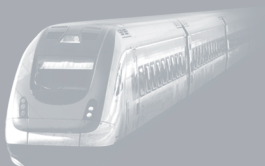
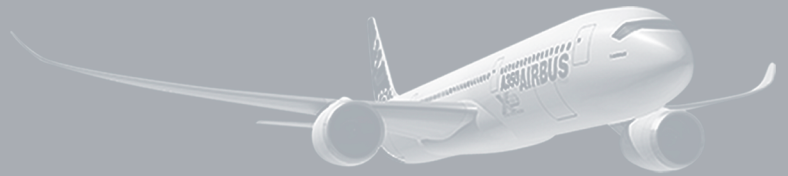
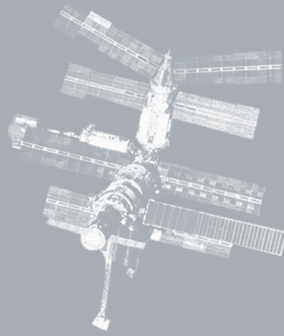


Annual report 2012



SOGECLAIR
High-tech engineering

Key figures 2012

A word from the President



In the innovation market, Sogclair chose more than 10 years ago to focus on specialist and international development.

And this explains why the international market accounts for one third of our workforce and nearly 40% of our sales.

Our strategic positioning in the Aerospace, Mission Vehicle and Simulation sectors has made it possible to change in just a few years from a purely 'service' model to a portfolio of products that feed one another.

In 2012, our turnover progressed by 23% in terms of organic growth; our results improved significantly with EDITDA at 13.7% and net profit at 6.2% of turnover.

This was made possible by the professionalism of our engineers, the strong recognition of our customers and a sound financial structure which has allowed us to implement a strong, on-going investment policy oriented towards our key markets.

With a headcount of 1,065 at the end of 2012, we have managed to attract and keep our talents.

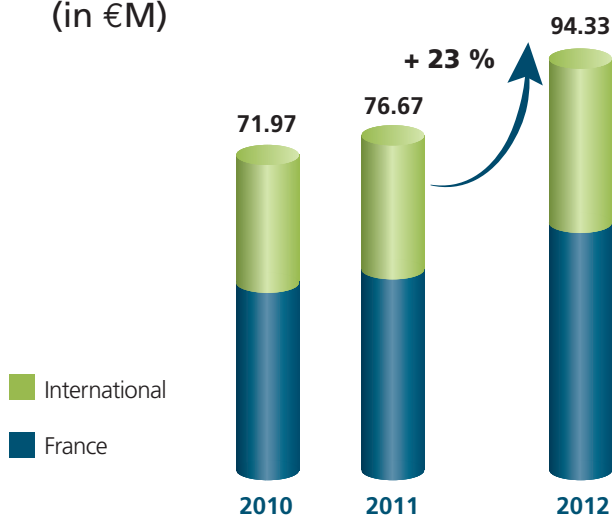
Boosted by its positioning, values and know-how, Sogclair has thus become a singular player on the innovation market.

For 2013, we will continue to accompany our customers, reinforce our offer and create our first subsidiary in North America.

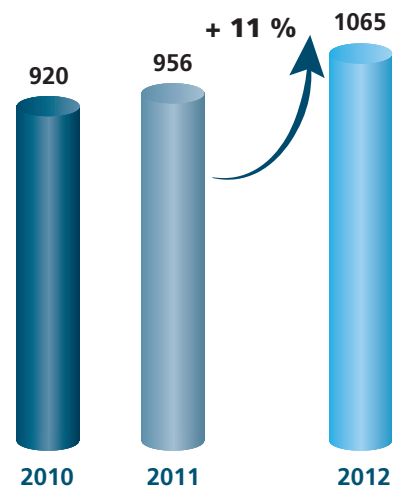
Philippe Robardey
President & CEO

Turnover trend

(in €M)



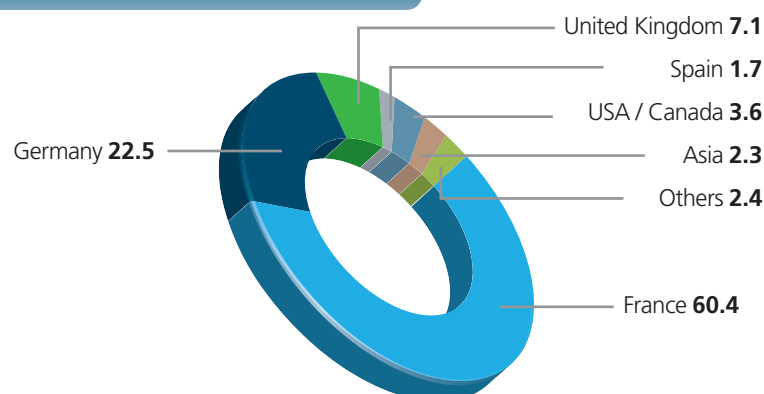
Headcount trend



Growth in group activity is being driven by a dynamic market and gains in market share; it is strengthening the multi-annual workforce growth plan.

Distribution of group activity per country

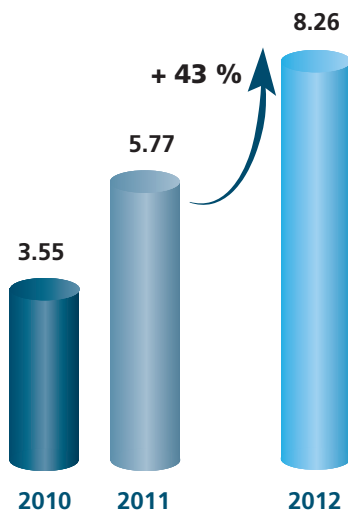
(as %)



Key figures 2012

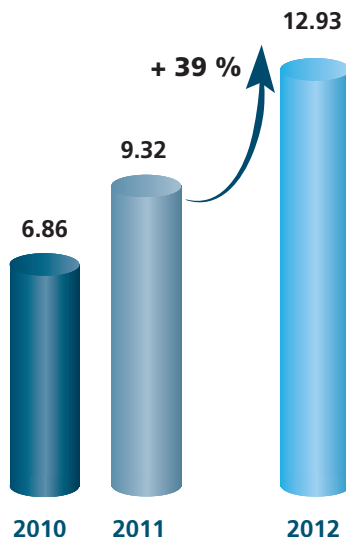
Operating profit trend

(in €M)



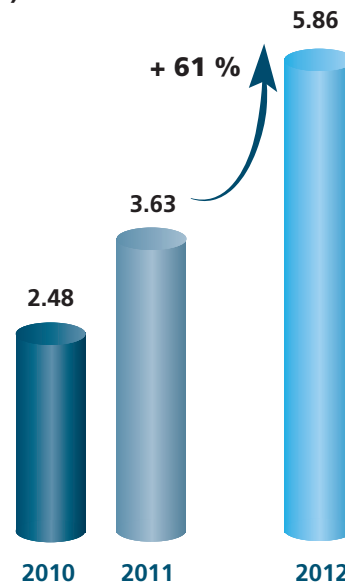
EBITDA trend

(in €M)



Group share net profit trend

(in €M)

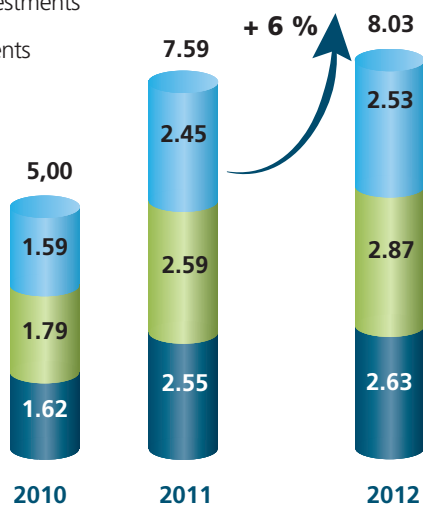


This improved profitability is backed by the continued strength of our markets, and materialises the performance of the organisational changes made since the end of 2010.

Investment trend

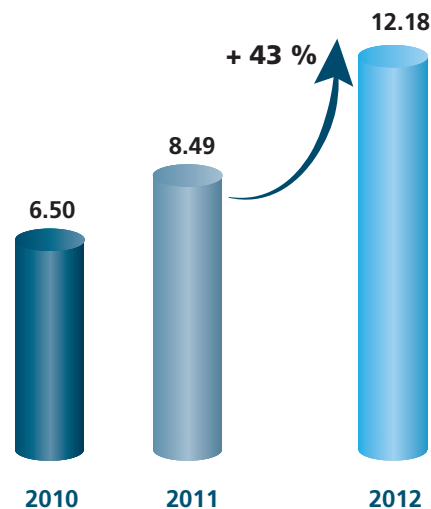
(in €M)

- Capitalised R&D
- Non-capitalised R&D investments
- Investments



Self-financing capacity trend

(in €M)



(before tax and cost of financing)

With more than €8 million – 8.5% of turnover – the increased investments materialise the company's innovation policy. The capitalised part of R&D relative to thermoplastic technologies should be reduced in 2013 given the progress made in the development phases of the programmes concerned.

The sound development of our self-financing capacity allows us to finance the strong growth in our activity, prepare for future growth while strengthening Sogecclair's financial independence.

Reference document 2012

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 16 April 2013, 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	19
18.4.	Shareholders' pact and agreements	19
18.5.	Key stock market data	19
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 2012)	21
20.4.	Verification of the annual historical financial information	41
20.5.	Latest financial information publication dates	46
20.6.	Interim financial and other information	46
20.7.	Dividend policy and distribution	46
20.8.	Legal and arbitration procedures	46
20.9.	Significant change in the financial and commercial situation	46
21.	ADDITIONAL INFORMATION	47
21.1.	Share capital	47
21.2.	Memorandum and articles of association	48
21.3.	Pledging, guarantees and securities	49
22.	IMPORTANT CONTRACTS	49
23.	THIRD PARTY INFORMATION, DECLARATIONS OF EXPERTS AND DECLARATIONS OF INTEREST	49
23.1.	Expert's declaration	49
23.2.	Other declarations	49
24.	DOCUMENTS ACCESSIBLE TO THE PUBLIC	50
24.1.	Documents accessible to the public	50
24.2.	Information for the shareholders and analysts	50
25.	FINANCIAL INFORMATION ON THE SHAREHOLDINGS	50
26.	THE BOARD OF DIRECTORS' REPORT TO THE ORDINARY GENERAL MEETING HELD ON 17 MAY 2013	50
27.	ORDINARY GENERAL MEETING HELD ON 17 MAY 2013	75
27.1.	President's Report to the Ordinary General Meeting	75
27.2.	Agenda and proposed draft resolutions submitted to the General Meeting of 17 May 2013	80
27.3.	Table of the fees paid by the group to the auditors and to the members of their networks	81

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 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.

Blagnac, 15 April 2013

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

Appointed by the Ordinary General Meeting held on 7 June 2004 and renewed 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 Didier GARRIGUES
10 rue Reyer
31200 TOULOUSE

Appointed by the Ordinary General Meeting held on 28 May 2009 to replace Mr Robert 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.

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 Didier GARRIGUES 10 rue Rayer - 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)	2012	2011	2010
Sales	94.33	76.67	71.97
EBITDA(1)	12.93	9.32	6.86
Operating income	8.26	5.77	3.55
Income before taxes	8.03	5.54	3.51
Net profit	6.08	3.94	2.74
Net profit, group share	5.86	3.63	2.49

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

3.1.2. Financial structure

(in € million)	2012	2011	2010
Equity capital	26.22	20.96	17.74
Qualified pre-payments (QPP)	3.79	3.04	2.45
Net debt (excluding QPP)	1.53	2.66	-1.57
Net gearing (excluding QPP)	-0.06	-0.12	0.09

3.1.3. Activity Trends

Per country (in € million)	2012	2011	2010
France	57.0	48.7	45.1
Germany	21.2	18.3	16.6
United Kingdom	6.7	4.9	2.3
Spain	1.6	1.1	0.7
Other countries	7.8	3.7	7.3

3 Selected financial information

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

(in € million)	2012		2011		2010	
	Value	As %	Value	As %	Value	As %
Aerospace Division	80.52	85.36	66.24	86.40	56.79	78.90
SOGELAIR AEROSPACE SAS	51.25		42.38		37.12	
SOGELAIR AEROSPACE GmbH	22.56		18.40		16.20	
SOGELAIR AEROSPACE SA	1.20		0.89		0.98	
SOGELAIR AEROSPACE Ltd	2.58		2.82		1.96	
SOGELAIR AEROSPACE SARL	0.00		0.00		0.00	
AVIACOMP SAS	2.56		1.48		0.26	
S2E CONSULTING SAS	0.32		0.27		0.27	
CHECKAERO BV	0.04					
Vehicle Division	2.67	2.83	2.25	2.93	2.08	2.89
SERA INGENIERIE SAS	2.67		2.25		2.08	
Simulation Division	11.14	11.81	8.17	10.67	13.12	18.23
OKTAL SAS	9.06		5.96		10.82	
OKTAL SE SAS	2.08		2.21		2.30	

(1) Excluding holding

3.1.4. Human resources

(full-time equivalence)	2012	2011	2010
Engineers and managers and senior technicians	879	793	791
Technicians and employees	103	109	90
TOTAL	982	902	881

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), 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, Eurocopter, 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 198 active customers.

SOGELAIR intervenes in its national and export markets from all its installations in France, Germany, Spain, the United Kingdom and Tunisia. Sales outside France represented 40% of consolidated turnover for the financial year.

In terms of work recurrence, analysis of the customer portfolio in 2012 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

SOGECLAIR 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.sogeclair.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 SOGECLAIR 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 SOGECLAIR on the Paris Stock Exchange (Alternative Investment Market).
- 2000:** 57% stake acquired in OKTAL SA, an engineering company specialising in simulation and virtual reality.
70% majority stake acquired in THARSYS, an electronics engineering company.
- 2001:** Creation of the SOGEMASA joint-venture in Spain with Grupo MASA.
- 2002:** 51% stake acquired in HIGH-END ENGINEERING (HEE) in Germany, a mechanical engineering company.
Creation of the SOGEMASA INGENIERIA company, in Spain, with Grupo MASA and ICSA with a 45% stake.
Creation of a subsidiary in Japan, OKTAL Japon, 50/50 with the local representative.
Creation of the ADM company, with a 35% holding, with GROUPE MECACHROME.
- 2004:** Buyout of the minority holdings in THARSYS; SOGECLAIR owns 100% of the shares.

- 2005:** Buyout of minority holdings in SOGEMASA INGENIERIA; SOGECLAIR owns 75% of the shares.
Reorganisation of its holdings in OKTAL SA and OKTAL SE; sale of its holding in OKTAL Japan.
Creation in the UK of CLAIRIS TECHNOLOGIES Limited, a 100% subsidiary of SOGECLAIR.
- 2006:** Creation, with IGE+XAO, of S2E Consulting, a consulting company specialised in systems and electrical engineering.
Buyout of minority holdings in OKTAL SA; SOGECLAIR owns nearly 98% of the shares.
Buyout of minority holdings in HIGH-END ENGINEERING (HEE); SOGECLAIR owns more than 78% of the shares.
- 2007:** Creation of SERA INGENIERIE, specialised in special vehicle engineering. SOGECLAIR owns 80% of the shares.
Increase in the capital of S2E Consulting, SOGECLAIR owns nearly 47% of the shares.
Joint venture with VECTRA group in India.
- 2008:** Creation, with MECAHERS of AVIACOMP, a company specialised in the design, manufacture and assembly of complex composite subassemblies; SOGECLAIR owns 55% of the shares.
Sale of the THARSYS subsidiary.
- 2009:** Creation of a subsidiary in Tunisia; SOGECLAIR owns nearly 100% of the shares.
Buyout of minority holdings in the German subsidiary; SOGECLAIR owns nearly 99% of the shares.

5 Information concerning the issuer

2010: Increase in the capital of AVIACOMP SAS; SOGECLAIR continues to own 55% of the shares,
Splitting of the Engineering & Consulting unit into two divisions: Aerospace and Vehicles,
Deployment of a new operational organisation within the Aerospace Division's engineering subsidiaries and adoption by these subsidiaries of the same name in Germany, Spain, France, United Kingdom and Tunisia: SOGECLAIR AERO SPACE,
Buyout of minority holdings in SOGECLAIR AEROSPACE SAS in France; SOGECLAIR owns 100% of the shares,
Universal transfer of assets (TUP – Transfert Universel de Patrimoine) from EDT to SOGECLAIR AEROSPACE SAS in France,
Increase in the capital of SOGECLAIR AEROSPACE SA in Spain; SOGECLAIR owns more than 86% of the shares,
Increase in the capital of SOGECLAIR AEROSPACE SARL in Tunisia; SOGECLAIR continues to own 100% of the shares,
Transfer of OKTAL SE shares to the minority shareholders;
SOGECLAIR now owns nearly 65 % of the shares.

2011: Creation of CHECKAERO BV in the Netherlands; SOGECLAIR owns 75% of the shares.
SOGECLAIR has 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*

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

5.2. Main investments

5.2.1. Completed

The most significant investments in 2012 consisted of immobilising development expenses amounting to more than €2.5 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. In progress

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

5.2.3. Planned

Development costs for the Airbus A350 programme and the Bombardier CSeries programme continued to be incurred in 2012 as shown in paragraph 1.2.2 of the consolidated appendix given in chapter 20.3.2 of this reference document.

6 Overview of the activities

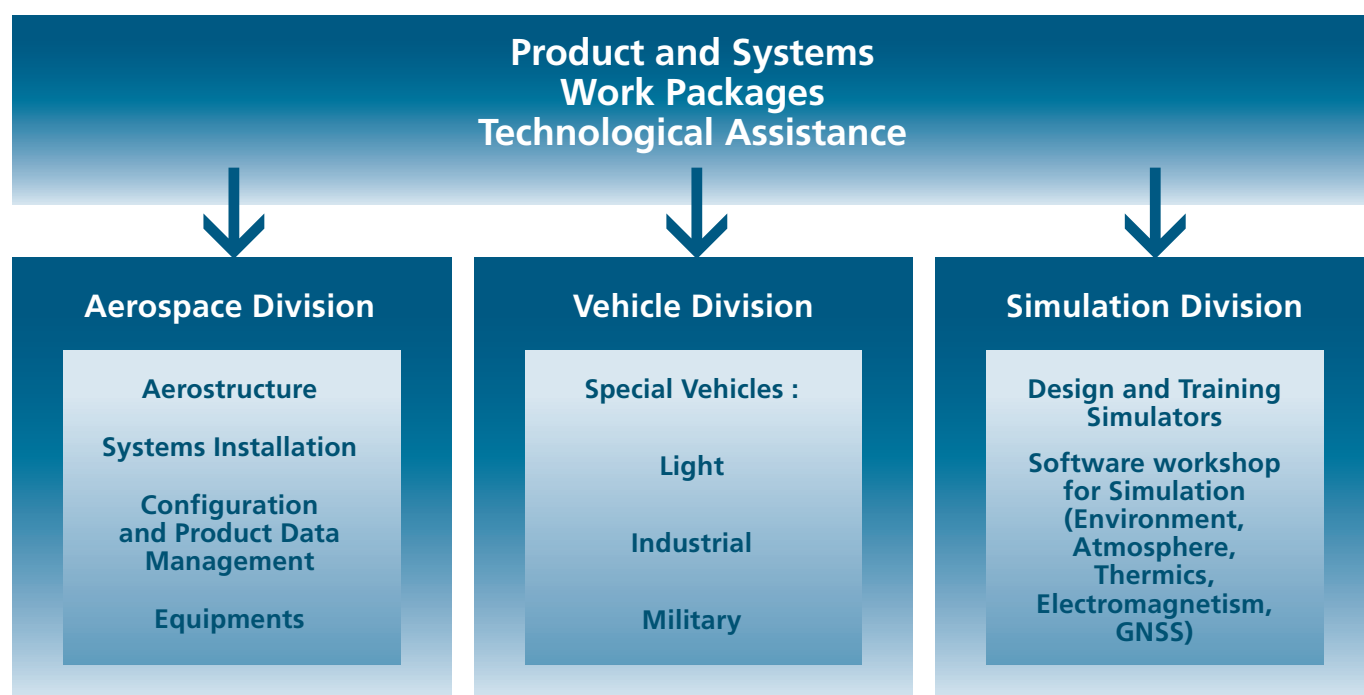
6.1. Main activities

6.1.1. Operations and activities

SOGECCLAIR 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 (from light vehicles to industrial and military vehicles),
- simulation of industrial products (development of innovative simulation and virtual reality solutions used for design and training purposes).



b) The SOGECCLAIR 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. SOGECCLAIR 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, SOGECCLAIR 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. SOGECCLAIR 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: 85% of the activity

In this division, SOGECCLAIR 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, stress, damage tolerance, etc.), and lastly tests and qualifications.

Furthermore, throughout the life of the industrial product SOGECCLAIR 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,

6 Overview of the activities

Vehicle division: 3% 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,
- design and production: special military vehicles.

Simulation division: 12% 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:
 - automobiles for studying human factors, driving and eco-driving (car, truck, bus, tramway, etc.),
 - railways for instruction and training purposes (train, metro, etc.),
 - civil and military 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	2012	2011	2010
Aeronautics	82%	84%	77%
Automobile & Rail	9%	9%	12%
Defence & Industry	9%	7%	11%

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 2012, 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 33% of its workforce and 40% of turnover, SOGECLAIR has based its international development model on the sharing of experience beginning either with start-ups or small 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 2012, up by 23%, 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

SOGECCLAIR 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 SOGECCLAIR'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,
- in France: GECL, SEGULA, SOGETI HIGH TECH,
- in Germany: AUSY, BERTRANDT, FERCHAU, INDUSTRIE HANSA, RÜCKER AEROSPACE, VOITH,
- in Spain: CT INGENIEROS, INHISSET, ITD,
- in the United Kingdom: HYDE GROUP ENGINEERING, MAGELLAN, ATKINS.

The Vehicle division's main competitors are: GTS/SOLUTION F, MATRA PININFARINA.

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: CAE/PRESAGIS, SAIS, LM-INSYS, EMSS-SA, JRM, ST/MAK,
 - service companies in France: CRIL, CS, TEAMLOG, IPSIS.

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

SOGECCLAIR's strengths

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

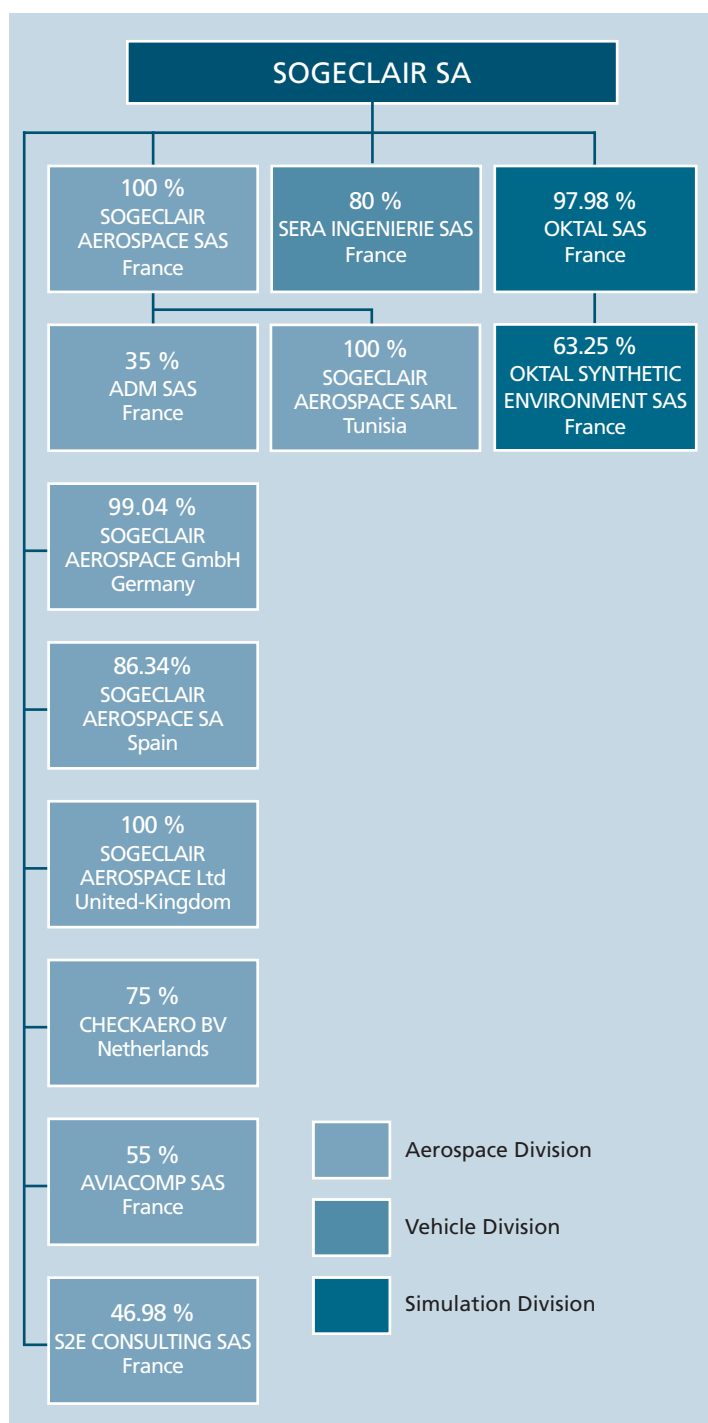
- Technological expertise of its engineers that makes SOGECCLAIR a major player in its areas of activity.
- Control from the specification stage through to the product in service.
- An important innovative policy in R&D on customer programmes and proprietary products.
- Revenues guaranteeing high visibility 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.
- International deployment – 40% of group activity – that capitalises more than 15 years' experience.

7 Organisation chart

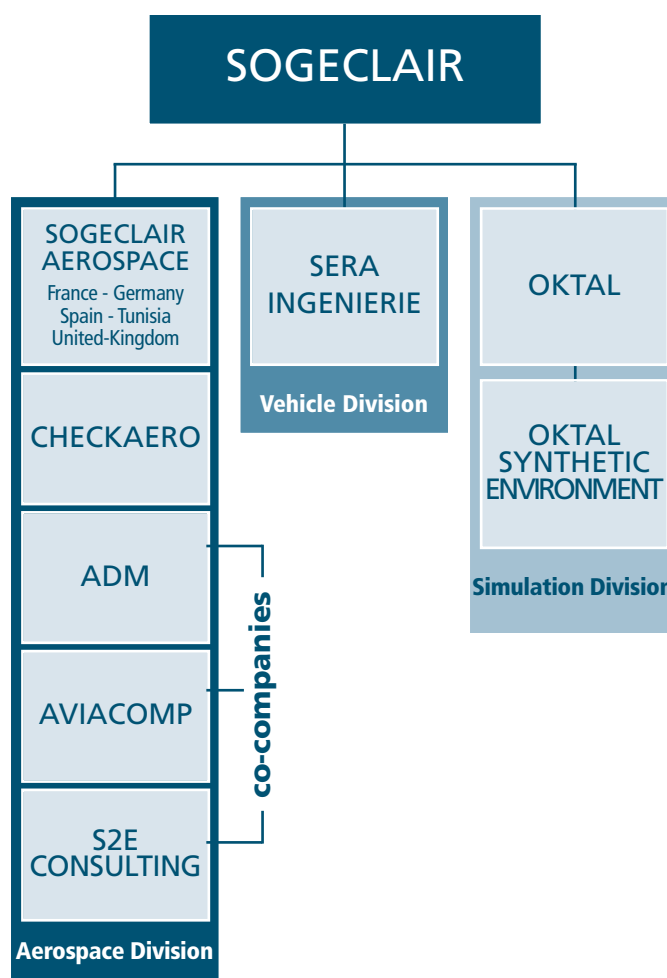
The list of subsidiaries integrated in the consolidation perimeter is available in paragraph 2 of the consolidated appendix given in chapter 20.3.2 of this reference document.

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)	2012	2011	2010
Acquisition of tangible and intangible immobilisations excluding current and development costs	2,625	2,228	1,514

The investments concern the renewal of our pool of software applications, servers, IT workstations, office hardware (PC, printers, etc.), and networks or 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

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 2012, SOGECLAIR had 19 operating sites: in the Toulouse region (4), Paris region (2), PACA region (2), Aquitaine region (1), Amsterdam, Augsburg, Hamburg (2), Bremen, Donauwörth, Getafe (Madrid), Seville, Bristol, Tunis representing a total surface area of 13,201 sq.m that is more than 13 sq.m per employee, for a total annual cost of €1.645 k excl. VAT.

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, 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 two new patents in 2011 and 2012.

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

streamlined the brands and organisation of the engineering subsidiaries in the Aerospace Division in Germany, Spain, France, the United Kingdom and Tunisia. These subsidiaries have thus adopted SOGECLAIR AEROSPACE as their brand name.

The subsidiaries concerned pay a brand fee to SOGECLAIR based on their Sales.

12 Information regarding trends

The dynamism of the aerospace sector, the turnaround in the simulation division and the vehicle division's good visibility allow SOGECLAIR to anticipate another year of growth.

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 2012

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

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 Thales Alenia Space on the Board of Directors of Intespace,
Director of Thales 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 wife of Mr Philippe ROBARDEY, President & CEO.

On 31 December 2012 the company had four 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, Alberto Fernandez and Michel Grindes.

The criteria adopted are those recommended by the Middledenext 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 2012

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

Committee Members	Functions	Name of the company
Mr Philippe ROBARDEY	President & CEO Director (Co) Director (Co)	Sogclair SA Sogclair Aerospace SARL Checkaero BV
Mr Marc DAROLLES	Executive Vice President President President Director (Co) Director (Co)	Sogclair SA Sogclair Aerospace SAS ADM SAS Sogclair Aerospace SARL Checkaero BV
Mr Didier LANGLOIS	Technical Director President	Sogclair SA Aviacomp SAS
Mr Javier FERNANDEZ	Managing Director	Sogclair Aerospace SA
Mr John JANKE	Director	Sogclair Aerospace Ltd
Mr Yves SAGOT	Managing Director	Sogclair Aerospace GmbH
Mr Sylvain CROSNIER	Managing Director	Sera Ingénierie SAS
Mr Laurent SALANQUEDA	Managing Director	Oktal SAS
Mr Jean LATGER	President	Oktal Synthetic Environnement SAS

As of 31 December 2012, the gross annual remuneration paid to the members of the Management Committee represented a total amount of €1,321,906 breaking down as follows:

- Gross basic salary: €957,885
- 2011 variable pay: €340,722
- Non-cash benefits: €23,299

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 2012).

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 (E.D.T.).

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.

16 Functioning of the administrative and management bodies

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

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.

17.3. 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

The shareholdings and voting rights break down as follows over the last three years:

18 Main shareholders

Shareholders	Situation on 31/12/2012			Situation on 31/12/2011			Situation on 31/12/2010		
	Number of shares	% of capital	% voting rights	Number of shares	% of capital	% voting rights	Number of shares	% of capital	% voting rights
Mr Philippe Robardey	249,176	34.37	41.17	240,858	33.22	39.46	255,858	35.29	41.95
Mr Jean-Louis Robardey	56,195	7.75	9.31	66,175	9.13	10.88	66,175	9.13	10.88
Mrs Huguette Robardey	53,377	7.36	8.85	63,357	8.74	10.41	63,357	8.74	10.42
Mrs Anne Robardey	67,344	9.29	11.16	59,026	8.14	9.70	59,026	8.14	9.71
Other members of the Robardey family	61,525	8.49	9.42	58,201	8.03	8.80	43,201	5.96	6.33
Robardey family total	487,617	67.26	79.91	487,617	67.26	79.25	487,617	67.26	79.29
Miscellaneous (registered)	7,799	1.07	1.07	49,102	6.77	5.27	15,340	2.12	2.45
Public	182,254	25.14	15.27	140,457	19.37	11.54	176,888	24.40	14.54
Own shares	47,330	6.53	-	47,824	6.60	-	45,155	6.22	-
TOTAL	725,000			725,000			725,000		

The voting right percentages are calculated on the basis of all the shares, including those that do not have voting rights, that is to say 1,206,795 in 2012, 1,216,732 in 2011, 1,216,200 in 2010.

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 are no other shareholders who own directly, indirectly or together in agreement 5 % or more of the capital or 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 above 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 above 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.

The Robardey family as a whole has not passed any thresholds and indicates it holds 487,617 SOGECLAIR shares representing 67.26% of the capital and 79.91% of this company's voting rights.

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, more than half of the members of the Board of Directors were independent directors in 2012, which goes beyond the recommendations of the Middledex code adopted on 10 March 2010.

The control of SOGECLAIR by the ROBARDEY family is therefore not exercised in any improper way.

18.4. Shareholders' pact and agreements

There are no shareholders' pacts. However, a collective commitment was made at the end of 2004. It concerns the ROBARDEY family and Marc DAROLLES relative to 150,040 shares and voting rights.

18.5. Key stock market data

18.5.1. Change in stock market price and of the transaction volumes since 1 January 2011

	Highest price in €	Lowest price in €	Transactions in shares	Transactions in thousands of €
January 2011	22.00	20.80	3,265	70.50
February 2011	21.30	20.70	4,722	98.43
March 2011	25.50	21.19	8,280	194.25
April 2011	33.00	24.73	11,179	326.89
May 2011	34.30	32.60	9,531	321.83
June 2011	37.00	32.00	8,368	290.20
July 2011	33.00	27.01	3,119	96.42
August 2011	30.35	26.50	4,772	138.99
September 2011	29.91	25.46	16,219	446.37
October 2011	36.88	29.00	8,499	296.96
November 2011	36.69	27.10	7,140	226.30
December 2011	33.00	37.60	5,152	161.90

Market capitalisation on 31/12/2011: €23.548 million

18 Main shareholders

	Highest price in €	Lowest price in €	Transactions in shares	Transactions in thousands of €
January 2012	32.99	32.28	1,738	56.75
February 2012	36.00	32.40	9,538	329.37
March 2012	39.55	35.50	16,900	608.84
April 2012	41.43	36.10	6,366	251.52
May 2012	39.00	36.20	1,553	58.98
June 2012	38.00	31.59	3,401	120.16
July 2012	41.00	33.50	10,234	374.38
August 2012	42.22	39.13	3,426	138.10
September 2012	43.63	41.45	9,766	411.90
October 2012	41.80	41.44	1,999	83.18
November 2012	44.50	41.50	6,033	258.32
December 2012	42.51	39.50	41,148	1,643.16

Market capitalisation on 31/12/2012: €29.44 million

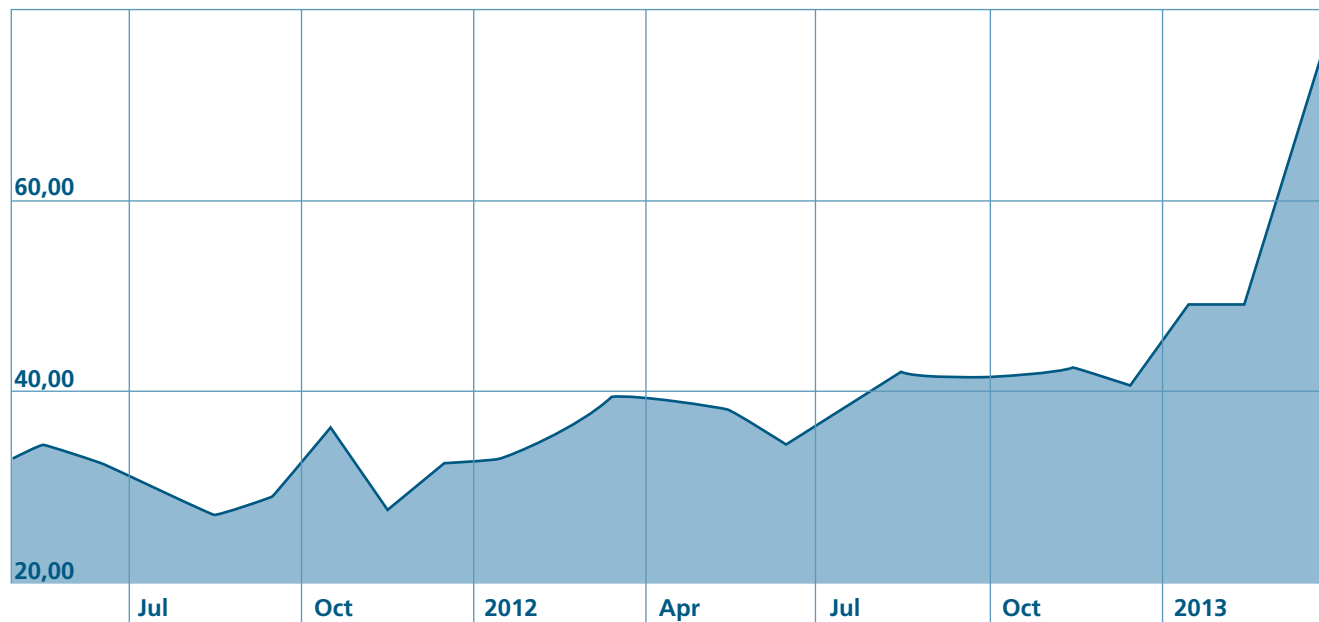
	Highest price in €	Lowest price in €	Transactions in shares	Transactions in thousands of €
January 2013	49.00	40.44	11,957	550.13
February 2013	54.00	48.20	18,779	935.45
March 2013	69.40	46.55	31,193	1,792.50

Identification sheet

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

18.5.2. Stock Exchange graph

SOGELAIR 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 2012)**20.3.1. Consolidated accounts****1. CONSOLIDATED FINANCIAL SITUATION**

ASSETS in thousands of Euros	Notes	2012	2011	2010
Goodwill	1.2.1 & 4.1	3,908	3,908	3,908
Intangible assets	4.2	7,399	5,971	4,742
Property, plant and equipment	4.3	4,409	3,743	2,755
Investments in associates	4.4	838	810	666
Other long-term assets	4.5			300
Inventories		16,554	14,432	12,372
Trade and other receivables		919	153	91
Other current debtors	4.6	42,144	35,385	35,357
Deferred income tax		7,214	4,422	2,976
Cash and cash equivalents	4.7	2,271	1,677	1,044
Inventories	4.8	8,168	6,885	3,123
Current assets		60,716	48,521	42,592
TOTAL ASSETS		77,270	62,953	54,964
LIABILITIES in thousands of Euros	Notes	2012	2011	2010
Share capital	4.9	2,900	2,900	2,900
Share premium account		2,630	2,630	2,630
Own shares	4.9	-858	-858	-829
Reserves and accumulated results		20,021	14,815	11,738
Equity capital, group share		24,692	19,487	16,439
Minority interest	4.10	1,527	1,472	1,299
Total consolidated equity		26,219	20,959	17,738
Provisions for other liabilities and charges	4.11	2,409	1,383	1,282
Payables and other financial liabilities	4.12	3,413	2,723	2,344
Borrowings	4.12	3,053	2,344	1,693
Other long-term liabilities		18		
Non-current liabilities		8,893	6,450	5,319
Short-term pre-payments	4.12	375	321	108
Current part of borrowings and financial debt	4.12	2,561	1,782	1,937
Short-term borrowings and financial debt	4.12	1,019	98	1,062
Other non-current debts	4.13		45	103
Short-term provisions		14,268	11,099	9,245
Trade and other payables		19,822	17,825	15,176
Tax and social liabilities	4.14	127	1	1
Deferred tax liabilities		3,986	4,374	4,275
Other liabilities		42,157	35,544	31,907
TOTAL LIABILITIES		77,270	62,953	54,964

2. CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (in thousands of Euros)	Notes	2012	2011	2010
Sales	4.15	94,335	76,672	71,975
Other income from the activity	4.16	8,700	6,014	4,794
Cost of goods sold		-32,907	-22,501	-20,459
Personnel charges		-56,092	-49,754	-47,846
Taxes and duties		-910	-901	-1,334
Amortisation and provisions		-4 832	-3,542	-3,264
Other charges		-198	-208	-298
Current operating profit		8,095	5,779	3,568
Result of the sale of consolidated holdings	4.17			8
Other operating income and charges	4.18	163	-5	-23
Operating profit		8,259	5,773	3,553
Income from cash flow and cash flow equivalents		49	-36	90
Gross finance costs		-255	-193	-163
Net finance costs	4.19	-206	-229	-73
Other financial income and charges	4.20	-23	1	32
Pre-tax profit		8,030	5,545	3,511
Income tax expenses	4.21	-1,953	-1,601	-766
Net profit		6,078	3,944	2,745
Group share		5,857	3,629	2,485
Minority share		221	315	260

(in euros)	2012	2011	2010
Profit per share	8.08	5.01	3.43
Diluted profit per share	8.08	5.01	3.43

NET INCOME AND GAINS AND LOSSES RECORDED DIRECTLY IN EQUITY CAPITAL (in thousands of Euros)	NOTES	2012	2011	2010
Net profit		6,078	3,944	2,745
Conversion rate adjustment		16	28	8
Re-statement of derivative coverage instruments		-37	-41	-195
Taxes				51
Total gains and losses recorded directly in equity capital		-22	-13	-136
Share of the owners of the parent company		5,835	3,616	2,351
Holdings not giving control		221	314	257

3. CASHFLOW

3.1. Consolidated cashflow statement

CONSOLIDATED CASHFLOW (in thousands of Euros)	2012	2011	2010
Net result of integrated companies	6,078	3,944	2,745
+/- Amortisation and provisions (excluding those linked to current assets)	3,979	2,748	2,832
-/+ Latent gains and losses linked to fair value variations	51	50	36
-/+ Transfer capital gains and losses	-31	-7	-5
Self-financing capacity after net finance costs and tax	10,076	6,736	5,608
+ Net finance costs	156	158	130
+/- Tax charge (including deferred tax)	1,953	1,601	766
Self-financing capacity before net finance costs and tax (A)	12,185	8,494	6,504
- Tax paid (B)	-5,557	-3,142	106
+/- Variation in working capital requirement linked to the activity (including debt related to personnel benefits) (C)	-1,484	4,408	-5,342
= CASHFLOWS FROM OPERATING ACTIVITIES (D) = (A + B + C)	5,144	9,761	1,269
- Acquisition of fixed assets	-3,543	-3,062	-2,561
+ Sale of fixed assets	49	116	49
- Acquisition of financial assets (non consolidated shares)	15	-15	
+/- Impact of variations in scope			19
+/- Variation in loans and advances granted	-59	-151	-99
= CASHFLOWS FROM INVESTMENT ACTIVITIES (E)	-3,538	-3,112	-2 592
- Paid by the minority interests	5	135	180
-/+ Buyback and sale of own shares		-30	267
- Dividends allocated for payment during the year			
- Dividends paid to the parent company shareholders	-575	-374	-364
- Dividends paid to the minority interests	-154	-139	-171
+ Revenue from loan issues	1,716	630	1 500
- Loan reimbursements (including leasing contracts)	-2,134	-2,030	-2,126
- Net finance costs (including leasing contracts)	-111	-130	-143
= CASHFLOWS FROM FINANCING ACTIVITIES (F)	-1,253	-1,937	-857
+/- Impact of changes in currency exchange rates (G)	8	13	3
= CASH VARIATION (D + E + F + G)	362	4,725	-2,178

3.2. Net finance costs

NET FINANCE COSTS (in thousands of Euros)		OPENING	VARIATION	VARIATION IN FAIR VALUE	EXCHANGE RATE DIFFERENCES	RECLASSIFICATION	CLOSING
Gross cashflow	(a)	6,885	1,275		8		8,168
Debit balance and cash credit	(b)	98	921				1,019
Net cashflow	(c) = (a) - (b)	6,787	354		8		7,149
Gross finance costs	(d)	7,170	1,514	73		645	9,402
Net finance costs	(d) - (c)	383	1,160	73	-8	645	2,254

The debt ratios are given in chapter 3 of the 2012 reference document. The sources of investment financing are detailed in chapters 8 and 10 of the 2012 reference document. During the year SOGECLAIR had recourse to the refinancing of customer debts in foreign currency with a joint venture for a null balance on 31 December 2012.

4. CONSOLIDATED EQUITY CAPITAL

(in thousands of Euros)	Group share						Minority interests	Consolidated 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 (31 December 2010)	2,900	2,630	-829	11,686	53	16,439	1,299	17,738
Capital operations				-165		-165		-165
Operations on self-owned shares			-30			-30		-30
Distribution of dividends				-374		-374	-139	-513
Result for the period				3,629		3,629	315	3,944
Gains and losses recorded directly in equity capital					-12	-12	-1	-13
Net result and gains and losses recorded directly in equity capital				3,629	-12	3,617	314	3,931
Variation of scope				2		2	-2	
Other movements				-2		-2		-2
Closing equity capital N (31 December 2011)	2,900	2,630	-858	14,776	40	19,487	1,472	20,959
Capital operations							5	5
Distribution of 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
Other movements				-55		-55	-16	-72
Closing equity capital N (31 December 2012)	2,900	2,630	-858	20,002	19	24,691	1,528	26,219

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°2009-R-03 dated 2 July 2009 issued by the Conseil National de la Comptabilité (National Accounting Council).

The standards and interpretations not yet adopted by the European Union are not applied by SOGECLAIR. The new standards and interpretations adopted by the European Union and applicable for the first time on 1st January 2012 do not have any impact on SOGECLAIR's financial situation.

SOGECLAIR has chosen to keep the presentation of the income statement by nature as permitted by the IAS standard.

It should be noted that in order to meet an economic logic, only the financial commitments given or received that do not bear interest will be submitted to IAS 39.

Pursuant to the IAS 12 standard, the CVAE (Corporate Value Added Contribution) has been qualified as a tax on income since 1 January 2011.

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.

On 31 December 2012, SOGECLAIR did not have any equity method affiliates.

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), The CHECKAERO company (subsidiary 75%-owned by SOGECLAIR SA), created in July 2011, has been integrated in the scope of consolidation as from 1 January 2012.

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 Sogclair by way of application of IFRS 8.

In this respect, since the new organisation was deployed in 2010, the legal entities named Sogclair Aerospace (GmbH in Germany, 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 European aeronautical industry.

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

Sogclair'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 Sogclair 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 calculated at 6.17%, at the end of 2012, corresponds to the addition
 - of the 10-year risk-free loan rate of 2.11%,
 - and of 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 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 2012, 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 four 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	5,617	5,617
Simulation Division				
Terrain modellers (Agetim, Ray and Fast products) for simulators	Since 2003	3 years to run from assetisation	1,515	255
Simulation motors for the following sectors:				
- automobile (ScanNer product),				
- rail (OkSimRail product)				
- air traffic (ScanAds product)	Since 2005	3 years to run from assetisation	1,829	422

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.

Only a loan repayable over 7 years amounting to €3.5 million has a variable rate, indexed on EURIBOR 6 months. The balance of €0.11 million was reimbursed on 1 January 2013.

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.

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 posted as a liability in the Financial Situation Statement.

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 2011 is as follows:

single voting right	€165 k
double voting right	€ 410 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	CONSOLIDATION METHOD	% OF CONTROL IN 2012	% OF CONTROL IN 2011
French companies					
Sogclair SA	France	Holding	FC	Parent	Parent
Aviacomp SAS	France	Aeronautical and defence structural subassemblies	FC	55.00%	55.00%
Sogclair Aerospace SAS	France	Aerostructure, Systems installation, Configuration management, Equipment	FC	100.00%	100.00%
Oktal SAS	France	Simulators	FC	97.98%	97.98%
Oktal Synthetic Environment SAS	France	Virtual environments	FC	63.25%	63.25%
S2E Consulting SAS	France	Systems engineering and electricity	FC	46.98%	46.98%
Séra Ingénierie SAS	France	Vehicles	FC	80.00%	80.00%
Foreign companies					
Sogclair Aerospace Ltd	United Kingdom	Aerostructure, Systems installation, Configuration management, Equipment	FC	100.00%	100.00%
Sogclair Aerospace Sarl	Tunisia	Aerostructure, Systems installation, Configuration management, Equipment	FC	100.00%	100.00%
Sogclair Aerospace GmbH	Germany	Aerostructure, Systems installation, Configuration management, Equipment	FC	99.04%	99.04%
Sogclair Aerospace SA	Spain	Aerostructure, Systems installation, Configuration management, Equipment	FC	86.34%	86.34%
Checkaero BV	The Netherlands	Stress calculation expertise	FC	75.00%	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.

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

4.1. Goodwill

(in thousands of Euros)	AT BEGINNING OF YEAR	DECREASES	VARIATIONS OF SCOPE	OTHER VARIATIONS	AT YEAR-END
Sogclair Aerospace SAS	108				108
Oktal SAS	1,694				1,694
Sogclair Aerospace GmbH	2,106				2,106
Total	3,908				3,908

4.2. Intangible assets

GROSS VALUESS (in thousands of Euros)	AT BEGINNING OF YEAR	INCREASES	ASSETS GENERATED INTERNALLY	VARIATIONS OF CONSOLIDATION SCOPE	SALES AND DISPOSALS	EXCHANGE RATE DIFFERENCES	AT YEAR-END
Research & development expenses	18,502		2,547				21,048
Software	4,114	800			-2	-1	4,910
Current assets	10				-10		
Total	22,625	800	2,547		-12	-1	25,958

AMORTISATION & PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	PROVISIONS FOR AMORTISATION AND DECREASES OF VALUE	VARIATIONS OF SCOPE	SALES AND DISPOSALS	EXCHANGE RATE DIFFERENCES	AT YEAR-END
Research & development expenses	-13,180	-1,574				-14,753
Software	-3,475	-333		2		-3,806
Total	-16,654	-1,907		2		-18,559
Net value	5,971					7,399

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

4.3. 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	1,610	21	-1			1,631
Installations & fittings	1,599	81				1,680
IT & office hardware	4,503	1,169	-6	-1		5,665
Current assets	8	215	-8			215
Other	706	339	-77	-1		966
Total	8,426	1,825	-92	-2		10,157

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	-246	-157	1			-403
Installations & fittings	-789	-135				-923
IT & office hardware	-3,285	-659	6			-3,938
Other	-365	-197	77			-484
Total	-4,684	-1 148	84			-5,748
Net value	3,743					4,409

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	949	-276	673
Tangible assets	3,480	-1,177	2,303
Total	4,429	-1,453	2,976

Term for outstanding payments:

(in thousands of Euros)	< 1 YEAR	1 TO 2 YEARS	3 TO 5 YEARS
Total	1,060	832	1,084⁽¹⁾

⁽¹⁾ including €819k in respect of industrial resources

4.4. 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	58				-15	43
Other investments	782	104	-46	-16		825
Total	840	104	-46	-16	-15	868

AMORTISATION & PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	PROVISIONS FOR AMORTISATION	SALES AND DISPOSALS	VARIATION IN FAIR VALUE	RECLASSIFICATION	AT YEAR- END
Shareholdings	-30					-30
Total	-30					-30
Net value	810					838

4.5. Other long-term assets

None.

4.6. Trade and other receivables

The customers' terms of payment are shorter with respect to the previous financial year.

4.7. Deferred tax asset

DEFERRED TAX ASSET (in thousands of Euros)	2012	2011	2010
Temporary differences	1,006	453	320
Tax deficits	1,107	1,094	593
Restatement	158	130	131
Total	2,271	1,677	1,044

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.

4.8. Cash and cash equivalents

(in thousands of Euros)	2012	2011	2010
Cash	4,161	3,123	3,119
Cash equivalents	4,006	3,762	4
Total	8,168	6,885	3,123

On 31 December 2012, the cash equivalents concerned liquid short-term investments in a deposit account for a length of one month renewable, for part.

4.9. Equity capital, group share

The company equity consists of 725,000 shares. The nominal value of the share is €4, giving an equity capital of €2,900 k.

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 SOGECLAIR held on 23 December 2002, the self-owned shares are deducted from the consolidated shareholders' equity.

On 31 December 2012, the company held 45,264 own-shares. This restatement leads to an accumulated reduction of consolidated equity capital of €858 k.

4.10. Minority interests

(in thousands of Euros)	2012	2011	2010
At beginning of year	1,472	1,299	910
Variation of reserves	-166	-142	129
Total income and expenditure entered during the period	221	315	260
At year-end	1,527	1,472	1,299

4.11. Long-term provisions

LONG-TERM PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	CONTRIBUTIONS	VARIATIONS OF SCOPE	WRITE- BACKS	RECLASSIFICATION	AT YEAR END
Provisions for retirement benefits	380	368			57	805
Provisions for losses on contracts	167	788		-167		788
Other provisions for risks	837	154		-175		815
Total	1,383	1,310		-342	57	2,409

The other provisions for risks concern fiscal and social risks for €715 k and other risks for €100 k.

There is no event later than 31 December 2012 liable to put into question the notion of going concern, nor any non-measurable risk and loss.

The book treatment of retirement benefit obligations has taken into account the provisions of the law n° 2010-1330 dated 9 November 2010 concerning pension reforms. 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.

On 31 December 2012, the calculation hypotheses were revised to take into account the turnover divergence regarding staff aged under 45 and over 45.

The discount rate used corresponds to the TEC 10 which stood at 2.06% on 31 December 2012.

4.12. 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)	2,723	1,045		73	-428	3,413
Borrowings and debts with credit institutions (+ 1 year)	2,137	1,776			-1,290	2,623
Sundry loans and financial liabilities	207	11	-435		645	428
Total	5,067	2,831	-435	73	-1,072	6,463

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)	321		-373		428	375
Current borrowings and debts with credit institutions (-1 year)	1,272	279	-1,316		1,290	1,525
Bank loans and overdrafts	98	921				1,019
Sundry current loans and financial liabilities	510	562	-21			1,051
Total	2,201	1,762	-1,710		1,718	3,970

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

MEDIUM/LONG TERM LOANS (excluding leases) (in thousands of Euros)	
Contracted during the year	660
Repaid during the year	441

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	1,057	2.8 to 4.2 %	2006-2015	N/A	None
Variable rate depreciable ⁽²⁾	110	E6M + 1.1 %	2006-2013	None	None

⁽¹⁾ overall amount to be reimbursed on 31 December 2012.

⁽²⁾ initial loan of €3.5 million to finance the Airbus A380 nose cone floor contract, reimbursable in half-yearly stages from 1 January 2006 to 31 December 2013.

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

4.13. Short-term provisions

SHORT-TERM PROVISIONS (in thousands of Euros)	AT BEGINNING OF YEAR	CONTRIBUTIONS	VARIATIONS OF SCOPE	WRITE- BACKS	EXCHANGE RATE DIFFERENCES	AT YEAR- END
Provisions for restructuring	45			-45		
Total	45			-45		

4.14. Deferred tax liability

DEFERRED TAX LIABILITIES (in thousands of Euros)	2012	2011	2010
Temporary differences	4	1	1
Restatement	122		
Total	127	1	1

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

4.15. Income

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

4.16. Other operating income

OTHER OPERATING INCOME (in thousands of Euros)	2012	2011	2010
Production in stock	880	56	11
Production immobilised	2,541	2,447	1,582
Operating subsidies	922	824	969
Write-back of provisions, transfers of charges	300	555	574
Other income	4,058	2,133	1,659
Total	8,700	6,014	4,794

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.

4.17. Result on sale of consolidated shareholdings

None.

4.18. 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)	2012	2011	2010
Tax risks (provisions, write-backs, charges and income for the year)			-17
Gains or losses on sale of tangible assets	31	7	-4
Other income and charges	132	-12	-2
Total	163	-5	-23

4.19. 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 losses amounted to €21 k for the year.

4.20. Other financial charges and income

The other financial income and charges 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.

4.21. 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 FOR THE YEAR	2012	2011	2010
Deferred tax	483	633	112
Tax payable ⁽¹⁾	-2,423	-1,516	-720
Income or charge linked to tax consolidation	-13	-719	-159
Total	-1,953	-1,601	-766

⁽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)	2012	2011	2010
Pre-tax profit (loss)	8,030	5,545	3,511
Parent company's tax rate	33.33%	33.33%	33.33%
Theoretical income (charge) on tax on profits	-2,677	-1,848	-1,170
Permanent differences and others	14	-12	129
Tax-exempted revenue and non-fiscally deductible charges	-16	-36	-157
Impact of foreign tax rate differences	154	68	19
Income taxed at reduced rate ⁽¹⁾	-622	-401	
Impact of deferred tax deficits and amortisations	-69		
Tax credit	1,264	628	413
Income tax benefit (charge) posted	-1,953	-1,601	-766

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

4.22. Average workforce

WORKFORCE (full-time equivalence)	2012	2011	2010
Engineers, managers and senior technicians	879	793	791
Technicians and other non-managerial	103	109	90
Total	982	902	881

4.23. Financial commitments

OFF-BALANCE SHEET COMMITMENTS (in thousands of Euros)	2012	2011	2010
Commitments made:			
Relative to financing the company			
Pledged shareholdings ⁽¹⁾	34	165	489
Counter-guarantee on overdraft line	55	55	
Relative to the issuer's operating activities			
Acquisition of tangible assets			476
Counter-guarantee on securities	13	13	
Counter-guarantee securities on markets	1,744	1,823	392
Counter-guarantee securities on calls for tenders		763	25
Sub-total	1,846	2,820	1,381
Commitments received:			
Relative to the issuer's operating activities			
Acquisition of tangible assets		49	317
Counter-guarantee securities on markets		315	
From customers in long-term programmes ⁽²⁾	82,772	80,248	62,692
Sub-total	82,772	80,612	63,009

(1) Scheduled commitment extinguishment years: 2013

(2) 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 3.02% on 18 February 2013, is €69,342 k.

Additional information on the programmes subject to risk-sharing is provided in paragraph 1.6 of chapter 26 of the 2012 reference document.

4.24. 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 2012, this entitlement amounted to 47.453 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		
Sogecclair Aerospace Ltd	United Kingdom	Aerostructure, Systems installation, Configuration management, Equipment
Sogecclair Aerospace Sarl	Tunisia	Aerostructure, Systems installation, Configuration management, Equipment
Sogecclair Aerospace GmbH	Germany	Aerostructure, Systems installation, Configuration management, Equipment
Sogecclair Aerospace SA	Spain	Aerostructure, Systems installation, Configuration management, Equipment
Sogecclair Aerospace SAS	France	Aerostructure, Systems installation, Configuration management, Equipment
Aviacomp SAS	France	Aeronautical and defence structural subassemblies
S2E Consulting SAS	France	Systems and electrical engineering
Checkaero BV	Netherlands	Expertise in stress calculation
Vehicle Division		
Sera Ingénierie SAS	France	Vehicles
Simulation Division		
Oktal SAS	France	Simulators
Oktal Synthetic Environment SAS	France	Synthetic environment software
Holding		
Sogecclair SA	France	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, the Netherlands, the UK and Tunisia.

Besides the countries where it has facilities, the following countries were addressed by SOGELAIR in 2012: Australia, Belgium, Canada, China, South Korea, Finland, India, Ireland, Italy, Japan, Luxembourg, Malaysia, Norway, Portugal, Russia, Singapore, Sweden, Turkey and the USA.

5.1. Consolidated financial situation per division

ASSETS (in thousands of Euros)	AEROSPACE		VEHICLE		SIMULATION		HOLDING	
	2012	2011	2012	2011	2012	2011	2012	2011
Goodwill	2,214	2,214			1,694	1,694		
Intangible assets	6,663	5,086	4	6	713	849	20	30
Property, plant and equipment	3,374	2,809	240	238	297	278	498	419
Investments in associates	500	469	6	5	167	158	165	178
Share eliminations	-8,366	-8,351	-200	-200	-2,823	-2,823	11,389	11,374
Non-current assets	4,385	2,226	50	49	48	156	12,072	12,001
Inventory and work in-process	887	51			32	102		
Trade and other receivables	28,708	25,530	7,633	5,696	5,801	4,157	1	2
Other circulating assets	1,951	1,661	140	190	2,911	2,206	2,212	365
Deferred income tax	1,192	596	20	11	870	912	189	158
Cash and cash equivalents	2,734	2,038	4	159	483	357	4,947	4,331
Current assets	35,474	29,876	7,797	6,055	10,097	7,734	7,349	4,856
TOTAL ASSETS	39,858	32,102	7,847	6,104	10,144	7,890	19,420	16,857
LIABILITIES (in thousands of Euros)	2012	2011	2012	2011	2012	2011	2012	2011
Equity capital							2,900	2,900
Capital contribution							2,630	2,630
Own shares							-858	-858
Reserves and consolidated result	9,151	5,425	881	654	3,823	2,596	6,165	6,141
Equity capital, group share	9,151	5,425	881	654	3,823	2,596	10,836	10,813
Minority interests	489	557	270	213	767	701		
Consolidated equity capital	9,641	5,982	1,152	867	4,591	3,297	10,836	10,813
Long-term provisions	1,147	425	58	29	1,045	715	158	215
Long-term qualified pre-payments	2,945	2,285			468	438		
Long-term borrowings and financial debts	2,762	1,864	16	67	79	95	196	318
Other long-term liabilities			18					
Non current liabilities	6,854	4,573	93	96	1,592	1,248	354	533
Short-term qualified pre-payments	390	321			-15			
Current part of provisions for other liabilities and charges	2,186	1,346	70	62	113	99	192	275
Short-term borrowings and financial debts	1,016	93			2	4	1	1
Short-term provisions		45						
Trade and other payables	7,681	4,497	5,147	5,048	792	856	649	697
Tax and social liabilities	14,616	12,908	1,516	1,164	2,513	2,435	1,177	1,318
Deferred tax liabilities	127	1						
Other liabilities	2,170	2,905	52	28	1,764	1,441		
Intra-group eliminations	-4,821	-568	-183	-1,161	-1,207	-1,490	6,211	3,220
Current liabilities	23,364	21,547	6,602	5,141	3,962	3,345	8,230	5,511
TOTAL LIABILITIES	39,858	32,102	7,847	6,104	10,144	7,890	19,420	16,857

5.2. Consolidated income statement per division

INCOME STATEMENT (in thousands of Euros)	AEROSPACE		VEHICLE		SIMULATION		HOLDING	
	2012	2011	2012	2011	2012	2011	2012	2011
Sales	80,520	66,242	2,673	2,246	11,136	8,178	6	6
Other income from the activity	6,034	3,468	164	143	2,467	2,373	36	30
Cost of goods sold	-26,139	-17,253	-1,195	-887	-3,977	-2,695	-1,596	-1,666
Personnel charges	-46,874	-40,231	-871	-841	-6,252	-6,783	-2,095	-1,899
Taxes and duties	-566	-479	-39	-38	-146	-233	-159	-150
Amortisation and provisions	-3,620	-2,258	-88	-62	-949	-1,128	-174	-94
Other charges	-127	-143			-14	-2	-57	-63
Intra-Group operations	-3,918	-4,002	-119	-269	-551	-241	4,588	4,513
Current operating incomet	5,309	5,344	524	291	1,714	-532	548	676
Other operating income and charges	-6	2			-4	-7	173	
Operating income	5,304	5,346	524	291	1,710	-539	721	675

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 2012 reference document).

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

To 31 December 2012, the contractual relations with SCI SOLAIR have been exercised correctly and do not lead us to anticipate any risk for SOGECLAIR. The debts with respect to SCI SOLAIR amounted to €172 k on 31 December 2012, payment is scheduled for Q1 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 Middledenext Code adopted on 10 March 2010.

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 2012 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 2012reference document).

6.3. Directors

No changes were made during the financial year concerning the short-term and long-term benefits for the main directors.

You are reminded that at the time of its session on 18 December 2008, the Board of Directors authorised a commitment for the benefit of 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 2011 reference document available on the company's website www.sogeclair.com).

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

7 – AUDITORS' FEES

(Refer to chapter 27.3 of the 2012reference document.)

20.3.3. Annual accounts

I - BALANCE SHEET (in Euros)

ASSETS	31/12/2012	31/12/2011	31/12/2010
Intangible assets	19,815	30,214	36,887
Property, plant and equipment	436,661	407,374	423,873
Investments in associates	13,075,727	13,715,440	13,894,383
IMMOBILISED ASSETS	13,532,203	14,153,028	14,355,143
Advances and payments on account	1,259		
Trade and other receivables	745,014	1,630,708	288,164
Other debts	4,297,662	1,916,794	4,128,969
Cash and cash equivalents	4,946,704	4,281,306	330,071
Prepayments	254,795	226,515	95,316
CIRCULATING ASSETS	10,245,434	8,055,323	4,842,520
TOTAL ASSETS	23,777,637	22,208,350	19,197,663
LIABILITIES	31/12/2012	31/12/2011	31/12/2010
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	4,629,609	5,502,168	4,584,710
Profit for the financial year	567,274	(297,701)	1,291,399
EQUITY	12,169,283	12,176,867	12,848,509
PROVISIONS	157,981	215,349	274,830
Borrowings and debts with credit institutions	326,815	581,785	1,691,339
Sundry loans and financial liabilities	9,205,125	7,125,874	3,021,933
Trade and other payables	653,557	711,525	490,126
Tax and social liabilities	1,177,155	1,317,772	870,472
Other debts	286		
Unearned income	87,435	79,177	455
DEBTS	11,450,373	9,816,134	6,074,325
TOTAL LIABILITIES	23,777,637	22,208,350	19,197,664

II - INCOME STATEMENT (in Euros)

	31/12/2012	31/12/2011	31/12/2010
SALES	4,625,164	4,560,476	3,909,861
Write-back on provisions, transfers of charges	7,748	2,000	34,254
Other income	35,529	27,810	118,520
OPERATING INCOME	4,668,441	4,590,286	4,062,635
Purchases and external expenses	1,653,844	1,719,838	1,531,779
Taxes, duties and assimilated	208,348	197,769	166,857
Payroll expenses	2,096,873	1,899,176	1,775,099
Amortisations	83,171	77,942	59,954
Provisions for risks and charges	85,931	4,673	19,096
Other operating expenses	56,790	63,167	60,109
OPERATING PROFIT	483,483	627,721	449,741
Financial income	258,040	94,632	802,374
Financial expenses	101,537	115,165	88,716
FINANCIAL EARNINGS	156,503	(20,533)	713,658
CURRENT INCOME BEFORE TAX	639,985	607,188	1,163,399
EXTRAORDINARY INCOME	173,241	71,353	719,528
EXTRAORDINARY EXPENSES	270	71,766	18,116
EXTRAORDINARY PROFIT	172,971	(413)	701,412
Income tax	245,682	904,476	573,413
NET PROFIT	567,274	(297,701)	1,291,399

20.3.4. Appendixes to the annual accounts

APPENDIX NOTE N° 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 1 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 into 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 6.17% corresponds to the addition of :
 - the 10-year risk-free rate of 2.11%,
 - 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, Infiniticals), 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 2012, 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. On 31/12/2012, SOGECLAIR owned 45,264 of its own shares for a value of €858,263. There were no movement during the financial year. Given the shares' latest quoted price (€40.61 on 31 December 2012), no depreciation has been posted.

Valuation of receivables and debts

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

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 2012 financial year.

Tax consolidation accounting method

SOGELAIR has opted for the tax consolidation scheme. The scope of this consolidation includes the following companies: SOGELAIR and SOGELAIR 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 financial year 2011, SOGELAIR did not record, in respect of tax consolidation, any tax charge or income.

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	€ 505,539			€ 505,539
Property, plant and equipment	€ 694,024	€ 102,059	€ 35,473	€ 760,610
Investments in associates	€ 13,745,929	€ 928,782	€ 1,568,495	€ 13,106,216
	€ 14,945,492	€ 1,030,841	€ 1,603,968	€ 14,372,365

AMORTISATION AND PROVISIONS	At the beginning of the year	Increase	Decrease	At year-end
Intangible assets	€ 475,323	€ 10,399		€ 485,722
Property, plant and equipment	€ 286,650	€ 72,772	€ 35,473	€ 323,949
Investments in associates	€ 30,489			€ 30,489
	€ 792,462	€ 83,171	€ 35,473	€ 840,160

APPENDIX NOTE N° 3**STATEMENT OF PROVISIONS**

NATURE OF THE PROVISIONS	At the beginning of the year	Contributions for the year	Write-backs for the year ⁽¹⁾	At year-end
Retirement benefit obligations and similar ⁽²⁾	€ 72,050	€ 85,931		€ 157,981
Provisions for bad debt	€ 603			€ 603
Provisions for risks and charges	€ 143,300		€ 143,300	
Provisions for financial depreciation	€ 30,489			€ 30,489
	€ 246,442	€ 85,931	€ 143,300	€ 189,073

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 provisions of 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	€ 2,249		€ 2,249
• Others	€ 1,020,973		€ 1,020,973
Current asset debts			
• Trade notes and accounts receivable	€ 745,617	€ 744,896	€ 721
• Taxes	€ 1,933,071	€ 1,933,071	
• Others	€ 8,276	€ 8,276	
• Subsidiaries' current accounts	€ 2,357,574	€ 2,357,574	
• Prepaid expenses	€ 254,795	€ 254,795	
TOTAL	€ 6,322,555	€ 5,298,612	€ 1,023,943

DEBTS	GROSS AMOUNT	TERM OF LIABILITY REALISATION		
		LESS THAN 1 YEAR	MORE THAN 1 YEAR	MORE THAN 1 YEARS
Borrowings and debts with credit institutions				
• One year at most initially	€ 1,276	€ 1,276		
• More than one year initially	€ 325,539	€ 169,245	€ 156,294	
Sundry loans and financial liabilities	€ 151,478		€ 151,478	
Trade notes and accounts payable	€ 653,557	€ 653,557		
Social and tax debts	€ 1,177,155	€ 1,177,155		
Group and associates	€ 9,053,647	€ 9,053,647		
Other debt	€ 286	€ 286		
Unearned income	€ 87,435	€ 87,435		
TOTAL	€ 11,450,373	€ 11,142,601	€ 307,772	€ 0

DETAIL OF CHARGES PAYABLE	AMOUNT
Borrowings and debts with credit institutions	
Interest paid on borrowings	€ 8,507
Accrued interest payable	€ 1,036
Trade notes and accounts payable	€ 327,255
Social and tax debts	
Debt provisions/Paid Leave and Time Savings Account	€ 69,458
Charges payable on salaries	€ 445,000
Charges/ Paid Leave and Time Savings Account	€ 33,340
Social charges payable	€ 213,600
Tax charges payable	€ 35,252
Other debts	€ 0
TOTAL	€ 1,133,448

RECEIVABLES AND DEBTS WITH RESPECT TO RELATED COMPANIES (excluding current accounts, detailed in the table of subsidiaries and participations)		
	RECEIVABLES	DEBTS
SOGELAIR AEROSPACE SAS	€ 260,009	€ 3,645
SOGELAIR AEROSPACE GmbH	€ 163,969	
SOGELAIR AEROSPACE SA	€ 147,917	
SOGELAIR AEROSPACE SARL	€ 16,462	
AVIACOMP SAS	€ 75,776	
OKTAL SAS	€ 885	€ 286
OKTAL SYNTHETIC ENVIRONMENT SAS		
SERA INGENIERIE SAS	€ 74,142	
S2E CONSULTING SAS		
SOGELAIR AEROSPACE LTD	€ 5,736 €	
TOTAL	€ 744,896	€ 3,930

APPENDIX NOTE N° 5

PREPAID CHARGES AND INCOME

	CHARGES	INCOME
Operating charges or income	€ 254,795	€ 87,435
Financial charges or income		
Extraordinary charges or income		
TOTAL	€ 254,795	€ 87,435

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		
Shares or partnership shares cancelled during the financial year		
Shares or partnership shares comprising the capital at year-end	725,000	€ 4

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		€ 400
SOGECLAIR AEROSPACE SAS	€ 17,170	
S2E CONSULTING SAS		€ 357
SERA INGENIERIE SAS	€ 2,915	€ 80,000
OKTAL SAS	€ 209	€ 1,738
OKTAL SYNTHETIC ENVIRONMENT SAS	€ 6,333	€ 5
AVIACOMP SAS		€ 52,250
SOGECLAIR AEROSPACE GmbH		€ 22,426
SOGECLAIR AEROSPACE SA		€ 3,232
TOTAL	€ 26,627	€ 160,409

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 TO BE DEDUCTED NEXT YEAR						
• Organic	€ 5,641		€ 2,918		€ 8,559	
• Unrealised gains	€ 3,850				€ 3,850	
TO BE DEDUCTED LATER						
• Provisions for risks	€ 143,300			€ -143,300		
• Provisions for own shares						
• Provisions for pensions	€ 72,049		€ 85,931		€ 157,980	
	€ 224,840		€ 88,849	€ -143,300	€ 170,389	

APPENDIX NOTE N° 8

EXTRAORDINARY RESULT

The extraordinary result breaks down as follows for 2011:

■ Write-back of provisions	€ 143,300
■ Gains on the sale of assets	€ 29,941
■ Fines and penalties	€ -270
	€ 172,971

APPENDIX NOTE N° 9

BREAKDOWN OF CORPORATE INCOME TAX

	Before tax	Corresponding tax	After tax
OPERATING PROFIT	€ 639,985	€ 235,792	€ 404,194
EXTRAORDINARY PROFIT	€ 172,971	€ 9,890	€ 163,081
TAX SAVING LINKED TO TAX CONSOLIDATION			€ 0
Total	€ 812,956	€ 245,682	€ 567,274

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 2012, no tax difference has been posted relative to tax consolidation.

APPENDIX NOTE N° 10

FINANCIAL COMMITMENTS

COMMITMENTS MADE	AMOUNT
Notes receivable discounted	
Guarantees and other security	€ 110,000
Collateral	€ 33,747
Other commitments made	
• Outstanding financial leasing payments	€ 51,456
• Outstanding real estate leasing payments	None
• Individual Right to Training	1,597 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 € 649,398.

APPENDIX NOTE N° 13**AVERAGE WORKFORCE**

Managerial and Senior Technicians: 15.7

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	€ 1,225	€ 852,502	100.00%	€ 1,458	€ 1,458	€ 1,574		€ 2,857,296	€ 2,572		
• SOGECLAIR AEROSPACE SAS	€ 2,012,517	€ 9,644,116	100.00%	€ 4,162,655	€ 4,162,655	€ -7,579,612	€ 110 000	€ 53,299,168	€ 3,041,127		
• SOGECLAIR AEROSPACE SA	€ 560,000	€ 744,312	86.34%	€ 631,748	€ 631,748	€ 263,181		€ 3,225,287	€ 137,822		
• SOGECLAIR AEROSPACE GmbH	€ 26,000	€ 3 347,152	99.04%	€ 3,740,264	€ 3,740,264	€ 614,430		€ 23,727,718	€ 479,399		
• S2E consulting SAS*	€ 100,000	€ 281,422	46.98%	€ 46,990	€ 46,990	€ 25,211		€ 360,277	€ 38,608		
• AVIACOMP SAS	€ 800,000	€ 305,534	55.00%	€ 440,000	€ 440,000	€ 1,451,685		€ 2,565,566	€ -748,607		
• CHECKAERO BV	€ 20,000	€ 87,612	75.00%	€ 15,000	€ 15,000			€ 247,702	€ 67,612		
• OKTAL SAS	€ 1,000,000	€ 3,517,907	97.98%	€ 2,814,375	€ 2,814,375	€ -16,711		€ 9,086,871	€ 1,248,706		
• SERA INGENIERIE SAS	€ 250,000	€ 1,331,253	80.00%	€ 200,000	€ 200,000	€ -156,199		€ 2,952,744	€ 374,795	€ 80,000	
2 - Shareholdines											
B) General information concerning the other subsidiaries and shareholdings				€ 15	€ 15	€ -1,299,632					

* situation on 31/07/2012 date on which the subsidiary's annual accounts are closed.

20.4. Verification of the annual historical financial information**20.4.1. Declarations****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 ACCOUNTS**

FINANCIAL YEAR ENDING 31 DECEMBER 2012

In performing the duty entrusted to us by your general meeting, we hereby present our report relative to the financial year ending 31 December 2012, 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 there 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.

Toulouse, 12 April 2013
The Auditors,

MOREREAU AUDIT SAS
Didier GARRIGUES

EXCO FIDUCIAIRE DU SUD-OUEST
Jean-Marie FERRANDO

AUDITORS' GENERAL REPORT ON THE ANNUAL FINANCIAL STATEMENTS

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 ANNUAL FINANCIAL STATEMENTS
FINANCIAL YEAR ENDING 31 DECEMBER 2012

In performing the duty entrusted to us by your general meeting, we hereby present our report relative to the financial year ending 31 December 2012, 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. SUBSTANTIATIONS OF 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 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, 12 April 2013

The Auditors,

MOREREAU AUDIT SAS
Didier GARRIGUES

EXCO FIDUCIAIRE DU SUD-OUEST
Jean-Marie FERRANDO

SPECIAL REPORT OF THE AUDITORS ON THE REGULATED AGREEMENTS AND COMMITMENTS

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

SPECIAL REPORT OF THE AUDITORS ON THE REGULATED AGREEMENTS AND COMMITMENTS

ANNUAL GENERAL MEETING HELD TO APPROVE THE ACCOUNTS FOR THE FINANCIAL YEAR ENDING 31.12.2012

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

We declare that we have not been informed of any agreement or commitment authorised during the past financial year that must be submitted for the approval of the AGM pursuant to the provisions of article L. 225-38 of Commercial Law.

Agreements and commitments authorised since year-end

We have been notified of the following commitment, authorised since year-end, that has been the subject of the prior authorisation of your Board of Directors.

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

Nature of the commitment:

■ Commitment authorised by the Board of Directors on 15/03/2013:

The Board of Directors authorised a commitment for the benefit of Mr Philippe Robardey, pursuant to the provisions of article L.225-42-1 of French Commercial Law, whereby in the case 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, Mr Philippe Robardey will receive an indemnity equal to 24 months' remuneration (fixed and proportional calculated on the basis of the last annual period preceding termination of his term of office).

Payment of this indemnity will be subject to the condition that the group has achieved, with respect to the last five financial years whose consolidated accounts have been approved by the Board prior to said termination, an average Operating Profit, increased by the amount of the amortisations and provisions, at least equal to 7.5% of the turnover for the corresponding financial years.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved during previous financial years

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	€ 95,967
- The restated sum paid for the fiscal year to Jean-Louis ROBARDEY amounts to	€ 30,376

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:	€ 663,434
- Rent.....	€ 477,098
- Property taxes	€ 83,049
- Rental charges	€ 97,401
- Insurance	€ 5,886

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:

■ Commitment authorised by the Board of Directors meetings held on 14/03/2008 and 18/12/2008:

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 € 5 million.

Toulouse, 12 April 2013

The Auditors,

MOREREAU AUDIT SAS
Didier GARRIGUES

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 2012.

20.6. Interim financial and other information

SOGECCLAIR 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.sogecclair.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 2012 proposed to the AGM is €1.60 per share, giving a total amount of €1,160,000.

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

	2012	2011	2010
Total amount	€ 1,160,000	€ 616,250	€ 398,750
Overall dividend/share	€ 1.60*	€ 0.85	€ 0.55
Percentage of the consolidated overall net result	19.08%	15.62%	14.52%

*Proposed to the AGM on 17 May 2013

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

	2012	2011	2010
Percentage of the consolidated overall net result	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 2012 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 2012, the capital of SOGECLAIR amounted to € 2,900,000, divided into 725,000 shares with a nominal value of € 4 each.

21.1.2. Other shares

None.

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

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.

21.1.7. 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

21 Additional information

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

The information regarding the rights and privileges relative to the shares is given in paragraph 18.2 of this reference document.

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.

21.2.9. 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 has not submitted any such request during the financial year 2012 nor to the date of filing of this document.

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 Caisse d'Epargne and the Société Générale granted, on 30 January 2006, loans for €400,000 and €430,000 respectively to the company SOGECLAIR SA. This loan contract stipulates a pledging of 21% of the shares held by SOGECLAIR in the company OKTAL SA to guarantee the reimbursement of the 84 monthly loan repayments, amounting to €5,468, and 27 quarterly loan repayments, amounting to €17,623.

Type of pledging	Pledging start date	Pledging end date	Amount still due on 31/12/2012	Amount of pledged assets (a)	Total on balance sheet (b)	Corresponding % (a)/(b)
On financial investments						
- 21% of shareholding in Oktal SA	30/01/2006	05/03/2013	€ 33,747	€ 750,848	€ 12,052,505	6.2%

The other 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. Expert's 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.

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 2012, these communication actions have been materialised by a reference document (the 14th since 1999) including the annual financial report for the 2011 financial year, financial press releases and notifications, one SFAF information meeting: 21 March 2012 for

the annual results for 2011 and other information meetings with analysts, journalists and investors.

In 2013, these communication actions have been pursued with a SFAF information meeting held on 20 March 2013 for the annual results for 2012, 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.

Forecast publications timetable for 2013

Turnover for 2012	6 February 2013
Annual results for 2012	20 March 2013
Turnover for the first quarter 2013	25 April 2013
Turnover for the second quarter 2013	25 July 2013
Results for the first half 2013	11 September 2013
Turnover for the third quarter 2013	6 November 2013

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

25 Financial information on the shareholding

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.

26 The board of directors' report to the combined general meeting held on 17 May 2013

(Financial year ending on 31 December 2012)

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 2012 to you for your approval and, on the other hand, to pronounce yourselves on the renewal of financial delegations.

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 2012 have been drawn up according to the presentation rules and valuation methods stipulated by the regulations in force.

It is recalled that the finance law for 2010 has replaced the tax liability of French fiscal entities to Professional Tax by two new tax contributions:

- Business Property Tax (Cotisation Foncière des Entreprises (CFE)) based on property rental values;
- Corporate Value Added Contribution (Cotisation sur la Valeur Ajoutée des Entreprises (CVAE)) based on added value.

Pursuant to the IAS 12 standard, the CVAE has been qualified as a tax in the income statement whereas, in the past Professional Tax was entered in the current operating income as "tax". In 2010, the CVAE would have amounted to €519 k compared with €601 k in 2011 and €847 k in 2012.

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.

Activity statement

Our group's consolidated accounts show sales of €94,335 k, up by 23% with respect to the previous year. Net profit stands at €6,078 k compared with €3,944 k for the previous year.

Growth was organic and strong, all divisions taken into account. The financial year and the 4th quarter reached unprecedented levels.

France accelerated its growth in Q4 to +39%. The international market represented 40% of Sales and showed a very good performance, drawn by Europe, Asia and, as expected, by North America.

At the end of 2012, SOGECLAIR had staff of 1,065, that is to say up by 11% with respect to 2011.

Activity division by division:

(in € million)	2012	2011	Variation
12 months (31 December)			
Aerospace	80.52	66.24	21.6%
Vehicle	2.67	2.25	18.7%
Simulation	11.14	8.18	36.2%

Aerospace Division : 85.4% of group activity at €80.52 million, up by 21.6%

The 2012 context was favourable for aeronautics with a large number of aircraft programmes – business, military, civil – being developed and worldwide production as strong as ever. SOGECLAIR is benefitting fully from its specialist positioning on all the Airbus and Dassault programmes and on two Bombardier programmes. The recruitment plan, launched at the end of 2011, has continued with nearly 130 net hirings in one year.

The activities in France, Germany and Spain have significantly contributed to this division's growth.

Vehicle Division : 2.8% of group activity at €2.67 million, showing significant growth at + 18,7%

2012 was marked by a general downturn for mass-market vehicles, but the segment remains buoyant for mission vehicles, prototypes and small production runs. SOGECLAIR is benefitting from its strategy on this segment with, notably, its counter-mine vehicles and a breakthrough in the nuclear industry which is contributing to diversifying the order book.

Simulation Division : 11.8% of group activity at €11.14 million, up by nearly 36.2%

Thanks to a favourable base effect and in a buoyant international context in the rail and defence sectors, SOGECLAIR is confirming the turnaround of this division. This strong growth concerns both the French and international markets, in particular in Asia and North America.

The end of the year was once again marked by major commercial successes, notably with our participation in the "cockpit of the future" launched by the DGAC.

1.2. Foreseeable changes – Future perspectives

Boosted by the success of its international recruitment drive and a diversified order book, SOGECLAIR is well-placed for pursuing its development and in 2013 it will strengthen its commercial actions with the creation this year of a subsidiary in North America in the pipeline.

1.3. Outstanding events since year-end

The beginning of 2013 was marked by:

- a further step forwards in the organisation of the Aerospace division's engineering subsidiaries with strengthened supervision and a change of management in Germany,
- strengthening of the Aerospace division's industrial activities,
- preparation for setting up our activities in Canada,
- continued high level of activity.

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 2012:

(in € k)	Aerospace	Vehicle	Simulation
Immobilised development works	2,273	none	274

The development works that gave rise to amortisation in 2012 concern all the Simulation division's programmes and the Aerospace division's Airbus A380 floor structure and nose cone programme. The latter was completely amortised on 31 December 2012

The detailed information is given in paragraph 1.2.2 of the consolidated appendix given 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:

- 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)	2012	2011	2010
Sales	94,335	76,672	71,975
Other income from the activity	8,700	6,014	4,794
Cost of goods sold	-32,907	-22,501	-20,459
Personnel charges	-56,092	-49,754	-47,846
Taxes and duties	-910	-901	-1,334
Amortisation and provisions	-4,832	-3,542	-3,264
Other charges	-198	-208	-298
Current operating profit	8,095	5,779	3,568
Result of the sale of consolidated shareholdings			8
Other operating income and charges	163	-5	-23
Operating profit	8,259	5,773	3,553
Income from cash flow and cash flow equivalents	49	-36	90
Gross finance costs	-255	-193	-163
Net finance costs	-206	-229	-73
Other financial income and charges	-23	1	32
Profit before tax	8,030	5,545	3,511
Income tax expense	-1,953	-1,601	-766
Net profit	6,078	3,944	2,745
Group share	5,857	3,629	2,485
Minority interest	221	315	260
(in Euros)	2012	2011	2010
Profit per share	8.08	5.01	3.43
Diluted profit per share	8.08	5.01	3.43

Analysis of the income statement shows:

- increase in turnover,
- significant improvement in operating profitability,
- degraded financial result, mainly under the combined effect of an increase in the interest charge and improved revenue from placements and exchange rate management,
- increase in the tax charge, and
- improved net income.

1.5.2. Consolidated financial statement

The financial situation is presented below:

ASSETS (in thousands of Euros)	2012	2011	2010
Goodwill	3,908	3,908	3,908
Intangible assets	7,399	5,971	4,742
Property, plant and equipment	4,409	3,743	2,755
Investments in associates	838	810	666
Other long-term assets			300
Non-current assets	16,554	14,432	12,372
Inventories	919	153	91
Trade and other receivables	42,144	35,385	35,357
Available-for-sale financial assets	7,214	4,422	2,976
Current tax asset	2,271	1,677	1,044
Cash and cash equivalents	8,168	6,885	3,123
Current assets	60,716	48,521	42,592
TOTAL ASSETS	77,270	62,953	54,964
LIABILITIES (in thousands of Euros)	2012	2011	2010
Share capital	2,900	2,900	2,900
Share premium account	2,630	2,630	2,630
Own shares	-858	-858	-829
Reserves and accumulated results	20,021	14,815	11,738
Equity capital, group share	24,692	19,487	16,439
Minority interest	1,527	1,472	1,299
Total equity	26,219	20,959	17,738
Provisions for other liabilities and charges	2,409	1,383	1,282
Long-term payables and other financial liabilities	3,413	2,723	2,344
Borrowings	3,053	2,344	1,693
Sundry long-term liabilities	18		
Non-current liabilities	8,893	6,450	5,319
Short-term payables and other financial liabilities	375	321	108
Current part of long-term borrowings	2,561	1,782	1,937
Borrowings	1,019	98	1,062
Other non-current debts		45	103
Short-term provisions	14,268	11,099	9,245
Trade and other payables	19,822	17,825	15,176
Tax and social liabilities	127	1	1
Deferred tax liabilities	3,986	4,374	4,275
Other current liabilities	42,157	35,544	31,907
Current liabilities	77,270	62,953	54,964

Analysis of the financial statement shows:

On the asset side:

- stable goodwill,
- intangible immobilisations up under the combined effect of investments in software, new assetisations and amortisations of development expenses, notably in the Aerospace division (assetisation of the composite parts development programmes for Airbus A350 and Bombardier CSeries, and end of the amortisation plan on the A380 floor structure and nose cone programme),
- tangible immobilisations up further to the investments made during the year, particularly concerning IT in the Aerospace division,

■ inventory up strongly in preparation for the first series deliveries regarding the Aerospace division's industrial activities,

■ trade debts up,

■ other current assets up due to the increased fiscal debts,

■ deferred taxes up due to the effect of the increase in employee participation and pension commitments.

On the liability side:

■ equity capital up significantly given the results for 2012, and after a distribution of dividends to the shareholders of SOGECLAIR SA and to the minority holding in the subsidiaries of €728 k,

- increase in provisions,
- qualified pre-payments up, given the new 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,

- supplier debts up, impacted by the increase in purchases and more particularly in subcontracting,
- tax and social debts up, under the effect of the 8.8% increase in the workforce,
- deferred tax liability up,
- other current liabilities down.

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	
	2012	2011	2012	2011	2012	2011	2012	2011
Turnover	80,520	66,242	2,673	2,246	11,136	8,178	6	6
Other income from the activity	6,034	3,468	164	143	2,467	2,373	36	30
Cost of goods sold	-26,139	-17,253	-1,195	-887	-3,977	-2,695	-1,596	-1,666
Personnel charges	-46,874	-40,231	-871	-841	-6,252	-6,783	-2,095	-1,899
Taxes and duties	-566	-479	-39	-38	-146	-233	-159	-150
Amortisation and provisions	-3,620	-2,258	-88	-62	-949	-1,128	-174	-94
Other charges	-127	-143			-14	-2	-57	-63
Intra-Group operations	-3,918	-4,002	-119	-269	-551	-241	4,588	4,513
Current operating profit	5,309	5,344	524	291	1,714	-532	548	676
Other operating income and charges	-6	2			-4	-7	173	
Operating profit	5,304	5,346	524	291	1,710	-539	721	675

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

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

- Technological assistance projects account for 20% 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 60% 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 20% of the activity: this concerns contracts:
 - comprising an offer associated with that of SOGECCLAIR (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 SOGECCLAIR as the only source. Their length depends on the type of equipment.

The technological assistance contracts do not comprise any great execution risk, as SOGECCLAIR 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 2012 all sectors taken into account, the company counted 198 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, 5 were new customers in 2012,
- the first 20 account for 88% of consolidated sales; amongst which 95% were already customers in 2011,
- the first 10 account for 77% of consolidated sales and all of them were already customers in 2011,
- the first 5 account for 66% of consolidated sales, compared with 63% in 2010,
- the group's No. 1 customer, AIRBUS France, represents 33% of consolidated sales, compared with 32% in 2011 and 33% in 2010. The European company Airbus represents 54% of consolidated sales, and remains stable with respect to 2011. 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 satisfactorily and do not lead us to anticipate any risk with respect to the group's business.

The rapprochement between MECACHROME and MECAHERS, made at the end of 2011, consolidates these longstanding partnerships.

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 so as not to suffer from any dominant position and to make 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 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 and the parties have agreed to spread the reimbursement of the expenses over the first 300 aircraft produced.

At the end of December 2011, the order book for the A380 announced by Airbus amounted to 262 firm orders (+9 vs 2011) 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 2012 stood at 128 (including 25 for the year), but our assumptions for the upcoming financial years have been revised to take into account the very significant effect on 2012 and 2013 of the delays which have weighed in terms of offset revenue for about €900 k per year in 2011 and 2012.

This programme has been the subject of an immobilisation of the development expenses engaged through to the end of 2006 and are being straight-line amortised over eight years as from the beginning of 2005 through until 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 2012, the overall economics of these contracts was considered positive.

At the end of December 2012, the order book for the A350 announced by Airbus counted 592 firm orders. The order book for the CSeries announced by Bombardier counted 136 firm orders. The deliveries of the first shipsets are planned for 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, the risks of losses on completion have been identified and have been provisioned for a total of €788 k.

Proprietary sales

Concerning the development of equipment for flight simulators, the perspectives for 2013 are stable with respect to 2012, a year during which the activity was historically high. The goal for 2013 is to consolidate our position with the worldwide leaders in the area of civil flight simulation (CAE, Thales, L-3) and progress with the other players on the simulation market (AgustaWestland, DCNS...).

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 2,066 of its own shares on 31 December 2012.

On 31 December 2012, besides the market-making contract, SOGECLAIR held 45,264 shares as detailed below:

Reasons / Events outside the market making contract	Number of shares concerned
Merger/takeover of the LPPI company	28,097
Share buy-back programme between December 2008 and February 2009	4,798
Share buy-back programme between March and June 2009	4,382
Share buy-back programme between December 2009 and January 2010	6,897
Share buy-back programme between August and September 2011	1,090
Total	45,264

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 2012 was limited to current short-term loans and to the medium-term variable rate "bell-shape" loan that we had put in place at the beginning of 2002 to finance the A380 floor contract.

At the end of November 2005 we made the decision to cover that loan by means of a fixed-rate swap. The coverage ended at the end of 2009 and given the interest rate trends it was not considered necessary to cover the balance of the loan for which repayment, amounting to €100k, will be completed on 1st January 2013.

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 2012 financial year, the group's exposure to this risk increased. The negative impact on the 2012 accounts represents €21 k compared with €39 k in 2011.

The year 2012 includes losses on the sales made in Euros by our United Kingdom subsidiary amounting to €57 k and in Tunisia to €6 k. Exposure to the sale of currency in USD and CAD was positive with a gain of €42 k.

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 2012 of USD 721 k and CAD 610 k.

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 positive variation of the conversion differential for the subsidiaries' accounts in foreign currencies, posted in the consolidated accounts, stood at nearly €16 k in 2012, compared with nearly €28 k in 2011.

Liquidity / Cashflow

The 2012 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 €1.53 million in 2012, compared with €2.66 million in 2011, despite the significant increase in WCR and the maintained investments

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 €815 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 2012.

Operational risks

Refer to the President's report to the AGM.

Industrial and environmental risks

In 2012, 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. The overall amount of the premiums in 2012 totalled €313 k compared with €305 k in 2011.

2. Situation of the Companies in the Group

The financial year was marked by:

- significant improvement in profitability
- cashflow net of short-term debt up slightly at €7.15 million,
- controlled indirect costs, in a context where pressure is being exerted on prices,
- growth in activity and profitability, all divisions taken into account,
- turnaround of the SIMULATION division,
- winning of a second long-term contract with Bombardier the aircraft manufacturer,
- progression of the activity for Dassault Aviation,
- strengthening and renewal of referencing with strategic customers.

2.1. Activities and results of SOGECLAIR SA – Progress made

During the year ending 31 December 2012 SOGECLAIR SA achieved:

- turnover of €4.625 k (compared with €4,560 k for the previous year),
- profit of €567 k (compared with €298 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.

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 4.23 of the consolidated appendix in chapter 20.3.2 of this reference document.

Forecast trends

The 2013 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.

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 31/12/2011	On 31/12/2012	On 31/12/2011	On 31/12/2012	On 31/12/2011	On 31/12/2012	On 31/12/2011	On 31/12/2012
Total supplier debts	13	182	323	11	106 ⁽¹⁾	none	10 ⁽¹⁾	132 ⁽²⁾

(1) settled in January 2012

(2) settled in January 2013

On 31 December 2012, the balance owed by customers, intra-group as a whole, amounted to €458,521 compared with €1,399,643 the previous year.

Acquisition of shareholdings and takeovers

SOGECALAIR SA did not acquire any additional holdings during the year ending 31 December 2012.

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

SOGECALAIR holding on 31/12/2012	55.00 %	2012 (€k)	2011 (€k)	Trend
Sales		2,565	1,487	+72.5%
Operating result		(421)	306	ns
Net result		(749)	204 ⁽¹⁾	ns
Equity capital		306	786	-61.1%
Net debt ⁽²⁾		2,863	1,649	+73.6%
Avg. workforce (Full-Time Equivalence)		23	16	+43.8%

(1) Correction n-1, €303k before impact of dispensatory amortisations

(2) Excluding qualified pre-payments

SOGECALAIR AEROSPACE SAS

In the past the company immobilised 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 year 2012 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:

SOGECALAIR holding on 31/12/2012	100.00 %	2012 (€k)	2011 (€k)	Trend
Sales		53,299	43,954	+21.3%
Operating result		4,761	3,834	+24.2%
Net result		3,047	2,735	+11.4%
Equity capital		9,644	6,596	+46.2%
Net debt ⁽¹⁾		-8,227	-4,709	+74.7%
Avg. workforce (Full-Time Equivalence)		495	454	+9.0%

(1) Excluding qualified pre-payments

S2E CONSULTING SAS

The year 2012 was marked by growth in the company's activity and improved profitability. The main quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGECALAIR holding on 31/12/2012	46.98 %	2012 (€k)	2011 (€k)	Trend
Sales		788	622	+26.7%
Operating result		91	64	+42.2%
Net result		58	39	+48.7%
Equity capital		281	215	+30.7%
Net debt		-41	-138	-70.3%
Avg. workforce (Full-Time Equivalence)		9	7	+28.6%

Foreign subsidiaries

SOGECALAIR AEROSPACE LIMITED (UNITED KINGDOM)

The activity and profitability are down. Its main quantified indicators, such as they appear in the individual financial statements, restated to the French standards, are presented below in local currency:

SOGECALAIR holding on 31/12/2012	100.00 %	2012 (£k) ⁽¹⁾	2011 (£k) ⁽²⁾	Trend
Sales		2,318	2,819	-17.8%
Operating result		51	416	ns
Net result		2	330	ns
Equity capital		690	688	+0.3%
Net debt		-154	245	ns
Avg. workforce (Full-Time Equivalence)		42	42	None

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

(2) Conversion rate used for establishing the consolidated accounts: closing rate 0.8678, average rate 0.8353

SOGECLAIR AEROSPACE SARL (TUNISIA)

The company, created in April 2009, is pursuing its launch. Its key indicators, such as they appear in the individual financial statements, restated to the French standards, are presented below in the local currency:

SOGECLAIR holding on 31/12/2012 100.00 %	2012 (k TND) ⁽¹⁾	2011 (k TND) ⁽²⁾	Trend
Sales	1,018	1,055	-3.5%
Operating result	69	156	-55.8%
Net result	82	141	-41.8%
Equity capital	60	143	-58.0%
Net debt	271	-56	ns
Avg. workforce (Full-Time Equivalence)	21	19	+10.5%

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

(2) Conversion rate used for establishing the consolidated accounts: closing rate 1.9634, average rate 1.9383

SOGECLAIR AEROSPACE GmbH (GERMANY)

The year 2012 was marked by continued growth for the company.

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

SOGECLAIR holding on 31/12/2012 99.04 %	2012 (€k)	2011 (€k)	Trend
Sales	23,728	19,142	23.9%
Operating result	677	610	11.0%
Net result	479	514	-6.8%
Equity capital	3,347	2,868	16.7%
Net debt	-471	157	ns
Avg. workforce (Full-Time Equivalence)	211	193	9.3%

SOGECLAIR AEROSPACE SA (SPAIN)

The year 2012 was marked by growth in the company's activity and improved profitability.

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

SOGECLAIR holding on 31/12/2012 86.34 %	2012 (€k)	2011 (€k)	Trend
Sales	3,304	2,369	+ 39.5%
Operating result	187	87	x 2.15
Net.result	138	50	x 2.76
Equity capital	744	606	+ 22.8%
Net debt	163	215	-24.2%
Avg. workforce (Full-Time Equivalence)	57	44	+29.5

Activities and results of the Vehicle Division

SERA INGENIERIE SAS

The company's activity and profitability grew during the year. Its key quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGECLAIR holding on 31/12/2012 80.00 %	2012 (€k)	2011 (€k)	Trend
Sales	2,952	2,385	+23.8%
Operating result	511	283	+80.6%
Net result	375	224	+67.4%
Equity capital	1,331	1,056	+26.0%
Net debt	-109	-1,162	ns
Avg. workforce (Full-Time Equivalence)	14	13	+7.7%

Activities and results of the Simulation Division

OKTAL SAS

The company's activity and profitability picked during the year. Its key quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGECLAIR holding on 31/12/2012 97.98 %	2012 (€k)	2011 (€k)	Trend
Sales	9,086	6,025	+50.8%
Operating result	1,018	-1,079	Ns
Net result	1,249	-839	Ns
Equity capital	3,518	2,269	+55.0%
Net debt ⁽¹⁾	-391	-248	+57.7%
Avg. workforce (Full-Time Equivalence)	70	76	-7.9%

(1) Excluding qualified pre-payments

OKTAL SYNTHETIC ENVIRONMENT SAS

Whereas this company's activity was down, its profitability improved during the year. Its key quantified indicators, such as they appear in the individual financial statements, are presented below:

SOGECLAIR holding on 31/12/2012 63.25 %	2012 (€k)	2011 (€k)	Trend
Sales	2,140	2,340	-8.5%
Operating result	600	501	+19.8%
Net.result	487	411	+18.5%
Equity capital	2,660	2,550	+4.3%
Net debt	-1,368	-1,552	-11.9%
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 loss for the year, which amounts to €567,274.49, as follows:

Origin

- Balance carried forward	€4,629,609.26
- Profit for the financial year	€567,274.49
Giving a distributable profit of	€5,196,883.75

Appropriation

- As dividends	€1,160,000.00
- Balance carried forward	€4,036,883.75

The gross dividend payable for each share will therefore amount to €1.60. 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 23 May 2013. This dividend will be payable as from 28 May 2013.

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 year	Revenue eligible for the rebate		Revenue not eligible for the rebate
	Dividends	Other revenues distributed	
2009	€398,750 that is €0.55 per share	None	None
2010	€398,750 that is €0.55 per share	None	None
2011	€616,250 that is €0.85 per share	None	None

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

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 €14,198.

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 2012, 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

During the year 2012, Ms Huguette Robardey and Mr Jean-Louis Robardey's individual holding fell below the 10% voting rights level. Ms Anne Robardey's individual holding rose above the 10% voting rights level. Mr Philippe Robardey's individual holding rose above one-third of the capital.

The crossing of this threshold is the result of a donation of Sogclair shares made in July 2012. The Robardey family holding did not cross any thresholds.

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: 23,315
Average purchase price: €39.08
- Number of shares sold: 23,809
Average sale price: €38.55
- 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: none
Average sale price: not applicable
- Total amount of the negotiation fees: not applicable

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	45,264	2,066	47,330
Book value	€858,263	€83,900	€942,163
Nominal value			€189,320

At year-end, the number of shares registered in the company's name represented 6.53 % 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 31 May 2012 in its fifth ordinary 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 €150 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 €10,875,000.

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 2012, SOGECLAIR is 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 (53)	AGM on 25 May 2007 (renewal)	GM voting on the accounts for 2012	President & CEO Director French nationality Son of Mr Jean-Louis Robardey
Mr Jean-Louis Robardey (81)	AGM on 28 May 2009 (renewal)	GM voting on the accounts for 2014	Director French nationality Father of Mr Philippe Robardey
Mr Michel Grindes (76)	AGM on 14 May 2008 (renewal)	GM voting on the accounts for 2013	Director French nationality
Mr Gérard Blanc (70)	AGM on 25 May 2007	GM voting on the accounts for 2012	Director French nationality
Mr Alain Ribet (69)	AGM on 25 May 2007 (renewal)	GM voting on the accounts for 2012	Director French nationality
Mr Alberto Fernandez (64)	AGO on 31 May 2012 (renewal)	GM voting on the accounts for 2017	Director Spanish nationality
Mr Henri-Paul Brochet (67)	AGM on 28 May 2009	GM voting on the accounts for 2014	Director French nationality
Ms Martine Robardey (54)	AGO on 31 May 2012	GM voting on the accounts for 2017	Director French nationality Spouse on Mr Philippe Robardey

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

5.1.2. Renewal of a directors' term of office

As the terms of office of Messrs Gérard Blanc, Alain Ribet and Philippe Robardey come 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 Gérard Blanc can be considered to be independent. You are reminded that Messrs Brochet, Fernandez and Grindes 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	Mandates and functions exercised during the last five years and expired
Within the group: President of Sogecclair Aerospace Limited President of SERA Ingenierie 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)	Within the group: Director of Edt SA (Universal Transfer of Assets to Sogecclair Aerospace SAS) Director of Clairis Technologie SA (now Sogecclair Aerospace SAS) Outside the group: Managing Director of Tharsys SAS

Mr Jean-Louis ROBARDEY, Director

Current mandates and functions	Mandates and functions exercised during the last five years and expired
Outside the group: Managing Director of SCI Solair	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	Mandates and functions exercised during the last five years and expired
Outside the group: Director of Valeo President of Marignac Gestion SAS	

Mr Alain RIBET, Director

Current mandates and functions	Mandates and functions exercised during the last five years and expired
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	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 (formerly Aresa SA) 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 CESER advisor Member of the Actia Group Supervisory Board	Outside the group: Director of Thales Alenia Space Belgium Director of Thales Alenia Space Espagne 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

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

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 2012:

Table 1

Table summarising the remuneration, options and shares granted to each Director (in €)				
Mr Philippe Robardey	2011 financial year		2012 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 remuneration	221,980.76	139,771.80	321,214.68	221,980.76
- Extraordinary remuneration	-	-	-	-
- Director's fees	14,474.00	14,474.00	16,176.00	16,176.00
- Non-cash benefits (company car)	-	-	-	-
Valuation of the options granted during the financial year (detailed in table 4)	-	-	-	-
Valuation of performance-related shares granted during the financial year (detailed in table 6)	-	-	-	-
TOTAL	441,654.76	359,445.80	542,590.68	443,356.76

The variable part of the remuneration paid to Mr Philippe Robardey in 2011 corresponds to the 2010 financial year; that paid in 2012 corresponds to 2011. This variable part of the remuneration is calculated on the basis of 4% of the consolidated pre-tax profit.

Table 2

Table of director's fees and other remuneration received by the non-executive Board Members (in €)

Non-executive Board Members	Amount paid in 2011	Amount paid in 2012
Mr Gérard Blanc		
Director's fees	5,987	6,088
Other remuneration	-	-
Mr Henri - Paul Brochet		
Director's fees	5,987	6,088
Other remuneration	-	-
Mr Alberto Fernandez		
Director's fees	5,987	6,088
Other remuneration ⁽¹⁾	20,000	20,000
Mr Michel Grindes		
Director's fees	5,987	6,088
Other remuneration	-	-
Mr Jacques Riba		
Director's fees	5,987	6,088
Other remuneration	-	-
Mr Alain Ribet		
Director's fees	13,487	17,088
Other gross remuneration ⁽²⁾	60,000	60,000
Mr Jean-Louis Robardey		
Director's fees	5,987	6,088
Other remuneration	-	-
Ms Martine Robardey		
Director's fees	-	-
Other remuneration	-	-
TOTAL	129,409	133,616

(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 3

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 4

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 5

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 for the consolidated accounts	Acquisition date	Date of availability	Performance-related conditions
						None

Table 6

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 7

HISTORY OF SHARE SUBSCRIPTION OR PURCHASE ALLOCATIONS

INFORMATION ON THE SUBSCRIPTION OR PURCHASE OPTIONS

Date of the General Meeting	Plan 1	Plan 2
	None	None

Table 8

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 9

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 2007 Expiry date: 2013 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 18 December 2008, 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 28 May 2009.

The payment of said indemnity shall be subject to the condition that the group has achieved, in respect of the last five financial years whose consolidated accounts have been closed by the Board before said termination, an average Operating Profit, increased by the amortization expenses and provisions, at least equal to € 5 million.

You will be requested to renew your approval of this commitment, with the adaptation indicated below, subject to the renewal of Mr Philippe Robardey's functions as director and CEO of the company:

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 no new conventions covered by article L 225-38 et seq. of Commercial Law have been authorised by your Board of Directors during the past financial year.

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 3 December 2004 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 150,040 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: EADS 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. Division of the nominal value of the shares

We propose that the nominal value of the company's shares should be divided by four in order to improve the liquidity of the share and make it more easily accessible to the various populations of shareholders.

The division of the equity capital into shares with a value of €1 will give rise to the exchange of four new shares with a nominal value of €1, against one old share with a nominal value of €4. The number of new shares to be issued will therefore amount to 2,900,000 shares with a nominal value of €1.

They will be issued in the form of bearer or registered shares, the choice being left to the shareholder.

This division will take effect on a date that will be set by the Board of Directors which will have all powers to proceed with this exchange at a date later than the dividend payment date, appoint any director to ensure the centralisation of the operations relative to the division of the nominal value of the company's shares and, generally speaking, do the necessary. The expenses relative to the division of the shares' nominal value will be paid by the company.

This operation will be carried out between 30 June and 31 December 2013.

The double voting right, such as provided for by the provisions of Article 15 of the Articles of Association, is granted, as from their issuing, to the €1 registered shares resulting from the division of the €4 registered shares that benefit from this right, the two-year period stipulated by the above-mentioned article not being interrupted by the exchange.

Should you accept this proposal, you will be requested to modify article 7 of the articles of association, subject to the definitive accomplishment of the division of the nominal value of the company's shares.

In the framework of this modification of the articles association, you will also be asked to modify article 9 relative to the form of the shares with a view to replacing the terms "organisation responsible for the compensation of securities" with "central custodian of financial instruments". This modification shall take effect on the day of the definitive accomplishment of the division of the nominal value of the company's shares.

10. 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.

Furthermore we propose that you should entrust your Board of Directors with the following powers of delegation:

10.1. Delegation of powers to be granted to the Board of Directors to increase the capital by incorporating reserves, profits and/or premiums

The delegation of powers with a view to increasing the capital by incorporating reserves, profits and/or premiums expires on 26 July 2013.

Consequently, we request that you renew and therefore entrust to the Board of Directors, for a further period of 26 months, the powers required to increase the capital by incorporating reserves, profits, premiums or other sums whose capitalisation is accepted in said capital, by issuing and granting freely shares or by raising the nominal value of the existing ordinary shares, or by a combination of the two methods.

The amount of the capital increase resulting from the issues made in respect of this delegation must not exceed the nominal amount of €725,000. This amount shall not include the overall nominal value of the additional ordinary shares that may have to be issued to preserve, in accordance with law, the rights of bearers of securities giving the right to shares. This ceiling shall be independent from all the ceilings provided for in the other delegations of powers granted by the Meeting.

10.2. Delegation of powers to be granted to issue ordinary shares and/or securities providing access to the capital and/or giving the right to the allocation of debt instruments with preservation of the preferential right to subscribe

The purpose of this delegation of powers is to give the Board of Directors every latitude to proceed at times of its choice with the issuing of ordinary shares and/or any securities providing access, immediately or at a later time, to ordinary shares and/or securities opening the right to the allocation of debt instruments, for a period of 26 months.

In accordance with the law, the securities to be issued may provide access to ordinary shares in any company that owns directly or indirectly more than half of its capital or in which it owns directly or indirectly more than half of the capital.

We propose that you set the maximum overall nominal amount of the shares that may be issued by virtue of this delegation at €725,000.

It is stipulated that this amount shall not include the overall nominal value of the additional ordinary shares that may have to be issued to preserve, in accordance with law, any contractual stipulations providing for other cases of adjustment, the rights of bearers of securities giving the right to access the company's capital.

The nominal amount of the debt instruments on the company that may be issued by virtue of this delegation of powers may not exceed €725,000.

In respect of this delegation, the issues of ordinary shares and/or of any securities providing access to the capital shall be carried out with the shareholders' preferential right to subscribe being maintained.

If these subscriptions do not absorb the totality of the issue, the Board of Directors may use the following possibilities:

- limit the amount of the issue to the amount of the subscriptions, it being stated that in the case of the issue of ordinary shares or of securities whose primary basis is a share, the amount of the subscriptions must reach at least $\frac{3}{4}$ of the issue decided in order for this limitation to be possible,
- freely distribute all or part of the unsubscribed securities,
- offer to the public all or part of the unsubscribed securities..

10.3. Delegation of powers to be granted to issue ordinary shares and/or securities providing access to the capital and/or giving the right to the allocation of debt instruments, with cancellation of the preferential right to subscribe and mandatory priority period by public offering

In respect of this delegation of powers, which will be granted for a period of 26 months, the issues will be made by public offering.

The shareholders' preferential right to subscribe to the ordinary shares and/or securities giving access to the capital will be cancelled with the obligation for the Board of Directors to grant the shareholders the possibility of subscribing as a priority.

The overall nominal amount of the shares that may be issued may not exceed €725,000.

The nominal amount of the debt instruments on the company that may be issued may not exceed €725,000.

The sum paid, or payable to the company for each of the ordinary shares issued, after having taken into account the issue price of warrants in the case where share subscription warrants are issued, shall be determined in accordance with the legal and regulatory provisions and shall therefore be at least equal to the minimum required by the legal and regulatory provisions applicable at the moment the Board of Directors implements the delegation.

In the case where securities are issued with a view to remunerating securities contributed in the framework of a public exchange offering, the Board of Directors shall have, within the limits fixed above, the necessary powers for drawing up the list of securities tendered for the exchange, fixing the issue conditions, the exchange rate as well as, where applicable, the amount of the cash element to be paid, and determining the issue procedures.

If these subscriptions do not absorb the totality of the issue of ordinary shares and/or securities providing access to the capital and/or debt instruments, the Board of Directors may use the following possibilities:

- limit the amount of the issue to the amount of the subscriptions, it being stated that in the case of the issue of ordinary shares or of securities whose primary basis is a share, the amount of the subscriptions must reach at least $\frac{3}{4}$ of the issue decided in order for this limitation to be possible,
- freely distribute all or part of the unsubscribed securities.

10.4. Delegation of powers to issue ordinary shares and/or securities providing access to the capital and/or giving the right to the allocation of debt instruments, with cancellation of the preferential right to subscribe by private placement privé

In respect of this delegation of powers, which will be granted for a period of 26 months, the issues will be made by an offer covered by para. II of Article L. 411-2 of Monetary and Financial Law.

The shareholders' preferential right to subscribe to the ordinary shares and/or securities giving access to the capital will be cancelled.

The overall nominal amount of the shares that may be issued may not exceed €725,000, it being stated that it shall also be limited to 20% of the capital a year.

The nominal amount of the debt instruments on the company that may be issued may not exceed €725,000.

The sum paid, or payable to the company for each of the ordinary shares issued, after having taken into account the issue price of warrants in the case where share subscription warrants are issued, shall be at least equal to the minimum required by the legal and regulatory provisions applicable at the moment the Board of Directors implements the delegation.

If these subscriptions do not absorb the totality of the issue of ordinary shares and/or securities providing access to the capital and/or debt instruments, the Board of Directors may use the following possibilities:

- limit the amount of the issue to the amount of the subscriptions, it being stated that in the case of the issue of ordinary shares or of securities whose primary basis is a share, the amount of the subscriptions must reach at least $\frac{3}{4}$ of the issue decided in order for this limitation to be possible,
- freely distribute all or part of the unsubscribed securities.

10.5. Determining the procedures for setting the subscription price in the case of cancellation of the preferential right to subscribe within the annual limit of 10 % of the capital

We propose that, in accordance with the provisions of Article L. 225-136-1, paragraph 2, of Commercial Law, you should authorise the Board of Directors, which decides to issue ordinary shares or securities providing access to the capital with cancellation of the preferential right to subscribe by public offering and/or by private placement to waive, within the limit of 10 % of the equity capital per year, the above-mentioned price-setting conditions and to set the issue price for the fungible equity securities to be issued according to the following procedures:

The issue price for fungible equity securities to be issued immediately or at a later time may not, at the Board of Directors discretion, be lower than:

- either the weighted average price of the company's share on the day preceding the setting of the issue price, possibly reduced by a maximum discount of 15%,
- or the average of the share price over five consecutive trading days chosen among the last thirty stock-market sessions preceding the setting of the issue, possibly reduced by a maximum discount of 10%.

This concessionary price rule may be justified to allow the Board, should it be necessary, to adopt a discount greater than 5% and to benefit from greater flexibility for seizing opportunities.

10.6. Authorisation to increase the amount of the issues in the case of oversubscription

We propose that, in the framework of delegations with maintenance or cancellation of the above-mentioned subscription rights, you should grant the Board of Directors, when it notes an oversubscription, the possibility of increasing, under the conditions and within the limits set by the legal and regulatory provisions, the number of shares provided for in the initial issue.

10.7. Delegation of powers to increase the capital with a view to remunerating contributions in kind of equity instruments or of securities providing access to the capital

In the framework of growth by acquisition operations, we request that you should grant the Board of Directors a delegation of powers to increase the equity capital by issuing ordinary shares or securities providing access to the capital with a view to remunerating possible contributions in kind made to the company and made up of equity instruments or securities providing access to the capital.

This delegation of powers shall be granted for a period of 26 months.

The overall nominal amount of the ordinary shares that may be issued by virtue of this delegation may not be higher than 10 % of the equity capital, not taking into account the nominal value of the additional ordinary shares that may have to be issued to preserve, in accordance with law, the rights of the holders of securities providing access to the company's capital.

With the exception of the delegation of powers with a view to increasing the capital by incorporating reserves, profits and/or premiums, the ceilings set for this delegation and the above-mentioned delegations shall be charged to a maximum overall nominal amount.

10.8. Delegation of powers to increase the capital for the benefit of members of a company savings scheme

We are submitting this resolution to your vote, to ensure we comply with the provisions of article L. 225-129-6 of Commercial Law, under the terms of which the EGM must also vote on a resolution with a view to making a capital increase under the conditions stipulated by articles L. 3332-18 et seq. of Labour Law, when it delegates its powers to make a capital increase in cash.

In the framework of this delegation of powers, we propose that you should authorise the Board of Directors to increase the equity capital for the benefit of members of one or more company or group savings schemes established by the Company and/or by French or foreign companies that are linked to it under the conditions of articles L. 3332-18 et seq. of Labour Law by issuing ordinary shares or securities providing access to the company's capital

Pursuant to law, the AGM should cancel the shareholders' preferential right to subscribe.

The maximum nominal amount of the capital increases that may be made by using the delegation should be 3% of the amount of the equity capital reached when the Board of Directors makes the decision to carry out this increase.

This delegation shall be granted for a period of 26 months.

It is stipulated that the price of the shares to be issued may not be lower by more than 20% (or more than 30% when the length of unavailability stipulated by the scheme in application of Articles L. 3332-25 and L. 3332-26 of Labour Law is longer than or equal to ten years) than the average of the share's first quoted prices for the twenty stock-market sessions preceding the decision of the Board of Directors relative to the capital increase and to the corresponding issuing of shares, nor higher than that average.

The Board of Directors may allocate to the beneficiaries defined in the first paragraph above, free of charge, shares to be issued or already issued or other securities providing access to the company's capital to be issued or already issued, in respect of (i) the voluntary company contribution that may be paid pursuant to the regulations regarding company or group savings schemes, and/or (ii), where applicable, the discount.

11. 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.

1. Social and societal information

1.1. Employment

The group's total consolidated workforce, as an average over the year 2012 expressed as a full-time equivalence, breaks down as follows:

	2012	2011	2010
Engineers, managers and senior technicians	879	793	791
Technicians and employees	103	109	90
TOTAL	982	902	881

564 people are employed in Midi-Pyrénées, Aquitaine and PACA regions; with 62 in Ile-de-France region.

The average age is 36 and the turnover rate was 9.7 %.

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, Systems Installation and Configuration Management.

The activity perspectives in the framework of our development are leading us to maintain the strengthening of our skills in 2013.

1.2. Subcontracting

SOGELAIR regularly calls on the services of external companies (subcontracting).

The flexibility rate represents nearly 20% 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, SOGELAIR 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 SOGELAIR 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 3.01%. 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 2012, the remunerations increased by between 2% and 3.2%, all staff categories taken into account.

Historically, there are two profit sharing contracts concerning the employees of OKTAL SAS and OKTAL SE. For the French subsidiaries, there are three participation agreements, one of which generated a special gross participation reserve of €871 k in 2012.

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 2010, triennial senior-employment plans (2010-2012) have been signed within the French subsidiaries. They will be renewed in 2013.

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 2012, a total of €728 k was devoted to training expenses, representing 3% 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 three of the areas listed above.

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 2012, the social works budget totalled about €288 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 launched a self-assessment initiative per ISO 14001, leading to the definition of an environmental policy, a management system coupled with the quality system and making it possible to identify the resources required.

Impact of products designed and/or manufactured

The products designed and/or manufactured satisfy the regulations in force. ISO 14062 and the REACH directive are the main applicable requirements that have required the implementation of awareness-raising actions or actions to ensure compliance during the past year. The staff's awareness has been raised regarding the integration of the environmental requirements in the design and manufacture of their products. The suppliers are an integral part of this system.

Impact of operations / Utilisation of resources / Raising staff awareness

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.

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 applicable

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 27/05/2011	26/07/2013	€K 1,450	-	-	€K 1,450
Authorisation to increase the capital with upholding of PSR 27/05/2011	26/07/2013	€K1,450	-	-	€K 1,450
Authorisation to increase the capital with cancellation of PSR by public offer and/or private placement 27/05/2011	26/07/2013	€K1,450 ⁽¹⁾	-	-	€K 1,450
Authorisation to increase the capital as remuneration for a contribution of shares or securities 27/05/2011	26/07/2013	10 % of capital ⁽¹⁾	-	-	10 % of capital
Authorisation to increase the capital with cancellation of PSR for the benefit of members of a Company Savings Scheme (PEE) 27/05/2011	26/07/2013	3 % of capital	-	-	3 % of capital
Authorisation to allocate free shares to be issued 28/05/2010	27/07/2013	3 % of capital	-	-	3 % of capital
Authorisation to issue share subscription and/or purchase options 28/05/2010	27/07/2013	2 % of capital	-	-	2 % 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	
Capacity	
Operations performed by a person related to the above person	
Description of the financial instrument	
Total number of financial instruments transferred	
Weighted average price	
Total amount of the transfers	NONE
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 (in €)

NATURE OF THE INDICATIONS	2008 FINANCIAL YEAR	2009 FINANCIAL YEAR	2010 FINANCIAL YEAR	2011 FINANCIAL YEAR	2012 FINANCIAL YEAR
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	725,000
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	3,894,934	3,754,758	3,909,861	4 560,476	4,625,164
Earnings before taxes, employee shareholding, amortisation and provisions	1,999,103	807,018	1,909,608	689,389	982,059
Income tax	25,758	(184,851)	573,413	904,476	245,682
Employee participation for the financial year	0	0	0	0	0
Earnings after taxes, employee shareholding, amortisation and provisions	1,505,077	746,591	1,291,399	(297,700)	567,274
Distributed earnings	398,750	398,750	398 750	616 250	1 160 000(*)
Earnings per share					
Earnings after taxes, employee shareholding but before amortisation and provisions	2.72	1.14	1.84	(0.39)	1.02
Earnings after taxes, employee shareholding, amortisation and provisions	2.07	1.03	1.78	(0.41)	0.78
Dividend distributed per share (a)	0.55	0.55	0.55	0.85	1.60*
Personnel					
Average headcount for the year	16	17	16	15	16
Payroll for the year	1,072,385	1,047,686	1,207,455	1,285,511	1,424,559
Sum paid in respect of social benefits for the year (social security, social works, etc.)	506,739	511,940	567,644	613,665	672,314

(*) 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 17 May 2013.

1) Distribution by objective of the shares held determined on 28 February 2013

Number of shares held directly and indirectly: 47.821 representing 6.60% of the company's capital.

Number of shares held, distributed by objective:

Market making by means of an AMAFI market-making contract:	2.557
Growth through acquisition operations:	17.167
Coverage of share purchase options or other employee shareholding schemes:	none
Coverage of securities giving the right to the allocation of shares:	none
Not assigned:	28.097

Operations accomplished in respect of the last authorisation (period from 01/06/2012 to 28/02/2013)

	Market making	Employee share-holding	Not assigned	Growth through acquisition operations	Coverage of securities	Cancellation	Total
Purchase							
Number of shares	21 092	/	/	/	/	/	21 092
Amount of shares used ⁽¹⁾	100%	/	/	/	/		
Sale / transfer							
Number of shares	21 885	/	/	/	/		21 885

⁽¹⁾ market making**2) New share buyback programme****Programme authorisation:** AGM on 17 May 2013**Shares concerned:** ordinary shares

Maximum proportion of the capital for which buyback is authorised: 10% of the capital (that is 72,500 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 47,821 (that is to say 6.6% of the capital), the maximum number of shares that may be purchased will be 24,679 shares (that is to say 3.4% of the capital) unless the shares already held are sold (or cancelled).

Maximum purchase price: €150**Maximum cost of the programme:** €10,875,000

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 in its twelfth, extraordinary, resolution..

Term of the programme: 18 months as from the AGM held on 17 May 2013, that is to say until 16 November 2014.

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 15 March 2013 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 2013 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, appointed 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 2007 for six years, that is to say until the end of the general meeting held in 2013 to approve the accounts of the previous financial year,

- Mr Alberto Fernandez, director, born on 1 April 1949, 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,
- Mr Gérard Blanc, director, born on 6 March 1943, appointed in 2007 for six years, that is to say until the end of the general meeting held in 2013 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.

Four directors – Messrs Michel Grindes, Alberto Fernandez, 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 terms of office of Messrs Gérard Blanc, Alain Ribet and Philippe Robardey expire 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 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 2012).

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 amendments 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 2012. The members' attendance rate was very good, with no particular absences. The rate of effective physical presence was 98%.

No meetings were held in the absence of the President and Chief Executive Officer.

No meetings 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 2012, 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 2012 and the trends for 2014 and 2015,
- 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,
- relations with third parties,
- the situation regarding the auditors' terms of office.

1.1.6. Assessment of the Board's work

In accordance with the Middlednext 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 2012, 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.

Amongst the suggestions made by the directors was the wish to take part in drawing up the agenda for the Board of Directors' meetings and to continue the exchanges with the directors on the Executive Committee, as has been the case for several years.

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 article L. 823-20 of Commercial Law, to do away with the audit committee initially created on 18 December 2008 and to ensure itself the missions assigned to the audit committee, pursuant to article L. 823-19 of said Law.

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 2012, The Board of Directors met twice 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.

Once a year, the Committee analyses the remunerations of the Board of Directors. This committee had a 100% attendance level.

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.

In the framework of the AFEF-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.

Further to its adherence to the Middlednext code of corporate governance at the Board Meeting held on 10 March 2010, the mission of the Remunerations Committee remains unchanged.

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 Middlednext code of corporate governance for listed companies, dated December 2009.

The variable part of the remuneration paid to Mr Philippe ROBARDEY in 2011 corresponded to the 2010 financial year; that paid in 2012 corresponds to the 2011 financial year. This variable part of his remuneration is calculated on the basis 4% of the consolidated result before tax.

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

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,
- non-productivity rate,
- 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.

Since 2009, 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 2012, 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 2012

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 2012.

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, 12 April 2013

The Auditors,

MOREREAU AUDIT SAS
Didier GARRIGUES

EXCO FIDUCIAIRE DU SUD-OUEST
Jean-Marie FERRANDO

Information likely to have an impact in the event of a public offering.

- This information is given in Chapter 26, page 67 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 61 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 4 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 42 and 43 of this reference document.

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 31 December 2012 are given in chapter 20.3.3, page 36 of this reference document.

27.2.2. Consolidated accounts

The consolidated accounts for the year ending 31 December 2012 are given in chapter 20.3.1, page 21 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 50 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	16,300	15,735	100%	100%					16,300	15,735	32.2%	31.6%								
- Fully integrated subsidiaries					32,666	32,396	100%	100%	34,300	34,070	67.7%	68.4%	32,950	40,652	100%	100%	1,300	1,171	100%	100%
* Other duties and services directly linked to the auditor's mission																				
- Issuer																				
- Fully integrated subsidiaries																				
Sub-total	16,300	15,735			32,666	32,396			50,600	49,805			32,950	40,652			1,300	1,171		
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	16,300	15,735			32,666	32,396			50,600	49,805			32,950	40,652			1,300	1,171		

Useful address

• Aerospace Division

- **SOGECCLAIR AEROSPACE SAS**
7, avenue Albert Durand
31703 BLAGNAC Cedex - France
- **SOGECCLAIR AEROSPACE GmbH**
Georg Heyken Strasse, 4
21147 - HAMBOURG - Germany
- **SOGECCLAIR AEROSPACE SA**
C/ Francisco Santillan 2B
Edificio Mezquitas
Poligono Ind. San Marcos
28906 GETAFE (Madrid) - Spain
- **SOGECCLAIR AEROSPACE Ltd**
Unit 18, Apex Court
Woodlands Bradley Stoke
Bristol BS32 4JT - United Kingdom
- **SOGECCLAIR AEROSPACE SARL**
Route de Raoud km 3,5
2088 ARIANA - Tunisia
- **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