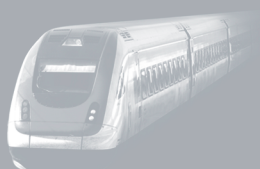
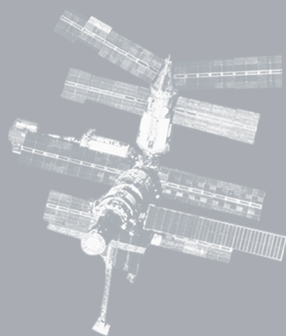


Annual report 2013



SOGECLAIR
High-tech engineering

Key figures 2013

Message from the President



In 2013 Sogecclair strengthened its position on the Aerospace and Defence markets, as well as in the Simulation sector.

The dual offer model with specialist engineering services and innovative products is now in place.

Our turnover progressed in 2013 with 11% organic growth; our EBITDA stood at 12.5% and our net result group share at 5.8% of turnover.

Our international sales now account for one third of our turnover, and nearly 30% of our workforce.

As announced, in 2013 we created our first subsidiary in North America, which represents a strategic market in the long term for Sogecclair.

The confidence and recognition of our customers have enabled us to strengthen our positions.

In total, our headcount increased by 13% (+141 people) and we now count 1,206 talented staff members.

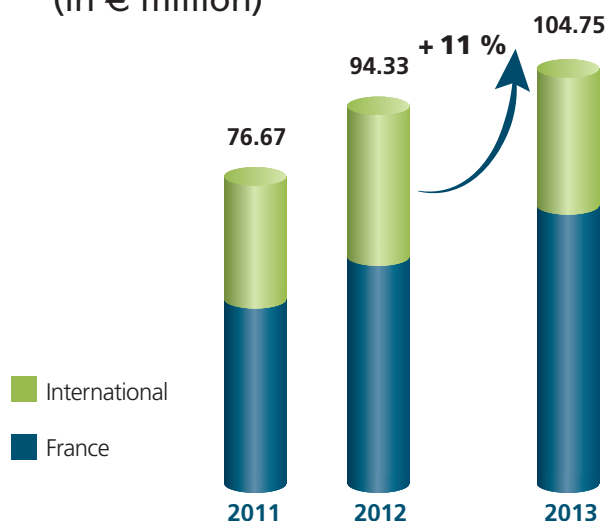
Our strengthened financial structure and our gearing – now negative – allow us to pursue our policy of investments in people, equipment and R&D.

Sogecclair has built up assets that help it to stand out in a competitive context, permitting us to envisage another year of growth in 2014.

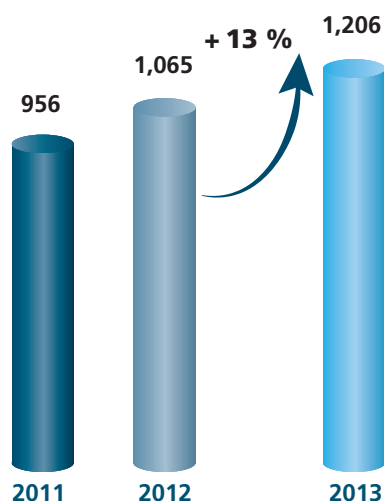
Philippe Robardey
President & CEO

TURNOVER TREND

(in € million)

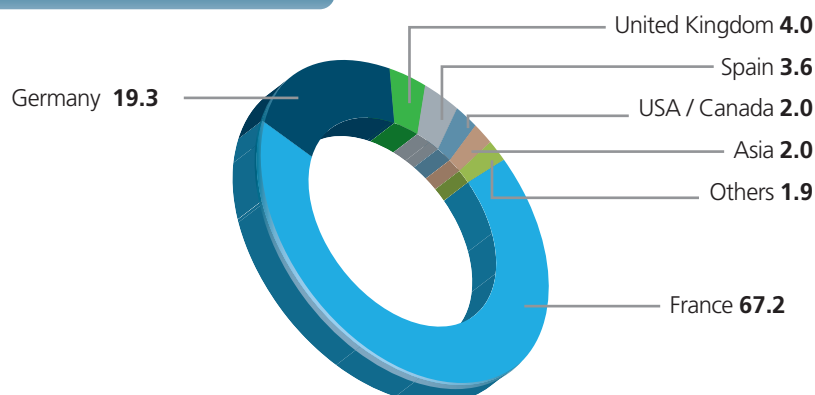


HEADCOUNT TREND



DISTRIBUTION OF ACTIVITY BY COUNTRY

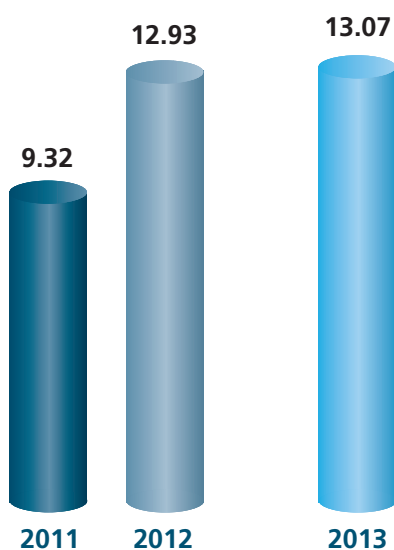
(in %)



Key figures 2013

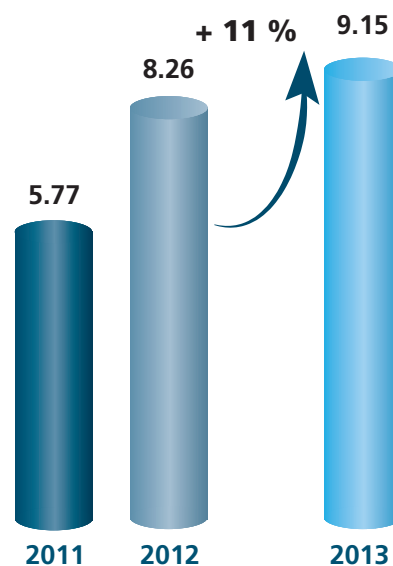
EBITDA TREND

(in € million)



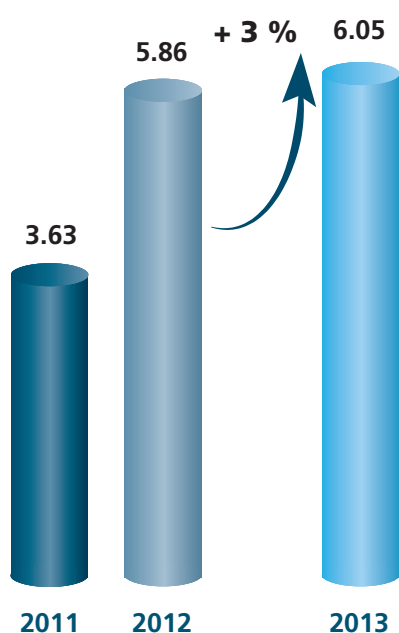
OPERATING RESULT TREND

(in € million)



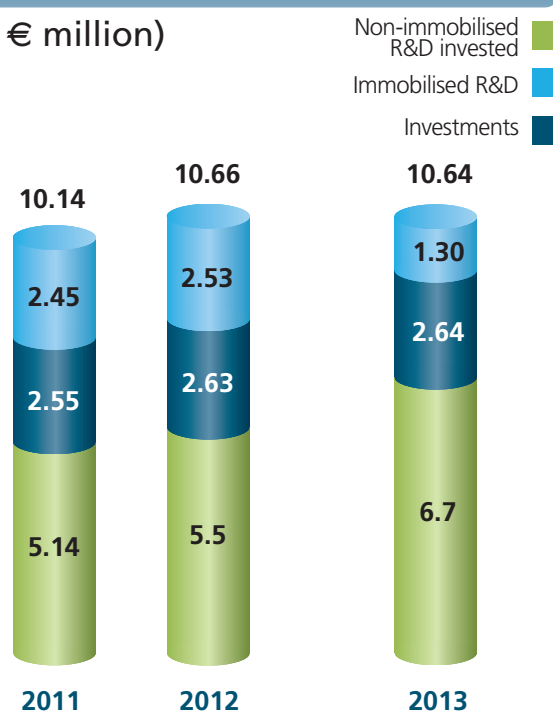
NET RESULT TREND, GROUP SHARE

(in € million)



INVESTMENT TREND

(in € million)



Reference document 2013

including the annual financial report



AUTORITÉ
DES MARCHÉS FINANCIERS



This reference document was registered with the Autorité des Marchés Financiers (AMF) (Financial Markets Authority) on 17 April 2014, in accordance with article 212-13 of its General Regulations. It may be used to support a financial operation only if it is completed by a transaction note signed by the AMF. This document was drawn up by the issuer and engages the responsibility of its signatories.

Contents

1.	PERSONS RESPONSIBLE	4
1.1.	Persons responsible for the information	4
1.2.	Declaration of the person responsible for the reference document	4
2.	AUDITORS	4
2.1.	Contact details and changes	4
2.2.	Auditors who verified the annual accounts presented in the reference document	5
3.	SELECTED FINANCIAL INFORMATION	5
3.1.	Information relative to accounting periods	5
3.2.	Interim financial reporting	6
4.	RISK FACTORS	7
5.	INFORMATION CONCERNING THE ISSUER	7
5.1.	Company history and development	7
5.2.	Main investments	8
6.	OVERVIEW OF ACTIVITIES	9
6.1.	Main activities	9
6.2.	Main markets	10
6.3.	Exceptional events	10
6.4.	Risk of dependency	11
6.5.	Competition	11
7.	ORGANISATION CHART	12
7.1.	Legal organisation chart	12
7.2.	Functional organisation chart	12
7.3.	The issuer's role with respect to its subsidiaries	12
8.	PROPERTY, PLANT AND EQUIPMENT	13
8.1.	Investment policy	13
8.2.	Development costs	13
8.3.	Leases and rentals for operating sites	13
9.	EXAMINATION OF THE FINANCIAL SITUATION AND CONSOLIDATED RESULTS	13
10.	CASHFLOW AND CAPITAL	14
10.1.	Capital and cashflow	14
10.2.	Financing conditions and restrictive conditions	14
10.3.	Sources of financing	14
11.	R&D, PATENTS AND LICENSES	14
11.1.	Research and development	14
11.2.	Patents and licenses	14
12.	INFORMATION REGARDING TRENDS	14
13.	PROFIT FORECASTS AND ESTIMATES	15
14.	ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND GENERAL MANAGEMENT BODIES	15
14.1.	Information concerning the members of the company's administrative and management bodies	15
14.2.	Conflicts of interest at the level of the administrative, management and general management bodies	17
15.	REMUNERATION AND NON-CASH BENEFITS	17
16.	FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES	17
16.1.	Positions occupied by the directors	17
16.2.	Directors' service contracts with the issuer	17
16.3.	Committees	17

Contents

17.	EMPLOYEES	18
17.1.	Distribution of the workforce	18
17.2.	Participation and stock-options	18
17.3.	Agreement on participation in the capital	18
18.	MAIN SHAREHOLDERS	18
18.1.	Exceeding of thresholds	18
18.2.	Multiple voting rights	18
18.3.	Control	18
18.4.	Shareholders' pact and agreements	19
18.5.	Key stock market data	20
19.	OPERATIONS WITH ASSOCIATED COMPANIES	20
20.	FINANCIAL INFORMATION CONCERNING THE COMPANY'S ASSETS, FINANCIAL SITUATION AND RESULTS	21
20.1.	Historical financial information	21
20.2.	Pro-forma financial information	21
20.3.	Financial statements (year ending 31 December 2013)	21
20.4.	Verification of the annual historical financial information	42
20.5.	Latest financial information publication dates	47
20.6.	Interim financial and other information	47
20.7.	Dividend policy and distribution	47
20.8.	Legal and arbitration procedures	47
20.9.	Significant change in the financial and commercial situation	47
21.	ADDITIONAL INFORMATION	48
21.1.	Share capital	48
21.2.	Memorandum and articles of association	49
21.3.	Pledging, guarantees and securities	50
22.	IMPORTANT CONTRACTS	50
23.	THIRD PARTY INFORMATION, DECLARATIONS OF EXPERTS AND DECLARATIONS OF INTEREST	50
23.1.	Expert's declaration	50
23.2.	Other declarations	50
24.	DOCUMENTS ACCESSIBLE TO THE PUBLIC	51
24.1.	Documents accessible to the public	51
24.2.	Information for the shareholders and analysts	51
25.	FINANCIAL INFORMATION ON THE SHAREHOLDINGS	51
26.	THE BOARD OF DIRECTORS' REPORT TO THE ORDINARY GENERAL MEETING HELD ON 16 MAY 2014	51
27.	ORDINARY GENERAL MEETING HELD ON 16 MAY 2014	74
27.1.	President's Report to the Ordinary General Meeting	74
27.2.	Annual financial report	79
27.3.	Table of the fees paid by the group to the auditors and to the members of their networks	80

1 PERSONS RESPONSIBLE

1.1. Persons responsible for the information

Mr Philippe ROBARDEY
President and Chief Executive Officer
Phone: 33 (0)5.61.71.71.71
Email: philippe.robardey@sogclair.com

Mr Marc DAROLLES
Executive Vice President
Phone: 33 (0)5.61.71.71.71
Email: marc.darolles@sogclair.com

1.2. Declaration of the person responsible for the reference document

I certify, after having taken every reasonable step to that effect, that the information contained in this reference document provides, to my knowledge, a true and fair picture of the existing situation and that there are no omissions that could affect its significance.

I certify that, to my knowledge, the accounts have been established in accordance with the applicable accounting standards and give a true and faithful picture of the asset base, financial situation and results of the company and of all the companies included in the consolidation, and that the management report, given in Chapter 26, presents a true and faithful picture of the business trends, results and financial situation of the company and of all the companies included in the consolidation as well as a description of the main risks and uncertainties with which they are faced.

I have obtained from the statutory auditors, MOREREAU AUDIT and EXCO FIDUCIAIRE DU SUD OUEST, an end-of-mission letter in which they state that they have verified the information concerning the financial situation and the accounts given in this reference document and have read the complete reference document.

The financial information presented in this reference document is the subject of a report drawn up by the auditors on the consolidated accounts and on the annual accounts. This report is included on pages 61 to 64 of this document.

Pursuant to Article 28 of European regulation 809/2004, the following information is contained by reference in this reference document:

Consolidated accounts and company accounts to 31 December 2012 and the reports of our auditors relative to them, presented respectively on pages 28 to 62 of reference document No. D.13-0351 registered with the Autorité des Marchés Financiers on 15 April 2013.

Consolidated accounts and company accounts to 31 December 2011 and the reports of our auditors relative to them, presented respectively on pages 28 to 63 of reference document No. D.12-0418 registered with the Autorité des Marchés Financiers on 26 April 2012.

Blagnac, 16 April 2014

Mr Philippe ROBARDEY
President and Chief Executive Officer

2 AUDITORS

2.1. Contact details

Statutory Co-Auditor

EXCO FIDUCIAIRE DU SUD OUEST represented by
Mr Jean-Marie FERRANDO
2 rue des Feuillants
31000 TOULOUSE

Renewed in this position by the Ordinary General Meeting held on 28 May 2010, for a period of 6 years, that is until the Ordinary General Meeting held to approve the accounts for the year ending on 31 December 2015.

Statutory Co-Auditor

MOREREAU AUDIT SAS represented by
Mr Robert MOREREAU
10 rue Reyer
31200 TOULOUSE

Appointed by the Ordinary General Meeting held on 28 May 2009 for a period of 6 years, that is until the Ordinary General Meeting held to approve the accounts for the year ending on 31 December 2014.

Substitute co-auditor

Mr André DAIDE
2 rue des Feuillants
31076 TOULOUSE

Appointed by the Ordinary General Meeting held on 28 May 2010, to replace Mr Christian DUBOSC for a period of 6 years, that is until the Ordinary General Meeting held to approve the accounts for the year ending on 31 December 2015.

Substitute co-auditor

CABINET JEAN BONNET - CJB AUDIT
3 allée Van Dyck
87000 LIMOGES

Appointed by the Ordinary General Meeting held on 28 May 2009, to replace Mr Régis MOREREAU, for a period of 6 years, that is until the Ordinary General Meeting held to approve the accounts for the year ending on 31 December 2014.

2 AUDITORS

2.2. Auditors who verified the annual accounts presented in the reference document

First name and surname	Date of renewal or of first appointment	Mandate expiring at the General Meeting held to approve the accounts for the year ending:
Statutory Co-Auditor EXCO FIDUCIAIRE DU SUD OUEST represented by Mr Jean-Marie FERRANDO 2 rue des Feuillants - 31000 TOULOUSE	General Meeting held on 28 May 2010	31 december 2015
Statutory Co-Auditor MOREREAU AUDIT SAS represented by Mr Robert MOREREAU 10 rue Reyer - 31200 TOULOUSE	General Meeting held on 28 May 2009	31 december 2014

3 SELECTED FINANCIAL INFORMATION

3.1. Information relative to accounting periods

3.1.1. Main items on the income statement

(in € million)	2013	2012	2011
Sales	104.75	94.33	76.67
EBITDA(1)	13.07	12.93	9.32
Operating income	9.15	8.26	5.77
Income before taxes	9.08	8.03	5.54
Net profit	6.08	6.08	3.94
Net profit, group share	6.05	5.86	3.63

(1) Operating income – Other operating income and expenses + operating amortisation and provisions

3.1.2. Financial structure

(in € million)	2013	2012	2011
Equity capital	32.49	26.22	20.96
Qualified pre-payments (QPP)	4.05	3.79	3.04
Net debt (excluding QPP)	9.29	1.53	2.66
Net gearing (excluding QPP)	-0.29	-0.06	-0.12

3.1.3. Activity trends

Per country (in € million)	2013	2012	2011
France	70.4	57.0	48.7
Germany	20.3	21.2	18.3
United Kingdom	4.2	6.7	4.9
Spain	3.8	1.6	1.1
Other countries	6.0	7.8	3.7

Per division and subsidiary (contribution to consolidated sales after elimination of intra-group operations)⁽¹⁾

(in € million)	2013		2012		2011	
	Value	As %	Value	As %	Value	As %
Aerospace Division	93.16	88.94	80.52	85.36	66.24	86.40
SOGELAIR AEROSPACE SAS	65.52		51.25		42.38	
SOGELAIR AEROSPACE GmbH	20.18		22.56		18.40	
SOGELAIR AEROSPACE SA	1.77		1.20		0.89	
SOGELAIR AEROSPACE Ltd	1.40		2.58		2.82	
SOGELAIR AEROSPACE SARL	0.01		0.00		0.00	
SOGELAIR AEROSPACE Inc	0.03		0.00		0.00	
AVIACOMP SAS	3.93		2.56		1.48	
S2E CONSULTING SAS	0.32		0.32		0.27	
CHECKAERO BV	0.00		0.04			
Vehicle Division	1.73	1.66	2.67	2.83	2.25	2.93
SERA INGENIERIE SAS	1.73		2.67		2.25	
Simulation Division	9.85	9.40	11.14	11.81	8.17	10.67
OKTAL SAS	7.12		9.06		5.96	
OKTAL SE SAS	2.73		2.08		2.21	

(1) Excluding holding

3.1.4. Human resources

(full-time equivalence)	2013	2012	2011
Engineers and managers and senior technicians	993	879	793
Technicians and employees	110	103	109
TOTAL	1 103	982	902

Additional information is given in paragraph 1.1 of Appendix 1 of the Board of Directors' report to the AGM.

Working hours

Additional information is given in paragraph 1.3 of Appendix 1 of the Board of Directors' report to the AGM.

Training policy (French subsidiaries)

Additional information is given in paragraph 1.7 of Appendix 1 of the Board of Directors' report to the AGM.

Recruitment policy

The company deploys a large number of means to satisfy its recruitment needs (head-hunters, taking part in specialist trade shows, organising events, etc.).

3.1.5. The SOGELAIR customer base

The major French and international industrial accounts addressed by SOGELAIR are essentially the following: Aerolia, Airbus (De, Es, Fr, Uk), Airbus Helicopters, Agusta Westland, Aixam, Andra, ATR, Autosoft Asia, Bombardier, C.F.L, Cnes, Cnrs, Daimler Chrysler, Dassault, Defence Science & Technology Agency, Dga, EADS, Egis Avia, Elan, Flextronics Automotive GmbH, Icsa, Indra, Innosimulation, Inc, Intermec Stc Sas, Kaefer Aerospace, Kai, Keolis, Latecoere, Mbda, Mb-Technology GmbH, Mécachrome, Onera, Pacific Co Ltd, P3, Peugeot Citroën Automobiles, Ratier-Figeac, Ratp, Regienov, Renault, Renault Trucks, Rossi Aero Equipements, Safran, Sagem Défense Sécurité, Sefee, Sncb - Transurb Technirail, Sncf, Société de Transport de Montréal, Spirit

Aerosystems, Sukhoi Civil Aircraft, Technip, TCDD, Thales, The City of Calgary, Tongji University, Université Pierre & Marie Curie, Valeo, Wehrtechnische Dienststelle, Zodiac Aerospace.

All sectors taken into account, over the financial year SOGELAIR totalled 189 active customers.

SOGELAIR intervenes in its national and export markets from its installations in France, Germany Canada, Spain, the Netherlands, the United Kingdom and Tunisia. Sales outside France represented 33% of consolidated turnover for the financial year.

In terms of work recurrence, analysis of the customer portfolio in 2013 once again shows that our customers are very loyal. Detailed information on the risk of dependence with respect to our customers is given in paragraph 1.6 of the Board of Directors' report to the AGM, in chapter 26 of this reference document.

The projects accomplished for our customers may last between a few days for expertise work (that is to say some €k) and several years (and several € million). The specific commercial nature of our contracts is not covered by our corporate communications in order to preserve SOGELAIRS's interests with respect to the competition.

3.2. Interim financial reporting

The interim financial information published by the issuer is available on our website www.sogclair.com in the "investors" section.

4 RISK FACTORS

The risk factors are given in paragraph 1.6 of the Board of Directors' report to the AGM, in chapter 26 of this reference document.

5 INFORMATION CONCERNING THE ISSUER

5.1. Company history and development

5.1.1. Corporate name

SOGELAIR SA

5.1.2. Issuer's registration details

Corporate and Trade Register number:

335 218 269 RCS Toulouse

SIRET Company ID number: 335 218 269 00025

APE business activity code: 6420Z

5.1.3. Date of creation and duration

Date of creation: 1st February 1986

Duration: 60 years to run from the date of registration on the corporate and trade register, that is until 2046.

Financial year: 1 January to 31 December.

5.1.4. Issuer's corporate headquarters and legal form

Corporate headquarters: 7, avenue Albert Durand - BP 20069 - 31703 BLAGNAC CEDEX (France)

Phone: 33 (0)5.61.71.71.71 - Fax : 33 (0)5.61.71.71.00

Website: www.sogclair.com

Legal form: Société Anonyme (Joint Stock Company) with a Board of Directors, subject to the provisions of Book II of French Commercial Law.

5.1.5. Important events

1986 : Creation of SOGELAIR to lead the development of companies.

1989 : Diversification in the directions of engineering, consultancy and multimedia.

From

1992 : Strengthening of its skills and refocusing on high-tech professions; broadening of the customer base.

1998 : Listing of SOGELAIR on the Paris Stock Exchange (Alternative Investment Market).

2000 : Takeover of OKTAL SA, an engineering company specialising in simulation and virtual reality.
Takeover of THARSYS, an electronics engineering company.

2001 : Setting up in Spain with the creation of a joint venture with MASA.

2002 : Setting up in Germany with the acquisition of a majority holding in HIGH-END ENGINEERING (HEE) in Germany, a mechanical engineering company.
Creation of a subsidiary in Spain.
Creation of the ADM company in France with MECACHROME (SOGELAIR has a 35% holding).

2005 : Setting up in the United Kingdom with the creation of a subsidiary.

2006 : Creation, with IGE+XAO, of S2E Consulting, a consulting company specialised in systems and electrical engineering.

2007 : Creation of SERA INGENIERIE, specialised in special vehicle engineering.

2008 : Creation with MECAHERS of AVIACOMP, a company specialised in the design, manufacture and assembly of complex composite subassemblies; SOGELAIR owns 55% of the shares.

Sale of the THARSYS subsidiary.

2009 : Creation of a subsidiary in Tunisia; SOGELAIR owns nearly 100% of the shares.

Buyout of minority holdings in the German subsidiary; SOGELAIR owns more than 99% of the shares.

2010 : Splitting of the Engineering & Consulting unit into two divisions: Aerospace and Vehicles.

Announcement of a new operational organisation within the Aerospace Division's engineering subsidiaries and adoption of the name: SOGELAIR AEROSPACE.

Transfer of OKTAL SE shares to the minority shareholders; SOGELAIR now owns nearly 65 % of the shares parts.

5 INFORMATION CONCERNING THE ISSUER

2011 : Creation of CHECKAERO BV.
SOGECCLAIR deployed its new organisation in 3 strategic divisions:

■ **Aerospace:**

a) for the engineering activities: Aerostructure, Systems Installation, Configuration and Product Data Management, Equipment – from consulting through to the product.

b) for the joint ventures:

- Design and production of composite and metallic aerostructure subassemblies,
- Consulting in the area of systems architecture,
- Verification of stress dossiers.

■ **Vehicles:** *light industrial and military special vehicles engineering.*

■ **Simulation :** *Design and training simulators, software workshops for simulation (environment, atmosphere, thermal, electromagnetism).*

2013 : Creation of SOGECCLAIR AEROSPACE Inc in Canada.

5.2. Main investments

5.2.1. Completed

The most significant investments in 2013 consisted of immobilising development expenses amounting to more than €1.3 million, in IT resources and production networks for €2.6 million.

The information relative to issuer's development expenses are given in chapter 11.1 of this reference document.

5.2.2. Planned

Development expenses for the Airbus A350 and Bombardier CSeries programmes continued to be incurred in 2013 as shown in paragraph 1.2.2 of the consolidated appendix given in chapter 20.3.2 of this reference document.

5.2.3. In progress

There are no significant investments being made at the current time besides the launch of the subsidiary in Canada, continued developments on the A350XWB programme and recurring investments.

6 OVERVIEW OF ACTIVITIES

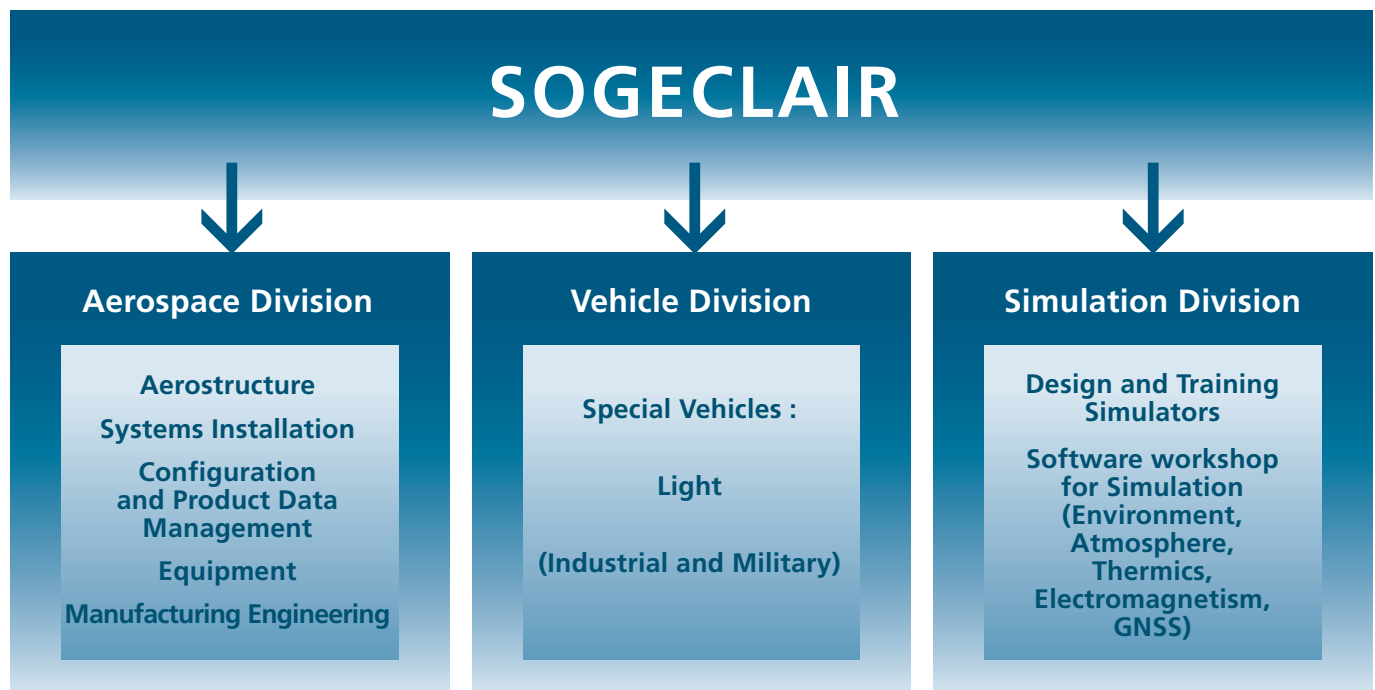
6.1. Main activities

6.1.1. Operations and main activities

SOGECLAIR accomplishes large-scale design and co-development projects through to delivery for major industrial accounts and develops innovative simulation and virtual reality solutions.

a) Acknowledged know-how in the areas of:

- aeronautical and space engineering that can include the production of aerospace subassemblies,
- special vehicles engineering and production (from light vehicles to industrial and military vehicles),
- simulation of software workbenches and industrial product simulators (development of innovative simulation and virtual reality solutions used for design and training purposes).



b) The SOGECLAIR offer is organised around three types of contract according to the problems faced by its customers:

Technological Assistance

This type of intervention consists of calling on specialists who join the customers' teams for projects that take the form of a commitment of resources.

Work-Packages

This speciality allows our customers to outsource the design of all or part of their products. SOGECLAIR provides its knowledge of its customers' processes, methods and tools. These contracts provide medium-term visibility (3 to 5 years). For this type of development, SOGECLAIR is the project director and provides its know-how in the area of project management, means and methods, quality and management of subcontracting in general. This concerns contracts that take the form of a commitment to achieve a given result.

Products and Systems

This consists of taking charge of a complete subassembly or product, in its design phases through to production and series support. SOGECLAIR combines its own skills with those of its industrial partners.

This activity relies on R&D and project management skills and on programme management. This is based on a performance commitment.

These contracts may offer long-term visibility.

c) Activity of the divisions

Aerospace division: 89% of the activity

In this division, SOGECLAIR deploys its expertise in the areas of architecture and integration (process, methods, structures, installation of systems), design (primary and secondary structure, metallic and composite materials, mechanical and electrical systems, fittings), simulation and stress (finite element modelling, static, fatigue, damage tolerance, etc.), and lastly tests and qualifications.

Furthermore, throughout the life of the industrial product SOGECLAIR develops configuration management, operational quality and process and tools consulting and support activities.

Some examples of developments:

- design and stress calculation: Airbus A350 centre section, structural subassemblies for Dassault Aviation SMS programme, support for series follow-up on all of Dassault Aviation's civil and military programmes, aeronautical equipment wiring, payloads, antennas and test equipment for satellites,
- design and production: Airbus A400M nose landing gear compartment, electrical racks, composite subassemblies for Airbus A350, Bombardier CSeries and Learjet 85,
- supply: replicas of real equipment for simulation purposes,
- engineering support: quality assurance, configuration management, consulting, methods,
- Manufacturing Engineering: industrialisation support and optimisation.

6 OVERVIEW OF ACTIVITIES

Vehicle division: 2% of the activity

In this division, SOGECLAIR deploys its expertise in the area of engineering for the design and production of special civilian and military vehicles.

Some examples of developments:

- design and stress calculation: special light and industrial vehicles, electrically powered in particular,
- design and production: special military vehicles, terrestrial drone weighing 1,000 kg (proprietary product).

Simulation division: 9% of the activity

SOGECLAIR provides and develops solutions in the area of research, design and training simulators and of simulation workshops and software. The purpose of these resources is to design, train and communicate better.

The development of these simulation technologies concerns the design of new systems, validation of these systems' suitability for their environment, the training of users and studying in a risk-free and economical way, the impact of accidents or aggressions.

These technologies are commercialised in the aeronautical, automobile, rail and defence sectors.

Some examples of developments:

- design, production and putting into service of simulators:
 - for studying human factors, driving and eco-driving (car, truck, bus, tram, etc.),
 - railways for instruction and training purposes (train, metro, etc.),
 - civil aeronautics for study and training purposes (planes, helicopters, air traffic, etc.),
- synthetic environment software:
 - military for designing weapons systems and mission training purposes,
 - civil for studying physical phenomena in the telecoms, vision and radio-navigation sectors.

6.1.2. New products

AVIACOMP, a company set up in mid-2008, designs and manufactures structural assemblies for aircraft using thermoplastic composite material technologies, which ensure a trade-off between different innovative technical characteristics. The company relies on advanced industrial resources to control and command these high-performance processes automatically. AVIACOMP develops and supplies wing access doors for commercial aircraft programmes and between 2010 and 2012 won three major long-term, sole-source contracts.

CHECKAERO, a company set up in mid-2011, proposes an innovative offer in the area of stress expertise. The operational launch of this activity began in the 1st half 2012.

6.2. Main markets

SOGECLAIR is present on markets with a high technological content such as engineering focusing on the aeronautical and space markets, special vehicles engineering and simulation.

There is not much data available concerning these sectors. Although we can refer in a general way to the technologies consulting market which represents around €20 billion in Europe, this covers a very wide range of activities going from product engineering to documentation, taking in processes, technical and/or embedded IT. The markets addressed are also highly varied: going from aerospace to

chemicals/pharmaceuticals, and including telecommunications and energy ...

Through its specialist positioning, SOGECLAIR has made the strategic choice to focus on product engineering and simulation for the "Aeronautics", "Automobile & Rail", "Defence & Industry" markets, which break down as follows:

Markets	2013	2012	2011
Aeronautics	87%	82%	84%
Automobile & Rail	6%	9%	9%
Defence & Industry	7%	9%	7%

Its markets are above all driven by its customers' need to differentiate themselves through a constantly renewed product offer, an ever-more demanding regulatory environment (atmospheric and sound pollution, safety, increased traffic, operator qualification, security, etc.) and ever-lower operating (power, materials) and development (tests, product optimisation and training, etc.) costs.

For many years, SOGECLAIR has been building up real experience of fixed-price contracts which represent an increasingly large part of its customers' demand. They expect their suppliers to be responsible for their results, which can go as far as the supply of complex subassemblies and/or complete systems.

In 2013, these projects involving a commitment to achieve a given result represented more than three quarters of SOGECLAIR's turnover thanks to an appropriate policy and a long culture of technological and industrial cooperation (research and teaching centres, laboratories, manufacturers, industrial companies and operators).

For some years we have been seeing the emergence of new customer demands in two directions:

- accomplishing comprehensive, globalised and homogeneous services on the European and worldwide levels. Thanks to more than 15 years' international experience with more than 30% of its workforce and 33% of turnover, SOGECLAIR has based its international development model on the sharing of experience beginning either with start-ups or acquisitions,
- offshore which brings together, on the one hand, work in low-cost zones to reduce production costs and, on the other hand, offset to partially meet the compensation targets and make it possible to reduce the impact of strong currency variations. In this perspective, SOGECLAIR has been developing cooperation programmes for several years in India and Turkey, and set up a subsidiary in Tunisia in 2009.

Its knowledge of its market and its position as specialist have for many years enabled SOGECLAIR to anticipate the major changes in the sector.

SOGECLAIR's activity in 2013, up by 11%, attests to the relevance of the specialist strategy it implements. Indeed, compared with the rest of the sector, SOGECLAIR's turnover for the year confirms its ability to maintain its position despite stiff competition on all its markets and for all its divisions.

6.3. Exceptional events

To date, no exceptional events have impacted the issuer's main activities.

6.4. Risk of dependency

The risk factors are given in paragraph 1.6 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

6.5. Competition

SOGECLAIR is an acknowledged player in the engineering sectors intended for the aeronautical and space markets, special vehicles engineering and simulation markets where it is involved in the design of new products, providing a partial or overall service, or even as project manager for its customers.

Given the barriers to entry linked to each type of intervention, none of SOGECLAIR's competitors has an offer that is as comprehensive, going from support to Products and Systems.

The Aerospace division's main competitors should be analysed more in terms of geographic area:

- all countries taken into account: AKKA, ALTEN, ALTRAN, ASSYSTEM, SAFRAN ENGINEERING, P3 VOITH, E2A,
 - in France: SEGULA, SOGETI HIGH TECH,
 - in Germany: BERTRANDT, FERCHAU, RÜCKER AEROSPACE,
 - in Spain: CT INGENIEROS, INHISIT, ITD, ATOS,
 - In the United Kingdom: HYDE GROUP ENGINEERING, MAGELLAN.
- The Vehicle division's main competitors are: GTS/SOLUTION F, MATRA SEGULA.

The Simulation division's main competitors are present worldwide and should be analysed more in terms of product type:

- Simulator manufacturers: ADACEL, CORYS-TESS, CS, CRUDEN, DRIVE-SAFETY, ECA-FAROS, EADS-DCS, FORUM 8, GAVAP, INDRA, LANDER, KRAUSS-MAFFEL, OPERANTIS, REALFUSION, RUAG, SYDAC, SOGITEC, THALES TRAINING SIMULATION, VIRES, XPRIMARY IMAGE,
- Synthetic environments:
 - comparable international software publishers: BOHEMIA INTERACTIVE, CAE/PRESAGIS, JRM, SAIS, ST/MAK,
 - service companies in France: DIGINEXT, OPTIS.

SOGECLAIR actively monitors its markets and competitors by collecting and analysing every type of available information.

SOGECLAIR's strengths

SOGECLAIR benefits from key advantages that set it apart on its markets:

- A specialist strategy that makes SOGECLAIR a benchmark player in the main segments of its offering.
- Control from the specification stage through to the product in service.
- An important innovative policy in R&D on customer programmes and proprietary products.
- A Products and Services offering in synergy, with 19% and 81% of turnover respectively.
- Revenues guaranteeing high visibility of the activity, based on products:
 - undergoing development:
 - new programmes A350, A320NEO, SMS, CSeries, Learjet 85, research simulators, vehicle prototypes,
 - in production and in service:
 - existing programmes A320, A330, A380, A400M, MIRAGE, RAFALE, F7X,
 - training simulators,
 - counter-explosive vehicles.
- Arrival at maturity of products developed by the Simulation and Vehicle divisions.

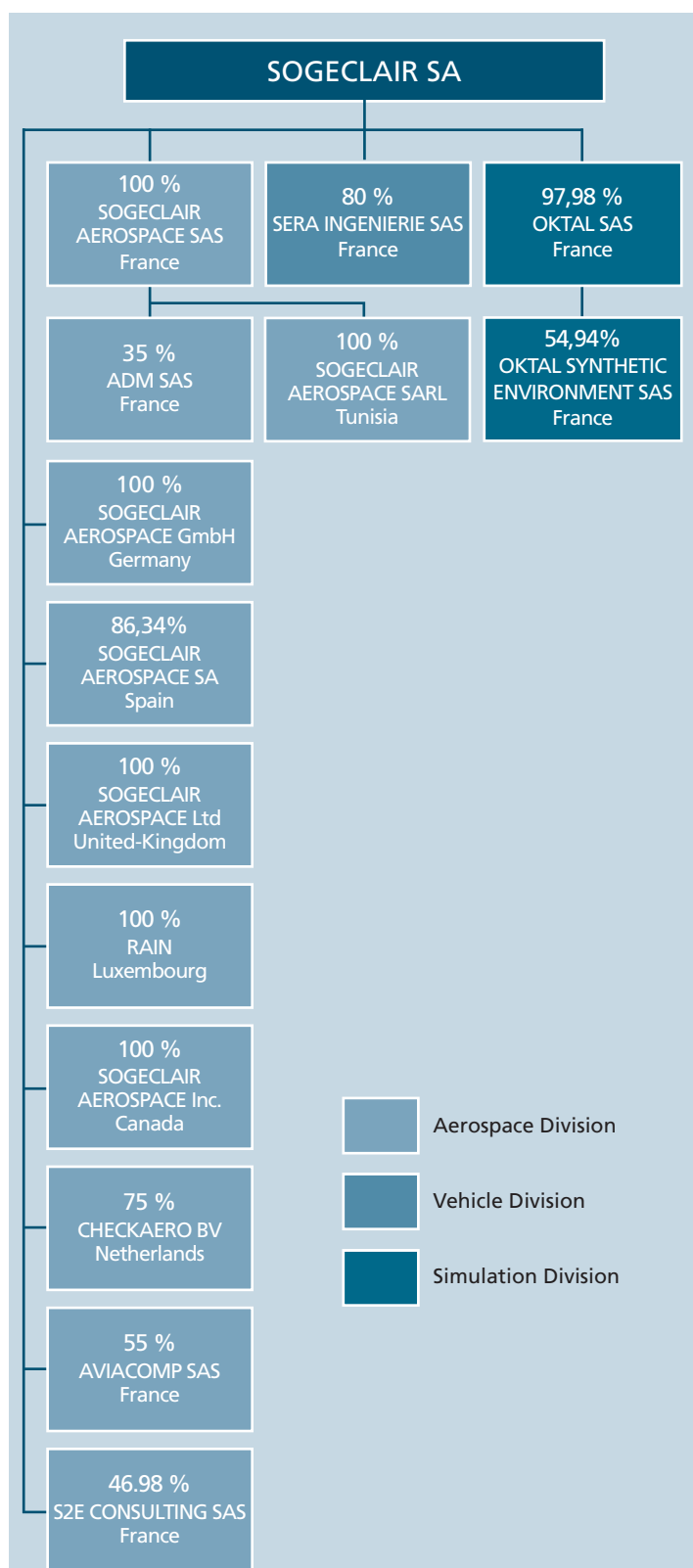
International deployment – 33% of group activity – that capitalises more than 15 years' experience.

7 ORGANISATION CHART

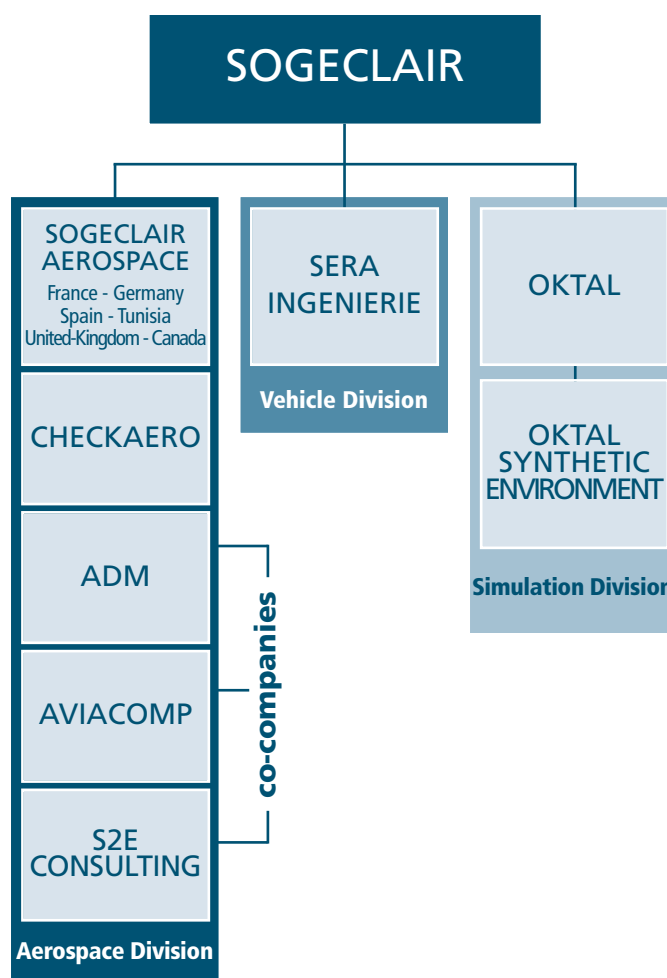
The list of subsidiaries integrated in the consolidation perimeter is available in paragraph 2 of the consolidated appendix given in chapter 20.3.2 of this reference document.

The financial information regarding the shareholdings is given in paragraph 2.2 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

7.1. Legal organisation chart



7.2. Functional organisation chart



7.3. The issuer's role with respect to its subsidiaries

SOGECLAIR's General Management assumes responsibility for the following functions throughout the group:

- management and steering of strategic planning,
- growth by acquisition and resource allocation priorities,
- internal control and risk management, control of the group's commitments, insurance policies,
- coordination of operational reporting, control of corporate accounts, establishing the consolidated accounts, interface with the auditors,
- long-term financing policy, optimisation of the financial structure,
- coherence, efficiency and reliability of the management information system,
- institutional and financial communication.

In parallel SOGECLAIR assumes responsibility, on behalf of its consolidated French subsidiaries, for their requirements in the areas of:

- cashflow and currency exchange management and third-party accounts follow-up,
- corporate accounts and regulatory declarations,
- financing of the working capital and investment requirements,
- pay, regulatory declarations and administration in general,
- legal secretariat.

SOGECLAIR's subsidiaries have general and/or operational directorates that have responsibility for their business and staff; these directorates report to SOGECLAIR's Senior Management.

Different types of meetings and committees are put in place according to the specific needs of each organisation:

- "Strategy & Budget" meetings with the Management Committee: at year-end to prepare the budgets and at the beginning of each quarter to note any drift and provide solutions where necessary,

- Monthly meetings with each Director to analyse each entity's indicators, economic performance and commercial and operational activity,
- Twice-yearly Management Reviews linked to Quality management,
- Management Committees, held monthly depending on the subsidiaries, with the managers to examine workloads, sales and quality actions,
- Sales Directorate meetings with sales managers and sales engineers to examine quotes, order books and specific sales actions to be undertaken,
- Monthly production meetings with the managers to analyse production,
- Monthly Quality meetings,
- "People Reviews" where we examine changes in the distribution of skills and competences.

8 PROPERTY, PLANT AND EQUIPMENT

8.1. Investment policy

(in € million)	2013	2012	2011
Tangible and intangible immobilisations, excluding current and development costs	2,630	2,625	2,228

The investments concern the renewal of our pool of software applications, servers, IT workstations, office hardware (PC, printers, etc.), and our industrial equipment. The main type of financing consists of financial leasing, purchase-leasing contracts, own funds and exceptionally medium-term loans.

At present, the future investments will concern the same types of equipment.

8.2. Development costs

The issuer's policy in the area of development costs is given in chapter 11.1 of this reference document.

The information relative to the issuer's development costs is provided in paragraph 1.2.2 of the consolidated appendix given in chapter 20.3.2 of this reference document.

8.3. Leases and rentals for operating sites

The company rents the premises it needs for its activities from various property companies.

One of these companies, SCI SOLAIR, has a link with the directors of SOGECLAIR and one of its shareholders who has voting rights greater than 10% (see special report of the Auditors).

On 31 December 2013, SOGECLAIR had 24 operating sites representing a total surface area of 14.206 sq.m that is nearly 12 sq.m per employee, for a total annual cost of €1,716 k excl. VAT:

- France: in the Toulouse region (4), Paris region (2), PACA region (2), Aquitaine region (1), Pays de Loire region (1),
- International: Amsterdam, Augsburg, Hamburg (3), Bremen, Donauwörth, Munich, Stade, Getafe (Madrid), Seville, Bristol, Tunis, Montreal,

9 EXAMINATION OF THE FINANCIAL SITUATION AND CONSOLIDATED RESULTS

The issuer's financial situation and consolidated results are examined in paragraph 1 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

10 CASHFLOW AND CAPITAL

10.1. Capital and cashflow

The information relative to the issuer's capital and cashflow is given in chapter 20.3 of this reference document.

10.2. Financing conditions and restrictive conditions

The information relative to the issuer's financing conditions and restrictive conditions is provided in paragraph 4.12 of the consolidated appendix provided in chapter 20.3.2 and in chapter 21.3 of this reference document.

10.3. Sources of financing

The information relative to the issuer's financing conditions is given in paragraph 4.12 of the consolidated appendix provided in chapter 20.3.2 and in chapter 8.1 of this reference document.

11 R&D, PATENTS AND LICENSES

11.1. Research and development

The great majority of SOGECLAIR's work concerns development activities relative to the execution of contracts for its customers.

Furthermore, SOGECLAIR carries out certain self-financed development works on its own behalf, in which the group accepts to invest insofar as it has:

- clear commercial perspectives: confirmed market, existing direct and indirect distribution channels,
- sufficient forecast profitability: including the cost of financing and taking into account a degraded scenario,
- sufficient financing: partners, whether institutions or banks..

By default, the expenses are included on the balance sheet gradually as they are incurred. As an exception and in application of the international accounting standards (IAS 38), the expenses relative to certain long-duration development works are immobilised as an asset provided they satisfy the assetisation criteria set by those standards.

The information relative to the projects eligible for research tax credit is given in paragraph 1.4 of chapter 26 of this reference document.

11.2. Patents and licenses

Initiated in 2006, the steps taken to create an Industrial Property asset base have continued with the publication and registration of new patents between 2011 and 2013.

The brands and domain names were subject to renewal in 2007 and 2008.

In 2010, SOGECLAIR streamlined the brands and organisation of the Aerospace Division's engineering subsidiaries. These subsidiaries have thus adopted SOGECLAIR AEROSPACE as their brand name in Germany, Canada, Spain, France, the United Kingdom and Tunisia. The subsidiaries concerned pay a brand fee to SOGECLAIR based on their Sales.

12 INFORMATION REGARDING TRENDS

For several years SOGECLAIR has been preparing itself for the current market transformations by developing the assets that make it stand out sharply from the competition: a high level of specialisation, human resources and strengthened skills, and a Product and Services mix.

In this context SOGECLAIR is anticipating that 2014 will be a year of growth in France and abroad.

13 PROFIT FORECASTS AND ESTIMATES

SOGELAIR does not provide forecasts in the area of sales and results.

14 ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND GENERAL MANAGEMENT BODIES

14.1. Information concerning the members of the company's administrative and management bodies

14.1.1. Role and functioning of the Board of Directors

The company is managed by a Board of Directors with three members at least and eighteen at the most; however, in the case of a merger, this number of eighteen may be exceeded under the conditions and within the limits set by the provisions of Commercial Law.

Except where Commercial Law releases him/her from this obligation, each director must own a number of shares set at one.

The directors' term of office is six years. The number of directors who have reached the age of seventy-two may not exceed one third of the members of the Board of Directors. When the age limit is reached, the oldest Director is deemed automatically to have resigned.

The Board of Directors is convened by the President on his own initiative and, if he does not serve as Chief Executive Officer, at the request of the Chief Executive Officer or, if the board has not met for more than two months, at the request of at least one third of the Directors. Except in those cases where the agenda is set by the person(s) who requested the meeting, the agenda is set by the President. The meetings must be held at headquarters or on any other premises or in any other place indicated in the convocation but that is agreed to by at least half of the Directors in office.

The Board deliberates and makes its decisions under the conditions stipulated by Commercial Law.

The Board only validly deliberates if at least half its members are present. The internal regulations may stipulate that people are deemed to be present for the calculation of the quorum and of the majority of the Directors who take part in the meeting using videoconferencing or telecommunication means within the limits and under the conditions set by law and the regulations in force.

The Board of Directors determines the orientations of the company's activity and ensures they are implemented. Subject to the powers expressly granted to the shareholders' meetings and within the limit of the corporate object, it may examine any question relative to the correct functioning of the company and, through its deliberations, it settles the affairs concerning it. It carries out the controls and verifications it considers timely.

The company's President or Chief Executive Officer is obliged to submit to each Director all the documents and information required for the accomplishment of their mission.

The Board of Directors elects its President from amongst its members. It determines his/her remuneration. The age limit for exercising the office of President is set at seventy-two years.

The President of the Board of Directors organises and directs the latter's work. He/she ensures the satisfactory functioning of the company's bodies. He/she submits a report indicating the conditions under which the work of the Board of Directors is prepared and organised as well as the internal control procedures put in place in the company.

Internal regulations have been drawn up for the Board of Directors as of 16 March 2007, and they were last updated on 16 March 2012. They are available in the "investors" section on the company's website (www.sogclair.fr).

14.1.2. Members of the Board of Directors on 31 December 2013

The information concerning the composition of the Board of Directors is provided in paragraphs 5.1 and 5.2 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

14.1.3. Expertise and experience of the members of the board of directors in the area of management

Philippe ROBARDEY

Managerial training. Chief Executive Officer of SOGELAIR for 9 years before becoming President in 2003. Led SOGELAIR's floatation and international development.

Jean-Louis ROBARDEY

Entrepreneur. Founding President of SOGELAIR. In all, more than 40 years' experience as a Company Director.

Alain RIBET

More than 40 years' experience in the aeronautical sector. In the framework of his activities in the Airbus France Design Office, responsible for the management and associated budget control for aircraft sections.

Michel GRINDES

Former President of Airbus North America. Has ensured management control, assistant financial director and procurement manager functions.

Alberto FERNANDEZ

Former President of EADS Casa and Airbus Military Company. Former President of Afarmade (Spanish armament, defence and security equipment association).

G rard BLANC

Former Executive Vice President of Operations at Airbus and member of the Airbus Executive Committee. Director of Val o. President of Marignac Gestion SAS.

Henri-Paul BROCHET

Thalès Alenia Space: former Director of integration at the time of the merger between Alcatel Space and Alenia Spazio,
Deputy Director General France: Advisor to the President and Director of the Toulouse Site,
Representative of Thalès Alenia Space on the Board of Directors of Intespace,
Director of Thalès Alenia Space Belgium & España,
Member of the supervisory board of Groupe Actia.

Martine ROBARDEY

Legal training, Entrepreneur.

Jacques RIBA (Censor)

Entrepreneur. Founder of the Chipie Junior company, then President of Chipie. Has exercised the functions of director in several listed companies.

14.1.4. Specific information relative to the directors

Mr Jean-Louis ROBARDEY, director, is the father of Mr Philippe ROBARDEY, President & CEO.

Mrs Martine ROBARDEY, director, is the spouse of Mr Philippe ROBARDEY, President & CEO.

On 31 December 2013, the company had three independent directors, all of whom were appointed, in particular, due to their skills and the mastery they have of the strategic challenges of the markets in which the company operates.

They are Messrs Gérard Blanc, Henri-Paul Brochet and Michel Grindes.

The criteria adopted are those recommended by the Middledex Code on corporate governance for medium and small listed companies in December 2009. The Board of Directors does not include any directors elected by the employees.

The Annual General Meeting on 28 May 2009, in its fifteenth resolution decided to grant the Board of Directors the possibility of setting up a Board of Censors and therefore to complete the company's articles of association with Article 13 bis, termed as follows:

« Article 13 bis – Censors

The Board of Directors may appoint one or more censors, physical people or legal entities chosen amongst the shareholders or elsewhere. There may not be more than three censors.

Their term of office is six years. The censors' functions come to an end at the end of the Annual General Meeting that voted on the accounts for the past financial year held during the year in which

their term of office expires.

The censors may be re-appointed indefinitely, they may be removed from office at any moment by a decision of the Board of Directors.

The censors take part in the sessions of the Board of Directors and serve in an advisory capacity. Their right to information and communication is identical to that of the members of the Board of Directors.

They may receive a remuneration taken from the amount of the directors' fees allocated to the members of the Board of Directors.

The censors are responsible for ensuring the articles of association are applied. They may give an opinion on any point on the agenda of the board and ask its President to bring their remarks to the knowledge of the Annual General Meeting when they consider that appropriate." »

Mr Jacques Riba, whose mandate as director was not renewed at the time of the AGM held on 27 May 2011, was appointed, at the time of the Board meeting held on that same day, as censor for a period of six years that will come to an end at the end of the AGM of the shareholders that will be held in 2017 to approve the accounts of the previous financial year.

For the needs of their directorships, the members of Board of Directors are domiciled at company headquarters.

To the knowledge of the company and on the day that this document was established, none of the members of the board of directors has over the last five years been:

- convicted for fraud,
- associated with a bankruptcy, or a receiving order,
- the subject of an indictment or official public sanction pronounced by a statutory or regulatory authority,
- banned by a court from acting in their capacity as member of a managerial, directorial or supervisory board or from being involved in the management or conducting the business of an issuer.

14.1.5. General Management function

The information concerning the exercising of General Management is given in paragraph 5.3 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

14.1.6. Composition of the Management Committee on 31 December 2013

The issuer's Management Committee is made up as follows:

Committee Members		
Mr Philippe ROBARDEY	President & CEO Director (Co) President Director(Co)	Sogclair SA Sogclair Aerospace SARL Sogclair Aerospace Limited Checkaero BV
Mr Marc DAROLLES	Executive Vice President President President Vice-President CEO Director (Co) Director (Co)	Sogclair SA Sogclair Aerospace SAS ADM SAS Sogclair Aerospace Inc. Sogclair Aerospace Limited Sogclair Aerospace SARL Checkaero BV
Mr Jean-Marie HUET	President	Aviacomp SAS
Mr Javier FERNANDEZ	CEO	Sogclair Aerospace SA
Mr Peter MUENSTER	Director	Sogclair Aerospace GmbH
Mr Yves SAGOT	President	Sogclair Aerospace Inc.
Mr Sylvain CROSNIER	CEO	Sera Ingénierie SAS
Mr Laurent SALANQUEDA	CEO	Oktal SAS
Mr Jean LATGER	President	Oktal Synthetic Environnement SAS

As of 31 December 2013, the gross annual remuneration paid to the members of the Management Committee represented a total amount of €1,465,695 breaking down as follows:

- Gross basic salary: €1,037,137
- 2012 variable pay: €416,764
- Non-cash benefits: €11,794

14.2. Conflicts of interest at the level of the administrative, management and general management bodies

To the knowledge of the company and on the day that this document was established, no conflicts of interest have been identified between

the duties of each of the members of the Board of Directors with respect to the company in their capacity as director and their private interests and other duties.

To the knowledge of the company and on the day that this document was established, no arrangements or agreements have been reached with the main shareholders, customers or suppliers under the terms of which one of the members of the Board of Directors has been selected in that capacity.

To the knowledge of the company and on the day that this document was established, there are no restrictions accepted by the members of the Board of Directors concerning the transfer of their holding in the company's capital.

15 REMUNERATION AND NON-CASH BENEFITS

The information concerning the remuneration of the company's administrative and management bodies is given in paragraph 5.4 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

16 FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

16.1. Positions occupied by the directors

The information concerning the positions occupied in the administrative and management bodies is given in paragraphs 5.1 and 5.2 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

16.2. Directors' service contracts with the issuer

16.2.1. Holdings of the directors in the capital of the issuer, in that of a company that has control of the issuer, in that of a subsidiary of the issuer or in that of a customer or supplier of the issuer

Mr Alberto FERNANDEZ: service contract with SOGECLAIR (invoicing: €20,000 in 2013)

16.2.2. Assets belonging directly or indirectly to the directors or to the members of their families

Life annuity for the benefit of Mr and Mrs Jean-Louis ROBARDEY as payment for a fully amortised business.

16.2.3. Loans and sureties granted or made in favour of the members of the administrative, management or supervisory boards

None.

16.3. Committees

There is a Remunerations Committee that includes all the directors. Once a year, the Committee analyses the remuneration of the members of the Management Committee. It decides on the revision of the fixed remuneration of the President & CEO and proposes a revision framework for the other members of the Management Committee.

The following method has been put in place to fix the remunerations and their revision for each of the members of the Management Committee.

Person concerned	Proposition of the President & CEO	Directors consulted	Frequency
President & CEO	NO	All except President & CEO	Once a year
Other Board Members	YES	All	Once a year

In the framework of the AFEP-MEDEF recommendations made in December 2008, the Board decided at its meeting held on 12 March 2009, to extend the mission of the Remunerations Committee to the examination of the appointment of the directors and board members. This decision has been upheld after adhesion to the Middledex Code on 10 March 2010.

Further to the deliberations on 14 December 2010, the Board of Directors has decided, pursuant to the provisions of article L. 823-20

of Commercial Law, to abolish the audit committee initially created on 18 December 2008 and to accomplish itself the missions assigned to the audit committee, in application of article L. 823-19 of Commercial Law.

Additional information is provided in paragraph 1.2 of the President's report to the AGM in chapter 27.1 of this reference document.

17 EMPLOYEES

17.1. Distribution of the workforce

The information concerning the employees is given in appendix 1 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

17.2. Participation and stock-options

17.2.1. Employee participation

The proportion of capital represented by the shares held by the

company's personnel and by the personnel of the companies associated with it in the framework of a Company Savings Scheme or of an Employees' Mutual Fund is zero.

17.2.2. Stock-options and share purchase plans

None.

17.3. Agreement on participation in the capital

To date, there is no agreement relative to employee participation in the capital at SOGECLAIR.

18 MAIN SHAREHOLDERS

18.1. Exceeding of thresholds

There are no provisions in the articles of association concerning the exceeding of thresholds. Consequently, it is the legal provisions that apply.

18.2. Multiple voting rights

(Article 15 of the articles of association)

Each shareholder at the meeting is entitled to as many votes as the number of votes he/she holds or represents, without limitation, subject to the legal or statutory provisions that could restrict the exercising of this right.

A double voting right is, however, granted to holders of fully paid-up nominal shares, if these shares have been registered for at least two years

in the name of the same shareholder. Double voting rights are also granted, as soon as they are issued, to nominal shares allocated free of charge to a shareholder on the basis of former shares for which the shareholder already has double voting rights. The double voting right automatically ceases for any share that has been converted to bearer status or undergone a transfer of ownership, subject to any exceptions provided for by law.

18.3. Control of the issuer

The company does not belong to a group. The company is controlled as shown below.

Distribution of the capital

As of 31 December 2013, the shareholdings and voting rights broke down as follows for the last three years:

18 MAIN SHAREHOLDERS

Shareholders	Situation on 31/12/2013			Situation on 31/12/2012			Situation on 31/12/2011		
	Number of shares	% of capital	% voting rights ⁽¹⁾	Number of shares ⁽²⁾	% of capital	% voting rights	Number of shares ⁽²⁾	% of capital	% voting rights
Mr Philippe Robardey	996,704	34.37	41.17	249,176	34.37	41.17	240,858	33.22	39.46
Mrs Anne Robardey	269,376	9.29	11.16	67,344	9.29	11.16	59,026	8.14	9.70
Mr Jean-Louis Robardey	224,780	7.75	9.31	56,195	7.75	9.31	66,175	9.13	10.88
Ms Huguette Robardey	213,508	7.36	8.85	53,377	7.36	8.85	63,357	8.74	10.41
Other members of the Robardey family	246,100	8.49	9.42	61,525	8.49	9.42	58,201	8.03	8.80
Robardey family total	1,950,468	67.26	79.91	487,617	67.26	79.91	487,617	67.26	79.25
Miscellaneous (registered)	1,171	0.04	1.07	7,799	1.07	1.07	49,102	6.77	5.27
Public	790,659	27.26	15.27	182,254	25.14	15.27	140,457	19.37	11.54
Own shares	157,702	5.44	-	47,330	6.53	-	47,824	6.60	-
TOTAL	2,900,000			725,000			725,000		

(1) calculated on the basis of the theoretical voting rights (that is to say all of the shares including those that do not have voting rights) that is 4,807,924 in 2013, and before the division by 4 of the share's nominal value, 1,206,795 in 2012, 1,216,732 in 2011. On 31 December 2013, the total number of voting rights that can be exercised at the General Meetings amounted to 4,650,222.

(2) before the division by 4 of the share's nominal value on 1st July 2013 thus bringing the total number of the company's shares from 725,000 to 2,900,000.

The difference between the number of shares and the voting rights can be explained by the provisions of article 15 of the articles of association (see above section 18.2).

To the company's knowledge, there has not been any significant variation in the distribution of the capital or of the voting rights since the end of the year 2013.

To the company's knowledge, there are no other shareholders who own directly, indirectly or together in agreement 5 % or more of the capital or voting rights.

Reminder: by letter received on 29 July 2011, the Financial Markets Authority (AMF) received the declaration regarding the passing of the following threshold, on 28 July 2011, further to a donation being made (AMF notification No. 211C1406) :

■ Mr Philippe Robardey declared he had individually fallen below the threshold of 1/3 of SOGECLAIR's capital and individually holds 240,858 SOGECLAIR shares representing 480,178 voting rights, that is to say 33.22% of the capital and 39.48% of this company's voting rights,

By letter received on 27 July 2012, completed by a letter received on 30 July 2012, the Financial Markets Authority (AMF) received declarations regarding the passing of the following thresholds, on 25 July 2012, further to donations being made (AMF notification No. 212C0981):

■ Mr Philippe Robardey declared he had individually risen above the threshold of 1/3 of SOGECLAIR's capital and individually holds 249,176 SOGECLAIR shares representing 496,814 voting rights, that is to say 34.37% of the capital and 41.17% of this company's voting rights,

■ Ms Anne Robardey declared she had individually risen above the threshold

of 10% of voting rights in SOGECLAIR and individually holds 67,344 SOGECLAIR shares representing 134,688 voting rights, that is to say 9.29% of the capital and 11.16% of this company's voting rights,

■ Mr Jean-Louis Robardey declared he had individually fallen below the threshold of 10% of voting rights in SOGECLAIR and individually holds 56,195 SOGECLAIR shares representing 112,390 voting rights, that is to say 7.75% of the capital and 9.31% of this company's voting rights,

■ Ms Huguette Robardey declared she had individually fallen below the threshold of 10% of voting rights in SOGECLAIR and individually holds 53,377 SOGECLAIR shares representing 106,754 voting rights, that is to say 7.36% of the capital and 8.85% of this company's voting rights.

On that same date, the Robardey family as a whole had not passed any thresholds and indicates it held 487,617 SOGECLAIR shares representing 67.26% of the capital and 79.91% of this company's voting rights.

The following measures have been taken with a view to ensuring that control is not exercised wrongly:

Philippe ROBARDEY is the President of the group and ensures its general management.

The functions of Jean-Louis ROBARDEY, father of Philippe ROBARDEY, and of Martine ROBARDEY, wife of Philippe ROBARDEY are indicated in the table of directors' functions (refer to paragraphs 5.1 and 5.2 of the Board of Directors' report to the AGM).

The other members of the ROBARDEY family do not exercise any other functions than those indicated above.

Furthermore, in 2013 the Board of Directors included three independent directors, which goes beyond the recommendations of the Middennext code.

18.4. Shareholders' pact and agreements

There are no shareholders' pacts. However, as of 23 December 2013, some members of the Robardey family made various commitments regarding the conservation of the SOGECLAIR shares they hold, as summarised in the table below:

Rules		«Dutril» pacts 2013	
Date of signing		art. 885 I bis of CGI General Tax Law	
Length of the collective commitment		20 and 23/12/2013	
Contractual length of the pact		2 years	
Renewal method		2 years	
% of the capital covered by the pact on the date the pact was signed		tacit renewal year on year	
% of the voting rights covered by the pact on the date the pact was signed		20%	
Names of the signatories who are directors		20%	
Names of the signatories who have close ties with the directors		Mr Philippe ROBARDEY	
		Mr Marc DAROLLES	
Names of the signatories who hold at least 5% of the company's capital and/or voting rights		Ms Anne ROBARDEY	
		Mr Jean-Louis ROBARDEY	
		Mrs Huguette ROBARDEY	
		Mr Alexandre ROBARDEY	
		Mr Antoine ROBARDEY	
		Mr Philippe ROBARDEY	
		Ms Anne ROBARDEY	
		Mr Jean-Louis ROBARDEY	
		Mrs Huguette ROBARDEY	

18 MAIN SHAREHOLDERS

18.5. Key stock market data

18.5.1. Change in stock market price and of the transaction volumes since 1 January 2013

	Highest price in €	Lowest price in €	Transactions in shares	Transactions in thousands of €
January 2013	12.250	10.110	11,957	550.13
February 2013	13.500	12.050	18,779	935.45
March 2013	17.350	11.638	31,193	1,792.50
April 2013	20.700	17.900	23,845	1,849.85
May 2013	24.775	19.138	22,005	1,901.80
June 2013	24.625	21.00	16,156	1,524.74
July 2013	25.000	21.10	39,548	911.32
August 2013	27.800	23.810	28,750	733.23
September 2013	30.000	26.50	43,010	1,218.08
October 2013	28.750	25.45	41,844	1,133.84
November 2013	30.000	27.48	30,351	878.50
December 2013	28.650	24.91	57,524	1,540.08

(*) taking into account the division by 4 of the nominal value of the share

Market capitalisation on 31/12/2013: €82.302 million

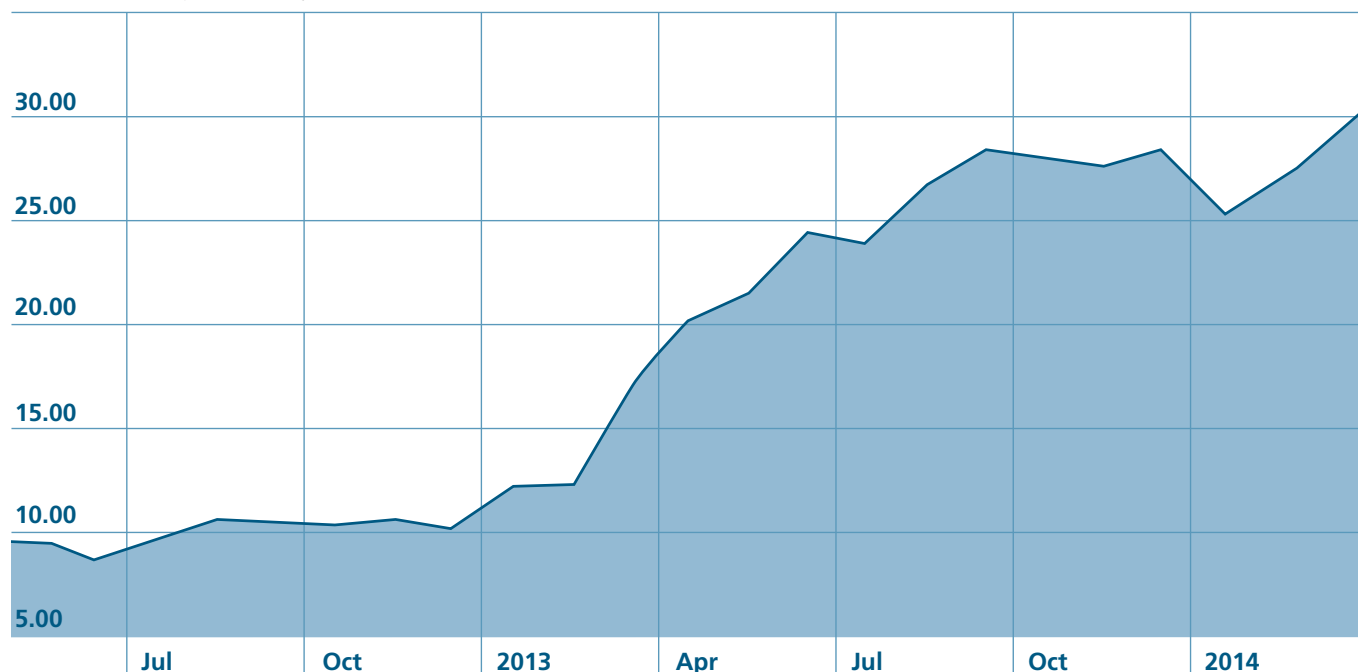
	Highest price in €	Lowest price in €	Transactions in shares	Transactions in thousands of €
January 2014	28.40	25.10	53,063	1,401.91
February 2014	28.00	24.62	64,470	1,710.39
March 2014	29.45	26.75	40,046	1,117.77

Identification sheet

EURONEXT PARIS - ISIN FR0000065864 - Reuters Code SCLR.PA - Bloomberg Code SOG.FP

18.5.2. Stock Exchange graph

SOGECCLAIR share price over 2 years



19 OPERATIONS WITH ASSOCIATED COMPANIES

The information relative to the operations with associated companies is given in paragraph 6 of the consolidated appendix provided in chapter 20.3.2 of this reference document.

20.1. Historical financial information

The historical financial information is included in the financial statements presented hereinafter.

20.2. Pro-forma financial information

Not applicable.

20.3. Financial statements (year ending 31 December 2013)**20.3.1. Consolidated accounts****1. CONSOLIDATED FINANCIAL SITUATION**

ASSETS in thousands of Euros	Notes	2013	2012	2011
Goodwill	1.2.1 & 4.1	3,913	3,908	3,908
Intangible assets	4.1	8,540	7,399	5,971
Property, plant and equipment	4.2	4,394	4,409	3,743
Investments in associates	4.3	905	838	810
Non-current assets		17,752	16,554	14,432
Inventories	4.4	1,902	919	153
Trade and other receivables	4.5	42,609	42,144	35,385
Other current debtors		8,093	7,214	4,422
Deferred income tax	4.6	2,656	2,271	1,677
Cash and cash equivalents	4.7	22,482	8,168	6,885
Current assets		77,742	60,716	48,521
TOTAL ASSETS		95,495	77,270	62,953
LIABILITIES in thousands of Euros	Notes	2013	2012	2011
Share capital	4.8	2,900	2,900	2,900
Share premium account		2,630	2,630	2,630
Own shares	4.8	-713	-858	-858
Reserves and accumulated results		25,118	20,021	14,815
Equity capital, group share		29,935	24,692	19,487
Minority interest	4.9	2,552	1,527	1,472
Total consolidated equity		32,488	26,219	20,959
Provisions for other liabilities and charges	4.10	2,072	2,409	1,383
Payables and other financial liabilities	4.11	3,525	3,413	2,723
Borrowings	4.11	8,201	3,053	2,344
Other long-term liabilities		14	18	
Non-current liabilities		13,812	8,893	6,450
Short-term pre-payments	4.11	525	375	321
Current part of borrowings and financial debt	4.11	3,279	2,561	1,782
Short-term borrowings and financial debt	4.11	1,716	1,019	98
Short-term provisions	4.12	42		45
Trade and other payables		14,547	14,268	11,099
Tax and social liabilities		21,981	19,822	17,825
Deferred tax liabilities	4.13	263	127	1
Other current liabilities		6,843	3,986	4 374
Current liabilities		49,195	42,157	35,544
TOTAL LIABILITIES		95,495	77,270	62,953

2. GENERAL INCOME STATEMENT

INCOME STATEMENT (in thousands of Euros)	Notes	2013	2012	2011
Sales	4.14	104,746	94,335	76,672
Other income from the activity	4.15	8,775	8,700	6,014
Cost of goods sold		-35,495	-32,907	-22,501
Personnel charges		-63,697	-56,092	-49,754
Taxes and duties		-973	-910	-901
Amortisation and provisions		-3,771	-4,832	-3,542
Other charges		-286	-198	-208
Current operating profit		9,301	8,095	5,779
Result of the sale of consolidated holdings	4.16	37		
Other operating income and charges	4.17	-191	163	-5
Operating profit		9,146	8,259	5,773
Income from cash flow and cash flow equivalents		204	49	-36
Gross finance costs		-356	-255	-193
Net finance costs	4.18	-152	-206	-229
Other financial income and charges	4.19	87	-23	1
Pre-tax profit		9,082	8,030	5,545
Income tax expenses	4.20	-3,000	-1 953	-1,601
Net profit		6,082	6,078	3,944
Group share		6,050	5,857	3,629
Minority share		32	221	315
(in euros)		2013	2012	2011
Profit per share ⁽¹⁾		2.09	2.02	1.25
Diluted profit per share ⁽¹⁾		2.09	2.02	1.25

(1) Results calculated on the basis of the number of shares on 31 December 2013, post division by 4 of the share's nominal value.

NET INCOME AND GAINS AND LOSSES RECORDED DIRECTLY IN EQUITY CAPITAL (in thousands of Euros)	NOTES	2013	2012	2011
Net profit		6,082	6,078	3,944
<u>Elements that will be reclassified as net profit at a later time :</u>				
Conversion rate adjustment		-24	16	28
Re-statement of derivative coverage instruments		17	-37	-41
Re-statement of financial assets available for sale				
Share in the gains and losses booked directly as equity capital of equity method affiliates				
Linked taxes				
<u>Elements that will not be reclassified as net profit at a later time:</u>				
Restatement of fixed assets				
Actuarial gains and losses on defined benefit schemes		-259		
Share in the gains and losses booked directly as equity capital of equity method affiliates				
Linked taxes		89		
Total gains and losses booked directly as equity capital		-176	-22	-13
Share of the owners of the parent company		5,882	5,835	3,616
Holdings not giving control		24	221	314

3. CASHFLOW

3.1. CONSOLIDATED CASHFLOW STATEMENT

CONSOLIDATED CASHFLOW (in thousands of Euros)	2013	2012	2011
Net result of integrated companies	6,082	6,078	3,944
+/- Amortisation and provisions (excluding those linked to current assets)	2,421	3,979	2,748
-/+ Latent gains and losses linked to fair value variations	46	51	50
-/+ Transfer capital gains and losses	-61	-31	-7
Self-financing capacity after net finance costs and tax	8,488	10,076	6,736
+ Net finance costs	183	156	158
+/- Tax charge (including deferred tax)	3,000	1,953	1,601
Self-financing capacity before net finance costs and tax (A)	11,671	12,185	8,494
- Tax paid (B)	-3,884	-5,557	-3,142
+/- Variation in working capital requirement linked to the activity (including debt related to personnel benefits) (C)	4,886	-1,484	4,408
= CASHFLOWS FROM OPERATING ACTIVITIES (D) = (A + B + C)	12,672	5,144	9,761
- Acquisition of fixed assets	-2,503	-3,543	-3,062
+ Sale of fixed assets	24	49	116
- Acquisition of financial assets (non consolidated shares)	-9	15	-15
+/- Impact of variations in scope	68		
+/- Variation in loans and advances granted	-81	-59	-151
= CASHFLOWS FROM INVESTMENT ACTIVITIES (E)	-2,501	-3,538	-3,112
+ Sums received from shareholders at time of capital increases			
- Paid by the parent company's shareholders			
- Paid by the minority interests		5	135
-/+ Buyback and sale of own shares	615		-30
- Dividends allocated for payment during the year			
- Dividends paid to the parent company shareholders	-1,089	-575	-374
- Dividends paid to the minority interests	-186	-154	-139
+ Revenue from loan issues	6,616	1,716	630
- Loan reimbursements (including leasing contracts)	-2,398	-2,134	-2,030
- Net finance costs (including leasing contracts)	-100	-111	-130
= CASHFLOWS FROM FINANCING ACTIVITIES (F)	3,459	-1,253	-1,937
+/- Impact of changes in currency exchange rates (G)	-12	8	13
= CASH VARIATION (D + E + F + G)	13,618	362	4,725

3.2. NET FINANCE COSTS

NET FINANCE COSTS (in thousands of Euros)	OPENING	VARIATION	VARIATIONS OF SCOPE	VARIATION IN FAIR VALUE	EXCHANGERATE DIFFERENCES	RECLAS- SIFICATION	CLOSING
Gross cashflow (a)	8,168	14,319	7		-12		22,482
Debit balance and cash credit (b)	1,019	697					1,716
Net cashflow (c) = (a) - (b)	7,149	13,623	7		-12		20,767
Gross finance costs (d)	9,402	6,895		6		-774	15,530
Net finance costs (d) - (c)	2,254	-6,727	-7	6	12	-774	-5,237

The debt ratios are given in chapter 3 of the 2013 reference document. The sources of investment financing are detailed in chapters 8 and 10 of the 2013 reference document. During the year SOGECLAIR had recourse to the refinancing of customer debts in foreign currency with a joint venture for a balance de €593 k on 31 December 2013.

SOGECLAIR also has self-owned shares whose off-balance sheet market value (excluding liquidity contract), based on the stock market price on 31 December 2013, amounted to €4.35 million.

4. CONSOLIDATED EQUITY CAPITAL

(in thousands of Euros)	Group share						Equity capital - Minority interests	Total equity capital
	Capital	Reserves linked to the capital	Self-owned-shares	Consolidated reserves and profits	Gains and losses recorded directly in capital	Equity capital - group share		
Closing equity capital N-2 (31 December 2011)	2,900	2,630	-858	14,776	40	19,487	1,472	20,959
Capital operations							5	5
Dividends				-575		-575	-154	-728
Result for the period				5,857		5,857	221	6,078
Gains and losses recorded directly in equity capital					-22	-22		-22
Net result and gains and losses recorded directly in equity capital				5,857	-22	5,835	221	6,056
Variation of scope								
Other movements				-55		-55	-16	-72
Closing equity capital N-1 (31 December 2012)	2,900	2,630	-858	20,002	19	24,691	1,528	26,219
Capital operations							1,157	1,157
Share-based payments								
Operations on self-owned shares			146	308		454		454
Dividends				-1,089		-1,089	-186	-1,275
Result for the period				6,050		6,050	32	6,082
Gains and losses recorded directly in equity capital					-168	-168	-8	-176
Net result and gains and losses recorded directly in equity capital				6,050	-168	5,882	24	5,906
Variation of scope				4		4	29	34
Other movements					-7	-7		-8
Closing equity capital N (31 December 2013)	2,900	2,630	-713	25,275	-156	29,935	2,552	32,488

20.3.2. Appendixes to the consolidated accounts

1- INFORMATION RELATIVE TO THE ACCOUNTING BASELINE, THE CONSOLIDATION PROCEDURES AND THE VALUATION METHODS AND RULES

Pursuant to regulation N°1606/2002 adopted on 19 July 2002 by the European Parliament and Council, the accounts of the SOGECLAIR group have been established in accordance with the IFRS baseline such as adopted in the European Union and presented in accordance with recommendation N°2013-03 dated 7 November 2013 issued by the Conseil National de la Comptabilité (National Accounting Council).

Standards, amendments and interpretations of the IFRS standards applicable as from 1st January 2013

- Amendment IAS 1 "presentation of other elements of the overall result"

- IAS 19 revised "advantages for personnel"

Refer to note 4.10.

- IFRS 13 "fair value"

Level 1: prices (not adjusted) on an active market for identical assets/liabilities and available on the evaluation date

Standards not applied by SOGECLAIR:

- Standards, amendments and interpretations of the IFRS standards, already published by IASB and adopted by the European Union, but whose application was not yet obligatory on 31 December 2013 and that have not been applied in advance by the SOGECLAIR Group

when they apply to it: IFRS 10 (consolidated financial statements), IFRS 11 (joint arrangements), IFRS 12 (disclosure of interests in other entities),

- New standards, revisions of the IFRS standards and interpretations published by IASB not yet adopted by the European Commission

SOGECLAIR has recorded the fair value of the exchange rate hedging instruments as permitted by the IAS39 standard.

It should be noted that, in an economic logic, only the financial commitments made or received that do not bear interest are subject to IAS 39.

For the period, SOGECLAIR has booked income to be received, minus the personnel charges, in respect of Crédit d'Impôt Compétitivité Entreprise (CICE- Corporate Competitiveness Tax Credit) for an overall amount of €712 k.

1.1. CONSOLIDATION PROCEDURES

The companies of significant size, controlled exclusively and in which the group exercises direct or indirect control over more than 50% of their capital have been consolidated by overall integration.

The companies in which the group holds less than 50% and which are controlled jointly have been consolidated by proportional integration.

The shares in non-consolidated shareholdings are posted in the "Investments in associates" item for their cost of acquisition.

Furthermore, companies are excluded from the scope of consolidation when they only represent a negligible interest and their exclusion cannot negatively impact the faithful image principle.

Here, this concerns:

■ ADM (subsidiary 35%-owned by SOGECLAIR AEROSPACE SAS).

On 31 December 2013, SOGECLAIR owned a holding in an equity method affiliate excluded from the scope of consolidation, owing to its non-representative weight.

1.2. Valuation methods and rules

1.2.1. Goodwill and assimilated

In compliance with the IFRS standards, goodwill – frozen in 2004 – is no longer amortised, but depreciation tests are performed annually, however tests may be performed half-yearly should signs of losses of value appear.

Depreciation is recorded once the recoverable value of the CGU to which the goodwill is assigned is lower than its net book value.

A Cash Generating Unit (CGU) is the smallest identifiable group of assets whose continuous utilisation generates cash inflows that are largely independent from the cash inflows generated by other assets or groups of assets.

Thus, the CGUs identified in the group are the legal entities, it being stated that when the legal entities have strong economic ties several entities are grouped together within one CGU.

Furthermore, a CGU necessarily and exclusively belongs to one of the operational sectors chosen by Sogecclair by way of application of IFRS 8.

In this respect, the legal entities named Sogecclair Aerospace (GmbH in Germany,, Inc in Canada, Ltd in the UK, SA in Spain, SARL in Tunisia, SAS in France) have been grouped together in a single CGU given their indivision as transactional economic assets and their strong ties with the aeronautical industry.

The Oktal SA and Oktal Synthetique Environnement SAS entities are grouped together in a single CGU due to their technical synergy.

Sogecclair's other legal entities are considered to be independent CGUs.

The recoverable values are determined per legal entity, but their appreciation is analysed within the CGU to which they are attached.

The recoverable value is the highest value between the net fair value of the cost of disposal, when that can be determined, and the going concern value.

The net fair value of the costs of disposal corresponds to the best estimate of the net value that could result from a transaction made under the conditions of normal competition between well-informed

and consenting parties. This estimate is determined on the basis of the market information available taking any special situations in to account.

The going concern value adopted by Sogecclair corresponds to the present value of the cash-flows from the identified CGUs. These flows are determined in the framework of the following economic assumptions and forecast operating conditions:

- the cashflows used are derived from three-year "Medium-Term Plans" for the entities concerned available on the valuation date and are extended to a five-year horizon,
- beyond that horizon, the terminal value corresponds to the capitalisation to infinity of the last flow within the horizon, on the basis of a rate to infinity of 2%,
- the actualisation rate stood at 6.27%, at the end of 2013, based on:
 - of the 10-year risk-free loan rate of 2.24%,
 - and of a market premium of 6.5% to which an average over five years of the Beta coefficient specific to Sogecclair is assigned, confirmed by other sources (Bloomberg, Thomson, Infiniti), of 0.62.

A "shock" called "mathematical shock" is applied to the most sensitive underlying parameters (growth of the activity, level of the operating margin, investments) to test the sensitivity of the estimation to an unfavourable change in the CGU's economic environment; the hypotheses adopted for the mathematical shock consist of halving the activity's growth rate and reducing the level of the operating margin (EBITDA) by 30%, and halving the amount of the investments, with respect to the values of the basic business plan.

The recoverable values, based on the going-concern values, are then compared with the net book values of the goodwill for determining any depreciation.

On 31 December 2013, the recoverable values calculated in that way exceeded the net book values for all the CGUs. The tests performed were therefore conclusive and lead us to maintain the value of the goodwill.

1.2.2. Intangible assets – development expenses

Concerning the work immobilised as development expenses, the amounts posted as assets include all of the development expenses through to completion of the work in accordance with IAS 38 along with the related financial costs in accordance with IAS 23.

The amounts immobilised are straight-line amortised over a period of 3 to 10 years depending on the programmes, according to the most probable perspectives of the economic return on the results of the work.

There are five programmes leading to development expenses and the related financial expenses being posted as assets:

(in thousands of Euros)	Assetisation period	Length of amortisation	Gross amount	Amount still to be amortised
Aerospace Division				
Airbus A380 nose section floor structures	2002-2006	8 years from 2005 to 2012	9,546	0
Thermo-compression aeronautical subassemblies	2009-2014	10 years to run from series deliveries	6,511	6,208
Vehicle Division				
Multi-mission terrestrial drone	Since 2013	5 years to run from assetisation	142	142
Simulation Division				
Terrain modellers (Agetim, Ray and Fast products) for simulators	Since 2013	3 years to run from assetisation	1,637	242
Simulation motors for the following sectors: - automobile (ScanNer product), - rail (OkSimRail product) - air traffic (ScanAds product)	Since 2005	3 years to run from assetisation	1,986	358

1.2.3. Financial instruments

In respect of IFRS 7, it should be noted that the loans contracted by the group are fixed-rate loans and that there are no off-balance sheet financial instruments, nor any securitisation of the customer posting.

In the framework of its exposure to exchange rate risks, since 2012 SOGECLAIR has been hedging some of its contracts in US and Canadian dollars. These instruments have a guaranteed rate and do not involve any restatement in respecting of hedging accounting. The hedging losses and profits are posted as a result at the time the exchange operation is carried out and for their fair value at each half-yearly/annual closing of the accounts.

On 31 December 2013 the hedging taken out by SOGECLAIR amounted to USD7.5 million with due date June 2015 and CAD0.3 million with due date March 2014.

To date there are no commitments within SOGECLAIR SA or the group involving complex financial instruments.

1.2.4. Current assets

In accordance with the IAS 1 standard (Presentation of financial statements), an asset is classified current if you are intending to realise or sell it in the framework of the normal operating cycle, or realise it within the twelve months following the balance sheet date, or lastly if it is a cash asset.

The following assets are therefore classified as being current:

- inventory,
- payments in advance,
- trade and other receivables,
- deferred tax assets,
- cash and cash equivalents,
- prepaid expenses,
- other receivables.

1.2.5. Current and non-current liabilities

In accordance with the IAS 1 standard (Presentation of financial statements) liabilities are classified current and non-current.

A liability is classified current if it must be settled in the framework of its normal operating cycle, or settled within the twelve months following the balance sheet date.

The following contingent liabilities are therefore classified current:

- the part of finance costs and qualified prepayments that are reimbursable within less than one year following the balance sheet date,
- trade and other payables,
- tax and social liabilities,
- short-term provisions,
- deferred tax liabilities,
- other liabilities.

The other contingent liabilities are classified non-current.

1.2.6. Sales recognition

Sales correspond to the amount of work performed for customers by all of the companies that enter into the scope of consolidation. The sales and costs recognition method depends on the type of intervention.

Consulting and support activities

These contracts are subject to an obligation regarding the means. Sales for the consulting and support activities are posted gradually as the works are performed.

All-in development contracts and the associated systems, products and services

These contracts are subject to an obligation to achieve a given result and a performance-related commitment. Sales and the result are recorded in application of the IAS 18 standard using the percentage of completion method defined by the IAS 11 standard. Completion is calculated as a percentage of the costs borne for the works performed with respect to the total costs re-adjusted each month. When it is probable that the total of the re-adjusted costs of the contract will be higher than the total sales generated by the contract, the expected loss on completion is immediately.

1.2.7. Dividends paid

The distribution of dividends paid out to the parent company's shareholders in respect of the year ending 31 December 2012 is as follows:

single voting right	€331 k
double voting right	€758 k

1.2.8. Events after the balance sheet date

None.

1.2.9. Other information

None.

2- SCOPE OF CONSOLIDATION

List of consolidated companies

NAME	COUNTRY	ACTIVITY	% OF CONTROL IN 2013	% OF CONTROL IN 2012
Companies consolidated by full consolidation				
Aviacomp SAS	France	Aeronautical and defence structural subassemblies	55.00%	55.00%
Checkaero BV	Netherlands	Stress calculation expertise	75.00%	75.00%
Oktal SAS	France	Simulators	97.98%	97.98%
Oktal Synthetic Environment SAS	France	Virtual environments	54.94%	63.25%
Rain Luxembourg SA	Luxembourg	Sub-holding	100.00%	
Séra Ingénierie SAS	France	Vehicle	80.00%	80.00%
Sogclair SA	France	Holding	Parent	Parent
Sogclair Aerospace GmbH	Germany	Aerostructure, Systems installation, Configuration management, Equipment	100.00%	99.04%
Sogclair Aerospace Inc	Canada		100.00%	
Sogclair Aerospace Ltd	United Kingdom		100.00%	100.00%
Sogclair Aerospace SA	Spain		86.34%	86.34%
Sogclair Aerospace Sarl	Tunisia		100.00%	100.00%
Sogclair Aerospace SAS	France		100.00%	100.00%
Companies under joint control, consolidated by proportional consolidation				
S2E Consulting SAS	France	Systems engineering and electricity	46.98%	46.98%
Equity method affiliates				
None				

3 - INFORMATION MAKING IT POSSIBLE TO COMPARE THE ACCOUNTS

Method

No changes in accounting methods or means of valuation relative to the treatment of the financial information, that could affect the comparability of the accounts, have been made over the financial year, with the exception of the impact of the new applicable standards presented herein.

4 - EXPLANATIONS ON THE ITEMS ON THE CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

4.1. Intangible assets

GROSS VALUES (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASES	ASSETS GENERATED INTERNALLY	SALES AND DISPOSALS	EXCHANGE RATE DIFFERENCES	RECLASSIFICATION	AT YEAR END
Goodwill	4,947	5					4,952
Research & development expenses	21,048		1,315				22,363
Software	4,910	822		-112	-13	12	5,619
Current assets		15		-8		6	13
Total	30,905	841	1,315	-120	-13	18	32,946

AMORTISATION & PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	PROVISIONS FOR AMORTISATION AND DECREASES OF VALUE	SALES AND DISPOSALS	EXCHANGE RATE DIFFERENCES	RECLASSIFICATION	AT YEAR END
Goodwill	-1,039				-1,039	
Research & development expenses	-14,753	-659				-15,413
Software and brands	-3,806	-335	112	1	-14	-4,042
Total	-19,598	-994	112	1	-14	-20,493
Net value	11,307					12,453

The detail of the immobilised expenses is given in paragraph 1.2.2 of this document.

4.2. Tangible assets

GROSS VALUES (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASES	SALES AND DISPOSALS	EXCHANGE RATE DIFFERENCES	RECLASSIFICATION	AT YEAR- END
Technical installations, plant & equipment	1,631	229	-24		55	1,892
Installations & fittings	1,680	27	-89		6	1,623
IT & office hardware	5,665	1,092	-417	-16	151	6,476
Current assets	215	151	-1		-221	143
Other	966	306	-153	-2	3	1,120
Total	10,157	1,804	-684	-18	-6	11,253

AMORTISATION & PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	PROVISIONS FOR AMORTISATION AND DECREASES OF VALUE	SALES AND DISPOSALS	EXCHANGE RATE DIFFERENCES	RECLASSIFICATION	AT YEAR- END
Technical installations, plant & equipment	-403	-192	19		1	-574
Installations & fittings	-923	-136	89		-7	-977
IT & office hardware	-3,938	-1,217	417	10	8	-4,720
Other	-484	-231	125	1		-588
Total	-5,748	-1,775	651	11	2	-6,859
Net value	4,409					4,394

The exchange rate differences concern the British and Tunisian subsidiaries: Sogclair Aerospace Ltd and Sogclair Aerospace Sarl.

Additional information concerning the financial leasing contracts (IAS 17):

Net book value of the current financial leasing contracts:

(in thousands of Euros)	GROSS AMOUNT	AMORTISATION	NET BOOK VALUE
Intangible assets	1,277	-298	978
Tangible assets	4,701	-2,301	2,401
Total	5,978	-2,599	3,379

Current leasing contract schedule:

(in thousands of Euros)	< 1 YEAR	1 TO 2 YEARS	3 TO 5 YEARS
Total	1,324	933	1,122

4.3. Investments in associates

GROSS VALUES (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASES	SALES AND DISPOSALS	VARIATION IN FAIR VALUE	RECLASSIFICATION	AT YEAR- END
Shareholdings	43	9				53
Other investments						
Loans, guarantees and other receivables	825	136	-55	22	-44	883
Total	868	145	-55	22	-44	936

AMORTISATION & PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	PROVISIONS FOR AMORTISATIONS	SALES AND DISPOSALS	VARIATION IN FAIR VALUE	RECLASSIFICATION	AT YEAR- END
Shareholdings	-30					-30
Total	-30					-30
Net value	838					905

4.4. Inventory and work in process

The gross value of the goods and supplies is evaluated at the purchase price (including ancillary expenses less any reductions, discounts, refunds, etc.).

Manufactured products are evaluated at the standard cost of production including:

- consumption of goods and supplies,
- consumption of subcontracting according to the cost generally observed,
- consumption of the standard machine-hours and man-hours indicated in the manufacturing procedures.

The provisions for stock depreciation mainly concern manufactured products whose cost price is greater than the sale price, owing to the learning curve.

4.5. Trade and other receivables

The customer payment times have been shortened during the year.

4.6. Deferred tax assets

DEFERRED TAX ASSETS (in thousands of Euros)	2013	2012	2011
Temporary differences	1,066	1,006	453
Tax deficits	1,393	1,107	1,094
Restatement	197	158	130
Total	2,656	2,271	1,677

A deferred tax asset is constituted on the tax losses and temporary differences if it is probable that the company will dispose of future tax profits to which they may be charged.

SOGELAIR limits the amount of its deferred taxes on the tax deficits of its subsidiaries concerned to 10% of the sales for the year, at year-end, or to 10% of the annual budget at the time of the half-year accounts.

Only the deferred tax of the tax deficits of newly created companies is posted in its entirety.

The amount of the non-assetised deficits on 31 December 2013 stood at €2.1 million, representing non-posted deferred tax of €0.7 million.

4.7. Cash and cash equivalents

(in thousands of Euros)	2013	2012	2011
Cash	4,186	4,161	3,123
Cash equivalents	18,297	4,006	3,762
Total	22,482	8,168	6,885

On 31 December 2013, the cash equivalents concerned liquid short-term investments on:

- deposit account for a length of one month renewable,
- interest-bearing account,
- European fund with guaranteed capital and minimum rate with the possibility of immediate buy-back of a significant proportion without any penalty.

4.8. Equity capital, group share

On 1st July 2013, the nominal value of the share was divided by 4. Equity capital, set at €2,900k, now consists of 2,900,000 shares with a nominal value of €1 each.

It must be remembered that in accordance with notification 2002-D of the Emergency Committee of the CNC on 18 December 2002 and according to the deliberation of the Board of Directors of SOGELAIR held on 23 December 2002, the self-owned shares are deducted from the consolidated shareholders' equity.

During the year the company sold 27,620 self-held shares (0.95% of group capital) off-market.

On 31 December 2013, the balance of these shares on the company's books amounted to 153,436 shares (5.29% of the capital) compared with 45,264 shares (6.243% of the capital) one year earlier, before the division of the nominal value of the share. This restatement leads to an accumulated reduction in the consolidated share capital from €858 k on 31 December 2012 to €713 k.

4.9. Minority interests

(in thousands of Euros)	2013	2012	2011
At beginning of year	1,527	1,472	1,299
Variation of reserves	993	-166	-142
Total income and expenditure entered during the period	32	221	315
At year-end	2,552	1,527	1,472

4.10. Long-term provisions

LONG-TERM PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	CONTRIBUTIONS	WRITE-BACKS	EXCHANGE RATE DIFFERENCES	RECLASSIFICATION	AT YEAR- END
Provisions for retirement benefits	805	403				1,208
Provisions for losses on contracts	788	357	-788			357
Other provisions for risks	815	4	-312			507
Total	2,409	764	-1,100			2,072

The other provisions for risks mainly concern fiscal and social risks.

There is no event later than 31 December 2013 liable to put into question the notion of going concern, nor any non-measurable risk and loss.

Regarding retirement benefits, on 31 December 2012, the calculation hypotheses were revised to take into account the lower turnover of staff aged over 45. The impact of reclassifying the actuarial gains and losses (IAS19R) to the reserves amounts to €259 k out of the €403 k posted in the table below.

The discount rate used corresponds to the TEC 10 which stood at 2.49% on 31 December 2013.

4.11. Current and non-current financial debts

NON-CURRENT FINANCIAL DEBTS (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASE	REDUCTION	VARIATION IN FAIR VALUE	RECLASSIFICATION	AT YEAR- END
Qualified prepayments (+ 1 year)	3,413	600		35	-523	3,525
Borrowings and debts with credit institutions (+ 1 year)	2,625	7,219	-25	-29	-2,447	7,343
Sundry loans and financial liabilities	428	155	-193		469	858
Total	6,466	7,974	-218	6	-2,502	11,726

CURRENT FINANCIAL DEBTS (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASE	REDUCTION	VARIATION IN FAIR VALUE	RECLASSIFICATION	AT YEAR- END
Current qualified prepayments (-1 year)	375		-373		523	525
Current borrowings and debts with credit institutions (-1 year)	1,525	367	-1,891		2,447	2,449
Bank loans and overdrafts	1,019	697				1,716
Sundry current loans and financial liabilities	1,036	1,045	-9		-1,242	830
Total	3,955	2,109	-2,273		1,728	5,520

The reclassification of the other non-current financial debts concerns the employees' profit-sharing in a subsidiary's results for the previous year.

For the most part, the reclassification of the other current financial debts concerns the incorporation in the capital of a subsidiary of a debt owing to one of its minority shareholders,

The medium/long term bank loans trend (excluding leases) is detailed below:

MEDIUM/LONG TERM LOANS (excluding leases)	
Contracted during the year	6,006
Repaid during the year	739

The gross financial debts schedule is given below:

Characteristics of the loans contracted	Financial debts with due date ⁽¹⁾	Conditions	Due dates	Coverage	Covenants
Fixed rate depreciable	4,978	1.7 to 3.4%	2009-2020	N/A	None
⁽¹⁾ overall amount to be reimbursed on 31 December 2013					

In order to finance its development, SOGECLAIR contracted several fixed rate depreciable loans during the second half for a total amount of €5 million.

There are no early payment clauses, except for the usual clause included in loan contracts in the event of a transfer of financial assets or of a modification in the capita.

4.12. Short-term provisions

SHORT-TERM PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	CONTRIBUTIONS	VARIATIONS OF SCOPE	WRITE-BACKS	EXCHANGE RATE DIFFERENCES	RECLASSIFICATION	AT YEAR- END
Other provisions for risks		42					42
Total		42					42

4.13. Deferred tax liability

DEFERRED TAX LIABILITIES (in thousands of Euros)	2013	2012	2011
Temporary differences	8	4	1
Restatement	255	122	
Total	263	127	1

Given their non-significant nature, no deferred tax has been posted in respect of the restatement of CVAE as income tax.

4.14. Income

In accordance with IFRS 8, income is presented division by division in paragraph 5 of this appendix..

4.15. 4.15. Other operating income

OTHER OPERATING INCOME (in thousands of Euros)	2013	2012	2011
Production in stock	1,001	880	56
Production immobilised	1,301	2,541	2,447
Operating subsidies	1,689	922	824
Write-back of provisions, transfers of charges	1,577	300	555
Other income	3,207	4,058	2,133
Total	8,775	8,700	6,014

The operating subsidies mainly concern innovation projects. They have been posted at their allocation date and are attached to the financial year according to the programmes' degree of advancement.

The other income mainly includes the research tax credit for Sogclair SA and 5 of its French subsidiaries.

4.16. Result on sale of consolidated shareholdings

RESULT ON SALE OF CONSOLIDATED SHAREHOLDINGS (in thousands of Euros)	2013	2012	2011
Sale of 8.49% of the shares held in Oktal Synthetic Environment SAS	37		
Total	37		

4.17. Other operating income and charges

The other operating income and charges correspond to the result of other non-current operations during the year.

OTHER OPERATING INCOME AND CHARGES (in thousands of Euros)	2013	2012	2011
Tax risks (provisions, write-backs, charges and income for the year)	-198		
Gains or losses on sale of tangible assets	24	31	7
Other income and charges	-17	132	-12
Total	-191	163	-5

4.18. Cost of net financial debt – Other financial charges and income

The cost of net financial debt includes:

- the income from cash and cash equivalents, that is to say:
 - the interest generated by the cash and cash equivalents
 - the result of the transfer of cash equivalents
 - the cost of the gross financial debt, which essentially corresponds to the interest charges on financing operations and exchange rate differences.
- The net exchange rate gains amounted to €32 k for the year, including a positive restatement of the fair value of the assets concerned (customer debts and foreign currency in the bank) €104 k, given the hedging instruments contracted to 31 December 2013.

4.19. Other financial charges and income

The other financial income and charges amounted to €87 for the year, and include the income and charges linked to the other financial assets such as income from shareholdings, provisions and write-backs on financial provisions and conversion rate adjustments.

4.20. Income tax

The SOGECLAIR SA company has opted for the tax consolidation scheme for the following companies: SOGECLAIR SA and SOGECLAIR AEROSPACE SAS.

TAX CHARGE (in thousands of Euros)	2013	2012	2011
Deferred tax	324	483	633
Tax payable ⁽¹⁾	-3,418	-2,423	-1,516
Income or charge linked to tax consolidation	76	-13	-719
Carry-back	105		
Contributions on dividend distributions	-129		
Sponsorship tax credit	42		
Total	-3,000	-1,953	-1,601

(1) As indicated in note 1 of this appendix, the CVAE is posted as tax payable since 1st January 2011.

Tax proof is presented below:

TAX PROOF (in thousands of Euros)	2013	2012	2011
Pre-tax profit (loss)	9,082	8,030	5,545
Parent company's tax rate	34.45%	33.33%	33.33%
Theoretical income (charge) on tax on profits	-3,127	-2,677	-1,848
Permanent differences and others	-89	14	-12
Tax-exempted revenue and non-fiscally deductible charges	61	-16	-36
Impact of foreign tax rate differences	106	154	68
Income taxed at reduced rate ⁽¹⁾	-610	-622	-401
Impact of deferred tax deficits and amortisations	-617	-69	
Tax credit	1,276	1,264	628
Income tax benefit (charge) posted	-3,000	-1,953	-1,601

(1) Impact of CVAE in France and of the Trade Tax in Germany

4.21. Average workforce

WORKFORCE (full-time equivalence)	2013	2012	2011
Engineers, managers and senior technicians	993	879	793
Technicians and other non-managerial	110	103	109
Total	1,103	982	902

4.22. Financial commitments

OFF-BALANCE SHEET COMMITMENTS (in thousands of Euros)	2013	2012	2011
Commitments made:			
Relative to financing the company			
Pledged shareholdings		34	165
Counter-guarantee on overdraft line	55	55	55
Relative to the issuer's operating activities			
Acquisition of tangible assets			
Counter-guarantee on securities	13	13	13
Counter-guarantee securities on markets	1,714	1,744	1,823
Counter-guarantee securities on calls for tenders	98		763
Sub-total	1,880	1,846	2,820
Commitments received:			
Relative to the issuer's operating activities			
Acquisition of tangible assets			49
Counter-guarantee securities on markets			315
From customers in long-term programmes ⁽¹⁾	118,584	82,772	80,248
Linked to company's financing operations			
Payment guarantees received from customers	916		
Sub-total	119,499	82,772	80,612

(1) we draw your attention to the fact that SOGECLAIR has received commitments from its customers on its long-term contracts dependent on their sales and on the basis of firm orders received by those customers. The updated value of this future income, on the basis of a TEC 20 (20-year constant rate) of 2.91% on 6 March 2014, was €100,443 k.

Additional information on the programmes subject to risk-sharing is provided in paragraph 1.6 of chapter 26 of the 2013 reference document.

4.23. Individual training entitlement

The individual training entitlement, calculated at the end of each calendar year, is not subject to any provision in the accounts.

On 31 December 2013, this entitlement amounted to 52,269 hours for the French companies.

5 - SECTOR-BASED INFORMATION

In accordance with IFRS 8, the issuer has chosen to present the group's activity in 3 operational sectors corresponding to the sectors reviewed by the main operational decision-maker. It is stated that no grouping of sectors is carried out.

NAME	COUNTRY	ACTIVITY
Aerospace Division		
Aviacomp SAS	France	Aeronautical and defence structural subassemblies
Checkaero BV	Netherlands	Expertise in stress calculation
Sogclair Aerospace GmbH	Germany	Aerostructure, Systems Installation, Configuration Management, Manufacturing Engineering, Equipment
Sogclair Aerospace Inc	Canada	
Sogclair Aerospace Ltd	United Kingdom	
Sogclair Aerospace SA	Spain	
Sogclair Aerospace Sarl	Tunisia	
Sogclair Aerospace SAS	France	
S2E Consulting SAS	France	Systems and electrical engineering
Simulation Division		
Oktal SAS	France	Simulators
Oktal Synthetic Environment SAS	France	Virtual Environments
Vehicle Division		
Sera Ingénierie SAS	France	Vehicle
Holding		
Sogclair SA	France	Holding
Rain Luxembourg SA	Luxembourg	Sub-holding

SOGELAIR's main customers are listed in the reference document available on the company's website (www.sogclair.com).

SOGELAIR has facilities in France, Germany, Spain, Canada, Luxembourg, the Netherlands, the UK and Tunisia.

Besides the countries where it has facilities, the following countries were addressed by SOGELAIR in 2013: Australia, Belgium, Brazil, China, Colombia, South Korea, Finland, Ireland, Italy, Japan, Malaysia, Norway, Poland, Portugal, Singapore, Sweden, Thailand, Turkey and the USA.

5.1. Consolidated financial situation per division

ASSETS (in thousands of Euros)	AEROSPACE		VEHICLE		SIMULATION		HOLDING	
	2013	2012	2013	2012	2013	2012	2013	2012
Goodwill	2,215	2,214			1,694	1,694	3	
Intangible assets	7,727	6,663	148	4	619	713	46	20
Property, plant and equipment	3,543	3,374	186	240	270	297	394	498
Investments in associates	543	500	6	6	180	167	177	165
Share eliminations	-9,955	-8,366	-200	-200	-2,823	-2,823	12,978	11,389
Non-current assets	4,073	4,385	140	50	-60	48	13,599	12,072
Inventory and work in-process	1,861	887			41	32		
Trade and other receivables	30,473	28,708	7,631	7,633	4,503	5,801	2	1
Other circulating assets	2,987	1,951	262	140	3,271	2,911	1,573	2,212
Deferred income tax	1,570	1,192	23	20	842	870	221	189
Cash and cash equivalents	3,926	2,734	407	4	1,766	483	16,383	4,947
Current assets	40,817	35,474	8,323	7,797	10,423	10,097	18,179	7,349
TOTAL ASSETS	44,890	39,858	8,463	7,847	10,363	10,144	31,779	19,420
LIABILITIES (in thousands of Euros)	2013	2012	2013	2012	2013	2012	2013	2012
	2013	2012	2013	2012	2013	2012	2013	2012
Equity capital							2,900	2,900
Capital contribution							2,630	2,630
Own shares							-713	-858
Reserves and consolidated result	12,186	9,151	1,013	881	3,269	3,823	8,649	6,165
Equity capital, group share	12,186	9,151	1,013	881	3,269	3,823	13,467	10,836
Minority interests	1,240	489	303	270	1,009	767		
Consolidated equity capital	13,426	9,641	1,317	1,152	4,278	4,591	13,467	10,836
Long-term provisions	985	1,147	63	58	809	1,045	216	158
Long-term qualified pre-payments	2,916	2,945			609	468		
Long-term borrowings and financial debts	3,982	2,762	4	16	52	79	4,163	196
Other long-term liabilities	4		2	18	8			
Non current liabilities	7,887	6,854	69	93	1,478	1,592	4,379	354
Short-term qualified pre-payments	390	390			135	-15		
Current part of provisions for other liabilities and charges	2,326	2,186	12	70	54	113	887	192
Short-term borrowings and financial debts	1,707	1,016			6	2	2	1
Short-term provisions	42							
Trade and other payables	7,366	7,681	5,845	5,147	849	792	487	649
Tax and social liabilities	16,740	14,616	1,423	1,516	2,499	2,513	1,319	1,177
Deferred tax liabilities	256	127	1		6			
Other liabilities	4,920	2,170	2	52	1,920	1,764		
Intra-group eliminations	-10,170	-4,821	-205	-183	-863	-1,207	11,238	6,211
Current liabilities	23,577	23,364	7,078	6,602	4,607	3,962	13,933	8,230
TOTAL LIABILITIES	44,890	39,858	8,463	7,847	10,363	10,144	31,779	19,420

5.2 Consolidated operating income statement per division

INCOME STATEMENT (in thousands of Euros)	AEROSPACE		VEHICLE		SIMULATION		HOLDING	
	2013	2012	2013	2012	2013	2012	2013	2012
Sales	93,164	80,520	1,729	2,673	9,847	11,136	7	6
Other income from the activity	5,363	6,034	469	164	2,874	2,467	69	36
Cost of goods sold	-29,387	-26,139	-547	-1,195	-3,843	-3,977	-1,717	-1,596
Personnel charges	-53,879	-46,874	-903	-871	-6,623	-6,252	-2,291	-2,095
Taxes and duties	-619	-566	-43	-39	-146	-146	-165	-159
Amortisation and provisions	-2,937	-3,620	-60	-88	-635	-949	-140	-174
Other charges	-205	-127			-14	-14	-67	-57
Intra-Group operations	-4,270	-3,918	-307	-119	-469	-551	5,045	4,588
Current operating income	7,231	5,309	337	524	991	1,714	742	548
Other operating income and charges					37			
Operating income	16	-6			-207	-4		173
Sales	7,247	5,304	337	524	821	1,710	741	721

6 - RELATED COMPANIES

6.1. Commercial lease

SCI SOLAIR, has a link with the directors of SOGECLAIR and there are shareholders who have voting rights greater than 10% (refer to chapter 8.3 of the 2013 reference document).

The contractual terms and conditions have been drawn up according to the rules of the market.

To 31 December 2013, the contractual relations with SCI SOLAIR have been exercised correctly and do not lead us to anticipate any risk for SOGECLAIR. There were no debts with respect to SCI SOLAIR on 31 December 2013.

The future payments will concern the payments of the rentals and charges relative to the rental contracts.

6.2 Board of Directors

The number of independent directors exceeds the minimum threshold recommended by the Middlednext Code.

The remuneration paid to the members of the Board of Directors is shown in paragraph 5.4 of the Board of Directors' report to the AGM in chapter 26 of the 2013 reference document.

You are also reminded that there is a life annuity paid for the benefit of Mr Jean-Louis ROBARDEY, further to the purchase of a business completed on 27 December 1985 (Refer to chapter 16.2.2 of the 2013 reference document).

6.3 Directors

One change was made during the financial year concerning the short-term and long-term benefits for the main directors; in this respect, you are reminded that:

- at the time of its session on 15 March 2013, the SOGECLAIR Board of Directors imposed a ceiling on the variable part of Mr Philippe ROBARDEY's remuneration of 4 % of the consolidated current result before tax, calculated on the results of the last year closed, paid in 2014 in respect of 2013, and to the amount in Euros of that paid in 2013 in respect of the year closed on 31 December 2012,

The AGM held on 17 May 2013, renewed the commitment with respect to Mr Philippe ROBARDEY, pursuant to the provisions of article L.225-42-1 of Commercial Law (refer to section 5.4 of the Board of Directors' report to the AGM in the 2013 reference document).

No benefits of any other nature have been granted to the other directors.

7 – AUDITORS' FEES

(Refer to chapter 27.3 of the 2013 reference document).

20.3.3. Annual accounts

I - BALANCE SHEET (in Euros)

ASSETS	31/12/2013	31/12/2012	31/12/2011
Intangible assets	46,357	19,815	30,214
Property, plant and equipment	355,372	436,661	407,374
Investments in associates	14,798,834	13,075,727	13,715,440
IMMOBILISED ASSETS	15,200,564	13,532,203	14,153,028
Advances and payments on account	1,381	1,259	
Trade and other receivables	953,920	745,014	1,630,708
Other debts	4,236,231	4,297,662	1,916,794
Cash and cash equivalents	16,171,586	4,946,704	4,281,306
Prepayments	64,544	254,795	226,515
CIRCULATING ASSETS	21,427,662	10,245,434	8,055,323
TOTAL ASSETS	36,628,226	23,777,637	22,208,350
LIABILITIES	31/12/2013	31/12/2012	31/12/2011
Share capital	2,900,000	2,900,000	2,900,000
Share premium account	2,629,849	2,629,849	2,629,849
Other reserves	1,442,551	1,442,551	1,442,551
Retained earnings	4,107,940	4,629,609	5,502,168
Profit for the financial year	3,571,451	567,274	(297,701)
EQUITY	14,651,791	12,169,283	12,176,867
PROVISIONS	215,921	157,981	215,349
Borrowings and debts with credit institutions	5,011,953	326,815	581,785
Sundry loans and financial liabilities	14,952,735	9,205,125	7,125,874
Payment in advance on orders			
Trade and other payables	466,266	653,557	711,525
Tax and social liabilities	1,315,408	1,177,155	1,317,772
Liabilities on fixed assets and related accounts	1,872		
Other debts	9,906	286	
Unearned income	2,375	87,435	79,177
DEBTS	21,760,515	11,450,373	9,816,134
TOTAL LIABILITIES	36,628,226	23,777,637	22,208,350

II - INCOME STATEMENT (in Euros)

	31/12/2013	31/12/2012	31/12/2011
SALES	5,078,400	4,625,164	4,560,476
Write-back on provisions, transfers of charges	4,693	7,748	2,000
Other income	69,178	35,529	27,810
OPERATING INCOME	5,152,272	4,668,441	4,590,286
Purchases and external expenses	1,742,894	1,653,844	1,719,838
Taxes, duties and assimilated	220,021	208,348	197,769
Payroll expenses	2,292,291	2,096,873	1,899,176
Amortisations	95,542	83,171	77,942
Provisions for risks and charges	57,940	85,931	4,673
Other operating expenses	66,554	56,790	63,167
OPERATING PROFIT	677,030	483,483	627,721
Financial income	3,107,970	258,040	94,632
Financial expenses	276,364	101,537	115,165
FINANCIAL EARNINGS	2,831,606	156,503	(20,533)
CURRENT INCOME BEFORE TAX	3,508,636	639,985	607,188
EXTRAORDINARY INCOME	476,022	173,241	71,353
EXTRAORDINARY EXPENSES	6,557	270	71,766
EXTRAORDINARY PROFIT	469,465	172,971	(413)
Income tax	406,650	245,682	904,476
NET PROFIT	3,571,451	567,274	(297,701)

20.3.4. Appendixes to the annual accounts

Sogeclear is a Joint Stock Company with a Board of Directors. It is listed on Euronext Paris – compartment C.

The year ending 31/12/2013 shows a total balance before distribution of €36,628,226, total income for the year presented in list form of €8,736,263 and a profit of €3,571,451.

The financial year runs for 12 months from 1st January 2013 to 31 December 2013.

Notes (or tables) No. 1 to 14 hereinafter are an integral part of the annual financial statements.

These annual accounts were closed by the Board of Directors on 17 March 2014.

CONTENT

Item No.	APPENDIX TO THE BALANCE SHEET AND INCOME STATEMENT FROM 01/01/2013 TO 31/12/2013	INFORMATIONS			
		PRODUCED		NOT PRODUCED	
		note n°	note n°	note n°	note n°
	I – FACTS RELEVANT TO THE FINANCIAL YEAR				
1	II – ACCOUNTING RULES AND METHODS				
	Valuation methods	1			
	Calculation of amortisation and provisions	1			
	Dispensations				X
	Additional information to provide a true reflection				X
	III – ADDITIONAL INFORMATION RELATIVE TO THE BALANCE SHEET AND INCOME STATEMENT				
2	Immobilised assets statement	2			
3	Amortisation statement	2			
4	Provisions statement	3			
5	Debt and liabilities due dates statement	4			
6	Additional information on:				
	<i>Elements relevant to several items in the balance sheet</i>				X
	<i>Revaluation</i>				X
	<i>Setting up charges</i>				X
	<i>Applied research and development expenses</i>				X
	<i>Goodwill</i>				X
	<i>Immobilised interests</i>				X
	<i>Interest on elements of the circulating assets</i>				X
	<i>Difference of valuation on fungible elements of the circulating assets</i>				X
	<i>Advances to directors</i>				X
	<i>Prepaid charges and income</i>	5			
	<i>Composition of the equity capital</i>	6			
	<i>Rights participating in profits</i>	7			
	<i>Convertible obligations</i>	8			
	<i>Apportionment of net sales</i>			X	
	<i>Apportionment of income tax</i>	9			
	IV – FINANCIAL COMMITMENTS AND OTHER INFORMATION				
7	Lease			X	
8	Financial commitments	10			
9	Debts guaranteed by real sureties				X
10	Impact of dispensary tax valuations				X
11	Increasing and lightening of the future tax debt	11			
12	Remuneration of the directors	12			
13	Average workforce	13			
14	Identity of the parent companies consolidating the company's accounts				
15	List of subsidiaries and participations	14			
	V – OTHER SIGNIFICANT INFORMATION				X

FACTS RELEVANT TO THE FINANCIAL YEAR:

- Purchase of 0.96% of shares in SOGECLAIR Aerospace GmbH for a total of €32,000 bringing the holding up to 100%
- Creation of a holding in Luxembourg whose purpose is to invest in the Canadian subsidiary in particular.
- Creation of the SOGECLAIR Aerospace Inc. company in Canada.
- Increase in the capital by incorporation of the current account at AVIACOMP SAS bringing the holding up from a value of €440,000 to €1,854,600.
- The percentage held remains the same at 55%.

APPENDIX NOTE NO. 1**ACCOUNTING RULES AND METHODS****VALUATION METHODS**GENERAL PRINCIPLES AND CONVENTIONS

The accounting rules have been applied in accordance with the principle of due diligence in compliance with the underlying assumptions of going concern, independence of accounting periods and consistent accounting methods.

The basic method adopted for the valuation of the items posted in the accounts is the historical costs method.

The accounting conventions have been applied in compliance with the provisions of Commercial Law (Art. 123-12 to 123-23), of the decree dated 29 November 1983 and of the general accounting plan (CRC 99.03).

CONSISTENCY OF METHODS

No change of method has been made with respect to the previous financial year.

MAIN ACCOUNTING METHODS USED**Intangible assets**

Patents, concessions and other immobilised intangible assets have been valued at their cost of acquisition, but excluding the expenses incurred for their acquisition. These items are amortised over the duration of their utilisation by the company (that is to say between 3 and 10 years).

Tangible assets

The gross value of the property, plant and equipment in the immobilised assets corresponds to the value of the articles' entry in the asset base taking into account the expenses required to put those articles into utilisation condition but excluding the expenses incurred for their acquisition.

Amortisation method

The company applies the CRC 2002-10 regulations.

The amortisations applied, both on the accounting and tax levels, are representative of the economic amortisation; as a consequence, no dispensatory amortisation has been posted to the liabilities on the balance sheet.

The amortisation times – identical in the individual accounts and in the consolidated accounts – are given below:

CATEGORY	MODE	DURATION
Software	Straight-line	3 years
Patents	Straight-line	5 to 10 years
Other fixtures, and fittings, installations	Straight-line	10 years
Transport equipment	Straight-line	3 years
Computer hardware	Straight-line	3 to 5 years
Office furniture	Straight-line	5 to 10 years

Fixed investments

The shareholdings and other fixed investments have been valued at their cost of acquisition, but excluding the expenses incurred for their acquisition.

The depreciation tests, carried out annually, consist of checking that the fair value of the subsidiary's equity capital is higher than its book value, that is:

- For the holding company's accounts, the book value of the shares in associated companies.

The recoverable value is the highest value between the net fair value of the cost of disposal, when that can be determined, and the going concern value.

The net fair value of the costs of disposal corresponds to the best estimate of the net value that could result from a transaction made under the conditions of normal competition between well-informed and consenting parties. This estimate is determined on the basis of the market information available taking any special situations in to account.

The going concern value adopted by Sogclair corresponds to the present value of the cash-flows from the subsidiaries. These flows are determined in the framework of the following economic assumptions and forecast operating conditions:

- the cashflows used are derived from three-year "Medium-Term Plans" for the entities concerned available on the valuation date and are extended to a five-year horizon,
- beyond that horizon, the terminal value corresponds to the capitalisation to infinity of the last flow within the horizon, on the basis of a rate to infinity of 2%,
- the actualisation rate calculated at 6.27% corresponds to the addition of
 - the 10-year risk-free rate of 2.24%,
 - and a market premium of 6.5% to which an average over five years of the Beta coefficient specific to Sogclair is assigned, confirmed by other sources (Bloomberg, Thomson, Infanciales), of 0.62.

A "shock" called "mathematical shock" is applied to the most sensitive underlying parameters (growth of activity, level of operating margin, investments) to test the sensitivity of the estimation to an unfavourable change in the economic environment; the hypotheses adopted for the mathematical shock consist of halving the activity's growth rate and reducing the level of the operating margin (EBITDA) by 30%, and halving the amount of the investments, with respect to the values of the basic business plan.

The recoverable values, based on the going-concern values, are then compared with the net book values of the shares for determining any depreciation.

On 31 December 2013, the recoverable values calculated in that way exceeded the net book values for all the shares. The tests performed were therefore conclusive and lead us to maintain the value of the shares.

Own-shares

In accordance with notification 2002-D of the Emergency Committee of the CNC on 18 December 2002, the own-shares owned by the company have been posted as other fixed investments. As from 1st July 2013 the number of shares has been multiplied by 4 further to the division by 4 of the nominal value. On 31 December 2013, SOGECLAIR held 153,436 of its own shares for a value of €712,644. 27,620 shares were sold during the year. Given the shares' latest quoted price (€28.38 on 31 December 2013) no depreciation has been posted.

Valuation of receivables and debts

The receivables and debts have been evaluated at their nominal value.

Cash equivalents

On 31 December 2013, the cash equivalents concerned liquid short-term investments on:

- deposit account for a length of one month renewable,
- interest-bearing account,
- European fund with guaranteed capital and minimum rate with the possibility of immediate buy-back of a significant proportion without any penalty.

Depreciation of receivables

The receivables have, where applicable, been depreciated through the creation of provisions to take into account the recovery difficulties that they are liable to give rise to.

Valuation of investments

The investments have been valued at their cost of acquisition excluding the expenses incurred for their acquisition.

In the case of sale of a set of securities of the same nature and providing the same rights, the value of the securities has been estimated using the "First-In First-Out" method.

Depreciation of investments

The investments have, where applicable, been depreciated through the creation of provisions to take into account:

- for listed securities, the average price for the last month of the financial year;
- for unlisted securities, their probable negotiable value at year-end.

No depreciation was applied for the 2013 financial year.

Tax consolidation accounting method

SOGECLAIR has opted for the tax consolidation scheme. The scope of this consolidation includes the following companies: SOGECLAIR SA and SOGECLAIR AEROSPACE SAS.

The tax charge is recorded in the subsidiaries on the basis of their own tax result. The parent company records the balance with respect to the overall result.

For the 2013 financial year, SOGECLAIR posted a tax saving of €76,186 in respect of tax consolidation.

APPENDIX NOTE N° 2

STATEMENT OF FIXED ASSETS

The transactions for the financial year were as follows

GROSS VALUES	At the beginning of the year	Increase	Decrease	At year end
Intangible assets	€505,538	€45,307		€550,845
Property, plant and equipment	€760,610	€1,957	€25,875	€736,692
Investments in associates	€13,106,217	€1,869,390	€146,283	€14,829,324
	€14,372,365	€1,916,654	€172,158	€16,116,861

AMORTISATION AND PROVISIONS	At the beginning of the year	Increase	Decrease	At year end
Intangible assets	€485,724	€18,764		€504,488
Property, plant and equipment	€323,949	€76,777	€19,406	€381,320
Investments in associates	€30,489			€30,489
	€840,162	€95,541	€19,406	€916,297

APPENDIX NOTE N° 3

STATEMENT OF PROVISIONS

NATURE OF THE PROVISIONS	At the beginning of the year	Increase	Decrease	At year end
Retirement benefit obligations and similar ⁽¹⁾	157,981	57,940		215,921
Provisions for bad debt	603			603
Provisions for risks and charges				
Provisions for financial depreciation	30,490			30,490
	189,074	57,940		247,014

The company posts a provision whenever a risk creates an obligation with respect to a third party and for which the probable liability can be estimated with sufficient precision.

⁽¹⁾ including provisions used: 0 €

⁽²⁾ the accounting of the retirement benefit obligations has taken into account the changes introduced by law No. 2010-1330 dated 9 November 2010 relative to pension reform. The company has modified the calculation parameters impacted by the reform, materialised in particular by a gradual increase in the legal age of retirement, and of the minimum age required in order to benefit from the full pension rate.

The lengthening of the period of activity resulting from this reform has an impact on the amount of the end-of-career indemnities, the probability of being present in the company and the number of years on which the discounting of the commitments bears.

APPENDIX NOTE N° 4

STATEMENT OF MATURITY OF RECEIVABLES AND DEBTS

ACCOUNTS RECEIVABLE	GROSS AMOUNT	LIQUIDITY OF ASSETS	
		LESS THAN 1 YEAR	MORE THAN 1 YEAR
Fixed asset debts			
• Loans	€1,585		1,585
• Others	€878,804		878,804
Current asset debts			
• Trade notes and accounts receivable	€954,522	€953,801	721
• Taxes	€1,382,326	€1,382,326	
• Others	€11,421	€11,421	
• Subsidiaries' current accounts	€2,843,866	€2,843,866	
• Prepaid expenses	€64,544	€64,544	
TOTAL	€6,137,068	€5,255,958	€881,110

DEBTS	GROSS AMOUNT	TERM OF LIABILITY REALISATION		
		LESS THAN 1 YEAR	MORE THAN 1 YEAR	MORE THAN 5 YEARS
Borrowings and debts with credit institutions				
• One year at most initially	€2,253	€2,253		
• More than one year initially	€5,009,700	€863,362	€2,896,338	€1,250,000
Sundry loans and financial liabilities	€157,101		€157,101	
Trade notes and accounts payable	€466,266	€466,266		
Social and tax debts	€1,315,408	€1,315,408		
Group and associates	€14,795,634	€14,795,634		
Other debt	€11,778	€11,778		
Unearned income	€2,375	€2,375		
TOTAL	€21,760,515	€17,457,076	€3,053,439	1 250 000

In order to fund its development SOGECLAIR took out several fixed-rate amortisable loans for a total amount of €5 million in the second half.

DETAIL OF CHARGES PAYABLE	AMOUNT
Borrowings and debts with credit institutions	
Interest paid on borrowings	€31,978
Accrued interest payable	€2,253
Trade notes and accounts payable	€276,748
Social and tax debts	
Debt provisions/Paid Leave and Time Savings Account	€70,192
Charges payable on salaries	€444,000
Charges/ Paid Leave and Time Savings Account	€33,693
Social charges payable	€156,330
Tax charges payable	€42,767
Other debts	€0
TOTAL	1,057,961 €

RECEIVABLES AND DEBTS WITH RESPECT TO RELATED COMPANIES (excluding current accounts, detailed in the table of subsidiaries and participations)		
	RECEIVABLES	DEBTS
SOGECLAIR AEROSPACE SAS	€247,514	€3,469
SOGECLAIR AEROSPACE GmbH	€108,998	
SOGECLAIR AEROSPACE SA	€35,114	
SOGECLAIR AEROSPACE SARL	€31,192	
AVIACOMP SAS	€515,298	
OKTAL SAS		€286
OKTAL SYNTHETIC ENVIRONMENT SAS		
SERA INGENIERIE SAS	€2,423	€9,620
S2E CONSULTING SAS		
SOGECLAIR AEROSPACE LTD	€12,474	
TOTAL	€953,013	€13,375

APPENDIX NOTE N° 5**PREPAID CHARGES AND INCOME**

	CHARGES	INCOME
Operating charges or income	€64,544	€2,375
Financial charges or income		
Extraordinary charges or income		
TOTAL	€64,544	€2,375

APPENDIX NOTE N° 6**BREAKDOWN OF SHARE CAPITAL**

	NUMBER	NOMINAL VALUE
Shares or partnership shares comprising the capital at the beginning of the financial year	725,000	€4
Shares or partnership shares issued during the financial year	2,175,000	
Shares or partnership shares cancelled during the financial year		
Shares or partnership shares comprising the capital at year-end	2,900,000	€1

The number and value of the shares making up the share capital are detailed in chapter 18 of the reference document.

APPENDIX NOTE N° 7**FINANCIAL CHARGES AND INCOME WITH RESPECT TO RELATED COMPANIES**

	CHARGES	INCOME
SOGECLAIR AEROSPACE LTD		
SOGECLAIR AEROSPACE SAS	€17,687	€1,928,160
S2E CONSULTING SAS		€63,397
SERA INGENIERIE SAS	€894	€80,000
OKTAL SAS	€419	€706,105
OKTAL SYNTHETIC ENVIRONMENT SAS	€684	€80
AVIACOMP SAS	€134,308	€94,593
SOGECLAIR AEROSPACE GmbH		€7,814
SOGECLAIR AEROSPACE SA		€4,747
CHECKAERO BV	€200	€45,000
TOTAL	€154,191	€2,929,896

APPENDIX NOTE N° 11**INCREASE AND DECREASE IN THE FUTURE TAX DEBT**

VARIATION IN DEFERRED OR LATENT TAXES	BEGINNING OF YEAR		VARIATION		YEAR-END	
	Asset	Liability	Asset	Liability	Asset	Liability
CHARGES TEMPORARILY NON DEDUCTIBLE						
<i>TO BE DEDUCTED NEXT YEAR</i>						
• Organic	€8,559		€-803		€7,756	
• Unrealised gains						
<i>TO BE DEDUCTED LATER</i>						
• Provisions for risks						
• Provisions for own shares						
• Provisions for pensions	€157,981		€57,940		€215,921	
	€166,540		€57,137		€223,677	

APPENDIX NOTE N° 8**EXTRAORDINARY RESULT**

The extraordinary result breaks down as follows for 2013.

■ Bonuses on own shares	€469,553
■ Fines and penalties	€-88
	€469,465

APPENDIX NOTE N° 9**BREAKDOWN OF CORPORATE INCOME TAX**

	Before tax	Corresponding tax	After tax
OPERATING PROFIT	€3,508,636	€326,348	€3,182,288
EXTRAORDINARY PROFIT	€469,465	€156,488	€312,976
TAX SAVING LINKED TO TAX CONSOLIDATION		€-76,186	€76,186
Total	€3,978,101	€406,650	€3,571,451

There is a tax consolidation agreement between SOGECLAIR and its subsidiary SOGECLAIR AEROSPACE SAS:

According to the terms of the agreement, the tax saving that may be made on the companies remains acquired to SOGECLAIR, the parent company. Simultaneously, any tax surcharge is borne by SOGECLAIR.

For the year 2013, a tax saving of €76,186 € was posted relative to tax consolidation.

APPENDIX NOTE N° 10**FINANCIAL COMMITMENTS**

COMMITMENTS MADE	AMOUNT
Notes receivable discounted	None
Guarantees and other security	None
Collateral	None
Other commitments made	
• Outstanding financial leasing payments	€39,011
• Outstanding real estate leasing payments	None
• Individual Right to Training	1,477 Hours

The financial commitments concerning subsidiaries and other related companies are detailed in the reference document.

APPENDIX NOTE N° 12

REMUNERATION OF THE DIRECTORS

This includes the remuneration of the President & CEO, Executive Vice-President and the directors (fixed and variable remuneration, directors' fees and non-cash benefits), giving a total amount of €792,031.

APPENDIX NOTE N° 13

AVERAGE WORKFORCE

Managerial and Senior Technicians: 17

APPENDIX NOTE N° 14

TABLE OF SUBSIDIARIES AND SHAREHOLDINGS

Financial information	CAPITAL	EQUITY CAPITAL AFTER RESULT	SHARE OF CAPITAL HELD	BOOK VALUE OF SECURITIES HELD		LOANS AND ADVANCES GRANTED NOT YET PAID BACK	AMOUNT OF GUARANTEES AND SECURITY GRANTED	SALES EXCL.VAT AT LAST YEAR-END	PROFIT/LOSS AT LAST YEAR-END	DIVIDENDS RECEIVED FOR 2011	REMARKS
				GROSS	NET						
Subsidiaries and shareholdings											
A) Detailed information concerning subsidiaries and shareholdings											
1 - Subsidiaries											
• SOGECLAIR AEROSPACE LTD	€1,176	€797,745	100.00%	€1,458	€1,458	€1,500		€1,908,476	€-14,640		
• SOGECLAIR AEROSPACE SAS	€2,012,517	€13,339,858	100.00%	€4,162,655	€4,162,655	€-13,667,367		€67,540,209	€5,630,518	€1,928,160	
• SOGECLAIR AEROSPACE SA	€560,000	€700,193	86.34%	€631,748	€631,748	€562,062		€3,530,823	€-44,119		
• SOGECLAIR AEROSPACE GmbH	€26,000	€2,924,482	100.00%	€3,772,264	€3,772,264	€657,933		€21,134,167	€-422,670		
• RAIN	€410,000	€376,717	100.00%	€410,000	€410,000				€-30,023		
• S2E consulting SAS*	€100,000	€153,129	46.98%	€46,990	€46,990	€87,843		€898,307	€43,129	€62,409	
• AVIACOMP SAS	€1,710,000	€1,963,148	55.00%	€1,854,600	€1,854,600	€1,464,046		€3,925,343	€-1,090,951		
• CHECKAERO BV	€20,000	€336,920	75.00%	€15,000	€15,000	€-80,104		€1,006,681	€309,167	€45,000	
• OKTAL SAS	€1,000,000	€2,953,775	97.98%	€2,814,375	€2,814,375	€-26,821		€7,151,099	€155,869	€705,450	
• SERA INGENIERIE SAS	€250,000	€1,492,135	80.00%	€200,000	€200,000	€-163,723		€1,816,063	€260,882	€80,000	
2 - Shareholdines											
B) General information concerning the other subsidiaries and shareholdings											
				€9,355	€9,355	€-787,135					

*situation on 31/07/2013 date on which the subsidiary's annual accounts are closed.

20.4. Verification of the annual historical financial information

20.4.1. Déclarations

AUDITORS' REPORT ON THE CONSOLIDATED ACCOUNTS

MOREREAU AUDIT SAS

10, rue Reyer
31200 – TOULOUSE

EXCO FIDUCIAIRE DU SUD-OUEST

2, rue des Feuillants
31076 – TOULOUSE CEDEX 3

Auditors

Members of the "Compagnie Régionale de Toulouse"

S.A. SOGECLAIR

7, avenue Albert Durand
31700 - BLAGNAC

AUDITORS' REPORT ON
THE CONSOLIDATED ACCOUNT

FINANCIAL YEAR ENDING 31 DECEMBER 2013

In performing the duty entrusted to us by your general meeting, we hereby present our report relative to the financial year ending 31 December 2013, on:

- the verification of SOGECLAIR's consolidated accounts, such as they are appended to this report;
- the substantiation of our assessments;
- the specific verification stipulated by law.

The consolidated accounts were prepared by your Board of Directors. It is our duty to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED ACCOUNTS

We conducted our audit in accordance with the professional auditing standards in France; these standards require that we conduct proceedings with due care to give reasonable assurance that the annual accounts are free from significant irregularities. An audit entails examining, on a test basis, evidence supporting the amounts and disclosures these financial statements contain. An audit also involves assessing the accounting principles used and significant estimates made in preparing the accounts, as well as evaluating the overall presentation. We believe that our audit provides a reasonable basis for the opinion expressed below.

We certify that the consolidated accounts are, in view of the IFRS baseline such as adopted in the European Union, regular and sincere and provide a faithful image of the assets and financial situation, as well as of the result of the operations performed by all of the people and entities comprised in the consolidation.

II. SUBSTANTIATION OF THE ASSESSMENTS

Pursuant to the provisions of article L.823.9 of Commercial Law, we have proceeded with our own assessments and we draw your attention to the following points:

- Note 1.2.1 of the “goodwill and assimilated” appendix describes the procedures for implementing the loss-of-value tests on the goodwill.

On the basis of the information submitted to us, our work consisted of examining the way these loss-of-value tests are implemented and, in particular, the cashflow forecasts used, as well as the overall coherence of the assumptions adopted. Furthermore, we have made sure that the above-mentioned note provides appropriate information.

- Note 1.2.2. of the “intangible assets – development expenses” appendix explains the accounting rules and methods relative to the way development expenses are recorded.

In the framework of our assessment of the accounting principles applied by your company, we have examined the procedures used to enter the development expenses in the assets, and those adopted for their amortisation and for the verification of their current value. Furthermore, we have made sure that the above-mentioned note provides appropriate information.

- Note 1.2.6. of the “Sales recognition” appendix explains the methods used to recognise sales and, where applicable, losses on completion.

In this framework, our work consisted of assessing, by testing, the reasonable nature of the assumptions adopted as well as their effective approval by general management.

The assessments thus made enter into our approach to auditing the consolidated accounts, taken in their entirety, and have therefore contributed to forming our opinion which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We have also proceeded, in accordance with the applicable professional standards in France, with the specific verification stipulated by law on the information given in the report on group management.

We have no special comment to make regarding their fairness and conformity with the consolidated financial statements.

In application of the law, we inform you that your company has not appointed an independent third-party organisation to verify the social, environmental and societal information presented in the management report as stipulated by article L.225-102-1 of Commercial Law.

Toulouse, 14 April 2014
The Auditors,

MOREREAU AUDIT SAS EXCO FIDUCIAIRE DU SUD-OUEST
Robert MOREREAU Jean-Marie FERRANDO

AUDITORS' GENERAL REPORT ON THE ANNUAL FINANCIAL STATEMENTS

MOREREAU AUDIT SAS
10, rue Reyer
31200 – TOULOUSE

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Auditors

Members of the “Compagnie Régionale de Toulouse”

S.A. SOGECLAIR
7, avenue Albert Durand
31700 - BLAGNAC

AUDITORS' REPORT ON
THE ANNUAL ACCOUNTS

FINANCIAL YEAR ENDING 31 DECEMBER 2013

In performing the duty entrusted to us by your general meeting, we hereby present our report relative to the financial year ending 31 December 2013, on:

- the verification of SOGECLAIR's consolidated accounts, such as they are appended to this report;
- the substantiation of our assessments;
- the specific verifications and the information stipulated by law.

The annual accounts were prepared by your Board of Directors.

It is our duty to express an opinion on these financial statements based on our audit.

I. OPINION ON THE ANNUAL ACCOUNTS

We conducted our audit in accordance with the professional auditing standards in France; these standards require that we conduct proceedings with due care to give reasonable assurance that the annual accounts are free from significant irregularities. An audit entails examining, on a test basis, evidence supporting the amounts and disclosures these financial statements contain. An audit also involves assessing the accounting principles used and significant estimates made in preparing the accounts, as well as evaluating the overall presentation. We believe that our audit provides a reasonable basis for the opinion expressed below.

We certify that the annual accounts are, in view of the French accounting rules and principles, honest and sincere and give a true view of the result of the operations of the past year and of the company's assets and financial situation at year-end.

II. SUBSTANTIATION OF THE ASSESSMENTS

Pursuant to the provisions of article L.823.9 of Commercial Law, we have proceeded with our own assessments and we draw your attention to the following point:

The shares are valued at their cost of acquisition and depreciated, where applicable, on the basis of their going concern value according to the procedures described in the "main accounting methods used" note.

On the basis of the information submitted to us, our work consisted of examining the data on which the going concern values are based and, in particular, of examining the cashflow forecasts and the coherence of all the assumptions used. Furthermore, we have made sure that the above-mentioned note provides appropriate information.

The assessments thus made enter into our approach to auditing the consolidated accounts, taken in their entirety, and have therefore contributed to forming our opinion which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also proceeded, in accordance with the applicable professional standards in France, with the specific verifications stipulated by law.

We have no special comment to make regarding their fairness and conformity with the annual financial statements of the information provided in the Board of Directors' management report and in the documents sent to the shareholders on the financial situation and the annual financial statements.

Concerning the information provided pursuant to the provisions of article L. 225-102-1 of Commercial Law on the remunerations and non-cash benefits granted to the directors and on the commitments made in their favour, we have checked their consistency with the accounts or with the data that was used to establish those accounts and, where applicable, with the information obtained by your company from the companies controlling it or controlled by it. On the basis of these verifications, we certify the exactness and sincerity of this information.

In application of the law, we inform you that your company has not appointed an independent third-party organisation to verify the social, environmental and societal information presented in the management report as stipulated by article L.225-102-1 of Commercial Law.

In application of the law, we have verified that the various items of information relative to the shareholdings and control, as well as to the identity of the shareholders or holders of voting rights, have been provided to you in the management report.

Toulouse, 14 April 2014
The Auditors,

MOREREAU AUDIT SAS EXCO FIDUCIAIRE DU SUD-OUEST
Robert MOREREAU Jean-Marie FERRANDO

SPECIAL REPORT OF THE AUDITORS ON THE REGULATED AGREEMENTS AND COMMITMENTS

MOREREAU AUDIT SAS

10, rue Reyer
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Auditors

Members of the "Compagnie Régionale de Toulouse"

S.A. SOGECLAIR

7, avenue Albert Durand
31700 - BLAGNAC

SPECIAL REPORT OF THE AUDITORS ON THE REGULATED AGREEMENTS AND COMMITMENTS

ANNUAL GENERAL MEETING HELD TO APPROVE THE ACCOUNTS FOR THE FINANCIAL YEAR ENDING 31.12.2013

To the shareholders,

In our capacity as Auditors of your company we hereby present you with our report on the regulated agreements and commitments.

It is our task to inform you, on the basis of the information that we have been given, of the characteristics and essential features of the agreements and commitments that have been notified to us or that we discovered at the time of our mission, without having to express an opinion on their usefulness or merits nor to seek the existence of other agreements and commitments. It is your duty, pursuant to article 225-31 of Commercial Law, to assess the advantages of concluding these agreements and commitments with a view to approving them.

Furthermore, it is our responsibility, where applicable, to notify to you the information stipulated in article R. 225-31 of Commercial Law relative to the execution, during the past financial year, of the agreements and commitments already approved by the AGM.

We have exercised all the due diligence that we considered necessary with respect to the professional standards of the "Compagnie nationale des commissaires aux comptes" (National Company of Auditors) relative to this mission. This due diligence consisted of verifying the agreement of the information that we have been given with the basic documents from which it was taken.

AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements and commitments authorised during the past financial year

In application of article L.225-40 of Commercial Law, we have been informed of the following agreements which have been the subject of a prior authorisation of your Board of Directors.

1. With SOCIETE CIVILE IMMOBILIERE SOLAIR, with capital of €1,524.49 and headquartered in BLAGNAC -31700- 7, Avenue Albert Durand.

■ Directors concerned:

- Jean-Louis ROBARDEY, Manager of this Company
 - Philippe ROBARDEY,
- Both Partners in this Company.

Nature of the agreement:

■ Commercial leases concluded with that company concerning the rental of premises located at 7 avenue Albert Durand in Blagnac, breaking down as follows:

- lease No. 6 relative to a surface area of 76 sq.m
- lease No. 7 relative to a surface area of 39 sq.m
- Amount covered: €10,459
 - Rent €6,900
 - Rental charges and Property Taxes €3,559

Authorisations:

■ Board of Directors' meetings on 15/03/2013 and 06/09/2013.

2. with S.A.S. AVIACOMP, with capital of €1,710,000 € and headquartered in LAUNAGUET – 31140 – 2, Rue Saint Exupéry.

■ Director concerned:

- Philippe ROBARDEY,

Nature of the agreement:

■ Cancellation of the interest on the partners' current account

Held by your company for the amount of €134,308

Authorisation:

■ Board of Directors' meeting on 04/11/2013

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved during previous financial years

a) a) That have continued to be executed during the past financial year

Pursuant to article R. 225-30 of Commercial Law, we have been informed that the execution of the following agreements and commitments, already approved by the AGM during previous fiscal years, has continued during the last financial year.

1. With Jean-Louis ROBARDEY, taken in his capacity as a private individual.

Nature of the agreement:

■ Life annuity:

Under the terms of an act under private writing drawn up in TOULOUSE dated 27/12/1985, Jean-Louis ROBARDEY transferred to S.A. "ECLAIR-INTERIM", which became "E.D.T.", and has been taken over by S.A.S. SOGECLAIR AEROSPACE on 31/10/2010, a temporary employment agency business, run from 39, Rue de Metz in TOULOUSE against payment of the sum of € 304,998, € 45,734 has been paid, the balance of € 259,204 having been converted into a life annuity of € 18,294 to his benefit for the rest of his life, and transferable after his death to his spouse, Huguette ROBARDEY, for the rest of her life.

This annuity being indexed on the cost of living throughout the time that it is due.

In 1994, subsequent to the moth-balling of "ECLAIR INTERIM" your company has continued to assume responsibility for the commitments contracted by its subsidiary.

- Probabilistic revaluation of the commitment given on 1 January	€64,608
The restated sum paid for the fiscal year to Jean-Louis ROBARDEY amounts to	€30,784

2. With the SOCIETE CIVILE IMMOBILIERE SOLAIR, real estate company with capital of € 1,524.49 headquartered at BLAGNAC -31700- Avenue Albert Durand.

Nature of the agreement:

■ Commercial leases concluded with that company concerning the rental of premises located at 7 avenue Albert Durand in Blagnac, breaking down as follows:

- amendment No. 5 to lease No. 2 relative to a surface area of 1,003 sq.m and parking spaces
- lease No. 3 relative to a surface area of 100 sq.m and parking spaces
- lease No. 4 relative to a surface area of 200 sq.m and parking spaces
- lease No. 5 relative to a surface area of 2,868 sq.m and parking spaces

- Amount covered:	€703,016
- Rent	€497,969
- Rental charges and Property taxes	€198,896
- Insurance	€6,151 €

b) That have not been executed during the past financial year

Furthermore, we have been informed that the following commitment, already approved by the AGM at the time of a previous financial year, has been pursued but not executed during the past financial year.

1. With Philippe ROBARDEY, taken in his capacity as a private individual

Nature of the commitment:

The Board of Directors has authorised a commitment made to the benefit of Philippe ROBARDEY, pursuant to the provisions of article L. 225-42-1 of Commercial Law, whereby Philippe ROBARDEY will receive, in the event of termination of his term of office as the company's Chief Executive Officer, except in the case of failure such as defined in the paragraph below or of voluntary departure, an indemnity representing 24 months' remuneration (fixed and proportional calculated on the basis of the last annual period preceding the termination of his term of office).

The payment of this indemnity will be subject to the condition that the group has achieved, in respect of the last five financial years whose consolidated accounts have been ratified by the Board before termination, an average Operating Profit, increased by the contributions to amortisation and provisions, at least equal to 7.5 % of the sales for the corresponding years.

Toulouse, 14 April 2014
The Auditors,

MOREREAU AUDIT SAS
Robert MOREREAU

EXCO FIDUCIAIRE DU SUD-OUEST
Jean-Marie FERRANDO

20.4.2. Other information verified

None.

20.4.3. Other information not verified

None.

20.5. Latest financial information publication dates

The latest financial information audited dates back to 31 December 2013.

20.6. Interim financial and other information

SOGELAIR meets its obligations with regard to regulated information. The press releases for the first and third quarters and the financial report for the first half are available at www.sogclair.com in the 'investors' section.

20.7. Dividend policy and distribution

20.7.1. Distribution of dividends with respect to the last three financial years

The dividend for 2013 proposed to the AGM is €0.50 per share, giving a total amount of €1.450.000.

The dividends and other income distributed for the last three years are given below:

	2013**	2012	2011	2010
Total amount	€1,450,000	€1,160,000	€616 250	€398,750
Overall gross dividend / share (taking into account the division by 4 of the nominal value)	€0.50	€0.40	€0.2125	€0.1375
Percentage of the consolidated overall net result	23.84%	19.08%	15.62%	14.52%

* Including the amount of the dividend corresponding to the self-owned shares not paid out and carried forward.

** Proposed to the AGM on 16 May 2014.

The group pay-out, including the data above and the distributions to the minority shareholders in the consolidated companies stands as follows:

	2013	2012	2011	2010
Percentage of the consolidated overall net result	26.40%	20.90%	18.46%	18.68%

20.7.2. Dividend limitation period

The dividend limitation period is five years from the time it becomes payable. After this period, the dividends that have not been claimed will be paid to the State.

20.7.3. Future dividend policy

The company intends to pursue its dividend distribution policy and adapt it, if necessary, to the market requirements and constraints.

20.8. Legal and arbitration procedures

The risk factors are given in paragraph 1.6 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

20.9. Significant change in the financial and commercial situation

There have not been any events since the end of the 2013 financial year of a nature to change significantly the issuer's financial and commercial situation.

21 ADDITIONAL INFORMATION

21.1. Share capital

21.1.1. Allotted capital

As of 31 December 2013, the capital of SOGECLAIR amounted to €2,900,000, divided into 2,900,000 shares with a nominal value of €1 each.

As of 31 March 2014, the number of shares making up the share capital still amounts to 2,900,000. It represents 4,836,236 theoretical voting rights (gross) and 4,679,963 real voting rights (net). The difference between the number of theoretical and real voting rights corresponds to the number of self-owned shares.

The table of current delegations in the area of capital increases is appended to the Board of Directors' report.

21.1.2. Other shares

None.

21.1.7. Capital history

Date	Type of operation	Amount of the operation	Share premium or contribution	Number of shares created	Total number of shares	Capital after operation
01/02/1986	Creation of the Société Anonyme (joint stock company)	F 250,000	0	2,500	2,500	F 250,000
EGM 01/12/1988	Capitalisation of reserves and creation of 12,500 new shares	F 1,250,000	0	12,500	15,000	F 1,500,000
EGM 11/12/1989	Investment in kind	F 675,000	F 2,025,000	6,750	21,750	F 2,175,000
EGM 28/12/1989	Capitalisation of the share premium	F 2,025,000	0	20,250	42,000	F 4,200,000
28/03/1997	Cash contribution made by SOFICLAIR	F 1,200,000	0	12,000	54,000	F 5,400,000
EGM 30/04/1998	Capital increase by issuing 5,400 new shares	F 540,000	F 5,459,400	5,400	59,400	F 5,940,000
EGM 30/04/1998	Capital increase by capitalisation of part of the share premium and raising of the share's par value from FRF 100 to 190.	F 5,346,000	-	-	59,400	F 11,286,000
EGM 30/04/1998	Reduction of the share's par value from FRF 190 to 20 by exchanging 2 old shares valued at FRF 190 for 19 new shares valued at FRF 20	-	-	504,900	564,300	F 11,286,000
Board Meeting on 08/09/1998 delegated by EGM on 22/06/1998	Issue in cash of shares proposed to the public	F 2,000,000	F 11,137,296	100,000	664,300	F 13,286,000
Combined General Meeting on 09/04/2001	Capital increase by capitalisation of the issue premium and revaluation differentials and conversion into euros.	F 4,144,089.40	F 807,978 + revaluation differences F 3,336,111.40	-	664,300	F 17,430,089 that is € 2 657,200
Combined General Meeting on 07/06/2004	Capital increase by issue of new shares subsequent to merger by takeover of LPPI	€ 1,641,808	-	410,452	1,074,752	€4,299,008
Combined General Meeting on 07/06/2004	Reduction of the capital by cancellation of 349,752 shares	€ 1,399,008	-	349,752	725,000	€2,900,000
A.G.M. on 17/05/2013	Division by 4 of the nominal value of the share	-	-	-	€2,900,000	€2,900,000

21.1.3. Self-owned shares

The information relative to self-owned shares is given in paragraph 4.3 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

21.1.4. Investments in securities

As of 31 December 2013, the company has not issued any securities giving access to the capital.

The information relative to investments in securities is given in note 4.8 of the consolidated appendix provided in chapter 20.3.2 of this reference document.

21.1.5. Acquisition conditions

None.

21.1.6. Options or agreements

None.

21.2. Memorandum and articles of association

21.2.1. Corporate object

(Article 3 of the articles of association): The object of the company is directly or indirectly to:

- create a group by acquiring stakes in any companies whose main activity involves technical engineering in the areas of simulation/design, design quality, training multimedia, documentation engineering, configuration management and all related or connected products or services,
- acquire stakes in any companies, acquire any securities and perform all operations related to portfolio management and to exercise all the rights resulting from the ownership of those shares,
- administer, manage, control and develop those shareholdings,
- provide all services, rental of equipment essentially for the benefit of the companies in the group and, in particular, to carry out coordination, direction, management and control functions,
- lastly, the direct or indirect participation of the company in any civil or commercial operations, under any form whatsoever, provided that these operations can be attached directly or indirectly to the management of the assets and cash or the corporate object or any similar connected or complementary objects.

It may carry out any operations that are compatible with this object, that relate to it and contribute to achieving it.

21.2.2. Provisions concerning the administrative, managerial and supervisory bodies

The provisions concerning the administrative, managerial and supervisory bodies are given in the President's report to the AGM in chapter 27 of this reference document.

21.2.3. Rights and privileges relative to the shares

Les informations relatives aux droits et privilèges des actions sont indiquées au paragraphe 18.2 du présent document de référence.

21.2.4. Modifications of the shareholders' rights

The information relative to the modifications of the shareholders' rights is given in paragraph 18.2 of this reference document.

21.2.5. Shareholders' meetings

(Article 15 of the articles of association)

Shareholders' meetings are convened and hold their debates under the conditions provided for by the law and regulations. They are held at company headquarters or at any other place in the same département.

Any shareholder has the right to take part in the general meetings or to have him/herself represented, however many shares he/she owns, provided that those shares have been fully paid up. However, the right to take part in the general meetings is subject to registration of the shares in the name of the shareholder or of the intermediary registered on his/her behalf, on the third working day preceding the meeting at midnight, Paris time, or in the nominative securities account held by the approved intermediary.

Any shareholder who owns shares of a given class may take part in the special shareholders' meetings for that class under the conditions stipulated above.

Shareholders taking part in the meeting by means of videoconference or telecommunications systems within the limits and under the conditions stipulated by the legislation and regulations in force are considered to be present for the calculation of the quorum and of the majority.

Voting shall be by a show of hands or by a nominal call. A secret ballot, whose procedures shall be set by the General Meeting, may only be held at the request of members representing, either themselves or in the capacity of representatives, the majority required to vote the resolution concerned.

(Article 18 of the articles of association)

The difference between the revenues and expenses for the fiscal year, after deduction of amortisation and provisions, represents the profit or loss for the fiscal year.

Five percent is taken from the profit, less any earlier losses if applicable, to form the legal reserve. This deduction ceases to be compulsory when the reserve fund reaches a sum equal to one tenth of the company's share capital. It is resumed if, for any reason whatsoever, the legal reserve falls below this amount.

The profit available for distribution is made up of the profit for the fiscal year, less any earlier losses and less the deduction stipulated above, plus any retained earnings. This profit is placed at the disposal of the General Meeting which, upon the recommendation of the Board of Directors, can carry forward all or part of it, allocate it to general or special reserve funds or distribute it to the shareholders as dividends.

Furthermore, the General Meeting may decide to distribute sums taken from the reserves that are at its disposal; in which case, the decision must expressly state the reserve items from which the sums are to be deducted. However, as a priority the dividend must be taken from the distributable profit for the year.

The General Meeting called to approve the annual accounts may, for all or part of the dividend or interim dividend to be distributed, offer each shareholder the option between payment of the dividend or of interim dividends in cash or in shares.

Concerning the liquidation surplus, the net assets after reimbursement of the share par value, are shared out equally between all the shares.

21.2.6. Change of control data

The information relative to changes of control is given in paragraphs 18.2 and 18.3 of this reference document.

21.2.7. Shareholding thresholds

The information relative to shareholding thresholds is given in paragraph 18.1 of this reference document.

21.2.8. Conditions governing modifications to the capital

The table summarising the delegations in the area of capital increases is given in appendix 2 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

21 ADDITIONAL INFORMATION

21.2.9. Bearer securities identifiable in accordance with article L.228-2 of Commercial Law

(Article 9 of the articles of association)

The company is authorised at any moment to ask the organisation responsible for the clearing of securities, for the information provided for by law, relative to the identification of the holders of shares giving, either immediately or in the longer term, voting rights at the shareholders' meeting (from the moment of listing).

The company made such a request during the year 2013.

21.2.10. Share registration

(Article 9 of the articles of association)

At the holders' option, all shares are pure nominal shares or bearer shares. They may only take the form of bearer shares after they have been fully paid up (from the moment of listing).

CM CIC Securities provides the securities and pure registered nominal administration service. You may obtain all information at Company Headquarters.

21.3. Pledging, guarantees and securities

The guarantees and other securities are given in paragraph 4.23 of the consolidated appendix in chapter 20.3.2 of this reference document.

22 IMPORTANT CONTRACTS

To date, SOGECLAIR has not concluded any important contracts outside the normal framework of its business. Examples of works accomplished are given in paragraph 6 of this reference document.

23 THIRD PARTY INFORMATION, DECLARATIONS OF EXPERTS AND DECLARATIONS OF INTEREST

23.1. Experts' declaration

None.

23.2. Other declarations

None.

24 DOCUMENTS ACCESSIBLE TO THE PUBLIC

24.1. Documents accessible to the public

The articles of association, minutes of the general meetings and other corporate documents can be consulted at Company Headquarters.

This reference document is available on-line on the company's website, www.sogclair.fr, and on that of the AMF, www.amf-france.org. Copies of this reference document may be obtained free of charge from the company.

In 2014, these communication actions have been pursued with a SFAF information meeting held on 19 March 2014 for the annual results for 2013, and other information meetings with analysts, journalists and investors.

In order to meet the obligations on the effective and complete distribution of the regulated information, SOGECLAIR transmits the regulated information by electronic means via a professional distributor included on the list published by the AMF. This information is on-line on the www.sogclair.fr website, in the 'investors' section.

24.2. Information for the shareholders and analysts

Since being listed on the stockmarket, SOGECLAIR has maintained a regular communication programme with a view to keeping all of its shareholders, and the financial community informed.

In 2013, these communication actions have been materialised by a reference document (the 15th since 1999) including the annual financial report for the 2012 financial year, financial press releases and notifications, one SFAF information meeting: 20 March 2013 for the annual results for 2012 and other information meetings with analysts, journalists and investors.

Forecast publications timetable for 2014

Turnover for the first quarter 2014	14 May 2014
Turnover for the second quarter 2014	30 July 2014
Results for the first half 2014	10 September 2014
Turnover for the third quarter 2014	5 November 2014

This timetable is given as an indication; the dates given may be subject to change.

25 FINANCIAL INFORMATION ON THE SHAREHOLDINGS

The financial information on the shareholdings is given in paragraph 2.2 of the Board of Directors' report to the AGM in chapter 26 of this reference document.

The table of subsidiaries and shareholdings is available in the appendix to the annual accounts to 31 December 2013 presented in chapter 20 of this document.

26 THE BOARD OF DIRECTORS' REPORT TO THE COMBINED GENERAL MEETING HELD ON 16 MAY 2014

(Financial year ending on 31 December 2013)

Dear Shareholders,

We have called this General Meeting pursuant to the law and the provisions of our articles of association with a view, in particular, to submitting the accounts (individual and consolidated) for the financial year ending 31 December 2013 to you for your approval.

The invitations to this Meeting have been regularly issued.

The documents stipulated by the regulations in force have been sent to you or have been held at your disposal within the stipulated deadlines.

The purpose of this report is, in particular, to present to you the situation of our company and of our group.

The individual and consolidated accounts for the financial year ending 31 December 2013 have been drawn up according to the presentation rules and valuation methods stipulated by the regulations in force.

1. Group situation – Progress made

The list of subsidiaries integrated in the scope of consolidation is available in paragraph 2 of the consolidated appendix given in chapter 20.3.2 of this reference document.

1.1. Activity statement

Sales for the 4th quarter and for the financial year 2013 are the highest ever recorded by SOGECLAIR at €28.18 million and €104.75 million respectively.

The year 2013 saw an excellent performance with organic growth of 11% carried by the contracts amassed by the Aerospace division.

France was dynamic with annual growth of +23.3% and international market represented 33% of sales at €34.46 million.

The operating result progressed by nearly 11% to 8.7% of sales; the net result, group share, at €6.05 million progressed by more than 3% despite an increase in taxes of €1 million. The net cash excluding qualified pre-payments stood at nearly €9.29 million and equity capital reached €32.5 million.

Activity division by division

(in € million)	2013	2012	Variation
Q4			
Aerospace	24.88	23.13	7.6%
Vehicle	0.36	0.58	(37.9%)
Simulation	2.94	3.56	(17.4%)
12 months (31 December)			
Aerospace	93.16	80.52	15.6%
Vehicle	1.73	2.67	(35.2%)
Simulation	9.85	11.14	(11.6%)

Aerospace Division: 88.9% of group activity at €93.16 million.

The activity was marked by the strengthening of our positions thanks to:

- extension of the manufacturing engineering and in-service aircraft support offerings,
- creation of a subsidiary in North America,
- numerous commercial successes borne by packaged technical solution offerings, a high level of specialisation and strengthened customer confidence.

Simulation Division: 9.4% of group activity at €9.85 million.

The year was marked by a fall in the sale of turnkey simulators, but the orders won and the synthetic environment software activity reached historic levels.

Vehicle Division: 1.7% of group activity at €1.73 million.

The year, for which the slow down had been announced, was marked by a remarkable level regarding the orders won in the 4th quarter and by the development of a multimission terrestrial drone which will be presented in 2014 (proprietary product).

1.2. Foreseeable changes – Future perspectives

For several years now SOGECLAIR has been readying itself for the changes currently being seen on its market by developing assets that will help it to stand out from the competition: a high level of specialisation, strengthened human resources and skills, along with an excellent Product and Service mix.

In this context SOGECLAIR is anticipating a year of growth in 2014 both in France and abroad.

1.3. Outstanding events since year-end

The beginning of 2014 was marked by:

- renewal of the Airbus Group E2S "Preferred Supplier" referencing for its engineering and customer support activities,
- strong commercial activity for the Aerospace and Simulation divisions,
- continued deployment in North America.

1.4. Research & development activities

The major part of the projects accomplished by the company are based on R&D works in the area of engineering (stress, design, development) for the aeronautics & space, automobile & rail, and defence & industry markets.

We draw your attention to the fact that we have immobilised on the assets side of the balance sheet (Development expenditure) the development expenses and related financial expenses for a certain number of projects, in compliance with and according to the principles fixed by the applicable accounting standards (IAS 23 and 38, national directives).

Development works that gave rise to new immobilisations in 2013

(in € k)	Aerospace	Vehicle	Simulation
Immobilised development works	895	142	280

The development works that gave rise to amortisation in 2013 concern all the Simulation division's programmes and the Aerospace division's thermo-compression aeronautical subassembly programme.

Detailed information is given in paragraph 1.2.2 of the consolidated appendix in chapter 20.3.2 of this reference document.

Furthermore, non-immobilised Development activities have been carried out in the area of software for simulators and synthetic environments, aircraft environments and electric and military vehicles.

The company has also carried out works eligible for research tax credit in the following areas in particular:

- aircraft of the future: Corac project demonstrator (Dassault/Onera/Daher) and the Cleansky project,
- development of new architectures and test benches,
- development of new digital modelling methodologies,
- research in the area of new composite material consolidation processes,
- research in the area of road safety and training for driving urban transport vehicles,
- synthetic environments: thermal, electromagnetic, infrared, and 3D,
- counter-IED vehicles and civil electric vehicles.

1.5. Analysis of the consolidated accounts

The group's consolidated accounts have been notified to you in IFRS format, and are commented on below. We request that you approve these accounts.

1.5.1. Consolidated income statement

The consolidated income statement is presented below:

INCOME STATEMENT (in thousands of Euros)	2013	2012	2011
Sales	104,746	94,335	76,672
Other income from the activity	8,775	8,700	6,014
Cost of goods sold	-35,495	-32,907	-22,501
Personnel charges	-63,697	-56,092	-49,754
Taxes and duties	-973	-910	-901
Amortisation and provisions	-3,771	-4,832	-3,542
Other charges	-286	-198	-208
Current operating profit	9,301	8,095	5,779
Result of the sale of consolidated shareholdings	37		
Other operating income and charges	-191	163	-5
Operating profit	9,146	8,259	5,773
Income from cash flow and cash flow equivalents	204	49	-36
Gross finance costs	-356	-255	-193
Net finance costs	-152	-206	-229
Other financial income and charges	87	-23	1
Profit before tax	9,082	8,030	5,545
Income tax expense	-3,000	-1,953	-1,601
Net profit	6,082	6,078	3,944
Group share	6,050	5,857	3,629
Minority interest	32	221	315
(in Euros)	2013	2012*	2011*
Profit per share	2,09	2,02	1,25
Diluted profit per share	2,09	2,02	1,25

(*) Taking into account the division by 4 of the nominal value of the share

Analysis of the income statement shows:

- increase in turnover,
- improvement in operating profitability,
- improvement in the financial result, under the effect of improved revenue from placements and exchange rate management,
- significant increase in the tax charge,
- improved net result, group share.

1.5.2. Consolidated financial statement

The financial situation is presented below:

ASSETS (in thousands of Euros)	2013	2012	2011
Goodwill	3,913	3,908	3,908
Intangible assets	8,540	7,399	5,971
Property, plant and equipment	4,394	4,409	3,743
Investments in associates	905	838	810
Non-current assets	17,752	16,554	14,432
Inventories	1,902	919	153
Trade and other receivables	42,609	42,144	35,385
Available-for-sale financial assets	8,093	7,214	4,422
Current tax asset	2,656	2,271	1,677
Cash and cash equivalents	22,482	8,168	6,885
Current assets	77,742	60,716	48,521
TOTAL ASSETS	95,495	77,270	62,953
LIABILITIES (in thousands of Euros)	2013	2012	2011
Share capital	2,900	2,900	2,900
Share premium account	2,630	2,630	2,630
Own shares	-713	-858	-858
Reserves and accumulated results	25,118	20,021	14,815
Equity capital, group share	29,935	24,692	19,487
Minority interest	2,552	1,527	1,472
Total equity	32,488	26,219	20,959
Provisions for other liabilities and charges	2,072	2,409	1,383
Long-term payables and other financial liabilities	3,525	3,413	2,723
Borrowings	8,201	3,053	2,344
Sundry long-term liabilities	14	18	
Non-current liabilities	13,812	8,893	6,450
Short-term payables and other financial liabilities	525	375	321
Current part of long-term borrowings	3,297	2,561	1,782
Borrowings	1,716	1,019	98
Short-term provisions	42		45
Trade and other payables	14,547	14,268	11,099
Tax and social liabilities	21,981	19,822	17,825
Deferred tax liabilities	263	127	1
Short-term provisions	6,843	3,986	4,374
Current liabilities	49,195	42,157	35,544
TOTAL LIABILITIES	95,495	77,270	62,953

Analysis of the financial statement shows:

On the asset side:

- intangible immobilisations up under the effect of a net increase in software amortisations and development expenses, particularly in the Aerospace division (assetisation of the composite parts development programmes for Airbus A350 and Bombardier CSeries),
- stable tangible immobilisations,
- inventory up strongly further to entry into the production phase of the Aerospace division's industrial activities,
- trade debts up slightly,
- other current assets up due to the increased fiscal debts,

On the liability side:

- equity capital up significantly given the results for 2013, and after a distribution of dividends to the shareholders of SOGECLAIR SA and to the minority holding in the subsidiaries of €1,275 k,
- decrease in provisions,
- qualified pre-payments up slightly, given the development programmes that have to be financed,
- financial debts up under the combined effect of the increase in short- and medium-term credit to finance the development of industrial activities and IT investments, and of the €5 million loans taken out to fund the group's development,

- tax and social debts up, under the effect of the 13% increase in the workforce,
- deferred tax liability up,
- other current liabilities up given the increase in the unearned income.

1.5.3. Consolidated income statement per division

The consolidated income statement per division shows the following after elimination of the intra-group operations and of the holding's operating expenses:

INCOME STATEMENT (in thousands of Euros)	AEROSPACE		VEHICLE		SIMULATION		HOLDING	
	2013	2012	2013	2012	2013	2012	2013	2012
Turnover	93,164	80,520	1,729	2,673	9,847	11,136	7	6
Other income from the activity	5,363	6,034	469	164	2,874	2,467	69	36
Cost of goods sold	-29,387	-26,139	-547	-1,195	-3,843	-3,977	-1,717	-1,596
Personnel charges	-53,879	-46,874	-903	-871	-6,623	-6,252	-2,291	-2,095
Taxes and duties	-619	-566	-43	-39	-146	-146	-165	-159
Amortisation and provisions	-2,937	-3,620	-60	-88	-635	-949	-140	-174
Other charges	-205	-127			-14	-14	-67	-57
Intra-Group operations	-4,270	-3,918	-307	-119	-469	-551	5,045	4,588
Current operating profit	7,231	5,309	337	524	991	1,714	742	548
Income from the sale of consolidated holdings					37			
Other operating income and charges	16	-6			-207	-4		173
Operating profit	7,247	5,304	337	524	821	1,710	741	721

1.6. Risk factors

The company has reviewed the risks that could have a significant unfavourable effect on its activity, financial situation or results, and considers that there are no significant risks other than those presented below, except in cases of Force Majeure.

Execution risks

SOGECLAIR intervenes with its customers according to three different types of contract:

- Technological assistance projects account for 23% of the activity: this concerns virtually all of the contracts with an obligation regarding the means. They have a length situated within a time bracket of 3 months to 1 year.
- Work packages account for 58% of the activity: this concerns contracts with an obligation to achieve a given result. They have a term of between 1 month and 5 years.
- Products and systems account for 19% of the activity: this concerns contracts:
 - comprising an offer associated with that of SOGECLAIR (for example manufacturing on a partner's site). These are long-term contracts with obligations to achieve a given result for periods that may be as long as 15 years,
 - development and supply of equipment under the responsibility of SOGECLAIR as the only source. Their length depends on the type of equipment.

The technological assistance contracts do not comprise any great execution risk, as SOGECLAIR only has an obligation regarding the means.

The work package contracts inherently include execution risks whose root causes are, in chronological order:

- a) initial underestimate in the offer,
- b) unclear technical specifications and very extensive contractual clauses,
- c) requests for additional works during the development phase without any prior formal commercial agreement,
- d) particular technical difficulties,
- e) final acceptance conditions subject to interpretation.

The control of these risks, especially those of origin b) and c) require a very particular type of organisation, both in commercial and programme management terms, that represents the difficulty of this type of contract but, in return, creates a great barrier to entry with respect to the traditional players in the area of outsourced R&D.

Regarding the supply of equipment, the risks are reduced due to the control over the definition of the product to be made; however there is the added risk of works inherent to the warranty period.

Dependence risks

Customers

In 2013, all markets taken into account, the company counted 189 active customers, that is to say customers who were invoiced during the financial year distributed over every sector of activity. This represents a sufficient degree of diversity, both in terms of customer base and of the number of contracts, to ensure we do not suffer from any unhealthy dependence.

Reciprocally, the quality and loyalty of the group's customers limit the risk of volatility and solvability with respect to debts, and the size and quality of these customers represents a source of markets to be developed for SOGECLAIR.

In terms of figures:

- the first 50 account for 96% of consolidated sales; amongst which, 3 were new customers in 2013,
- the first 20 account for 89% of consolidated sales; and all of them were already customers in 2012,
- the first 10 account for 81% of consolidated sales and all of them were already customers in 2012,
- the first 5 account for 73% of consolidated sales, compared with 66% in 2012,

The group's No. 1 customer, AIRBUS France, represents 38% of consolidated sales, compared with 33% in 2012 and 32% in 2011. The European company Airbus represents 58% of consolidated sales, compared with 54% in 2012. Our contractual relations concern around one hundred distinct contracts spread between the five entities that make up AIRBUS: France, Deutschland, España, United Kingdom and Central Entity.

Partners

The longstanding partnerships with MASA, MECACHROME and MECAHERS continued during the year.

The Simulation Division has continued to strengthen its existing international network of partners, integrators and distributors. Its historical partnerships continued satisfactorily and do not lead us to anticipate any risk with respect to the group's business.

Suppliers and subcontractors

Independence from our suppliers and subcontractors is ensured by the application of the following guidelines:

- retaining control over the customer relationship and project management (specification, preliminary design and validation, production of the critical elements, quality), making it possible to keep the essential distinguishing factors,
- selection of companies that have neither the capacity or the possibility to handle SOGECLAIR's contracts directly,
- sufficient number making it possible to spread the industrial and financial risk,
- small number to make it possible to weigh sufficiently on the commercial and technical conditions.

The group as a whole works with several tens of suppliers and subcontractors who provide it with their support in the areas of mechanics, electronics and simulation.

Commercial risks

Customer programmes

SOGECLAIR is engaged in three "risk-sharing" contracts, in the framework of the Airbus A380 programmes in 2001, Airbus A350 in 2009 and Bombardier CSeries in 2011. To date, these are the only contracts involving financing by SOGECLAIR and a commercial risk for it shared with its customer.

The contract relative to the A380 concerns the design and manufacture of floor structures for the aircraft nose section, in co-development with the ADM company.

At the end of December 2013, the order book for the A380 announced by Airbus amounted to 304 firm orders (+42 vs 2012) and had suffered from the announcement of the delays in the programme and the cancellation of the orders for the Freighter version in 2006. But this does not in our view put into question the commercial viability of the programme for which Airbus has set itself a target of 800 deliveries and remembering that more than 1,500 Boeing B747s have been ordered.

Our total deliveries at the end of 2013 stood at 163 (including 30 for the year).

This programme has been the subject of an immobilisation of the development expenses engaged. This immobilisation has been fully amortised since the end of 2012.

The contracts relative to the Airbus A350 and Bombardier CSeries concern the design and production of composite parts for the aircraft via the AVIACOMP subsidiary created in 2008 with the MECAHERS group, which came under the control of the MECACHROME group in 2011.

On 31 December 2013, the overall economics of these contracts was considered positive.

At the end of December 2013, the order book for the A350 announced by Airbus counted 812 firm orders (+220 vs 2012). The order book for the CSeries announced by Bombardier counted 196 firm orders (+60 vs 2012). The deliveries of the first shipsets began in 2013.

Detailed information is given in paragraph 1.2.2 of the consolidated appendix provided in chapter 20.3.2 of this reference document.

Moreover, analysis of the group's contracts has made it possible to identify and make a provision for risks of loss on completion amounting to €357 k.

Proprietary sales

Concerning the development of equipment for flight simulators, the perspectives for 2014 are stable with respect to 2013, a year during which the activity was historically high. The goal for 2014 is to consolidate our position with the worldwide leaders in the area of civil flight simulation (CAE, Thalès, L-3) and progress with the other players on the simulation market (AgustaWestland, DCNS, etc.).

SOGECLAIR is completing its simulation motors product range (SCANer for automobiles, ScanSIM for aeronautics, and OKSimRail for rail) by adding compact simulators including the software and hardware parts: automobile compact simulator CDS 650 (Compact Driving Simulator), tramway compact simulator and rail compact simulator.

The SE-Workbench product (simulation of electro-optical and radiofrequency sensors), already well anchored in the defence sector in France, Europe and Asia, is opening up to the civil market thanks to several commercial successes with major French aircraft manufacturers and with the support of the DGAC. The SE-Workbench offer is also developing strongly to address Man-in-the-Loop simulation, whether in the area of studies or training.

Market risks

To allow it to monitor its interest and exchange rate and liquidity risks, SOGECLAIR's Management is organised with:

- cashflow follow-up,
- monitoring of medium/long-term debt,
- monitoring of exchange rate exposure,
- frequent exchanges with the financial partners to discuss rate changes in the short or medium term,
- participation in various forums, discussion groups, presentations.

Share risk

As SOGECLAIR has not made any guarantees linked directly or indirectly to the share price trends, its share risk is limited to the impact of a change in the share price on its self-owned shares.

In respect of its share in the market-making contract, SOGECLAIR owned 4,266 of its own shares on 31 December 2013.

On 31 December 2013, besides the market-making contract, SOGECLAIR held 153,436 shares as detailed below:

Reasons / Events outside the market making contract	Number of shares concerned
Merger/takeover of the LPPI company	84,768
Share buy-back programme between December 2008 and February 2009	19,192
Share buy-back programme between March and June 2009	17,528
Share buy-back programme between December 2009 and January 2010	27,588
Share buy-back programme between August and September 2011	4,360
Total	153,436

The variation in the price of these shares does not have any impact on the group's consolidated accounts because they have been cancelled in the equity capital, in accordance with the accounting rules.

Financial risks

Interest rates

Our variable rate exposure at the end of December 2013 was limited to current short-term loans.

Additional information is given in paragraph 1.2.3 of the consolidated appendix given in chapter 20.3.2 of this reference document.

Given the structure of the financial debt, we do not think it is necessary to present an analysis of our sensitivity to interest rate risks.

Exchange rates

During the 2013 financial year, the group's exposure to this risk increased. The impact on the accounts for 2013 was positive for €32 k compared with a negative impact of €21 k in 2012.

The year 2013 includes losses on the sales made in Euros by our Tunisian subsidiary amounting to €35 k and on the sales made in US and Canadian dollars amounting to €40 k, as well as a gain linked to the positive fair value restatement of the assets concerned (customer debts and foreign currency in the bank) amounting to €104 k given the hedging products contracted on 31 December 2013.

Several design contracts include partial or complete payment in US or Canadian dollars, which has meant that coverage of the forward sale type has had to be put in place for a balance at the end of 2013 of USD7.5 million and CAD0.3 million.

We must inform you, however, that some of these contracts have led us to put in place a policy of subcontracting in USD and CAD.

The negative variation of the conversion differential for the subsidiaries' accounts in foreign currencies, posted in the consolidated accounts, stood at nearly €24 k in 2013, compared with a positive variation of nearly €16 k in 2012.

Liquidity / Cashflow

The 2013 financial year did not see any liquidity risk; and the utilisation of our bank lending facilities remains far lower than the maximum credit authorised by our banking partners.

The company has reviewed its liquidity risk and it considers it is in a position to face up to its future commitments.

Cashflow net of debt excluding qualified pre-payments is positive at €9.29 million in 2013, compared with €1.53 million in 2012, under the effect of the net result and a fall in the WCR and investments. In 2013 SOGECLAIR took out loans amounting to €5 million to fund its future development.

The sources of financing used by the company are spread between several financial establishments and are not the subject of any covenants.

Legal risks

With the exception of industrial and environmental risks, SOGECLAIR is not subject to any particular regulations and the exercising of its activity is not subject to any legal, regulatory or administrative authorisation.

The general and aeronautical product-related professional civil liability risks are covered by international insurance programmes.

To the knowledge of SOGECLAIR, there are no governmental, legal or arbitration procedures, including any procedure that the company is aware of, that is in abeyance or that it is threatened with, that would be liable to have or have had during the last 12 months any significant impact on the financial situation or profitability of the company and group, over and above the amounts provisioned.

However, in the event of disputes arising, they are subject to analysis as soon as the fact has been ascertained. The priority is to reach a quick and amicable solution. In the event of litigation and after having failed to reach an amicable settlement, a provision may be made according to the technical and contractual analysis and, if applicable, to the legal analysis. These elements make up the basis for creating the provision.

It is stated that the amount provisioned for current disputes stands at €507 k.

The legal proceedings in progress are continuing and do not lead us to anticipate any risks other than those already posted in the accounts for 2013.

Operational risks

Refer to the President's report to the AGM.

Industrial and environmental risks

In 2013, the industrial and environmental risks concern the Vehicle Division, its equipment has been declared and is conform to the Afnor 35009 and 35010 standards and regulation 97/23/CE. Furthermore, the equipment is subject to waste recycling and elimination contracts.

The obligatory declarations in respect of the Aerospace division's powerful electrical installations and of alloy metals stoving have been made with the Haute-Garonne Préfecture.

Insurance policies

The main risks of the companies in the group are covered by insurance policies such as described below:

- the risks linked to equipment and trading loss (industrial comprehensive, machinery breakdown),
- the risks linked to their activities (general civil liability and aeronautical products).

The civil liability policies, covering all types of damage, cover the maximum contractual risk stipulated in our commercial contracts.

1.7. Off-balance sheet commitments

The presentation, made according to the accounting standards in force, does not omit any significant off-balance sheet commitment.

Detailed information is given in paragraph 4.22 of the consolidated appendix in chapter 20.3.2 of this reference document.

2. Situation of the Companies in the Group

The financial year was marked by:

- progression in the operating profit,
- cashflow net of short-term debt at €9.29 million,
- fall in the activity and profitability of the Simulation division,
- confirmed fall in the activity of the Vehicle division, but with unchanged rate of profitability,
- Aerospace division holding up well despite stiff competition,
- progression of the activity with our customers Airbus and Dassault Aviation.

2.1. Activities and results of SOGECLAIR SA – Progress made

During the year ending 31 December 2013 SOGECLAIR SA achieved:

- turnover of €5,078 k (compared with €4,625 k for the previous year),
- profit of €3,571 k (compared with €567 k for the previous year).

We request that you approve these individual accounts.

In compliance with article R.225-102 of Commercial Law, a table is appended to this report showing the company's financial results for the last five years.

Forecast trends

The 2014 financial year will be marked by the pursued management and support activities for the benefit of all the subsidiaries.

Important events since year-end

None.

Research & Development activities

The Research & Development-related activities concerning SOGECLAIR's subsidiaries are detailed in paragraph 1.4 of this report.

Role of the parent company

In this context, SOGECLAIR SA has exercised all of its missions to steer and coordinate the group's activities.

In parallel, SOGECLAIR SA has continued to meet the requirements of AVIACOMP SAS, SOGECLAIR AEROSPACE SAS, OKTAL SAS, OKTAL SYNTHETIC ENVIRONMENT SAS and SERA INGENIERIE SAS in the areas of administration, management, pay, accounting and legal secretariat.

Furthermore SOGECLAIR SA has provided the cashflow management and legal secretariat services for SOGECLAIR AEROSPACE SARL and CHECKAERO BV.

Information on the terms of payment

The table below summarises the information required in succinct form for the suppliers:

(in € k)	Non-due debts						Due debts	
	Less than 30 days		30 to 60 days		More than 60 days			
	On 31/12/2012	On 31/12/2013	On 31/12/2012	On 31/12/2013	On 31/12/2012	On 31/12/2013	On 31/12/2012	On 31/12/2013
Total supplier debts	182	59	11	108	none	none	132 ⁽¹⁾	23 ⁽²⁾

(1) settled in January 2013

(2) settled in January 2014

On 31 December 2013, the balance owed by customers, intra-group as a whole, amounted to €654,055 compared with €458,521 the previous year.

Acquisition of shareholdings and takeovers

During the year ending 31 December 2013, SOGECLAIR SA acquired a minority holding in a non-consolidated company, and acquired a company in Luxembourg whose goal is to serve as investment vehicle for the subsidiary in Canada.

Detailed information is given in paragraph 2 of the consolidated appendix provided in chapter 20.3.2 of this reference document.

Sanctions for anti-competitive practices

None.

Social and environmental consequences of the activity

This information is presented in appendix 1 to this report.

Financial information on the shareholdings

None.

2.2. Activities and results of the subsidiaries

Activities and results of the Aerospace Division

French subsidiaries

AVIACOMP SAS

Set up in mid-2008, this subsidiary won three major composite part design, manufacturing and assembly contracts in Q4 2009, Q1 2011 and Q1 2012, for the Airbus A350, and for Bombardier CSeries and Learjet 85 programmes. Over time, they will generate several tens of millions of Euros of revenue.

Since the end of 2009, the company has been immobilising its development expenses in the framework of risk-sharing programmes. These development expenses are described in paragraph 1.2.2 of the consolidated appendix provided in chapter 20.3.2 of this reference document.

The company was recapitalised in 2010 and 2013. The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGECLAIR holding on 31/12/2013	55.00 %	2013 (k€)	2012 (k€)	Trend
Sales		3,925	2,565	+53.0%
Operating result		-902	-421	x2.1
Net result		-1,091	-749	+46%
Equity capital		1,963	306	x6.4
Cash net of financial debt ⁽¹⁾		-3,343	-2,863	+16.8%
Avg. workforce (Full-Time Equivalence)		36	23	+56.5%

(1) Excluding qualified pre-payments

SOGECLAIR AEROSPACE SAS

In the past the company immobilised its development expenses in the framework of risk-sharing programmes. These development expenses, totally amortised since the end of 2012, are described in paragraph 1.2.2 of the consolidated appendix provided in chapter 20.3.2 of this reference document.

The year 2013 was marked by continued growth and improved profitability. You will also note a clear improvement in cashflow. The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGECLAIR holding on 31/12/2013	100.00 %	2013 (k€)	2012 (k€)	Trend
Sales		67,540	53,299	+26.7%
Operating result		8,260	4,761	+73.5%
Net result		5,631	3,047	+85.1%
Equity capital		13,340	9,644	+38.3%
Cash net of financial debt ⁽¹⁾		14,637	8,227	+77.9%
Avg. workforce (Full-Time Equivalence)		575	495	+16.2%

(1) Excluding qualified pre-payments

S2E CONSULTING SAS

The year 2013 was marked by growth in the company's activity and a fall in its profitability. The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGECLAIR holding on 31/12/2013	46.98 %	2013 (k€)	2012 (k€)	Trend
Sales		833	788	+5.7%
Operating result		27	91	-70.3%
Net result		14	58	-75.9%
Equity capital		153	281	-45.6%
Cash net of financial debt ⁽¹⁾		-42	41	ns
Avg. workforce (Full-Time Equivalence)		10	9	+1.1%

Foreign subsidiaries

SOGECLAIR AEROSPACE LIMITED (UNITED KINGDOM)

The activity and profitability are down owing to a contract being lost at the end of 2012. Its main quantified indicators, such as they appear in the individual financial statements, restated to the French standards, are presented below in local currency:

SOGECLAIR holding on 31/12/2013	100.00 %	2013 (k£) ⁽¹⁾	2012 (k£) ⁽²⁾	Trend
Sales		1,622	2,318	-30.0%
Operating result		-15	51	ns
Net result		-12	2	ns
Equity capital		678	690	-1.7%
Cash net of financial debt ⁽¹⁾		253	154	+ 64.3%
Avg. workforce (Full-Time Equivalence)		35	42	-16.7%

(1) Conversion rate used for establishing the consolidated accounts: closing rate 0.8337, average rate 0.8493

(2) Conversion rate used for establishing the consolidated accounts: closing rate 0.8161, average rate 0.8111

SOGELAIR AEROSPACE SARL (TUNISIA)

The company, created in April 2009, is showing growth. Its main quantified indicators, such as they appear in the individual financial statements, restated to the French standards, are presented below in local currency:

SOGELAIR holding on 31/12/2013 100.00 %	2013 (k TND) ⁽¹⁾	2012 (k TND) ⁽²⁾	Trend
Sales	1,309	1,018	28.6%
Operating result	-65	-69	+5.8%
Net result	-36	-82	+56.1%
Equity capital	256	60	x4.2
Cash net of financial debt	-721	-271	x2.7
Avg. workforce (Full-Time Equivalence)	29	21	+38.1%

(1) Conversion rate used for establishing the consolidated accounts: closing rate 2.2650, average rate 2.1660

(2) Conversion rate used for establishing the consolidated accounts: closing rate 2.0473, average rate 2.0134

SOGELAIR AEROSPACE GmbH (GERMANY)

The year 2013 was marked by a fall in the company's activity and negative profitability.

The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGELAIR holding on 31/12/2013 100.00 %	2013 (k€)	2012 (k€)	Trend
Sales	21,134	23,728	-10.9%
Operating result	-482	677	ns
Net result	-422	479	ns
Equity capital	2,924	3,347	-12.6%
Cash net of financial debt	-507	471	ns
Avg. workforce (Full-Time Equivalence)	230	211	+9.0%

SOGELAIR AEROSPACE SA (SPAIN)

The year 2013 was marked by growth in the company's activity and a fall in its profitability.

The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGELAIR holding on 31/12/2013 86.34 %	2013 (k€)	2012 (k€)	Trend
Sales	3,530	3,304	+6.8%
Operating result	-52	187	ns
Net result	-44	138	ns
Equity capital	700	744	-5.9%
Cash net of financial debt	-216	-163	-32.5%
Avg. workforce (Full-Time Equivalence)	61	57	+7.0%

SOGELAIR AEROSPACE INC (CANADA)

The company was set up in the summer of 2013, and its is starting its activity.

The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGELAIR holding on 31/12/2013 100 %	2013 (k€) ⁽¹⁾
Sales	30
Operating result	-126
Net result	-126
Equity capital	19
Cash net of financial debt	76
Avg. workforce (Full-Time Equivalence)	1

(1) Conversion rate used for establishing the consolidated accounts: closing rate 1.4671, average rate 1.3685

Activities and results of the Vehicle Division**SERA INGENIERIE SAS**

The company's activity was down, but profitability was maintained for the year. The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGELAIR holding on 31/12/2013 80.00 %	2013 (k€)	2012 (k€)	Trend
Sales	1,816	2,952	-38.5%
Operating result	324	511	-36.6%
Net result	261	375	-30.4%
Equity capital	1,492	1,331	+12.1%
Cash net of financial debt	566	109	x5.2
Avg. workforce (Full-Time Equivalence)	11	14	-21.4%

Activities and results of the Simulation Division**OKTAL SAS**

The company's activity and profitability were down for the year. The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGELAIR holding on 31/12/2013 97.98 %	2013 (k€)	2012 (k€)	Trend
Sales	7,151	9,086	-21.3%
Operating result	-112	1,018	ns
Net result	156	1,249	-87.5%
Equity capital	2,954	3,518	-16.0%
Cash net of financial debt ⁽¹⁾	759	391	+94.1%
Avg. workforce (Full-Time Equivalence)	74	70	+5.7%

(1) Excluding qualified pre-payments

OKTAL SYNTHETIC ENVIRONMENT SAS

The company's activity and profitability were up for the year. The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGELAIR holding on 31/12/2013 54.94 %	2013 (k€)	2012 (k€)	Trend
Sales	2,725	2,140	+27.3%
Operating result	780	600	+30.1%
Net result	587	487	+20.6%
Equity capital	2,862	2,660	+7.6%
Cash net of financial debt	1,864	1,368	+36.2%
Avg. workforce (Full-Time Equivalence)	24	24	None

3. Appropriation of the result

3.1. Proposed appropriation of the result

The appropriation of our company's results that we are proposing conforms to law and our articles of association.

We propose to assign the profit for the year, which amounts to €3,571,451.18, as follows:

Origin

- Balance carried forward	€4,107,939.75
- Profit for the financial year	€3,571,451.18
Giving a distributable profit of	€7,679,390.93

Appropriation

- As dividends	€1,450,000.00
- Balance carried forward	€6,229,390.93

The gross dividend payable for each share will therefore amount to €0.50. The distribution is eligible, for physical people fiscally domiciled in France, for the 40% rebate provided for in article 158-3 2° of General Tax Law.

Coupon detachment will take place on 20 May 2014. This dividend will be payable as from 23 May 2014.

In the case where, at the time of coupon detachment, the company holds certain of its own shares, the sums corresponding to the unpaid dividends relative to those shares shall be carried forward.

3.2. Prior distributions of dividends

Pursuant to the provisions of article 243 bis of General Tax Law, we remind you that for the last three financial years the dividends and other revenue* paid out were as follows:

For the financial	Revenue eligible for the rebate		Revenue not eligible for the rebate Dividends
	Dividends**	Other revenues distributed	
2010	€398,750 that is €0.55 per share	None	None
2011	€616,250 that is €0.85 per share	None	None
2012	€1,160,000 that is €1.60 per share	None	None

* including the sums corresponding to the dividends relative to self-owned shares not distributed and carried forward

(**) amount per share before the division by 4 of the nominal value decided by the General Meeting held on 17 May 2013

3.3. Non tax-deductible charges

We note that the non-tax deductible expenses and charges mentioned by articles 39-4 of General Tax Law engaged during the past financial year amounted to €14,638.

We request that you approve them.

4. Company capital

4.1. Composition of the company shareholders

We remind you below of the identity of the people who, on 31 December 2013, held directly or indirectly more than 5%, 10%, 15%, 20%, 25%, 30%, 33,33%, 50%, 66,66%, 90% or 95% of the company's capital or voting rights at the General Meeting:

Shareholders	In capital	in voting rights
With more than 5%	Ms Anne ROBARDEY Ms Huguette ROBARDEY Mr Jean-Louis ROBARDEY Mr Philippe ROBARDEY	Ms Anne ROBARDEY Ms Huguette ROBARDEY Mr Jean-Louis ROBARDEY Mr Philippe ROBARDEY
With more than 10%	Mr Philippe ROBARDEY	Mr Philippe ROBARDEY Ms Anne ROBARDEY
With more than 15%	Mr Philippe ROBARDEY	Mr Philippe ROBARDEY
With more than 20%	Mr Philippe ROBARDEY	Mr Philippe ROBARDEY
With more than 25%	Mr Philippe ROBARDEY	Mr Philippe ROBARDEY
With more than 30%	Mr Philippe ROBARDEY	Mr Philippe ROBARDEY
With more than one third	Mr Philippe ROBARDEY	None
With more than 50%	None	None
With more than 2/3	The Robardey family as a whole	The Robardey family as a whole
With more than 90%	None	None
With more than 95%	None	None

4.2. Employee shareholding

At year-end there was no employee holding in the company's equity capital as defined in article 225-102 of Commercial Law.

No operations on shares other than those listed above were accomplished during the financial year.

4.3. Own-shares holding

Operations carried out in the framework of the buyback programme

In the framework of a share buyback programme, the Company proceeded between the beginning and end of the financial year, with the following own-share purchasing and selling operations:

Market-making contract

- Number of shares purchased: 122,836
Average purchase price: €20.05
- Number of shares sold: 152,834
Average sale price: €19.92
- Total amount of the negotiation fees: €26,000 excl. VAT

Outside the market-making contract

- Number of shares purchased: none
Average purchase price: not applicable
- Number of shares sold: 27,620
Average sale price: €22.27
- Total amount of the negotiation fees: not significant

Reasons for the acquisitions	%
Market making	100%
Employee shareholding	/
Securities giving the right to the allocation of shares	/
External growth operations	/
Cancellation	/

Year-end situation

The own-shares situation was therefore as follows at year-end:

Year-end situation	Outside of market making contract	Market making contract	Total
Number of shares held	153,436	4,266	157,702
Book value	€833,308	€121,069	€954,377
Nominal value			€157,702
Market value			€4,475,583

At year-end, the number of shares registered in the company's name represented 5.44 % of its capital.

The company did not proceed with any reallocation of shares to any other purpose during the financial year.

4.4. Share buy-back programme

We propose that you should grant the Board of Directors for a period of eighteen months the powers required, pursuant to articles L. 225-209 et seq. of Commercial Law, to buy back in one or more transactions at times that it shall decide, shares in the company within the limit of 10 % of the number of shares making up the company's equity capital adjusted, where applicable, to take into account any increases or reductions of capital that may be made during the term of the programme.

This authorisation puts an end to the authorisation given to the Board of Directors by the Ordinary General Meeting held on 17 May 2013 in its ninth resolution.

The acquisitions may be made with a view to:

- ensuring market making or the liquidity of the Sogclair shares through the intermediary of an investment service provider by means of a liquidity contract that is conform to an AMAFI code of ethics recognised by the AMF,
- keeping the purchased shares and putting them at a later time up for exchange or in payment in the framework of growth through acquisition operations, it being stated that the shares purchased for this purpose may not exceed 5 % of the company's capital,
- ensuring the coverage of share option purchase plans and/or plans to allocate shares free of charge (or equivalent plans) for the benefit of group employees and/or directors, as well as any allocation of shares in respect of a company or group savings plan (or equivalent plan), in respect of participation in the company's results and/or any other forms of share allocation to the group's employees and/or directors,
- ensuring the coverage of the securities giving the right to the allocation of the company's shares in the framework of the regulations in force,
- proceeding with the possible cancellation of the shares purchased, subject to the authorisation granted by the General Meeting of the

shareholders in its twelfth, extraordinary, resolution.

These purchases of shares may be carried out by any means, including by the purchase of blocks of shares, and at any time that may be decided upon by the Board of Directors.

These operations may in particular be carried out at the time of public offerings in accordance with regulations in force.

The company reserves the right to use option-based mechanisms or derivative instruments in the framework of the applicable regulations.

We propose that the maximum purchase price should be set at €56 per share. In the event of transactions on the capital, in particular of a split or reverse split of stock or of a free allocation of shares, the amounts indicated above shall be adjusted in the same proportions (multiplication coefficient equal to the ratio between the number of shares making up the capital before the operation and the number of shares after the operation).

The maximum amount of the transaction is therefore set at €16,240,000 (including shares that are currently self-owned).

The Board of Directors shall therefore have all powers to do the necessary in this matter.

5. Administration and control of the company

5.1. Composition of the Board of Directors

On 31 December 2013, SOGECLAIR was administered by a Board of Directors made up of eight members. The directors term of office is set at six years.

5.1.1. Members of the Board of Directors during the past year

Name (Age)	Date of appointment	Date of end of term of office	Function Remarks (nationality, family ties)
Mr Philippe Robardey (54)	AGM on 17 May 2013 (renewal)	GM voting on the accounts for 2018	President a CEO Director French nationality Son of Mr Jean-Louis Robardey
Mr Gérard Blanc (71)	AGM on 17 May 2013 (renewal)	GM voting on the accounts for 2018	Director French nationality
Mr Alain Ribet (70)	AGM on 17 May 2013 (renewal)	GM voting on the accounts for 2018	Director French nationality
Ms Martine Robardey (55)	OGM on 31 May 2012	GM voting on the accounts for 2017	Director French nationality Spouse of M. Philippe Robardey
Mr Alberto Fernandez (64)	OGM on 31 May 2012 (renewal)	GM voting on the accounts for 2017	Director Spanish nationality
Mr Jean-Louis Robardey (82)	AGM on 28 May 2009 (renewal)	GM voting on the accounts for 2014	Director French nationality Father of Mr Philippe Robardey
Mr Henri-Paul Brochet (68)	AGM on 28 May 2009	GM voting on the accounts for 2014	Director French nationality
Mr Michel Grindes (76)	AGM on 14 May 2008 (renewal)	GM voting on the accounts for 2013	Director French nationality

The Board Members' experience is indicated in chapter 14.1.3 of this reference document.

5.1.2. Renewal of a director's term of office

As the term of office of Mr Michel Grindes comes to an end at the end of this General Meeting, we propose that you should renew his term of office for a further period of six years. The information concerning the candidates is given in this reference document.

In view of the criteria adopted relative to independence, the Board of Directors considers that Mr Michel Grindes can be considered to be independent. You are reminded that Messrs Brochet and Blanc are also considered to be independent.

5.2. Mandates and functions exercised by the directors in all companies other than the issuer over the last five years**Mr Philippe ROBARDEY, President & CEO, Director****Current mandates and functions****Within the group:**

President of Sogecclair Aerospace Limited

President of Sera Ingénierie SAS

Permanent representative of Sogecclair SA
on the Oktal SAS Board of Directors

Member of the Sogecclair Aerospace SAS Executive Committee

Director of Sogecclair Aerospace SA

Co-Managing Director of Sogecclair Aerospace SARL

Member of the Aviacomp SAS Board of Directors

Co-Managing Director of Checkaero BV

Outside the group:

Director of IRDI

President of the Haute-Garonne MEDEF (employers' association)

Technical adviser to the Toulouse Chamber of Commerce and Industry

Mandates and functions exercised during the last five years and expired**Within the group:**

Director of Edt SA (Universal Transfer of Assets to Sogecclair Aerospace SAS)

Director of Clairis Technologie SA (now Sogecclair Aerospace SAS)

Mr Jean-Louis ROBARDEY, Director**Current mandates and functions****Outside the group:**

Managing Director of SCI Solair

Mandates and functions exercised during the last five years and expired**Within the group:**

Director of Clairis Technologies SA (now Sogecclair Aerospace SAS)

Director of Edt SA (Universal Transfer of Assets to Sogecclair Aerospace SAS)

Mr Michel GRINDES, Director**Current mandates and functions****Mandates and functions exercised during the last five years and expired****Outside the group:**

Managing Director of MBZ Consultants SARL

Mr Gérard BLANC, Director**Current mandates and functions****Outside the group:**

Director of Valeo

President of Marignac Gestion SAS

Mandates and functions exercised during the last five years and expired**Mr Alain RIBET, Director****Current mandates and functions****Within the group:**

Member of the Sogecclair Aerospace SAS Executive Committee

Director-Expert of Sogecclair Aerospace SAS

President of SE2 Consulting SAS

Outside the group:

Director of Formidias

Mandates and functions exercised during the last five years and expired**Within the group:**

Director of Edt SA (Universal Transfer of Assets to Sogecclair Aerospace SAS)

Director of Clairis Technologies SA (now Sogecclair Aerospace SAS)

Mr Alberto FERNANDEZ, Director

Current mandates and functions	Mandates and functions exercised during the last five years and expired
Outside the group: Director of Aries Industrial y Naval Member of the Asco Strategy Committee President of Jefe Jeronimo SL	

Mr Henri-Paul BROCHET, Director

Current mandates and functions	Mandates and functions exercised during the last five years and expired
Outside the group: Substitute director of Aerospace Valley President of Aliage President of Cancéropole Grand Sud Ouest Member of the Actia Group Supervisory Board Technical adviser to the Toulouse Chamber of Commerce and Industry President of HBIC	Outside the group: Advisor to the President of Thales Alenia Space Director of integration at the time of the Alcatel Space merger with Alenia Spazio Executive Vice-President of Thales Alenia Space Director of the Toulouse site of Thales Alenia Space Permanent representative of Thales Alenia Space on Intespace's Board of Directors CESER advisor

Ms Martine ROBARDEY, Director

Current mandates and functions	Mandates and functions exercised during the last five years and expired
None	None

Mr Jacques RIBA, Director until 27 May 2011

Current mandates and functions	Mandates and functions exercised during the last five years and expired
Outside the group: Managing Director of Pagestri SARL Managing Director of Jari Conseil SARL	Outside the group: Director of Courtois SA (listed company)

5.3. General management

Since 23 May 2003, General Management of the company has been ensured by Mr Philippe ROBARDEY, President of the Board of Directors. The Board has thus decided not to separate the functions of President of the Board of Directors from that of Chief Executive Officer of the company.

5.4. Directors' remunerations

Below, we indicate the total remuneration and all the benefits of any nature whatsoever paid by the company or by the companies under its control to each Director during the financial year ending 31 December 2013:

Table 1**Table summarising the remuneration, options and shares granted to each Director**

Mr Philippe Robardey	2012 financial year	2013 financial year
Remunerations owing in respect of the year (detailed in table 2)	542,590.68	543,724.68
Valuation of the multi-year variable remunerations granted during the year	-	-
Valuation of the options remunerations granted during the year (detailed in table 4)	-	-
Valuation of the shares granted for free (detailed in table 6)	-	-
TOTAL	542,590.68	543,724.68

Table 2**Table summarising the remuneration, options and shares granted to each Director (in €)**

Mr Philippe Robardey	2012 financial year		2013 financial year	
	Amount due	Amount paid	Amount due	Amount paid
- Fixed gross remuneration	205,200.00	205,200.00	205,200.00	205,200.00
- Variable annual remuneration	321,214.68	221,980.76	321,214.68	321,214.68
- Multi-year variable remuneration	-	-	-	-
- Extraordinary remuneration	-	-	-	-
- Director's fees	16,176.00	16,176.00	17,310.00	17,310.00
- Non-cash benefits (company car)	-	-	-	-
TOTAL	542,590.68	443,356.76	543,724.68	543,724.68

The variable part of the remuneration paid to Mr Philippe Robardey in 2012 corresponds to the 2011 financial year; that paid in 2013 corresponds to 2012. This variable part of the remuneration is calculated on the basis of 4% of the consolidated pre-tax profit.

Table 3

Table of director's fees and other remuneration received by the non-executive Board Members (in €)

Non-executive Board Members	Amounts paid in 2012	Amounts paid in 2013
Mr Gérard Blanc		
Director's fees	6,088	6,655
Other remuneration	-	-
Mr Henri - Paul Brochet		
Director's fees	6,088	6,655
Other remuneration	-	-
Mr Alberto Fernandez		
Director's fees	6,088	6,655
Other remuneration ⁽¹⁾	20,000	20,000
Mr Michel Grindes		
Director's fees	6,088	6,655
Other remuneration	-	-
Mr Jacques Riba		
Director's fees	6,088	6,655
Other remuneration	-	-
Mr Alain Ribet		
Director's fees	17,088	17,655
Other remuneration ⁽²⁾	60,000	60,000
Mr Jean-Louis Robardey		
Director's fees	6,088	6,655
Other remuneration	-	-
Ms Martine Robardey		
Director's fees	-	-
Other remuneration	-	-
TOTAL	133,616	137,585

(1) Remuneration in the form of fees amounting to €20,000 per financial year

(2) Fixed gross remuneration

Rule for the distribution of Directors' Fees

The calculation and distribution method for the directors' fees were set for SOGECLAIR SA by the Board of Directors on 5 March 1998 as follows:

"The directors' fees allocated in respect of a financial year to the members of the board of directors are set in application of the rules concerning tax deductibility and each year represent in all 5% of the average remuneration assigned to the 5 highest paid employees in the company multiplied by the number of members on the board of directors rounded off to the nearest hundred Euros. For the forthcoming financial years, the allocation of directors' fees within the board of directors will be determined as follows: double share for the President and for the CEO directors, single share for the other directors."

There are no allocation criteria such as the rate of attendance at the Board Meetings.

The directors' fees will be maintained for the forthcoming financial years, until notice to the contrary is given.

Table 4

Subscription or purchase options for shares granted during the financial year to each Director by the issuer and by any company in the group

Name of the Director	Plan No. and date	Nature of the options (purchase or subscription)	Valuation of the options according to the method adopted for the consolidated accounts	Number of options granted during the financial year	Exercise price	Exercise period
			None			

Table 5

Subscription or purchase options for shares taken up during the financial year by each Director

Name of the Director	Plan No. and date	Number of options taken up during the financial year	Exercise price
		None	

Table 6

Performance-related shares granted to each Director						
Performance-related shares granted by the General Meeting of Shareholders during the financial year to each Director by the Issuer and by any company in the group (nominative list)	Plan No. and date	Number of shares granted during the financial year	Valuation of the shares according to the method adopted or the consolidated accounts	Acquisition date	Date of availability	Performance related conditions
						None

Table 7

Performance-related shares that have become available for each Director	Plan No. and date	Number of shares that have become available during the financial year	Acquisition conditions
			None

Table 8

HISTORY OF SHARE SUBSCRIPTION OR PURCHASE ALLOCATIONS		
HISTORY OF SHARE SUBSCRIPTION OR PURCHASE ALLOCATIONS TO 31 DECEMBER 2013		
Date of the General Meeting	Plan 1	Plan 2
	None	None

Table 9

Share subscription or purchase options granted to the top ten non-director employees and options taken up by the latter	Total number of options granted / of shares subscribed to or purchased	Weighted average price	Plan 1	Plan 2
				None

Table 10

HISTORY OF THE FREE GRANTING OF SHARES
INFORMATION ON THE SHARES GRANTED FOR FREE TO 31 DECEMBER 2013
None

Table 11

Directors	Contract of employment		Supplementary pension scheme		Indemnities or benefits owed or liable to be owed due to a termination or change of functions		Indemnities relative to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Mr Philippe Robardey President & CEO Date of entry into office: May 2013 Expiry date: 2019 AGM		X		X	X			X

Commitments of any nature corresponding to elements of remuneration, indemnities or benefits owing or liable to be owed because of the taking up, termination or change of the director's functions or subsequent to it:

At the time of its session held on 15 March 2013, the Board of Directors authorised an undertaking for the benefit of Mr Philippe Robardey, pursuant to the provisions of article L.225-42-1 of Commercial Law, under the terms of which Mr Philippe Robardey shall receive, in the event of termination of his mandate as the company's Chief Executive Officer, except in the case of termination

due to failure such as defined in the paragraph below or of voluntary departure, an indemnity corresponding to 24 months' remuneration (fixed and proportional calculated on the basis of the last annual period preceding termination of his mandate). This commitment was approved by the AGM held on 17 May 2013.

Payment of this indemnity shall be subject to the condition that the group has achieved, in respect of the past five years whose consolidated accounts have been approved by the Board before the termination, an average Operating Profit, increased by the amortisations and provisions, at least equal to 7.5% of the turnover for the corresponding financial years.

Remunerations and non-cash benefits paid in the form of the allocation of capital securities, debt securities or securities giving access to the capital or giving the right to the allocation of debt securities of the company or of the controlled or controlling companies

None.

6. Auditors

We hereby inform you that none of the mandates of the auditors expires at the time of this AGM.

Detailed information is given in chapter 2 in this reference document.

7. Regulated conventions

We inform you that the conventions covered by article L 225-38 et seq. of Commercial Law have been regularly authorised by your Board of Directors during the past financial year. We request that you approve them.

We have provided your auditors with the useful indications to allow them to present to you their special report, which will be read to you in a few moments.

8. Information that has an impact in terms of public offerings

The capital structure is defined in paragraph 4.1.

There are no shareholders' pacts with respect to SOGECLAIR SA. However, a commitment was made on 23 December 2013 to keep Company shares in the framework of the preferential tax provisions put in place by the so-called "Dutheil Law" dated 1 August 2003. This commitment concerns the Robardey family and Mr. Marc Darolles and concerns 20% of the shares and the related voting rights.

The voting rights are exercised in accordance with article 15 of our articles of association. There are no shares with special rights of control. However, we inform you that all registered shares have double voting rights that have been held for two years.

The rules for appointing and removing members of the Board are the statutory legal rules, except for the age limit of 72 provided for in article 13 of the articles of association.

Concerning the powers of the Board of Directors, the current delegations are described in the delegation table given in Appendix 2 of this report.

Modifications of our company's articles of association are made in compliance with the legal and regulatory provisions.

The following agreements concluded by the company are liable to be modified or to come to an end in the event of a change of corporate control: AIRBUS E2S preferred supplier for engineering services referencing and bank loans.

The agreements providing for the indemnities in the case of a director relinquishing his/her functions are described in paragraph 5.4 of this report.

9. Delegations relative to capital increases

The table summarising the currently valid delegations in the area of capital increases is attached in Appendix 2 of this report.

10. Operations on the securities of the directors, top management and their next of kin carried out during the last financial year

Refer to Appendix 3 of this report.

Your Board invites you to approve, through your vote, the text of the resolutions that it is submitting to you.

The Board of Directors

APPENDIX 1

Corporate responsibility with respect to society

Below we give the relevant and significant social, societal and environmental information concerning the group.

The group and its directors have numerous commitments in the economic world and in joint representation organisations (MEDEF (employers' organisation); professional branches; CPH (Industrial Tribunal); URSSAF (Social Security); Clusters; Corporate Clubs, etc.).

To date no report has been specifically drafted and/or audited. Furthermore, the following chapters detail certain aspects comparable with Corporate Responsibility with respect to Society.

1. Social and societal information

1.1. Employment

The group's total consolidated workforce, as an average over the year 2013 expressed as a full-time equivalence, breaks down as follows:

	2013	2012	2011
Engineers, managers and senior technicians	993	879	793
Technicians and employees	110	103	109
TOTAL	1,103	982	902

660 people are employed in Midi-Pyrénées, Aquitaine, Loire Atlantique and PACA regions; and 82 in Ile-de-France.

The average age is 36 and the turnover rate was 5.5 %.

The fixed-term contracts represent approximately 1.3% of the workforce. The proportion of temporary staff with respect to the total workforce is not significant.

The recruitments have mainly concerned senior technicians, engineers and experts in the areas of Aerostructures and Systems Installation.

The activity perspectives in the framework of our development are leading us to maintain a high level of expertise.

1.2. Subcontracting

SOGECLAIR regularly calls on the services of external companies (subcontracting).

The flexibility rate represents nearly 22% and this level results from the group's on-going efforts to adapt in order to meet the requirements in terms of:

- capacities in its professions, to make it possible to absorb any short-term additional workloads or workloads that are too sudden to be coped with immediately through the allocation of company resources, and to preserve a sufficient degree of flexibility to make it possible to confront changes in the economic factors,
- specialities to make it possible to meet our customers' requirements and quickly obtain know-how before we have capitalised this internally.

To achieve this, SOGECLAIR maintains a network of relations with loyal, specialist partners:

- mainly in the euro zone, recognised for their skills, experience and competitiveness,
- and some from outside the euro zone with tried and tested skills, that provide greater competitiveness and satisfy our quality criteria.

It is reasonable to think that whilst SOGECLAIR could continue to create jobs in the company and jobs subcontracted in the euro zone, subcontracting outside the euro zone should also grow in order to allow us to meet our customers' ever-stronger demands in the area of costs and geographical compensation (Offset/Offshore).

1.3. Working hours / Absenteeism

The French-law companies are subject to compliance with the legal working hours. The 35 working hour agreements were negotiated between 2000 and 2002. Full-time employees work 35 hours a week, or on the basis of 218 days a year. The part-time staff work between 14 and 31 hours a week.

The rate of absenteeism stands at 2.95 %. The main reasons for absence are (in increasing order) paternity, maternity and sick leave.

1.4. Remuneration policy

For the French subsidiaries, the pay rises are subject to annual negotiations within each structure. In 2013, the remunerations increased by between 2% and 3%, all staff categories taken into account.

For the French subsidiaries, there are three participation agreements, one of which generated a special gross participation reserve of €828 k in 2013.

1.5. Professional relations / Result of the collective bargaining agreements / Accompanying seniors

Each French subsidiary has its own staff representation bodies (staff council, single delegation, staff representatives). Meetings are held regularly with them by the directors of the subsidiaries, or by the human resources managers in compliance with the provisions of law. The collective and/or branch bargaining agreements are followed up in the framework of these meetings.

In 2013, triennial action plans relative to the inter-generation contracts were signed within the main French subsidiaries.

1.6. Health & Safety conditions

Given the company's activities, which are carried out almost entirely in "office" areas, the health and safety conditions do not require any particular remarks. The working areas are subject to continual maintenance and upkeep.

1.7. Skills development / Training (French subsidiaries)

In 2013, a total of €751 k was devoted to training expenses, representing 2.67% of payroll for the perimeter concerned. The training expenses, mainly technical, are intended to maintain a high technical level and multiple skills for all the staff. The legal provisions in the DIF (individual right to training) framework were implemented on 1 January 2005.

1.8. Equal opportunities / People with disabilities

In the area of equal opportunities, the company takes care to ensure the legal provisions are applied and does not make any difference based on criteria other than skills and working conditions.

In particular no distinction is made between men and women, and the company seeks to promote the employment and rehabilitation of disabled workers through internships and hiring or by calling on the services of specialist service providers (Sheltered Workshops, etc.).

1.9. Report on the compared men/women professional situation

A compared situation report was drawn up in 2011 for the French subsidiary, Sogclair Aerospace SAS.

This made it possible to appreciate, for each of the company's professional categories, the respective situation of women and men concerning hiring, training, professional promotion, qualification, classification, working conditions, effective remuneration and the balance between professional activity and exercising family responsibilities (article L. 2323-57 of Labour Law).

It also includes an action plan covering four areas: remuneration, recruitment, training and work/life balance.

This action plan sets the goals for progression, the actions making it possible to achieve them, the quantified indicators for following them up, along with the assessed costs and deadlines.

The members of the Staff Council came out in favour of this report.

Pursuant to the law dated 27 January 2011, the Board of Directors examines the issue of men/women professional equality each year.

1.10. Social works (French subsidiaries)

Social works come within the scope of the staff councils and concern the benefits granted to the staff: company restaurant, organisation of travel and sports outings, cut-rate plane/cinema/theatre tickets, holiday rentals. In 2013, the social works budget totalled about €350 k.

2. Environmental information

The environmental impact of the companies in the SOGECLAIR group concerns two levels:

- Impact of the products they have designed and/or manufactured when in operation or when withdrawn from service,
- Impact of the companies' operations themselves when accomplishing their activity.

The companies in the SOGECLAIR group have integrated an environmental policy and a management system based on ISO 14001 coupled with the quality system, making it possible to identify the necessary resources and actions.

Impact of products designed and/or manufactured

As the main intervention area is engineering, the companies in the SOGECLAIR group do not have many activities liable to have an impact on the environment.

Steps have been taken for all the companies to reduce power consumption, particularly the consumption of electricity and water, essentially sanitary. The introduction of "green IT" is now widespread. The staff's awareness has been raised regarding a responsible attitude concerning their consumption.

Remote means of communication are currently being deployed to reduce the number of trips and CO₂ emissions. In France, with the exception of Top Management, the staff's new company cars must have CO₂ emissions lower than 120 g/km.

The companies in the SOGECLAIR group responsible for manufacturing have the material and human resources required for processing waste and discharges.

A carbon footprint assessment has been made at the level of the

group's five French sites, examining the major part of the group's IT infrastructure in particular. The conclusion was that the company emits 2.2 tonnes of CO₂ per staff member, which is a low level compared with companies of the same type. The recommendations made are currently being analysed, and applied wherever possible.

Measures taken to limit breaches against biological equilibrium, natural environments, protected animal and plant species

Not applicable

Company assessment or certification initiatives taken regarding the environment

For the moment, the company has not launched any such initiative, given its activity.

Measures taken to ensure compliance of the company's activity with the applicable legal and regulatory provisions in this area

Not applicable

Expenses incurred to avert the consequences of the company's activity on the environment

Not isolated

Existence within the company of in-house environment management services, employee training and information with respect to the environment, the means devoted to reducing risks for the environment as well as the organisation put in place to cope with pollution accidents that have consequences outside the company's sites

Not applicable

Amount of the provisions and guarantees for environmental-related risks

None

Amount of the indemnities paid out during the year in execution of a decision of the courts regarding the environment and the actions taken to repair damage caused to the environment

None

APPENDIX 2

Table summarising the currently valid delegations relative to capital increases

	Date of the E.G.M	Delegation expiry date	Authorised amount	Increase(s) made in the previous years	Increase(s) made during the financial years	Residual amount on the day this table was established
Authorisation to increase the capital by incorporating reserves, profits or premiums	17/05/2013	16/07/2015	€725 K	-	-	€725 K
Authorisation to increase the capital with upholding of PSR	17/05/2013	16/07/2015	€725 K	-	-	€725 K
Authorisation to increase the capital with cancellation of PSR by public offer and/or private placement	17/05/2013	16/07/2015	€725 K ⁽¹⁾	-	-	€725 K
Authorisation to increase the capital as remuneration for a contribution of shares or securities	17/05/2013	16/07/2015	10 % of capital ⁽¹⁾	-	-	20 % of capital
Authorisation to increase the capital with cancellation of PSR for the benefit of members of a Company Savings Scheme (PEE)	17/05/2013	16/07/2015	3 % of capital	-	-	10 % of capital

(1) : Delegations to be charged one to the other.

APPENDIX 3

Table summarising the share operations accomplished by the directors, top management and their next of kin during the past financial year

Surname and first name	
Surname and first name	
Capacity	
Operations performed by a person related to the above person	
Description of the financial instrument	
Total number of financial instruments transferred	NONE
Weighted average price	
Total amount of the transfers	
Total number of financial instruments purchased	
Weighted average price	
Total amount of the purchases	
Total number of the financial instruments subscribed to/ exchanged	
Weighted average price	
Total amount of the operation	

APPENDIX 4

TABLE SUMMARISING THE RESULTS OVER THE LAST FIVE FINANCIAL YEARS

NATURE OF THE INDICATIONS	FINANCIAL YEAR 2009	FINANCIAL YEAR 2010	FINANCIAL YEAR 2011	FINANCIAL YEAR 2012	FINANCIAL YEAR 2013
Capital at year-end					
Equity capital	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Number of existing ordinary shares	725,000	725,000	725,000	725,000	2,900,000 ⁽¹⁾
Number of existing shares with priority dividend (without voting rights)					
Maximum number of future shares to be created: . by conversion of obligations . by exercising subscription rights					
Operations and earnings for the financial year					
Sales ex VAT	3,754,758	3,909,861	4,560,476	4,625,164	5,078,400
Earnings before taxes, employee shareholding, amortisation and provisions	807,018	1,909,608	689,389	982,059	4,131,581
Income tax	(184 851)	573,413	904,476	245,682	406,650
Employee participation for the financial year	0	0	0	0	0
Earnings after taxes, employee shareholding, amortisation and provisions	746,591	1,291,399	(297,700)	567,274	3,571,451
Distributed earnings	398,750	398,750	616,250	1,160,000	1,450,000 ⁽²⁾
Earnings per share					
Earnings after taxes, employee shareholding but before amortisation and provisions	1,14	1,84	(0,39)	1,02	1,28
Earnings after taxes, employee shareholding, amortisation and provisions	1,03	1,78	(0,41)	0,78	1,23
Dividend distributed per share (a)	0,55	0,55	0,85	1,60	0,50 ⁽²⁾
Personnel					
Average headcount for the year	17	16	15	16	17
Payroll for the year	1,047,686	1,207,455	1,285,511	1,424,559	1,647,669
Sum paid in respect of social benefits for the year (social security, social works, etc.)	511,940	567,644	613,665	672,314	644,622

(1) division by 4 of the nominal value of the share on 1st July 2013

(2) project

Description of the share buy-back programme

Pursuant to the provisions of article 241-2 of the AMF's general regulations and of European regulation No. 2273/2003 dated 22 December 2003, the purpose of this description is to describe the end-purpose of the company's own-share buy-back programme and the procedures used. This programme will be subject to the authorisation of the AGM on 16 May 2014.

1) Distribution by objective of the shares held determined on 28 February 2014

Number of shares held directly and indirectly: 157,916 representing 5.44% of the company's capital.

Number of shares held, distributed by objective:

Market making by means of an AMAFI market-making contract:	4.480
Growth through acquisition operations:	153.436
Coverage of share purchase options or other employee shareholding schemes:	none
Coverage of securities giving the right to the allocation of shares:	none

Operations accomplished in respect of the last authorisation (period from 01/06/2013 to 28/02/2014)

	Market making	Employee share-holding	Growth through acquisition operations	Coverage of securities	Cancellation	Total
Purchase						
Number of shares	79,045	/	/	/	/	79 045
Amount of shares used ⁽¹⁾	100%	/	/	/	/	
Sale / transfer						
Number of shares	96,795	/	/	/	/	96 795

(1) market making

2) New share buyback programme

Programme authorisation: AGM on 16 May 2014

Shares concerned: ordinary shares

Maximum proportion of the capital for which buyback is authorised: 10% of the capital (that is 290,000 shares at the present time), it being said that this limit is assessed on the day of the buybacks so as to take into account any capital increases or decreases that may have been made during the term of the programme. The number of shares taken into account for the calculation of this limit corresponds to the number of shares purchased, minus the number of shares resold during the term of the programme in the framework of the market-making objective.

As the company may not hold more than 10% of its capital, taking into account the number of shares already held, amounting to 157,916 (that is to say 5.44% of the capital), the maximum number of shares that may be purchased will be 132,084 shares (that is to say 4.55% of the capital) unless the shares already held are sold or cancelled.

Maximum purchase price: € 56

Maximum cost of the programme: €16,240,000 (including shares currently self-owned)

Buyback methods: the purchases, sales and transfers may be made by all means on the market or over the counter, including operations on blocks of shares, it being said that the resolution submitted to the vote of the shareholders does not limit the proportion of the programme that may be accomplished through the purchase of blocks of shares.

These operations may, in particular, be carried out during periods of public offerings in compliance with the regulations in force.

Objectives:

- Ensuring market making on the secondary market or the liquidity of SOGECLAIR shares through the intermediary of an investment service provider by means of a market-making contract that conforms to the AMAFI code of good conduct accepted by the AMF,
- Keeping the shares purchased and handing them back at a later time in exchange or as payment in the framework of possible growth through acquisition operations, it being said that the shares purchased for this purpose may not exceed 5% of the company's capital,
- Ensuring coverage of the share purchase option plans and other forms of share allocation to the employees and/or to the group's directors under the conditions and according to the procedures stipulated by law, particularly in respect of the participation in the company's profits, in respect of a company savings scheme or the free allocation of shares to group employees and/or directors,
- Ensuring coverage of the securities giving the right to the allocation of the company's shares in the framework of the regulations in force,
- Proceeding with the possible cancellation of the shares purchased, subject to the authorisation to be granted by this AGM of the shareholders on 17 May 2013 in its twelfth, extraordinary, resolution.

Term of the programme: 18 months as from the AGM held on 16 May 2014, that is to say until 15 November 2015.

27.1. President's Report to the Annual General Meeting

Dear Shareholders,

Pursuant to the provisions of article L. 225-37 of Commercial Law, the President of the Board of Directors must indicate the following in a report attached to the Board's report:

- references made to a code of corporate governance,
- composition of the Board and application of the principle of balanced representation of women and men on said Board,
- conditions under which the Board prepares and organises its work,
- special conditions relative to the shareholders' participation in the General Meeting,
- any limitations imposed on the powers of the CEO,
- principles and rules put in place to determine the remuneration and non-cash benefits granted to the directors,
- elements likely to have an impact in the case of a public offering,
- internal control and risk management procedures put in place by the company.

This report was prepared by the President & CEO in cooperation with the company's specialist lawyers and the person in charge of the legal secretariat and establishing the annual reference document.

This report has been submitted to the approval of the Board of Directors on 17 March 2014 and transmitted to the auditors.

CORPORATE GOVERNANCE

Concerning the code of corporate governance, our company now refers to the Middlednext Code on corporate governance for medium and small listed companies dated December 2009, available on request from Middlednext (www.middlednext.com), hereinafter the Reference Code.

The Board declares it has familiarised itself with the data presented in the "points of vigilance" section of that Code.

However, the provisions of that Code concerning directors' fees are not applied.

Indeed, given the Board Members' good level of attendance, it was not deemed necessary to modify current practices, recalled below, when distributing the Directors' fees between the Board Members, to base that on attendance and the time devoted to the function.

1. Board of Directors and Committees

1.1. Board of Directors

1.1.1. Composition of the Board

The board has eight members:

- Mr Philippe Robardey, president of the board of directors, born on 14 October 1959, renewed in 2007 for six years, that is to say until the end of the general meeting held in 2019 to approve the accounts of the previous financial year,
- Mr Jean-Louis Robardey, director, born on 22 July 1931, renewed in 2009 for six years, that is to say until the end of the general meeting held in 2015 to approve the accounts of the previous financial year,
- Mr Michel Grindes, director, born on 28 March 1937, renewed in 2008 for six years, that is to say until the end of the general meeting held in 2014 to approve the accounts of the previous financial year,
- Mr Alain Ribet, director, born on 16 January 1944, renewed in 2013 for six years, that is to say until the end of the general meeting held in 2019 to approve the accounts of the previous financial year,
- Mr Alberto Fernandez, director, born on 1 April 1949, renewed in

2012 for six years, that is to say until the end of the general meeting held in 2018 to approve the accounts of the previous financial year,

- Mr Gérard Blanc, director, born on 6 March 1943, appointed in 2013 for six years, that is to say until the end of the general meeting held in 2019 to approve the accounts of the previous financial year,
- Mr Henri-Paul Brochet, director, born on 12 September 1945, appointed in 2009 for six years, that is to say until the end of the general meeting held in 2015 to approve the accounts of the previous financial year.
- Ms Martine Robardey, director, born on 25 February 1959, appointed in 2012 for six years, that is to say until the end of the general meeting held in 2018 to approve the accounts of the previous financial year.

The directors' term of office is six years. The number of directors that have reached the age of seventy-two may not exceed one third of the members of the Board of Directors. When the age limit is reached, the eldest director is deemed to have resigned automatically from office.

Mr Jacques Riba, whose mandate as director was not renewed at the time of the AGM held on 27 May 2011, was appointed, at the time of the Board meeting held on that same day, as censor for a period of six years that will come to an end at the end of the AGM of the shareholders that will be held in 2017 to approve the accounts of the previous financial year. As censor, Mr Jacques Riba takes part in the Board Meetings in an advisory capacity. He is in charge of ensuring the articles of association are applied, and he may give an opinion on any point on the Board Meeting's agenda and request that his remarks be made known to the AGM if he considers that appropriate.

Mr. Philippe ROBARDEY, President of the Board of Directors, serves as the company's Chief Executive Officer in his capacity as a director.

Ms Huguette Robardey, former Director, has been appointed Secretary of the Board.

The number and nature of the other mandates and functions exercised by the directors are given in the Board of Directors' annual report.

Three directors – Messrs Michel Grindes, Gérard Blanc and Henri-Paul Brochet – are considered to be independent in accordance with the definition given by the Reference Code. Indeed, according to the

eighth recommendation of the Middlednext Code on corporate governance for medium and small listed companies, the following criteria are used to qualify a Board Member as being independent:

- Not to be an employee or director of the company or of a company in its group and not to have been so during the preceding three years,
- Not to be a significant customer, supplier or banker of the company or of its group or for which the company or its group represents a significant part of its activity,
- Not to be a reference shareholder of the company,
- Not to have close family ties with a director or a reference shareholder,
- Not to have been an auditor of the company during the last three years.

Furthermore, generally speaking and to the knowledge of the company, on the date this report was established, there were no conflicts of interest between the duties of each of the Board Members with respect to the company and their private interests or other duties. The means for revealing any conflicts of interest are defined in the internal regulations (see paragraph 1.1.4 of this document).

The term of office of Mr Michel Grindes expires at the end of this AGM. Their renewal will be proposed to the AGM meeting today, for a period of six years.

At its meeting held on 14 March 2011, the Board of Directors took note of the new provisions of the law dated 27 January 2011 relative to the balanced representation of women and men on Boards of Directors and to equal opportunities.

1.1.2. Conditions under which the Board prepares its work

To allow the members of the board to prepare the meetings effectively, the President makes every effort to provide them with all the necessary information or documents beforehand.

Whenever a member of the Board so requests, the President provides him, insofar as possible, with the additional information and documents that he/she wishes to receive.

1.1.3. Holding of Board Meetings

The convocations to the meetings of the Board of Directors are issued by the President of the Board in writing, at least ten days in advance, except under special circumstances. The meetings are held at headquarters.

Furthermore, the directors receive the documents exchanged at the time of meetings of the Board of Directors (five held in 2013).

Before any communication of financial information, the data and documents are sent in advance to all the directors.

At the time of each meeting of the Board of Directors, the President presents the key points and various issues examined in the form of documents issued to the directors. Each meeting thus makes it possible to follow up the activity of the Company subsidiary by subsidiary.

Twice yearly, for the half-yearly and annual accounts, the President presents the draft documents to the board for the results presentation meetings.

The Board of Directors examines and/or orients and then authorises negotiations in the area of changes of scope and of growth through acquisitions.

In the framework of the strengthening of the role of the Board of Directors, since the end of 2004 it comments on the budgets and plans of each subsidiary prior to approval by the President and Chief Executive Officer.

Lastly, the Board of Directors examines and authorises the company's commitments to projects requiring significant financing or guarantees, securities or sureties that could be associated with them.

Besides the regular meetings held between general management and the directors, the Board of Directors met six times during the year 2013. The members' attendance rate was very good, with no particular absences. The rate of effective physical presence was 93%.

No meetings were held in the absence of the President and Chief Executive Officer.

No meetings of the Board were called on the initiative of the directors.

The Auditors were invited to the meetings of the Board of Directors that voted on the annual accounts, the half-yearly accounts and the provisional management documents. They effectively took part.

1.1.4. Board of Directors' internal regulations

Internal regulations have been drawn up for the Board as of 16 March 2007 the purpose of which is to remind the members of the Board of Directors of their various duties and to complete the legal, regulatory and statutory rules in order to detail the Board of Directors' operating conditions.

The internal regulations define the role and composition of the Board of Directors and of the committees. They stipulate the duties of the directors in a general way and also their obligations relative to having privileged information in their possession.

The internal regulations stipulate the frequency of the meetings and the means to be implemented to take part in them.

The internal regulations were updated on 16 March 2012 regarding the creation of closed periods for people who have access to privileged information. It is available in the "investors" section of the company's website (www.sogclair.com).

1.1.5. Subjects debated at the time of the Board meetings and activity report

During the year 2013, the Board of Directors deliberated on the following topics in particular:

- establishing the annual and half-yearly individual and consolidated accounts,
- examining the budgets for the financial year 2014 and the trends for 2015 and 2016,
- company strategy (analysis of the strategic, economic and financial orientations, the new organisation of the subsidiaries, follow-up of the recruitment drives),
- examining expansion by acquisition projects and other changes of scope,
- securities and guarantees,
- Board of Director's composition and remuneration,
- following up reference listings and progress made with the contracts of major importance,
- innovative projects developed or currently being developed,
- relations with third parties,
- the situation regarding the directors' terms of office.

1.1.6. ASSESSMENT OF THE BOARD'S WORK

In accordance with the Middelnext reference code and the recommendations of the AMF, the Board has been informed that it would be appropriate to put in place a Board assessment procedure, in a regular way, with a view in particular to (i) reviewing its operating procedures, (ii) verifying that the important questions are suitably prepared and debated and (iii) measuring the effective contribution of each Director to its work by way of his/her competence and involvement in its discussions.

This assessment was implemented for the first time in 2011. In December 2013, at the time of its annual assessment, the Board of Directors considered that overall the functioning of the Board was satisfactory, most of the improvements and suggestions proposed at the time of the previous assessment having been implemented.

As requested, the drafts of the agenda were sent out in advance. The directors were called on to propose subjects to be discussed, if they so wished. Some directors thus took part in drawing up the agenda.

1.2. Organisation and operation of the specialist committees

Two committees have been set up within the Board of Directors.

1.2.1. The audit committee

Further to the discussions held on 14 December 2010, the Board of Directors decided, in accordance with the provisions of articles L. 823-20 and 823-19 of Commercial Law, to ensure itself the missions assigned to the audit committee.

In this context, the Board of Directors examines the accounts at the time of each half-yearly approval and annual closing of the accounts.

In 2013, the Board of Directors met once in the form of an audit committee.

The Board also decided to follow the recommendations of the Poupart Lafarge working group made on 14 June 2010 that had been presented to it concerning the missions assigned to the audit committee as well as the recommendations specific to medium and small listed companies whose board meets in the form of an audit committee. However, it was decided that the President & CEO would take part in the Board meetings held taking the form of an audit committee.

1.2.2. Remunerations Committee

This Committee includes all of the directors with the exception of the President & CEO.

Further to adhering to the Middelnext code of governance at the time of the Board Meeting on 10 March 2010, the mission of the Remunerations Committee remains unchanged.

Once a year, the Committee analyses the remunerations of the Board of Directors. This committee had a 100% attendance level.

In the framework of the AFEP-MEDEF recommendations made in December 2008, the Board decided, at its meeting on 12 March 2009, to extend the Remuneration Committee's mission to the examination of the appointment of directors and board members.

It decides on any changes to be made to the President & CEO's fixed remuneration and proposes a remuneration framework for the other members of the Board of Directors.

2. Limit on the powers of the CEO

No specific limitations have been imposed on the powers of the CEO by the Board of Directors.

3. Principles and rules for determining the remuneration of the directors

3.1. Remuneration of the Board Members – Rule for the distribution of Directors' fees

The calculation and distribution method for the directors' fees were set for SOGECLAIR SA by the Board of Directors on 5 March 1998 as follows:

"The directors' fees allocated in respect of a financial year to the members of the board of directors are set in application of the rules concerning tax deductibility and each year represent in all 5% of the average remuneration assigned to the 5 highest paid employees in the company multiplied by the number of members on the board of directors rounded off to the nearest thousand francs. For the forthcoming financial years, the allocation of directors' fees within the board of directors will be determined as follows: double share for the President and for the CEO directors, single share for the other directors."

3.2. Remuneration of the Directors – Calculation criteria or circumstances for establishing the elements making up the remunerations and non-cash benefits

Concerning the remuneration of the Directors, the Board refers to the Middelnext code of corporate governance for listed companies, dated December 2009.

The variable part of the remuneration paid to Mr Philippe ROBARDEY in 2012 corresponded to the 2011 financial year; that paid in 2013 corresponds to the 2012 financial year. At the time of its session held on 15 March 2013, the SOGECLAIR Board of Directors imposed a ceiling on the variable part of Mr Philippe ROBARDEY's remuneration (4 % of the current result before tax, consolidated and calculated on the results for the last year closed), paid in 2014 in respect of 2013 to the amount in Euros of that paid in 2013 in respect of the year ending on 31 December 2012.

Furthermore, the company has undertaken to pay Mr Philippe Robardey, in case of termination of his mandate as the company's Chief Executive Officer, except in the case of failure or voluntary departure, an indemnity according to his fixed and proportional remuneration calculated on the basis of the last annual period preceding the termination of his mandate, subject to the performance of the company's operating result.

Mr Philippe Robardey has not benefited from any stock purchase of subscription options, shares granted free or from any fixed-benefits pension scheme.

4. Shareholders' participation at the General Meeting

The conditions relative to the shareholders' participation at the General Meetings are given in article 15 of the company's articles of association.

5. Elements likely to have an impact in the case of a public offering

These elements are detailed in the Board's Report.

INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT PROCEDURES

Allocation of responsibilities

General management defines the objectives relative to internal control and distributes the responsibilities for ensuring the regular evaluation of the activities of all the companies in the group.

In the framework of internal control, the following responsibilities have been assigned to the various management bodies:

■ Group General Management

General Management is responsible for putting in place accounting and operational reporting systems, their structures, the choice of consistent indicators and setting reasonable deadlines for information reporting.

It sets the goals of the Finance Department and facilitates the auditors' mission.

It is also responsible for providing feedback to the subsidiaries on the consolidated level at the time of the quarterly meetings.

■ Finance department

This department is organised in two units:

- Accounts, management control and tax,
- Consolidation, financial communication and publications, cashflow, legal and insurance.

This department is responsible for collecting the accounting and operational data from the subsidiaries, for their consolidation as group data, interfacing with the subsidiaries' and group's auditors, internal auditing and compliance with the group's procedures, and the internal reporting system and its updating.

It detects and analyses any drift, informs Group General Management and validates the corrective and/or preventive action plans with the subsidiaries.

It has the authority, competence and tools required to accomplish these control missions. This department is responsible for group financial publications and ensures coordination for the legal and insurance aspects.

■ The subsidiaries' General Management bodies

These are responsible for collecting information from the operational units, and for providing the Financial and Planning Directorate with their reporting indicators.

They establish the action plans in the event of a confirmed or probable risk of drift, inform their Board of Directors and Group General Management and implement the validated measures.

Lastly, they regularly inform their operational units of any changes in the group's control procedures, of any drift detected and of the measures taken.

■ The subsidiaries' Operational Directorates

They are responsible for the reliability of the accounting and operational data relative to their activity and for the lowest level application of the group's control procedures.

In this respect, they are responsible for selecting and implementing the most appropriate rules for preventing errors and/or misconduct, detecting deviations at the earliest possible time, limiting their effect and reporting without delay to General Management.

Objectives pursued

The objectives of internal control are to put in place tools and organisations making it possible to guarantee the reliability of the financial information provided, identify the risks and prevent their occurrence, detect any malfunctioning and secure the value of the company's assets.

The main risks identified are financial and commercial risks linked to problems of:

- initial estimation and execution of contracts,
- project financing,
- commercial or technical dependence,
- sensitivity to economic factors: interest and exchange rates, market growth.

In the face of these risks, the accent has been placed in particular on the following instruments applied to all of the subsidiaries.

■ Quarterly accounts

The quarterly accounting statements are established under the responsibility of each subsidiary and are recorded according to procedures and a harmonised plan with the group in order to conform to the national legal obligations and facilitate their presentation in IFRS format.

These data are, for the joint stock companies in the group, subject to examination by the auditors (limited for the half-year, complete for the year), and for all the companies subject to a likelihood verification by the group Finance Department (on reception of the statements, and an on-site examination of the subsidiaries in turn).

■ Operational Reporting dashboard

There is an operational and financial reporting system aiming to provide a frequent and prospective vision of the performance of the group's various operational units and subsidiaries in France and abroad, and satisfy a process of continuous improvement.

This system is based on a monthly Reporting Dashboard, deployed in a unified format providing the following information:

- winning of orders and order book,
- invoicing and level of work in process,
- headcount, payroll and subcontracting,
- average salary,
- productivity indicators,
- cashflow and investments.

The goal of the continuous improvement actions is to:

- increase the group's visibility of the data from the subsidiaries and procure multi-dimensional analysis capacities (subsidiaries, products, markets),
- offer top management indicators suited to their management needs,
- project control.

The main projects are followed up while being executed:

- during execution, all the expenses and invoicing relative to each project are recorded immediately in an IT tool that has been tried and tested for several years and offering real-time visibility of production, the costs engaged, the remaining work and any drift with respect to the initial budget,
- the data provided by this tool are used directly to establish the monthly follow-up of the critical projects included in the Reporting Dashboard.

Monthly meetings have been put in place with each Director in order to analyse each entity's indicators, economic performance and commercial activity.

Current limits

Internal control does all it can to prevent, detect and correct all errors, problems, and even fraud, particularly those resulting from any collusion or malfunctioning that would escape the normal and continuous vigilance of the personnel and the company's management at all levels. However, like any system of internal control, the system put in place cannot provide an absolute guarantee that the risks have been eliminated.

Internal control also relies on the reliability and pertinence of the indicators chosen, on the performance of the tools and methods used to draw up and consolidate the data and on the organisational rules put in place at every level to guarantee its independence.

It has not yet been formalised by means of a procedures manual, no more than the control instruments described above are the subject of a systematic internal audit, prior to the intervention of our auditors.

The internal control process did not, during the year 2013, detect any major failures or shortcomings.

The President of the Board of Directors

REPORT OF THE AUDITORS, ESTABLISHED IN APPLICATION OF ARTICLE L. 225-235 OF COMMERCIAL LAW, ON THE REPORT OF THE PRESIDENT OF SOGECLAIR'S BOARD OF DIRECTORS

MOREREAU AUDIT SAS

10, rue Reyer
31200 TOULOUSE

EXCO FIDUCIAIRE DU SUD-OUEST

2, rue des Feuillants
31076 TOULOUSE CEDEX

Auditors

Members of the "Compagnie Régionale de Toulouse"

S.A. SOGECLAIR

7, avenue Albert Durand
31700 - BLAGNAC

FINANCIAL YEAR ENDING 31 DECEMBER 2013

REPORT OF THE AUDITORS, ESTABLISHED IN APPLICATION OF ARTICLE L. 225-235 OF COMMERCIAL LAW, ON THE REPORT OF THE PRESIDENT OF SOGECLAIR SA'S BOARD OF DIRECTORS

To the shareholders,

In our capacity as the Auditors of SOGECLAIR SA and in application of the provisions of article L. 225-235 of Commercial Law, we are presenting our report on the report established by the President of your company pursuant to the provisions of article L. 225-37 of Commercial Law with respect to the year ending 31 December 2013.

It is the responsibility of the President to draw up and submit to the board for approval a report on the internal control and risk management procedures put in place within the company that provides the other information stipulated by articles L.225-37 of Commercial Law relative in particular to corporate governance.

It is our task to:

- *notify to you any remarks we may have concerning the information and declarations given in the President's report concerning the internal control procedures relative to the drawing up and processing of the accounting and financial information, and*
- *certify that the report includes all the other information required by articles L. 225-37 of Commercial Law, it being stated that it is not our mission to verify the sincerity of this other information.*

We have carried out our work according to the professional standards that apply in France.

Information concerning the internal control procedures relative to the elaboration and processing of accounting and financial information

The professional standards require the implementation of due diligence for assessing the sincerity of the information given and the declarations made in the President's report concerning the internal control procedures relative to the drawing up and processing of the accounting and financial information. This due diligence concerns the following in particular:

- taking cognizance of the internal control procedures relative to the drawing up and processing of the accounting and financial information underlying the information presented in the President's report and the existing documentation;
- taking cognizance of the work that made it possible to elaborate this information and the existing documentation;
- determining whether any major internal control deficiencies relative to the elaboration and processing of the accounting and financial information that we may have observed in the framework of our mission have been the subject of appropriate information in the President's report.

On the basis of this work we do not have any remarks to make on the information concerning the company's internal control procedures relative to the drawing up and processing of the accounting and financial information, contained in the President of the Board's report, established in application of the provisions of article L. 225-37 of Commercial Law.

Other information

We certify that the President of the Board's report includes the other information required in article L. 225-37 of Commercial Law.

Toulouse, 14 April 2014

The Auditors,

MOREREAU AUDIT SAS EXCO FIDUCIAIRE DU SUD-OUEST
Robert MOREREAU Jean-Marie FERRANDO

OTHER DOCUMENTS

The following documents are included in the reference document so that they can benefit from the separate publication exemptions provided for by the general regulations of the AMF.

27.2. Annual financial report

27.2.1. Annual accounts

The annual accounts for the year ending e 31 December 2013 are given in chapter 20.3.3, page 49 of this reference document.

27.2.2. Consolidated accounts

The consolidated accounts for the year ending 31 December 2013 are given in chapter 20.3.1, page 28 of this reference document.

27.2.3. Management report relative to article 222-3-3° of the general regulations of the AMF

- Objective and exhaustive analysis of the business trends, result and financial situation of the company and those of the group that it consolidates, as well as a description of the main risks and uncertainties

This information is given in Chapter 26, page 74 of this reference document.

- Information likely to have an impact in the event of a public offering

This information is given in Chapter 26, page 96 of this reference document.

- Information relative to the accomplishment of the share buy-back programme during the financial year

This information is given in Chapter 26, page 104 of this reference document.

- Declaration of the physical persons who assume responsibility for the annual financial report

This information is given in Chapter 1, page 5 of this reference document.

27.2.4. Reports of the auditors on the consolidated and annual accounts

This information is given in Chapter 20.4, pages 61 to 64 of this reference document.

273. Table of the fees paid by the group to the auditors and to the members of their networks

	Cabinet Morereau Audit				Cabinet Robert Morereau				EXCO fiduciaire du Sud Ouest				Cabinet Rosenkrantz				International Chartered Accountants (ICA)			
	Amount (ex VAT)		%		Amount (ex VAT)		%		Amount (ex VAT)		%		Amount (ex VAT)		%		Amount (ex VAT)		%	
	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1	N	N-1
Audit																				
* Auditors, certification, examination of the individual and consolidated accounts																				
- Issuer	17,325	16,300	100%	100%					17,325	16,300	31.1%	32.2%								
- Fully integrated subsidiaries							100%		38,370	34,300	68.9%	67.7%					1,265	1,300	100%	100%
* Other duties and services directly linked to the auditor's mission																				
- Issuer																				
- Fully integrated subsidiaries																				
Sub-total	17,325	16,300			36,676	32,666			55,695	50,600			33,650	32,950			1,265	1,300		
Other services rendered by the networks to the fully integrated subsidiaries																				
* Legal, fiscal, social																				
* Other (to be detailed if > 10% of audit fees)																				
Sub-total	-	-			-	-			-	-			-	-			-	-		
TOTAL	17,325	16,300			36,676	32,666			55,695	50,600			33,650	32,950			1,265	1,300		

Operating sites

• Aerospace Division

- **SOGECLAIR AEROSPACE SAS**
7, avenue Albert Durand
31703 BLAGNAC Cedex - France
- **SOGECLAIR AEROSPACE GmbH**
Georg Heyken Strasse, 4
21147 - HAMBOURG - Germany
- **SOGECLAIR AEROSPACE SA**
C/ Francisco Santillan 2B
Edificio Mezquitas
Poligono Ind. San Marcos
28906 GETAFE (Madrid) - Spain
- **SOGECLAIR AEROSPACE Ltd**
Unit 18, Apex Court
Woodlands Bradley Stoke
Bristol BS32 4JT - United Kingdom
- **SOGECLAIR AEROSPACE SARL**
Route de Raoud km 3,5
2088 ARIANA - Tunisia
- **SOGECLAIR AEROSPACE Inc**
204 rue Saint-Sacrement, suite 300
MONTREAL, QUEBEC H2Y 1W8 - Canada
- **AVIACOMP SAS**
ZI de la Saudrune
2, rue Saint Exupéry
31140 LAUNAGUET - France
- **S2E CONSULTING SAS**
7, avenue Albert Durand
31703 BLAGNAC Cedex - France
- **ADM SAS**
7, avenue Albert Durand
31703 BLAGNAC Cedex - France
- **CHECKAERO BV**
Wibautstraat 129,
1091GL AMSTERDAM - Netherlands

• Vehicle Division

- **SERA INGENIERIE SAS**
12, avenue du Québec - Bât. Hibiscus
BP 30357 Villebon-sur-Yvette
91958 COURTABOEUF - France

• Simulation Division

- **OKTAL SAS**
2, rue Boudeville
31100 TOULOUSE - France
- **OKTAL SYNTHETIC ENVIRONMENT SAS**
11, avenue du Lac
31320 VIGOULET - France