



Integration - Outsourcing - Applications



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Profile

With approximately 1,350 employees as of 31 December 2004, NEURONES is one of the thirty largest IT engineering and services companies on the French market and the ten largest French IT services companies listed on the Paris stock exchange in terms of market capitalization.

Created from scratch, NEURONES has grown rapidly and steadily since 1985. More than 80% of this growth is internal (averaging 24% a year for the last ten years). This gives NEURONES a very solid base for both internal development and external growth through acquisitions of companies in the same or complementary professions.

Since being listed in May 2000, the group has acquired seven companies, which now account for one fifth of its business.

€**97.1 M**

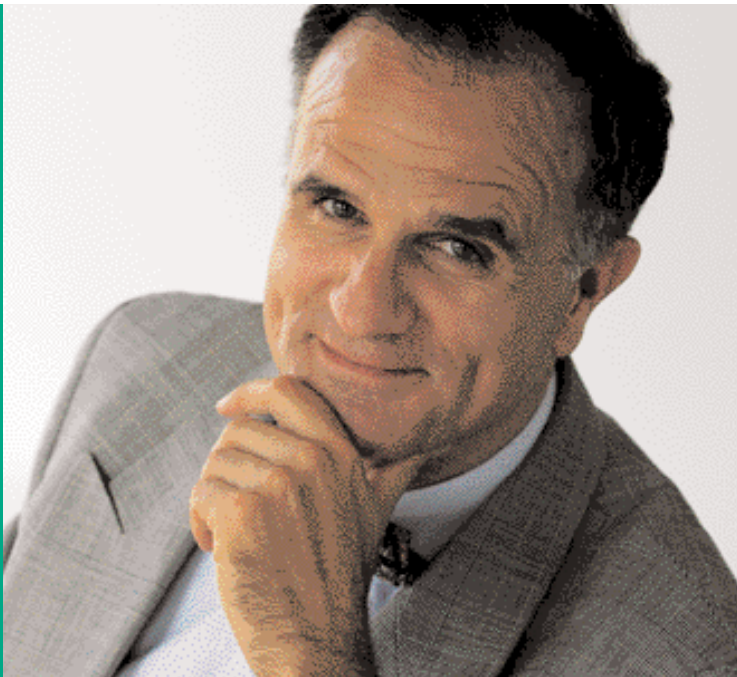
2004 revenues

€**4.7 M**

2004 net profit
after goodwill

8.4 %

2004 operating margin



Chairman's message

Dear current and future shareholders,

Comments on the current state of the IT services industry may seem repetitive: 2004 was another difficult year because of unrelieved pressure on prices, despite some recovery in demand at the end of the year. And so what? That's just business!

Rather than looking over our shoulders, let us return to the principles that guide our company:

- the only race that counts is the one for operating income and net earnings, not the race for size for the sake of size. It is easy in our businesses to post strong sales figures, but difficult to turn them into good margins within a reasonable time, or to maintain profitability after the earn-out periods.
- true success is success that lasts: what is the point of operating income offset the same

year by "one-time charges", or of recurring profits followed, a few years later, by write-downs of assets or restructuring charges that are often substantial?

- In the professions that depend on men (there are far too few female applicants for us to say simply "people"), success depends on the technical and human qualities of our staff, on their ability to work together and with pleasure in the service of those who pay us every month, namely, our customers. So heartfelt thanks to the teams who once again in 2004 enabled us to move forward.
- A business corporation must keep asking itself whether its customers really need the services it provides? Does the cost structure match the price the customer is willing to pay for a service? Are customers currently well served? What services will they need tomorrow? Our customers' recognition of the contribution NEURONES makes to the structuring and availability of their data is best stimulus there is! Their expressions of gratitude generate energy and enthusiasm in our teams and deserve our heartfelt thanks!

There are sound reasons to be hopeful about the future of IT services in France:

- For several years now, investment in the development of new technologies has been strong. The technologies have been incorporated in IT systems in successive waves, and are going to give access to increasingly pertinent information, everywhere, at any time, easily and securely, at ever lower costs. The designers of these new solutions count on IT services companies to implement them, because customer companies are increasingly loath to train in-house personnel who are becoming harder and harder to find and cannot be omniscient and omnipresent.
- New arrivals are regenerating the fabric of IT services companies, while companies whose founders are reaching retirement age will disappear. The leading French players concerned will be taken over by foreign companies. Medium-sized IT services companies will be

even more attractive to customers who appreciate the flexibility of local operations. In addition, companies like ours have a strong appeal to those who appreciate the human scale, friendly atmosphere, and stable management, in other words, employees who respond to a good reason for getting up every morning.

- Consulting and designing, installing, and improving IT systems are a traditional and major source of business for IT services companies. But the management, often partial, sometimes total, of end-users IT systems is developing in an even more promising manner. It is a major source of growth at NEURONES.

This picture would be unrealistic if we did not mention some weaknesses:

- The modernization of the sector is being retarded by an abundance of funds on financial markets: massive cancellations of debt and rollovers of maturities, sometimes for substantial amounts, by government departments, sustain unfair competition just when our businesses could restructure.
- It is difficult to find entrepreneurs in France who could speed up the growth of a group like NEURONES, built by executives with equity interests in the companies they now lead, and in some cases founded.
- While there are many IT services companies that will be forced by their poor results or their balance sheet to seek outside help, there are far fewer that are profitable, with real know-how and ambitious bosses who do not restrict their vision of the future to two possibilities (sell or remain independent), when a third way is often preferable.

In this context, for the years to come, your company has the following internal and external growth objectives:

- Continue growing without sacrificing margins,
- Expand the range of activities and search for those with higher returns,
- Improve its processes and management systems, enlarge its range of services, in particular through the use of new tools based on

“Promising developments for IT services companies of a human scale.”

open-source software building blocks that provide an even more complete and economical service.

- Seize every opportunity to create value, by joining forces with entrepreneurs in all stages of development.

In the area of external growth, associations with a clear business model will be preferred.

Alongside those IT services companies well known to be takeover targets, sometimes because of indigestion, often because of a lack of profitability, there are entrepreneurs with common sense, often discreet, who know how to offer customers real added value at a fair price. They make lasting profits. Finding them and convincing them is a slower approach, but creates more value, to judge from the handful of sagas in the IT services industry in the last forty years. When you come across such firm, you must be willing to pay the price, bearing in mind that “the price will be forgotten, quality will endure”, probably for a long period of cooperation.

The most loyal parties (applicants, employees) are those who take their time deciding. When



Executive
Committee

they have done so, and analysed in a rational way their reasons for joining our group, they make a commitment that is likely to last.

There are those who hint that it is possible, with a little sleight of hand, to create value rapidly by acquisitions, whatever their objective valuation. You just wait for the right time to be bought out, hopefully on the basis of the higher new sales figures rather than the lower profits.

It all depends on the time frame you set, but, with rare exceptions, the IT services companies that have favored build-up have come to grief. In our lines of business, it has yet to be shown that companies with mediocre operating results can be returned to profitability within a reasonable time simply by a change of owners. Most often, after the fact, the purchasers carry out timely changes in scope or substantial restructurings that make analysis more difficult.

Such is the long-term logic, industrial and not merely financial, that sustains your company's growth and determines the pace of its investments. Our managers are well aware that pragmatism - and resistance to the prevailing thin-

king - are the rules for lasting success in business. "Strategic imperatives" are sometimes a cover for operations undertaken for reasons than other economic rationality.

Finally, our company's motto for the years to come, as in the last twenty years, can be summed up by what Alfred de Musset had to say to guide us: *"To succeed in this world, remember three things: seeing is knowing, willing is being able, daring is having"*.

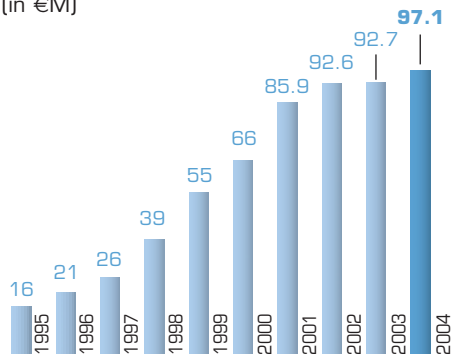
Thank you for your confidence.

Luc de CHAMMARD
Chairman & CEO

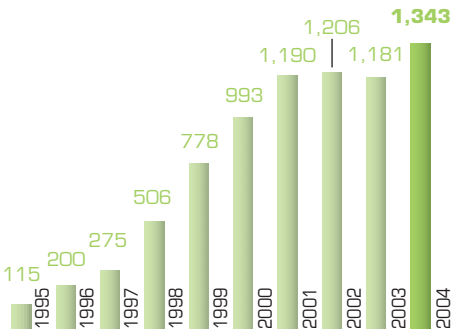
Key figures 2004



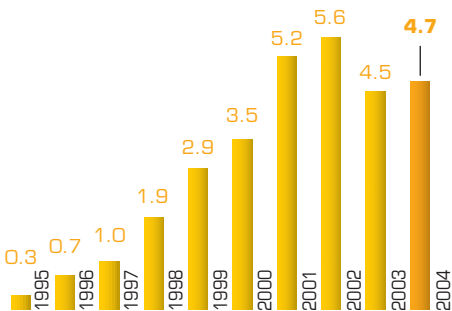
Consolidated revenues
(in €M)



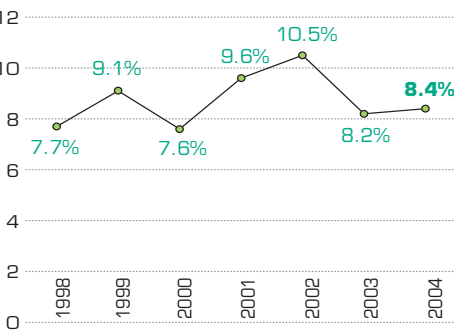
Change in payroll



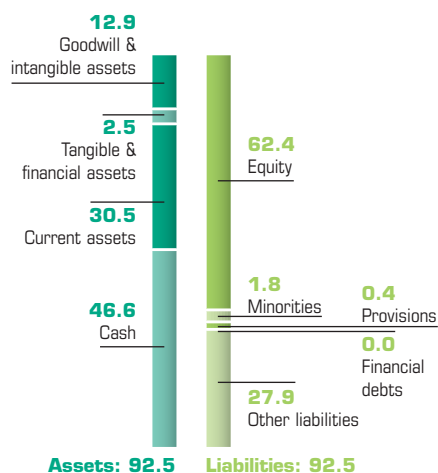
Net profit (group share) after goodwill
(in €M)



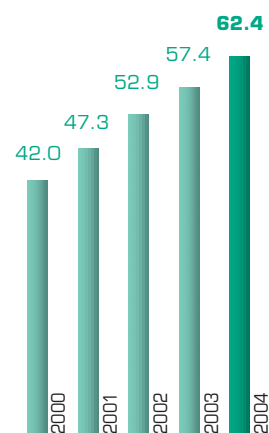
Operating margin



**Consolidated balance sheet
as of 31/12/04**
(in €M)



**Consolidated equity
(group share)**
(in €M)



Consolidated income statement

(in millions of Euros)	2004	2003	2002	2001	2000
Revenues	97.1	92.7	92.6	85.9	66.0
Operating profit (after profit-sharing)	8.1	7.6	9.7	8.2	5.0
% of revenues	8.4%	8.2%	10.5%	9.6%	7.6%
Financial income	0.8	0.8	1.0	1.1	0.8
Exceptionals	0.0	0.0	0.0	(0.1)	0.0
Corporate tax	(3.1)	(2.9)	(3.7)	(3.3)	(2.1)
Profit before goodwill	5.8	5.5	7.0	5.9	3.9
Goodwill depreciation	(0.8)	(0.7)	(1.0)	(0.6)	(0.2)
Minorities	(0.3)	(0.3)	(0.4)	(0.1)	(0.2)
Net attributable profit (group share)	4.7	4.5	5.6	5.2	3.5
% of revenues	4.9%	4.9%	6.1%	6.1%	5.3%

IFRS

Key figures 2004

(in millions of Euros)	IFRS	standard 99-02
Revenues	97.1	97.1
Operating profit	8.1	8.2
Net attributable profit (group share)	5.5	4.7
Equities as of 31/12/04	63.2	62.4

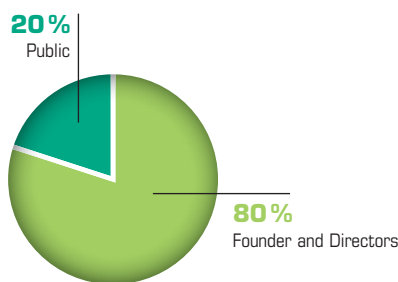
Shareholders' book



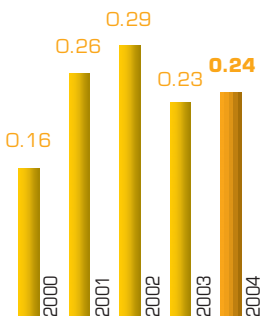
Dividend
for 2004:
20%
of profit

(Dividend proposed at the general meeting on 24/06/05:
0.05 € per share)

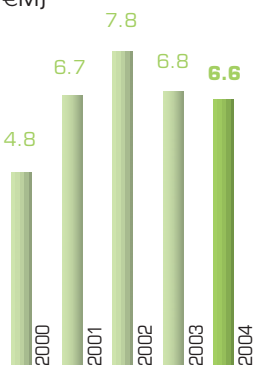
Shareholding
(breakdown of capital)



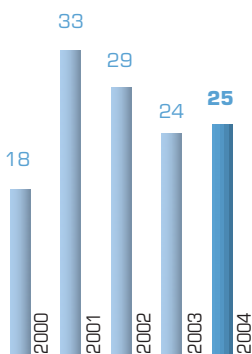
EPS group share before
goodwill (in €)



Cash flow
(in €M)



Return on capital employed
(ROCE) (as a %)

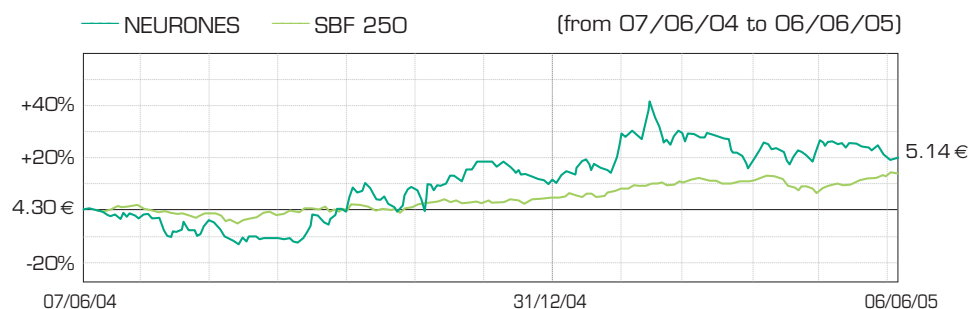


NEURONES share data sheet

- Average volume exchanged in 2004: 12,200 shares per day
- Price on 6 June 2005: 5.14 €
- Market capitalization on 6 June 2005: € 118 M
- 22,877,045 shares on 6 June 2005
- Euronext - NextEconomy - Compartiment C
- Member of indexes: SBF250, CAC Small 90
- ISIN Code: FR0004050250 (NRO)
- Bloomberg: NEUR FP, Reuters: NEUR.LN



Evolution of the NEURONES share over the past year: + 19.5%



Calendar

- General meeting:
Friday 24 June 2005
- Revenues 2nd quarter 2005:
Thursday 28 July 2005
- 1st half 2005 results:
Thursday 29 September 2005
- Revenues 3rd quarter 2005:
Thursday 27 October 2005

Contacts

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Strategy and offer



47%

Share of service contracts with commitment to results in overall activity

A constant strategy for the long-term

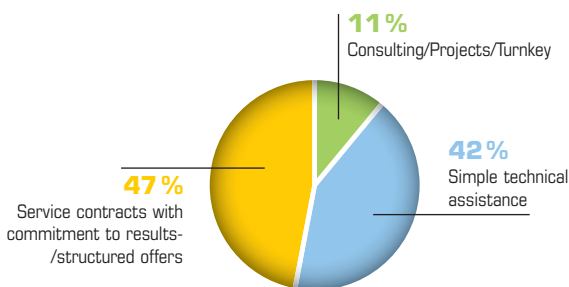
The strategic paths of NEURONES

- steadily increase the share of structured offers in its business, thanks to regular industrialization of services,
- invest in new nascent business lines at the right time,

- maintain its diversified nature with the right balance between the various businesses (design / build / run).

The NEURONES development model relies on entity managers associated in the capital at various levels. Special attention is paid to the convergence of their interests with those of NEURONES shareholders.

Breakdown of revenues 2004 Services by intervention mode



A majority of contracts with NEURONES as prime contractor.

A quality approach

Two processes have been governed by quality assurance since 1996:

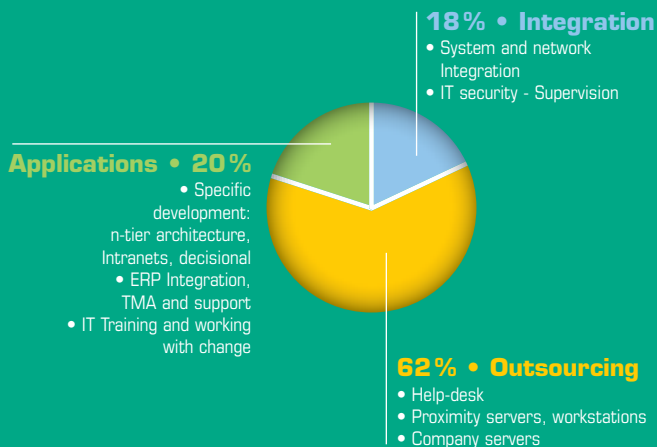
- recruiting,
- turnkey projects: review of offers, review of contracts.

NEURONES is ISO 9001 (version 2000) certified for its technical assistance, help-desk and infrastructure outsourcing businesses.





Breakdown of revenues by sector of business in 2004



Complementary businesses and a coherent offer

NEURONES line of business include project activities (“design/build”) and recurring activities (“run”). Made up of dedicated entities by business line, the group is present both in infrastructures and application layers.

Infrastructures

The project business around infrastructures (Integration of systems and networks, Security) is required for Outsourcing. In fact, the project teams bear the group technical doctrine. They are solicited on Outsourcing contracts in the initial stage of taking charge of the sites. Throughout the entire period of the contract, they also provide a solid technical rear base in support of the teams on site. Finally, they design and upgrade our supervision and hosting centers (hardware and tools).

The leading position in help-desks is a big advantage for the NEURONES outsourcing offer. The group tries to keep a good balance between simple technical assistance and recurring

contracts with NEURONES as prime contractor and commitment to results. The substantial volume of technical assistance enables the rapid deployment of teams for major contracts.

Applications

NEURONES tries to be present both in customized development (on state-of-the-art platforms, including open-source software), and software package integration. Emphasis is on the upstream functional analysis-stages and on project development-methodology (standard documentation, software engineering, standards, etc.), domains where training and oversight efforts are pooled.

Businesses

NEURONES TRANSVERSE TEAM

- Outsourcing projects as prime contractor
- Management of global relations with corporate customers

INFRASTRUCTURES

Integration

2004 revenues: **€17.3m** Payroll: **186**

SYSTEM and NETWORK INTEGRATION

- Lan & Wan Architecture et integration
- Design of standard servers and stations
- Migration and deployment methodology
 - Directories, message service
- Consolidation of servers, SAN and NAS storage
 - Light client solutions (TSE, Citrix)
 - Remote access and mobility
- Supervision of systems and networks
- Initial engineering on Outsourcing contracts

IT SECURITY SUPERVISION

- Qualification: intrusion audits and tests
- Definition of policies and security plans
- Integration: virus protection, content control, data protection, access management, identification, authentication et confidentiality
 - Security supervision in ASP (RTMS)
 - Technological security watch (subscription to the Citadelle security gateway)
- Initial security engineering on Outsourcing contracts
- Development and integration of free software

Outsourcing

2004 revenues: **€60.5m** Payroll: **961**

HELP-DESK

- Consulting and Assistance in prime contracting
 - Implementation of best ITIL practices
 - Projects to install help-desks and contact centers. Optimization of help-desks
- Integration of Management infrastructure and installation management software packages (Remedy, Peregrine, Staff&Line...)
- Workstation support: help-desk on site or outsourced to support centers (24/7)
- Assessment and promotion of human resources

LOCAL SERVERS and WORKSTATIONS

- Opportunity studies, TCO consulting
- Site outsourcing: long-term contracts with commitment to results in service levels (SLA) and Quality Assurance Plan (QAP)
- Management of deployment / migration projects
 - Technical assistance
- Supervision of systems and networks
- Inventory/packaging/remote distribution (Landesk, Altiris, Sysload, HPOV, BMC)

COMPANY SERVERS - UNIX, DBMS, MVS, NT, NETWORK PRODUCTION

- Consulting, audit and expertise in production
 - System administration
 - Database administration
- Outsourcing of production (engineers, analysts, pilots, 24/7, etc.)
 - Schedulers (\$Universe and ControlM)
 - Backups (Netbackup, Networker)
- Supervision of systems and networks (Patrol, Tivoli)

- Steering of multi-entity projects

APPLICATIONS

2004 revenues: **€19,3m** Effectif: **196**

CONSULTING, DEVELOPMENT and APPLICATIONS MAINTENANCE

- AMO, consulting in application architecture
 - Application servers (Websphere, .Net)
 - Intranets, extranets, gateways
 - Décision-making
- Distributed objects, Web services, EAI approach, content management

ERP CONSULTING, INTEGRATION, SUPPORT and TMA


- Functional and technical SAP expertise
 - SAP turnkey Integration
 - Retail sector expertise
 - Support, training
 - Documentation
- TMA (Third-party Maintenance Applications)
 - Updating of versions
 - Optimization
 - Archiving

IT TRAINING and WORKING WITH CHANGE

- Consulting in training plans
- Outsourcing of training plan management
- Training linked to IT projects or management of change
 - Design of pedagogical tools (manuals...)
- Training in our centers: IT specialists and users.
 - Certification tests
 - Distance training and e-learning
 - Courses of 3 to 6 months (masters)



Integration



The integration of systems and networks is NEURONES's original business, project oriented and most often in a fixed-price context.

This segment also includes IT security assignments: audits and consulting, intrusion tests, implementing of solutions, technological monitoring and intelligence ("Citadelle" portal).

The specialist security teams have developed our remote server supervision and administration environment, since these activities require the same technical skills.



18%

share of
this segment
in overall activity

Key events 2004

- Growth in services offset by the decline of license and equipment sales.
- Firm growth in security and remote supervision of systems and networks.
- Grouping of remote server and network services in a single center (Network Operations Center).

Achievements in 2004 (extract)

- **For a French mutual insurance company**, migration from Windows NT4 domain infrastructure to Windows 2000 Server/Active Directory, migration from the existing Citrix infrastructure (20 servers) to Windows 2000 – Citrix Metaframe XP, migration from the software package environment to a solution based on Windows 2000 Server and modeling of the Active Directory. 1,200 users.
- **For an equipment manufacturer in the car industry**, server evolution project. Migration of servers to Netware 6.5 and work-stations to ZEN works for Desktops 4.0.1, setting-up of a NetWare cluster then integration in an IBM SAN and migration of the Oracle base to a Windows 2003 server. 500 work-stations in 20 buildings, 1,500 users.
- **For a French TV channel**, migration of two Domino servers in cluster of version 5 to version 6.5.x. Setting-up of a solution of centralized PDA synchronization with client Notes for 15 VIP.
- **For an international organization working on the cooperation between railroad companies**, setting-up of a mobility Infrastructure solution for the 10 VIP users. Integration of two Exchange 2003 servers and an ISA 2000 server and modeling of user profiles on the 10 PC pockets in partnership with a major mobile telephone operator.
- **For a regional financial company developing employment**, deployment of a light client Citrix architecture for 7 remote sites. A Citrix Metaframe XPS application server, a web server in DMZ for the Citrix web access part, a Linux firewall / anti-virus to protect data.



4.6%

2004 operating margin

€17.3 M

Revenues 2004

- **For an international press group**, design and migration from Novell NetWare 6.0 to NetWare 6.5 on an HP SAN. Setting-up of 2 NetWare clusters (2 and 4 nodes). Migration from ZENworks 3.2 to ZENworks 4.0.1. 100 days, 1,300 workstations, 8 sites (Head office + 7 remote sites).
- **For an insurance company**, migration project from Windows NT4 to XP. 552 stations migrated and 100 new stations. Training of 300 users.
- **For the town hall of a *préfecture***, preliminary security study and setting-up of a reverse proxy SSO, launch of a tender offer for the setting-up of a PKI.
- **For a world leader in construction materials**, taking in charge of Outsourcing of high-availability Cisco Pix firewalls.
- **For a *Conseil Général* (Departmental Council)**, consulting and support in information system security. Drafting of procedures, security policy, risk analysis, training, updating, PKI installation, supervision, setting-up of VPN, technological watch.
- **For a leading French telecom operator**, setting-up of the interconnection of 100 agencies in VPN on the Internet.
- **Deployment and outsourcing of security for a European drug distribution leader**: anti-virus, firewalls, PKI, reverse proxy, remote access services, supervision, VPN, very high availability (24h/24, 7 days a week).

OUTLOOK >>

> **STRONG DEVELOPMENT EXPECTED IN REMOTE SERVER AND NETWORK SERVICES** including hosting, a major factor in differentiating the group's outsourcing offer.

> **GRADUAL INDUSTRIALIZATION** of the taking charge of outsourcing contracts and of rear base activities generally.

Outsourcing

This segment covers all assignments related to the administration and operation of distributed environments (Unix and Windows servers, workstations and related active elements): help-desk, local server and workstation management, company server management (IT production).

62%

share of
this segment
in overall activity

Proven experience

Having developed its distributed environments outsourcing offer since 1995, NEURONES now manages several dozen sites, ranging from of 200 to several thousands workstations.



Key events 2004

- Increase in the average size of Outsourcing contracts.
- Another year of growth for the help-desk, in the position of leader (+13%).
- Growing importance of renewals in the segment.

Achievements 2004 (extracts)

- **For a public-interest group specialized in training**, renewal of a global service contract in prime contracting and everyday management. 1,100 users, 1,400 work-stations and 50 servers on 200 sites.

- **For a world luxury and cosmetics player**, Outsourcing support contract for 6,000 users (sedentary and nomad): setting-up and running of the support and assistance service (office automation help-desk, ERP and decision-making) dedicated on a NEURONES and Client site (including VIP local support). 30 specialist employees.
- **For a publishing company**, global Outsourcing: help-desk and local support, running of office automation servers and local networks. 150 Mac (Mac OS 9), 150 laptops, 400 fixed stations and 20 servers under Windows 2000/Active Directory, 15 sites (2 in the provinces and one in Belgium).
- **For a world cleaning services player**, outsourcing of their applications support. Setting-up of a dedicated team, 9 help-desk technicians and an operations manager. 75% of users' claims are resolved at the end of the first call within the help-desk's scope. 4,500 users.
- **For a world manufacturer of beauty and healthcare products**, help-desk on client



Outsourcing

55 customers outsourced
450 employees working on contracts
3,000 servers
50,000 workstations
150,000 calls per month to the help-desk
don't 80,000 to our support centers in Nanterre and Ivry-sur-Seine
40 ITIL-certified consultants
1 NEURONES standard documentation server (SDN) for all contracts
15 new contracts signed in 2004

Supervision, remote piloting (24/7), Network Operations Center (NOC), Security Operations Center (SOC)

24 people: 24/7 monitoring, RTMS tools (customized) and HPOV
1,000 supervised servers
600 remote-administered servers
12 useful terabits

Hosting

15 bays
120 servers hosted
2 useful terabits
1 backup robot
3 redundant Cisco 7204 VXR routers
Independent Internet Provider (45 mega per operator)

10%

2004 operating margin

€60.4 M

2004 Revenues

site and support to work-stations, management of installations and requests for change. 1,750 users.

- **For a public administration establishment**, transition from a Network Assistance Contract to global Outsourcing with purchase of the installations. 2 sites in Paris, 90 stations under Windows 2000, servers under Windows NT and Windows 2000/XP. 4-year contract with obligations to results.
- **For a car manufacturer of international reputation**, specialized help-desk for a network of 74 establishments, 4,000 users. Guaranteed service from 7:30 a.m. to 7 p.m., Monday to Friday.
- **Following a tender call, renewal of a contract with a public research organization**, one of

the first customers of NEURONES, with extension of the scope. Global outsourcing of work-stations, servers and the network. 6 specialist employees on site, 1,000 work-stations, 25 servers under Windows. Contract renewed in 2004 for 5 years.

- **For a major French bank**, Outsourcing contract with obligations to results. Local support for users in Microsoft environment. Processing of incidents and changes. Team of 8 support technicians. 1,700 users.

OUTLOOK >>

> **GRADUAL RUMPING UP** of remote server administration / operation activities.

> **STEADY IMPROVEMENT**: documentary bases, management statistic production tool.

> **IMPROVEMENT OF SYNERGIES** with integration in the framework of progress plans.

Applications

This segment covers the development of custom applications (Java, .Net, decision-making, mobility), the integration of SAP software package, training and working-with-change activities. The work includes covers design, implementation, support and TMA (Third-party Maintenance Applications)

20%

Share of this segment in overall activity

Key events 2004

- Custom applications development: business where the pressure on prices was the strongest in 2004.
- 3 offshore projects completed on time.
- SAP activities posted very satisfactory growth and returns.
- Training turned positive after two years of reorganization (pooling of inter-company courses with another IT company, lowering of breakeven point, etc.)

Achievements 2004 (extracts)

- **For a public transporter**, prime contracting to make the Social Action Intranet, the Medical Intranet, creation of the healthcare professional directory. Securing of confidential medical data. 70,000 potential users. (150 man days).
- **For a pharmaceutical distributor**, merger of two SAP environments retaining the records, then an update of the SAP version. Change of transparent system for users, then integration of the latest functions of SAP version 4.7 (FI & MM).
- **For a major player in the French oil sector**, creation of the corporate Internet site and infrastructure for the management of their publications. Development of Open Source (Jakarta) on Apache Tomcat and Sun Solaris servers, in the Cofax and Oracle 8i DBMS framework. 9,000 individual hits a day.
- **For a company producing spraying systems**, taking in charge of corrective and upgrading TMA of its SAP application with obligations to results, in the financial, procurement, sales, stock and production management processes. SAP R/3 Environment (FI CO MM SD PP WM HUM modules).
- **For a world luxury and cosmetics player**, design and development of an Intranet enabling management of "Launch sheets" of projects, immediate multilingual management, brand logistics management, "Business" coordinator management and monitoring of project stages. 130 days of work .
- **For a world leader in communication services**, CRM analytics decision-making pro-





6.6%

2004 operating margin

€19.3 M

2004 Revenues

ject. Setting-up of marketing-oriented Datamarts in several countries (FR, NL, DE, UK, etc.), setting-up of a European consolidated base, improvement of data quality, setting-up of a universal data interface to Siebel 2000 (OLTP) and Siebel Analytics (OLAP) and setting-up of Siebel Analytics (OLAP, nQuires, Informatica).

- **For a major player in the pharmaceutical industry**, outsourcing of all Lotus Notes application developments in the form Third-party Maintenance Application. Design and development of new projects, maintenance application and support, industrialization of developments, technical expertise and project management. 800 man days.

- **For a naval constructor**, working with change of 3,000 users on an Oracle ERP e-business. Setting-up of a specific pedagogical system combining document engineering and pedagogical engineering. Common half-day course followed by short training modules of business-oriented themes. 800 days over 8 months.

- **For a major health operator**, taking in charge of office automation training for the personnel of 39 hospitals and hospital groups. 4,400 users to train each year on all current office automation themes. 3-year contract.

OUTLOOK >>

> **SAP:** searching for acquisition opportunities.

> **CUSTOM DEVELOPMENT:** taking full advantage of synergies with the help-desk business to increase TMA and support business volume.

> **TRAINING:** rationalization of activities and growth of working-with-change assignments.

An integrated group



More than
30%
of contracts concern several specialized entities

The fact that most NEURONES teams are in one place facilitates the integration of offers and services. Two functions are centralized and coordinate the actions of the various entities.

A transverse central team manages global relations with some corporate customers

To support the various specialized sales forces, this central team fulfils the following assignments:

- management of overall relations with some corporate customers,
- steering and management of major projects as sole prime contractor.

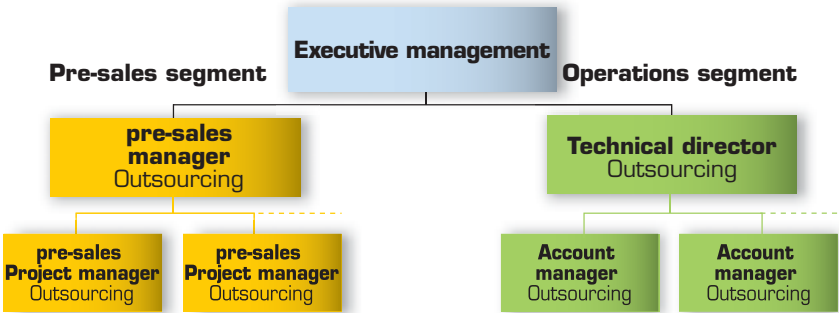
The rules governing relations between entities are formalized in a constantly updated document: the “White book” of group procedures.

A single steering structure is dedicated to Outsourcing

Outsourcing is a major growth area for NEURONES.

The group has developed a single and transverse Outsourcing offer for all its sites to enable its customers to benefit from the complementarity of its various activities. This strategic offer is steered directly by the Executive Management.

The specialized Outsourcing steering structure reports directly to the Executive management and is organized in two segments



The assignments of the specialized Outsourcing steering structure are:

- Preparing offers
- Tracking the performance of Outsourcing contracts in the operating stage,
- Setting-up methods.

Human resources



1,343

employees as
of 31 December 2004

31.6 years

Average age
of employees

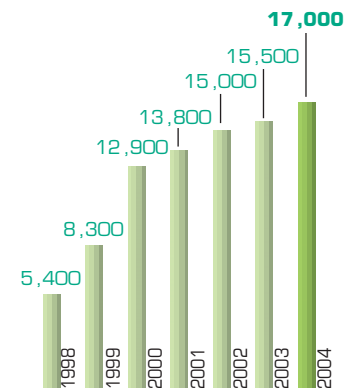
Human resources are priority n°1 and the main condition for group success. Vis-à-vis its teams and candidates, NEURONES endeavors to have stable policy and behavior over time, whatever the economic fluctuations experienced by the IT services market.

The 30th largest French IT services company, NEURONES is the 12th largest recruiter in the trade.

The main lines the group HR policy

- a long-term training policy: 1,600 days of training were provided in 2004. NEURONES has its own centers, which simplifies implementing the training plan and also facilitates testing for the certifications granted by leading market players (Microsoft, Lotus, Cisco, etc.),
- The "Masters": theoretical and practical training leading to qualification (6 weeks of course, followed by a 4 week session with a NEURONES customer) intended for young, non-computer engineers with 4 or 5 years education after high school. 120 graduates already operational,
- "Laboratories" and complete latest generation technical testing and training platforms available to technology buffs,
- Broad profit-sharing and stock options plans (more than 240 beneficiaries of stock options, 20% of employees),
- Internal gateways that allow employees to grow and broaden their specializations within the group,
- Selective recruiting procedures under quality assurance (17,000 CVs handled in 2004, two

Number of applications received



Threefold increase in the number of applications received over the past 5 years.

mandatory interviews, mandatory multiple choice technical tests, etc.),

- An ambitious HR institutional communications campaign to boost NEURONES' reputation among applicants,
- Ample internal communication budgets (Intranets, contests, cooptation, etc.),
- Close and sustained relations with engineering and business schools.

Careers, development

Employees are given many opportunities, within an activity or spanning several activities, to satisfy their objectives and ambitions. This is made easier by the fact that the group is organized into entities on a human-scale specialized by trade. There are even gateways between the technical, sales and managerial functions and between specializations. All positions available are posted on the NEURONES Intranet. This job mart is enriched and updated every month to encourage internal mobility.

References



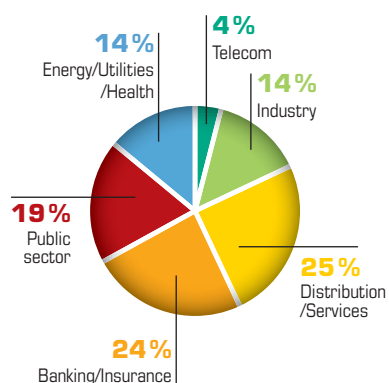
1,600

active customers

85%

of CAC 40 companies
work with NEURONES

Presence in all sectors of business



DISTRIBUTION/SERVICES/ CONSUMER GOODS

BRINK'S
DANONE
DELOITTE
FLAMMARION
HEINEKEN
L'ORÉAL
LVMH
NESTLÉ
OCP
SODEXHO
SONY

PUBLIC SECTOR

BANQUE DE FRANCE
CAISSE DES DÉPÔTS ET CONSIGNATIONS
CCIP
CEA
DCN
FRANCE TÉLÉVISIONS
MEDEF
MINISTÈRE DE L'ÉDUCATION NATIONALE
MINISTÈRE DE L'EMPLOI
RADIO FRANCE
RFF

INDUSTRY

AIR LIQUIDE
BOSCH
BOUYGUES
GENERAL ELECTRIC
LAFARGE
RENAULT
RICOH
SAINT-GOBAIN
THALES
TOSHIBA
UNILEVER
VALEO
VINCI

BANKING/INSURANCE

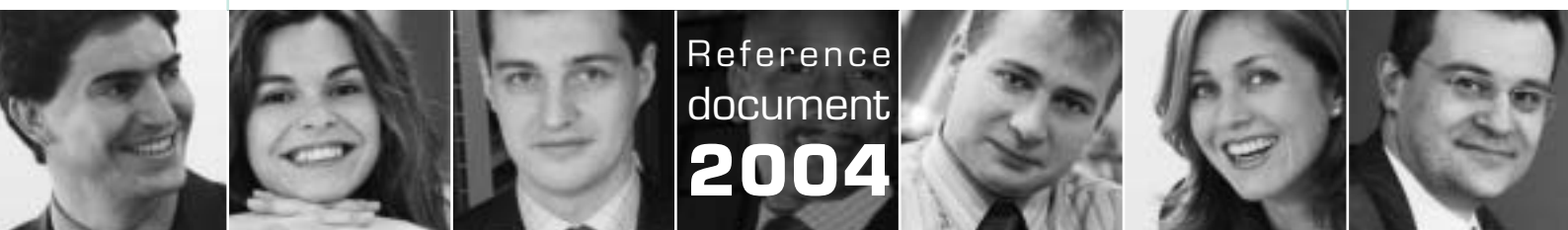
ABN-AMRO
AON
AVIVA
AXA
BANQUE POPULAIRE
BNP-PARIBAS
HSBC
CIC
CRÉDIT AGRICOLE-CRÉDIT LYONNAIS
GENERALI
GROUPAMA
MÉDÉRIC
SOCIÉTÉ GÉNÉRALE

ENERGY/UTILITIES/HEALTH

BAYER
GLAXOSMITHKLINE
JOHNSON & JOHNSON
LILLY
MERCK SHARP & DOHME
NOVARTIS
SANOFI-AVENTIS
SERVIER
SUEZ
TOTAL
VALOIS
VEOLIA ENVIRONNEMENT

TELECOM

ADP TELECOM
ALCATEL
BOUYGUES TELECOM
CEGETEL
FRANCE TELECOM
NOOS
SAGEM



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1. Consolidated accounts

Consolidated balance sheet as of 31 December 2004

ASSETS		31 December	
(in thousands of Euros)	Notes	2004	2003
Fixed assets			
Purchase discrepancy	Note 1	10,895	11,112
Intangible assets	Note 2	1,965	1,743
Tangible assets	Note 3	1,477	1,573
Financial fixed assets	Note 4	975	806
TOTAL FIXED ASSETS		15,311	15,234
Current assets			
Inventories	Notes 5/14	266	139
Trade accounts and notes receivable	Notes 6/14	26,800	22,270
Other receivables and adjustment accounts	Notes 7/9	3,501	3,387
Marketable investment securities	Note 8	37,648	35,278
Cash		8,986	5,970
TOTAL CURRENT ASSETS		77,202	67,044
TOTAL ASSETS		92,513	82,278

LIABILITIES		31 December	
(in thousands of Euros)	Notes	2004	2003
Equity (group share)			
Capital		9,139	9,108
Premiums		28,723	28,509
Reserves and consolidated results		24,519	19,780
SHAREHOLDERS' EQUITY (GROUP SHARE)	Note 10	62,381	57,398
Minorities		1,765	1,562
Provisions for risks and charges	Notes 9/11	408	448
Debt			
Loans and financial debt	Note 12	29	515
Suppliers and trade payables	Note 13	6,520	5,626
Other debt and adjustment accounts	Note 13	21,411	16,730
TOTAL DEBT		27,960	22,871
TOTAL LIABILITIES		92,513	82,278

Consolidated income statement for the year ending 31 December 2004

(in thousands of Euros)	Notes	2004	2003
Revenues	<i>Note 15</i>	97,098	92,732
Sale of equipment			
Revenues		7,853	8,981
Cost of goods sold		(6,662)	(7,739)
Gross margin		1,191	1,242
% Gross margin		15.2%	13.8%
Services			
Revenues		89,245	83,751
Other operating income, writeback of provisions and transfer of charges	<i>Note 17</i>	521	1,023
Payroll charges	<i>Note 18</i>	(60,170)	(55,841)
Other operating charges	<i>Note 19</i>	(18,923)	(19,420)
Taxes and duties		(2,049)	(1,880)
Allocation to depreciation and provisions		(1,701)	(1,286)
OPERATING PROFIT	<i>Note 16</i>	8,113	7,588
% Revenues		8.4%	8.2%
Exceptional results	<i>Note 20</i>	778	780
CURRENT PROFIT FROM INTEGRATED COMPANIES		8,890	8,368
% Revenues		9.2%	9.0%
Exceptional results	<i>Note 21</i>	69	(5)
Corporate tax	<i>Notes 22/23</i>	(3,128)	(2,846)
CURRENT PROFIT FROM INTEGRATED COMPANIES		5,831	5,517
% Revenues		6.0%	5.9%
Depreciation of goodwill discrepancy	(785)	(659)	
NET PROFIT OF THE CONSOLIDATED TOTAL		5,046	4,858
- incl. group share		4,739	4,538
- incl. minorities		307	320
Net earnings (group share) per share (*) - in Euros		0.21	0.20
Net diluted earnings (group share) per share - in Euros		0.20	0.19
(*) Average number of shares in the year			

Statement of cash-flows for the financial year ending 31 December 2004

(in thousands of Euros)	2004	2003
NET PROFIT OF THE CONSOLIDATED TOTAL	5,046	4,858
<i>Elimination of non-monetary elements:</i>		
- Depreciation and provisions	1,853	1,703
- Variation in deferred taxes	(233)	262
- Capital losses / (gains) from disposals, net of tax	(2)	(1)
- Capital losses / (gains) from disposal of consolidated securities, net of tax	(41)	
Cash flow from consolidated companies	6,624	6,823
<i>Variation of cash on:</i>		
- Working capital requirement	(364)	1,966
- Corporate tax	1,255	(595)
CASH GENERATED BY THE ACTIVITY	7,514	8,193
Acquisitions of intangible and tangible assets	(885)	(1,011)
Disposal of fixed assets, net of tax	2	3
Variation in financial assets	(161)	(128)
Payment of acquisition price for companies acquired	(92)	(1,984)
Cash from subsidiaries acquired during the year	109	
Payment on acquisition of businesses	(257)	(105)
Securities bought from subsidiary minority shareholders	(874)	(18)
Disposal of consolidated securities, net of tax	265	
CASH ALLOCATED TO INVESTMENTS	(1,892)	(3,244)
Increase of capital in cash	244	
Repayment of loans		
CASH ALLOCATED TO FINANCING	244	-
CHANGE IN CASH	5,866	4,949
CASH ON OPENING	40,742	35,793
CASH ON CLOSING	46,608	40,742

Statement of changes in consolidated equity

SHAREHOLDERS' EQUITY, GROUP SHARE (in thousands of Euros)	Capital	Premiums	Reserves	Results	Total capital
SHAREHOLDERS' EQUITY AS OF 31/12/2002	9,108	28,509	9,650	5,625	52,893
<i>Movements for the year 2003</i>					
- Allocation of results 2002			5,625	(5,625)	-
- Consolidated result of the year				4,538	4,538
- Variation in % of interest following internal merger			(33)		(33)
SHAREHOLDERS' EQUITY AS OF 31/12/2003	9,108	28,509	15,242	4,538	57,398
<i>Movements for the year 2004</i>					
- Increase of capital (exercise of founder stock purchase warrants & stock options) 30	213			244	
- Allocation of results 2003			4,538	(4,538)	-
- Consolidated result of the year				4,739	4,739
SHAREHOLDERS' EQUITY AS OF 31/12/2004	9,139	28,723	19,780	4,739	62,381

MINORITY INTEREST (in thousands of Euros)	Minority interests
MINORITY INTERESTS ON 31/12/2002	1,221
<i>Movements for the year 2003</i>	
- Profit for the year – Minority share	320
- Variation in scope	21
MINORITY INTERESTS ON 31/12/2003	1,562
<i>Movements for the year 2004</i>	
- Profit for the year – Minority share	307
- Variation in scope	(104)
MINORITY INTERESTS ON 31/12/2004	1,765

Minority stakes correspond exclusively to shares held by managers in subsidiaries.

Notes to consolidated accounts

Accounting principles

Consolidated accounts

Consolidated accounts are prepared in compliance with CRC regulation No. 99-02. They are presented with due respect to principles of prudence, independence of financial years, constant accounting methods and in the context of ongoing operations.

Consolidation principle and scope

Companies in which NEURONES S.A. has exclusive control are fully consolidated.

Companies are consolidated on the basis of their company accounts, in harmony with accounting principles used by the group. All companies end their financial years on 31 December. No company has been excluded from the scope.

Transactions, flows, results and capital gains within the group are cancelled out.

Goodwill discrepancy and Intangible assets

GOODWILL DISCREPANCY

When a company enters the scope of consolidation, its identifiable assets and liabilities are posted to the consolidated balance sheet at their fair value according to group accounting principles.

The difference between the acquisition cost of a company's securities and the share of the acquiring company in the assets and liabilities evaluated at their fair value, identified on the date of acquisition form the goodwill discrepancy, posted to the "goodwill discrepancy" item in balance sheet assets.

This goodwill discrepancy is amortized, on a case-by-case basis, using the straight-line method for no more than 20 years. Significant negative changes occurring in the elements used to determine the depreciation plan lead to recording of an exceptional depreciation or modification of the depreciation plan, to bring the value of goodwill discrepancy to their going value as defined below. If significant positive changes arise, they lead to a modification of the future amortization schedule excluding any writeback of depreciation.

BUSINESS

Business is not amortized. Business appearing in the assets of the consolidated balance sheet correspond to purchases of business, paid in cash.

If necessary, a provision for depreciation is set aside when the book value is lower than the going value, as defined below. Going value corresponds to the value of the forecast future value of the business, as estimated on its acquisition.

OTHER INTANGIBLE FIXED ASSETS

- Development expenses are not capitalized at consolidated accounts level. Expenses activated in subsidiary company accounts are restated at consolidated level. The amount of research and development expenses was insignificant and is booked as a charge.
- Other intangible assets, especially software acquired for in-house use, are amortized over one to three years.
- Start-up costs are depreciated for not more than five years.

MONITORING OF GOING VALUE OF GOODWILL DISCREPANCY AND INTANGIBLE FIXED ASSETS

The method of monitoring deployed to evaluate intangible assets is the DCF (discounted cash flow) method.

PRINCIPAL CRITERIA USED IN APPLYING THE DCF METHOD

- The discounting rate used is 10.7%, bearing in mind the risk-free rate, the risk premium and β .
- **The term of the explicit period is 5 years. The forecast hypotheses retained for revenues, operating profit, changes in working capital requirement, investments are specific to each company, notably taking into account their size and specific sector of activity.**

Tangible assets

Tangible assets are evaluated at acquisition cost. They are amortized according to the following methods:

Fittings and installations	straight-line method 5-10 years
Transport equipment	straight-line method 2-4 years
IT equipment	reducing and straight-line methods 3 years
Office equipment	straight-line method 5-10 years

LEASING

Fixed assets acquired on lease are adjusted. The original value is posted to assets on the balance sheet and amortized according to the methods described above. The corresponding financial debt is posted to liabilities. At the level of the income statement, the leasing charge is neutralized and replaced by a depreciation charge and a financial charge.

Financial fixed assets

Non-consolidated securities represent securities of companies that are not controlled by NEURONES. They appear on the balance sheet at acquisition cost. A provision for depreciation is made when the going value of the investment falls below its acquisition cost. Going value is evaluated mainly as a function of prospects of returns.

Inventories

Inventories of merchandise are evaluated at acquisition cost, according to the average weighted cost method. A provision for depreciation is made on a case-by-case basis when the realizable value is below the balance sheet value.

Posting of service revenues

TURNKEY PROJECTS

Revenues from turnkey projects are booked as the project progresses technically. The difference between the invoicing and the revenues calculated is posted in invoices to be prepared or in prepaid income, depending on the case. As soon as the risk of potential loss is anticipated, a provision is set aside for the entire loss.

ANNUAL CONTRACTS

Revenues from annual or long-term contracts are booked on a prorata temporis basis.

SERVICES SOLD IN THE FORM OF CHECKS TO BE SPENT

Some companies in the group sell checks for services in advance, representing days of engineering, technician maintenance or training.

Revenues in the form of sale of cheques to be spent are booked as the services are performed, therefore as the cheques are spent.

LONG-TERM OUTSOURCING CONTRACTS

Long-term outsourcing contracts generally include two main types of service:

- Initial engineering, consisting of an autonomous project prior to the start of the operational contract. This project may be invoiced at one time on completion of the initial engineering phase and at the time of operational start-up, or financed over the term of the contract, with financial interest. In the case of financing, recognition of revenues may be made in two distinct ways depending on the legal nature of the contract:
 - When the contractual conditions are such as to provide a reasonable assurance that the start-up costs will be fully invoiced and recovered at the end (firm, signed contract over the entire period, reimbursement clause of start-up costs remaining due in case of early withdrawal from the contract, etc.), the amount of initial engineering is booked as an invoice to be prepared and in revenues as soon as contractual work starts. The amount is then absorbed in the issue of subsequent invoices.
 - When contractual conditions present a low risk of non invoicing at the end of all start-up costs (contract signed over a several years, but expressly renewable every year, without a clause of reimbursement of start-up costs in case of early withdrawal, etc.), the amount of start-up costs financed is posted to "work underway" item in the balance sheet. Revenues are recognized on the actual issue of invoices throughout the period of the contract. Taking in charge of work underway is booked at the same time of recognition of revenues.
- Current operation. The methods of invoicing most generally consist of invoicing a royalty for a fixed and identical amount every month of the year. Revenues are recognized on a prorata temporis basis.

These methods of accounting, which cover practically all contracts, can, if necessary, be adjusted to take account of specific clauses in some contracts.

DISCOUNTING OF THE PART OF THE DEBT AT MORE THAN ONE YEAR

Most often, these sums generate interest. As the asset (in the form of work underway or future invoice) is recognized for the sum of capital financed without future interest, no discounting of debt of more than one year is made.

Deferred tax

Deferred taxes, assets or liabilities, are calculated according to the variable deferment method, on all existing temporary differences between book income and tax income of each consolidated tax entity, and consolidation-specific restatement. The rate of tax retained for deferred tax on closing for the year is the provisional tax rate for the following year. Loss and depreciation carry-overs reputedly deferred are activated when a return to profits is probable in the short-term.

Receivables

Receivables are evaluated at their nominal value. A provision for depreciation is made on a case-by-case basis when the balance sheet value is below the book value.

CASE OF RECEIVABLES IN FOREIGN CURRENCIES

Unrealized gains or losses from foreign exchange booked to assets or liabilities in company accounts are booked as gains or losses. Provisions for foreign exchange losses booked to company accounts are neutralized.

Investment securities and cash

Securities posted to assets correspond to the historic acquisition price. Accrued interest on commercial paper and CDs (Certificates of Deposit) are booked on a prorata temporis basis for the period accrued to the closing date. If necessary, a provision for depreciation is made on a case-by-case basis when the balance sheet value is below the book value.

Provision for pension allowances

This provision is to deal with commitments corresponding to the current value of rights acquired by employees concerning the conventional indemnities to which they are entitled on retirement. It is the result of a calculation using a retrospective method (preferential method of the CRC rule n°99-02 and the IAS 19 standard) which takes account of seniority, life expectancy and rate of personnel turnover, as well as salary revaluation and updating hypotheses. The main parameters used correspond to the forecast averages determined with reference to the records of past years.

Distinction between operating result/exceptional result

Non-recurring operations, including cases where income or charges concern events or transactions distinct from ordinary and recurring company business, are booked to operating results. Exceptional results include, apart from charges of an extraordinary nature (e.g. expropriation, earthquake, fire, etc.), disposal of fixed assets and consolidated securities.

Method of calculating diluted EPS

The number of shares taken into account in the calculation of diluted EPS is made up of:

- the average number of shares in the year,
- increased by the number of founder stock purchase warrants allocated,
- increased by the number of stock options allocated.

Scope of consolidation

List of consolidated companies

Companies consolidated by full consolidation	Head office	Commercial register N°	% interest and control 12/04 12/03	
Parent				
NEURONES SA	205, av. Georges Clemenceau – 92024 Nanterre	331 408 336	-	-
Subsidiaries				
Neurones Solutions SAS	205, av. Georges Clemenceau – 92024 Nanterre	428 210 140	95%	100%
Skills Consulting SAS	205, av. Georges Clemenceau – 92024 Nanterre	428 209 308	100%	100%
Help-Line SAS	171, av. Georges Clemenceau – 92024 Nanterre	398 300 061	93%	87%
Brainsoft SAS	205, av. Georges Clemenceau – 92024 Nanterre	410 219 943	86.2%	86.7%
Upgrade SAS	205, av. Georges Clemenceau – 92024 Nanterre	415 149 830	100%	100%
Intrinsec SARL	205, av. Georges Clemenceau – 92024 Nanterre	402 336 085	85%	90%
Codilog-Knowledge SAS	205, av. Georges Clemenceau – 92024 Nanterre	432 673 838	71%	71%
AS International Group SAS	83, rue du faubourg St Honoré – 75008 Paris	421 255 829	100%	100%
AS International SAS	83, rue du faubourg St Honoré – 75008 Paris	349 528 356	100%	100%
AS Télécom & Réseaux SARL	83, rue du faubourg St Honoré – 75008 Paris	400 332 524	100%	100%
AS Technologie SARL	83, rue du faubourg St Honoré – 75008 Paris	417 586 609	100%	100%
Inexware Services SAS	205, av. Georges Clemenceau – 92024 Nanterre	443 739 693	100%	100%
Axones SAS	205, av. Georges Clemenceau – 92024 Nanterre	450 758 040	100%	100%
IMS SAS	79, av. Edouard Vaillant – 92100 Boulogne-Billancourt	439 832 353	93%*	-

* 93% percentage interest – The percentage of control is 100%.

Variations in scope

One company entered the scope of consolidation in 2004.

- IMS, SAS with a capital of 100,000 Euros. The takeover at 100% of shares was made on 30 September 2004 by Help-Line, in turn held at 93% by the group. The company was consolidated in the scope of consolidation on 1 October 2004. Its line of business is integration of help-desk software packages and management of computer installations.

Apart from the arrival of IMS, variations in scope concerned disposals and purchases of securities from original group managers and are as follows:

- Purchase of 6% of Help-Line securities in March 2004 from a company director,
- Disposal of 4.95% of Neurones Solutions securities in March 2004 to a company director,

- Disposal of 0.77% of Brainsoft securities in May 2004, to a company director,
- Disposal of 5% of Intrinsec securities in June 2004, to two of the company directors,
- Purchase of 0.2% of Brainsoft securities in September 2004, from a company director.

The new percentage of holdings was retained for the entire period.

Proforma accounts

As the contribution of IMS (acquired in 2004) was insignificant (contribution to revenues <0.5%, contribution to operating results <0.5%), presentation in proforma accounts is not provided.

Notes to the balance sheet

Note 1 – Goodwill discrepancy

(in thousand of Euros)	31/12/03	↗	↘	31/12/04
Companies concerned				
Brainsoft	129	1	1	129
Intrinsec	356		20	336
AS International Group	10,516			10,516
Help-Line	100	545		645
Codilog-Knowledge	18			18
Codilog (merged in Codilog-Knowledge)	2,357			2,357
IMS		22		22
GROSS TOTAL	13,476	568	21	14,023
Depreciation	(2,364)	(785)	(21)	(3,128)
TOTAL NET	11,112	(217)	-	10,895

Goodwill discrepancy of BrainSoft, AS International Group and Codilog-Knowledge are amortized over 20 years.

Goodwill discrepancy resulting from complements of price paid are amortized over the residual term of goodwill discrepancy at the time of the entity entering the scope of consolidation.

The goodwill discrepancy generated on Help-Line during 2004 is amortized over 5 years.

The goodwill discrepancy generated on Brainsoft and IMS during 2004 were fully amortized during the year as they were for an insignificant amount.

NOTE ON THE ACQUISITION OF AS INTERNATIONAL GROUP

There are no more commitments nor debt on this acquisition.

NOTE ON THE ACQUISITION OF CODILOG

As of 31 December 2004, there are no more commitments nor debt on this acquisition.

NOTE ON THE ACQUISITION OF IMS

The contract provides for a price complement, indexed on the net income for 2004. As of 31 December 2004, this price complement was included in goodwill discrepancy.

There are no other off-balance sheet commitments relating to this acquisition.

DISPOSAL OF SECURITIES DURING 2004.

During 2004, NEURONES sold to directors of group companies:

- 5% of Intrinsec capital
- 0.77% of Brainsoft capital
- 4.95% of NEurones Solutions capital

Note 2 – Intangible assets

(in thousands of Euros)	31/12/03	Scope var.	↗	↘	31/12/04
Start-up costs	53				53
Concession, patents, licenses	613		138	1	750
Business	1,635		257	48	1,844
GROSS TOTAL	2,301		395	49	2,647
Depreciation	(558)		(126)	(2)	(682)
TOTAL NET	1,743		269	47	1,965

NOTE ON ACQUISITION OF BUSINESS

Businesses acquired in 2004 correspond to the takeover of two activities. The acquisition cost includes the payment in cash and the resumption of existing social rights at the time of the acquisition (paid holidays, 35-hour-week rest days) in the framework of art. L 122-12.

NOTE ON THE REDUCTION OF BUSINESS

This reduction concerns the value of Jump business, acquired by Upgrade in 2002. The final price depends on the criteria related to future revenues. Payment of the price was spread over two years. As of 31 December 2004, the value of the fund was adjusted to its real value, as the debt was adjusted at the same time.

The other acquisitions mainly correspond to IT software for in-house use.

Note 3 – Tangible assets

(in thousands of Euros)	31/12/03	Scope var.	↗	↘	31/12/04
Fittings and installations	1,537		224	233	1,528
Transport equipment	465		32	36	461
IT and office equipment	2,615	1	492	26	3,082
Fittings on lease	77				77
IT equipment on lease	89				89
GROSS TOTAL	4,783	1	748	295	5,237
Depreciation	(3,210)	(1)	(844)	(295)	(3,760)
TOTAL NET	1,573	-	(96)	-	1,477

Investments for the year mainly correspond to fittings intended for furnishing the new premises, IT equipment and company cars.

Note 4 – Financial fixed assets

(in thousands of Euros)	31/12/03	Scope var.	↗	↘	31/12/04
Non consolidated securities	39			6	33
Loans	447		149	1	595
Other financial assets	341	8	14	1	362
GROSS TOTAL	827	8	163	8	990
Provisions	(21)	-	-	(6)	(15)
TOTAL NET	806	8	163	2	975

Other financial fixed assets mainly correspond to deposits made in the form of loans in the framework of the 1% housing aid contribution and guarantee deposits (rents).

Note 5 – Inventories

(in thousands of Euros)	31/12/04	31/12/03
Goods	407	283
GROSS TOTAL	407	283
Provisions	(141)	(144)
TOTAL NET	266	139

Note 6 – Trade accounts and notes receivable

(in thousands of Euros)	31/12/04	31/12/03
Clients receivable	25,565	21,715
Invoices to be drawn up	1,539	865
GROSS TOTAL	27,104	22,580
Provisions	(304)	(310)
TOTAL NET	26,800	22,270

Note 7 – Other receivables and adjustment accounts

(in thousands of Euros)	31/12/04	31/12/03
Suppliers - Credit notes receivable	72	31
VAT	1,959	1,321
Corporate tax credit	195	587
Deferred tax - assets	305	246
Other debtor accounts	160	105
Prepaid expenses	810	603
Expenses to amortize	-	494
TOTAL	3,501	3,387

These items mature within one year.

Note 7.1 – Prepaid expenses

(in thousands of Euros)	31/12/04	31/12/03
Rents, charges and rent taxes paid in advance	233	267
Other overheads paid in advance	577	336
TOTAL	810	603

Note 7.2 – Changes in charges to amortize

(in thousands of Euros)	31/12/03	↗	↘	31/12/04
Expenses to amortize	522		522	0
TOTAL BRUT	522		522	0
Depreciation	(28)	(494)	(522)	0
TOTAL NET	494	(494)	-	0

In 2003, expenses to amortize for a gross 522 thousand Euros were booked to initial engineering of a new outsourcing contract (see accounting rules and methods § posting of revenues).

As of 31 December 2004, an analysis of the probability of recovering these initial engineering expenses led to the posting of corresponding revenues in totality in 2004, the charges to amortize were fully amortized at the same time.

Note 8 – Investment securities

(in thousands of Euros)	31/12/04		31/12/03	
	Purchase value	Market value	Purchase value	Market value
Commercial paper	12,430	12,483	8,449	8,488
Mutual funds	25,218	25,221	26,829	27,063
TOTAL	37,648	37,704	35,278	35,551

Note 9 – Deferred taxes

Note 9.1 – Deferred taxes booked

Deferred taxes appearing in the balance sheet concern the following items:

(in thousands of Euros)	31/12/04	31/12/03
Employee profit-sharing	192	165
Other temporary tax differences	83	58
Provision for pension allowances	25	18
Adjustment on fixed asset depreciation (Partial contribution of UpGrade assets)	-	1
Elimination of internal margins – Charges to amortize	-	4
Elimination of internal margins – Disposal of assets	5	-
DEFERRED TAXES - ASSETS	305	246
Expenses to amortize	-	173
DEFERRED TAXES - LIABILITIES	-	173

Note 9.2 – Carryover of deficits

As of 31 December 2004, there were no more booked or unbooked deficits to carry over.

Note 10 – Equity

Note 10.1 – Capital

As of 31 December 2004, company capital is made up of 22,847,270 shares of a nominal value of 0.40 Euro, amounting to 9,138,908 Euros.

During 2004, 15,244 founder stock purchase warrants were exercised thus creating 76,200 new shares at a price of 3.20 Euros, including 0.40 Euros in nominal value and 2.80 Euros in issue premium. The resultant increase in company capital was for 30,488 Euros and an increase in issue premium of 213,416 Euros.

The company has been listed on the Paris Stock Exchange since May 2000 and is part of the CAC Small90 and SBF 250 indexes.

Note 10.2 – Stock option plan

- The Extraordinary General meeting of 29 November 1999 allocated 476,385 founder stock option warrants and authorized the allocation of a maximum of 964,875 stock options (representing 5% of the capital). This authorization was finally completed in 2003. 964,123 options were allocated in all between 29/11/1999 and 23/01/2003. The remainder of 752 non-allocated options were cancelled at the general meeting on 25 June 2003.
- The Extraordinary General meeting on 25 June 2003 authorized the Board of directors to allocate a new stock option plan for a maximum of 250,000 options (representing 1.1% of the capital). This authorization is valid for thirty eight months. The Board of directors meeting on 15 October 2004 completed this plan by allocating 250,000 options at a price of 4.2 Euros.
- The Extraordinary General meeting on 25 June 2004 authorized the Board of directors to allocate a new stock option plan for a maximum of 100,000 options (representing 0.4% of the capital). This authorization is valid for thirty eight months. The Board of directors meeting on 15 October 2004 completed this plan by allocating 7,000 options at a price of 4.2 Euros.

The different stock option plans allocated by the Board of directors have the following characteristics:

Plan rules

	BSPCE	Plan Stock Option n° 1	Plan Stock Option n° 2	Plan Stock Option n° 3	Plan Stock Option n° 4	Plan Stock Option n° 5
Date of the General meeting	29/11/99	29/11/99	29/11/99	29/11/99	29/11/99	25/06/03 & 25/06/04
Date of the Board meeting	-	29/11/99	27/07/00	11/07/01	23/01/03	15/10/04
Maturity date of plans	29/11/04	29/11/04	27/07/05	11/07/06	1/03/07	15/10/08
Expiry date of plans	28/11/05	28/11/14	26/07/10	11/07/11	28/02/11	14/10/12
Number of beneficiaries <i>Including directors</i>	49 2	19 -	171 -	238 -	60 -	60 -
Number of options granted	476,385	165,550	304,363	320,210	174,000	257,000
Number of expired options as of 31/12/2004	(55,975)	(72,650)	(169,093)	(93,801)	(21,000)	(2,000)
Number of shares subscribed to date <i>Including directors</i>	(76,220) (71,460)	None	None	None	None	None
Subscription price	3.2 Euros	3.2 Euros	7.5 Euros	3.8 Euros	3.2 Euros	4.2 Euros
Maximum number of options remaining to be exercised	344,190	92,900	135,270	226,409	153,000	255,000
Potential dilution (cancelled options deducted) - % of capital on 31/12/2004	1.50%	0.41%	0.59%	0.99%	0.67%	1.12%
TOTAL POTENTIAL DILUTION						5.28%

The stock subscription price paid by the beneficiaries is decided on the day the options are granted by the Board of directors and cannot be less than 80% of the average price in the 20 market sessions prior to the day the options will be granted.

Note 11 – Provisions for contingencies and losses

(in thousands of Euros)	31/12/03	Scope Var.	Allocation of the year	Writeback of the year (provision not used)	Writeback of the year (provision not used)	31/12/04
Provision for contingencies and charges	221	35	151	74	-	333
Prov. for retirement indemnities	54	-	21	-	-	75
Provision for deferred taxes	173	-	-	173	-	-
TOTAL	448	35	172	247	-	408
Impact (net of incurred charges)	-	-	-	-	-	-
Operating Income	-	-	161	-	-	-
Financial results	-	-	-	-	-	-
Exceptional result	-	-	11	-	-	-

Provisions for contingencies and losses mainly correspond to social problems.

Note 12 – Loans and financial debt

Maturity of loans and financial debt is as follows:

(in thousands of Euros)	Total	Amount < 1 year	Amount > 1 year et < 5 years	Amount > 5 years
Bank overdrafts	27	27	-	-
S/Total loans and debts with banks	27	27	-	-
Deposits received	2	-	-	2
S/Total sundry loans and debts	2	-	-	2
TOTAL	29	27	-	2

Note 13 – Suppliers and related accounts, other payables and adjustment accounts

(in thousands of Euros)	31/12/04	31/12/03
Suppliers and related accounts	6,520	5,626
Sub-total suppliers payable	6,520	5,626
Employee participation and profit-sharing	618	509
Tax and social debt	16,469	13,882
Corporate tax	999	133
Other debt	730	548
Prepaid expenses	2,595	1,658
S/Total other debt and adjustment accounts	21,411	16,730
TOTAL	27,931	22,356

Prepaid income corresponds to annual contracts invoiced in advance, to check-books of services sold to clients remaining to be used, and the difference between revenues invoiced and revenues recognized as turnkey projects advance.

All operating debts expire within one year.

Note 14 – Variation of provisions on current assetst

(in thousands of Euros)	31/12/03	↗	↘	31/12/04
Inventories	144	-	3	141
Clients	310	58	64	304
Expenses to amortize	28	494	522	-
GROSS TOTAL	482	552	589	445

Notes to the income statement

Note on presentation of information by geographic zone

N/A.

Revenues were mainly generated in France.

Note on presentation of information by sector of activity

Given the evolution of the group's different businesses in the last five years, the group wants to redefine its sectors of activity, so as to propose a segmentation in compliance with the current technical offer of NEURONES. Analysis by sector of activity are presented for 2003 and 2004 according to the old and new breakdown to allow a comparison of aggregates in the income statement.

Note 15 – Analysis of revenues

Breakdown of revenues by sector of activity is as follows:

Old breakdown by sector of activity

(in thousands of Euros)	2004	%	2003	%
Integration of systems and networks	13,828	14%	14,799	16%
Outsourcing of distributed environments	32,384	33%	29,760	32%
e-Services	50,886	53%	48,173	52%
TOTAL	97,098	100%	92,732	100%

New breakdown by sector of activity

(in thousands of Euros)	2004	%	2003	%
Infrastructures - Integration	17,366	18%	17,536	19%
Infrastructures - Outsourcing	60,414	62%	54,372	59%
Applications	19,318	20%	20,824	22%
TOTAL	97,098	100%	92,732	100%

The rate of growth in revenues by sector of activity (new breakdown) is as follows:

	% growth 2004/2003	% organic growth 2004/2003
Infrastructures - Integration	(1%)	(1%)
Infrastructures - Outsourcing	11%	10%
Applications	(7%)	(7%)
TOTAL	4.7%	3.9%

Note 16 – Analysis of operating profit

Breakdown of operating profit by sector of business is as follows:

Old breakdown by sector of activity

(in thousands of Euros)	2004	%	2003	%
Integration of systems and networks	337	4%	398	5%
Outsourcing of distributed environments	3,909	48%	4,260	56%
e-Services	3,867	48%	2,930	39%
TOTAL	8,113	100%	7,588	100%

New breakdown by sector of activity

(in thousands of Euros)	2004	%	2003	%
Infrastructures - Integration	802	10%	633	8%
Infrastructures - Outsourcing	6,030	74%	6,436	85%
Applications	1,281	16%	519	7%
TOTAL	8,113	100%	7,588	100%

Operating profit rates by sector of activity (new breakdown), in relation to revenues are as follows:

	2004	2003
Infrastructures - Integration	4.60%	3.60%
Infrastructures - Outsourcing	10.00%	11.80%
Applications	6.60%	2.50%
TOTAL	8.40%	8.20%

Note 17 – Other operating income, writebacks of provisions and transfer of charges

(in thousands of Euros)	2004	2003
Other Income	204	290
Operating subsidies	151	39
Writebacks of provisions	138	147
Expense transfer	28	547
TOTAL	521	1,023

Note 18 – Payroll charges

(in thousands of Euros)	2004	2003
Wages and charges	59,552	55,332
Employee participation and profit-sharing	618	509
TOTAL	60,170	55,841

Note 19 – Autres charges d'exploitation

(in thousands of Euros)	2004	2003
Outsourcing purchases	11,012	11,513
Purchases of materials and supplies not stored	323	303
Outside personnel	735	1,187
Other external services	6,750	6,216
Other charges	103	201
TOTAL	18,923	19,420

Note 20 – Analysis of financial income

(in thousands of Euros)	2004	2003
Capital gains on money market funds	523	553
Other interest and income	400	342
Writeback of provision	6	-
TOTAL FINANCIAL INCOME	929	895
Interest and charges	151	113
Exchange variations	-	2
Net charges on sale of investment marketable securities	-	-
TOTAL FINANCIAL CHARGES	151	115
FINANCIAL INCOME	778	780

Note 21 – Analysis of Extraordinary Item

(in thousands of Euros)	2004	2003
Income from disposal of assets sold	4	3
Income from disposal of consolidated securities	296	-
Writeback of provision	5	-
TOTAL EXCEPTIONAL INCOME	305	3
Exceptional expenses on management operations	1	3
Consolidated net book value of securities sold	224	-
Allocation to provisions	11	5
TOTAL EXCEPTIONAL CHARGES	236	8
EXCEPTIONAL RESULTS	69	(5)

Note 22 – Corporate tax

(in thousands of Euros)	2004	2003
Tax requested	3,351	2,584
Tax deferred	(223)	262
TOTAL	3,128	2,846

Note 23 – Evidence of tax

(in thousands of Euros)	Basis	Rate	Tax
Income before tax, capital gains from consolidated disposal of securities sold, and depreciation of acquisition discrepancy	8,887	34.33%	3,051
Impact of charges definitively not deductible	41	34.33%	14
Difference in deferred tax rate/current rate on temporary differences (33.83% - 34.33%)	731	0.50%	4
Social contribution on profits (*)	718	3.33%	24
Tax fines/Increases			4
Consolidated capital gain on securities sold	72	(**)	31
REAL TAX CHARGE			3,128
AVERAGE TAX RATE			34.9%

(*) Supplement of tax beyond 763,000 Euros of tax (+3.33%).

(**) Long-term capital gains tax rate, calculated on the fiscal capital gains generated on disposal of securities.

Note 24 – Current tax saving achieved by the group in the framework of tax consolidation

A tax consolidation scope was formed on the sub-scope of the group and in 2004 includes NEURONES, NEurones Solutions, Skills Consulting, UpGrade, Inexware Services and Axones.

Amounts in thousands of Euros	
Tax booked by the parent company	79
Tax borne by the parent company, in the absence of tax consolidation	68

By convention, profits generated by the group subsequent to losses made by subsidiaries are not paid back.

Complementary notes concerning sectors of activity

Note 25 – Balance sheet by sector of activity - 2004 (new breakdown)

BALANCE SHEET ASSETS (in thousands of Euros)	Company parent	Infrastructures - Integration	Infrastructures - Outsourcing	Applications	Total
Goodwill discrepancy	10,874	-	21	-	10,895
Intangible assets	6	38	369	1,552	1,965
Tangible assets	11	342	784	340	1,477
Financial assets	56	245	443	231	975
TOTAL FIXED ASSETS	10,947	625	1,617	2,123	15,312
Inventories	-	266	-	-	266
Clients	2,198	4,929	15,088	4,585	26,800
Other receivables	650	455	1,807	589	3,501
Inter-sector eliminations	11,766	(1,516)	(6,425)	(3,825)	-
Marketable securities for investment	21,401	665	10,205	5,377	37,648
Cash	(6,270)	2,620	12,211	425	8,986
TOTAL CURRENT ASSETS	29,745	7,419	32,886	7,151	77,201
TOTAL ASSETS	40,692	8,044	34,503	9,274	92,513

BALANCE SHEET LIABILITIES (in thousands of Euros)	Company parent	Infrastructures - Integration	Infrastructures - Outsourcing	Applications	Total
Capital	9,139	-	-	-	9,139
Premiums	28,723	-	-	-	28,723
Reserves	1,108	1,886	14,837	1,949	19,780
Result for the period	47	528	3,517	647	4,739
SHAREHOLDERS' EQUITY (GROUP SHARE)	39,017	2,414	18,354	2,596	62,381
Minorities	-	347	480	938	1,765
Provisions for risks and charges	9	24	209	166	408
Loans & financial debt	-	2	-	27	29
Suppliers	158	2,310	2,713	1,339	6,520
Other debt and adjustment accounts	1,508	2,947	12,747	4,208	21,410
TOTAL DEBT	1,666	5,259	15,460	5,574	27,959
TOTAL LIABILITIES	40,692	8,044	34,503	9,274	92,513

Note 26 – Table of simplified cash flow by sector of business -2004 (new breakdown)

(in thousands of Euros)	Company parent	Infrastructures - Integration	Infrastructures - Outsourcing	Applications	Total
Net result	(716)	568	4,278	916	5,046
Non monetary elements <i>deprec. & prov., deferred tax, capital gains</i>	748	207	315	307	1,577
Variation in WCR	807	898	(612)	(202)	891
CASH GENERATED BY THE ACTIVITY	839	1,673	3,981	1,021	7,514
Productive investments	(25)	(324)	(482)	(213)	(1,044)
FREE CASH FLOW	814	1,349	3,499	808	6,470
Net investments - external growth	(608)		(240)		(848)
Increase of capital	244				244
CHANGE IN CASH	450	1,349	3,259	808	5,866
CASH ON OPENING	14,681	1,936	19,157	4,968	40,742
CASH ON CLOSING	15,131	3,285	22,416	5,776	46,608

Various information

Off-balance sheet commitments

There were no off-balance sheet commitments on 31 December 2004. Especially, there were no off-balance sheet commitments for complements of price on acquisition of securities (see Note 1).

Degree of exposure to rate and FX risks

By the nature of its activity, for the most part conducted in France by French subsidiaries, mainly invoiced in Euros, NEURONES is not overly exposed to rate and FX risks.

Tax regime of group companies

Since 1 January 2000, the NEURONES group has opted for tax consolidation for the years from 2000 to 2004. The consolidated group includes NEURONES SA, NEurones Solutions, Skills Consulting, Upgrade, Inexware Services and Axones.

The tax consolidation option is renewed for 2005 to 2009 on the same scope.

Average payroll

	2004	2003
Executives	661	633
Employees	572	523
TOTAL	1,233	1,156

Remuneration of directors

The total amount of remunerations allocated to members of the NEURONES S.A. board of directors is 279,135 Euros for the year.

Other company commitments relating to working medals

The first application of CRC rule n° 2004-03 on 1 January 2004, concerning measures relating to work medals had no impact on the period's results, nor on shareholders' equity on opening.

2. Annual accounts as of 31 December 2004

ASSETS (in Euros)	Notes	31/12/2004		31/12/2003	
		Gross	Depreciation and provisions	Net	Net
Concessions, patents and similar rights		28,290	22,754	5,536	-
Business		-	-	-	1,524
INTANGIBLE ASSETS	<i>Note 1</i>	28,290	22,754	5,536	1,524
Other intangible assets		49,349	38,169	11,181	7,873
INTANGIBLE ASSETS	<i>Note 2</i>	49,349	38,169	11,181	7,873
Participations		54,029,013	-	54,029,013	53,544,990
Other capitalized securities		-	-	-	-
Loans		51,464	-	51,464	39,734
Other financial assets		5,059	-	5,059	5,059
FINANCIAL ASSETS	<i>Notes 3/4</i>	54,085,536	-	54,085,536	53,589,783
TOTAL FIXED ASSETS		54,163,176	60,923	54,102,253	53,599,181
Trade accounts and notes receivable	<i>Note 5</i>	2,433,243	-	2,433,243	1,452,774
Other receivables	<i>Note 6</i>	680,285	-	680,285	790,004
Marketable investment securities	<i>Note 7</i>	21,364,154	-	21,364,154	17,901,813
Cash		1,106,451	-	1,106,451	328,666
TOTAL CURRENT ASSETS		25 584,134	-	25,584,134	20,473,258
Prepaid expenses	<i>Note 6</i>	23,007	-	23,007	24,547
TOTAL ASSETS		79,770,317	60,923	79,709,394	74,096,986

LIABILITIES (in Euros)	Notes	31/12/2004	31/12/2003
Company capital		9,138,908	9,108,420
Issue premium		27,933,860	27,720,444
Legal reserve		910,842	910,842
Carried forward		30,470,853	30,181,912
RESULT FOR THE YEAR		(68,540)	288,941
TOTAL DES CAPITAUX PROPRES	<i>Note 8</i>	68,385,923	68,210,559
Provisions for contingencies		-	-
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES		-	-
Loans and debts with banks	44	332,494	
Suppliers and related accounts		2,901,433	1,526,397
Tax and social debt		1,287,053	235,747
Other debt		7,134,941	3,791,790
TOTAL DEBT	<i>Note 9</i>	11,323,471	5,886,428
TOTAL LIABILITIES		79,709,394	74,096,986

INCOME STATEMENT

(in Euros)	Notes	2004	2003
Sale of goods		22,444	6,543
Service production sold		11,004,277	8,270,308
NET REVENUES	<i>Note 12</i>	11,026,721	8,276,850
<i>Including exports</i>		-	-
Operating subsidies		-	-
Writebacks on provisions and depreciation, transfer of charges		6,220	6,220
Other income		30,998	26,369
OPERATING INCOME		11,063,939	8,309,439
Sale of goods		22,444	6,543
Variation in inventories		-	-
Other purchases and external charges		10,218,630	7,498,329
Taxes, duties and similar payments		39,014	28,823
Wages and salaries		724,675	648,881
Social charges		295,298	262,175
Allocations to depreciation on fixed assets		7,617	4,273
Provisions on current assets		-	-
Contingencies and loss provisions		-	-
Other charges		3,000	3,791
OPERATING CHARGES		11,310,678	8,452,814
OPERATING INCOME/LOSS		(246,739)	(143,375)
Financial income from controlling interests		-	-
Other interest and income		263,195	221,808
Net income from the sale of marketable investment securities		195,895	278,792
Writeback of provisions on financial assets		6,098	-
FINANCIAL INCOME		465,188	500,600
Interest and charges		107,246	112,275
Other financial charges		6,098	-
FINANCIAL CHARGES		113,344	112,275
FINANCIAL INCOME		351,844	388,325
PRETAX INCOME FROM ORDINARY BUSINESS		105,105	244,950
Extraordinary income from management operations		-	-
Exceptional income on capital operations		296,367	21,300
Adjustments for provisions and transfer of charges		-	-
EXCEPTIONAL INCOME		296,367	21,300
Exceptional expenses on management operations		1,524	-
Exceptional expenses on capital operations		389,812	21,300
EXCEPTIONAL CHARGES		391,337	21,300
EXCEPTIONAL RESULT		(94,970)	-
Employee profit-sharing	-	-	-
Corporate tax	<i>Note 13</i>	78,676	(43,991)
TOTAL INCOME		11,825,495	8,831,339
TOTAL CHARGES		11,894,035	8,542,398
PROFIT/(LOSS)		(68,540)	288,941

Notes to annual accounts

Introduction

Annual accounts for the financial year ending 31 December 2004 are presented and are prepared in compliance with legal and statutory provisions in force in France, respecting the principles of prudence, independence of financial years, constant accounting methods and in the context of ongoing operations.

Accounting rules and methods

Intangible assets

Software acquired for in-house use is amortized according to the straight-line method over one year.

Tangible assets

Tangible assets are evaluated at acquisition cost. They are amortized according to the following methods:

- Fittings and installations straight-line method 5 years
- Transport equipment straight-line method 4 years
- IT equipment reducing method 3 years
- Office equipment straight-line method 5 years

Financial fixed assets

Financial fixed assets are evaluated at acquisition cost. A provision for depreciation is made when the going value of the investment falls below its acquisition cost. Going value is evaluated mainly as a function of prospects of returns.

Receivables and debt

Receivables and debt are evaluated at their nominal value.

If necessary, a provision for depreciation is made on a case-by-case basis when the balance sheet value is below the book value.

Investment securities and cash

Securities posted to assets correspond to the historic acquisition price.

Accrued interest on commercial paper and CDs (Certificates of Deposit) are booked on a prorata temporis basis for the period accrued to the closing date.

If necessary, a provision for depreciation is made on a case-by-case basis when the balance sheet value is below the book value.

Notes to the balance sheet

Note 1 – Intangible assets

GROSS VALUES (in Euros)	31/12/03	↗	↘	31/12/04
Concession, patents, licenses	20,444	7,846		28,290
Business	1,524		1,524	-
TOTAL	21,968	7,846	1,524	28,290

Acquisitions correspond to software for internal use.

DEPRECIATION (in Euros)	31/12/03	↗	↘	31/12/04
Concession, patents, licenses	20,443	2,311		22,754
TOTAL	20,443	2,311	-	22,754

Note 2 – Tangible assets

GROSS VALUES (in Euros)	31/12/03	↗	↘	31/12/04
Fittings and installations	9,988			9,988
Transport equipment	7,318			7,318
IT and office equipment	23,430	8,613		32,043
TOTAL	40,736	8,613	-	49,349

Acquisitions correspond to IT equipment for internal use.

DEPRECIATION (in Euros)	31/12/03	↗	↘	31/12/04
Fittings and installations	4,760	1,998		6,758
Transport equipment	7,318			7,318
IT and office equipment	20,784	3,309		24,093
TOTAL	32,862	5,307	-	38,169

Note 3 – Financial fixed assets

GROSS VALUES (in Euros)	31/12/03	↗	↘	31/12/04
Participations	53,544,990	873,835	389,812	54,029,013
Other long-term securities	6,098	-	6,098	-
Loans	39,734	13,260	1,530	51,464
Other financial assets	5,059	-	-	5,059
TOTAL	53,595,881	887,095	397,440	54,085,536

A table presenting information on subsidiaries and controlling interests is at the end of the appendix.

The main movements for the year in the controlling interests item correspond to the following flows:

- Purchase of 6% of Help-Line securities, from one of the original shareholding employees,
- Sale of 4.95% of Neurones Solutions securities to the new company manager,
- Sale of 5% of Intrinsec securities to two employees,
- Sale of 0.77% of Brainsoft to the manager,
- Purchase of 0.2% of Brainsoft securities from a shareholding employee

Other financial fixed assets mainly correspond to deposits made in the form of loans in the framework of the 1% housing aid contribution and deposit guarantees.

OFF-BALANCE SHEET COMMITMENTS CONCERNING ACQUISITIONS

As of 31 December 2004, there were no off-balance sheet commitments on acquisitions.

Note 4 – Provisions on financial fixed assets

PROVISIONS (in Euros)	31/12/03	↗	↘	31/12/04
Other long-term securities	6,098		6,098	0
TOTAL	6,098		6,098	0

Note 5 – Trade accounts and notes receivable

(in Euros)	31/12/04	31/12/03
Clients receivable	2,433,243	1,452,774
GROSS TOTAL	2,433,243	1,452,774

Note 6 – Maturity of receivables at year end

(in Euros)	Gross amount	1 year	More than 1 year
Of fixed assets			
Loans	51,464	3,166	48,298
Other financial assets	5,059		5,059
TOTAL	56,523	3,166	53,357
Of current assets			
Client receivables and related accounts	2,433,243	2,433,243	
Status: VAT	604,766	604,766	
Current debtor accounts	75,519	75,519	
TOTAL	3,113,528	3,113,528	
Prepaid expenses	23,007	23,007	
GENERAL TOTAL	3,193,058	3,139,701	53,357

Current accounts are used to book movements related to corporate tax (tax burden, down payments and liquidation of corporate tax) as part of the tax consolidation scheme implemented by NEURONES and subsidiaries concerned by group tax consolidation. They are also used

to record cash movements in the framework of the cash pooling agreement (cash pooling with capital rising in value by means of a mirror account) between NEURONES and the subsidiaries adhering to this agreement.

Note 7 – Investment securities

	31/12/2004		31/12/2003	
	Purchase Value	Net asset Value	Purchase Value	Net asset Value
Commercial paper	12,430,115	12,482,681	8,448,940	8,488,537
Cash mutual funds	4,413,334	4,413,334	9,452,873	9,686,602
Term deposit	4,520,705	4,520,705		
TOTAL	21,364,154	21,416,720	17,901,813	18,175,139

Note 8 – Equity

Note 8.1 – Capital

As of 31 December 2004, company capital is made up of 22,847,270 shares of a nominal value of 0.40 Euro, amounting to 9,138,908 Euros.

During 2004, 15,244 founder stock purchase warrants were exercised thus creating 76,220 new shares at a price of 3.20 Euros, including 0.40 Euros in nominal value and 2.8 Euros in issue premium. The resultant increase in company capital was for 30,488 Euros and an increase in issue premium of 213,416 Euros.

The company has been listed on the Paris Stock Exchange since May 2000 and is part of the CAC Small90 and SBF 250 indexes.

Note 8.2 – Stock option plan

- The Extraordinary General meeting of 29 November 1999 allocated 476,385 founder stock option warrants and authorized the allocation of a maximum

of 964,875 stock options (representing 5% of the capital). This authorization was definitively closed during 2003. 964,123 options were allocated between 29/11/1999 and 23/01/2003. The remaining 752 options not allocated, were cancelled by the General meeting on 25 June 2003.

- The Extraordinary General meeting on 25 June 2003 authorized the Board of directors to allocate a new stock option plan for a maximum of 250,000 options (representing 1.1% of the capital). This authorization is valid for thirty eight months. The Board of directors meeting on 15 October 2004 completed this plan by allocating 250,000 options at a price of 4.2 Euros.
- The Extraordinary General meeting on 25 June 2004 authorized the Board of directors to allocate a new stock option plan for a maximum of 100,000 options (representing 0.4% of the capital). This authorization is valid for thirty eight months. The Board of directors meeting on 15 October 2004 completed this plan by allocating 7,000 options at a price of 4.2 Euros.

The different stock option plans allocated by the Board of directors have the following characteristics:

Plan rules

	Founder Warrants	Plan Stock Option n°1	Plan Stock Option n°2	Plan Stock Option n°3	Plan Stock Option n°4	Plan Stock Option n°5
Date of the General meeting	29/11/99	29/11/99	29/11/99	29/11/99	29/11/99	25/06/03 & 25/06/04
Date of the Board meeting	-	29/11/99	27/07/00	11/07/01	23/01/03	15/10/04
Maturity date of plans	29/11/04	29/11/04	27/07/05	11/07/06	1/03/07	15/10/08
Expiry date of plans	28/11/05	28/11/14	26/07/10	11/07/11	28/02/11	14/10/12
Number of beneficiaries	49	19	171	238	60	60
Including directors	2	-	-	-	-	-
Number of options granted	476,385	165,550	304,363	320,210	174,000	257,000
Number of expired options as of 31/12/2004	(55,975)	(72,650)	(169,093)	(93,801)	(21,000)	(2,000)
Number of shares subscribed to date	(76,220)	None	None	None	None	None
Including directors	(71,460)					
Subscription price	3.2 Euros	3.2 Euros	7.5 Euros	3.8 Euros	3.2 Euros	4.2 Euros
Maximum number of options remaining to be exercised	344,190	92,900	135,270	226,409	153,000	255,000
Potential dilution (cancelled options deducted)						
-% of capital on 31/12/2004	1.50%	0.41%	0.59%	0.99%	0.67%	1.12%
TOTAL POTENTIAL DILUTION						5.28%

The stock subscription price paid by the beneficiaries is decided on the day the options are granted by the Board of directors and cannot be less than 80% of the average price in the 20 market sessions prior to the day the options will be granted.

Note 8.3 – Changes in stockholders' equity

Changes in equity during the year is as follows:

(in Euros)	31/12/03	↗	↘	31/12/04
Company capital	9,108,420	30,488		9,138,908
Issue premium	27,720,444	213,416		27,933,860
Legal reserve	910,842			910,842
Carried forward	30,181,912	288,941		30,470,853
Result for the year 2003	288,941		288,941	-
Result for the year 2004		(68,540)		(68,540)
TOTAL	68,210,559	464,305	288,941	68,385,923

Note 9 – Maturity of debt at year end

(in Euro)	Total	Amount < 1 year	Amount > 1 year < 5 years	Amount > 5 years
Loans with banks				
- less than two years originally	44	44		
- more than 2 years originally				
Suppliers and related accounts	2,901,433	2,901,433		
Tax and social debt	1,287,053	1,287,053		
Other debt	7,134,941	7,134,941		
TOTAL	11,323,471	11,323,471		

Note 10 – Adjustment accounts

(in Euros)	31/12/04	31/12/03
Accrued Income		
Accrued Interest	52,566	273,326
TOTAL	52,566	273,326
Accrued liabilities		
Suppliers and related accounts	54,245	51,296
Tax and social debt	157,069	129,874
Other debt	69,611	95,837
GROSS TOTAL	280,925	277,007

Note 11 – Elements concerning affiliated companies and controlling interests

(in Euros)	Associated companies	Companies with whom the company has an interest
Assets		
Participations	54,029,013	
Client receivables and related accounts	235,120	
Current debtor accounts	75,519	
TOTAL ASSETS	54,339,652	
Liabilities		
Suppliers and related accounts	2,743,854	
Current creditor accounts	6,954,951	
TOTAL PASSIF	9,698,805	
Result		
Operating income	1,749,046	
Financial income	571	
Other purchases and external charges	9,731,882	
Financial charges	7,307	

Notes to the income statement

Note 12 – Analysis of revenues

Revenues mainly consist of re-invoicing of head office expenses to the various subsidiaries of the group, as well as revenues for which NEURONES S.A. centralizes re-invoicing with reference to the main national accounts. Revenues were generated in France. Their breakdown can be analysed as follows:

(in thousands of Euros)	2004	%	2003	%
Activities				
Re-invoicing of head office expenses	1,749	16%	1,451	18%
Re-invoicing references	9,242	84%	6,816	82%
Others	36	-	10	-
TOTAL	11,027	100%	8,277	100%

Note 13 – Breakdown of corporate tax

(in Euros)	Year		Year before	
	Pretax profit	Tax	Profit after tax	Profit after tax
Profit from ordinary business	105,105	37,260	67,845	159,176
Exceptional result	(94,969)	30,493	(125,462)	-
Tax integration profit	-	(977)	(977)	(134,698)
Additional tax rate (> 763 KEuros) (Tax integration)	-	11,900	11,900	4,933
NET BOOK RESULT	10,136	78,676	(68,540)	288,941

Other information

Note 14 – Off-balance sheet commitments

Retirement commitments – As of 31 December 2004, the amount of commitments related to pension indemnities was evaluated using the retrospective method, but it was not booked. The amount of commitments at the end of December 2004 amounted to 9 million Euros.

Other commitments – There are no other off-balance sheet commitments than the complement of price of acquisitions of securities mentioned in note 3.

Note 15 – Degree of exposure to risks rates and foreign exchange risks

Due to the nature of its business in France, invoiced mainly in Euros, NEURONES S.A. is not exposed to any significant rate and foreign exchange risk.

Note 16 – Average payroll

	2004	2003
Executives	8	8
TOTAL	8	8

Note 17 – Remuneration of directors

The total amount of remunerations allocated to members of the NEURONES S.A. board of directors is 279,135 Euros for the year.

Note 18 – Other company commitments relating to working medals

The first application of CRC rule no. 2004-03 on 1 January 2004, concerning measures relating to work medals had no impact on the period's results, nor on shareholders' equity on opening.

Note 19 – Increase and lightening of the future tax debt

(in Euros)	2004	2003
Reintegration of the year to deduct the following year		
Organic	14,227	10,717
Latent capital gains on money market funds	-	78
TOTAL	14,227	10,795

Note 20 – Tax regime for group companies

Since 1 January 2000, the NEURONES group has opted for tax consolidation for the years from 2000 to 2004. The consolidated group includes NEURONES SA, NEurones Solutions S.A., Skills Consulting SAS, Upgrade SAS, Inexware Services SAS and Axones SAS. The tax consolidation option is renewed for 2005 to 2009 on the same scope.

METHODS OF BREAKING DOWN CORPORATE TAX BASED ON THE RESULTS OF THE ENTIRE GROUP:

The tax burden is paid by consolidated companies, the parent and subsidiaries, as when there is no tax consolidation. This charge is calculated on the actual tax result after booking all their prior losses.

Tax savings made by the group thanks to losses are totally retained by the parent company. Savings made by the group not related to losses are also retained by the parent company.

DIFFERENCE BETWEEN TAX BOOKED AND TAX BORNE IN THE ABSENCE OF TAX CONSOLIDATION.

(in Euros)	
Tax booked	78,676
Tax paid	1,580,443

DIFFERENCE BETWEEN TAX BOOKED AND TAX BORNE IN THE ABSENCE OF TAX CONSOLIDATION.

(in Euros)	
Tax booked	78,676
Tax borne in the absence of tax consolidation	67,753

Note 21 – Identity of the company drafting consolidated accounts

NEURONES SA is the parent company of the group and draws up consolidated accounts

Table of subsidiaries and participations

(in thousands of Euros)	Capital	Other capital equity ⁽¹⁾	Share of capital held (in %)	Book value of securities		Loans & advances granted	Sureties & guarantees given	Revenues excluding taxes	Result 2004	Dividends received
Company				Gross	Net					
I. Subsidiaries (more than 50% owned)										
HELPLINE	400	6,327	93.00%	1,345	1,345	-	-	29,320	1,470	-
BRAINSOFT	480	1,344	86.17%	791	791	-	-	6,623	89	-
UPGRADE	3,813	796	100.00%	3,811	3,811	-	-	5,377	146	-
INTRINSEC	480	596	85.00%	448	448	-	-	3,651	314	-
NEURONES SOLUTIONS	7,373	2,010	95.05%	7,006	7,006	-	-	17,178	249	-
SKILLS CONSULTING	22,875	8,972	100.00%	22,867	22,867	-	-	20,797	1,522	-
CODILOG-KNOWLEDGE	5,460	741	71.03%	3,274	3,274	-	-	3,069	462	-
AS INTERNATIONAL GROUP	555	1,758	100.00%	12,196	12,196	-	-	1,815	87	-
INEXWARE SERVICES	2,250	439	100.00%	2,250	2,250	-	-	5,553	235	-
AXONES	40	(3)	100.00%	40	40	-	-	-	(3)	-
II. Participations (10 to 50% held)										
	-	-	-	-	-	-	-	-	-	-
III. Other capitalized securities										
	-	-	-	-	-	-	-	-	-	-
TOTAL				54,028	54,028					-

(1) Before breakdown

3. Consolidated accounts as of 31 December 2004 - IFRS standards

3.1. Context of the publication

In application of the European Directive no.1606/2002 of 19 July 2002 concerning international standards, consolidated accounts of the NEURONES group for the year ending 31 December 2005 will be prepared according to international IAS/IFRS accounting standards applicable as of 31 December 2005, as approved by the European Union. The first accounts published according to the IAS/IFRS standards will be those of 2005 presented with a comparison of 2004 accounts, drawn up according to the same reference, except for standards IAS 32/IAS 39 and IFRS 4 applied to accounts as of 1 January 2005.

As comparative financial statements are published for financial year 2005 in compliance with the recommendation of the AMF (Autorité des Marchés Financiers) relating to financial communication during the transition period, the NEURONES group prepared the financial information for 2004 on the transition to IAS/IFRS standards presenting, for preliminary information purposes, the forecast impact of the transition to IFRS in figures for:

- The balance sheet on the date of transition, i.e. 1 January 2004, the date when the final impacts of the transition will be recorded in shareholders' equity when publishing consolidated accounts for 2005,
- The financial situation as of 31 December 2004 and performance for 2004.

The 2004 financial information on the expected impact of the transition to IFRS was prepared by applying the IFRS standards and interpretations to 2004 data that the NEURONES group reckons it must apply in the preparation of comparative consolidated accounts as of 31 December 2005. The basis of preparation of this financial information for 2004 described in the notes consequently results in:

- IFRS standards and interpretations compulsorily applicable as of 31 December 2005 as known to date,
- IFRS standards and interpretations compulsorily applicable after 2005 for which the group has decided on early application,
- The resolution that the NEURONES group anticipates to date of technical questions and projects underway discussed by the IASB and IFRIC and which could become applicable on publication of consolidated accounts for 2005,
- Options retained and exemptions used are those that the group will in all probability retain to draw up its first IFRS consolidated accounts in 2005.

For all these reasons, it is possible that the opening audited balance sheet will not be the opening balance sheet on which the 2005 consolidated accounts are actually prepared from.

This information was checked by the Board of directors on 25 April 2005 and duly audited by the auditors.

3.2. Information in figures on the transition to IFRS

Accounting options related to the first adoption

According to the conditions provided by IFRS 1 standard, the NEURONES group opted for the following choices as regards retrospective processing of assets and liabilities according to the IFRS standards:

A) GROUPING OF COMPANIES

The group opted not to readjust according to the IFRS 3 standard for grouping of companies prior to 1 January 2004.

B) ACTUARIAL DISCREPANCIES ON RETIREMENT COMMITMENTS

The group decided to post all actuarial gains or losses in results immediately. Consequently, actuarial discrepancies prior to 1 January 2004 are already booked in opening shareholders' equity as of 1 January 2004.

C) CONVERSION DISCREPANCIES

Consolidated accounts do not include foreign subsidiaries.

D) EVALUATION OF SOME INTANGIBLE AND TANGIBLE ASSETS AT THEIR FAIR VALUE

The NEURONES group has not used the option offered by the IFRS 1 standard to evaluate some intangible and tangible assets at their fair value.

E) PAYMENT ON THE BASIS OF SHARES

For plans concerning shares, the group opted to apply the IFRS 2 standard for plans granted after 7 November 2002 whose rights are not acquired as of 1 January 2005.

F) COMPOUND FINANCIAL INSTRUMENTS

The group has no compound financial instruments.

G) DIFFERENT DATES OF TRANSITION BETWEEN THE GROUP AND A SUBSIDIARY

The transition date to IFRS is the same as for all group companies, i.e. 1 January 2005.

Main IFRS accounting methods

A) GOODWILL DISCREPANCY AND INTANGIBLE ASSETS

An intangible asset is recognized in assets (IAS 38) when:

- it can be separated or extracted from the group and sold in the framework of an operation that will not be a grouping of companies,
- it is the outcome of legal contractual rights,
- it is probable that the future economic advantages will benefit the group,
- the cost can be evaluated in a reliable manner.

Businesses: booked at the acquisition cost. They result from the purchase of activities and correspond to a volume of revenues and margin generated by contract.

They are amortized over the estimated life of the contract.

Other intangible fixed assets: the group has not identified significant development expenses corresponding to the definition in IAS 38.57. The other intangible assets mainly correspond to IT software for in-house use. They are amortized over the estimated life of use.

Goodwill discrepancy: the group opted not to restate groupings of companies prior to 1 January 2004 as per the provisions of IFRS 3 standard. Goodwill discrepancy is no longer amortized from that date. Goodwill discrepancy value is checked by impairment tests (IAS 36). Evaluation is based on the DCF method as described in the accounting rules and methods of the consolidated notes.

B) TANGIBLE ASSETS

Tangible assets are booked at acquisition cost. The group did not opt for the revaluation method of its assets. Fixed assets are amortized for their life span using the straight-line and reducing methods.

C) FINANCIAL ASSETS

Other financial assets mainly correspond to deposits made in the form of loans in the framework of the 1% housing aid contribution and deposit guarantees. They are evaluated at their nominal value.

D) DEFERRED TAX

Deferred tax is calculated on the temporary difference between the accounting and fiscal results, and consolidation adjustments in compliance with IAS 12 standard.

E) CLIENTS AND OTHER RECEIVABLES

Receivables are evaluated at their nominal value. No terms of payment exceed one year. A provision for depreciation is made on a case-by-case basis when the balance sheet value is below the book value.

F) INVESTMENT SECURITIES

Investment securities booked to assets are evaluated at their fair value (IAS 39).

G) RECOGNITION OF REVENUES - SERVICES

Revenues in the form of services are booked as they are produced in compliance with IAS standards 18 and 11. The accounting rules and methods of the consolidated notes specify the method of booking, depending on the case.

H) STOCKS OPTIONS

Plans allocated after 7 November 2002 are subject of evaluation as per IFRS 2 standards. The chosen evaluation model of options is the Black & Scholes method. Evaluation at fair value of the service on the date of allocation is recognized on a prorata temporis basis for the entire period of non-availability, at the charge of the personnel in exchange for the equity.

IFRS adjustments

Only adjustments estimated to be significant were mentioned in the tables of transition from French standards to IFRS standards.

So notably, the impacts on depreciation resulting from any adjustment in duration of software and business use are not presented below, as they are considered to be insignificant.

Consequently, IFRS reconciliation for 2004 presented in the consolidated accounts for 2005 could be different from the reconciliations presented below.

The following significant adjustments are identified:

NOTE 1 - GOODWILL DISCREPANCY

There is no cause to book depreciation of goodwill discrepancy for 2004 in application of IFRS standards 3 and 38. The writeback results in a positive adjustment for the profit of 785 thousand Euros.

NOTE 2 - STOCKS OPTIONS

The main criteria retained to evaluate the fair value of options for the plans allocated after 7 November 2002 are as follows:

Life span	4 years
Volatility	35%
Risk-free rate	4.50%
Dividend payment rate	0%

In application of the Black & Scholes model, the fair value per unit of options is as follows:

Plan	Strike price	Fair value
January 2003	3.20 Euros	1.093 Euros
October 2004	4.20 Euros	1.434 Euros

NOTE 3 - BUSINESS

The business related to grouping of companies not corresponding to the definition of intangible assets recalled below are reclassified in goodwill discrepancy. The impact of presentation at the level of consolidated assets amounts to 1,345 thousand Euros.

3.3. Table of change from French to IFRS standards

Table of reconciliation of shareholders' equity on 01/01/2004 in French accounting principles to shareholders' equity in IFRS standards (as per the IG63 model of the IFRS1)

BALANCE SHEET (in thousands of Euros)	01/01/04 Principles French standard according to IAS/IFRS presentation methods	Ref.	Adjustments IAS/IFRS	01/01/2004 IAS/IFRS
Non-current assets				
Goodwill discrepancy	11,112	<i>Note 3</i>	1,345	12,457
Intangible assets	1,743	<i>Note 3</i>	(1,345)	398
Tangible assets	1,573			1,573
Investment vehicles	-			-
Biological assets	-			-
Holdings in associated companies	-			-
Financial assets	806			806
Deferred tax assets	246			246
Current assets				
Inventories	139			139
Required tax assets	587			587
Clients and other debtors	24,824			24,824
Other financial assets	-			-
Cash and cash equivalents	41,248			41,248
Assets held for disposal				
TOTAL ASSETS	82,278		-	82,278
Capital	9,108			9,108
Consolidated reserves	19,780			19,780
Issue premium	28,509			28,509
Other reserves	-			-
Revaluation differences	-			-
FX gains/loss	-			-
TOTAL SHAREHOLDERS' EQUITY (GROUP SHARE)	57,397		-	57,397
Minorities	1,562			1,562
Shareholders' equity	58,959		-	58,959
Non-current liabilities				
Long-term provisions	-			-
Financial liabilities	-			-
Deferred tax	173			173
Current liabilities				
Short-term provisions	275			275
Tax debt	133			133
Suppliers and other creditors	22,232			22,232
Other financial liabilities	506			506
Liabilities held for disposal	-			-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	82,278		-	82,278

Table of reconciliation of shareholders' equity on 31.12.04 in French accounting principles to shareholders' equity in IFRS standards (as per the IG63 model of the IFRS1)

BALANCE SHEET (in thousands of Euros)	31 / 12 / 04 Principles French standard according to IAS/IFRS presentation methods	Ref.	Adjustments IAS/IFRS	31 / 12 / 2004 IAS/IFRS
Non-current assets				
Goodwill discrepancy	10,895	<i>Note 3</i>	2,130	13,025
Intangible assets	1,965	<i>Note 3</i>	(1,345)	620
Tangible assets	1,477			1,477
Investment vehicles	-			-
Biological assets	-			-
Holdings in associated companies	-			-
Financial assets	975			975
Deferred tax assets	305			305
Current assets				
Inventories	266			266
Required tax assets	195			195
Clients and other debtors	29,801			29,801
Other financial assets	-			-
Cash and cash equivalents	46,634			46,634
Assets held for disposal				
TOTAL ASSETS	92,513		785	93,298
Capital	9,139			9,139
Consolidated reserves	24,519	<i>Note 1</i>	785	25,304
Issue premium	28,723			28,723
Other reserves	-			-
Revaluation differences	-			-
FX gains/loss	-			-
TOTAL SHAREHOLDERS' EQUITY (GROUP SHARE)	62,381		785	63,166
Minorities	1,765			1,765
Shareholders' equity	64,146		785	64,931
Non-current liabilities				
Long-term provisions	-			-
Financial liabilities	-			-
Deferred tax	-			-
Current liabilities				
Short-term provisions	408			408
Tax debt	999			999
Suppliers and other creditors	26,933			26,933
Other financial liabilities	27			27
Liabilities held for disposal	-			-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	92,513		785	93,298

IFRS income statement 2004

INCOME STATEMENT (in thousands of Euros)	2004 Principles French standard according to methods IAS/IFRS presentation	Ref.	Adjustments IAS/IFRS	2004 IAS/IFRS
Sale of goods	7,853			7,853
Sale of services	89,245			89,245
REVENUES	97,098		-	97,098
Other Income from activities				
Purchases consumed	(6,662)			(6,662)
Payroll charges	(60,073)	Note 2	(60)	(60,133)
External charges	(18,820)			(18,820)
Taxes and duties	(2,049)			(2,049)
Depreciation	(1,034)			(1,034)
Allocation to provisions	(598)			(598)
Depreciation of assets				
Other income/charges	251			251
CURRENT OPERATING RESULT	8,113		(60)	8,053
Other operating income and charges	68			68
OPERATING RESULT	8,181		(60)	8,121
Financial income	778			778
Cost of gross financial debt				
Cost of net financial debt	778		-	778
Other financial income and charges				
Share of net profit in equity method companies				
PRETAX RESULT	8,959		(60)	8,899
Tax burden on results	(3,128)			(3,128)
Net result for the period from ongoing activities	5,831		(60)	5,771
Net result for the period from activities given up				
Depreciation of goodwill discrepancy	(785)	Note 1	785	
NET PROFIT FOR THE PERIOD	5,046		725	5,771
<i>Of which:</i>				
Net income (group share)	4,739		725	5,464
Net profit to minorities	307			307

Table of reconciliation of shareholders' equity on 01.01.2004 and 31.12.04 in French accounting principles to shareholders' equity in IFRS and reconciliation of 2004 results

	Shareholders' equity (group share)							Minorities minoritaires 31/12/04	Overall total Consolidated 31/12/04
	Standard	1 January 2004	Result of the year	Increase in capital	Other	FX conversion	31/12/04		
(in thousands of Euros)									
Shareholders' equity in French accounting principles		57,398	4,739	244	-	-	62,381	1,765	64,146
Adjustment 1 IFRS - Goodwill discrepancy	IFRS3 / IAS 38	-	785	-	-	-	785	-	785
Adjustment 2 IFRS - Stocks Options	IFRS 2	-	(60)	-	60	-	-	-	-
Total adjustments IAS/IFRS before tax and minorities		-	725	-	60	-	785	-	785
Tax impact on adjustments IAS/IFRS		-	-	-	-	-	-	-	-
SHAREHOLDERS' EQUITY IN IFRS STANDARDS		57,398	5,464	244	60	-	63,166	1,765	64,931

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