme set up by Solucom.

The benefits corresponding to these schemes were funded by a special appropriation with an impact on shareholders' equity in the 31/03/14 financial statements.

Note 16. Provisions

Provisions mainly relate to retirement packages assessed by an independent actuary, human rights disputes calculated by legal counsel on a most-probably risk basis, and risk of bad debts.

	31/03/13	Change in consolidation scope	Increase	Reversal		31/03/14
				Used	Unused	
Provision for retirement packages	3,362	96	712	(180)	(55)	3,934
Total long-term provisions	**3,362**	**96**	**712**	**(180)**	**(55)**	**3,934**
Provision for loss	954	195	662	(160)	(13)	1,637
Provision for contingencies	148	0	0	(83)	(65)	0
Total short-term provisions	**1,102**	**195**	**662**	**(243)**	**(78)**	**1,637**
Total provisions	**4,464**	**290**	**1,373**	**(423)**	**(133)**	**5,572**

Changes in provisions during the fiscal year impacted EBIT negatively by €899k and non-current operating income positively by €81k.

Actuarial gains (losses) on provisions for retirement packages are posted directly to shareholders' equity. An actuarial loss of €214k was generated for the fiscal year ended 31/03/14, mainly due to demographic changes.

The impact on shareholder equity was a negative €224k , net of deferred taxes, for the fiscal year ended 31/03/13. It was also negative by €140k, net of deferred taxes, for the fiscal year ended 31/03/14.

The net carrying expense in the amount of €263k can be broken down as follows:

- Cost of services rendered: €341k
- Interest expense for the year: €102k
- Service providers: €(180) k

Note 17. Financial liabilities and net debt

	31/03/13	Change in consolidation scope	Change	Translation gain (loss)	31/03/14
Debts > 5 years	**2,920**	**0**	**14**	**0**	**2,935**
Bonds	2,920	0	14	0	2,935
Debts 1 ≥ 5 years	**338**	**0**	**(142)**	**0**	**196**
Financial debt (Leases)	338	0	(142)	0	196
Total non-current financial liabilities	**3,258**	**0**	**(127)**	**0**	**3,131**
Bank borrowings (1)	(71)	503	(487)	0	(56)
Other borrowings and financial debt	0	0	0	0	0
Financial debt (Leases)	322	0	(11)	0	311
Bank overdrafts	42	0	(34)	0	9
Accrued interest not due	69	0	13	0	81
Total current financial liabilities (< 1 year)	**361**	**503**	**(519)**	**0**	**345**
Total financial liabilities excluding bank overdrafts	**3,577**	**503**	**(612)**	**0**	**3,468**
Total financial liabilities	**3,619**	**503**	**(646)**	**0**	**3,476**

(1) Setup fees for original €16,000k line of credit. None of it drawn down as at 31/03/14.

Breakdown of financial liabilities by rate:

	31/03/13		31/03/14	
Rate	fixed	variable	fixed	variable
Non-current financial liabilities	3,258	0	3,131	0
Current financial liabilities	432	(71)	401	(56)
Total financial liabilities	**3,691**	**(71)**	**3,532**	**(56)**

The pledges given to guarantee these borrowings are disclosed below in Note 20.
No repayments for these borrowings were not met in the fiscal year.

Key features of the FCP Micado France 2018 borrowing:

- Nominal: €3,000k
- Rate: 5.5%
- Maturity 02/10/18
- Issue date: 30/10/12

Change in net cash / (debt):

Cash and cash equivalents	31/03/13	Change in consolidation scope	Change	Translation gain (loss)	31/03/14
Cash equivalents at historic value	7,860	516	1,413	0	9,789
Cash and cash equivalents	10,280	860	(908)	(1)	10,231
Bank overdrafts	(42)	0	34	0	(9)
Total cash net of overdrafts	**18,098**	**1,376**	**538**	**(1)**	**20,012**
Fair value adjustment of cash and equivalents	5	1	8	0	14
Consolidated cash	**18,103**	**1,377**	**546**	**(1)**	**20,026**
Financial liabilities excluding bank overdrafts	**3,577**	**503**	**(612)**	**0**	**3,468**
Net cash / (financial debt)	**14,526**	**874**	**1,159**	**(1)**	**16,558**

Note 18. Other liabilities

	31/03/13	Change in consolidation scope	Change	Translation gain (loss)	31/03/14
Other non-current liabilities					
Tax and social security liabilities	296	0	18	0	314
of which tax liabilities	*296*	*0*	*18*	*0*	*314*
Other debts	0	0	688	0	688
Total	**296**	**0**	**706**	**0**	**1,002**
Current liabilities					
Trade payables and related accounts	6,160	248	(755)	0	5,653
Tax and social security liabilities	34,800	1,174	2,415	(1)	38,388
of which tax liabilities	*13,158*	*454*	*620*	*0*	*14,231*
of which social liabilities	*21,642*	*720*	*1,796*	*0*	*24,157*
Other current liabilities	8,221	899	(2,217)	(2)	6,901
of which Suppliers of assets	*153*	*0*	*433*	*0*	*585*
of which Other debts	*4,979*	*700*	*(2,572)*	*(2)*	*3,105*
of which Prepaid income	*3,089*	*199*	*(77)*	*0*	*3,211*
Total	**49,180**	**2,321**	**(557)**	**(3)**	**50,942**
Total other liabilities	**49,476**	**2,321**	**149**	**(3)**	**51,943**

Note 19. Financial instruments

Solucom holds the following financial instruments:

- Holdings in money-market mutual funds (SICAVs), exclusively indexed to EONIA harbouring no other identified risk;
- Futures of less than 6 months with no early-exit penalty;
- Treasury shares;
- Exchange rate futures.

Note 20. Off-balance-sheet commitments

Commitments given	Total value at 31/03/14	< 1 year	1 ≥ 5 years	> 5 years
Guarantees and sureties	27	0	27	0
Pledges	18,400	0	18,400	0
Finance lease agreements	12,886	3,747	8,382	758
Total	**31,313**	**3,747**	**26,809**	**758**
Commitments received				
Guarantees and sureties	73	73	0	0
Undrawn credit lines (1)	12,800	0	12,800	0
Liability guarantees (2)	7,250	3,950	3,300	0
Financial instruments	274	274	0	0
Total	**20,397**	**4,297**	**16,100**	**0**

(1) degressive amount minus €3,200k at each anniversary date, reduced to €12,800k at 05/10/13.

(2) including bank guarantee in the amount of €2,240k.

Pledges totalling €18,400k relate to Solucom goodwill for secondary bases at Villeurbanne, Aubagne and Nantes. These assets have been pledged to banks to cover confirmed lines of credit originally granted by them in the amount of €16,000k. These commitments come due in 2017.

Liability guarantees were received as part of the corporate acquisitions in fiscal 2012/13 and 2013/14.

Commitments given	Total value 31/03/13	< 1 year	1 ≥ 5 years	> 5 years
Guarantees and sureties	30	3	27	0
Pledges	18,400	0	18,400	0
Finance lease agreements (1)	10,724	3,273	6,085	1,367
Total	**29,154**	**3,276**	**24,511**	**1,367**

(1) including a lease renewal signed on 29/03/13.

Commitments received				
Guarantees and sureties	22	22	0	0
Undrawn credit lines (1)	16,000	0	16,000	0
Liability guarantees (2)	5,450	0	5,450	0
Total	**21,472**	**22**	**21,450**	**0**

(1) degressive amount reduced by €3,000k at each anniversary date.

(2) including bank guarantee in the amount of €1,250k.

Note 21. Transactions with related parties

Solucom has not entered into any significant transactions with third parties that may be considered "related parties" in the sense of IAS 24.9.

Note 22. Post-balance sheet events

Dividends

Dividend payments proposed to the General Meeting called to approve Solucom's financial statements for the year ended 31/03/14 amounted to €1,618k or €0.33 per share.

Universal transfer of assets

On 27/05/14, the sole partner of Solucom decided to transfer all the assets of Alturia Consulting and Eveho, wholly owned subsidiaries of Solucom, to the company Solucom.

Note 23. Statutory Auditors' fees

	SLG Expertise				Deloitte & Associés [1]			
	Amount	Amount	%	%	Amount	Amount	%	%
Audit	**13/14**	**12/13**	**13/14**	**12/13**	**13/14**	**12/13**	**13/14**	**12/13**
Statutory auditor, certification, review of separate and consolidated statements								
> *Issuer*	67	108	100%	100%	79	117	82%	100%
> *Fully consolidated subsidiaries* [2]	0	0	0%	0%	17	0	18%	0%
Other work and services directly related to the duties of the Statutory Auditor								
> *Issuer*	0	0	0%	0%	0	0	0%	0%
> *Fully consolidated subsidiaries*	0	0	0%	0%	0	0	0%	0%
Subtotal	**67**	**108**	**100%**	**100%**	**96**	**117**	**100%**	**100%**
Other services rendered via the networks to fully consolidated subsidiaries								
> *Legal, tax, corporate*	0	0	0%	0%	0	0	0%	0%
> *Other*	0	0	0%	0%	0	0	0%	0%
Subtotal	**0**	**0**	**0%**	**0%**	**0**	**0**	**0%**	**0%**
Total	**67**	**108**	**100%**	**100%**	**96**	**117**	**100%**	**100%**

(1) formerly, Constantin Associés, the latter merged with Deloitte & Associés.

(2) Deloitte & Associés were appointed Statutory Auditors of Alturia Consulting starting in fiscal year 2013/14.

Statutory Auditors' Report

on the Consolidated Financial Statements Fiscal year ended 31 March 2014

To the Shareholders,

In accordance with the assignment entrusted to us by your Shareholders' General Meeting, we hereby present our report for the year ended 31 March 2014, on:

- the audit of the consolidated financial statements of Solucom, as attached to this report;
- the justification of our appraisals;
- the specific checks required by law.

The annual financial statements were prepared by the Management Board. Based on our audit, we have formed the following opinion on the financial statements.

1. Opinion on the consolidated financial statements

We have conducted our audit in accordance with the professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the items we have gathered constitute a sufficient and appropriate basis on which to form our opinion.

We hereby certify that the consolidated financial statements for the period give a true and fair view of the assets, financial position and income of the Group, in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Justification of our appraisals

In application of the provisions of article L. 823-9 of the French Commercial Code on the justification of our appraisals, we bring the following to your attention:

- As indicated in section 3.4 "Use of estimations" of Note 3 "Accounting methods and principles", the preparation of financial statements requires the use of estimates and assumptions. As forecasts are by nature uncertain, actual events may sometimes differ significantly from the forecasts or assumptions presented. Such estimates and assumptions are used primarily in calculating provisions and establishing business plans used to carrying out impairment tests on intangible assets and goodwill as well as for the recognition of deferred tax assets reflecting deferrable tax losses.

  Our work has consisted of reviewing the available documentation and assessing the pertinence of such assumptions, the reasonableness of the values adopted and the appropriateness of the disclosures in the Notes to the consolidated financial statements.

- The asset side of your balance sheet shows net goodwill in the amount of €41,077k, as described in Note 10 "Goodwill assets on the balance sheet" of the Notes to the financial statements. Your Company has compared the net carrying value of the goodwill against its recoverable value, measured in accordance with the method described in section 3.5 “Business combinations and goodwill” of Note 3 “Accounting methods and principles” of the Notes to the financial statements.

We have reviewed the implementation method for impairment tests, assessed the business forecasts and assumptions used, and have verified that they are disclosed appropriately in the Notes to the financial statements. Our work has allowed us to assess the consistency of estimates against assumptions.

The appraisals made were part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to forming our opinion expressed in the first part of this report.

3. Special check

In accordance with the professional standards applicable in France, we also carried out the specific check required by law on the information presented in the Group’s management report.

We have no observations to make on its fair presentation and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, 3 June 2014

The Statutory Auditors

DELOITTE & ASSOCIES	**SLG EXPERTISE**
Dominique LAURENT	Arnaud BERNARD

Company financial statements as at 31/03/14

Solucom company Income Statement

	31/03/14	31/03/13
Revenue	**130,227**	**115,552**
Operating subsidies	2	4
Reversals on provisions, impairment, and transfers of expenses	983	1,158
Other operating income	1,186	1,125
Other operating income	**132,398**	**117,840**
Cost of sales	7,595	7,463
Personnel expense	87,122	78,187
Other operating expenses	14,984	14,364
Levies and taxes	3,749	2,991
Depreciation allowances, impairment and provisions	1,867	1,491
Other operating expenses	**115,317**	**104,495**
Operating profit	**17,081**	**13,345**
Financial income	301	249
Financial expenses	216	361
Financial profit (loss)	**85**	**(113)**
Profit from continuing operations	**17,166**	**13,232**
Non-recurring profit (loss)	(754)	(566)
Company profit	**16,412**	**12,666**
Equity interests	1,830	1,596
Income tax	3,740	362
Net income	**10,841**	**10,708**

Solucom company Statement of Financial Position

Assets

	Gross	Depreciation/ Impairment	31/03/14 Net	31/03/13 Net
Intangible assets	37,135	11,930	25,205	24,545
Tangible assets	5,355	3,669	1,686	1,377
Financial assets	22,752	28	22,723	18,374
Fixed assets	**65,241**	**15,627**	**49,615**	**44,296**
Trade receivables and related accounts	46,494	53	46,441	40,303
Other receivables and accruals	7,285	5	7,279	6,563
Trading securities	9,365	0	9,365	7,860
Cash and cash equivalents	6,210	0	6,210	7,981
Current assets	**69,353**	**58**	**69,296**	**62,707**
Total Assets	**134,595**	**15,684**	**118,910**	**107,003**

Liabilities

	31/03/14	31/03/13
Capital	497	497
Additional paid-in capital	11,218	11,218
Reserves and carryforward	43,023	33,885
Profit	10,841	10,708
Shareholders' equity	**65,579**	**56,309**
Provisions	**1,900**	**1,655**
Bond borrowing	3,081	3,069
Bank borrowings and debt	9	42
Trade payables and related accounts	7,826	6,298
Other debts and accruals	40,515	39,631
Debts	**51,431**	**49,039**
Total Liabilities	**118,910**	**107,003**

1. Overview

The fiscal year is 12 months, from 1 April 2013 to 31 March 2014.

The annual financial statements were approved by the Management Board on 02/06/14.

The financial statements are presented in thousands of euros (€k),

The following Notes and tables form an integral part of the annual financial statements.

2. Significant events in the fiscal year

Acquisition of Lumens Consultants

On 04/12/13, Solucom acquired the entire share capital of Lumens Group, a non-operating holding company, which itself wholly owns Lumens Consultants.

Founded in 2009, Lumens Consultants advises on structure and management to support its clients in every aspect of operational excellence. Lumens Consultants has, in particular, developed cutting-edge know-how in the organisation and transformation of the human resources (HR) function.

For the fiscal year ended 31/03/13, Lumens Consultants reported revenue of €3,872k. The company has 25 employees.

This acquisition was paid mainly in cash, plus a component in the form of Solucom shares.

Acquisition of Trend Consultants

On 10/01/14, Solucom acquired the entire share capital of Trend Consultants.

Founded in 1991, Trend Consultants advises on organisation and management and has developed strong expertise in the financial sector, particularly in retail banking.

For the fiscal year ended 31/12/12, Trend Consultants reported revenue of €2,238k. The company has 18 employees.

This acquisition was paid entirely in cash.

Payment of the Eveho price supplement

Following the acquisition of Eveho on 06/04/12, and in accordance with the Memorandum of Understanding for the transaction, Solucom paid a price supplement to the company during the first half of fiscal 2013/14.

Purchase of the remaining shares in Stance

Following the acquisition of the majority interest in Stance (71%) on 02/10/12, and in accordance with the Memorandum of Understanding for the transaction, Solucom purchased the remaining shares making up the company's share capital (29%) during the first half of fiscal 2013/14.

3. Accounting methods and principles

3.1 Framework

The financial statements for the fiscal year ending 2013/14 have been prepared in accordance with Regulation 99-03 of the French accounting standards board *Comité de la Réglementation Comptable* (CRC), as well as subsequent recommendations of the accounting standards authority *Autorité des Normes Comptables* (ANC).

3.2 Intangible assets and property, plant and equipment

Intangible assets are valued at their acquisition cost (purchase price plus ancillary expenses, excluding acquisition cost of fixed assets).

Tangible assets are valued at their acquisition cost (purchase price plus ancillary expenses, excluding acquisition cost of fixed assets) or at their production cost.

The depreciation periods generally used are as follows:

- Software: 3 or 5 years
- Fixtures and fittings: 6 or 9 years
- Computer hardware: 3 yrs
- Office furniture: 9 yrs

Depreciation is calculated using the straight-line method.

Goodwill

Goodwill valuations are monitored over time. In the event of long-term impairment, a provision is set aside for impairment.

This item also includes merger loss, which represents the negative goodwill or “badwill” between the net asset received from the subsidiary transferring all its assets and the carrying value of the equity interest.

Due to the legal and operational restructurings of the various Practices in recent years, goodwill and badwill can only be tracked globally.

Badwill is tested for impairment and is written down if necessary in the form of a provision.

3.3 Investments and other equity interests and securities

Gross value is measured as the acquisition cost excluding ancillary expenses. When the inventory value is less than the gross value, a depreciation is recognised for the amount of the difference.

Equity investments

Equity investments are carried at their historic cost. At period end, they are written-down to their value-in-use if that is lower. They are measured using various criteria such as their proportion of equity of the company concerned, their profitability, cash flows and outlook.

Goodwill on securities is not capitalised.

Treasury shares

Treasury shares are classified as equity instruments according to three purposes:

- "External growth", to be used as payment or exchange in external growth transactions;
- "Liquidity", to be used in liquidity contracts;
- "Free share allocation", to be used in the allocation of free shares.

3.4 Receivables

Receivables are measured at their nominal value. An impairment is recognised when their recoverable value is less than their carrying value.

3.5 Bond redemption premiums

None.

3.6 Foreign currency transactions

Transactions in a foreign currency are translated into euros at the effective exchange rate on the transaction date, or at the guaranteed rate when covered by a currency hedge.

3.7 Retirement benefits

Obligations under defined benefit schemes are measured by independent actuaries using the projected unit credit method.

These benefits are not recognised but are mentioned under off-balance-sheet commitments.

The following assumptions are used:

- Application of the engineering collective bargaining agreement (Syntec 3018)
- High staff turnover
- TGFH 2005 mortality table
- Pay reviews: 2%
- Social security expense ratio: 45%
- Discount rate: 3%
- Age at leaving: 65 yrs
- Voluntary retirement

3.8 Regulated provisions

None.

3.9 Recognition of revenue and partially completed transactions at period end

Revenue and profit are determined using the percentage-of-completion method.

Invoices to be issued and prepaid income are recognised when invoicing is not in phase with the progress of work.

An additional provision for risk may be recognised for loss on completion.

3.10 Change in estimated provision for free share allocations

A new estimate of the probable purchase cost of shares to be granted leads to a review of the method for calculating the corresponding provision.

The amount of the provision is determined by the proceeds from:

- the number of shares to be served;
- the market price of the shares at period end;
- the probability of the presence of beneficiaries at vesting date (determined in light of historical data);
- the *prorata temporis* between the initial grant date and the final vesting date.

3.11 Change of method

There was no change in measurement method during the fiscal year.

4. Notes on certain items of the income statement and the statement of financial position

Note 1. Breakdown of revenue

As the firm sells only one type of service (advice on management and information systems), and all its services are subject to the same risks and generate similar profit rates, no separate business segments have been identified.

The firm's consolidated revenue is mainly generated in France.

Note 2. Average workforce

	Full time staff	**Backup staff**
Managers	1,062	0
Employees, technicians and supervisors	31	1
Total	**1,093**	**1**

Average workforce is calculated in terms of Full Time Equivalent (FTE) numbers.

The number of hours available at 31/03/14 under the Individual Right to Training (*DIF*) was 64,024 hours.

The number of hours used up at 31/03/14 under the Individual Right to Training (*DIF*) was 6,536 hours.

The Competitiveness and Employment Tax Credit (*CICE*) is recognised as and when the corresponding compensation is expensed. Given the reliability and probability conditions required to obtain the CICE, it has not been taken into account for long-term deferred compensation items.

The CICE is recognised as a reduction in personnel expense.

The impact on the income statement of taking CICE into account was a €672k reduction in personnel expense:

- CICE on compensation paid April to December 2013: €426k
- CICE at 6% on compensation paid during the first quarter of 2014: €246k

Note 3. Compensation paid to management and supervisory bodies

	Compensation paid
Management Board	440
Supervisory Board	56
Total	**496**

The members of the abovementioned management bodies benefit from no pension or other similar obligations as compensation for their functions.

No advance or credit has been agreed by the firm's companies to the members of the Management Board or Supervisory Board.

Note 4. Non-recurring expenses and income

Non-recurring expenses	Value
Shortfall on treasury share buybacks	911
Other non-recurring expenses	488
Total	**1,399**
Non-recurring income	**Value**
Surplus on treasury share buybacks	360
Other non-recurring income	286
Total	**646**

Note 5. Breakdown of taxes

	Profit before tax	Tax	Profit after tax
Current, after profit-sharing	15,336	(5,289)	10,047
Non-recurring			
- of which short term	(754)	258	(496)
- of which long term	0	0	0
Tax credits		1,290	1,290
Net income			**10,841**

Tax credits are mainly the research tax credit for 2013 in the amount of €833k.

Note 6. Goodwill

Items received in contribution / merger	Gross value	Net value
Technical merger shortfall	19,575	19,575
Goodwill	14,552	4,359
Total	**34,127**	**23,935**

Note 7. Fixed assets

	Gross value	Increase		Decrease	Gross value
	at start of period	Mergers/ contribs.	Acquisitions		at end of period
Intangible assets					
Shortfall on merger	19,575	0	0	0	19,575
Goodwill	14,552	0	0	0	14,552
Licences and software	1,695	0	1,004	0	2,699
Intangible assets in construction	402	0	675	768	309
Total	**36,224**	**0**	**1,679**	**768**	**37,135**
Property, plant and equipment					
Fixtures and fittings	2,392	0	441	0	2,833
Office and computer equipment, furniture	2,260	0	167	36	2,391
Property, plant & equipment in construction	0	0	847	717	130
Total	**4,652**	**0**	**1,456**	**753**	**5,355**
Financial assets					
Other investments	15,818	0	5,335	800	20,353
Other equity securities	1,979	0	1,092	1,612	1,458
Loans and other financial assets	837	0	113	9	941
Total	**18,633**	**0**	**6,540**	**2,422**	**22,752**
Total fixed assets	**59,509**	**0**	**9,675**	**3,943**	**65,242**

The gross value of badwill and goodwill are disclosed in Note 5.

Software includes commercial software as well the development expenses activated to develop the management system used by the company (Activsys), in the amount of €762k.

Reductions in current fixed assets mainly correspond to the use of the corresponding assets.

Note 8. Depreciation

	Value	Increase		Decrease	Value
	at start of period	Mergers/ contribs.	Appropr.	Reversals	at end of period
Intangible assets					
Shortfall on merger	0	0	0	0	0
Goodwill	3,174	0	0	0	3,174
Licences and software	1,487	0	250	0	1,737
Total	**4,661**	**0**	**250**	**0**	**4,910**
Property, plant and equipment					
Fixtures and fittings	1,429	0	254	0	1,683
Office and computer equipment, furniture	1,846	0	176	35	1,986
Total	**3,274**	**0**	**429**	**35**	**3,669**
Total depreciation	**7,935**	**0**	**679**	**35**	**8,579**

All fixed assets are depreciated using the straight-line method.

Note 9. Treasury shares

	Number of shares				
	At start of period	Purchased during the period	Sold during the period	Transferred during the period (1)	At end of period
Treasury shares	108,115	37,232	31,368	52,191	61,788

(1) Including 45,017 free shares granted, and 7,174 shares used as partial payment for an acquisition.

The gross value of treasury shares held at 31/03/14 was €1,458k, and can be broken down by purpose:

- Held for external growth €853k
- Held for liquidity transactions €605k
- Held for free share grants €0k

The net value of treasury shares at 31/03/14 was €1,458k.

Note 10. Statement of maturities of debts and receivables

Receivables	Gross value	< 1 year	≥ 1 year
Of fixed assets			
Other financial assets	972	0	972
Of current assets			
Trade receivables and related accounts	46,494	46,494	0
Social security receivables	110	110	0
Tax receivables	3,970	3,723	247
Firm and associates	1,069	251	817
Other debtors	108	108	0
Prepaid expenses	1,921	1,906	15
Total	**54,643**	**52,592**	**2,051**

Debts	Gross value	< 1 year	1 ≥ 5 years	> 5 years
Bond borrowing (1)	3,081	81	3,000	0
Bank borrowing and debts ≤ 1 year when set up (1)	9	9	0	0
Bank borrowing and debts > 1 year when set up (1)	0	0	0	0
Other borrowings and financial debt (1)	0	0	0	0
Trade payables and related accounts	7,826	7,826	0	0
Social debts	20,813	20,813	0	0
Tax liabilities	12,436	12,313	124	0
Debts on assets and related accounts	585	585	0	0
Firm and associates	0	0	0	0
Other debts	3,729	3,041	688	0
Prepaid income	2,950	2,950	0	0
Total	**51,429**	**47,618**	**3,811**	**0**

(1) Including borrowing subscribed in the period: €0k

Including borrowing subscribed in the period: €0k

Borrowings are guaranteed by real collateral (see Note on financial commitments)

Note 11. Items concerning associate companies

	Amount concerning companies	
	related	with which the company has a participating interest
Items from sundry balance sheet entries		
Equity interests	20,322	0
Trade receivables and related accounts	1,864	0
Other receivables	1,069	0
Trade payables and related accounts	2,466	0
Other debts	22	0
Financial income		
Income from equity interests	0	0
Other financial income	7	0
Financial expenses		
Interest expense	0	0
Other financial expenses	0	0

Note 12. Receivables

Receivables included in the following balance sheet items	31/03/14	31/03/13
Trade receivables and related accounts	14,121	11,404
Other receivables	356	282
Cash and cash equivalents	2	5
Total	**14,479**	**11,692**

Note 13. Payables

Payables included in the following balance sheet items	31/03/14	31/03/13
Bond borrowing	81	69
Bank borrowings and debt	8	10
Trade payables and related accounts	3,311	2,149
Tax and social security liabilities	17,563	16,832
Other debts	2,891	1,521
Total	**23,854**	**20,581**

Note 14. Accrued income and expenses

Accrued income of €2,950k relates solely to prepaid operating income and accrued expenses of €1,921k relates solely to operating expenses.

Note 15. Differences in valuation of trading securities

Trading securities on the asset side of the balance sheet consist exclusively of mutual funds (SICAVs). A comparison of NAV and entry cost shows an unrealised capital gain of €10k.

Note 16. Composition of share capital

		In euros	
	Number	Nominal	
Ordinary shares	**of shares**	**value**	**Share capital**
At 31/03/13	4,966,882	0.10	496,688.20
At 31/03/14	4,966,882	0.10	496,688.20

There was no share subscription option plan in existence at 31/03/14.

Note 17. Change in shareholders' equity

	Share capital	Premiums	Reserves and carryforward	Profit for the year	Total
At 31/03/13	**497**	**11,218**	**33,885**	**10,708**	**56,309**
Appropriation of profit	0	0	9,154	(9,154)	0
Dividends	0	0	(16)	(1,555)	(1,571)
Profit for the year	0	0	0	10,841	10,841
At 31/03/14	**497**	**11,218**	**43,023**	**10,841**	**65,579**

Note 18. Provisions and impairment

	Value at start of period	Increase: Mergers/ contribs.	Increase: Appropr.	Decrease: Reversals	Value at end of period
Regulated provisions	**0**	**0**	**0**	**0**	**0**
Provisions (1)					
Disputes	913	0	420	140	1,193
Fines and penalties	18	0	0	0	18
Other provisions (2)	724	0	750	785	690
Total	**1,655**	**0**	**1,170**	**925**	**1,900**
Impairment					
Intangible assets	7,019	0	0	0	7,019
Equity investments	0	0	0	0	0
Other financial assets	259	0	12	242	28
Trade receivables	50	0	18	16	53
Other impairment	5	0	0	0	5
Total	**7,333**	**0**	**30**	**258**	**7,105**
Grand total	**8,988**	**0**	**1,200**	**1,183**	**9,005**
Of which appropriations and reversals					
- operating			1,188	941	
- financial			12	242	
- non-recurring			0	0	

(1) €918k of the provision for loss and contingencies reversed had been used

(2) Mainly a provision for free share grants.

Note 19. Increases and reductions in future tax debt

Increase in future tax debt	Value (basic)
Regulated provisions	0
Total	**0**

Relief on future tax debt	Value (basic)
Provisions not deductible in the year recognised	
Employee shareholding	1,830
Social welfare contributions	60
Other	
Trading charges on acquisition of subsidiaries	790
Provision for loss and contingencies	27
Impairment of receivables	3
Unrealised gains on trading securities	10
Liability translation losses	2
Total	**2,722**
Deferrable losses	0
Long-term losses	0

Note 20. Leases

	Value	Theoretical depcreciation charge		Theoretical	Royalties	
	when set up	Fiscal year	Cumulative	net value	Fiscal year	Cumulative
Office and computer equipment	986	294	481	505	309	506

	Royalties remaining to be paid				Residual	Effective value in the
	< 1 year	1 ≥ 5 yrs	> 5 yrs	Total	purchase price	fiscal year
Office and computer equipment	349	253	0	601	7	309

The information in the above table corresponds to active leases at period end.

Note 21. Off-balance-sheet commitments

	Total value	< 1 year	1 ≥ 5 years	> 5 years
Commitments given				
Guarantees and sureties	27	0	27	0
Pledges (1)	18,400	0	18,400	0
Pension commitments	3,181	0	0	3,181
Lease commitments	608	351	257	0
Finance lease agreements (2)	12,737	3,688	8,291	758
Total	**34,953**	**4,039**	**26,975**	**3,939**

	Total value	< 1 year	1 ≥ 5 years	> 5 years
Commitments received				
Guarantees and sureties	73	73	0	0
Undrawn credit lines (3)	12,800	0	12,800	0
Liability guarantees (4)	7,250	3,950	3,300	0
Financial instruments	274	274	0	0
Total	**20,397**	**4,297**	**16,100**	**0**

(1) Pledges relate to commitments given to banks to cover the opening of lines of credit. These commitments mature in 2017. They relate to Solucom goodwill on secondary bases at Villeurbanne, Aubagne and Nantes.

(2) Future payment commitments consist of contractual rent obligations. For leases, the duration taken into account corresponds to the earliest termination period of the various leases.

(3) Degressive amount minus €3,200k at each anniversary date, reduced to €12,800k at 05/10/13.

(4) Liability guarantees were received as part of the corporate acquisitions in fiscal 2012/13 and 2013/14. They consisted of bank guarantees in the amount of €2,240k.

Note 22. List of subsidiaries and equity interests

	% held	Capital	Other shareholders' equity	Profit from the fiscal year ended
Subsidiaries				
Alturia Consulting	100	233	1,482	(244)
Tour Franklin				
100/101 terrasse Boieldieu				
92042 Paris La Défense Cedex				
Eveho Conseil	100	110	944	19
Tour Franklin				
100/101 terrasse Boieldieu				
92042 Paris La Défense Cedex				
Stance Partners	100	50	1,490	162
Tour Franklin				
100/101 terrasse Boieldieu				
92042 Paris La Défense Cedex				
SLM Consulting	100	44	(22)	6
Résidence RIBH				
Angle Bir Anzarane et Caid Achtar				
Casablanca, Morocco				
Lumens Consultants	100	56	836	(59)
Tour Franklin				
100/101 terrasse Boieldieu				
92042 Paris La Défense Cedex				
Trend Consultants	100	74	1,207	120
Tour Franklin				
100/101 terrasse Boieldieu				
92042 Paris La Défense Cedex				
Equity interests				
None				

Comprehensive information	Gross value of shares	Net value of shares	Advances [1], loans and current accounts	Dividends paid
Subsidiaries				
French	20,276	20,276	764	0
Foreign	46	46	305	0
Equity interests				
None				

(1) including advances to subsidiaries under cash pooling agreements.

Note 23. Related party transactions

Type of transaction	Value of the transaction	Name of the related party	Type of relationship
Expertise in financial, development and external growth policy	25	Michel Dancoisne	Chairman of the Supervisory Board

Note 24. Post-balance sheet events

Dividends

Dividend payments proposed to the General Meeting called to approve Solucom's financial statements for the year ended 31/03/14 amounted to €1,618k or €0.33 per share.

Universal transfer of assets

On 27/05/14, the sole partner of Solucom decided to transfer all the assets of Alturia Consulting and Eveho, wholly owned subsidiaries of Solucom, to the company Solucom.

Statutory Auditors’ Report

on the Annual Financial Statements Fiscal year ended 31 March 2014

To the Shareholders,

In accordance with the assignment entrusted to us by your Shareholders' General Meeting, we hereby present our report for the fiscal year ended 31 March 2014, on:

- the audit of the annual financial statements of Solucom, as attached to this report;
- the justification of our appraisals;
- the specific checks and information required by law.

The annual financial statements were prepared by the Management Board. Based on our audit, we have formed the following opinion on the financial statements.

1. Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of all financial statements. We believe that the items we have gathered constitute a sufficient and appropriate basis on which to form our opinion.

We certify that the annual financial statements are, with regard to French accounting principles and rules, consistent and fair and present an accurate reflection of the results of operations for the past year, as well as the financial position and the company’s assets at the end of the year in review.

2. Justification of our appraisals

In application of the provisions of article L. 823-9 of the French Commercial Code on the justification of our appraisals, we bring the following to your attention:

- Section 3.2 “Accounting methods and principles” in the Notes, explains the rules and methods used to measure goodwill. As part of our review of the accounting rules and principles used by your Company, we have verified the appropriateness of the measurement methods mentioned above and the disclosures in the Notes and we have reasonable assurance that they have been applied correctly.
- *Investment holdings shown on your Company’s balance sheet are valued using the methods presented in Note 3.3 of the Accounting Methods and Principles in the Notes to the annual financial statements. We have assessed the items taken into consideration in calculating net asset value (NAV) and the calculation of provisions for impairment of equity interests, where present.*

Our work has allowed us to assess the consistency of estimates against assumptions.

The appraisals made were part of our audit of the annual financial statements, taken as a whole, and therefore contributed to forming our opinion expressed in the first part of this report.

3. Specific checks and information

In accordance with the professional standards applicable in France, we also carried out the specific checks required by law.

We have no observation to make on the fairness and consistency with the annual financial statements of the information provided in the management report of the Executive Board and in the documents for shareholders on the financial position and annual financial statements.

In respect of the information provided in application of the provisions of article L. 225-102-1 of the French Commercial Code on the compensation and benefits paid to corporate officers and on the commitments made to them, we have verified their consistency with the financial statements and/or with the data used to prepare these financial statements and, where applicable, with the items gathered by your company from the companies controlling or controlled by your company. Based on this work, we certify the accuracy and fair presentation of this information.

In application of the law, we have verified that the various information relating to controlling interests and the identity of the shareholders and the holders of voting rights has been communicated to you in the management report.

Neuilly-sur-Seine and Paris, 3 June 2014

The Statutory Auditors

DELOITTE & ASSOCIES	**SLG EXPERTISE**
Dominique LAURENT	Arnaud BERNARD

Statutory Auditors' Special Report

on Regulated Agreements and Commitments

To the Shareholders,

As Statutory Auditors of your company, we present to you our report on related-party agreements and commitments.

Our duty is to communicate to you, on the basis of the information provided to us, the main characteristics and terms of the agreements and commitments that we have informed of or that have come to our attention during our work, without being required to offer an opinion on their usefulness or their legitimacy or identify any other agreements or commitments. According to the provisions of Article R. 225-58 of the French Commercial Code, it is your duty to assess the benefits of entering into these agreements and commitments when they are submitted for your approval.

It is also our duty, where appropriate, to inform you of the information in article R. 225-58 of the French Commercial Code relating to the execution over the past year of the agreements and commitments already approved by the Shareholders' General Meeting.

We carried out the investigations that we considered necessary to comply with the professional guidelines issued by the *Compagnie nationale des commissaires aux comptes* in respect of this assignment. The guidelines focus on verifying that the information presented is consistent with underlying source documents.

Agreements and commitments submitted for approval to the Shareholders' General Meeting

Agreements and commitments authorised during the past year

We have not been advised of any agreement or commitment authorised during the past year to be submitted for the approval of the Shareholders' General Meeting pursuant to article L. 225-86 of the French Commercial Code.

Agreements and commitments previously approved by the Shareholders' General Meeting

Agreements and commitments approved in previous years and still in force

In accordance with Article R. 225-57 of the French Commercial Code, we have been informed that the following agreements and commitments approved by a Shareholders' General Meeting in previous years were still in force in the past year.

Employment contract with Michel Dancoisne, Chairman of the Supervisory Board.

Solucom signed an employment contract for an indefinite period with Michel Dancoisne for his "expertise in financial policy, development and external growth" for 10 hours a week.

As compensation for his services, Michel Dancoisne receives €1,900 gross per month for 13 months a year plus proven business expenses.

For the year ended 31 March 2014, Michel Dancoisne received €24,700 gross.

Neuilly-sur-Seine and Paris, 3 June 2014
The Statutory Auditors

DELOITTE & ASSOCIES	SLG EXPERTISE
Dominique LAURENT	Arnaud BERNARD

Chapter 4

Corporate governance

Report of the Chairman of the Supervisory Board

on the conditions for the preparation and organisation of the work of the Board and on internal control and risk management

To the Shareholders,

In accordance with article L.225-68 of the French Commercial Code, as Chairman of the Supervisory Board I have the honour of submitting this report on the conditions for the preparation and organisation of the work of the Board as well as on the internal control and risk management procedures put in place by your Company. This report was approved by the Supervisory Board at its meeting of 02/06/14.

It allows the Board to report to shareholders on its supervisory mission.

Your Statutory Auditors, in a report attached to their main report on the annual financial statements, will disclose their observations on the internal control procedures relating to the preparation and processing of accounting and financial information and their certification that the present report contains the additional information requested by article L.225.68 of the French Commercial Code.

1. Conditions for the preparation and organisation of the work of the Supervisory Board

1.1. General organisation and composition of management and control bodies

First, it is useful to recall that Solucom has adopted the “Management Board and Supervisory Board” form of corporate management since the Combined Shareholders’ General Meeting of 30/09/02. The Board of Directors that proposed this change to the General Meeting considered that the best structure for Solucom was to separate the management functions from the control functions and, to do so, the most appropriate structure as widely confirmed by experience was that of a Management Board and Supervisory Board.

This separation of management and control functions, supplemented by the appointment of independent observers to sit on the Supervisory Board, also fulfils the desire to comply with best practices in corporate governance.

Composition of the Supervisory Board

The Supervisory Board consists of:

- Michel Dancoisne: Chairman;
- Jean-Claude Malraison: Vice Chairman;
- Jacques Pansard: Member;
- Jean-François Perret: Member;
- Marie-Ange Verdickt: Member.

The members of the Supervisory Board have been chosen for their multidisciplinary skills and expertise as confirmed by their biographies presented below.

Biographies of Supervisory Board members

Michel Dancoisne

Born 13/03/1947, a graduate of Institut Supérieur d'Électronique du Nord and the holder of an HEC group Executive MBA, Michel Dancoisne joined Télésystèmes, a subsidiary of France Telecom, in 1971 as a technical/sales engineer. In 1974, he became a sales engineer at CII-Honeywell Bull. In 1979, he participated in creating the Questel (database server) business at Télésystèmes, taking on the commercial management of that business, then of the Questel business as a whole. In 1985 he became Director of the Networks Division and a member of the Télésystèmes Executive Committee. In 1990 he co-founded Solucom, and was its co-President until his appointment as Chairman of the Supervisory Board in 2002.

Jean-Claude Malraison

Born 13/08/1946, a graduate of Institut Supérieur d'Électronique du Nord, Jean-Claude Malraison joined IBM as a sales engineer in 1971; in charge of large financial institutions, he then headed up the agency in the same sector. In 1987 he was appointed consultant to the Corporate Marketing Department of IBM Armonk, USA, and in 1989 took over as head of the PC Division in France, then in Spain and Switzerland. In 1993, he became General Manager in charge of creating the UNIX Division at IBM EMEA (Europe, Middle East, Africa), then was appointed Vice President Distribution and General Business at IBM EMEA in 1996. During this period he was also a member of the Supervisory Board of IBM France and a member of the Executive Committee of IBM EMEA. From 1999 to 2003 he was Managing Director of Plantronics EMEA. Jean-Claude Malraison is currently Vice Chairman of the Solucom's Supervisory Board, a Director of BO Partner Belgium and Director of Kervillen SARL. He is also the author of *Optimising your Commercial Strategy* published by Eyrolles in 2006 and *Building Routes to Customers* published by Springer in 2009.

Jacques Pansard

Born 27/02/1950, a graduate of École Polytechnique Fédérale de Lausanne and the Business Administration Institute of Paris, in 1974 Jacques Pansard joined SG2 Group, the software and computing services subsidiary of Société Générale. He then moved to Coopers & Lybrand in 1981 where he became one of the partners of the French firm in 1988. In 1990 the role of head of the Paris branch of the consulting firm Cesia. In 1993, he became Chairman and CEO of Cesys, a consultancy on information systems and organisation at Eurisys Group (Cogema subsidiaries network).

He then joined Organconseil as Associate Director in the Industry and Services division in 1997.

Since 2000, he has been working as independent consultant and expert in new information technologies (Oseo Innovation, APM). An Affiliate Professor at ESCP-Europe from 2003 to 2012, he created the Executive Masters specialising in Business Consulting (continuous training programme for experienced leaders in change management projects) and was its Scientific Director until early 2012.

Jean-François Perret

Born 05/06/1942, a graduate of École Nationale Supérieure d'Électronique, Électrotechnique, Informatique, Hydraulique et Télécommunications de Toulouse (ENSEEIHT) and of the IAE in Paris, Jean-François Perret joined Société Anonyme de Télécommunications (SAT) in 1967 as a Design Engineer. In 1969, he became Business Engineer at ELECMA (the electronics division of SNECMA).

In 1970, he was appointed head of Information Technology Development attached to the Prime Minister's office and participated in studies on the emergence of the software industry and in strategic planning to create a European information technology industry (UNIDATA). In 1974, he became economic and financial head of the Department for Electronic and Information Technology Industries (DIELI) at the Industry Ministry.

In 1977, he joined Pierre Audoin Consultants (PAC) where he continued his career successively as Deputy CEO, CEO and Chairman of the Management Board. As such, he helped establish PAC as a recognised leader in strategic consulting and studies and marketing in the software and IT services markets. He also played an essential role in PAC's international development. Jean-François Perret is currently Vice Chairman of the Supervisory Board of Pierre Audoin Consultants, manager of CVMP Conseil, and is also very active in the engineering community facilitating and chairing committees (TIC, social networks), at IESF (French association of engineers and scientists), at Institut G9+, and at the ENSEEIHT association of engineers.

Marie-Ange Verdickt

Born 24/10/1962, a graduate of Ecole Supérieure de Commerce de Bordeaux and a member of the French Society of Financial Analysts (SFAF), Marie-Ange Verdickt began her professional career as an auditor at Deloitte-Touche in 1984, then as management controller at computer group Wang in 1987. She moved to Euronext in 1990 as a financial analyst, then became head of the financial analysis office at Euronext where she reviewed IPOs and financial transactions on listed companies. She joined Financière de l'Echiquier in 1998 as equity fund manager specialising in mid-cap French and European companies. In 2008 she became director of Research and SRI (Socially Responsible Investment). Since May 2003, Marie-Ange Verdickt has been Director on the Board of Directors of ABC Arbitrage and a member of the French Directors' Institute (IFA). She is also a member of the Supervisory Board of CapHorn Invest private equity fund since April 2013.

Positions and duties of the members of the Supervisory Board

Their positions and duties are detailed in the Management Board Report to the General Meeting.

Term of office

The General Meeting of 28/09/11 decided to reduce the term of office of Supervisory Board members to four years, it being understood that this change would not affect the terms of current members of the Supervisory Board appointed prior to the date of that General Meeting.

Obligation to hold Solucom shares

Supervisory Board members must each own at least 500 Solucom shares, which must be held in registered form and must be in each member's possession in the year following their assumption of functions.

Independent members of the Supervisory Board

At its meeting of 24/03/14, the Supervisory Board reviewed the independence of each of its members as defined by the Corporate Governance Code for small and medium companies published by MiddleNext in December 2009, using the criteria in that Code (whereby independence is characterised by the absence of a significant financial, contractual or family relationship that may affect independence of judgment).

The results of this review are presented in the table below:

	Not (ex) employee or (ex) corporate officer	**Not significant client, supplier or banker**	**Not major shareholder**	**No family link with corporate officer or major shareholder**	**Not former auditor**
Michel Dancoisne	O	X	O	X	X
Jean-Claude Malraison	X	X	X	X	X
Jacques Pansard	X	X	X	X	X
Jean-François Perret	X	X	X	X	X
Marie-Ange Verdickt	X	X	X	X	X

O: compliant with independence criterion
X: not compliant with independence criterion

The Board concluded that four of its five members (thus 80% of the Board) can be considered independent: Jean-Claude Malraison, Jacques Pansard, Jean-François Perret and Marie-Ange Verdickt.

Balanced representation of men and women on the Supervisory Board

The Supervisory Board currently consists of four men and one woman, which is 20% representation of women and thus complies with statutory obligations, ie, that each gender must not represent less than 20% at the date of the next General Meeting following 01/01/14.

The intention is of course to seek a more balanced representation when appointing new members.

Composition of the Management Board

The Management Board is composed of:

- Pascal Imbert: Chairman;
- Patrick Hirigoyen: Member.

Biographies of Management Board members

Pascal Imbert

Born 12/08/1958, Pascal Imbert is a graduate of École Polytechnique et de Télécom ParisTech.

He began his career at the computer services company Télésystèmes in 1980, where he participated in several projects connected with starting up the Télétel service in France, before taking on management responsibilities. In 1988, he joined Cirel Systems, a manufacturer of telecoms products, where he became Deputy CEO. As such, he developed a new generation of telecommunications products.

He founded Solucom together with Michel Dancoisne in 1990, and has been managing the Company's growth jointly with him for 12 years. He has been Chairman of Solucom's Management Board since 2002, when Michel Dancoisne became Chairman of the Supervisory Board.

Pascal Imbert has been President of MiddleNext, an association representing mid-cap listed companies in France, since May 2010, and a Director of the company Axway since April 2011.

Patrick Hirigoyen

Born 06/08/1963, Patrick Hirigoyen has an Engineering degree from École Nationale Supérieure des Télécoms de Bretagne and extensive experience in the computer services field. He began his career as a Business Engineer at INFI, a software and computing services company specialising in new technologies. He joined Solucom in 1993 as Sales Director. There he developed the sales division before being appointed Chief Operating Officer and member of the Management Board in September 2002.

Positions and duties of the members of the Management Board

Their positions and duties are detailed in the Management Board Report to the General Meeting.

1.2. Preparation and organisation of work

Functioning and work of the Supervisory Board

The Supervisory Board exercises ongoing supervision of the management of the Company by the Management Board.

Accordingly, it conducts audits and controls at any time of the year it considers opportune and may ask to be provided with the documents it considers useful to carry out its mission. The Supervisory Board may also request, at any time in the course of business between Board meetings, any pertinent information including critical information typically in the form of financial analysis reports.

During the fiscal year ended 31/03/14, the Supervisory Board met six times (27/05/13, 22/07/13, 25/09/13, 25/11/13, 27/01/14 and 24/03/14) with a 100% attendance rate. The schedule of Supervisory Board meetings is set at every Supervisory Board meeting for at least the next two meetings, and potentially to cover the next 12 months.

The meetings are convened by electronic messaging and by post approximately one week before each meeting. The notice of meeting always includes the agenda. Semi-annual and annual financial statements that need to be approved are sent to the members approximately one week before the relevant meeting. Management Board representatives to the Supervisory Board are invited to all Supervisory Board meetings.

The Statutory Auditors are invited to Management Board meetings and Supervisory Board meetings that are concerned with the approval of semi-annual and annual financial statements. During the fiscal year ended 31/03/14, the Supervisory Board addressed the following issues:

- Review, verification and audit of the annual company and consolidated financial statements and the report of the Management Board.

- Review, verification and audit of the semi-annual company and consolidated financial statements and the report of the Management Board.
- Presentation by the Management Board of management forecasts.
- Presentation by the Management Board of the action plan and budget for fiscal 2013/14, including Solucom's development strategy per external growth operation and approval of this policy.
- Proposal to appoint the principal and alternate Statutory Auditors.
- Review of Management Board quarterly reports.
- Compensation of corporate officers.
- Review of the circumstances of Supervisory Board members in terms of their qualification as independent members.
- Review of compliance with the MiddleNext Corporate Governance Code (recommendations and points of vigilance).
- The Company's gender equality policy on careers and pay.
- The Company's CRS policy on social and environmental responsibility.
- Review of the internal control and risk management provisions in force in the Company.
- Self-assessment of the functioning and work of the Supervisory Board.
- The Management Board may attend all or part of Supervisory Board meetings, at the discretion of the Supervisory Board.

The agenda item regarding the compensation of corporate officers was discussed without the presence of the Management Board.

Draft minutes of the Supervisory Board meetings are sent to all members for approval before being signed, the signing generally occurring at the next Supervisory Board meeting.

Assessment of the functioning and work of the Supervisory Board

Every year, the Supervisory Board performs a self-assessment of its functioning and its work, and is formalised every three years.

The Supervisory Board meeting of 18/03/13 performed a formal assessment which covered:

- a review of the Supervisory Board's operating procedures;
- a verification that major issues were adequately prepared and discussed;
- a review of the composition of the Supervisory Board and the contributions of its members.

To do so, a questionnaire was sent to the Supervisory Board members to allow them to explain their assessments and suggestions, and the synthesis of those self-assessments was discussed at the Supervisory Board meeting of 18/03/13.

The Supervisory Board meeting of 27/01/14 reported on the implementation of the improvement points identified.

Committees

The Supervisory Board as a whole constitutes the Audit Committee.

It was formally noted that Marie-Ange Verdickt, Jean-Claude Malraison and Jean-François Perret meet the criteria for independence, and for accounting or financial expertise due to their professional experience.

For its functioning and its work, the Audit Committee follows the AMF working group recommendations for audit committees.

Audit Committee meetings are held separately from Supervisory Board meetings and are chaired by the Chairman of the Supervisory Board who is not an executive member.

The Management Board may attend all or part of Audit Committee meetings, at the discretion of the Audit Committee.

Contributions by Statutory Auditors when reviewing the semi-annual or annual company and consolidated financial statements, a review of their independence, and proposals for renewal of their mandates are discussed without the presence of the Management Board.

Minutes are drawn up of every Audit Committee meeting and are reported in a special section of the Supervisory Board minutes.

During the fiscal year ended 31/03/14, the Audit Committee met four times (27/05/13, 25/11/13, 27/01/14, and 24/03/14).

The work of the Audit Committee mainly covered the following points:

- Review and verification of the company and consolidated financial statements for the fiscal year ended 31/03/13 presented and approved by the Management Board, testimony by the Chief Financial Officer, testimony by the Statutory Auditors; review of additional reports and documents drafted by the Management Board for the Shareholders' General Meeting; review, verification and audit of the annual financial report prepared by the Management Board.
- Review of the report of the Chairman of the Supervisory Board on internal control and risk management.
- Review of the independence of the Statutory Auditors.
- Review and verification of the semi-annual financial statements approved by the Management Board; review, verification and audit of the semi-annual financial report prepared by the Management Board; testimony by the Chief Financial Officer; testimony by the Statutory Auditors.
- Review of the internal multiannual audit plan and the internal control and risk management provisions in force in the Company. This point was the subject of an annual review covering the general framework of the provisions to ensure their effectiveness, especially in terms of risk mapping, and an in-depth review of the provisions regarding one or more risks in particular, by checking on this occasion the existence of appropriate procedures and control measures. In the event of failure or malfunction, the Audit Committee asks the Company to take the necessary corrective measures.
- Proposal to appoint principal and alternate Statutory Auditors.

Internal rules

The internal rules cover the Supervisory Board’s operating procedures as comprehensively as possible and include the following headings:

Role of the Supervisory Board

- General mission is ongoing control
- Verification of the proper exercise of executive power
- Limitation of the powers of the Management Board

Composition of the Supervisory Board and independence criteria of its members

- Conditions for appointment of members to the Supervisory Board
- Independence of Supervisory Board members

Duties of Supervisory Board members

- Duty of loyalty and respect for laws and statutes
- Duty of confidentiality
- Duty of assiduousness
- Rules for trading in Company securities, including privileged information
- Disclosure of conflicts of interest and duty to abstain

Functioning of the Supervisory Board

- Frequency of meetings
- Convocation of Board members
- Information about Board members
- Use of telecommunication and videoconferencing methods
- Deliberations of the Supervisory Board
- Assessment of the work of the Board
- Audit Committee

Rules for determining the compensation paid to Supervisory Board members

The internal rules are available in full on the website www.solucom.fr.

Principles for compensation paid to corporate officers

As regards compensation to corporate officers, Solucom complies with the recommendations of the MiddleNext Corporate Governance Code. Accordingly, the principles for determining such compensation meet the criteria for completeness, balance, benchmark, consistency, clarity, measurement and transparency.

The distribution of directors' attendance fees is dealt with once a year, at a meeting following the Shareholders' General Meeting. The compensations paid to the Chairman of the Supervisory Board and to the Chairman of the Management Board are also reviewed once a year by the Supervisory Board, at the meeting called to review the budget.

Supervisory Board members, with the exception of the Chairman, receive attendance fees the total annual package for which is voted by the Shareholder's General Meeting. The amount paid to each Supervisory Board member takes into account his or her assiduousness.

The Chairman of the Supervisory Board receives fixed compensation for his mandate and also benefits from a fixed compensation under an employment contract for his functions as consulting expert on financial, development and external growth policy. The compensation for his mandate is decided by the Supervisory Board, which is also informed of the amount of compensation under his employment contract.

As compensation for his mandate, the Chairman of the Management Board receives a fixed component, plus a variable component based exclusively on quantitative criteria relating to the achievement of certain budgetary targets. This compensation is set by the Supervisory Board at the budget presentation meeting which serves as the basis for defining the budgetary targets for the variable component.

The other member of the Management Board receives fixed compensation for his mandate, plus compensation under an employment contract as Chief Operating Officer. His COO compensation includes a fixed component, plus a variable component based exclusively on quantitative criteria relating to the achievement of certain budgetary targets. He is also the beneficiary of two free share allocation plans dated 15/09/06 and 15/10/10 respectively, subject to presence conditions and a requirement to personally own Solucom shares and to meet certain performance criteria. The compensation for his mandate is decided by the Supervisory Board at the budget presentation meeting. The Supervisory Board is also informed of all the other components of his compensation.

Corporate officers receive no benefits in kind, there is no mechanism for arrival or departure bonuses, or for a variable component linked to social and environmental responsibility, and they do not benefit from any special supplemental pension scheme.

Terms and conditions for shareholder participation in General Meetings

The terms and conditions for shareholder participation in General Meetings are described in articles 24 to 33 of the Articles of Association.

Factors likely to have an impact in the event of a public offering

These factors are detailed in the Management Board Report to the General Meeting.

2. Internal control and risk management

2.1. General framework

As part of the obligations in the French Commercial Code on companies making a public offering, in 2007 the AMF published a frame of reference for internal control, applicable to fiscal years starting on or after 01/01/07.

This frame of reference specifies that every company is responsible for its own organisation and therefore for its internal control and that the frame of reference is not intended to be imposed on companies but to be used by them to oversee and, if necessary, develop their internal control system, without them being directives on how to design it.

In January 2008, the AMF decided that the specific characteristics of small- and mid-cap companies should be taken into account more prominently in this frame of reference and, accordingly, drafted an implementation guide specifically dedicated to SMEs.

In July 2010, the AMF updated its frame of reference on internal control for SMEs, primarily to add a section on risk management, following the transposition into French law of European Directives imposing new obligations on listed companies, particularly regarding the duties of Audit Committees.

It is on the basis of this frame of reference and on the applicability to Solucom of the implementation guide, that the present report has been drafted. This report is also based on interviews with the Chairman of the Supervisory Board and the Chief Financial Officer, a review of the Company's internal documents, and meetings with the Statutory Auditors. This report was approved by the Supervisory Board at its meeting of 02/06/14.

2.2. Principles

The risk management and internal control systems are complementary participants in the management of the firm's activities.

By contributing to preventing and controlling the risk of not achieving the goals set by the firm, the risk management and internal control system plays a key role in running and steering the firm's various activities. However, neither risk management nor internal control can offer an absolute guarantee that those goals will be achieved.

Risk management

Risk management is the business of everyone in the Company. It aims to be comprehensive and cover all the Company's activities, processes and assets.

Risk management is a dynamic process, defined and managed by the Company itself.

Risk management includes a range of means, behaviours, procedures and actions adapted to the characteristics of each company to allow its Management to keep risks at an acceptable level for the company.

Risk is the possibility that an event may occur whose consequences might affect people, assets, the environment, company goals or company reputation.

Risk management is a lever that helps Solucom to:

- create and protect the Company's value, assets and reputation;
- add certainty to decision-making and processes in the Company to facilitate the achievement of goals;
- ensure that actions are consistent with Company values;
- mobilise the Company's employees around a common vision of key risks; raise awareness among them of the risks inherent in their activities.

Internal control

Internal control is a global mechanism at the firm, defined and implemented under the responsibility of each company, that includes a set of means, procedures and actions which:

- contribute to controlling the firm's activities, the effectiveness of its operations and to the efficient use of resources;
- must permit the firm to control the significant risks that it faces, whether operational, financial or legal.

The internal control system aims at ensuring:

- compliance with the various applicable regulations;
- the correct application of instructions and guidelines set by the Management Board;
- the proper operation of the firm's internal processes, especially those safeguarding its assets;
- the reliability of financial information.

2.3. Scope

For the record, the firm Solucom consists of the parent company Solucom SA and six subsidiaries, all exclusively controlled: Alturia Consulting, Eveho Conseil, Stance Partners, Lumens Consultants, Trend Consultants and SLM Consulting (Moroccan subsidiary).

Operationally, the firm is organised as *Practices* representing the firm's main areas of know-how.

Alturia Consulting, Eveho Conseil, Stance Partners and SLM Consulting are now integrated into this operational structure. Lumens Consultants and Trend Consultants, however, are not yet integrated into this structure. Both companies are currently still operating as independent entities, under the control of the firm's Management Board. Lumens Consultants and Trend Consultants will fall into line with the firm's *Practice*-based structure on 1 April 2015 at the end of their integration period.

The firm has put in place an internal control and risk management system adapted to its situation.

- The procedures for preparing and processing accounting and financial information are identical across the entire firm.
- The procedures for risk management, particularly for operational activities, are now also firm-wide in that they are applied at Practice level uniformly across all entities
.
    - For the recently acquired subsidiaries, the firm's risk management procedures are rolled out gradually, risk management still being the remit of the general management of each separate company until the end of the integration period;
    - During the integration period, general management is responsible for the effectiveness of each subsidiary's risk management.
    - Risk management for the Moroccan subsidiary, given its small size, is handled directly by its management.

2.4. Components of the system

The risk management process at Solucom is as follows:

- Risk identification
    - Individual interviews by the Chief Financial Officer with the managers of the firm's most significant risks.
    - Changes to risk mapping proposed to the Executive Committee by the "internal audit and risk management" steering committee.
    - Annual update by the Executive Committee, before presentation to the Audit Committee
- Risk analysis
    - Review the potential consequences of the main risks and assess their probability of occurrence.
- Risk resolution
    - Select the most appropriate risk prevention and/or resolution systems for the Company.

The structure put in place at the firm for the ongoing monitoring of the internal control and risk management system should allow continuous improvement in that system, the objective being to identify and analyse the main risks and to draw lessons from past risks encountered.
Solucom's Management Board establishes the main guidelines for the internal control and risk management system
The firm's steering committee then approves the associated rules of conduct and determines their scope.
The resulting approved provisions are communicated to the team involved for implementation.
The internal control and risk management system, adapted to the characteristics of each company, provide:

- a structure with clearly defined responsibilities, based on the appropriate information systems, tools and practices;
- a collation of the main identifiable risks;
- the internal dissemination of pertinent and reliable information, primarily through the company's information system which collates the formalized processes for detecting and preventing the main operating and financial risks.

Internal audits are carried out at firm level, their purpose being to confirm that its internal control system is correctly applied to all the entities for which it is pertinent.

They also contribute to identifying and resolving the firm’s risks.

A 3-year internal risk audit plan was rolled out in December 2013 under the responsibility of the Chief Financial Officer, which covers:

- all firm processes considered to be auditable due to their nature, the special characteristics of their processes, and the risk(s) they cover;
- all the firm’s companies that have been acquired since more than 12 months ago.

A process audit involves the following steps:

- identification of the key stages of the process and analysis of their operation;
- identification of the risks of malfunction attached to each stage;
- identification of the controls in place for each stage;
- audit of the controls;
- recommendations and actions to correct the indentified internal control failures.

2.5. The players

The Supervisory Board

Every year, the Management Board reports to the Supervisory Board the key characteristics of the internal control and risk management system.

Its risk oversight scope is large: strategic, operational, accounting and financial risks - relying on the work of the Audit Committee for the latter.

As and when needed, the Supervisory Board may use its general powers to carry out checks and verifications it considers appropriate or take any other actions it considers reasonable.

The Audit Committee

The Supervisory Board can decide to create an *ad hoc* Audit Subcommittee or to use all its own members to constitute an Audit Committee. Solucom has taken the second option.

The Audit Committee includes at least one independent member with special accounting or financial skills.

The Audit Committee meets at least twice a year at the meetings where the Supervisory Board reviews the firm's semi-annual and annual financial statements.

The Audit Committee is tasked with overseeing:

- the process of preparing financial information;
- the effectiveness of internal control and risk management systems;
- the independent auditing of the Company and consolidated annual financial statements by the statutory auditors;
- the independence of the Statutory Auditors.

The Supervisory Board’s audit focuses primarily on accounting and financial risks.

The Audit Committee annually reviews the general framework of the internal control and risk management system to ensure its effectiveness, especially in terms of risk mapping, including an in-depth review of the provisions regarding one or more risks in particular, by verifying the existence of appropriate procedures and control measures.

In the event of failure or malfunction, the Audit Committee asks the Company to take the necessary corrective measures.

The Management Board and the Executive Committee

The Management Board is tasked with defining, driving and overseeing the best system for Solucom’s circumstances and activity. It is kept informed on a regular basis of any inadequacies in the system and, if necessary, refers them to the Supervisory Board.

The Executive Committee consists of the members of Solucom's Management Board, the operations directors in charge of *Practices* and business development and the directors of support functions. The Executive Committee sets the goals for operations activities and tracks their progress, which it presents in formal reports on a monthly basis.

The "internal audit and risk management" steering committee

Consisting of the Chairman of the Management Board, the Chief Financial Officer, the Financial Operations Manager and an operations director, this committee supervises the implementation of the internal audit and risk management system. Its mission is to:

- supervise the implementation of the internal audit plan;
- approve the recommendations and corrective actions resulting from the audits;
- supervise the implementation of the recommendations and corrective actions;
- approve the audit reports;
- set up audits on request;
- ensure annual updates of the risk map.

The Financial Department

The financial department supervises the production of the accounting and financial data of each entity and the firm.

It oversees the development of the management data and indicators supplied to the operations directors and to the firm's Executive Committee.

The accounting functions are performed by a single accounting unit within the firm, supported by an external accounting consultancy. The external accounting consultancy is tasked with producing the separate financial statements of Solucom SA and its three subsidiaries as well as the consolidation work for the firm's financial statements.

Currently, the financial department compiles and/or consolidates all the internal procedures in force in Solucom.

Strictly speaking, there is no risk manager or internal audit department in Solucom.

This function is the responsibility of the financial operations manager attached to the financial department, who is in charge of implementing and running the internal control and risk management process as defined by the Management Board.

The financial operations manager's mission is specifically to:

- recommend risk-map updates to the "internal audit and risk management" steering committee based on interviews with the heads of the firm's main risk areas;
- ensure the production of written procedures and make them available in the central information repository;
- organise and oversee internal audit activities;
- present the results of audits including any recommendations and corrective actions to the "internal audit and risk management" steering committee.

Company staff

The firm's central information repository, which houses all applicable procedures, is accessible by all the firm's employees via the intranet portal Comm'*unilink*.

The site also gives each employee the internal control and risk management information they need to operate at their particular level, in light of the goals assigned to them.

However, they are not responsible for ensuring that the system is working effectively.

Internal resources are mobilised as necessary on a case by case basis to conduct internal audits.

The Statutory Auditors

As part of their statutory mission, Statutory Auditors are not stakeholders in the internal control and risk management system. They are aware of it and rely on the work done by internal audits where they exist to obtain better understanding, but they form an independent opinion of their pertinence.

They certify the financial statements, and in so doing they may identify significant risks and major weaknesses in internal control that could significantly impact the accounting and financial information. They submit their observations on the Chairman’s Report, and on internal control procedures as they relate to the preparation and processing of accounting and financial information, and confirm the presence of other legally required information.

2.6 Procedures relating to the preparation and processing of accounting and financial information

The internal control and risk management system covers the entire firm’s accounting and financial aspects.

The procedures relating to the preparation and processing of accounting and financial information are formalises and collated in the central information repository and published on the firm’s intranet.

Preparation of budget forecasts

An annual budget, broken down by month, is prepared at the start of the year by each of the firm's companies as well as on a consolidated basis. A budget review is conducted in December, after approval of the semi-annual financial statements. When completed, the budget is submitted to the Supervisory Board.

Account management

Account management is key to Solucom’s business activity. A business management tool based on open source ERP software (ActiveSys) began to be rolled out in 2013.

This package includes the following functionalities:

- account management and order acceptance;
- monthly tracking of time spent;
- monthly re-estimation of projects (provisional expenses and schedules determined by the project manager);
- invoicing.

This package is accessible by all the firm's employees, at different levels depending on their responsibilities, in intranet mode and extranet mode. Project monitoring is therefore via this package, which offers a consolidated view at any time of all the information relating to a given project, in particular:

- commercial and contractual data;
- days used in the project, expense forecasts, provisional timeline, project overruns;
- invoices issued, invoices to be issued, advance payments.

Monthly budget tracking and reporting

The data from the ActiveSys package, via a decision-aid tool, allows the budget to be tracked and updated on a monthly basis, using the latest known budget information and business projections.

The data is summarised in a monthly dashboard for each Practice, and for the firm as a whole, showing management indicators that include actuals / forecast, under the following headings:

- revenue
- current operating income (EBIT)
- consultant income flow
- headcount
- orders taken
- sale price
- order book
- cash and equivalents
- client management (tracking of late payments and invoices to be issued).

The dashboards are reviewed monthly by the head of each Practice and on a consolidated basis by the Executive Committee, so that corrective actions can be decided as necessary.

In addition, a quarterly report of Solucom's activity is prepared and submitted by the Management Board to the Supervisory Board.

Financial reporting periods

Quarterly cut-offs are applied for internal purposes at the end of the first and third quarter of the year, on an unaudited basis, so that reports can be prepared to reconcile accounting and management data. Semi-annual and annual financial statements are audited by the Statutory Auditors, reviewed by the Audit Committee, approved by the Supervisory Board, and published as required by applicable laws and regulations. Solucom's Statutory Auditors attend the Audit Committee meetings and the Supervisory Board meetings called to approve semi-annual and annual company and consolidated statements.

The members of the Audit Committee and Supervisory Board can thus directly question the Statutory Auditors about:

- the accounting principles adopted;
- their ability to access the information they needed for their review, especially regarding consolidated subsidiaries;
- the state of progress of their work, knowing that when the financial statements are reviewed by the Supervisory Board the Statutory Auditors should have completed their review.

These period-ends are applied using the same accounting principles throughout the firm (recognition of revenue, provisioning rules, calculation of cost price, period-demarcation rules, calculation of profit share, calculation of tax).

At Supervisory Board meetings held to approve semi-annual and annual financial statements, the Management Board presents and comments on the following points:

- the income statement
- a "management" analysis of the income statement, per company
- the operating indicators underlying the income statement
- the statement of financial position
- the cash flow statement.

Methods of provisioning risks and disputes

At every semi-annual and annual period-end, the management control unit carries out a review of all ongoing projects to identify any budget overruns that may require provisioning.

Such provisions are based on the project manager's latest monthly re-estimation of the total project budget.

The financial department is also informed of any events that may require provisioning, as soon as they occur:

- risk of client bankruptcy (an exceptional possibility as the firm's clients are very large companies);
- exceptional non-payment risk based on monthly tracking of aged balances;
- disputes with a third party, especially with a client, using an efficient incident-detection system rolled out to all the firm's entities.

Risks involving quality, invoicing and payment are reviewed at every quarter-end by the accounting manager, the sales administration manager, and the financial operations manager, with the help of management control, and submitted to the Chief Financial Officer and the Management Board of Solucom to decide what provisions to set up.

Consolidation of accounts

The existing structure and procedures, described in previous sections, allow the parent company to verify its subsidiaries' financial statements.

This includes in particular:

- the financial department which supervises the production of the financial and accounting data of each entity and the firm;

- the Executive Committee which tracks the achievement of the firm's goals and those of its entities, mainly via a monthly dashboard produced by management control;
- reconciliation of accounting vs management data of each of the firm's entities on a quarterly and semi-annual basis, under the responsibility of management control.

The account consolidation process is run by an external accounting consultancy, in liaison with the financial department, and mainly includes the following controls and checks:

- the reciprocity of inter-company balances that have to be eliminated;
- the consistency of company accounting practices;
- the accounts submitted by the companies are in the format specified by the firm;
- estimated post-employment obligations are reviewed by an independent actuary;
- all consolidation analyses and restatements comply with applicable accounting rules.

Cash and cash equivalents

A firm-wide cash pooling agreement has been set up through a partner bank which:

- optimises the use of the firm's surplus cash;
- provides a central real-time view of the cash positions of every company in the firm.

The Supervisory Board receives quarterly reports of the firm's cash position from the Management Board.

Monitoring of off-balance-sheet commitments

At every period-end, the financial department compiles the off-balance-sheet commitments of every company in the firm.

Control of the quality of published financial and accounting information

All financial communication is prepared under the direct control of Solucom's Management Board.

The financial department is also tasked with identifying changes in financial communication requirements that may impact Solucom's communication obligations.

The requirements for periodic publication of accounting and financial information are explained in the central information repository.

2.7. Operating procedures

The risk prevention system covers key stages of Solucom's operating activities:

- project management and tracking, and quality of services;
- human resource management;
- sales tracking and account management;
- information system security;
- supply management.

Note that the Management Board keeps an updated map of the main risks identified.

This analysis is presented annually to the Audit Committee and Supervisory Board at the meeting convened for internal control and risk management. Regarding procedures, we can cite the following:

Procedures for project management and tracking, and for service quality

- Monthly management team meetings for each Practice and entity in the firm for operational monitoring of:
  - projects (overruns);
  - internal contracts;
  - invoicing problems or problems obtaining supporting documentation (orders or acceptance reports);
  - cost price per account.

  These monthly meetings allow corrective actions to be set up for any problems identified.

- Procedure for managing fixed-price contracts

This procedure defines the principles for running a fixed-price service, and in particular the operating rules for each major stage of the life cycle of that service, as well as the responsibilities involved in running such operations.

- Quality Charter

This defines:

- the quality of the services rendered to the client;
- client satisfaction milestones;
- Solucom quality policy principles and methods.

There is also a system for escalating quality faults and client complaints to the Quality Manager. Based on this information, and on a periodic review of the general quality of Solucom's client relationships, a set of indicators is presented to the firm's employees to heighten their awareness.

Human resource management procedures

- Induction

This procedure describes the steps taken by the firm to integrate a new employee.

It also identifies the persons in charge of the integration process.

- Annual employee interview and assessment

This procedure defines how each employee is monitored by their department heads, using a standard form and an individual interview matrix.

- Recruitment and retention

These procedures describe all the action taken to allow the company to achieve its recruitment and retention targets.

They also define the monthly recruitment and turnover tracking dashboards.

Business activity tracking procedures

- The tracking of business activity is enhanced by cutting-edge indicators in the Activebiz business information system.

- Tenders

Primarily to guarantee the commitments made in a tender, the commitments are built using a predefined format that incorporates standard terms and conditions: confidentiality, invoicing and payment terms, travel expenses, non-solicitation of staff, insurance/liability, etc.

- Contracts

These are negotiated and signed on a case-by-case basis in accordance with internal compliance criteria and are summarised in a contracts report.

- Invoicing

The Sales Administration Department is responsible for invoicing, working closely with the sales teams and project managers throughout the lifetime of an account.

- Bad Debts

In fiscal 2012/13, a dedicated team was set up to oversee the firm's receivables and manage all payment recovery problems working closely with the Sales Administration Department, the sales teams and the project managers.

Information system security procedures

- Security Charter

This Charter sets out the principles and rules to guarantee effective protection of sensitive information uniformly across the firm's entire information system

- Protection of the information system

The procedures cover data confidentiality, protection against hacking and viruses, system redundancy, and data backup.

They is supplemented by an information system disaster recovery plan, deployed as part of a broader business continuity plan.

Supply management procedures

- Expense commitment

Every expense commitment is reflected in a purchase order issued in a firm-wide standard format by the budget manager concerned or by any other authorised person.

Persons authorised to approve purchase orders are identified by name in an internal memo.

- Invoice approval

Every invoice is matched against the corresponding purchase order and approved by the budget manager concerned or by any other authorised person. An invoice is not recognised unless it is matched with a purchase order and both documents have been approved.

Persons authorised to approve invoices are identified by name in an internal memo.

- Payment

All authorisations to pay an invoice, regardless of the payment method, must be approved in advance by the accounting manager or by the interim financial operations manager. The key items checked are the amount, the bank details, the supplier details, and that it is not being paid twice.

The list of authorised signatories for payments is circulated internally and to the firm's partner banks.

3. Corporate Governance Code

The Supervisory Board adopted as its Corporate Governance Code the Corporate Governance Code for Small- and Mid-cap Companies published by MiddleNext in December 2009, which is available on the MiddleNext website (www.middlenext.com).

This code not only offers recommendations that companies adopting it must comply with, but also offers due diligence factors that the Supervisory Board has reviewed.

The Supervisory Board has also confirmed that Solucom has implemented in its governance all the recommendations of the MiddleNext Corporate Governance Code.

The Chairman of the Supervisory Board

02/06/14

Statutory Auditors' Report

in accordance with Article L.225-235 of the French Commercial Code, on the Report of the Chairman of the Supervisory Board

To the Shareholders,

In our capacity as statutory auditors of Solucom and in accordance with Article L.225-235 of the French Commercial Code, we hereby present our report on the report prepared by your company's Chairman, in accordance with Article L.225-68 of the French Commercial Code for the year ended 31 March 2014.

It is the Chairman's responsibility to prepare and submit for the Supervisory Board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L.225-68 of the French Commercial Code relating to matters such as corporate governance.

It is our duty to:

- report on any matters relating to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by Article L.225-68 of the French Commercial Code. It should be noted that our role is not to verify the fairness of this other information.

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

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

Professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist notably of the following:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no observations to make on the information concerning the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report of the Chairman of the Board of Directors, prepared in accordance with article L.225-68 of the French Commercial Code.

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

Neuilly-sur-Seine and Paris, 3 June 2014

The Statutory Auditors

DELOITTE & ASSOCIES	**SLG EXPERTISE**
Dominique LAURENT	Arnaud BERNARD

Management bodies

The executive committee is in charge of the management of the company. It defines and implements the company strategy as well as it implements the budgets and action plans.

The executive committee works with two configurations:

- In **plenary configuration**, the committee manages the strategic reflection of the company, implements and monitor the implementation of the strategic plan. It pilots the development projects of the firm, excluding operations.

- In **restricted configuration**, called steering committee, it pilots the implementation of action plans and annual budgets and ensures that objectives are achieved. On a daily basis, it supervises the operations and the activities of functional services, bring risks under control, adapts the processes and the organization to the needs and issues of the company.

Executive Committee members :

- Pascal Imbert, chairman of the Management Board
- Patrick Hirigoyen, member of the Management Board and deputy managing director
- Laurent Stoupy, associate diector
- Marc de Montgolfier, sales deputy director
- Anne Régnier, sales deputy director
- Eric Baudin, associate director and of co-founder of Lumens Consultants
- Laurent Bellefin, associate director
- Loïc Carpentier, associate director and director of Trend Consultants
- Guillaume Chassard, associate director
- Philippe Dajean, associate director
- Benoît Darde, associate director
- Frédéric Goux, associate director
- Siegfried Günther, associate director
- Reza Karimi, associate director and co-founder of Stance
- Frédéric Kroenlein, directeur associé ans chairman of Stance
- Pascal Nicaud, associate director and co-founder of Lumens Consultants
- Dan Ohayon, associate director and co-founder of Stance
- Olivier Schmitt, associate director and chairman of Trend Consultants
- Tiphanie Bordier, finance director
- Sarah Lamigeon, communication director
- Reza Maghsoudnia, development director
- Fanny Rouhet, human resources development director
- Laurent Stoupy, associate director

Interests of members of the management and supervisory bodies

Interests of members of the management and supervisory bodies

Gross remuneration and total benefits in kind paid directly or indirectly to each director

The Management Board (chapter 2 of this Registration document) report to the general meeting specifies remuneration and benefits.

Directors' fess
The Management Board (chapter 2 of this Registration document) report to the general meeting specifies remuneration and benefits.

Stocks-options and bonus shares
Aucune option de souscription ou d'achat d'actions n'a été consentie aux membres des organes d'administration ou de contrôle de Solucom.

Some bonus shares have been allocated to Mister Patrick Hirigoyen, member of Solucom Management Board. The Management board report (chapter 2 of this Registration document) specifies the record of bonus shares allocation (table 10 of FMA).

Agreements signed with members of the management and supervisory bodies
Special report of the statutory auditors on the regulated agreements and commitments providing in the chapter 3 of this Registration documents specifies the agreements signed with members of the management and supervisory bodies

Other interests of members of the management and supervisory bodies
The members of Solucom's management and supervisory bodies are also shareholders of the Company.
They have not interests in any company that controls Solucom, in any subsidiary, major client or supplier of the Company.

Loans and guarantees
Not applicable.

Assets indirectly or directly belonging to members of the management and supervisory bodies or their families
Not applicable.

Staff earnings-based incentives

The statutory level of incentives is in force within Solucom SA, Alturia Consulting and Eveho

No stock options were granted to the issuer's directors during the year.

No other director of the issuer has been granted any equity shares or options etc. that may give access or entitlement to the allotment of Solucom shares at present or in the future.

It should be noted that all stock option plans have expired since the end of 2008.

Stock options granted to the ten highest employee or director beneficiaries and options exercised by them

The table below shows a summary of stock options granted and exercised during the year.

	Total number of options
Options granted during the year by the issuer or by any other company included in the stock option plan to the ten highest employee beneficiaries of the issuer and any company included in the stock option plan	n/a
Options held in the issuer and aforementioned companies, which were exercised during the year by the ten employee beneficiaries of the issuer and its companies, for whom the number of shares purchased was the highest.	n/a

Chapter 5

Legal book

Legal information

General information concerning Solucom and its share capital

1. General information concerning the Company

1.1 Key milestones in the growth of the firm’s business

- **1990**

Michel Dancoisne and Pascal Imbert establish Solucom specialising in networks and telecoms consulting.

- **1994**

Internet and telecoms deregulation boost Solucom’s business.

- **2000**

Solucom floats on the Marché Libre.

- **2001**

Relists on the Nouveau Marché and fund raising. Takeover of Arcome and Idesys.

- **2005**

Takeover of Dreamsoft.

- **2006**

Takeover of KLC and New’Arch.

- **2007**

Solucom completes its 200407 business plan. Takeover of Vistali in April 2007.

- **2008**

Takeover of Cosmosbay~Vectis in April 2008.

- **2011**

Launch of a new strategic plan, Solucom 2015, to become the first independent consulting firm in France.

- **2012**

Mergers with consulting firms Alturia consulting and Eveho in april: allows a major position in the insurance sector.
Merger with the consulting firm in organization and management, Stance, specialist in business transformation in October.
Solucom opens office in Casablanca, SLM Consulting.

- **2013**

Combines with Lumens Consultants, specialized in HR and business transformation in December.

- **2014**

Merger with Trend Consultants, specialized in retail banking

1.2 Name and registered office

Solucom

Tour Franklin
100-101 terrasse Boieldieu
La Défense 8
92042 Paris La Défense Cedex

1.3 Legal form

Société Anonyme (French public limited company) with a Management Board and Supervisory Board governed by its articles of association and current legal and regulatory provisions in force, notably the French Commercial Code.

1.4 Date of formation and the Company's term

Solucom SA was formed in February 1990 and registered on 2 April 1990.

The Company has a term of 99 years (Article 5 of the articles of association) expiring on 2 April 2089 except in the case of an extension or early liquidation.

1.5 Company object

In accordance with Article 2 of the articles of association, Solucom SA's object, directly or indirectly, in France or abroad, is as follows:

• performance of computer services for third parties by the use of specifically developed programs or standards,

• analysis, consulting, technical assistance, training, development, documentation, installation, maintenance of computer or telecommunication systems, for information in any form and on all supports, and all related services of any kind and by any means,

• creation, implementation, and management of all networks and/or groups with a view to the development of concepts belonging to the Company and communication of the know-how,

• development, ownership, administration, leasing, and sale of any patents and/or trademarks and the granting of any licences,

• acquisition of equity interests by any means in any existing or future companies and businesses that could relate directly or indirectly to the Company object,

• and generally, any financial, fixed or moveable property operations that could relate directly or indirectly to the Company object or likely to promote its development or achievement.

1.6 Trade and companies register

R.C.S. NANTERRE B 377 550 249.

1.7 Financial year

The financial year runs from 1 April each year to 31 March the following year (Article 34 of the articles of association), and lasts twelve months.

1.8 Specific clauses in the articles of association

Appropriation of earnings (Article 36 of the articles of association)

If the financial statements for the year, as approved by the general meeting, have legally defined distributable earnings, the general meeting shall decide to transfer said distributable earnings to one or more reserve accounts, the use and appropriation of which it controls, to carry it forward to future years or to distribute it.

The income statement, which lists income and expenditure for the year, states the net profit for the year after deduction of depreciation and provisions.

At least five percent shall be deducted from the net profit for the year less any prior year losses and transferred to the legal reserve.

This transfer ceases to be mandatory once total reserves reach one tenth of the share capital.

Distributable earnings consist of the net profit of the year, less any prior year losses and reserve transfers in accordance with legislation and the articles of association, plus retained earnings brought forward.

These earnings are allocated to all shareholders in proportion to the number of shares each one holds. The general meeting may decide to distribute the amounts transferred to reserves, which it controls, by stating explicitly the reserve accounts from which the distribution should be made.

Except in the case of a share capital reduction, a distribution to shareholders is prohibited if the amount of shareholders' equity is, or following such distribution would be, lower than the value of share capital plus reserves that are non distributable under the law or the articles of association.

The revaluation reserve is not distributable and may be partially or entirely transferred to share capital.

However, after deduction of statutory transfers to reserves, the general meeting may transfer any residual undistributed earnings that it deems fit to ordinary or extraordinary voluntary reserves, or to carry them forward as retained earnings.

After approval of the financial statements by the General Meeting, any losses are carried forward as retained losses for offset against future retained earnings until they are fully compensated.

General Meetings

General meetings are convened pursuant to current legislation.

Meetings are held at the Company's registered office or at any other location specified in the notice of the general meeting.

Admission to General Meetings

Powers (Article 27 of the articles of association)

1. All holders of ordinary shares may vote in general meetings in person or by postal vote, regardless of the number of shares held, provided the shares are fully paid up.

The right to attend or be represented at general meetings is subject to the following:

- Holders of registered shares must be registered as such by midnight (Paris time) of the fourth working day prior to the date of the meeting.
- Holders of bearer shares must be registered as such by midnight (Paris time) of the fourth working day prior to the date of the meeting.

Registration or the accounting entry in the bearer shareholder registry of an intermediary will be established by a certificate from the financial intermediary attached to the form for remote or proxy voting or by an application for an admission card established in the name of the shareholder. A certificate may also be issued to shareholders seeking to physically attend the Meeting who have not received their admission card by midnight (Paris time) of the fourth working day prior to the date of the meeting.

If it deems fit, the Board of Directors may give shareholders personal named admission cards, which will be required to attend the meeting.

2. All shareholders may vote by post in accordance with current regulations on submission of a form that they can apply to receive by following the procedures stated on the general meeting notice advice.

3. Shareholders may only be represented by their spouse or another shareholder; in which case the representative must provide proof of his power of attorney.

4. If the Management Board so decides in the Meeting notice, shareholders may also participate via video-conference or other means of telecommunication enabling their identity to be established in accordance with procedures allowed under current regulations.

Right to receive information (Article 33 of the Articles of Association)

All shareholders are entitled to receive documents required to enable them, in full awareness of the facts, to assess the management and control of the Company pursuant to statutory conditions and deadlines. The details of these documents and conditions for sending them or making them available to shareholders are laid down by legislation and regulations.

Quorum-Vote (Article 29 of the articles of association)

1. The quorum is calculated on all shares comprising the share capital, except in the case of special general meetings for which it is calculated on all shares of the relevant class, after deduction of shares without voting rights pursuant to legislation.

For purposes of calculating the quorum, only postal votes submitted on properly completed forms and received by the Company at least three days prior to the date of the Meeting shall be accepted.

For purposes of calculating the quorum and majority votes, all shareholders who attend the meeting by video conference or means of telecommunication enabling their identification and in accordance with current regulations, will be included if the Management Board decides to use such means when issuing the notice for the general meeting.

2. Voting rights linked to the share capital or other shareholders' rights are proportional to the number of shares they represent. Each share entitles the holder to one vote, subject to the provisions of Article 11 paragraph 4 concerning application of the provisions of Articles L 225-123 et seq. of the French Commercial Code.

3. Votes are counted by the raising of hands, or by names called, or by secret vote, based on a decision of the Meeting committee or that of the Shareholders. Shareholders may also submit postal votes.

Ordinary General Meetings (Article 30 of the articles of association)

Ordinary general meetings take all decisions except for amendment to the articles of association.

Ordinary general meetings must be held at least once every year, within six months following the financial year-end of the Company, to approve the financial statements of that year, subject to postponement under a court decision.

Resolutions passed in ordinary general meetings are only valid if the shareholders present, represented or voting by post at the first convened Meeting, hold at least one fifth of shares with voting rights.

Resolutions are passed on the majority of votes cast of shareholders present or represented including shareholders voting by post.

Extraordinary General Meetings (Article 31 of the articles of association)

Extraordinary general meetings may amend any clauses of the articles of association, and in particular, may decide on the Company's transformation into another civil or commercial legal form. However, extraordinary general meetings may not increase the shareholders' commitments, subject to transactions resulting from a legally valid consolidation of shares.

Subject to legal exceptions, resolutions passed in extraordinary general meeting are only valid if the shareholders present, represented or voting by post, at the first convened Meeting, hold at least one quarter, and at the second convened Meeting, one fifth of shares with voting rights. In the event of a continued absence of a quorum, the second convened Meeting may be postponed to a future date not later than two months following the date for which it was convened.

Resolutions are passed on a two-thirds majority of votes cast of shareholders present or represented including shareholders voting by post.

In extraordinary general meetings called to approve capital contributions in kind or the granting of specific benefits, neither the transferor nor the beneficiary may vote either on his own account or on behalf of another shareholder.

Rights and obligations linked to shares (Article 11 of the articles of association)

1. Each share entitles the holder to a share in the profits, Company assets and liquidation bonus in proportion to the number and nominal value of the existing shares held, subject to rights granted to the shares of different classes, if any.

A share also gives the holder a right to vote or be represented at general meetings, be informed on the progress of the Company and receive certain Company documents at times and under conditions specified by legislation and the articles of association.

2. Shareholders are only liable for the Company's liabilities up to the value of their capital contributions. On change of ownership of shares, rights and obligations are transferred to the new holders of the shares. Ownership of shares automatically binds shareholders to the Company's articles of association and resolutions passed in general meetings.

3. Each time that it is necessary to hold a given number of shares to exercise any right, shareholders who do not hold the required number of shares must make their own arrangements to form a grouping or to purchase or sell the required number of shares.

4. Holders of fully paid-up registered shares for more than two years in their own name are granted double voting rights.

Double voting rights are also granted to registered holders of bonus shares that were issued free of charge to them on account of shares in respect of which they already enjoyed double voting rights.

Double voting rights automatically cease for any shares for which ownership has been transferred, subject to the statutory exceptions.

This double voting right was introduced following a decision of the extraordinary general meeting held on 6 December 1999.

The effect of having double voting rights in the Company's articles of association could be to delay, postpone or prevent a change in control over the Company.

5. Any individual or entity who holds, alone or in concert, a proportion of the Company's existing share capital or voting rights as specified under Article L233-7 of the French Commercial Code, must disclose to the Company the total number of the shares that he holds, within five stock market trading days following acquisition of the shares that took his holding above any of the limits.

Such person shall also inform the *Autorité des Marchés Financiers* (French financial markets regulator) within five stock market trading days following acquisition of the shares that took his holding above any of the said limits.

Notification must also be made within the same deadline if said person's holding drops below any of the limits stated in the first paragraph above.

Parties bound to disclose the information stated in the first paragraph must state the number of shares they hold giving future access to the share capital as well as the related voting rights.

Parties bound to disclose the information, when they cross the threshold of one tenth or one fifth of the share capital or voting rights, must also state the objectives they plan to follow during the coming twelve months.

This declaration must state if the acquirer is acting alone or in concert, if he plans to cease acquisitions or to continue them, if he plans to obtain control of the Company or not, and his name or that of one or more persons who are members of the Management Board or the Supervisory Board. It must be addressed to the Company.

Identified bearer securities (Article 9 last paragraph of the articles of association)

In accordance with Article L. 228-2 of the French Commercial Code, the Company may, at any time, take all steps in accordance with statutory and regulatory provisions, including by a request to the organisation responsible for third party payments, to identify the holders of securities giving immediate or future voting rights at its own general meetings of shareholders, and to establish the number of securities held by each of them and, if applicable, any restrictions to said securities. The Company is also entitled, in accordance with the law, to request the identity of shareholders if it considers.

Members of the management and supervisory bodies. Powers of the Management Board (Article 17 paragraph 1 of the articles of association)

The Management Board is vested with extensive powers to act in any circumstances in the name of the Company, in accordance with the Company Object and subject to specific statutory limits and the articles of association approved in shareholder general meetings and subject to the Supervisory Board.

No restriction on its powers may be relied upon for dealings with third parties, who may take legal action against the Company based on commitments made in its name by the chairman of the Management Board or its managing director provided their appointments were published in accordance with regulations.

Given that members of the Management Board have allocated duties between them with the approval of the Supervisory Board, on no account may such allocation exempt the Management Board from the requirement to meet and pass resolutions on the most important management issues facing the Company, nor to be cited as a reason to be exempt from the principle of joint and several liability of the Management Board and each of its members.

The Management Board may charge one or more of its members or any other person with special, ongoing or temporary assignments of its choosing, and, for purposes of one or more objectives with or without entitlement to sub-delegate, may grant powers that it deems necessary.

Powers of the Supervisory Board (Article 20 of the articles of association)

The Supervisory Board exercises ongoing supervision of the management of the Company by the Management Board.

At any time of the year, it may conduct testing and controls that it deems appropriate, any may demand any documents that it considers necessary to accomplish its duties from the Management Board.

At least once a quarter, the Management Board presents to the Supervisory Board a report specifying the principal management actions or facts of the Company, backed by all necessary information to enable the Supervisory Board to be fully informed on the Company's business and on the half-year, and if applicable the quarterly, financial statements.

Following the year-end and within the regulatory deadlines, the Management Board presents to the Supervisory Board the Company financial statements, the consolidated financial statements and its report to the general meeting, for purposes of verification and control.

The Supervisory Board presents to the annual general meeting its comments on the report of the Management Board and on the annual consolidated and Company financial statements.

During the annual general meeting, the chairman reports on the conditions for preparing and organising its duties and on the internal controls adopted by the Company.

This duty of supervision may not under any circumstances give rise to the Supervisory Board or any of its members directly or indirectly conducting management actions.

Pursuant to Article L.225-68 of the French Commercial Code, the following transactions are subject to prior approval by the Supervisory Board:

- Sale/transfer of real estate;
- Total or partial sale/transfer of equity investments;
- Creation of sureties, endorsements and guarantees.

The Supervisory Board may authorise the Management Board in advance to conduct one or more transactions stated above for a period it determines, subject to the maximum amounts that it may establish.

The Supervisory Board may decide to establish committees made up of its own members, charged with reviewing issues for which the Supervisory Board or its chairman request an opinion. The Supervisory Board establishes the members and the powers of such committees, who conduct their duties under the Supervisory Board's responsibility.

1.9 Purchase by the Company of its own shares

Please refer to the Report of the Management Board to the ordinary and extraordinary general meeting of shareholders dated 24 September 2010 for details of the share buy-back programme in force during the year ended 31 March 2011 and to the share buy-back programme proposed to the ordinary and extraordinary general meeting dated 28 September 2011 as specified below.

2. General information concerning share capital

2.1 Share capital

At 31 March 2014, share capital amounted to €496,688.20 divided into 4,966,882 fully paid-up shares of the same class (Article 6 of the articles of association).

The shares comprising the share capital have a nominal value of €0.10 each.

2.2 Potential share capital

All past stock option plans have expired since 31 December 2008.

There is therefore no potential dilution of share capital.

The Company undertakes not to issue stock options at prices that significantly differ from its stock market share price.

2.3 Authorised share capital not issued

The Company currently still has authorisations granted by the ordinary and extraordinary general meeting dated 25 September 2013. Please refer to the appendix of the Management Board Report for details of these authorisations.

2.4 Pledges, guarantees and sureties

Registered pledges of issuing company shares

Name of registered shareholder	Beneficiary	Effective date of the pledge	Expiry date of the pledge	Condition for cancellation of the pledge	Number of issuer's shares pledged	% of issuer's share capital pledged
None	None	None	None	None	None	None
TOTAL						

Pledges of issuer's assets (intangible, tangible and financial assets)

Type of pledge / charge	Effective date of the pledge	Expiry date of the pledge	Value of pledged asset (a) (€m)	Total balance sheet account (b) (1) (€m)	% (a)/(b)	Condition for cancellation
On intangible assets	05/10/12	30/09/17	Without numbers	25,2	n/a	See comment
On tangible assets	None	None	None	1,7	n/a	None
On financial assets	None	None	None	22,7	n/a	none
TOTAL			**Without numbers**	**49,6**	**n/a**	

(1) The tangible and intangible assets'components of Solucom about the institutions in Villeurbanne, Aubagne and Nantes are covered by a pledge given as guarantee for a credit line in the amount of €16,000K. Credit non-used at the Registration document date. This pledge is not quantifiable, the tangible and intangible assets'components are not clearly valued in the company balance sheet.

If the gross value of the shares exceeds the value of the debt for which they act as security, the book value of the secured assets is based on the gross value.

2.5 Shareholders pact and agreements

Measures relating to the shareholders

Not applicable.

Measures relating to issuing company

Not applicable.

The Company is not aware of the existence of any clause that may have an impact on the Company's assets, business, financial situation, earnings and outlook.

3. Breakdown of share capital and voting rights

3.1 Shareholders of Solucom SA

The following table lists the shareholders of Solucom SA as at 8 April 2014:

Shareholders	Shares	% interest	Theoretical voting rights	% theoretical voting rights (1)	Exercisable voting rights	% Exercisable voting rights (2)
Founders and executives	**2,621,944**	**52.79%**	**5,234,293**	**67.03%**	**5,234,293**	**67.56%**
P.Imbert	*1,447,284*	*29.14%*	*2,894,568*	*37.07%*	*2,894,568*	*37.36%*
M.Dancoisne	*1,140,072*	*22.95%*	*2,280,144*	*29.20%*	*2,280,144*	*29.43%*
P.Hirigoyen	*30,180*	*0.61%*	*52,765*	*0.68%*	*52,765*	*0.68%*
Other executives	*4,408*	*0.09%*	*6,816*	*0.09%*	*6,816*	*0.09%*
Employees	**260,677**	**5.25%**	**340,371**	**4.36%**	**340,371**	**4.39%**
Treasury shares	**61,788**	**1.24%**	**61,788**	***0.79%***	**0**	***0.00%***
Public float	**2,022,473**	**40.72%**	**2,172,488**	***27.82%***	**2,172,488**	***28.04%***
Total	**4,966,882**	***100.00%***	**7,808,940**	***100.00%***	**7,747,152**	***100.00%***

(1) Based on Article 11 of the articles of association of Solucom SA, double voting rights are granted to holders of fully paid-up registered shares if these shares have been registered for at least two years in the name of the same shareholder. Furthermore, pursuant to the new Article 223-11 of the general regulations of the AMF, the total number of voting rights is calculated based on all shares including those without voting rights.

(2) Calculated on the basis of all shares to which are attached exercisable voting rights (the voting rights attached to treasury shares or to shares without voting rights as a result of late statement of crossing the threshold are not included).

Total voting rights for registered shares: 5,750,992 (1) and 2,912,670 shares.

Total shares with voting rights: 4,966,882

Total bearer shares with single voting rights: 4,966,882-2,912,670 = 2,054,212 (2)

Total voting rights (1) + (2) = 7,805,204.

Quantity of treasury shares = 62,937 (3)

Total of exercisable voting rights (1) + (2) – (3) = 7,742,267

As at 8 April 2014, the shares held by the public comprise approximately 50% institutional funds and 50% private shareholders based on a TPI analysis as at that date.

29% of Solucom SA's shares are held by Pascal Imbert, Chairman of the Management Board, and 23% by Michel Dancoisne, Chairman of the Supervisory Board. These two shareholders, who act in concert, together therefore own 52% of Solucom's share capital.

To Solucom's knowledge no other shareholders hold 5% or more of the share capital and/or voting rights.

Patrick Hirigoyen, member of the Management Board, is deputy Managing Director in charge of operations for Solucom SA.

Jean-Claude Malraison, Jacques Pansard, Jean-François Perret and Marie-Ange Verdickt appointed as other directors, perform the duties of Vice-Chairman and members of the Supervisory Board respectively.

Solucom is controlled by its two founders. The Company pays attention to meeting strict corporate governance principles. For example, it has adopted the status of a company with Management Board and Supervisory Board, the latter board including independent directors in order to ensure that it carries out its supervisory function while ensuring it represents all shareholders. As such, every year the Supervisory Board reviews subjects such as strategic issues, annual action plans and budget, and internal controls. The Supervisory Board also carries out a self-assessment of its operations and reviews the independence of its members.

3.2 Change in Solucom's share capital over the last five years

Date	Transaction description	Number of shares	Nominal value (€)	Issue premium per share (€)	Share capital after transaction (€)
26/05/2009[1]	Exercise of BSPCE during 2008/09	4,966,882	0.10	1.96	496,688.20

■ Issue of 16,220 new shares following exercise of stock options generating a premium on issue amounting to €32,000. The weighted average issue price of these shares was €2.06 per share.

3.3 Change in shareholders over the last three years

	08/04/2014				23/04/2013			23/04/2012		
Shareholders	Shares	% interest	% Theoretical voting rights (1)	% Exercisable voting rights (2)	Shares	% intrest	% Theoretical voting rights (1)	Shares	% interest	% Theoretical voting rights (1)
Founders and executives	**2,621,944**	**52.79%**	**67.06%**	**67.61%**	**2,625,854**	**52.87%**	**66.64%**	**2,640,142**	**53.15%**	**66.97%**
Pascal Imbert	*1,447,284*	*29.14%*	*37.09%*	*37.39%*	*1,447,284*	*29.14%*	*36.75%*	*1,447,284*	*29.14%*	*36.79%*
Michel Dancoisne	*1,140,072*	*22.95%*	*29.21%*	*29.45%*	*1,150,072*	*23.15%*	*29.20%*	*1,150,072*	*23.15%*	*29.23%*
Patrick Hirigoyen	*30,180*	*0.61%*	*0.68%*	*0.68%*	*24,090*	*0.49%*	*0.61%*	*39,378*	*0.79%*	*0.88%*
Other executives	*4,408*	*0.09%*	*0.09%*	*0.09%*	*4,408*	*0.09%*	*0.09%*	*3,408*	*0.07%*	*0.07%*
Employees	**260,321**	**5.24%**	**4.36%**	**4.39%**						
Treasury shares	**62,937**	**1.27%**	**0.81%**	**0.00%**	**107,880**	**2.17%**	***1.37%***	**119,779**	**2.41%**	***1.52%***
Public float	**2,021,680**	**40.70%**	***27.78%***	***28.00%***	**2,233,148**	**44.96%**	***31.99%***	**2,206,961**	**44.43%**	***31.51%***
Total	**4,966,882**	**100.00%**	**100.00%**	**100.00%**	**4,966,882**	**100.00%**	***100.00%***	**4,966,882**	**100.00%**	***100.00%***

(1) Solucom SA directors.

(2) Michel Dancoisne and Pascal Imbert act in concert.

(3) Pursuant to the new Article 223-11 of the general regulations of the AMF, the total number of voting rights is calculated based on all shares including those without voting rights. In accordance with the AMF recommendation No. 2009-16 modified on 17 December 2013, the total number of exercisable voting rights is calculated on the basis of the whole shares to which are attached exercisable voting rights and does not include shares without voting rights

(4) In accordance with the recommendation No. 2009-16 of the AMF modified on 17 December 2013, a sub-total Employees is added from 31 March 2014.

There was no material change in the Company's shareholders during the year.

There was no material disposal of Company shares by the shareholding directors and, to the Company's knowledge, by institutional shareholders holding over 5% of the share capital as at 08 April 2014.

3.4 Crossing shareholder thresholds

By mail of 21 june 2013, the company Lazard Frères Gestion, working for a mutual fund, declared the crossing of the 5% threshold in the downward direction of the capital. It held 221,000 shares representing 4.45% of the capital and 2.81% of the voting rights.

4. Membership by the issuing company of a group

Solucom SA does not belong to any group.

5. Dividends

5.1 Statute of limitations

Uncashed dividends expire after a period of five years and are paid to the French government pursuant to legal provisions.

5.2 Dividends paid out

Solucom SA has distributed dividends since the year ended 31 March 1995.

Year ended	Number of shares	Earnings distributed (€)	Net dividend per share (€)
31/03/2011	4,884,738	1,025,795	0.21
31/03/2012	4,846,317	1,066,190	0.22
31/03/2013	4,909,878	1,571,161	0.32

5.3 Distribution of dividends in respect of year ended 31 March 2014

In respect of year ended 31 March 2014, the general meeting of shareholders, ruling on the financial statements for the year ended 31 March 2014, will be invited to approve a total dividend distribution of €1,618,302 deducted from the net profit of the year and reserves.

The treasury shares held by the Company in conjunction with the share buy-back programme, do not have any rights to dividends; the difference between the value allocated to the distribution as stated above and the amount actually paid shall be posted to Retained Earnings.

5.4. Future dividend payout policy

The future dividend payout policy will be based on the Company's prospects for growth and related funding needs and is detailed in the chapter 2 of this Registration document.

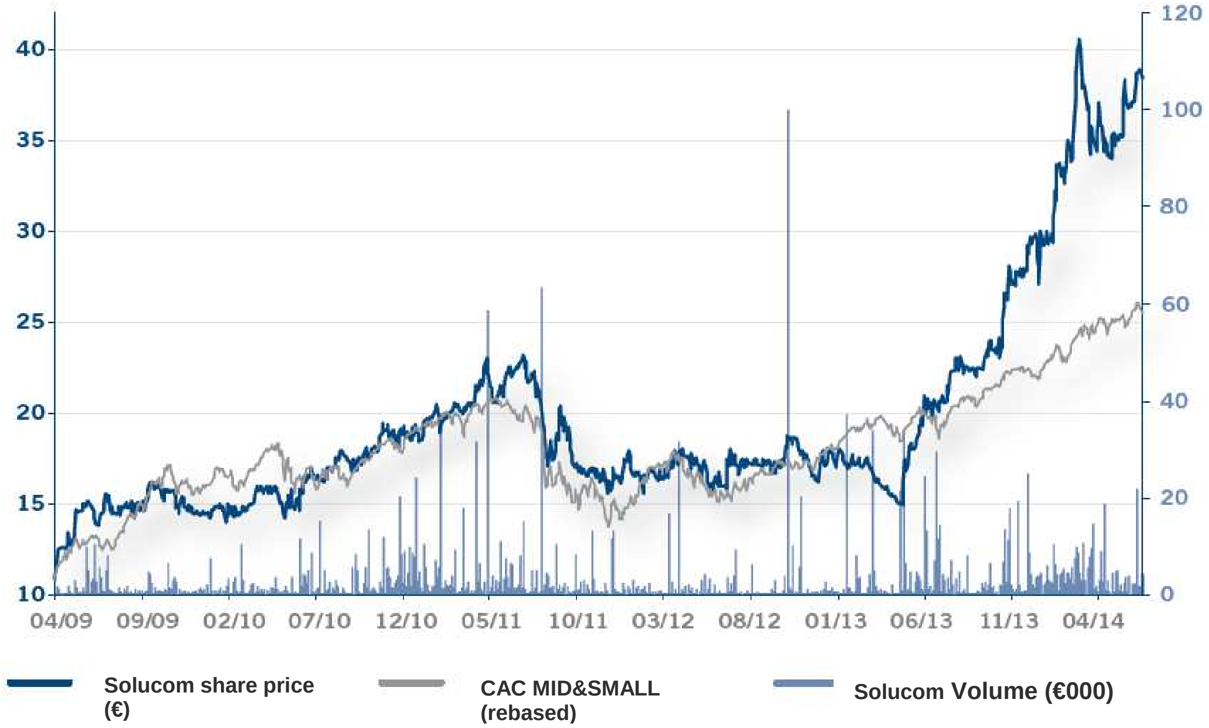
6. The Company's stock market listing

The Company is listed on compartment C of NYSE Euronext Paris.

Solucom share price movements from 1 April 2013 to 31 May 2014

Date	High	Low	Month end price	Total volume	Average price for the month
Apr-13	18.00 €	14.95 €	16.85 €	74,927	15.67 €
May-13	21.52 €	16.70 €	20.00 €	73,914	18.83 €
June-13	21.00 €	19.51 €	20.55 €	88,884	20.40 €
July-13	23.50 €	20.10 €	22.30 €	43,332	21.81 €
Aug-13	23.25 €	22.00 €	22.10 €	16,545	22.46 €
Sep-13	24.05 €	22.21 €	23.57 €	26,659	23.04 €
Oct-13	28.40 €	22.80 €	27.35 €	74,172	25.19 €
Nov-13	29.95 €	27.00 €	29.20 €	74,647	27.89 €
Dec-13	30.00 €	27.00 €	29.90 €	57,425	29.28 €
Jan-14	34.00 €	29.00 €	33.17 €	77,976	32.04 €
Feb-14	41.25 €	32.61 €	40.00 €	78,869	36.29 €
Mar-14	38.75 €	33.60 €	35.55 €	72,679	36.14 €
Apr-14	37.37 €	33.68 €	35.37 €	68,146	35.19 €
May-14	38.38 €	34.05 €	37.05 €	37,509	36.46 €

Graph of Solucom share price movements from 01 April 2013 to 31 May 2014



Exceptional events and litigation

To the Company’s knowledge, there are no exceptional events or litigation liable to have a material impact on the Company’s or the Group’s financial position or earnings.

In particular, Solucom confirms that it has not been subject to any government, court or arbitration proceedings during the last twelve months.

Chapter 6

Combined general meeting 2014

Report of the supervisory board

The Management Board Report is included in the chapter 2 of this Registration document.

It contains « The Management Board Report –General report » complemented by « the Management Board report– *Corporate social responsability report* », the « Management board report – *Risk factors* », and the « Management Board report – *Additional notes* ».

Report of the supervisory board

to the combined general meeting of 11 july 2014

To the Shareholders,

In accordance with our legally assigned supervisory duties, we have the honour of presenting our report on the activities of your Management Board for the fiscal year ended 31/03/14, as part of the Combined Ordinary and Extraordinary Shareholders' General Meeting of 11/07/14.

As legally required, our observations cover the management report on your Company's activity and that of your Group, prepared by your Management Board, and on the separate and consolidated financial statements for the year ended, as well as on your Meeting's other agenda items.

1. Observations on the company and consolidated financial statements for the year ended 31/03/14

You have just heard the reports of your Company's Management Board and Statutory Auditors.

The accounting documents relating to the separate and consolidated financial statements for the year ended 31/03/14, which you are asked to approve, were provided to us by your Management Board within the legally prescribed deadlines.

The Supervisory Board has no observations to make on the separate and consolidated financial statements ended 31/03/14 and approves them as prepared and approved by the Management Board.

The Supervisory Board asks you to approve the separate financial statements, the profit allocation, and the dividend payment as presented by your Management Board.

The Supervisory Board also asks you to approve the consolidated financial statements and to approve the resulting consolidated net income.

The Supervisory Board has made no observations on the appended reports and documents prepared by the Management Board.

2. Renewal of two mandates of Supervisory Board members and appointment of a new member of the Supervisory Board

Your Management Board proposes, in its management report:

- to renew, for four years, until the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ending 31/03/18, the mandates of:
  - Michel Dancoisne
  - Jean-François Perret
- to appoint as a new member of the Supervisory Board, for four years, until the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ending 31/03/18:
  - Nathalie Wright, born 11/08/1964 in Ivry-sur-Seine, France, a French citizen, residing at 7 rue du docteur Guionis - 92500 Rueil Malmaison.

Nathalie Wright has indicated in advance that she would accept these functions and that nothing would prevent her from exercising them.

All the legally required information is disclosed in the Management Board Report (section 6.XII "Management Board and Supervisory Board members") which you are invited to consult.

Your Supervisory Board has approved both these renewals and the appointment.

3. Proposal to appoint a new principal Statutory Auditor and renew an alternate Statutory Auditor

In accordance with article L.28-228 of the French Commercial Code, and the recommendation by the Supervisory Board acting as Audit Committee at its meeting of 24/02/14 (recommendation issued in accordance with article L.823-19 of the French Commercial Code), the Supervisory Board asks you to:

- acknowledge that the mandates of principal Statutory Auditors Cabinet SLG Expertise and alternate Statutory Auditor Valérie Dagannaud expire at the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended 31/03/14;
- appoint Cabinet MAZARS, 61 rue Henri Regnault – 92075 Paris – la Défense Cedex, as the new principal Statutory Auditors for a period of six fiscal years, until the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 March 2020;
- appoint Cabinet FIDUS 12 rue Ponthieu – 75008 PARIS as the new alternate Statutory Auditors for a period of six fiscal years, until the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 March 2020.

All AMF regulations and internal Solucom rules and deadlines regarding the shortlisting and selection of principal and alternate statutory auditors have been complied with.

4. Observations on the Report of the Chairman of the Supervisory Board prepared in accordance with article L.225-68-7 of the French Commercial Code

We have stated that at its meeting of 02/06/14, the Supervisory Board approved without reservation or comment the report prepared by the Chairman of the Supervisory Board in accordance with article L.225-68-7 of the French Commercial Code, as appended to the Management Board Report.

5. Changes to the Articles of Association and appointment of an observer to the Supervisory Board

The Supervisory Board fully agrees with the Management Board's proposal to insert into the Articles of Association a new Article 23 enabling Observers, and asks you to approve and vote in favour of the Resolution corresponding to this change to the Articles of Association.

The Supervisory Board hereby also issues a favourable opinion on the immediate use of this new enabling article to appoint Sarah Lamigeon, born 06/05/72 in Bazas, France, a French citizen, residing at 71 boulevard Arago – 75013 Paris, as the first Observer for a period of two years, until the close of the Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ending 31/03/06.

The Supervisory Board
Issued 2 June 2014

Description of the treasury share buyback plan to be submitted to the ordinary annual general meeting of shareholders on 11/07/14

In accordance with articles 241-1 to 241-5 of the AMF General Regulations, and European Regulation 227/2003 of 22 December 2003, this description of the treasury share buyback plan sets out the purpose and terms and conditions of the treasury share buyback plan to be submitted for approval to the Ordinary Shareholders' General Meeting on 11 July 2014.

The plan is intended to replace the plan approved by shareholders on 25 September 2013.

Solucom has signed a liquidity contract with Portzamparc in accordance with the AMAFI ethics charter. This liquidity contract complies with:

• Regulation (EC) 2273/2003 of the European Commission;

• Articles L 225-209 and following of the French Commercial Code;

• the AMF general regulations.

1. Date of the General Meeting called to approve the treasury share buyback plan

The buyback plan will be submitted for approval to the Ordinary Annual General Meeting on 11 July 2014.

2. Breakdown by purpose, of the equity instruments held by Solucom as at 8 April 2014

The shares can be broken down by the following objectives:

• 18,643 shares are allocated to stimulating the secondary market in or liquidity of Solucom shares via a liquidity contract with an investment services provider in accordance with the ethics charter approved by the AMF;

• None of these actions benefitted the Group's employees or corporate officers as understood by law, in particular to cover stock options under profit-sharing or business-expansion targets, company employee savings schemes, or free-share allocations or other forms of share allocation;

• 44,294 shares are allocated as assets held for use in external growth operations.

3. Goals of the new treasury share buyback plan

Through its plan submitted as Resolution Ten to the Ordinary Annual General Meeting of 11 July 2014, Solucom intends to pursue the following objectives:

• Ensure an active secondary market in, or the liquidity of, Solucom shares through a investment services provider dealing independently as part of a liquidity contract in compliance with the Ethics Charter recognised by the French Financial Markets Authority (AMF);

• Hold the purchased shares for use, at a later date, as payment or exchange in external growth operations;

• Grant or sell, as the case may be, shares to employees and/or corporate officers of the Company or of the companies in its Group, under statutory terms and conditions, in particular as profit-sharing in the company, any shareholding plan, the implementation of any company or inter-company savings plan, or to cover any share purchase option plan or any free share allocation plan;

• Deliver shares in counterpart of the exercise of rights attached to securities conferring access in any way to Company capital.

4. Maximum share of capital, maximum number of shares that can be acquired and their characteristics, maximum purchase price

Under the terms of Resolution Ten at the Ordinary Annual General Meeting of 11 July 2014, the Management Board is authorised, except during a public offering of company shares, to buy on one or more occasions at any time at its discretion, shares representing up to 10% of the company's share capital based on its actual share capital on 8 April 2014, or 396,688 shares. Taking into consideration the treasury shares at 8 April 2014, a total of 433,751 shares or 8.7% of the shares making up its share capital on that date, could be bought.

The eligible shares are a single class of ordinary shares, listed on NYSE Euronext, compartment C (ISIN code FR 0004036036).

The maximum purchase price is set at €80.00 per share. In the event of capital transactions, in particular share splits or reverse splits or the granting of free shares, the amount indicated above would be adjusted to match.

The maximum value of the operation is therefore, deducting treasury shares, €34,700,080 (433,751 shares x €80.00).

This authorisation terminates the authorisation to the Management Board by the Combined Ordinary and Extraordinary General Meeting of 25 September 2013.

5. Duration of the new treasury share buyback plan

Under Resolution Ten proposed to the Ordinary Annual General Meeting of 11 July 2014, the Management Board would be authorised to buyback shares until the next Ordinary Annual General Meeting called to approve the financial statements for the fiscal year ending 31 March 2015, and in any case for 18 months from the Ordinary Annual General Meeting of 11 July 2014, in accordance with articles L.225-209 and following of the French Commercial Code.

Lastly, in accordance with article 241-1-II of the AMF General Regulations, any change to any of the information in subsections I-3, I-4 and I-5 of that article and appearing in this description, shall be brought to the public's attention as promptly as possible by the means specified in article 221-3 of the AMF General Regulations, notably by making it available at Solucom's registered office and on its website as well as on the AMF website.

This publication is available on the company's website: www.solucom.fr.

Text of the Resolutions

of the Combined Ordinary and Extraordinary General Meeting of 11/07/14

I. The Ordinary part of the General Meeting

Objective:

Resolutions 1 and 2 are to approve Solucom's company financial statements and then the consolidated financial statements as at 31 March 2014.

Resolution One (approval of the company financial statements for the fiscal year ended 31 March 2014):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having considered the report of the Management Board, the special report of the Management Board on free shares, the report of the Supervisory Board, the report of the Chairman of the Supervisory Board required under article L.225-68 of the French Commercial Code, and the reports of the Statutory Auditors, approves the annual financial statements, specifically the statement of financial position, the income statement and the notes for the fiscal year ended 31 March 2014, as presented, which show a net profit of €10,841,319.78.

The General Meeting approves the transactions reflected in these financial statements and summarised in these reports.

The General Meeting acknowledges, in accordance with article 223 quater of the French General Tax Code, the expenses for the fiscal year ended relating to the transactions referred to in article 39-4 of the French General Tax Code, in the amount of €18,552, generating a tax charge of €6,377.

Resolution Two (approval of the consolidated financial statements for the fiscal year ended 31 March 2014):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having considered the Group management report included in the report of the Management Board, the report of the Supervisory Board and the report of the Statutory Auditors to the consolidated financial statements, approves the consolidated financial statements for the fiscal year ended 31 March 2014, as presented, which show a consolidated net profit of €10,945,922.

The General Meeting approves the transactions reflected in these financial statements and summarised in these reports.

Objective:

Resolution 3 is, after appropriation of the profit, to approve a dividend payment of €0.33 per share, 3% higher than the dividend paid for the fiscal year ended 31 March 2013.

This dividend represents a distribution rate of 15% of the Group's share of net profit, in line with previous years.

The dividend will be paid out on 21 July 2014.

Resolution Three (appropriation of company profit and the setting of a dividend):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, approves the proposal of the Management Board and decides to appropriate the profit from the fiscal year ended 31 March 2014 and to distribute a dividend totalling €1,618,302 as follows:

Profit for the year	€10,841,319.78
Retained earnings	€9,223,017.78
Total distributable and to be distributed	**€1,618,302**

Accordingly, the General Meeting sets the dividend for this fiscal year at €0.33 per share (for those entitled to the dividend based on their status as at 8 April 2014, the company holding 62,937 treasury shares on that date).

The dividend will be paid in cash, starting 21 July 2014.

If at the time of the dividend payout, the number of Company treasury shares ineligible for dividend has changed, the resulting variance in the total dividend (not paid or to be paid as the case may be) will be posted to the credit or debit side of retained earnings.

This entire distribution is eligible for the 40% relief mentioned in article 158.3-2 of the French General Tax Code for those shareholders who can benefit from it.

As required by law, the following table shows the dividends paid in the previous three fiscal years:

Fiscal year	Number of shares receiving dividend (1)	Dividend paid per share (2)	Portion of dividend eligible for 40% relief (3)
31 March 2013	4,909,878	€0.32	100 %
31 March 2012	4,846,317	€0.22	100 %
31 March 2011	4,884,738	€0.21	100

(1) Company treasury shares are not eligible for dividend
(2) Before tax and social security deductions
(3) The Company has not distributed income that is ineligible for relief

Objective:

Resolution 4, in accordance with the procedure for regulated agreements, acknowledges that no new agreement has been authorised, concluded or subscribed during the fiscal year ended 31 March 2014.

You are also asked to acknowledge the information relating to the sole previously approved agreement still in effect during the fiscal year ended 31 March 2014, which is the subject of a report by the Statutory Auditors.

Resolution Four (regulated agreements):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having considered the special report of the Statutory Auditors in accordance with articles L.225-86, L.225-79-1 and L.225-90-1 of the French Commercial Code:

- acknowledges that no new agreement or commitment has been authorised, agreed or signed during the fiscal year ended 31 March 2014;
- acknowledges the information relating to the previously approved agreement still in effect during the fiscal year ended 31 March 2014;
- acknowledges the absence of previously signed agreements by the Company.

Objective:

Resolutions 5 and 6 are to renew the mandates as members of the Supervisory Board, of Michel Dancoisne and Jean-François Perret, which expire at the close of this General Meeting.

Resolution 7 is to appoint Nathalie Wright as a new member of the Supervisory Board.

These renewals and appointment would be for a statutory term of four years, until the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 March 2018.

The report of the Management Board (and the summary of the Company's position) presents a biography of each of the recommended members along with the reasons for their proposed appointment.

Resolution Five (renewal of the mandate of Michel Dancoisne as a member of the Supervisory Board):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having considered the report of the Management Board and the report of the Statutory Auditors, knowing that the mandate of Michel Dancoisne expires today, decides to renew it for a statutory period of four years, until the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 March 2018.

Resolution Six (renewal of the mandate of Jean-François Perret as a member of the Supervisory Board):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having considered the report of the Management Board and the report of the Statutory Auditors, knowing that the mandate of Jean-François Perret expires today, decides to renew it for a statutory period of four years, until the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 March 2018.

Resolution Seven (appointment of Nathalie Wright as new member of the Supervisory Board):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having considered the report of the Management Board and the report of the Statutory Auditors, decides to appoint Nathalie Wright residing at 7 rue de docteur Guionis – 92500 Rueil Malmaison, as a new member of the Supervisory Board for a statutory period of four years, until the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 March 2018.

Objective:

Resolutions 8 and 9 are to replace the principal and alternate Statutory Auditors whose mandates expire today, by:

- the appointment of Cabinet MAZARS as principal Statutory Auditors;

- the appointment of Cabinet FIDUS as alternate Statutory Auditors;

for a period of six fiscal years, until the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 March 2020.

Resolution Eight (acknowledgement of the expiry of the mandate of the principal Statutory Auditors, appointment of new principal Statutory Auditors):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, knowing that the mandate of Cabinet SLG Expertise as principal Statutory Auditors expires today, decides, on the Supervisory Board's recommendation, to appoint Cabinet MAZARS – 61 rue Henri Regnault –92075 Paris – la Défense Cedex, as the new principal Statutory Auditors, for a period of six fiscal years until the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 March 2020.

Resolution Nine (acknowledgement of the expiry of the mandate of the alternate Statutory Auditor, appointment of new alternate Statutory Auditors):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, knowing that the mandate of Valérie Dagannaud as alternate Statutory Auditor expires today, decides, on the Supervisory Board's recommendation, to appoint Cabinet FIDUS – 12 rue Ponthieu – 75008 PARIS, as the new alternate Statutory Auditors, for a period of six fiscal years until the close of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending 31 March 2020.

Objective:

Resolution 10 is to renew, for a period of 18 months, the authorisation given to the Management Board for the Company to buy its treasury shares.

The maximum purchase price is set at €80 and the maximum number of shares that can be acquired is limited to 10% of the number of shares making up the share capital, minus the shares already held. This ceiling is reduced to 5% for shares acquired to be held for use at a later date as payment in exchanges, mergers, contributions and external growth operations.

As at 31 March 2014:

- 37,232 treasury shares had been purchased during the fiscal year and 31,368 treasury shares had been sold ;
- trading charges amounted to €800;
- 45,017 shares were granted free to employees during the fiscal year;
- 7,174 shares were used as partial payment for the acquisition of Lumens Consultants ;
- the year-end balance sheet showed 61,788 treasury shares;
- treasury shares represented 1.24% of share capital. These treasury shares carry no dividend rights or voting rights.

The objectives of the share buyback plan are explained below in **Resolution 10** and in the description of the plan in Solucom's 2013/14 Registration document which is available on the company's website www.solucom.fr .

Resolution 10 (authorisation to the Management Board to allow the Company to trade in its own shares, and cancellation of the previous authorisation: maximum price €80):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having considered the report of the Management Board, authorises the Management Board, which may delegate that authorisation, to have the Company buy its own shares, under the legal and regulatory terms and conditions applicable at the time of trading, and in particular the terms and obligations imposed by articles L.225-209 and following of the French Commercial Code, European Regulation 2273/2003 of 22 December 2003, and the AMF General Regulations.

This authorisation may be used by the Management Board for the following purposes:

- To ensure an active secondary market in, or the liquidity of, Solucom shares through a investment services provider dealing independently as part of a liquidity contract in compliance with the Ethics Charter recognised by the French Financial Markets Authority;
- To hold the purchased shares for use, at a later date, as payment or exchange in external growth operations;
- To grant or sell, as the case may be, shares to employees and/or corporate officers of the Company or of the companies in its Group, under statutory terms and conditions, in particular as profit-sharing in the company, any shareholding plan, the implementation of any company or inter-company savings plan, or to cover any share purchase option plan or any free share allocation plan;
- To deliver shares as counterpart of the exercise of rights attached to securities conferring access in any way to Company capital.

The General Meeting decides that:

- the purchase, sale, exchange or transfer of the shares may be effected by any means, on a stock exchange or over the counter, including by block purchase or sale, without limitation on the portion of the buyback plan that may be executed by such means. These transactions may be executed at any time, with the exception of public offering periods of Company shares, in compliance with applicable regulations.
- under article L.225-209 of the French Commercial Code, the number of shares that the Company buys under this Resolution including those bought under previous authorisations by an Ordinary General Meeting of shareholders must not exceed 10% of share capital, and i) the number of shares bought to be held and used later or to be exchanged as part of a merger, demerger or contribution, must not exceed 5% of the Company's share capital, and ii) where shares are bought under a liquidity contract, the 10% calculation is applied to the number of shares bought less the number of shares sold during the term of this authorisation;
- the maximum purchase price per share is €80 (excluding trading charges), it being understood that in the case of a capital transaction, particularly in the case of a capital increase by incorporation of reserves and grants of free shares, or a split or reverse-split, the above-cited price and number of shares will be adjusted by a factor equal to the ratio between the number of shares comprising the capital before the transaction, and the number of shares comprising the capital after the transaction;
- the total funds allocated to buy treasury shares must not exceed €34,700,080, subject to available reserves;
- this authorisation terminates the previous authorisation by the Combined General Meeting of 25 September 2013 (Resolutions Eighteen). It expires at the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 March 2015, or eighteen (18) months from today, whichever is earlier.

The General Meeting grants all powers to the Management Board including the option to delegate them, to set up and implement a share buyback plan, in particular:

- to execute this buyback plan;
- within the limits specified above, to place any trades through a stock exchange or over the counter in compliance with applicable regulations;
- to adjust the share purchase price to take into account the impact of its own transactions on its share price;
- to sign any registrar agreements to maintain registers of share purchases and sales;
- to ensure full traceability of transactions;
- to make all declarations and formalities to all bodies, in particular to the French Financial Markets Authority (AMF), in compliance with applicable regulations, and to report or have reported by the Registrar service the information required under articles L.225-211 and R.225-160 of the French Commercial Code;
- to fulfil all other formalities of any kind and do everything necessary;
- to ensure that the Works Committee will be informed, in accordance with article L.225-209-1 of the French Commercial Code, of the adoption of this Resolution;
- to ensure that the shareholders will be informed, as part of the next Annual General Meeting, of the precise allocation of all the shares purchased for the various stated objectives.

II – The Extraordinary part of the General Meeting

Objective:

Resolution 11 is to insert a new article into the Articles of Association as Article 23 to allow the Shareholders' General Meeting to appoint one or more individuals as Observer(s) for a renewable term of two (2) years to participate in a non-voting capacity in Supervisory Board meetings.

This is to encourage qualified individuals to participate in the work of the Supervisory Board.

Resolution Eleven (change to Articles of Association; insertion of a new article 23 relating to Observers):
The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having considered the report of the Management Board, decides to insert into the Company's Articles of Association a new article 23 relating to Observers, to read as follows:

"ARTICLE 23 - OBSERVERS

In the course of business, the Shareholders' General Meeting acting with the quorum and majority required for Ordinary decisions, may appoint one or more individuals as Observers to attend Supervisory Board meetings in a consultative capacity.

No more than three Observers may exist at any one time.

Observers shall be appointed for a period of two (2) years, their functions ending at the close of the Ordinary General Shareholders' Meeting called to approve annual financial statements held in the year in which their functions expire.

If an Observer position becomes vacant due to death or resignation, the Supervisory Board may not make a provisional appointment to fill the vacancy.

Observers are eligible for reappointment subject to the terms and conditions of this Article.

An Observer may be revoked and replaced at any time by an Ordinary General Meeting without compensation to the outgoing Observer.

In principle, the functions of Observers are unpaid. However, they may receive compensation for services actually rendered to the Company subject to duly submitted justification.

Observers participate in Supervisory Board meetings and are convened under the same terms and conditions as the Board members.

They receive all the communications and documents provided to the Supervisory Board.

However, failure to convene Observers or to send them documents prior to a Supervisory Board meeting shall under no circumstances constitute grounds for annulling decisions taken at said meeting by the Supervisory Board.

If requested by the Supervisory Board, they may also sit on its committees.

Observers are required to keep all deliberations secret and in general to use discretion regarding confidential information that is provided as such by the Chairman of the Supervisory Board.

Observers have no decision-making power and shall be available to the Supervisory Board and its Chairman to provide their advice on any type of issue that may be submitted to them, particularly of a technical, commercial, administrative or financial nature.

They shall take part in deliberations in a non-voting consultative capacity only.

Agreements between the Company and Observers are not subject to the regulations governing agreements between the Company and a Supervisory Board member."

The Extraordinary General Meeting decides that the insertion of this new Article 23 will cause the articles after it to be renumbered with no discontinuity or other modification.

III –The Ordinary part of the General Meeting

Objective:

Resolution 12 is to immediately appoint Sarah Lamigeon as the first Observer.

This appointment is for a statutory term of two (2) years, until the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 Mar 2016.

The report of the Management Board (and the summary of the Company's position) presents a biography of each of the recommended members along with the reasons for their proposed appointment.

Resolution Twelve (appointment of Sarah Lamigeon as Observer):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having considered the report of the Management Board and the report of the Supervisory Board, decides to appoint Sarah Lamigeon residing at 71 boulevard Arago – 75013 Paris, as new Observer for a statutory period of two years until the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 March 2016.

Objective:

Resolution 13 is the usual resolution to grant the necessary powers to carry out publication and legal formalities.

Resolution Thirteen (powers for formalities):

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, grants all powers to the bearer of a copy or of the original of these minutes, to carry out all legal formalities.

Chapter 7

Additional information

Documents available to the public

The Registration document is available at the Company's registered office:
Tour Franklin
100-101, terrasse Boieldieu
92042 Paris La Défense Cedex
Telephone: 01 49 03 20 00
as well as on the Solucom website: www.solucom.fr

During the validity period of the Registration document, the following documents may be consulted at the firm's registered office:

• Company Articles of Association;

• all reports, letters and other documents, historical financial information, evaluations and declarations issued by an expert at the Group's request, part of which is included or referred to in this;

• Solucom historical financial information for each of the two fiscal year preceding the publication of the Registration document.

Parties responsible

Person responsible for the Registration document

Pascal Imbert, Chairman of Solucom Management Board

Certification by the person responsible for the Registration document

“I hereby certify, after having taken every reasonable measure to this effect, that the information contained in this Annual Report is, to the best of my knowledge, accurate and does not contain any omission that could affect its scope.

I also hereby certify, to the best of my knowledge, that the financial statements have been prepared in compliance with applicable standards in France and accurately represent the assets, financial position and earnings of the Company and all companies included in the consolidation, and that the management report on page 22 presents a true picture of the progress of the business, earnings and financial position of the Company and of all companies included in the consolidation as well as a description of the main risks and uncertainties they face.

I have obtained a completion of work letter from the Statutory Auditors, in which they indicate that they have verified the financial data and the financial statements contained in this Registration document and have read this document in its entirety.”

Issued in Paris on 03/07/14

Pascal Imbert, Chairman of the Management Board

Persons responsible for statutory audit

Principal Statutory Auditors:

SLG Expertise, a member of the *Compagnie Régionale des Commissaires aux Comptes de Paris* (Paris branch of the French institute of auditors), 60 boulevard Haussmann, 75008 Paris, reappointed by the Shareholders’ General Meeting of 26/09/08, their mandate expiring at the close of the General Meeting called to approve the financial statements for the fiscal year ended 31/03/14, represented by Arnaud Bernard.

For the record, the appointment of Mazars, a member of the *Compagnie Régionale des Commissaires aux Comptes de Paris,* as the new principal statutory auditors will be proposed to the Combined Shareholders’ General Meeting of 11/07/14, to replace SLG Expertise.

Deloitte & Associés, a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (Versailles branch of the French institute of auditors), 185 avenue Charles de Gaulle, 92524 Neuilly-sur-Seine, appointed by the Shareholders’ General Meeting of 25/09/13, their mandate expiring at the close of the General Meeting called to approve the financial statements for the fiscal year ending 31/03/19, represented by Dominique Laurent.

Alternate Statutory Auditors:

Valérie Dagannaud, 160 boulevard Haussmann, 75008 Paris, appointed by the Shareholders’ General Meeting of 26/09/08, her mandate expiring at the close of the General Meeting called to approve the financial statements for the fiscal year ended 31/03/14.

For the record, the appointment of Fidus, a member of the *Compagnie Régionale des Commissaires aux Comptes de Paris,* as the new alternate statutory auditors will be proposed to the Combined Shareholders’ General Meeting of 11/07/14, to replace Valérie Dagannaud.

Cabinet BEAS, 7 Villa Houssay, 92200 Neuilly-sur-Seine, reappointed by the Shareholders’ General Meeting of 25/09/13, its mandate expiring at the close of the General Meeting called to approve the financial statements for the fiscal year ending 31/03/19.

Person responsible for the financial information

Pascal Imbert, Chairman of the Management Board
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