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30 July 2007

Recommended acquisition

of

Xansa plc

by

Groupe Steria SCA

The Directors of Xansa and Steria are pleased to announce that agreement has been reached on the terms of a recommended proposal whereby Steria will acquire the entire issued and to be issued share capital of Xansa.

Highlights

- Under the terms of the Acquisition, Xansa Shareholders will be entitled to receive:

For each Xansa Share

130 pence in cash

- The terms of the Acquisition represent:
 - a premium of 61.3 per cent. to 80.6 pence, being the average Closing Price per Xansa Share over the one month period ended 26 July 2007, the last Business Day prior to the date on which Xansa announced that it was in advanced talks regarding a possible offer; and
 - a premium of 69.9 per cent. to 76.5 pence, being the Closing Price per Xansa Share on 26 July 2007, the last Business Day prior to the date on which Xansa announced that it was in advanced talks regarding a possible offer.
- Xansa Shareholders on the register on 6 July 2007 will be entitled to receive the 2007 Dividend of 2.16p announced in respect of the financial year ended 30 April 2007 which will be paid on 27 September 2007.
- Xansa is a UK-based outsourcing and technology company. It has over 8,000 employees, over 5,000 of whom are located in India with approximately 3,000 in the UK. Its proven onshore/offshore integrated delivery platform provides a key differentiating factor for its business.

- The Directors of Steria believe that there is a compelling strategic rationale for combining the two businesses:
 - Steria expects to accelerate the implementation of its strategic plan, namely the development of one of the most advanced business models in the European IT Services sector, bringing together: (1) complementary business transformation and business operation services; and (2) an approach that is highly customised to the client with a highly industrialised delivery model;
 - Steria will strengthen its position in the UK IT Services market, increasing its visibility and aligning its UK business lines (Application/Infrastructure) and its UK vertical services lines (Public Sector/Private Sector) with those of the Group;
 - Steria will implement one of the most advanced Global Delivery Models among its European peers, incorporating an established, integrated UK-India delivery platform;
 - The combination of Steria and Xansa will create a leading European IT Services company. Post-Acquisition, Steria is expected to be among the top 10 IT Service providers in both Europe and the UK (by revenue), with a particularly significant presence in the public services and financial services sectors. Its increased scale and reach would also enable it to compete more effectively for business with larger customers;
 - The Enlarged Group would benefit from a combined client base that is focused on attractive vertical business segments and that would give rise to significant cross-selling opportunities within the UK and Europe;
 - Both companies are founded upon a common culture of entrepreneurship, innovation and client focus. The close cultural fit between Steria and Xansa is expected to facilitate their integration;
 - Both Steria and Xansa are committed to the shared success of their employees. Steria will seek to integrate Xansa employees into the Steria employee shareholding programme shortly after completion of the Acquisition;
 - The Acquisition is expected to be accretive to Steria earnings per share from 2008 before restructuring costs and amortisation of related intangibles. This statement should not be interpreted to mean that earnings per share will necessarily match or be greater than those for the preceding financial period;
 - The Acquisition is expected to deliver total pre-tax synergies of approximately €24 million in 2008, €49 million in 2009 and €53 million from 2010 onwards. The costs to achieve these synergies are estimated at approximately €49 million over two years; and
 - The Acquisition will be financed from a new bank facility provided by BNP Paribas, approximately 50 per cent of which will be in the form of bridge financing, to be repaid from the proceeds of a subsequent rights offering.

- It is intended that the Acquisition will be implemented by way of a Court-sanctioned Scheme of Arrangement, although Steria reserves the right to implement the Acquisition by way of a takeover offer if the Directors of Steria, acting in good faith, believe that there is a reasonable prospect that the Scheme will not become Effective and otherwise with the consent of Xansa. The Scheme Document will be posted to Xansa Shareholders in late August.

Commenting on the Acquisition, François Enaud, General Manager and CEO of Steria, said:

“This transaction constitutes a major step in the implementation of our strategic plan. Focused on the fastest growing market segments, the new group will be one of the most attractive in the ITS sector, both through the value of its service offerings (Business Transformation and Business Operation) and its exceptional industrial delivery model. I am sure that such an alliance represents an exciting opportunity for all of our employees.”

Commenting on the Acquisition, Jean Carteron, founder of Steria, said:

“As for the acquisition of Mummert three years ago, I am delighted to support a transaction that fits so well with the strategy defined by the Executive Management of Steria. I am even more enthused by the cultural fit of the two companies.”

Commenting on the Acquisition, Bill Alexander, Chairman and acting Chief Executive of Xansa, said:

“On behalf of the Board of Directors of Xansa, I am pleased to recommend Steria's offer. We are confident that our recommendation is in the best interests of Xansa shareholders and offers an opportunity for our employees to be part of a culturally-aligned, pan-European company able to leverage our integrated onshore/offshore mode. The combination of our two businesses will create a leading European IT Services provider able to offer our clients a broader range of market-leading services.”

Irrevocable undertakings

The Xansa Directors and certain members of their families have undertaken to vote in favour of the Scheme (or, as the case may be, to accept the Offer) in respect of their entire beneficial holdings of a total of 236,166 Xansa Shares, representing in aggregate approximately 0.1 per cent. of the existing issued share capital of Xansa. These irrevocable undertakings continue to be binding in the event of a higher offer being made for Xansa and will cease to be binding only if the Acquisition does not become Effective or is withdrawn. Further details of the irrevocable undertakings are given in the main body of this announcement.

This summary should be read in conjunction with the following announcement and the Appendices.

Appendix I sets out the Conditions and certain further terms of the Acquisition. Appendix II contains source notes relating to certain information contained in this announcement. Appendix III contains certain details relating to the irrevocable undertakings given to Steria. Certain terms used in this announcement are defined in Appendix IV to this announcement.

Goldman Sachs International is acting as financial adviser and corporate broker to Steria. BNP Paribas has also provided financial advice to Steria.

UBS is acting as financial adviser to Xansa.

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Presentation:

A presentation to analysts and investors will be held today at 10.00 am (CET) at George V Hotel (31 avenue George V) in Paris.

The presentation materials will be available online on Steria's website, and the meeting will also be accessible via conference call. Dial-in number: +33 (0)1 70 99 42 98.

A conference call playback will be available until 5 August 2007 at the following number: +33 (0)1 71 23 02 48 – Pin code: 5523421#.

A press conference in French will be held today at 12 noon (CET) at George V Hotel (31 avenue George V) in Paris.

Both presentations will be hosted by François Enaud, General Manager and CEO of Steria and Bill Alexander, Chairman and acting Chief Executive of Xansa.

It is intended that the Acquisition will be effected by means of a Court-sanctioned Scheme of Arrangement between Xansa and the Scheme Shareholders under section 425 of the Act, although Steria and Xansa have agreed that Steria may effect the Acquisition by way of the Offer if the Directors of Steria, acting in good faith, believe that there is a reasonable prospect that the Scheme will not become Effective and otherwise with the consent of Xansa. If the Acquisition is implemented by way of an Offer, the Xansa Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto save for the right to receive the 2007 Dividend.

3. Background to and reasons for the Acquisition

Strategic rationale

Steria's strategy is founded on three principal objectives: (1) to strengthen its position as a leading European IT Services provider; (2) to develop its position as a leader in selected offerings and markets; and (3) to establish a unique signature and style.

Steria intends to meet these objectives in order to develop prime relationships with its clients, provide them with high value added services and reinforce the attractiveness of the Enlarged Group for customers and employees.

The Steria Directors believe that the proposed transaction would represent a significant step in achieving Steria's objectives. A combination with Xansa is expected to accelerate the implementation of its strategic plan, which is based upon the development of an advanced business model combining: (1) complementary service offerings in business transformation and business operation; and (2) a highly customised approach with a highly industrialised delivery model.

The Acquisition fulfils Steria's acquisition criteria from a commercial, strategic and financial point of view.

Enhanced Scale and Market Position

The Steria Directors believe that customers increasingly seek to do business with a smaller number of large suppliers who can provide a broader range of products and services, and who can support them internationally. Post-Acquisition, the business would have pro forma combined revenue of approximately €1.8 billion, with a well-balanced portfolio both by business line (application / infrastructure) and by sector (private sector / public sector).

The combined company would be ranked among the top 10 IT Services providers in the European and UK markets (by revenue), and is expected to be ranked in the top 4 in the UK for the provision of IT services to the public sector.

The Steria Directors believe that the increased scale of the Enlarged Group will enhance its visibility in the European IT Services market, opening up new opportunities with large national and multinational customers seeking IT services providers who can support them across the region.

Attractive Complementary Offering

The business offerings of Steria and Xansa are complementary. Their combination would enable Steria to offer full coverage of the value chain, including both business transformation services and business operation services. This would enable Steria to better serve the needs of its clients, to whom a full-service offering across the European market would be very attractive.

The client lists of Steria and Xansa are also complementary and present significant opportunities for the cross-selling of services. The combined client list will include blue-chip institutions and companies in the public and private sectors, which the Steria Directors believe to be focussed on attractive high-growth vertical business segments (including public sector, financial services and utilities).

Integrated Delivery Model

Steria has previously identified as a strategic focus the development of an enhanced offshore delivery capability. In this context, Steria launched a global sourcing project during the summer of 2006, with the objective of building a dedicated delivery capability in India. This strategic focus would be directly addressed through the Acquisition. It would enable Steria to provide its clients with one of the most highly integrated global delivery models, through the combination of Steria's European onshore and nearshore proven industrialised model and Xansa's proven integrated UK-India delivery platform, with more than 5,000 employees in India. The Steria Directors therefore expect the combination to enhance the competitive position of the Enlarged Group as a whole, and to improve its level of performance.

Entrepreneurship and Innovation

Both Steria and Xansa are founded upon a culture of entrepreneurship and innovation, and a commitment to the shared success of employees. Steria therefore expects to invite Xansa employees to join the Steria employee shareholding programmes following completion of the Acquisition.

Benefits of the Combination

The Steria Directors expect the Acquisition to deliver pre-tax synergies of approximately €24 million in 2008, €49 million in 2009 and €53 million from 2010 onwards. The costs to achieve these synergies are estimated at approximately €49 million over two years.

These synergies will derive from three principal areas: cost synergies in the UK and offshore and delivery synergies across the group as a whole.

Cost synergy opportunities, which will make up the majority of these savings, are expected to arise from benefits of scale, notably head office costs, delivery costs and procurement systems.

Further economies will be delivered by using the Business Process Outsourcing (BPO) capabilities of Xansa to reduce the core operating costs within Steria and by adopting proven cost saving models.

Finally, the benefits of Xansa's exceptional on-shore/off-shore capabilities will be applied to reduce the cost of delivering Steria's existing contracted business through integrating its model into Steria's standard delivery platform.

Financial Effects of the Acquisition

The acquisition is anticipated to be accretive to Steria earnings per share from 2008 before restructuring costs and amortisation of related intangibles. This statement should not be interpreted to mean that earnings per share will necessarily match or be greater than those for the relevant preceding financial period.

4. Value of the Acquisition

The terms of the Offer value the entire issued and to be issued share capital of Xansa at approximately £472 million, and approximately £456 million following the satisfaction of options using shares held in the Xansa Share Schemes, and the use of cash proceeds from the exercise of options to purchase Xansa Shares (see Appendix II for further details).

5. Recommendation

The Xansa Directors, who have been so advised by UBS, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, UBS has taken into account the commercial assessments of the Xansa Directors.

Accordingly, the Xansa Directors and certain members of their families intend unanimously to recommend that Xansa Shareholders vote in favour of the Acquisition at the Meetings (or, in the event that the Acquisition is implemented by way of the Offer, to accept or procure acceptance of the Offer) as all of the Xansa Directors have irrevocably undertaken to do so in respect of their own aggregate beneficial holdings of 236,166 Xansa Shares, representing (as at the date of this announcement) approximately 0.1 per cent. of the existing issued ordinary share capital of Xansa.

6. Information on Xansa

Xansa is an outsourcing and technology company with operations in the UK and India. It is committed to the delivery of guaranteed business outcomes for its clients through the provision of IT Services and Business Process Outsourcing (BPO). Xansa is built around the core principle of bringing its technology, process and industry expertise together to enable its clients to do more with their own businesses. It has over 8,000 employees, over 5,000 of whom are located in India, with approximately 3,000 in the UK. Its onshore/offshore integrated business delivery platform provides a key differentiating factor for its business. It is one of the largest independent UK-based suppliers of offshore services into the UK market. For the year ended 30 April 2007, Xansa reported revenue of £379.7 million, operating profit of £25.2 million and profit before tax of £16.4 million.

7. Information on Steria

Steria is a leading European IT Services provider, focused on the establishment of strategic partnerships with its clients in each of its key vertical market sectors: public services; finance; telecommunications; and utilities and transport. Steria provides consulting services for its clients' core business processes, and also develops and operates their information systems. Steria has over 10,000 employees working in 15 countries. For the year ended 31 December 2006, Steria

reported revenue of €1.262 billion, operating profit of €81.1 million and profit before tax of €77.9 million.

Headquartered in Paris, Steria is listed on the Euronext Paris Eurolist. More information is available at www.steria.com.

8. Management and employees

Steria attaches great importance to the skills and experience of the existing management and employees of Xansa. Steria's and Xansa's businesses are complementary on a geographic basis and Steria expects that Xansa managers and employees will play an important role in the Enlarged Group. Steria is committed to approaching the integration by adopting a principle of "best person in the right place". To assist with the integration, Steria expects to invite Xansa employees to join its employee shareholding programmes following completion of the Acquisition.

Steria believes that the senior management of Xansa is highly talented and intends to offer them expanded roles in the Enlarged Group. Selected executive senior managers will be invited to join the Steria Group Executive Committee and Group Management Board to align their membership with the new group profile.

The existing employment rights of all management and employees of Xansa will be fully safeguarded and accrued rights to pension benefits protected in accordance with statutory requirements.

9. Xansa Pension Scheme

Steria has come to an understanding with the trustees of the Xansa Pension Plan and they have confirmed that the Acquisition will not be detrimental to the Xansa Pension Plan.

10. Xansa Share Schemes

Participants in the Xansa Share Schemes will be contacted regarding the effect of the Acquisition on their rights under these schemes and appropriate proposals will be made to such participants in due course. Further details of these proposals will be sent in due course.

11. Financing

The cash consideration payable under the Acquisition will be provided from a new bank facility provided by BNP Paribas, approximately 50% of which will take the form of bridge financing, to be repaid from the proceeds of a subsequent rights offering. The precise timing and size of the rights offering, in which preferential subscription rights will be offered to existing Steria shareholders, will be determined in view of market conditions.

Goldman Sachs International is satisfied that the necessary cash resources are available to Steria to enable it to satisfy in full the consideration payable pursuant to the Acquisition.

12. Scheme of Arrangement

It is intended that the Acquisition will be effected by means of a Court-sanctioned Scheme of Arrangement between Xansa and the Scheme Shareholders under section 425 of the Act, although

Steria and Xansa have agreed that Steria may instead effect the Acquisition by way of an Offer if the Directors of Steria, acting in good faith, believe that there is a reasonable prospect that the Scheme will not become Effective and otherwise with the consent of Xansa.

Upon the Scheme becoming Effective, Steria will become the owner of the whole of the issued ordinary share capital of Xansa.

To become Effective, the Scheme will require, among other things, the approval at the Court Meeting of a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing not less than three-fourths in value of the Scheme Shares voted and the passing of the resolutions necessary to implement the Scheme at the EGM. Following the Meetings and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court and the associated Reduction of Capital must be confirmed by the Court, in each case at the relevant Court Hearing(s).

Upon the Scheme becoming Effective, it will be binding on all Xansa Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

The Scheme will contain a provision for Xansa to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme or to any condition that the Court may approve or impose. Xansa has been advised that it is unlikely that the Court would impose any condition to the Scheme that might be material to the interests of Xansa Shareholders unless Xansa Shareholders were informed in advance.

Further details of the Scheme, including the timetable for its implementation and action to be taken by Scheme Shareholders, will be set out in the Scheme Document which is expected to be posted to Xansa Shareholders in late August.

13. Implementation Agreement

Xansa and Steria have entered into an Implementation Agreement, which contains certain assurances in relation to the implementation of the Scheme and the conduct of the business of Xansa. In particular, the Implementation Agreement contains the principal provisions set out below:

Break fee arrangements

Xansa has agreed to pay a break fee to Steria equal to 1% of the value of the fully diluted share capital of Xansa (to be calculated on the basis of the offer price) plus non-recoverable VAT. The fee will become payable if:

1. the Scheme or Offer (as appropriate) lapses or is withdrawn and a Competing Proposal (as defined in the Implementation Agreement) is announced or made before the Scheme or Offer lapses or is withdrawn and any Competing Proposal subsequently becomes or is declared unconditional or is completed within 6 months after the end of the offer period which commenced on 27 July 2007 (including to the extent extended by such Competing Proposal);
2. the Board of Directors of Xansa fails to recommend the Scheme, withdraws or adversely modifies its recommendation or recommends a Competing Proposal; or

3. except where a Competing Proposal is made pursuant to Rule 2.5 of the Code which is recommended by the Xansa Directors, there is a delay of 14 days or more in aggregate to the agreed timetable for implementing the Scheme and the Acquisition lapses, subject to certain exceptions for delays beyond Xansa's control.

Non – solicitation arrangements

In the Implementation Agreement Xansa has undertaken that it shall not, and shall procure that no other member of the Xansa Group, nor any director, employee, adviser or agent of Xansa nor any other member of the Xansa Group shall, directly or indirectly:

1. solicit, encourage, or otherwise seek to procure the submission of proposals, indications of interests or offers of any kind which are reasonably likely to lead to any competing proposal; or
2. enter into or participate in any communications or negotiations, or arrangements relating to any Competing Proposal or which are reasonably likely to lead to a Competing Proposal, subject to certain fiduciary exceptions.

Conduct of Business

Xansa has given certain undertakings to conduct its business in the ordinary course and provide reasonable access to management and information.

Employee Matters

Xansa and Steria have agreed to amend the terms of the Xansa plc All Employee Share Ownership Plan as necessary to prevent the forfeiture of free and matching shares granted under that plan in the last 3 years.

Xansa and Steria have also agreed that the Remuneration Committee of Xansa may exercise its discretion to allow awards under the Xansa plc Equity Incentive Plan made prior to 2007 to vest in full and awards made during 2007 to vest as to 65% without time-apportionment or deferral upon the Scheme being sanctioned.

Xansa 1996 Share Option Scheme options will become fully exercisable upon the Scheme being sanctioned, without time apportionment or deferral.

Optionholders who exercise their Options pursuant to the Scheme will be offered a cashless exercise facility.

The Rules of the Xansa Sharesave Scheme will be amended to allow for exercise of options upon the Scheme being sanctioned.

Xansa will seek to obtain the agreement of the trustee of the Xansa employee benefit trusts (other than the profit sharing trust) to transfer shares to satisfy rights under the Xansa Share Schemes to the greatest extent possible.

Further information relating to the Implementation Agreement will be set out in the Scheme Document.

14. Irrevocable undertakings

The Xansa Directors and certain members of their families have undertaken to vote in favour of the Scheme (or, as the case may be, to accept the Offer) in respect of their entire beneficial holdings of a total of 236,166 Xansa Shares, representing in aggregate approximately 0.1 per cent. of the existing issued share capital of Xansa. These irrevocable undertakings continue to be binding in the event of a higher offer being made for Xansa and will cease to be binding only if the Acquisition does not become Effective or is withdrawn.

15. Delisting, re-registration and compulsory acquisition

It is intended that the London Stock Exchange and the UK Listing Authority will be requested respectively to cancel trading in the Xansa Shares on the London Stock Exchange's market for listed securities and to remove the listing of the Xansa Shares from the Official List on or shortly after the date on which the Scheme becomes Effective.

If the Acquisition is effected by way of an Offer, it is anticipated that cancellation of listing and trading will take effect no earlier than 20 Business Days after Steria has acquired or agreed to acquire 75 per cent. of the voting rights attaching to the Xansa Shares. Delisting would significantly reduce the liquidity and marketability of any Xansa Shares not assented to the Offer at that time.

If the Acquisition is effected by way of an Offer and Steria receives acceptances under the Offer in respect of, and/or otherwise acquires, 90 per cent. or more of the Xansa Shares and voting rights to which the Offer relates, Steria intends to exercise its rights to acquire compulsorily the remaining Xansa Shares in respect of which the Offer has not been accepted.

Following the Effective Date, it is intended that Xansa will be re-registered as a private limited company.

16. Disclosure of interests in Xansa

Save as set out below, as at 26 July 2007, the latest practicable Business Day prior to this announcement, neither Steria nor any of the Steria Directors nor, so far as Steria is aware, any person acting in concert with Steria for the purposes of the Acquisition: (i) had any interest in or right to subscribe for any relevant Xansa securities, nor (ii) had any short positions in respect of relevant Xansa securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor (iii) had borrowed or lent any relevant Xansa securities (save for any borrowed shares which have been on-lent or sold):

<i>Party</i>	<i>Interest in Xansa Shares</i>
Goldman, Sachs & Co. (as discretionary manager)	Long 305,397

It has not been possible, by the date of this announcement, to ascertain the interests in Xansa Shares (if any) of all Steria concert parties. Further enquiries will be completed prior to the publication of the Scheme Document or, as the case may be, the Offer Document. If such enquiries reveal any such interests, they will be included in the Scheme Document or, as the case may be, the Offer Document or announced earlier if required by the Panel.

“Interests in securities” is further explained in the paragraph headed “Dealing Disclosure Requirements” below.

17. Overseas shareholders

Further details in respect of overseas shareholders will be contained in the Scheme Document or, as the case may be, the Offer Document.

18. General

The Acquisition will be subject to the conditions and further terms set out herein and in Appendix I and to the full terms and conditions which will be set out in the Scheme Document.

The bases and sources of certain information contained in this announcement are set out in Appendix II. Details of the irrevocable undertakings received by Steria in relation to the Acquisition are set out in Appendix III. Certain terms used in this announcement are defined in Appendix IV.

The Acquisition will be governed by English law. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the UK Listing Authority.

Goldman Sachs International is acting exclusively for Steria and no-one else in connection with the Acquisition and will not be responsible to anyone other than Steria for providing the protections afforded to clients of Goldman Sachs International or for providing advice in relation to the Acquisition or any other matter referred to herein.

UBS Limited is acting exclusively for Xansa and no-one else in connection with the Acquisition and will not be responsible to anyone other than Xansa for providing the protections afforded to clients of UBS Limited or for providing advice in relation to the Acquisition or any other matter referred to herein.

This announcement is not intended to and does not constitute an offer to sell or invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document or, as the case may be, the Offer Document, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition or, as the case may be, accept the Offer. Any acceptance or other response to the Acquisition should be made only on the basis of the information in the Scheme Document or, as the case may be the Offer Document.

Overseas jurisdictions

The availability of the Acquisition to persons who are not resident in the UK may be affected by the laws of the relevant jurisdictions. Persons who are not so resident should inform themselves about, and observe, any applicable requirements. Further details in relation to overseas shareholders will be contained in the Scheme Document or, as the case may be, the Offer Document.

The release, publication or distribution of this announcement in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. This announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.

Any person (including, without limitation, any custodian, nominee and trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement and/or the Scheme Document or, as the case may be, the Offer Document, and/or any other related document to any jurisdiction outside the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

US Holders should note that the Scheme relates to the shares of a UK company that is a “foreign private issuer” as defined under Rule 3b-4 under the US Securities Exchange Act of 1934, as amended (the “Exchange Act”) and will be governed by English law. Accordingly, neither the proxy solicitation nor the tender offer rules under the Exchange Act will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in the Scheme Document or, as the case may be, the Offer Document will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the accounting standards applicable to financial statements of US companies.

If Steria exercises its right to implement the acquisition of the Xansa Shares by way of the Offer, the Offer will be made in compliance with applicable US securities laws and regulations to the extent applicable.

Forward-looking statements

This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning Steria and Xansa. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Steria and Xansa assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable law.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in one per cent. or more of any class of "relevant securities" of Xansa, all "dealings" in any "relevant securities" of Xansa, (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 p.m. (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes Effective, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends (or, if Steria elects to effect the Acquisition by way of the Offer, until the date on which the Offer becomes or is declared unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends). If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Xansa, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all "dealings" in "relevant securities" of Xansa by Steria or Xansa, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at www.thetakeoverpanel.org.uk/.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

APPENDIX I
Conditions and certain further terms of the Acquisition

The Acquisition will be conditional upon the Scheme becoming unconditional and Effective by 31 December 2007 or such later date as Steria and Xansa may agree and (if required) the Court and the Panel may allow.

Part A: Conditions of the Acquisition

1. The Scheme will be conditional upon:
 - (A) its approval by a majority in number representing not less than three-fourths in value of the Scheme Shareholders (or the relevant class or classes thereof), present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting;
 - (B) the resolution(s) required to approve and implement the Scheme being passed by the requisite majority or majorities at the EGM or at any adjournment of that meeting; and
 - (C) the sanction with or without modification (but subject to such modification being acceptable to Steria and Xansa) of the Scheme and the confirmation of the Reduction of Capital by the Court, an office copy of each of the Court Orders and of the minute confirming the Reduction of Capital being delivered for registration to the Registrar of Companies and, in the case of the Reduction Court Order, registration of such Court Order by him.

2. In addition, Steria and Xansa have agreed that the necessary action to make the Acquisition Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or waived:
 - (A) except (i) as publicly announced by or on behalf of Xansa to a Regulatory Information Service prior to the date of this announcement; (ii) as fairly disclosed in the Xansa Preliminary Results; or (iii) as fairly disclosed in writing by or on behalf of Xansa to Steria or its advisors prior to the date of this announcement, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Xansa Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Acquisition or the proposed acquisition of any shares or other securities in Xansa or because of a change in the control or management of Xansa or otherwise, would or might reasonably be expected to result in, to an extent which in each case is material in the context of the Wider Xansa Group taken as a whole:
 - (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to

borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken thereunder;
- (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it currently does so; or
- (viii) the creation of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Xansa Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in subparagraphs (i) to (viii) of this paragraph (A);

- (B) no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction, other than the Office of Fair Trading under the merger control provisions of the Enterprise Act 2002 (each a "**Third Party**") having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to (in each case to an extent which is material in the context of the Wider Xansa Group taken as a whole):
 - (i) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Steria Group or any member of the Wider Xansa Group of all or any portion of their respective businesses, assets or property or impose any limitation on

the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Steria Group or the Wider Xansa Group, in either case taken as a whole, or of the financing of the Acquisition;

- (ii) require, prevent or delay the divestiture by any member of the Wider Steria Group of any shares or other securities in Xansa;
 - (iii) impose any limitation on, or result in a material delay in, the ability of any member of the Wider Steria Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Xansa Group or the Wider Steria Group or to exercise management control over any such member;
 - (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Steria Group or of any member of the Wider Xansa Group in a manner which is adverse to and material in the context of the Steria Group or the Xansa Group, in either case taken as a whole, or of the financing of the Acquisition;
 - (v) make the Acquisition or its implementation or the acquisition or proposed acquisition by Steria or any member of the Wider Steria Group of any shares or other securities in, or control of, Xansa void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise materially interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;
 - (vi) except in the case of the Steria Group in relation to the Acquisition pursuant to Part 28 of the 2006 Act (if applicable), require any member of the Wider Steria Group or the Wider Xansa Group to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Xansa Group or the Wider Steria Group owned by any third party;
 - (vii) impose any limitation on the ability of any member of the Wider Xansa Group or the Wider Steria Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the group concerned, taken as a whole, or of the financing of the Acquisition; or
 - (viii) result in any member of the Wider Xansa Group ceasing to be able to carry on business under any name under which it presently does so;
- (C) all necessary filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider Steria Group of any shares or other securities in, or control of, Xansa and all authorisations, orders, recognitions, grants, consents, licences,

confirmations, clearances, permissions and approvals other than any confirmation of the Office of Fair Trading under the merger control provisions of the Enterprise Act 2002 (collectively “**Consents**”) reasonably deemed necessary or appropriate by Steria or any member of the Wider Steria Group for or in respect of the Acquisition including, without limitation, its implementation and financing or the proposed acquisition of any shares or other securities in, or control of, Xansa by any member of the Wider Steria Group having been obtained in terms and in a form reasonably satisfactory to Steria from all appropriate Third Parties or persons with whom any member of the Wider Xansa Group has entered into contractual arrangements and all such Consents together with all material Consents necessary or appropriate to carry on the business of any member of the Wider Xansa Group which in each case is material in the context of the Steria Group or the Xansa Group as a whole or of the financing of the Acquisition remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise Effective and all necessary statutory or regulatory obligations in any jurisdiction having been complied with in respects which are material to the Acquisition;

- (D) except (i) as publicly announced by or on behalf of Xansa to a Regulatory Information Service prior to the date of this announcement; (ii) as fairly disclosed in the Xansa Preliminary Results; or (iii) as fairly disclosed in writing by or on behalf of Xansa to Steria or its advisors prior to the date of this announcement, no member of the Wider Xansa Group having, since 30 April 2007:
- (i) save as between Xansa and members of the Xansa Group or between members of the Xansa Group or for Xansa Shares or as agreed with Steria issued pursuant to the exercise of options granted or vesting of awards made under the Xansa Share Schemes prior to the date of this announcement, issued, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between Xansa and members of the Xansa Group or between members of the Xansa Group or as agreed with Steria, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to Xansa or to another member of the Xansa Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise, save for the 2007 Dividend;
 - (iv) save for transactions between members of the Xansa Group, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course

of business and in each case to an extent that is material in the context of the Xansa Group as a whole;

- (v) save for transactions between members of the Xansa Group, made or authorised or proposed or announced an intention to propose any change in its loan capital;
- (vi) issued, authorised or proposed the issue of any debentures or (save for transactions between members of the Xansa Group), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any guarantee or contingent liability which in each case to an extent that is material in the context of the Xansa Group as a whole;
- (vii) save as between Xansa and members of the Xansa Group or between members of the Xansa Group, purchased, redeemed or repaid or announced any proposal or agreed to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (viii) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or entered into or changed the terms of any contract with any director or senior executive which in each case to an extent that is material in the context of the Xansa Group as a whole;
- (ix) entered into or varied or authorised, proposed or announced its intention to or agreed to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be materially restrictive on the businesses of any member of the Wider Xansa Group or the Wider Steria Group or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business and which is or would be reasonably likely to be material in the context of the Wider Xansa Group taken as a whole or of the financing of the Acquisition;
- (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;
- (xi) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Xansa Group as a whole;
- (xii) save to the extent agreed by Steria, made or agreed or consented to:

- (a) any change to the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Xansa Group for its directors, employees or their dependents;
 - (b) an adverse change to the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (c) any change to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (d) any change to the basis upon which the liabilities (including pensions) of such pension schemes are funded or valued;
- (xiii) save to the extent agreed by Steria, proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Xansa Group save as agreed with Steria; or
- (xiv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this paragraph (D),

and, for the purposes of this paragraph (D), the term “Xansa Group” shall mean Xansa and its wholly-owned subsidiaries and “member of the Xansa Group” shall be construed accordingly;

- (E) since 30 April 2007, save as disclosed in the accounts for the year ended 30 April 2007 and except (i) as publicly announced by or on behalf of Xansa to a Regulatory Information Service prior to the date of this announcement; (ii) as fairly disclosed in the Xansa Preliminary Results; or (iii) as fairly disclosed in writing by or on behalf of Xansa to Steria or its advisors prior to the date of this announcement:
- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Xansa Group which in any such case is material in the context of the Wider Xansa Group taken as a whole or the financing of the Acquisition;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Xansa Group is or may become a party (whether as a claimant, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Xansa Group having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the Wider Xansa Group which in any such case is material in the context of the Wider Xansa Group taken as a whole or the financing of the Acquisition;

- (iii) no contingent or other liability of any member of the Wider Xansa Group having arisen or become apparent to Steria which in any such case is material in the context of the Wider Xansa Group taken as a whole or the financing of the Acquisition; and
 - (iv) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Xansa Group which is necessary for the proper carrying on of its business and which is material in the context of the Wider Xansa Group taken as a whole;
- (F) except (i) as publicly announced by or on behalf of Xansa to a Regulatory Information Service prior to the date of this announcement; (ii) as fairly disclosed in the Xansa Preliminary Results; or (iii) as fairly disclosed in writing by or on behalf of Xansa to Steria or its advisors prior to the date of this announcement, Steria not having discovered:
 - (i) that any financial, business or other information concerning the Wider Xansa Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Xansa Group or otherwise disclosed by or on behalf of Xansa to Steria or its advisors is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading which in each case is material in the context of the Wider Xansa Group taken as a whole;
 - (ii) that any member of the Wider Xansa Group is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of Xansa for the year ended 30 April 2007 which in each case is material in the context of the Wider Xansa Group taken as a whole; or
 - (iii) any information disclosed at any time by or on behalf of any member of the Wider Xansa Group and which is material in the context of the Wider Xansa Group taken as a whole is subsequently shown to be materially misleading or incorrect;
- (G) Steria not having discovered that:
 - (i) any past or present member of the Wider Xansa Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters, or that there has otherwise been any such disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) on the part of any member of the Wider Xansa Group and which is material in

the context of the Wider Xansa Group taken as a whole or of the financing of the Acquisition; or

- (ii) there is, or is likely to be, for that or any other reason whatsoever, any material liability (actual or contingent) of any past or present member of the Wider Xansa Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Xansa Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction and which is material in the context of the Wider Xansa Group taken as a whole or the financing of the Acquisition.

3. Steria reserves the right to waive, in whole or in part, all or any of the above conditions, except condition 1.
4. Steria shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions by a date earlier than the latest date specified above for the fulfilment of that Condition, notwithstanding that any other Condition of the Acquisition may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.
5. If Steria is required by the Panel to make an offer for Xansa Shares under the provisions of Rule 9 of the City Code, Steria may make such alterations to any of the above conditions as are necessary to comply with the provisions of that Rule.
6. Steria reserves the right to elect, with the consent of the Panel (where necessary) to implement the Acquisition by way of a takeover offer (as such term is defined in section 974 of the 2006 Act) at its discretion (if the Directors of Steria, acting in good faith, believe that there is a reasonable prospect that the Scheme will not become Effective) and otherwise, with the consent of Xansa. In such event, the Acquisition will be implemented on the same terms, subject to amendments necessary to reflect the change in method of effecting the Acquisition, so far as applicable, as those which would apply to the Scheme. In particular, Condition 1 would not apply, however the Acquisition would be subject to the following further condition:

“valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on the first closing date of the Offer (or such later time(s) and / or date(s) as Steria may, subject to the rules of the City Code and with the consent of the Panel, decide) in respect of not less than 90 per cent. (or such lower percentage as Steria may decide) of: (i) the Xansa Shares to which the Offer relates; and (ii) the voting rights attached to those shares, provided that this Condition will not be satisfied unless Steria (together with its wholly owned subsidiaries) shall have acquired or have agreed to acquire (whether pursuant to the Offer or otherwise) Xansa Shares carrying in aggregate more than 50 per cent. of the voting rights normally exercisable at a general meeting of Xansa, including for this purpose (except to the extent otherwise agreed by the Panel) any such voting rights attaching to Xansa Shares that are unconditionally allotted or issued before

the Offer becomes or is declared unconditional as to acceptances whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise. For the purposes of this Condition:

- (A) Xansa Shares which have been unconditionally allotted shall be deemed to carry the voting rights they will carry upon issue;
 - (B) Xansa Shares that cease to be held in treasury are Xansa Shares to which the Offer relates; and
 - (C) the expression "Xansa Shares to which the Offer relates" shall be construed in accordance with Part 28 of the 2006 Act.
7. The Acquisition will not proceed if, after the date of this announcement and before the date of the EGM, the Acquisition is referred to the Competition Commission.
8. This Acquisition will be governed by English law and will be subject to the jurisdiction of the English courts, to the conditions set out below and in the Scheme Document. The Acquisition will comply with the applicable rules and regulations of the UK Listing Authority, the London Stock Exchange and the City Code.

Part B: Certain further terms of the Acquisition

Xansa Shares will be acquired under the Acquisition fully paid and free from all liens, equitable interests, charges, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto (save in respect of the 2007 Dividend of 2.16p which Xansa Shareholders on the register on 6 July 2007 will be entitled to receive and retain). Any new Xansa Shares issued to Steria or its nominee(s) pursuant to the Scheme will be issued on the same basis.

APPENDIX II

Bases and Sources

1. Unless otherwise stated:
 - financial information relating to the Steria Group has been extracted or derived (without any adjustment) from the audited annual accounts for Steria SCA for the year ended 31 December 2006; and
 - financial information relating to the Xansa Group has been extracted or derived (without any adjustment) from the Xansa Preliminary Results.
2. The value of the Acquisition is calculated on the basis of the fully diluted number of Xansa Shares in issue referred to in paragraph 3 below.
3. The fully diluted share capital of Xansa (being 362,874,440 Xansa Shares) is calculated on the basis of:
 - the number of issued Xansa Shares on 27 July 2007, the last Business Day prior to the date of this announcement, being 348,106,787 Xansa Shares; and
 - any further Xansa Shares which may be issued on or after the date of this announcement on the exercise of options or vesting of awards under the Xansa Share Schemes, amounting in aggregate to 14,767,653 Xansa Shares.

Based upon understandings reached with Xansa and with the Chairman of the Xansa Employee Trust (and consistent with past practice), Steria expects the fully diluted share capital of Xansa to be reduced through the satisfaction of 9,099,586 options using issued shares currently held in the Xansa Share Schemes.

In addition, assuming that cash proceeds from the exercise of options (calculated using the treasury method) are used to purchase Xansa Shares, the fully diluted share capital of Xansa would be 350,759,156 Xansa Shares, valuing the fully diluted share capital at approximately £456 million.

4. Information concerning the market position of the Enlarged Group in the European and UK IT Services Sectors (by revenue) is derived from Gartner Dataquest as at April 2007 (professional services revenues and end-to-end service providers only, but excluding captive IT services companies).
5. With the exception of Steria and Xansa, information concerning the market position of the Enlarged Group in the UK market for the provision of IT services to the public sector (by revenue) is derived from Gartner Dataquest as at April 2007 (professional services and end-to-end service providers only, but excluding captive IT services companies). For Steria, financial information is derived from Steria's internal information system (which provides sector by sector analysis of revenues) and for Xansa from the Xansa Preliminary Results.

With respect to paragraphs 4 and 5 above: T-Systems, BT and Siemens IT Solutions & Services are treated as captive companies, and Capita is excluded on the basis that it is not an end-to-end service provider.

6. Combined pro forma revenue for the Enlarged Group and the calculation of synergies use a £/€ exchange rate of 1.49.

7. Operating profit for Xansa for the financial year ended 30 April 2007 is before exceptional items and share based payments but including Xansa's share of joint venture losses after tax.
8. The premium calculations to the price per Xansa Share in this announcement have been calculated by reference to the Closing Price of 76.5 pence per Xansa Share, being the Closing Price on 26 July 2007, the last Business Day prior to the date on which Xansa announced that it was in advanced talks regarding a possible offer.
9. Unless otherwise stated, all prices for Xansa Shares have been derived data provided by DataStream.
10. Xansa's average Closing Price per Xansa Share of 80.6 pence over the one month period ended 26 July 2007 is derived from data provided by DataStream.

APPENDIX III

Irrevocable Undertakings

The Xansa Directors have given irrevocable undertakings as described in paragraph 14 of this announcement in respect of the number of shares set out below (and any further shares acquired by them prior to the Effective Date):

Name	Number of Xansa Shares
Badri Agarwal	0
Bill Alexander CBE*	11,228
Consuelo Brooke	32,432
Chris Bunker	10,000
Andrew Buxton CMG	50,000
Gordon Stuart	48,000
David Thomas CBE	12,127
Steve Weston	14,685
Lord Wilson of Dinton GCB	1,117

* Dee Alexander, wife of Bill Alexander, has given an irrevocable undertaking in respect of her holding of 57,577 Xansa Shares.

APPENDIX IV

Definitions

The following definitions apply throughout this Announcement unless the context requires otherwise:

“2006 Act”	the Companies Act 2006;
“2007 Dividend”	the Xansa proposed dividend of 2.16p in respect of the financial year ended 30 April 2007 which will be paid on 27 September 2007 to Xansa Shareholders on the register of Xansa Shareholders on 6 July 2007;
“Acquisition”	the proposed acquisition by Steria of the entire issued and to be issued ordinary share capital of Xansa to be implemented by means of the Scheme or, if Steria so determines in accordance with the Implementation Agreement, by means of the Offer;
“Act”	the Companies Act 1985, as amended;
“associated undertaking”	has the meaning given to in the Act;
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks in London and Paris are generally open for business;
“CET”	Central European Time;
“City Code”	the City Code on Takeovers and Mergers issued from time to time by or on behalf of the Panel;
“Closing Price”	the closing quotation of a share;
“Competition Commission”	the body established under the Competition Act 1998;
“Conditions”	the conditions to the Acquisition which are set out in Appendix I to this announcement, and “Condition” shall be construed accordingly;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court pursuant to section 425 of the Act for the purpose of considering and, if thought fit, approving the Scheme (with or without modification), and any adjournment thereof;
“Court Orders”	the Scheme Court Order and/or the Reduction

	Court Order ¹ , as the case may be;
“EC Treaty”	the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992), the Treaty of Amsterdam (signed in Amsterdam on 2 October 1997) and the Treaty of Nice (signed in Nice on 26 February 2001);
“Effective”	(i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of the Offer, the Offer having been declared or become unconditional in all respects in accordance with the requirements of the City Code;
“Effective Date”	the date on which the Acquisition becomes Effective;
“EGM”	the extraordinary general meeting of Xansa Shareholders to be convened in connection with the Acquisition, and any adjournment thereof;
“Enlarged Group”	the Steria Group following the Acquisition;
“euro” or “€”	the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty;
“FSMA 2000”	the Financial Services and Markets Act 2000, as amended;
“Implementation Agreement”	the implementation agreement dated on or about the date of this announcement between Xansa and Steria pursuant to which, amongst other things, the parties have agreed to implement the Scheme;
“LIBOR”	London interbank offered rate;
“Listing Rules”	the rules and regulations made by the Financial Services Authority in its capacity as the UK Listing Authority under FSMA 2000, as amended from time

¹ It has been assumed, for the purposes of this announcement, that the Court will be requested to sanction the Scheme at an initial Court hearing and that the Court will be requested to confirm the Reduction of Capital at a subsequent Court hearing two Business Days later, although the parties reserve the right to request the Court to sanction the Scheme and confirm the Reduction of Capital at a single Court hearing.

	to time;
“London Stock Exchange”	London Stock Exchange plc;
“Meetings”	the Court Meeting and/or the EGM as the case may be;
“Offer”	if Steria elects to implement the Acquisition by way of a takeover offer (as defined in section 974 of the 2006 Act), the recommended offer to be made by or on behalf of Steria to acquire the entire issued and to be issued ordinary share capital of Xansa and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
“Offer Document”	the offer document to be sent to Xansa Shareholders in connection with any Offer which will contain, inter alia, the terms and conditions of the Offer;
“Office of Fair Trading”	the body established under section 1 of the Enterprise Act 2002;
“Official List”	the Official List of the UK Listing Authority;
“Panel”	the UK Panel on Takeovers and Mergers;
“pounds” or “£”	UK pounds sterling, the lawful currency of the UK;
“Reduction Court Hearing”	the hearing at which the Reduction Court Order is sought;
“Reduction Court Order”	the order of the Court confirming the Reduction of Capital under section 137 of the Act;
“Reduction of Capital”	the reduction of Xansa's share capital pursuant to section 135 of the Act, involving the cancellation and extinguishing of the Scheme Shares provided for by the Scheme;
“Reduction Record Time”	the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the date of the Reduction Court Hearing;
“Registrar”	the Registrar of Companies of England and Wales;
“Regulatory Information Service”	any of the information services set out in the list of Regulated Information Services maintained by the Financial Services Authority;
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under section 425 of the Act between Xansa and Scheme

	Shareholders, with or subject to any modification, addition or condition thereto approved or imposed by the Court and agreed to by Xansa and Steria;
“Scheme Court Order”	the order of the Court sanctioning the Scheme under section 425 of the Act;
“Scheme Document”	the document to Xansa Shareholders and others containing, <i>inter alia</i> , the Scheme and the notices of the Meetings;
“Scheme Shareholders”	the holders of Scheme Shares;
“Scheme Shares”	all Xansa Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time but on or before the Reduction Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme, <p>but excluding any Xansa Shares beneficially owned by any member of the Xansa Group (other than any employee trust, save to the extent that the trustee of such trust has agreed to exclude any Xansa Shares from the Scheme in order to satisfy options or the vesting of awards or otherwise), any Xansa Shares beneficially owned by any member of the Steria Group and any Xansa Shares held in treasury by Xansa;</p>
“Steria”	Groupe Steria SCA, a company incorporated in France and whose registered office is 46 rue Camille Desmoulins, 92782 Issy-Les-Moulineaux, Cedex 9, France;
“Steria Directors” or “Directors of Steria”	François Enaud (General Manager), Jacques Bentz, Eric Hayat, Patrick Boissier, Elie Cohen, Pierre-Henri Gourgeon, Charles Paris De Bollardière, Séverin Cabannes, and Jacques Lafay (each being members of the Steria Supervisory Board) and Yves Rouilly (Chairman of Soderi SAS,

	General Partner of Steria), being the persons who will take responsibility for the documents in connection with the Acquisition for the purposes of the City Code;
“Steria Group”	Steria and its subsidiaries and subsidiary undertakings from time to time and, where the context permits, each of them;
“subsidiary” and “subsidiary undertaking”	have the meaning given to them in the Act;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purpose of Part VI of FSMA 2000;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Holder”	(i) persons resident in the US who hold shares in Xansa (including, without limitation, shares now or at any time represented by American Depositary Receipts); and (ii) persons who appear, at any time, to Steria to fall within (i) above;
“Voting Record Time”	the time and date specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined, expected to be 6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned Court Meeting;
“Wider Xansa Group”	Xansa and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or persons in which the Xansa Group and/or such undertakings (aggregating their interests) have a direct or indirect interest of 10 per cent. or more of the equity share capital (as defined in the Act);
“Wider Steria Group”	Steria and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or persons in which the Steria Group and/or such undertakings (aggregating their interests) have a direct or indirect interest of 10 per cent. or more of the

equity share capital (as defined in the Act).

“Xansa”	Xansa plc, a public limited company incorporated in England and Wales with registered number 1000954;
“Xansa Directors” or “Directors of Xansa”	the directors of Xansa;
“Xansa Group”	Xansa and its subsidiaries and subsidiary undertakings from time to time and, where the context permits, each of them and “member of the Xansa Group” shall be construed accordingly;
“Xansa Preliminary Results”	the announcement dated 28 June 2007 by Xansa of its preliminary results for the year ended 30 April 2007;
“Xansa Share Schemes”	The Xansa plc Equity Incentive Plan, The Xansa 1996 Share Option Scheme, The Xansa Sharesave Scheme and the Xansa plc All Employee Share Ownership Plan;
“Xansa Shareholders”	the holders of Xansa Shares; and
“Xansa Shares”	the ordinary shares of 5 pence each in the capital of Xansa and “Xansa Share” means any one of them.

All references to time in this announcement are to London time unless otherwise stated.