NEURONES

CONSULTING - INTEGRATION - OUTSOURCING



2007 Annual Report

With more than 2,000 employees (at the beginning of 2008), NEURONES is one of the 30 leading IT engineering and services companies in the French market and one of the 15 largest French IT services companies listed on the Paris stock exchange in terms of market capitalization.

Created from scratch in 1985, the Group experienced steady growth, which has gained momentum since 1995 (averaging 20% a year over the last ten years). NEURONES has based its business on proven, sound foundations to further its internal development and grow through acquisitions of companies with similar or complementary core businesses.

Since being listed in May 2000, the Group has made around one dozen acquisitions that now account for roughly one quarter of its business.

€156 million
2007 revenues

€9.2 million
2007 Net profit (Group share)

8.9%
2007 operating margin

Chairman's message

Dear shareholders,
Dear prospective shareholders,

The time has come once again to present our detailed accounts to the shareholders. We should bear in mind the period of unrest that hit the financial markets and the flood of instant information that could cloud our vision.

It is also time to look at the prospects that our lucrative investments are to be built on.

2007: an exceptional year?

Can we consider that 20% growth in revenues and a 50% increase in NEURONES' net profits in 2007 mark a successful year?

Yes, naturally, for the following reasons:

- we have reached unquestionably record levels - as the comparative tables on the following pages demonstrate,
- our increased size has encouraged leading corporate decision-makers to place their trust in us,
- behind the figures, real achievements are paving the way for the core businesses of tomorrow. Innovative business lines, a command of new technologies and contracts of increased size are all footholds with new prestigious customers,
- this strong growth was achieved despite the lack of human resources and the resulting increase in staff turnover. And all this against a backdrop of sales prices that are paradoxically still as keen, in Consulting, just as in Integration and Outsourcing.

Yet it would not be reasonable to dwell on these 2007 performances because:

- with its financial resources, your company could have made even faster progress had it been able to launch more acquisitions,
- this past year is only one milestone in a long-term entrepreneurial project,
- we should not forget that the IT Services businesses boast positive features: they are driven by the constant need for change, do not require an industrial gamble, are not capital-intensive and run no trend- or environment-related risks, etc.
- shareholders would prefer to see NEURONES shares increasing, although the CAC 40 index is at the same level as 2005.

In short, you have invested your money in the Group's teams and they are convinced that "work isn't over yet". Facing competition of global proportions (although IT services markets are very local today), NEURONES' progress areas are unquestionable.

What is the outlook for 2008 and the following years?

With 16.2% growth recorded at the end of March 2008, your company is winning further market shares. Yet, the commotion in the banking sector that started in August 2007 is expected to impact business over the coming half-years.

After this, the IT Services market will recover thanks to an increase in consumption. It will remain buoyant due to the following strong levers:

- constantly renewed technologies through a seemingly boundless creativity. Their con-

“In an increasingly open world, it is easier to move mountains together rather than attempting to do it alone, even if we are strong.”

stant integration results in creative destruction in Information Systems, leaving most customers no choice but to upgrade their systems,

- increased complexity in implementing these new technologies, resulting in adaptations to IT architecture,
- constant mergers that force companies to rethink and pool their Information Systems,
- a deep-rooted trend in companies to outsource the management of all or part of their IT systems, increasingly considered as an “energy” to be produced, stored, secured and distributed “on demand” over the long term,
- recent requirements of traceability, immediacy, security, relevance and transparency of information - there is scope for further progress, as banks recently realized when faced with real knowledge of the risks,
- the development of the “knowledge economy”, combined with new types of work (wikis, blogs, Web 2.0, all types of information available everywhere, through increasingly varied channels),
- steady drops in the price of information storage or transmission equipment that help extend the scope of IT uses (development of hosted applications, for example).

How will your company progress?

NEURONES wants to leverage the best of both worlds surrounding it and constituting its core businesses:

- that of major companies, with names that attract quality applicants and reassure prospects and customers. From an SME viewpoint, life seems easier in this segment: investments (marketing, management, Information Systems, etc.) and fixed costs are better amortized by significant revenues. Customers show more loyalty as they are involved in large-scale projects with their service providers over the long term,
- that of small companies that are more flexible, responsive and innovative. They are smaller in size and enjoy limited structural costs. These companies do not have a stifling hierarchy so all employees are given a chance to express themselves. Their processes are simple and motivation is instilled above all by the company head’s leadership.

Your company adds a touch of the original with a business model made up of companies specialized in our core businesses run by directors who are entirely in charge and are almost always shareholders.

Rounded off with coordinated processes for our key accounts, this organization is endorsed by the company heads who join us. They realize that, in an increasingly open world, it is easier to move mountains together rather than attempting to do it alone, even if we are strong.

What will NEURONES' core businesses be tomorrow? In all circumstances, we will give preference to markets on which we can put our real competitive edge to full use. This is the way we build up sustainable businesses. This goes hand in hand with a selective recruitment policy that identifies and attracts the best talent while remaining open. The 36 nationalities of NEURONES employees reflect just this.

Who will NEURONES' associates be tomorrow? Those ambitious entrepreneurs who will have taken steps to create real ranges of services and structure their company's management system. Bringing together new expertise and raising the profile of an "umbrella" company are the keys to a win-win combination to conquer new markets.

*
* *

Lastly, the achievements of 2007 illustrated on the following pages would not be there were it not for the drive, commitment and talent of over 2,000 men and women. They definitely deserve our warmest thanks on behalf of the shareholders. Special thanks also go to over one hundred Group managers. Their role is to spread the desire to move forward, involve human resources, harness their expertise and instill in their teams a culture of dialogue, communication, empowerment and subsidiarity – all conditions that create an excellent working environment, add value to each person's role and result in increased efficiency, benefiting customers.

Our thanks also go to their directors: the heads of the companies that contribute to NEURONES' success. They track down future opportunities and tirelessly organize their entities to seize them fully.
Their qualities as leaders, directors and mentors deserve respect for their ability to spur on their employees.

Lastly, our thanks above all go to our customers, without whom we would not be here today: their preference for the Group's business lines and teams enhances our motivation to satisfy them. It is our springboard for business success of which the potential is summed up by William Rogers as follows: *"If you want to succeed, know what you do, love what you do and believe in it"*.

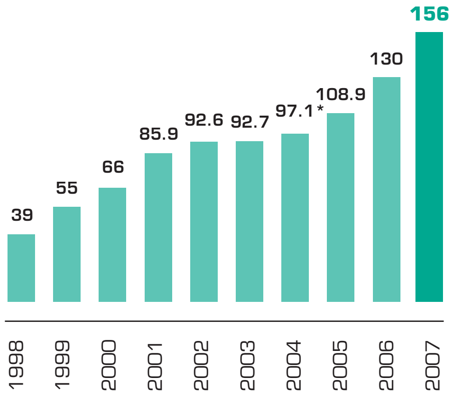
Luc de CHAMMARD
Chairman and CEO
Shareholder

The Management Committee

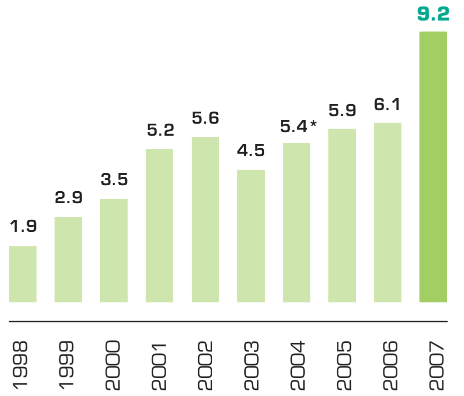
NEURONES

2007
key figures

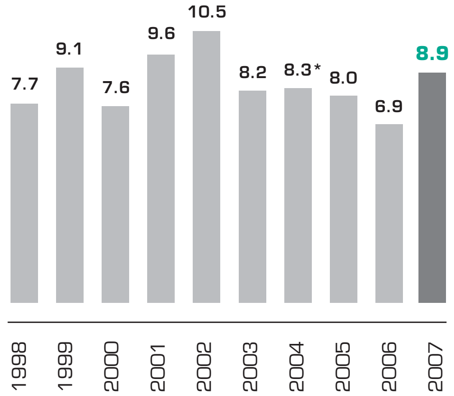
CONSOLIDATED REVENUES
(in € millions)



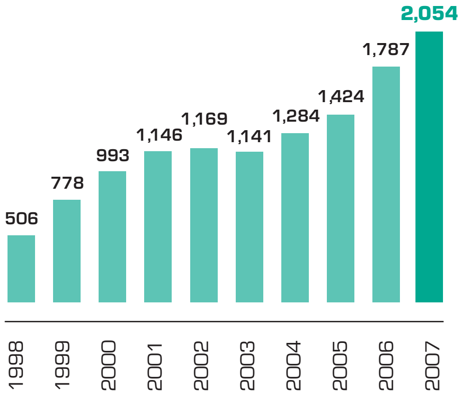
NET PROFIT – GROUP SHARE
(in € millions)



OPERATING MARGIN
(in %)



NUMBER OF EMPLOYEES
(year end)



* IFRS since 2004.

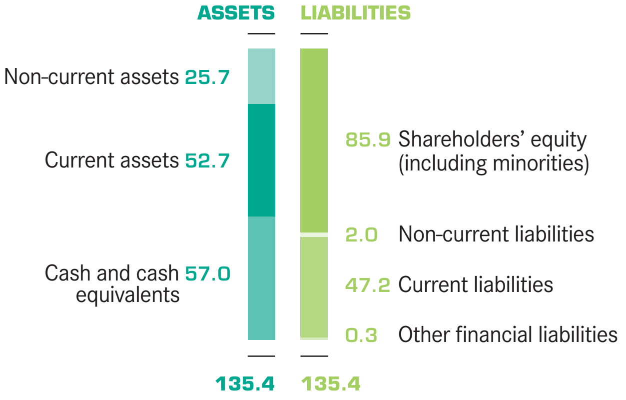
+50%

Growth in net profit
between 2006 and 2007

+20%

Revenue growth
between 2006 and 2007

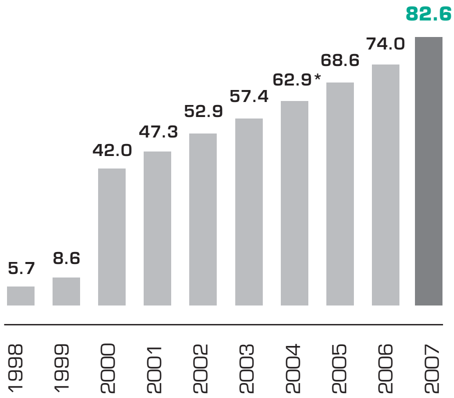
■ CONSOLIDATED BALANCE SHEET AT 12/31/2007
(in € millions)



■ CONSOLIDATED INCOME STATEMENT

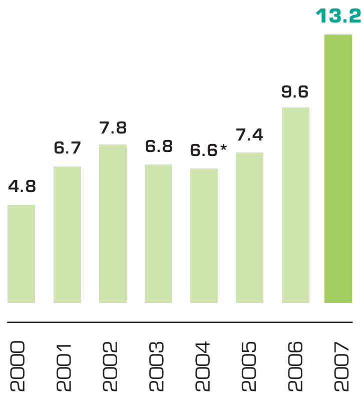
(in € millions)	2007	2006
Revenues	**156.0**	130.0
EBIT	**13.8**	9.0
% of revenues	**8.9%**	6.9%
Financial income	**1.5**	1.1
Corporate income tax	**(5.4)**	(3.5)
Net profit for the period	**9.9**	6.6
% of revenues	**6.4%**	5.1%
of which net profit (group share)	**9.2**	6.1
of which minorities	**0.7**	0.5

■ CONSOLIDATED SHAREHOLDERS' EQUITY – GROUP SHARE (in € millions)



* IFRS since 2004.

■ CASH FLOW FROM OPERATING ACTIVITIES (in € millions)



+15%

Increase in the number of employees between the start and end of FY 2007.

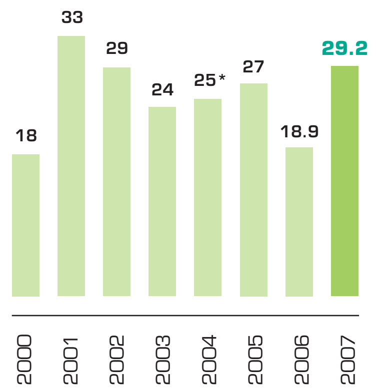
€56.7 million

Net cash at 12/31/2007

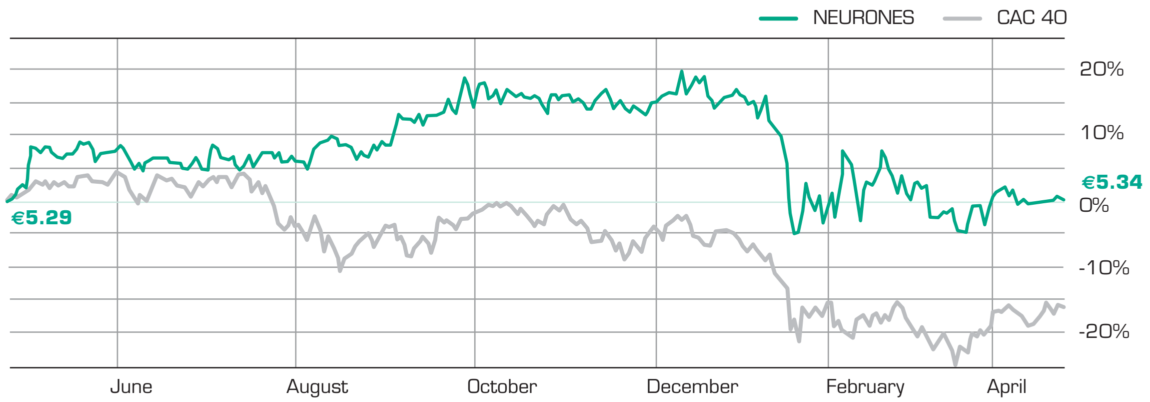
Shareholder information

■ **NET EARNINGS PER SHARE – GROUP SHARE** (in € millions)

■ **RETURN ON CAPITAL EMPLOYED (ROCE)** (in %)



■ **CHANGE IN NEURONES' SHARE PRICE OVER THE PAST YEAR: + 1%**
(from 04/24/07 to 04/23/08)



* IFRS since 2004, Net earnings per share before goodwill from 2000 to 2003.

18% of profit

Dividend for 2007
(dividend proposed at the Shareholders' Meeting on 06/12/08: €0.07 per share)

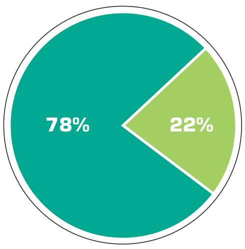
NEURONES wins the 2007 CM-CIC Securities award for the best IT Services company of the year

Awarded during the "The stock market meets IT sector companies" event, this yearly prize acknowledges the winner's financial performance, the relevance of its development strategy and the quality of its management.

Guillaume Angué, Executive Vice-President of CM-CIC Securities wanted to reward "the outstanding performance of a company that in the space of a few years has become the leading IT Services company. The award also highlights our trust in NEURONES, in both its strategy and potential for growth".

CM-CIC Securities award

SHAREHOLDING
(breakdown of capital)



- Founder and managers
- Public

CALENDAR

1st quarter 2008 Revenues:
Tuesday May 06, 2008

Shareholders' Meeting:
Thursday June 12, 2008

2nd quarter 2008 Revenues:
Thursday July 24, 2008

1st half 2008 Profit:
Thursday September 25, 2008

3rd quarter 2008 Revenues:
Thursday November 13, 2008

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NEURONES SHARE DATA SHEET

Average volume traded in 2007:	10,000 shares per day
Price on April 23, 2008:	€5.34
Market capitalization (at April 23, 2008):	€124.9 million
Number of shares (at April 23, 2008):	23,394,357
NYSE Euronext Paris - Compartment C	
ISIN Code: FR0004050250 (NRO)	
Bloomberg: NEUR FP, Reuters: NEUR.LN	

NRO LISTED NYSE EURONEXT

Responsible and sustainable development

80%
of profits reinvested in the company's future development

220
Net jobs created in 2007 (excluding acquisitions)

36
Nationalities represented among employees

Since its inception in 1985, NEURONES has endeavored to pursue responsible and sustainable development within its environment.

REGARDING ITS NO. 1 ASSET, HUMAN RESOURCES

From its beginning, the Group has implemented an ambitious and innovative HR policy, respecting diversity (36 nationalities).

Constant job creation:

- net creation of jobs each year (220 in 2007),
- management of growth and acquisitions with no redundancy plans,
- an IT retraining program, enabling young graduates with 4 to 5 years of higher education in various specializations to find a job.

A history of capital sharing:

- around ten company managers holding interests in the capital of the companies they manage,
- free Group shares distributed to a wider circle of executives,
- company/Group capital regularly shared with new key managers.

Monitored career management:

- gateways fostered between different areas of expertise and roles,
- priority given to internal promotion (especially for manager and executive positions),
- a widespread procedure of annual assessment and several interviews throughout the year.

A long-term training policy:

- effort significantly above legal requirements,
- simplified training plans developed using the Group's own training centers,
- employees encouraged to pass validating certifications (ITIL and the main market players: Microsoft, Citrix, Cisco, VMware, HP, IBM, etc.).

A motivating work environment:

- majority managerial shareholding, sheltered from takeover bids and decisions made by anonymous shareholder financiers,
- empowerment and each person given the chance to build their own future,
- recurrent distribution of free shares and stock options: 8 successive plans since 1999 representing 5% of capital.

NUMBER OF CERTIFICATIONS

Microsoft	700
ITIL	110
IBM/Lotus	45
Other (VMware, etc.)	30
Novell	25
Citrix	20
Cisco	15
HP Services - BMC/Remedy	15
HP	15
Oracle	10
Unix/RedHat	10
Business Objects	5
TOTAL	**1,000**

“Use the connections, don't stay in a know-how gridlock.”

Clotilde
Operational Site Manager
Outsourcing
At NEURONES since 1997

"I found out about NEURONES in 1997 via a friend. The group was then strengthening its team of Commercial Engineers for its entity specialized in IT training. I felt that immediate trust was placed in me and so I accepted one of these jobs.
In 2001, I wanted my career to take a new direction. I passed the NEURONES "Master" retraining program for IT professions.
In 2002, after several months spent honing my customer services skills, I was presented with a marvelous opportunity: NEURONES' Outsourcing department was looking for a junior Operational Site Manager. My career path distinguished me as the ideal candidate and I got the job dealing with a major public-sector customer.
Since then, NEURONES has entrusted me with responsibility for a second key account and I am proud of this proof of renewed trust."

REGARDING ITS CUSTOMERS

The Group implements continuous improvement policies regarding its lines of services, to bring its solutions into line with IT decision-makers' needs.

Pooled services on an industrial scale:

- 4 of today's 5 Service Centers were developed over the past 5 years (Remote server operation, Hosting, Workstation management and TPAM).

Proactive development of Quality:

- ISO 9001 version 2000 certification for Outsourcing, Service desk and Technical Assistance activities.
- 110 employees are ITIL certified (Information Technology Infrastructure Library).

Constant tailoring to needs:

- 12 acquisitions made since being listed on the Stock market, to further complement or strengthen the range of services available.

REGARDING MARKETS AND SHAREHOLDERS

Profit reinvestment:

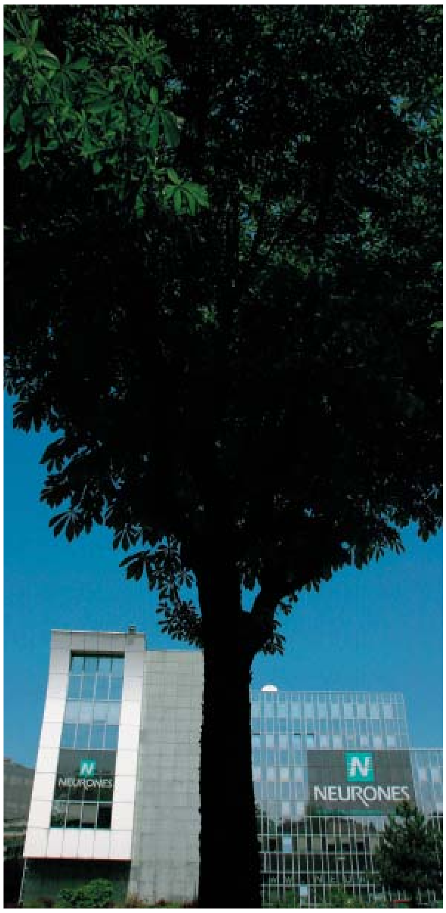
- for a long time profits were fully reinvested when the Company was not listed. Today approximately 1/4 of the profits are distributed

"NEURONES is very demanding of its employees, but it knows how to support them in their career development."

Jérôme
Deputy Managing Director
Service desk
At NEURONES since 1997

I joined the NEURONES Group in 1998, or more particularly, the entity specialized in Service desk business. My first job as Sales Engineer involved winning and monitoring new key accounts. In 1999, after several successful achievements, I took charge of managing the Sales Engineers as Agency Manager, in the Banking and Finance sector.

I highly valued the support NEURONES offered in helping its managers. In 2001, I took charge of the Sales Department and joined the Executive Committee of my company. My job involved developing proposals and promoting efficient methods among my team members. In 2006, I was promoted to Deputy Managing Director of this entity, which now boasts 1,000 employees..."



to shareholders and 3/4 reinvested, thereby providing the Group with the means to achieve its ambitions irrespective of the financial market or economic situation of tomorrow.

Regular and transparent communications:

- annual (audited) profits are published less than 2 months after the year end, (unaudited) profits are published every quarter and the Group has issued a Shareholders' newsletter twice a year since 2000.

Proven resistance to cyclical uncertainties:

- the portfolio of diversified activities and the recurring nature of some core businesses proved to be pivotal for the Company in getting through years of market contraction (e.g.; 2002-2003) without too pronounced of an impact on profitability and any redundancy plans.

REGARDING THE ENVIRONMENT

Given the nature of its core businesses, NEURONES' environmental footprint is very low. Nevertheless, the Group:

- systematically recycles consumables (paper, printer toners, electric batteries, etc.),
- has implemented energy-efficient systems (lighting, HVAC, etc.),
- recruits as much as possible in job market areas close to its Service Centers to limit home – work commutes.

"I feel confident in a structure that encourages its employees to progress."

Sylvaine
Manager Integration
Operations Department
IT Asset Management
At NEURONES since 1999

"I found out about NEURONES in 1999 via the head of one of the group's entities, specialized in support to companies. He wanted to strengthen his technical teams.
The way he spoke, the way he ran his company and his enthusiasm were decisive for me: I accepted a position as Project Manager.
After more than a year working for key accounts, I took charge of Integration and Development activities.
In 2006, these activities became an entity in its own right. I took over management of integration operations, in other words, the implementation of Asset Management and Service software packages.
Today, I manage and support a team of 15 employees, monitor budgets and chart the progress of projects.
Even though for the time being I am fulfilled by my duties as manager, I know that there is no shortage of opportunities!"

Strategy and line of services

51%

Share of guaranteed performance service contracts in total business volume

More than **30%**

of contracts concern several Group entities

A CONSTANT STRATEGY FOR THE LONG-TERM

NEURONES' strategic paths

- Steadily increase the share of structured offers in its business by regularly developing services on an industrial scale,
- invest at the right time in new, budding business areas,
- maintain a diversified nature with the right balance between the various businesses: design, build (integration) and run (operation).

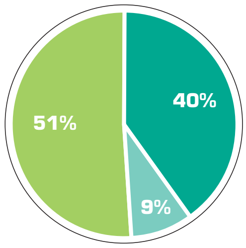
The Group's business model is based on entity managers with varying stakes in the Company's share capital. Special attention is paid to ensure their assets and financial interests converge with those of NEURONES' other shareholders.

A quality approach

Two processes have been governed by quality assurance since 1996:
- recruitment,
- turnkey projects: offer reviews and contract reviews.

NEURONES is ISO 9001 (version 2000) certified for its technical assistance, Service desk and infrastructure Outsourcing businesses.

BREAKDOWN OF 2007 REVENUES BY TYPE OF SERVICE



- Simple technical assistance
- Consulting - Projects - Turnkey contracts
- Guaranteed performance contracts and NEURONES prime contracting

COMPLEMENTARY CORE BUSINESSES AND A CONSISTENT LINE OF SERVICES

NEURONES' core businesses include project activities ("design/build") and recurring activities ("run"). Made up of business-specific entities, the Group is active both in infrastructures and application layers:

Infrastructures

Outsourcing relies on infrastructure-based project business (system and network Integration and Security). The project teams ensure that Group technical guidelines are applied correctly. They are called upon for Outsourcing contracts during the initial phase of taking on sites. Throughout the entire contract period, they also provide a solid technical rear base for on-site team support. Lastly, they design the Group's Service Centers (application and network servers, and workstations) and hosting centers and help them progress.

NEURONES' leading position in Service desks is a major advantage for the Outsourcing service.

NEURONES strives to maintain a good balance between simple technical assistance and recurring contracts that include prime contracting and guaranteed performance commitment.

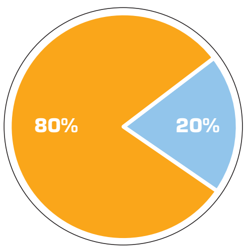
Substantial technical assistance enables teams to be deployed rapidly on major Outsourcing contracts.

Applications

NEURONES strives to be active both in customized development (on "state-of-the-art" platforms, including open-source software) and software package integration

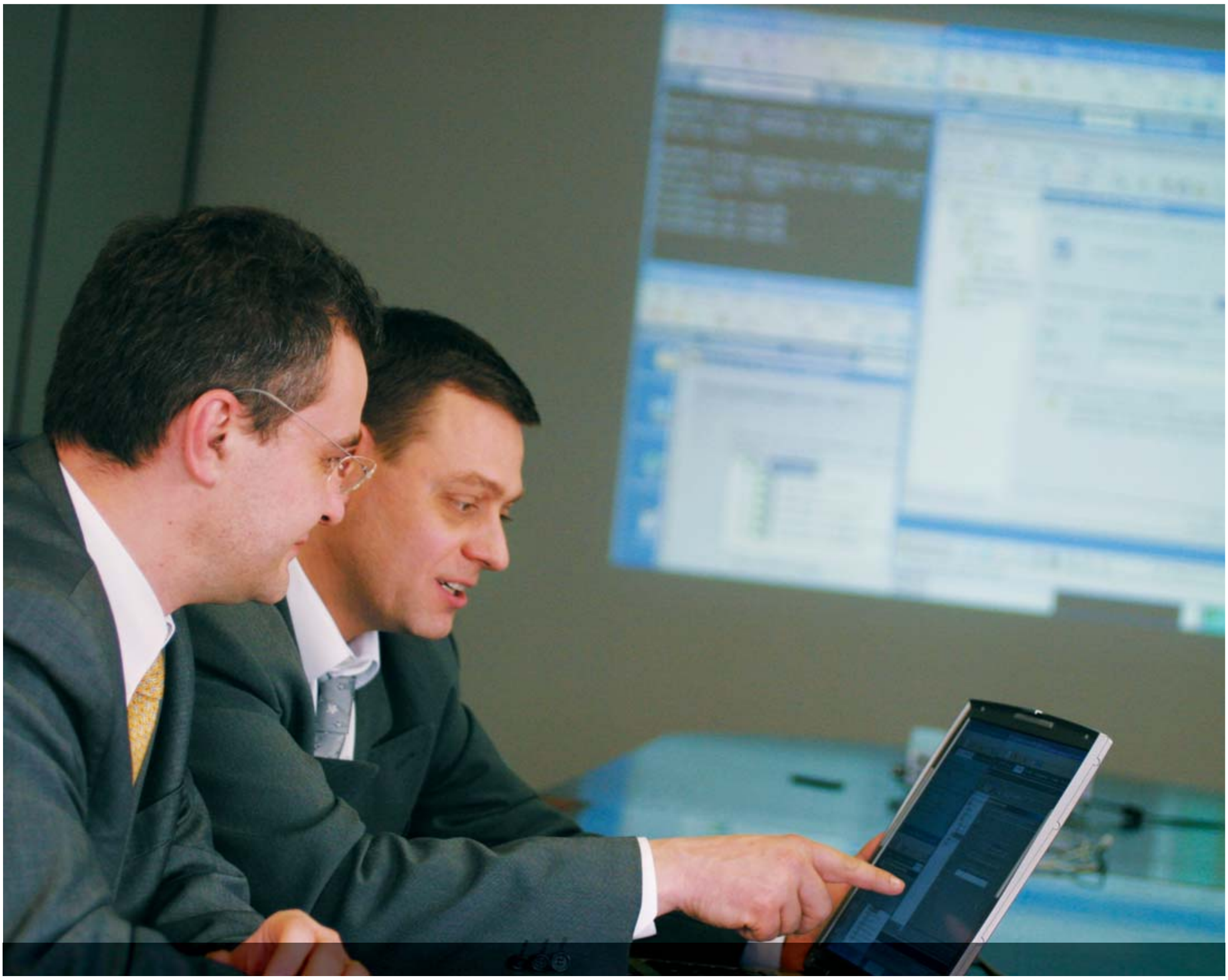
Emphasis is placed on the initial phases of functional analysis and the methodology of project developments (standard documentation, software engineering, standards, etc.), fields where training and supervision efforts are pooled.

BREAKDOWN OF 2007 REVENUES BY BUSINESS SEGMENT



- Infrastructures
  - Design, integration and operation of systems and networks
  - Service desk and workstation management
  - Production engineering
  - Remote server operation, hosting and security
  - Service and Asset Management consulting
- Applications
  - Consulting, development and applications maintenance
  - Consulting, integration, support and ERP TPAM
  - IT Consulting for the finance business sector
  - Consulting in organization, information systems and assistance to contracting authorities
  - IT training and working with change

NEURONES' core businesses



An integrated group

A SINGLE MANAGEMENT STRUCTURE IS DEDICATED TO OUTSOURCING

The assignments of this structure include:

- drawing up proposals and the pre-contractual phase,
- tracking the performance of Outsourcing contracts during the initial start-up phase, the operating phase and the reversibility phase,
- capitalizing on experiences, gradually developing the Group's Outsourcing standards on an industrial scale and regularly updating them.

A CROSS-FUNCTIONAL CENTRAL TEAM MANAGES ALL OF THE RELATIONS WITH SOME KEY ACCOUNTS

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

- organizing and coordinating the Group's sales actions,
- sounding out new business opportunities,
- consolidating projects and assignments carried out,
- preparing reports for key accounts.

CROSS-FUNCTIONAL BUSINESSES

OUTSOURCING

INFRASTRUCTURES

2007 REVENUES: €124 million –
Number of employees: 1,783 people*

DESIGN, INTEGRATION & OPERATION OF SYSTEMS AND NETWORKS

- Feasibility studies, TCO consulting
- LAN & WAN architecture and integration
- Design of standard servers and stations
- Methodology (migration/deployment)
- Inventories/packaging/remote distribution
- Directories, message services
- Server consolidation, storage
- Light client solutions
- Remote access and mobility

SERVICE DESK & WORKSTATION MANAGEMENT

- Consulting and assistance to contracting authorities
- Service desk implementation and optimization projects
- Workstation support: Service desk on-site or outsourced to support centers (24/7)
- Asset management
- Workstation "industrialization"

PRODUCTION ENGINEERING

- Production consulting, audit and appraisal
- Systems administration
- Database administration
- Production outsourcing (engineers, analysts, drivers, H24)
- Schedulers ($Universe and ControlM)
- Backups (Netbackup, Networker)
- System and network supervision (Patrol, Tivoli)

REMOTE SERVER OPERATION, HOSTING AND SECURITY

- Remote pooled management (supervision) of servers, networks and applications (24/7)
- Hosting center (1,000 server capacity)
- Security: audit and intrusion tests, design of security plans, virus protection, content control, data protection, access management, identification, authentication, confidentiality and technological watch

SERVICE AND ASSET MANAGEMENT CONSULTING

- ITIL and ISO 20000 support: auditing and implementing best practices
- Integrating Management Infrastructure and asset management software packages (Remedy/BMC, Peregrine/HP, Staff&Line, etc.)

MANAGEMENT OF KEY ACCOUNTS

APPLICATIONS

2007 REVENUES: €32 million –
Number of employees: 271 people*

WEB AND BI APPLICATIONS CONSULTING, DEVELOPMENT AND MAINTENANCE

- Assistance to contracting authorities and consulting in application architectures
- Application servers (Websphere, .Net)
- Intranets, extranets, gateways
- Decision-making tools
- Distributed objects, Web services, EAI approach, content management
- Support and TPAM (Third-party Applications Maintenance)

CONSULTING, INTEGRATION, SUPPORT AND ERP TPAM

- Functional and technical SAP expertise
- SAP turnkey integration
- Retail sector expertise
- Support, training
- Documentation
- TPAM (Third-party Applications Maintenance)
- Version upgrading
- Optimization

IT CONSULTING FOR THE FINANCE BUSINESS SECTOR

- IT Consulting in market activities for corporate and investment banks
- Management for Front, Middle and Back office projects
- Integration of the market's software packages (Murex, Summit, Calypso, Sophis)
- Prime contracting engineering in .Net environment, J2EE and C++, double expertise in IT/Market Finance

CONSULTING IN ORGANIZATION, INFORMATION SYSTEMS AND ASSISTANCE TO CONTRACTING AUTHORITIES

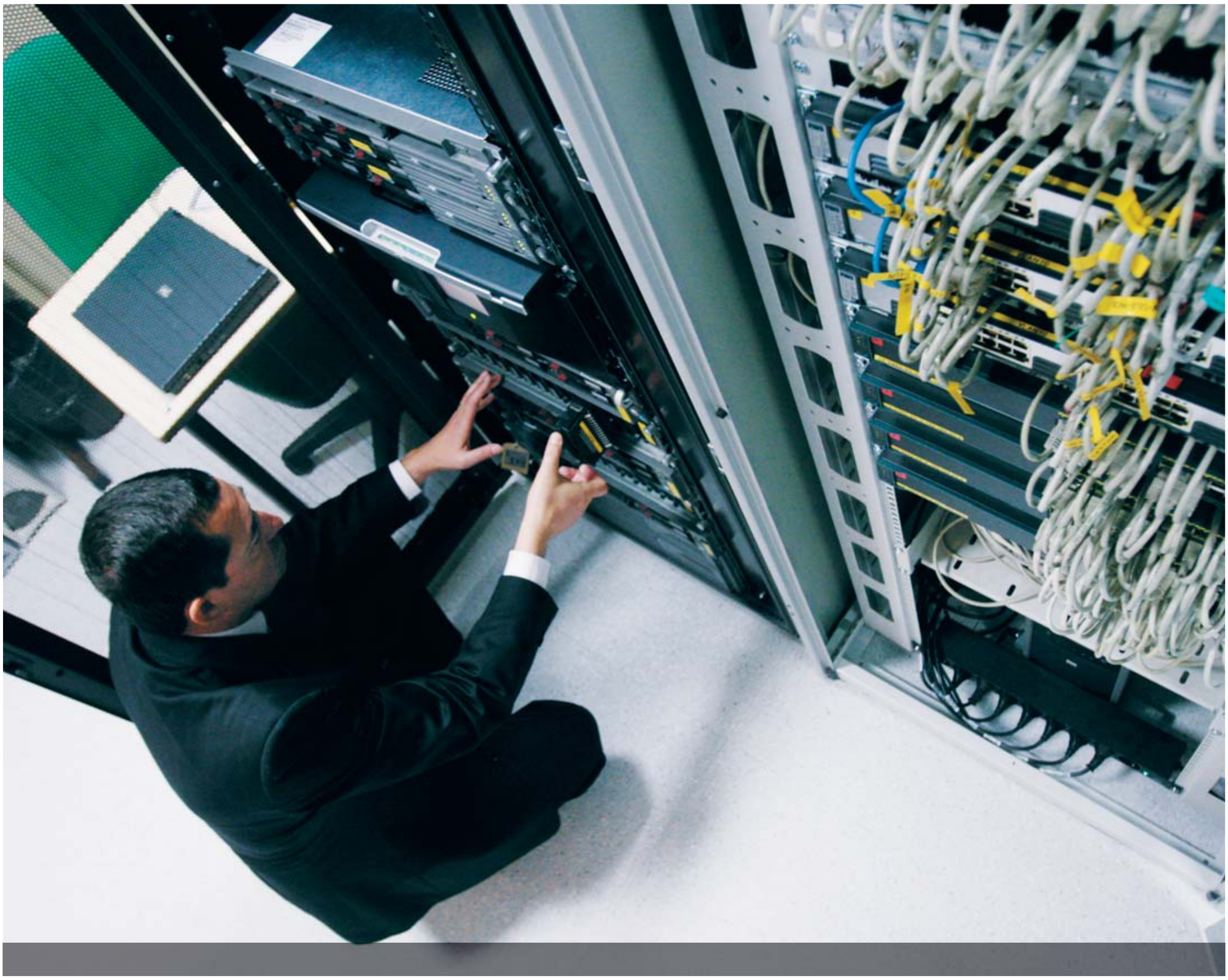
- Consulting in organization: implementation of strategy, diagnostics, design, deployment, optimization
- IS Consulting: master plans, strategies, system design & architecture, assistance to contracting authorities, project management, design, auditing
- Expertise in CRM, Insurance, Telecoms and management of major projects (up to several tens of thousands of man days)
- Associates from major firms

IT TRAINING & WORKING WITH CHANGE

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

* Number of employees at the end of 2007.

Infrastructures Business



80%
Share of this segment in total business

9%
2007 operating margin

€124 million
2007 revenues

Guaranteeing high availability and secure access to IT infrastructures, operating them, making them profitable and developing them, is the task of this business line boasting nearly 1,800 employees.

KEY EVENTS 2007

- Growth in project activity.
- The Group's Service and Asset Management Consulting entity is appointed HP Software's 2007 partner of the year for France.
- The exponential growth in digital data enabled the ILM (Information Lifecycle Management) Consulting business to take off.
- Sharp growth of the pooled Service Center for workstation streamlining (EXPERTEAM® offer).
- Growth in multi-country and 24/7 supports.
- Constantly changing Information Systems continue to result in many projects on access infrastructures (light client, VPN) and remote site management (WAFS).

ACHIEVEMENTS IN 2007 (EXTRACT)

For a major French employee insurance brokerage company: implementation of a new infrastructure. 150 man days to overhaul the main site's Information System over two remote rooms including: consolidation and virtualization of servers and storage.

For an Economic Interest Grouping managing a diversified industrial group's IT: Outsourcing of Service desk and support for around one hundred business-specific applications for 7,000 users in France, Belgium and Switzerland. This long-standing client has signed a new 3-year guaranteed performance contract.

For a major global telecommunications operator: Turnkey multiyear contract concerning the consulting, installation and administration of workstations and servers (Windows/VMware environment, Unix/Aix), the integration of administration, supervision and security tools, incident management.

For an international luxury leather goods company: Antivirus deployment assignment to secure all subsidiaries with over 20,000 workstations. Implementation in the pilot phase, design of the antivirus management architecture, employee training and deployment support.

For a leader in B2B information solutions: consulting to draw up an IT contingency plan, definition of a service continuity strategy, assistance to implement an emergency site (crisis unit, organization of repairs, full test of the solution with guaranteed performance).

For a global leader in wine and spirits: international program of external intrusion tests on more than 50 subsidiaries to validate secure network interconnections (more than 100 days of service).

For a large-scale French banking institution: Service desk support for 13,000 employees in eight general management divisions, two industrial centers and three administrative and IT centers located in the Paris region and elsewhere in France, that support a current network of 96 branches.

For a major agri-food group: Outsourcing of the Service desk and support for the 6,000 users in France (head office, subsidiaries and sales force). Five-year guaranteed performance contract.

Service Centers

- Service desk,
- remote systems and network services (OSMOSE® offer),
- hosting,
- workstation management (EXPERTEAM® offer).

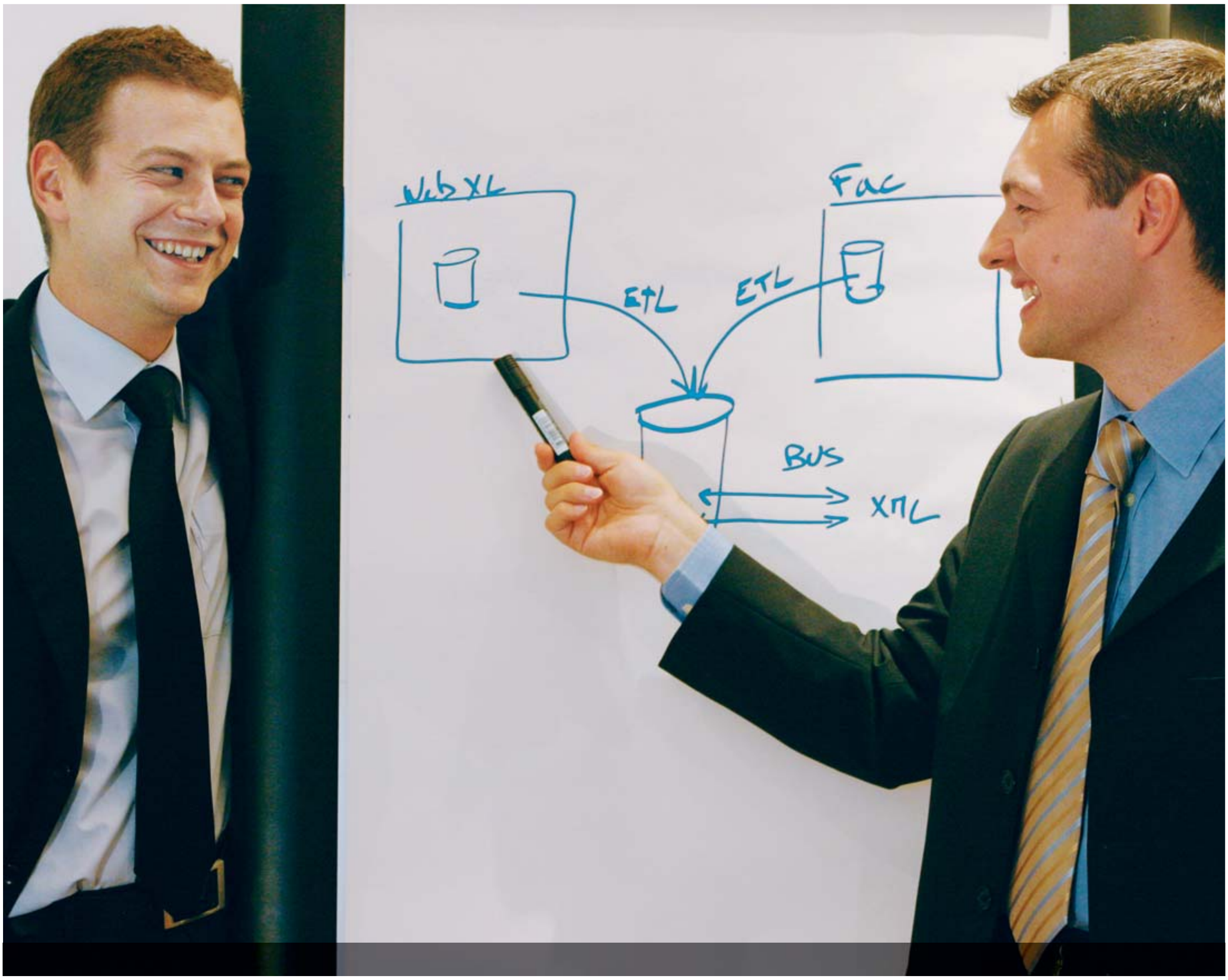
OUTLOOK

Launch of a one-year "Campus" training course split between NEURONES and the client's site. 60 people enrolled in 2008. New generation of integration/training courses for all support technicians.

Increasing use of ITIL to organize infrastructure services resulting in steady demand for consulting.

Monitoring of the launch of the infrastructure offshore market.

Applications Business



20%
Share of this segment in total business

8.5%
2007 operating margin

€32 million
2007 revenues

Backed up by 10 years of experience in applications projects, this business line boasting nearly 300 employees is committed to helping our clients in the successive changes in their information systems.

Service Centers

- Third-Party Application Maintenance (PROXIMA® offer).

KEY EVENTS 2007

- Sharp growth in SAP activities.
- A company specialized in Web development (40 people) joined the Group in April.
- Launch of a new entity devoted to the finance sector (mixed IT and finance profiles).
- A consulting firm specialized in organization and Information Systems joined the Group in November.
- High pressure to recruit applications developers: turnover for Web and BI activities too high, hampering growth.
- Training: Operating objectives reached following segmentation of training and working-with-change activities.

ACHIEVEMENTS IN 2007 (EXTRACT)

For a major European group in the building sector: implementation of an “intranet”-type application used to report faults, make calculations and report penalties related to delays in the prison upkeep and maintenance program.

For a banking group: industrial-scale development consulting assignment. Audit of application architecture, work processes and tools. J2EE environment and IBM CICs gateways.

For a public-sector health institution: Third-Party Application Maintenance (TPAM) services for all functional components and SAP modules deployed in the 18 centers and head office.

For a major investment bank, assistance to contracting authority for the design, implementation and integration of a commercial product language to describe original shares and hybrid products for their pricing and life-cycle management.

For the French leader in pharmaceutical manufacturing: assistance in the implementation of the SAP software package and corrective and upgradeable TPAM management for 450 users.

In the Sales Tools department of a major investment bank, design and development of IT tools. Development of a critical workflow application between Sales experts, Traders and Middle-office specialists.

For a telecommunications operator: definition of a strategy to convert the IS, and configure and activate mobile services. General and detailed specifications for the target architecture, formalization of a plan to remove former applications.

For a group in the energy sector: creation of a core-business segment (> 100 people) to control the quality of transmission information required for invoicing. Organization and implementation of a structure and operating processes.

For a global furniture retailer: migration of the VectorWorks software to AutoCad (AutoDesk). Take over of the full integration of this CAD solution and training for approximately 56 people.

For a French company specialized in spacecraft propulsion: draft training course design for the “business-specific approval-deployment” stage of their new ERP (Baan).

OUTLOOK

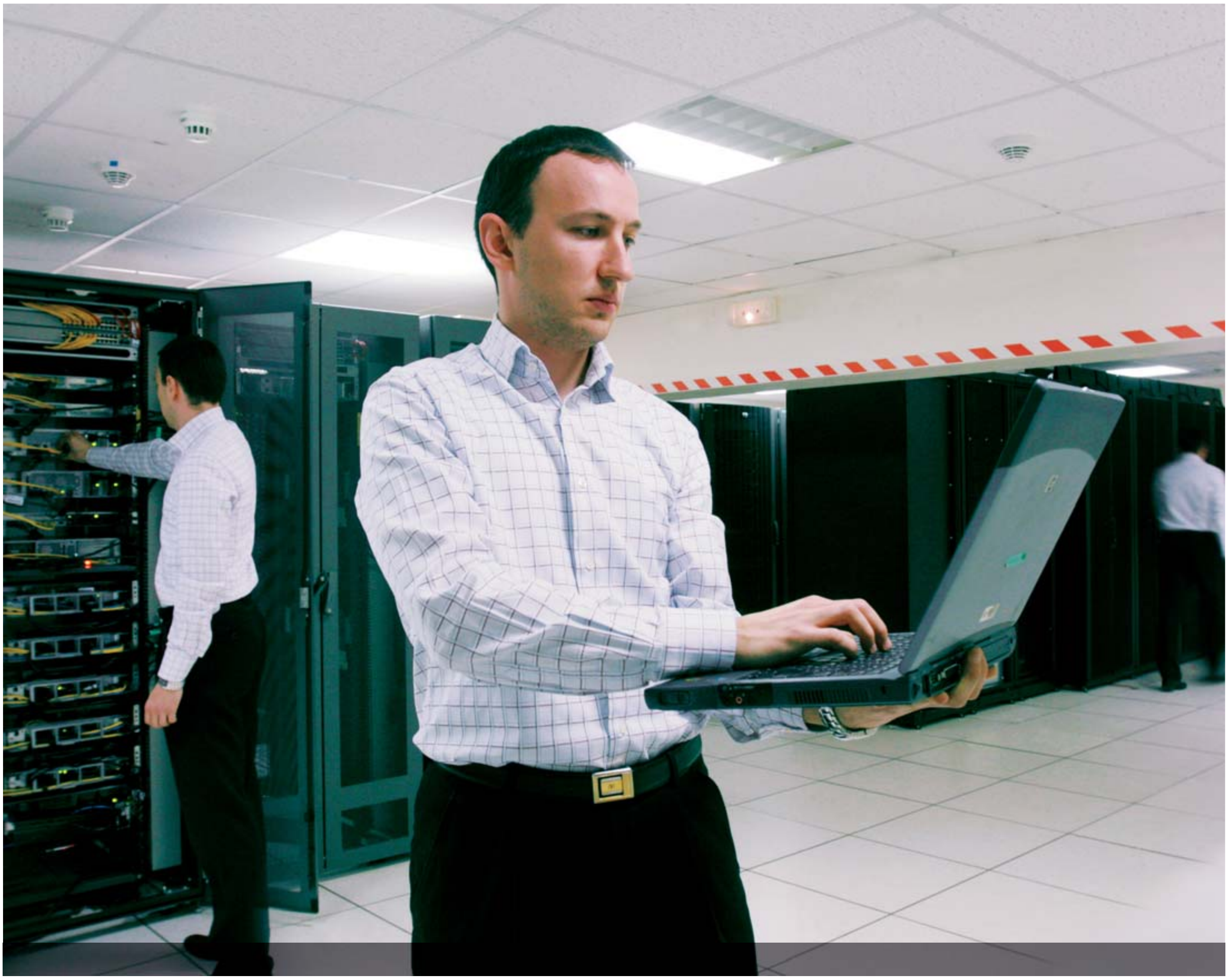
Merger on 1st January 2008 of three entities devoted to Web and BI development, bringing together 200 people.

Nearshore sourcing organized for the applications development business.

Making full use of synergies between consulting and integration.

Consulting, functional analysis and software package integration: search for acquisition opportunities.

Outsourcing Business



100
Active Outsourcing contracts at end of 2007

1,000
Employees working on contracts at end of 2007

25
New contracts signed in 2007

Outsourcing is a type of service that involves multi-year contracts (3 to 5 years), NEURONES' prime contracting and guaranteed performance commitments in terms of service levels.

For each Outsourcing contract, the sole person in charge of delivering services ensures that the service level agreements are complied with over time and manages the improvement plan based on a benchmark and catalogue of standard actions. It is crucial to capitalize on know-how and best practices quickly in this business. NEURONES has implemented consistent processes for all its contracts by applying proven ITIL practices.

The development of Outsourcing services on an industrial scale leads to strong growth in services provided from the Group's Service Centers.

KEY EVENTS 2007

- Good number of contracts signed and renewed.
- Higher proportion of Outsourcing contracts at "full output" stage, with a positive effect on profits.
- Sharp growth in the size of take-overs with important conversion projects (in particular server consolidation and virtualization).
- Standardization of IT interfaces between the Service desk and the Servers Service Center.
- Price stability.

Having developed its Outsourcing line of services since 1995, NEURONES already manages several dozen sites with 200 to several thousand workstations.

ACHIEVEMENTS IN 2007 (EXTRACT)

For a major player in research, development and innovation: total infrastructure Outsourcing contract in an environment with high security and continuity requirements. Operation of 6,000 workstations, of around 1,000 servers and network equipment parts distributed over a wide range of technologies (Linux, Unix, Mac) completed by a TPAM batch.

For a major agri-food group: Outsourcing of the Service desk and support for the 6,000 users in France (head office, subsidiaries and sales force). Five-year guaranteed performance contract.

For a large-scale private healthcare institution: Outsourcing including Service desk, workstation support and supervision, operation of servers and applications via the OSMOSE® offer. Transfer and restructuring of a Hospital Information System (HIS) used to manage the hosting of business-specific applications on around sixty servers and a SAN.

For a public-sector body in the nuclear industry: total Outsourcing contract with guaranteed performance renewed for the third time. Management of server and network infrastructures and further developing and streamlining Information Systems on an industrial scale. Development of the consulting and support business in the client's ISO Quality policy via the implementation of ITIL best practices.

For a major supermarket chain: a three-year total infrastructure Outsourcing contract with guaranteed performance. On-site work nationwide. Level 2 technical support 24/7, project management and implementation of standardized procedures and methods. 210 servers with business-specific applications for logistics and financial management.

OUTLOOK

Very buoyant market for server supervision and hosting.
Almost systematic virtualization projects when servers are transferred to our hosting center.

Day-to-day operations on Outsourcing contracts: systematic review of governance and improvement plans (catalog of standard actions, benchmarks).

Internal project for a new generation CMDB (documentation system) currently on certain contracts (general use planned for 2009).

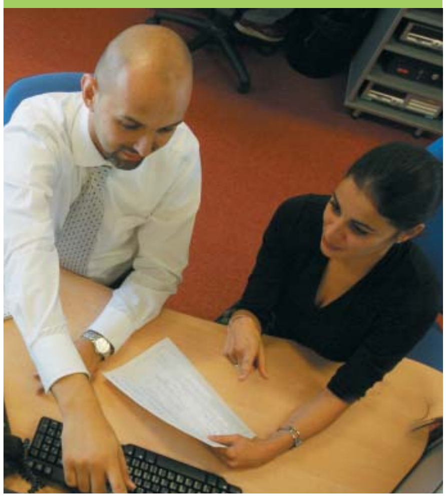
NEURONES' Service Centers: a line of services developed on an industrial scale

3 SUPPORT CENTERS

- 450 remote operators
- 24/7
- Multilingual
- Nanterre, Ivry-sur-Seine and Courcouronnes

POOLED WORKSTATION MANAGEMENT PLATFORM (EXPERTEAM®)

- Mastering
- Packaging
- Remote distribution



Outsourcing in numbers

OUTSOURCING

100 outsourced customers
1,000 employees working on contracts
5,000 servers
100,000 workstations
350,000 calls per month to the Service desk, including **160,000** to our support centers in Nanterre, Ivry-sur-Seine and Courcouronnes

110 ITIL certified consultants
1 NEURONES CMDB documentation system currently implemented on all contracts
250 packages managed
25,000 workstations managed from a master copy
25 new contracts signed in 2007

NEURONES is certified
ISO 9001:2000 for Outsourcing,
Service desk and
technical assistance activities

ITIL 110 certified employees

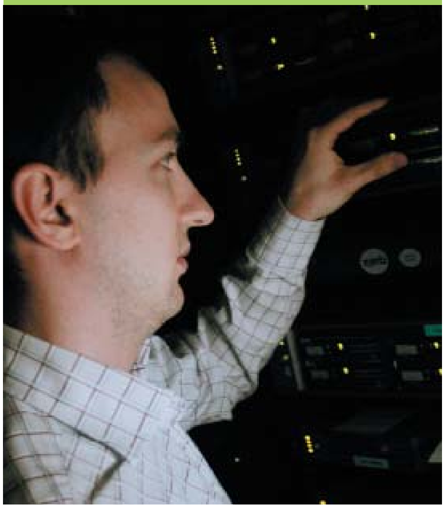
itSMF Founding member

REMOTE SYSTEMS AND NETWORKS SERVICE CENTER (OSMOSE®)

- 80 administrators
- 4,000 tickets per month
- Supervision by in-house RTMS® tool

HOSTING CENTER

- Capacity of more than 1,000 servers
- Independent Internet service provider
- All operators
- Telecom infrastructure as failover
- Electric generator, air conditioned
- Secure access



TPAM TEAMS (PROXIMA®)

- All ERP and applications
- KM base, test tools, versioning

SUPERVISION, REMOTE PILOTING (24/7), NETWORK OPERATIONS CENTER (NOC), SECURITY OPERATIONS CENTER (SOC)

80 people: 24/7 monitoring, RTMS tools (customized) and HPOV

2,200 servers supervised

1,500 remote-administered servers

HOSTING

100 bays (capacity)

150 useful terabits

3 backup robots

3 Cisco 7204 VXR routers as failover

1 Gbits/s per telecom operator

400 servers hosted

Air-conditioned data center with secure access, fire protection and backup electrical power with generator

References

BANKING / INSURANCE
AG2R
AVIVA
AXA
BANQUES POPULAIRES
BNP-PARIBAS
CDC
CRÉDIT AGRICOLE / LCL
EULER HERMÈS
GENERALI
GMF
GROUPAMA
HSBC
NATIXIS
SOCIÉTÉ GÉNÉRALE
SWISSLIFE

PUBLIC SECTOR
AP-HP
BANQUE DE FRANCE
CARIF
CEA
HAUTS-DE-SEINE DÉPARTEMENT
IRD
IRSN
LA POSTE
PARIS CITY HALL
MINISTRY OF CULTURE
MINISTRY OF DEFENSE
MINISTRY OF EDUCATION
MINISTRY OF LABOR
RADIO FRANCE
RFF

INDUSTRY
ALSTOM
ALTADIS
BOUYGUES
DASSAULT
EIFFAGE
LAFARGE
NEXANS
PSA
RENAULT
RICOH
SAFRAN
SAINT-GOBAIN
THALES
VALEO
VINCI

DISTRIBUTION/SERVICES/ CONSUMER GOODS
ACCOR
AÉROPORTS DE PARIS
AIR FRANCE-KLM
AUCHAN
DANONE
ELIOR
GENERAL ELECTRIC
GROUPE BEL
PAGES JAUNES
HERMÈS-SELLIER
INEUM
L'ORÉAL
LVMH
SODEXO
VIVENDI-UNIVERSAL

ENERGY/UTILITIES/HEALTH
AIR LIQUIDE
BAYER
DELPHARM
ENI
FONDATION HÔPITAL ST-JOSEPH
GLAXOSMITHKLINE
JOHNSON & JOHNSON
NOVARTIS
SANOFI-AVENTIS
SERVICES PHARMA MDS
SUEZ
TOTAL
UCB
VALOIS PHARM
VEOLIA ENVIRONNEMENT

TELECOMS
ALCATEL
BOUYGUES TELECOM
BRITISH TELECOM
COMPLETEL
EASYNET
EUTELSAT
FRANCE TELECOM
NEUF CEGETEL
NORTEL
NTT
ORANGE
SAGEM
SFR
TELECOM ITALIA

(Extract of our references)

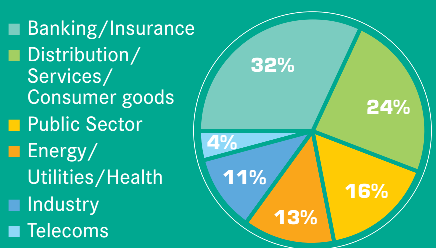
1,600

Active customers

85%

of CAC 40 companies trust NEURONES

PRESENT IN ALL BUSINESS SECTORS



NEURONES

CONSULTING - INTEGRATION - OUTSOURCING

2007 Reference Document

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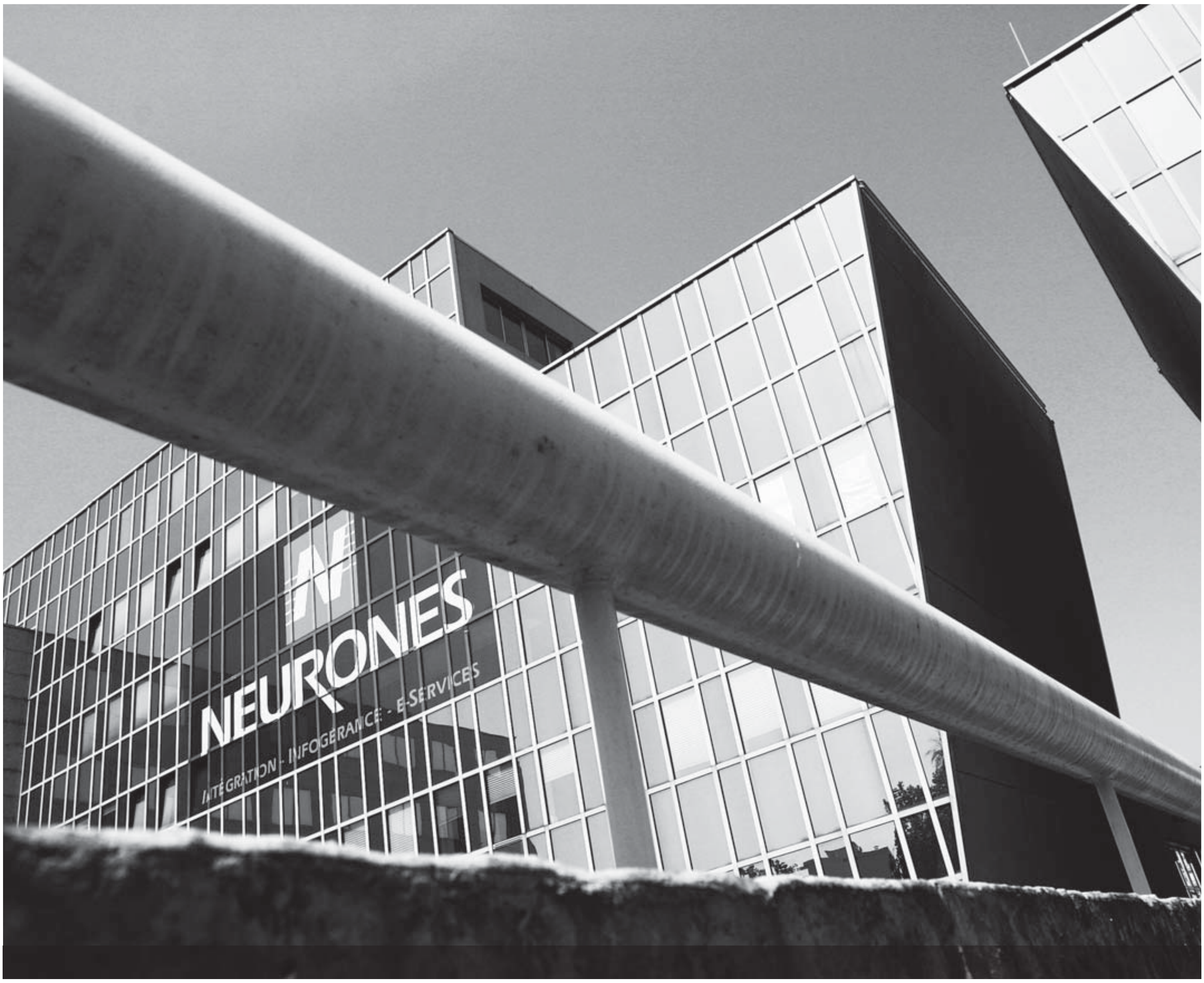

€13.8 million
Operating profit

8.9%
Operating margin

€9.2 million
2007 Net profit (group share)

Main financial items

(In € millions)	2007	2006	2005
Revenues	156.0	130.0	108.9
Operating profit	13.8	9.0	8.7
Operating margin	8.9%	6.9%	8.0%
Net profit (Group share)	9.2	6.1	5.9
Earnings per share	€0.39	€0.26	€0.26
Diluted earnings per share	€0.38	€0.26	€0.25
Net cash and cash equivalents at December 31	56.7	47.8	49.8
Number of employees at December 31	2,054	1,787	1,420

€0.39
Earnings per share

€56.7 million
Net cash
at 12/31/2007

2,054
Employees
at 12/31/2007

NEURONES Group consolidated financial statements

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2007

ASSETS (In euro thousand)	Notes	12/31/2007 IFRS	12/31/2006 IFRS
NON-CURRENT ASSETS			
Intangible assets	*Note 1 / Note 2*	21,198	18,883
Tangible assets	*Note 3*	2,963	2,132
Financial assets	*Note 4*	944	756
Deferred tax credits	*Note 5*	604	1,880
TOTAL NON-CURRENT ASSETS	-	**25,709**	**23,651**
CURRENT ASSETS			
Inventory	*Note 6*	247	120
Deferred tax credits due	-	582	978
Trade accounts and notes receivable	*Note 7*	51,916	45,094
Cash and cash equivalents	*Note 8*	57,022	48,415
TOTAL CURRENT ASSETS	-	**109,768**	**94,607**
TOTAL ASSETS	-	**135,477**	**118,258**

SHAREHOLDERS' EQUITY AND LIABILITIES (In euro thousand)	Notes	12/31/2007 IFRS	12/31/2006 IFRS
SHAREHOLDERS' EQUITY			
Capital		9,353	9,299
Additional paid-in capital		30,075	29,672
Consolidated reserves and profits		43,207	35,070
TOTAL SHAREHOLDERS' EQUITY (GROUP SHARE)	*Note 9*	**82,635**	**74,041**
Minority interests		**3,255**	**2,472**
SHAREHOLDERS' EQUITY		**85,890**	**76,513**
NON-CURRENT LIABILITIES			
Long-term provisions	*Note 10*	122	94
Other non-current liabilities	*Note 11*	1,921	2,281
CURRENT LIABILITIES			
Short-term provisions	*Note 12*	335	620
Taxes due		2,805	306
Trade and other accounts payable	*Note 13*	44,076	37,817
Other financial liabilities	*Note 14*	328	628
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**135,477**	**118,258**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2007

(In euro thousand)	Notes	2007 IFRS	2006 IFRS
Sale of goods		10,381	8,124
Sale of services		145 596	121,843
REVENUES		**155,977**	**129,967**
Purchases consumed		(8,945)	(7,009)
Salaries and related expense	*Note 15*	(94,804)	(80,952)
External expenses	*Note 16*	(33,314)	(28,958)
Taxes and duties		(3,868)	(3,392)
Allocations to amortization and depreciation	*Note 17*	(1,404)	(1,188)
Allocations to provisions	*Note 17*	(165)	(35)
Impairment of assets	*Note 17*	(93)	(264)
Other income	*Note 18*	700	895
Other expenses	*Note 18*	(238)	(138)
Other operating income	*Note 19*	5	50
Other operating expenses	*Note 19*	(12)	-
OPERATING PROFIT		**13,838**	**8,975**
% OF REVENUES		**8.9%**	**6.9%**
Financial income		2,166	1,511
Financial expenses		(678)	(353)
Net cost of financial debt	*Note 20*	**1,488**	**1,158**
PRETAX PROFIT		**15,327**	**10,133**
% OF REVENUES		**9.8%**	**7.8%**
Income tax	*Notes 21 / 22*	(5,381)	(3,538)
PROFIT FOR THE PERIOD FROM ONGOING ACTIVITIES		**9,946**	**6,596**
% OF REVENUES		**6.4%**	**5.1%**
PROFIT FOR THE YEAR		**9,946**	**6,596**
Including:			
• **Profit (group share)**		**9,210**	**6,141**
• **Profit attributable to minority interests**		**736**	**455**
Earnings per share (group share) - in euros		0.39	0.26
Number of shares (*)		23,321,446	23,190,809
Diluted earnings per share (group share) - in euros		0.38	0.26
Number of shares (*), Stock Options & Exercisable free shares allocated		24,207,844	24,057,874

(*) Number of shares weighted over the period.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING DECEMBER 31, 2007

(In euro thousand)	Notes	2007	2006
Consolidated profit before minority interests (1)		**9,946**	**6,596**
Elimination of non-monetary items:			
• Net allocations to amortization, depreciation and provisions		1,219	1,442
• Expenses/(Income) related to stock options and similar items		493	358
• Effect of discounting receivables and debts maturing in more than one year		205	114
• Variation in deferred taxes		1,330	1,088
• Capital losses/(gains) from disposals, net of tax		5	-
• Capital losses/(gains) from disposals of consolidated securities, net of tax		-	(41)
Cash flow from consolidated companies		**13,198**	**9,557**
Cash variation in:			
• Working capital requirement for operations		(727)	(4,304)
• Corporate tax		2,874	(1,045)
CASH FLOW FROM OPERATIONAL ACTIVITIES (2)		**15,345**	**4,208**
Acquisitions of intangible and tangible assets		(2,368)	(1,971)
Disposals of fixed assets, net of tax		3	2
Payments for long-term investments		(210)	(211)
Payments of acquisition price for acquired companies		(2,687)	(395)
Available cash from subsidiaries acquired during the year		(2)	(2,611)
Payments on acquisitions of contracts and customer contractual relationships		(75)	-
Securities bought from minority shareholders of subsidiaries		(280)	-
Subscriptions to capital increases by minority interests of subsidiaries		226	-
Disposal of consolidated securities, net of tax		20	115
CASH FLOW FROM INVESTMENT ACTIVITIES		**(5,373)**	**(5,071)**
Capital increase – sums received from the exercise of stock options		457	309
Capital decrease (company buy-back of its own securities)		-	-
Dividends paid to parent company shareholders		(1,397)	(1,390)
Dividends paid to minorities		(120)	(104)
Loan repayments (Finance leases)		-	(14)
CASH FLOW FROM FINANCING ACTIVITIES		**(1,060)**	**(1,199)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**8,912**	**(2,062)**
CASH AND CASH EQUIVALENTS AT OPENING	*Note 8*	**47,790**	**49,852**
CASH AND CASH EQUIVALENTS AT CLOSING	*Note 8*	**56,702**	**47,790**
(1) including:			
– interest received		2,166	1,511
– interest paid		(678)	(353)
(2) including:			
– tax due on the income statement		4,051	2,449
– change in taxes receivable and payable		(2,920)	1,045
– income tax paid		**1,131**	**3,494**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY *(In euro thousand)*	Capital	Additional paid-in capital	Consolidated reserves	Stock Options reserve	Profit for the year	Total shareholders' equity (group share)	Minority interests	Total shareholders' equity
Shareholders' equity at 12/31/2005	9,266	29,396	23,939	95	5,927	68,623	2,029	70,652
Movements for FY 2006								
• Consolidated profit for the year					6,41	6,141	455	6,596
• IFRS 2 restatements				358		358		358
Expenses and Income for the period				358	6,141	6,499	455	6,954
• Capital transactions (Exercise of stock options)	33	276				309		309
• Allocation of 2005 profit			6,022	(95)	(5,927)			-
• Dividends paid (€0.06 per share)			(1,390)			(1,390)		(1,390)
• Dividends paid to minority interests							(104)	(104)
• Change in scope							92	92
Shareholders' equity at 12/31/2006	9,299	29,672	28,571	358	6,141	74,041	2,472	76,513
Movements for FY 2007								
• Consolidated profit for the year					9,210	9,210	736	9,946
• IFRS 2 restatements				493		493		493
Expenses and Income for the period				493	9,210	9,703	736	10,439
• Capital transactions (Exercise of stock options)	54	403				457		457
• Allocation of 2006 profit			6,499	(358)	(6,141)			-
• Dividends paid (€0.06 per share)			(1,396)			(1,396)		(1,396)
• Dividends paid to minority interests							(120)	(120)
• Change in scope			(170)			(170)	167	(3)
SHAREHOLDERS' EQUITY AT 12/31/200	**9,353**	**30,075**	**33,504**	**493**	**9,210**	**82,635**	**3,255**	**85,890**

Minority interests correspond to the shares held by subsidiaries' directors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Company identification

NEURONES is a public limited company, whose head office is located at 205, avenue Georges Clemenceau, 92024 Nanterre, France. It is an IT services company whose services include infrastructures (integration and outsourcing) and application layers for information systems.

Distribution of financial statements

In its meeting held February 8, 2008, the Board of Directors closed the 2007 consolidated financial statements presented in this document, which are subject to approval by the Shareholders Meeting of June 12, 2008.

NEURONES' consolidated financial statements for the year ended December 31, 2007 include the company and its subsidiaries (together referred to as the "Group") and the share in affiliates and associates or companies under joint control.

Declaration of compliance

The consolidated financial statements are established in compliance with IFRS as published by IASB. This compliance covers the definitions, accounting methods, valuation and presentation recommended by IFRS plus all of the information required by the standards. The financial statements comply with all of the mandatory IFRS provisions at December 31, 2007.

The new IAS/IFRS wording and interpretations that must be applied to the 2007 consolidated financial statements are as follows:
- IFRS 7: Required information on financial instruments,
- IAS 1: Amendment regarding information about the capital,
- IFRIC 7: Practical methods of restating financial statements according to IAS 29,
- IFRIC 8: IFRS 2 scope,
- IFRIC 9: Re-examination of embedded derivatives, and
- IFRIC 10: Intermediary financial information and impairment.

No impact related to the application of these new standards and interpretations has to be reported.

ACCOUNTING PRINCIPLES

The accounting methods presented below have been applied consistently to all periods shown in the consolidated financial statements. They are identical to the accounting principles used in the financial statements at December 31, 2006.

The accounting methods were applied uniformly by Group entities.

Basis of preparing the consolidated financial statements

The financial statements are presented in euros rounded to the nearest thousand euros.

The financial statements were prepared based on historical cost except for short-term cash investments and share-based payments, valued at fair value.

Use of estimates

Preparing financial statements in accordance with the IFRS conceptual framework requires making estimates and formulating assumptions that affect the application of accounting methods and the amounts shown in these financial statements.

The estimates and underlying assumptions are made based on past experience and other factors considered as reasonable in view of the circumstances. Consequently, they form the basis for exercising the necessary judgment to determine the book values of assets and liabilities that can't be obtained directly from other sources. The intrinsic values may differ from the estimated values.

The estimates and underlying assumptions are reexamined continuously. The impact of changes in accounting estimates is recognized during the period of change if it only affects this period or during the period of change and subsequent periods if they too are affected by the change.

At the year-end closing, NEURONES did not foresee any changes in the key assumptions used or sources of uncertainty that would present a major risk of a significant adjustment in the amounts of assets and/or liabilities during the following period.

The main items where estimates are made are asset impairments, pension commitments, the valuation of share-based compensation and provisions. The assumptions used are specified in the corresponding notes to the financial statements.

Consolidation methods

Subsidiaries

A subsidiary is an entity the Company controls. Controls exists when the Company has the power to directly or indirectly influence the entity's financial and operational policies in order to derive benefits from its activities.

To assess the control, potential voting rights that are currently exercisable or convertible are taken into consideration.

Subsidiaries' financial statements are included line-by-line in the consolidated financial statements from the date when control is obtained until the date when control ceases.

The impact of changes in the percentage stake in subsidiaries is recognized in shareholders' equity.

Affiliates and associates

Affiliates and associates are entities where the Company has significant influence over their financial and operational policies without having control. The consolidated financial statements include the Group's share in the total amount of profits and losses recognized by these companies based on the equity method from the date when significant influence is exercised until the date when it ends.

If the Group's share in the losses of an affiliate or associate is greater than its investment in this entity, the book value of the shares accounted for by the equity method is reduced to zero and the Group ceases to recognize its share in the future losses, unless the Group has a legal or implicit obligation to participate in losses or to make payments on behalf of the affiliate or associate.

Joint ventures

Joint ventures are entities where the Group exercises joint control pursuant to a contractual agreement. The consolidated financial statements include the Group's share in the assets, liabilities, revenues and expenses combined, line-by-line (proportional consolidation), with the similar items of these financial statements from the date when the joint control is obtained until the date when it ends.

Transactions eliminated in the financial statements

Balance sheet balances, unrealized gains and losses, and revenues and expenses from intra-group transactions are eliminated when the consolidated financial statements are prepared. The unrealized gains resulting from transactions with affiliates, associates and joint ventures are eliminated up to the Group's equity share in the entity.

Unrealized losses are eliminated in the same way as unrealized gains, but only insofar as they do not represent impairment.

At December 31, 2007, all companies included in the scope of consolidation were subsidiaries. Subsidiaries' accounting principles have been modified to ensure homogeneity with the Group's accounting methods.

The list of consolidated companies is shown in the "Scope of Consolidation" note.

Intangible assets

Business combinations and goodwill

When a company enters the scope of consolidation, its identifiable assets, liabilities and contingent liabilities are entered on the consolidated balance sheet at their fair value and valued according to the Group's accounting principles.

The difference between the acquisition cost and the Group's share in the fair value of the identifiable assets, liabilities and contingent liabilities acquired constitutes the goodwill.

The Group has chosen not to restate business combinations prior to January 1, 2004 according to the provisions of IFRS 3. The goodwill prior to January 1, 2004 has been maintained at its assumed costs, which represents the amount recognized according to the previous accounting guidelines.

Goodwill is valued at its cost, less cumulative impairment. It is assigned to Cash Generating Units, is not amortized and is subject to an annual impairment test or more frequently in case there are signs of impairment (see the paragraph, "Impairment of fixed asset items").

Negative goodwill is recognized immediately in profit.

Contracts and contractual customer relationships

Contracts and contractual customer relationships are recorded in assets at their acquisition cost less cumulative amortization and impairment. For the most part they come from purchased businesses and correspond to a volume of revenues and margin generated by contracts. They are amortized over the useful life of the corresponding contracts.

In the case of technical assistance contracts renewable periodically, the useful life is indefinite. Consequently, the period during which the contracts will generate net cash inflows to the Group's benefit is without a foreseeable limit. In this case the contracts are not amortized and are subject to an annual impairment test or each time there is a sign of impairment (see the paragraph, "Depreciation of fixed asset items").

Other Intangible assets

The Group has not identified significant development expenses that meet the IAS 38.57 definition.

Other intangible assets, especially software acquired for internal use, are amortized over their useful life, generally from one to three years, as soon as the asset is ready to be commissioned.

The amortization and impairment of intangible assets are recorded in operating income on the line, "Amortization."

Tangible assets

Tangible assets are recorded at their acquisition cost less accumulated depreciation and recognized impairment.

The Group has not opted to use the revaluation method for its assets.

Loan costs are excluded from the cost of fixed assets pursuant to IAS 23.

They are depreciated over their useful life based on the following methods as soon as the asset is ready to be commissioned:

Fixtures and installations	straight-line 5 to 10 years
Transportation equipment	straight-line 2 to 4 years
Computer hardware	declining balance and straight-line 3 to 5 years
Office equipment	straight-line 5 to 10 years

Case of professional leasing and long-term finance leases

Assets acquired in the form of a professional lease or long-term finance lease have been restated. The asset is recorded on the balance sheet at the lower of the present value of the lease's minimum future payments and the asset's fair value. The asset is amortized over its useful life for the Group or the term of the contract if the term is less. The corresponding financial debt is recorded in liabilities and amortized over the term of the contract. In terms of the income statement, the lease expense is offset and replaced by an amortization expense and a financial expense.

Depreciation of fixed assets

Goodwill and intangible assets with an indefinite useful life or intangible assets under construction

The tracking method used to test intangible assets for impairment is the DCF (discounted cash flow) method. This method is used each time there is an indication of impairment and at least once a year. To conduct this test, goodwill is broken down by Cash Generating Units (CGU) corresponding to homogenous groups that jointly generate identifiable cash flows. The division into CGUs is done by legal entity. Each subsidiary corresponds to a CGU.

The asset's book value is compared to its recoverable value, which corresponds to the maximum of the fair value less disposal costs and the value in use, determined by the discounted future cash flows method.

In case there is a loss in value, impairment is recorded on the line "Asset impairment" in operating income. Goodwill impairment is not reversed even if the asset's value in use recovers in future years.

Tangible and intangible assets with a definite useful life

The value in use of tangible and intangible assets with a definite useful life is tested for impairment as soon as signs of impairment appear and reviewed during the annual closure.

To perform this test, the tangible assets are grouped into Cash Generating Units (CGU). The CGUs consist of homogenous asset groups whose continuous use generates cash inflows that are substantially independent of cash inflows generated by other asset groups. The division into CGUs is done by legal entity. Each subsidiary corresponds to a CGU.

The asset's book value is compared to its recoverable value and corresponds to the maximum of the fair value less disposal costs and the value in use, determined by the discounted future cash flows method. When the book value is less than the recoverable value, impairment is recorded in operating income, on the "Asset impairment" line.

Main criteria used to apply the DCF method of valuation

- The discount rate used is 10.4% after tax, based on the risk-free rate, the risk premium and beta.
- The length of the explicit period is 5 years.
- The growth assumptions retained for revenues, operating margin, working capital requirements and capital expenditures are specific to each company (especially Groupe AS International, Help-Line Victoria, Edugroupe, Codilog-Knowledge and ID-Factory), based on their size and business sector.

Impairment recorded for a CGU is first allocated to reducing the book value of any goodwill allocated to the Cash Generating Unit, then to reducing the book value of the CGU's other assets on a pro rata basis with the book value of each asset in the unit.

Impairment recorded for an asset other than goodwill is written back if there is a change in the estimates used to determine the recoverable value. An asset's book value, increased due to the write back of impairment, should not exceed the book value that would have been determined, net of depreciations, if no impairment had been recorded.

Financial assets

Non-consolidated securities

Pursuant to IAS 39, equity investments in non-consolidated companies are analyzed as available for sale and are therefore recorded at their fair value, or at their acquisition cost if the fair value cannot be determined reliably.

In the case of recognition at fair value, any normal variation in fair value (positive or negative) is recognized directly in shareholders' equity.

In case of a recognition at acquisition cost and there is an objective indication of impairment of the financial asset, impairment is recorded through profit/(loss). This impairment is written back through profit/(loss) only when the securities are sold.

Other financial assets

Financial assets that mature in more than one year and that do not earn interest are discounted pursuant to IAS 39.

The variance related to the initial discounting is recognized in operating profit. The write-back related to the discounting each subsequent year is recorded as financial income.

The discount rate used is 5%.

The Group has no derivatives among its financial assets and does not conduct any hedge operations.

Deferred taxes

Pursuant to IAS 12, deferred taxes are recognized in the income statement and the balance sheet to account for the time lag between the book values and tax bases of certain assets and liabilities, except for the following items:

- goodwill,
- time differences related to investments provided they won't inverse in the foreseeable future.

According to the liability method of tax allocation, deferred taxes are valued based on the known changes in tax rates that have been adopted or virtually adopted at the closing date.

Loss carry forwards are activated when it is likely there will be future taxable income that these tax losses can be charged against.

A deferred tax is recorded for assets and liabilities related to finance lease agreements.

Pursuant to IAS 12, deferred tax assets and deferred tax liabilities are not discounted.

Inventory

Inventory is valued at the lowest cost based on the weighted price and net realizable value method. The net realizable value is the estimated sales price under normal business conditions, less the estimated costs required to complete the sale.

Impairment is recognized on a case-by-case basis when the net realizable value is less than the book value.

Receivables

Receivables are recorded at cost less recognized impairment. Impairment is recognized when the book value of the receivable exceeds its recoverable value (i.e.; the value of estimated future cash flows).

There are no payment conditions of more than one year.

Cash and cash equivalents

Short-term investments are valued at their fair value (through profit/(loss)).

Pursuant to IAS 7, the "Cash and cash equivalents" line includes the cash on hand and demand deposits. Bank overdrafts reimbursable on demand that are an integral part of the Group's cash management constitute a component of cash and cash equivalents for the needs of the cash flow statement.

The fair value corresponds to the cash-in value of the cash asset or liability at the closing date.

Variances in fair value are recorded in profit for the period under the "Financial income" category.

Treasury shares

The amount of the consideration paid for treasury shares, including directly attributable costs, is deducted from consolidated reserves.

In case the shares are subsequently disposed of, the income and any corresponding tax effects are recorded as a variation in consolidated shareholders' equity.

Share-based compensation

Plans granted after November 7, 2002 whose rights still hadn't been acquired at December 31,2007 are subject to valuation according to IFRS 2. The Black & Scholes valuation model was adopted for options. The fair value valuation of the service rendered at the allocation date is expensed on a prorata temporis basis over the entire rights acquisition period as an adjustment to shareholders' equity.

Employee benefits

Defined benefits plan: provision for retirement benefits

This provision is intended to meet the commitments corresponding to the present value of rights acquired by employees regarding conventional benefits they will have a claim to when they retire. It is based on a calculation made according to the forecast credit units method, which takes into account seniority, life expectancy and the personnel turnover rate as well as assumptions about salary revisions and present value.

The main parameters used correspond to averages determined by reference to the historical numbers from the latest fiscal periods.

These main parameters are:

Retirement age	60 years
Turnover rate	15%
Discount rate	5%
Salary inflation rate	5%
Life expectancy table	INSEE 99

The actuarial gains and losses generated by changes in assumptions are recorded directly in profit.

Contributions owed to a fixed contribution plan are expensed when they are incurred.

Other personnel commitments

Long-service medals

The collective bargaining agreements in force in NEURONES Group companies do not make any special provisions for long-service medals. No specific agreements have been concluded regarding this point in the Group's various subsidiaries.

Provisions

Pursuant to IAS 37, a provision is recorded when the Group recognizes a current obligation, legal or implicit, regarding a third party resulting from a past event and it is likely or certain that this obligation will cause an outflow of resources representing economic benefits whose amount may be estimated reliably.

Long-term provisions are discounted when the effect is significant.

Financial liabilities

The Group has no derivatives among its financial liabilities and does not conduct any hedge operations. The Group has no liabilities valued at fair value as an adjustment to profit.

The other financial liabilities correspond primarily to bank overdrafts and deposits received.

Other non-current liabilities

As part of the Victoria group acquisition, the Group has negotiated moratoriums concerning payment of outstanding taxes and employer social security contributions.

These liabilities, which don't bear any interest, were subject to a discounted valuation at 5%.

Trade and other accounts payable

Trade accounts and notes receivable are valued at their fair value when initially recorded, then at amortized cost.

There are no payment conditions of more than one year.

Recognition of "service" revenues

Revenues realized in the form of services provided are recognized based on the stage of completion in accordance with IAS 11 and IAS 18.

The stage of completion is calculated based on the costs incurred compared to the total updated forecast costs.

Fixed price projects

Revenues from fixed price projects are recorded as the service is provided, based on the stage of completion method. According to this method, revenues are recognized in the period the service is rendered in. The variance between invoicing and revenues calculated based on the stage of completion is recorded in invoices to be prepared or in prepaid income, as required. When the forecast cost price of a contract is greater than the contractual revenues, an end of contract loss equal to the difference is recorded.

Annual or long-term contracts

Revenues from annual or long-term contracts are recorded in advance, which corresponds to a prorata temporis treatment.

Services sold in the form of spendable checks

Some Group companies pre-sell checks for services, which represent days of service by engineers, developers, technicians or trainers.

Revenues in the form of spendable checks are recorded as the services are provided and therefore as the checks are consumed.

Unused checks are recorded as prepaid income.

Long-term perennial outsourcing contracts

Long-term outsourcing contracts generally include two main types of services:
- initial engineering: this is an independent project prior to starting the current operating contract. In this case, revenues are recorded based on stage of completion;
- current operations: the invoicing terms generally involve invoicing a fixed monthly fee that is identical throughout the year. Revenues are recognized based on the stage of completion in phase with the services provided.

Method of calculating diluted earnings per share (EPS)

The number of shares taken into account in calculating diluted EPS is comprised of:
- the weighted average number of shares in the year,
- plus the weighted average number of other dilutive stock options allocated and not exercised,
- plus the weighted average number of free shares allocated.

The earnings per share was determined in accordance with IAS 33.

Sector information

A sector is a distinct component of the Group, which is either involved in providing services (business sector) or in providing services in an environment (geographic sector) that is exposed to different risks and profitability than those in other sectors.

An examination of the activities conducted in the NEURONES Group has identified that:
- the core businesses exercised by the Group's different companies present the same types of risk,
- the financial data, in terms of growth ratios, profitability ratios and items in the financial structure, are quite homogeneous from one company to another,
- the distinction presented historically ("Infrastructures" and "Applications") through the end of 2006 corresponded to a sales/marketing vision for the Group presentation, but not to actual distinct financial behaviors.

Therefore, there is no sector distinction at present, both in terms of business sectors and geographic sectors.

Management of financial risk (IFRS 7)

The Group has identified its exposure to the following risks:
- credit risk,
- liquidity risk,
- market risk, and
- capital management.

The purpose of this note is to provide information about the exposure to each of these risks as well as the policies put in place to minimize these risks. Given the Group's current size and the daily involvement of two directors (CEO and Executive Vice-President) combined with the geographic proximity of all Group companies and subsidiary managers' participation in the share capital, in most cases it hasn't been deemed necessary to form a centralized risk management committee. Moreover, the Group's general and/or financial management is directly responsible for some risks.

Credit risk

Credit risk represents the possibility of a financial loss in the case where a customer or counterparty to a financial instrument would fail to honor its contractual obligations. In the case of NEURONES and its subsidiaries, the risk is primarily limited to trade receivables and financial investments.

Trade receivables

The exposure to the credit risk depends on customers' individual characteristics. The Group has a very broad spectrum of customers, in multiple business sectors, who are distributed uniformly with the largest customer contributing less than 10% of the consolidated revenues. Moreover, a Coface credit insurance policy was taken out by Group companies whose customer profile justified taking specific coverage guarantees.

Cash

The exposure to credit risk is limited by only investing excess cash in money market funds, certificates of deposit issued by the Group's banking partners (BNP, Société Générale, Crédit Agricole and HSBC) or in short-term commercial paper (less than 3-months to maturity) issued by issuers whose credit rating is at least A2/P2.

Liquidity risk

The liquidity risk corresponds to difficulties the Group could encounter to honor its commitments and pay its debts.

At present, this risk is theoretical given the substantial surplus cash position of the Group and all of its legal companies, without exception.

Nevertheless, NEURONES has arranged additional room for maneuver by negotiating with its banking partners unguaranteed overdraft facilities with the following characteristics:

- €1.6 million that, when used, bears interest at EONIA +0.5%, and
- €2.3 million that, when used, bears interest at EONIA +0.6%.

Market risk

Market risk corresponds to the risk resulting from changes in market prices, such as exchange rates, interest rates and prices of equity instruments.

The Group is not really exposed to these risks at present since virtually all transactions are conducted in euros and NEURONES has not issued any equity instruments for now.

The only risk could be related to changes in interest rates on the cash investments. But this is a short-term investment strategy that was chosen in order to reliably track changes in financial markets. The purpose of this strategy is to avoid being penalized by a long-term commitment that would be out of phase with current market conditions.

Capital management

By design, 78% of the capital is held by managers, so a solid base can be maintained, which in turn helps preserve third parties' confidence.

Even though NEURONES has substantial surplus cash (plus significant shareholders' equity), the Board of Directors makes sure that a balance is maintained between shareholder remuneration and long-term resources. The dividend policy, initiated as of 2005, has never resulted in distributing more than 25% of net profit.

The Company wants to have the possibility to buy-back its own shares. As such, every year the Ordinary Shareholders' Meeting is asked to approve such an authorization. In February 2008 the Board of Directors decided to implement a share buy-back program.

New standards and interpretations not yet applied

New standards, amendments and interpretations are not yet in force for fiscal periods ending December 31, 2007 and have not been applied in preparing the consolidated financial statements:

- IFRS 8, "Operational sectors," introduces the "management approach" to establish sector information. IFRS 8, which will be mandatory to apply for 2009 financial statements, requires that the note on sector information be based on internal reports examined on a regular basis by the main operational decision-maker to evaluate the performance of each sector and allocate them resources. At present, the Group does not distinguish business sectors since all of its subsidiaries exercise the same type of core business;

- IAS 23 revised, "Loan cost," eliminates the option of expensing loan costs and requires that an entity capitalize, as a component of asset cost, the loan costs directly attributable to the acquisition, construction or production of a qualified asset. It will be mandatory to apply IAS 23 in the 2009 financial statements. At present the Group is not concerned by this standard;

- IFRIC 11, "IFRS 2 – Share-based intra-group transactions," requires that an agreement where payment is based on shares and in which an entity receives income or services in consideration for attributing its own equity instruments, be recognized as a transaction whose payment is based on shares that are paid as equity instruments, independently of how the entity obtained the equity instruments. The application of IFRIC 11, which will be mandatory in 2008, should not have an impact on the Group's consolidated financial statements;

- IFRIC 12, "Service concession agreements," provides indications about certain questions related to the recognition and valuation of public sector to private sector concession agreements. The application of IFRIC 12, which will be mandatory in 2008, should not have an impact on the Group's consolidated financial statements;

- IFRIC 13, "Customer loyalty programs," deals with the recognition by entities that use or participate in any other way with loyalty programs for their customers. The interpretation concerns loyalty programs by which the customer can use attributed credits for products or services, free of charge or with a discount. The application of IFRIC 13, which will be mandatory in 2009, should not have an impact on the Group's consolidated financial statements;

- IFRIC 14, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction," clarifies the date when the reimbursements or reductions in future contributions regarding the assets in a defined-benefits plan are considered as available and provides clarifications about the impact of the minimum funding requirements (MFR) on these assets. The interpretation also deals with the issue of when a MFR can generate a liability. IFRIC 14 will have to be applied in the Group's 2008 financial statements. To date, its potential impact has not been determined.

SCOPE OF CONSOLIDATION

List of consolidated companies

Companies consolidated by full consolidation	Head office	Commercial Register No.	12/31/2007			12/31/2006		
			% Stake	% Control	Consolidation Method	% Stake	% Control	Consolidation Method
Parent NEURONES (SA)	205, av. Georges Clemenceau 92024 NANTERRE	331 408 336	-	-	-	-	-	-
Subsidiaries NEURONES IT (SAS)	205, av. Georges Clemenceau 92024 NANTERRE	428 210 140	99%	99%	C	95%	95%	C
Skills Consulting (SAS) (*)	205, av. Georges Clemenceau 92024 NANTERRE	428 209 308	-	-	-	100%	100%	C
Intrinsec (SAS)	215, av. Georges Clemenceau 92024 NANTERRE	402 336 085	82%	82%	C	82%	82%	C
Victoria (SAS)	171, av. Georges Clemenceau 92024 NANTERRE	403 609 092	93%	93%	C	100%	100%	C
Help-Line – Victoria (SAS) (formerly Victoria Consulting)	171, av. Georges Clemenceau 92024 NANTERRE	381 983 568	93%	100%	C	100%	100%	C
Help-Line (SAS) (*)	171, av. Georges Clemenceau 92024 NANTERRE	398 300 061	-	-	-	93%	93%	C
IMS (SAS)	171, av. Georges Clemenceau 92024 NANTERRE	439 832 353	93%	100%	C	93%	100%	C
AS International Group (SAS)	26, rue N-D des Victoires 75002 PARIS	421 255 829	100%	100%	C	100%	100%	C
AS International SAS	26, rue N-D des Victoires 75002 PARIS	349 528 356	100%	100%	C	100%	100%	C
AS Telecom & Réseaux (Sarl)	26, rue N-D des Victoires 75002 PARIS	400 332 524	100%	100%	C	100%	100%	C
AS Technologie (Sarl)	26, rue N-D des Victoires 75002 PARIS	417 586 609	100%	100%	C	100%	100%	C
AS Synergie (Sarl)	26, rue N-D des Victoires 75002 PARIS	493 513 014	100%	100%	C	-	-	-
HPS Technologies (SAS)	14, route de St-Cyr 78440 DROCOURT	451 310 502	66%	66%	C	66%	66%	C
BrainSoft (SAS)	205, av. Georges Clemenceau 92024 NANTERRE	410 219 943	100%	100%	C	90%	90%	C
Axones (SAS) (formerly Inexware Services)	205, av. Georges Clemenceau 92024 NANTERRE	443 739 693	100%	100%	C	100%	100%	C
ID-Factory (SAS)	205, av. Georges Clemenceau 92024 NANTERRE	383 343 142	85%	85%	C	-	-	-
Edugroupe (SAS)	205, av. Georges Clemenceau 92024 NANTERRE	415 149 830	96%	96%	C	100%	100%	C
Ged Systèmes (SAS) (*)	205, av. Georges Clemenceau 92024 NANTERRE	389 607 730	-	-	-	90%	90%	C
Viaaduc (Sarl)	205, av. Georges Clemenceau 92024 NANTERRE	432 104 503	96%	100%	C	90%	100%	C
Edugroupe MP (SAS)	205, av. Georges Clemenceau 92024 NANTERRE	494 800 121	96%	100%	C	-	-	-
Codilog-Knowledge (SAS)	205, av. Georges Clemenceau 92024 NANTERRE	432 673 838	72%	72%	C	72%	72%	C
Finaxys (SAS) (formerly Axones)	30, rue d'Orléans 92200 NEUILLY-SUR-SEINE	450 758 040	55%	55%	C	100%	100%	C
Pragmateam (Sarl)	130-132, rue de Normandie 92400 COURBEVOIE	411 264 641	50%	50%	C	-	-	-

C = Consolidation.

(*) Skills Consulting, Ged Systèmes and Help-Line were absorbed respectively by Neurones-IT, Edugroupe and Help-Line – Victoria (formerly Victoria Consulting) as part of the business combinations on May 31, 2007, effective retroactively to January 1, 2007.

Changes in scope

Changes in percentage stakes

Internal legal restructuring operations (business combinations, securities contributions and partial asset contributions) were carried out in 2007. In view of the exchange parities used, the percentage stakes were modified accordingly.

In addition, there were also changes in minority interests as NEURONES:
- bought back 9.77% of Brainsoft's shares from a historical company shareholder, and
- sold 0.27% of Victoria SAS to a manager shareholder.

Finally, two new managers subscribed to a capital increase in Finaxys, bringing their stake to 45%.

New companies formed

Two new companies were formed in 2007: AS Synergie and Edugroupe MP in the respective businesses of IT production and IT training.

2007 Acquisitions

ID Factory

During the first half of 2007, NEURONES acquired 85% control of ID Factory, an applications development firm.

PragmaTeam

During the second half of 2007, NEURONES acquired 50.1% control of PragmaTeam, a consulting firm.

Items concerning the transactions and contributions of acquisitions to the Group's consolidated financial statements

- ID Factory: price paid in cash without a future price adjustment. Fair value of shareholders' equity at the acquisition date: €516,000.
- PragmaTeam: price paid in cash, with an additional future price, based on operating profit in FY 2009 and FY 2010. Fair value of shareholders' equity at the acquisition date: €336,000.

At the respective dates of entering the scope, the acquisitions' main totals were:

(In euro thousand)	Amount
Non-current assets	
Intangible assets	-
Tangible assets	38
Financial assets	68
Deferred tax credits	8
Current assets	
Deferred tax credits due	63
Trade accounts and notes receivable	1,800
Cash and cash equivalents	159
TOTAL ASSETS	**2,136**
Shareholders' equity restated at fair value	**852**
Non-current liabilities	
Long-term provisions	1
Other non-current liabilities	-
Current liabilities	
Short-term provisions	20
Taxes due	38
Trade and other accounts payable	1,064
Other financial liabilities	161
TOTAL LIABILITIES	**2,136**

The primary contribution items during the 2007 consolidation period were:

Income statement items	Amount *(In euro thousand)*
Revenues	2,041
Operating profit	307
Net profit	198

The valuations of assets, liabilities and contingent liabilities are provisional.

NOTES TO THE BALANCE SHEET

Note 1 – Intangible assets

(In euro thousand)	12/31/06 IFRS	Change in Scope	↗	Reclass.	↘	12/31/07 IFRS
Goodwill (detail in note 2)	18,493	-	2,176	-	-	20,669
Patents and licenses	1,172	-	318	63	93	1,460
Contracts and contractual relationships	499	-	75	-	-	574
GROSS TOTAL	**20,164**	**-**	**2,569**	**63**	**93**	**22,703**
Amortization and depreciation	(880)	-	(225)	-	(93)	(1,012)
Impairment	(401)	-	(92)	-	-	(493)
NET TOTAL	**18,883**	**-**	**2,252**	**63**	**-**	**21,198**

The acquisitions primarily correspond to computer software for internal use, involving both internal administrative use and production use on outsourcing contracts.

The contracts and contractual relationships recorded in assets are related to technical assistance contracts for an indefinite useful life (refer to note on accounting principles). Over the period, total impairment of €92,000 was recorded for loss of value on certain "contracts and contractual relationships" related to a portion of contracts not renewed.

No intangible assets have been pledged as security.

Note 2 – Goodwill

(In euro thousand)	12/31/06 IFRS	↗	↘	12/31/07 IFRS
Companies concerned:				
BrainSoft	89	-	-	89
AS International Group	8,874	-	-	8,874
Help-Line (merged into Help-Line – Victoria)	544	-	-	544
Codilog-Knowledge	20	-	-	20
Codilog (merged in Codilog-Knowledge)	2,159	-	-	2,159
IMS	30	-	-	30
Axones (formerly Inexware Services)	1,345	-	-	1,345
Ged Systèmes (merged into Edugroupe)	510	-	-	510
Victoria SAS	4,635	-	-	4,635
HPS Techonologies	287	-	-	287
ID Factory	-	1,804	-	1,804
PragmaTeam	-	372	-	372
NET TOTAL	**18,493**	**2,176**	**-**	**20,669**

Off balance sheet commitments

The acquisition contract for PragmaTeam makes provision for payment of a maximum price supplement, subject to achieving a level of operating profit for FY 2009 and FY 2010. This amount was incorporated into the goodwill value, based on an estimate of the probable amount payable.

In addition, no price supplement was finally paid on the acquisition of HPS Technologies.

Method and key assumptions used for impairment tests

The revenue and operating profit growth rates were determined based on the data recorded historically. Consequently, over the explicit period (5 years):

- revenue growth is between 5% and 20%, depending on the CGU,
- the operating margin is between 5% and 20%, depending on the CGU.

Over the implicit period, revenue growth is set at 2% and the operating margin does not exceed 15%, depending on the CGU.

Note 3 – Tangible assets

(In euro thousand)	12/31/06 IFRS	Change in Scope	↗	Reclass.	↘	12/31/07 IFRS
Fixtures and installations	2,112	-	879	7	3	2,995
Transportation equipment	591	7	208	-	50	756
IT and office equipment	4,436	31	953	132	284	5,268
Leased fixtures	77	-	-	-	77	-
Leased IT equipment	59	-	-	-	59	-
Fixed assets under construction	202	-	10	(202)	-	10
GROSS TOTAL	**7,477**	**38**	**2,050**	**(63)**	**473**	**9,029**
Amortization and depreciation	(5,345)	-	(1,180)	-	(459)	(6,066)
NET TOTAL	**2,132**	**38**	**870**	**(63)**	**14**	**2,963**

The capital expenditures for the year correspond primarily to fixtures to improve new premises, IT hardware (for internal use or used on outsourcing contracts) and service vehicles.

No tangible asset has been pledged as security.

Note 4 – Financial assets

(In euro thousand)	12/31/06 IFRS	Change in Scope	↗	↘	12/31/07 IFRS
Non-consolidated securities	28	-	-	-	28
Loans	370	–	89	3	456
Other financial assets	373	68	56	22	475
GROSS TOTAL	**771**	**68**	**145**	**25**	**959**
Impairment	(15)	-	-	-	(15)
NET TOTAL	**756**	**68**	**145**	**25**	**944**

Other financial assets correspond primarily to deposits paid in the form of loans as part of the 1% housing aid contribution plus security deposits (rent).

The present value of loans (1% housing aid contribution) and in particular the reimbursement due date have been calculated based on the reimbursement date provided for in the contract (20 year timeframe).

The present value of security deposits (primarily concerning security deposits paid for rented premises) and in particular the reimbursement due date have been calculated based on the lease's termination date (9-year term).

In accordance with IFRS 7.8, financial assets are presented based on categories defined by IAS 39, as shown below:

(In euro thousand)	12/31/07	12/31/06
Held-to-maturity investments	13	13
Financial assets designated at fair value through the income statement	931	743
FINANCIAL ASSETS	**944**	**756**

Note 5 – Deferred tax credits

The deferred tax credits shown on the balance sheet concern the following items:

(In euro thousand)	12/31/07	12/31/06
Employee statutory profit sharing	154	210
Other temporary differences	120	108
Provision for retirement benefits	41	31
Elimination of internal margins – Disposal of assets	-	-
Present value of receivables maturing in more than one year	211	184
Depreciation of contracts and contractual relationships	-	32
Tax losses deferrable indefinitely	136	1 404
Present value of outstanding taxes and employer social security contributions > 1 year	(58)	(89)
DEFERRED TAX CREDITS	**604**	**1 880**

Note 6 – Inventory

(In euro thousand)	12/31/06	↗	↘	12/31/07
Goods	241	127	84	284
GROSS TOTAL	**241**	**127**	**84**	**284**
Impairment	(121)	-	(84)	(37)
NET TOTAL	**120**	**127**	**-**	**247**

Fully depreciated inventory valued at €84,000 was scrapped.

No inventory has been pledged as security.

Note 7 – Trade accounts and notes receivable

(In euro thousand)	12/31/07	12/31/06
Trade receivables	42,799	37,288
Invoices to be issued	3,619	2,590
Suppliers – credit notes receivable	54	54
VAT	4,587	4,167
Other receivables	194	200
Prepaid expenses	995	1,159
GROSS TOTAL	**52,248**	**45,458**
Impairment	(332)	(364)
NET TOTAL	**51,916**	**45,094**

These items are due in less than one year, except for certain financial arrangements granted to some customers as part of outsourcing contracts. Since the amount recognized as a receivable on the balance sheet bears interest, the receivable was not discounted for present value.

Note 8 – Cash and cash equivalents

(In euro thousand)	12/31/07	12/31/06
Commercial paper	9,395	7,925
Capital guaranteed structured fund	2,000	-
Term deposits	20,300	7,271
Monetary funds	10,708	21,793
Available funds	14,397	11,388
Accrued interest on commercial paper	222	38
TOTAL CASH AND CASH EQUIVALENTS	**57,022**	**48,415**
Bank overdrafts	(320)	(332)
Factored debt (*)	-	(293)
TOTAL NET CASH	**56,702**	**47,790**

(*) This amount corresponds to the receivables sold and financed by the factor for the company that haven't been collected yet. The financing granted by the factor is only definitively vested for the company when the receivables are effectively cashed.

Details of commercial paper and term deposits:

Type	Amount *(In euro thousand)*	Due date	Rate
Notes			
Euro Commercial Paper	7,416	01/24/08	4.42%
Euro Commercial Paper	1,979	01/15/08	4.66%
Term deposits			
Crédit Agricole certificate of deposit	2,500	01/08/08	4.50%
Crédit Agricole certificate of deposit	8,400	02/08/08	4.42%
HSBC certificate of deposit	5,400	02/07/08	4.40%
BNP certificate of deposit	4,000	02/12/08	4.45%

Note 9 – Shareholders' equity

Note 9.1 – Capital

At December 31, 2007, the share capital amounted to €9,353,130.80, comprised of 23,382,827 fully paid-up shares of the same class with a face value of €0.40.

A double voting right is granted to every shareholder whose shares have been registered in his name for at least four years.

During FY 2007, 134,523 stock options were exercised, which resulted in the creation of 134,523 new shares:

- 43,523 shares were exercised at a price of €3.80, including a face value of €0.40 and €3.40 of additional paid-in capital (Plan No. 3),
- 91,000 shares were exercised at a price of €3.20, including a face value of €0.40 and €2.80 of additional paid-in capital (Plan No. 4).

These new shares increased the share capital by €53,809.20 and the additional paid-in capital by €402,778.20.

The variation in the number of shares in circulation during FY 2007 breaks down as follows:

Number of shares in circulation at 01/01/2007	Increase (Exercise of Stock Options)	Decrease	Number of shares in circulation at 12/31/2007
23,248,304	134,523	-	23,382,827

The company has been listed on the Paris stock exchange since May 2000 (regulated market – Compartment C).

Note 9.2 – Share based payments

Stock option plans

All authorizations given by Ordinary Shareholders' Meetings to the Board of Directors for stock option plans were wound up during prior years.

Free share allocation plan

In 2007 there was just one outstanding authorization for a free share allocation plan given by an Ordinary Shareholders' Meeting to the Board of Directors.

The Ordinary Shareholders' meeting on June 14, 2007 authorized the Board of Directors to allocate a plan of 230,000 free shares (representing approximately 1% of the share capital). This authorization is valid for thirty-eight months. The Board of Directors meeting on December 21, 2007 wound up this plan by allocating 230,000 free shares.

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

Rules of the stock option plans

	Stock option plan No. 1	Stock option plan No. 2	Stock option plan No. 3	Stock option plan No. 4	Stock option plan No. 5	Stock option plan No.6
Date of the Shareholders' meeting	11/29/99	11/29/99	11/29/99	11/29/99	06/25/03 & 06/25/04	06/25/04
Date of the Board of Directors meeting	11/29/99	07/27/00	07/11/01	01/23/03	10/15/04	06/28/06
Maturity date of the plan	11/29/04	07/27/05	07/11/06	03/01/07	10/15/08	07/01/10
Expiry date of the plan	11/28/14	07/26/10	07/11/11	02/28/11	10/14/12	06/30/14
Number of beneficiaries	19	171	238	60	60	39
including managers	-	-	-	-	-	-
Number of options granted	165,550	304,363	320,210	174,000	257,000	93,000
Number of expired options at 12/31/2006	(72,650)	(205,768)	(128,796)	(54,000)	(57,000)	(4,000)
Number of shares subscribed at 12/31/2006	(83,370)	-	(71,474)	-	-	-
Number of options in circulation at 01/01/2007	9,530	98,595	119,940	120,000	200,000	89,000
Number of options that expired during the year	-	(10,478)	(2,666)	(2,000)	(39,000)	(2,000)
Number of shares subscribed to during the year	-	-	(43,523)	(91,000)	-	-
including managers	-	-	-	-	-	-
Subscription price	€3.20	€7.50	€3.80	€3.20	€4.20	€5.10
Number of options in circulation at 12/31/2007	9,530	88,117	73,751	27,000	161,000	87,000
Potential dilution (excluding cancelled options): % of capital at 12/31/2007	0.04%	0.38%	0.32%	0.11%	0.69%	0.37%
TOTAL POTENTIAL DILUTION						**1.91%**

Rules of the free share plans

	Free share plan No. A	Free share plan No. B
Date of the Shareholders' meeting	06/24/05	06/14/07
Date of the Board of Directors meeting	06/28/06	12/21/07
Acquisition period term	07/01/09	01/01/11
Conservation period term	07/01/11	01/01/13
Number of beneficiaries	22	44
including managers	*1*	*1*
Number of free shares allocated	230,000	230,000
Number of cancelled shares at 12/31/2006	-	N/A
Number of shares allocated during the acquisition period at 01/01/2007	230,000	N/A
Number of allocated shares that were cancelled during the acquisition period in the fiscal year	(20,000)	N/A
Number of shares allocated during the acquisition period at 12/31/2007	210,000	230,000
Potential dilution (excluding cancellations) - % of capital at 12/31/2007	0.90%	0.98%
TOTAL POTENTIAL DILUTION		**1.88%**

The share subscription price for beneficiaries is determined the day the Board of Directors grants the options and cannot be less than 80% of the average share price over the 20 stock market sessions preceding the day the options are granted.

Moreover, no performance conditions have been established for the plans allocated and described above.

The main criteria retained for the fair value valuation of the options for plans attributed after November 7, 2002 are as follows:

	Plans No. 4 & 5	Plan No. 6	Plans No. A & B
Life	4 years	4 years	3 years
Volatility	35%	35%	35%
Risk-free rate	4.50%	4.50%	4.50%
Dividend payout rate	0%	1%	1%

Fair value of stock option plans granted after November 7, 2002

Based on the Black & Scholes model, the options' unit fair value is as follows:

Plan	Exercise price	Fair value
January 2003 (plan No. 4) – Stock Options	€3.20	€1.093
October 2004 (plan No. 5) – Stock Options	€4.20	€1.434
June 2006 (plan No. 6) – Stock Options	€5.10	€1.597
June 2006 (plan No. A) – Free shares	-	€6.490
December 2007 (plan No. B) – Free shares	-	€7.889

The expenses related to the stock option plans are presented in note 15.

Note 9.3 – Earnings per share

	2007	2006
Average of shares issued	23,321,446	23,190,809
Average of treasury shares	-	-
Average of newly created shares (capital increase, etc.)	-	-
Weighted average of shares	23,321,446	23,190,809
Retained earnings (in euro thousand euros)	9,210	6,141
Dilutive instruments	886,398	867,065
Diluted earnings per share (in euros)	0.38	0.26

Note 10 – Long-term provisions

(In euro thousand)	12/31/06	Change in Scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/07
Provision for retirement benefits	94	1	28	-	1	122
TOTAL	**94**	**1**	**28**	**-**	**1**	**122**
Impact (net of expenses incurred)						
Operating profit			28		1	
Net cost of financial debt			-		-	

Note 11 – Other non-current liabilities

(In euro thousand)	12/31/07	12/31/06
Tax and employer social security contribution moratoriums (principal and penalties)	1,790	2,281
Security deposit collected	131	-
OTHER NON-CURRENT LIABILITIES	**1,921**	**2,281**

As part of the Victoria group acquisition, deferments concerning payment of outstanding taxes and employer social security contributions have been obtained from various organizations. These liabilities were subject to a discounted valuation at 5%.

At December 31, 2007, the aging for these liabilities was as follows:

(In euro thousand)	TOTAL	Less than 1 year	1 to 2 years	2 to 3 years
Moratoriums	1,790	-	576	1,214
Security deposit collected	131	-	-	131

In accordance with IFRS 7.8, other non-current liabilities are presented based on categories defined by IAS 39, as shown below:

(In euro thousand)	12/31/07	12/31/06
Other non-current liabilities designated at fair value through the income statement	1,921	2,281
OTHER NON-CURRENT LIABILITIES	**1,921**	**2,281**

Note 12 – Short-term provisions

(In euro thousand)	12/31/06	Change in Scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/07
Provisions	620	20	138	383	60	335
TOTAL	**620**	**20**	**138**	**383**	**60**	**335**
Impact (net of expenses incurred)						
Operating profit			138		60	
Net cost of financial debt			-		-	

Short-term provisions primarily correspond to employee benefits risks, where the expected outflow of resources is less than 12 months.

Write-backs of unused provisions correspond to write-backs related to risks provisioned over previous years, where the analysis and valuation had been done with extra prudence.

Note 13 – Trade and other accounts payable

(In euro thousand)	12/31/07	12/31/06
Trade and other accounts payable	10,377	8,809
Subtotal trade payables	**10,377**	**8,809**
Employee statutory profit sharing and optional profit sharing	581	697
Taxes and employer social security contributions	29,532	24,333
Other debts	1,762	1,199
Prepaid income	1,824	2,779
Subtotal other debts and accruals	**33,699**	**29,008**
TOTAL	**44,076**	**37,817**

Prepaid income corresponds to annual contracts invoiced in advance, "checkbooks" of services sold that haven't been consumed and, as part of fixed-rate projects, the variance between revenues invoiced and revenues recognized based on stage of completion.

All operating debts are due in less than one year.

Note 14 – Other financial liabilities

(In euro thousand)	12/31/07	12/31/06
Bank overdrafts	320	332
Finance leases	-	-
Factored debt	-	293
Subtotal bank overdrafts & finance leases	**320**	**625**
Deposits received	8	3
Subtotal deposits received	**8**	**3**
TOTAL	**328**	**628**

All other financial liabilities are due in less than one year, including financial debts as part of long-term leases, except for deposits received that expire in more than five years.

SECTOR INFORMATION

In accordance with the previously described accounting rules and methods, at present there are no business sectors or geographic sectors.

NOTES TO THE INCOME STATEMENT

Note 15 – Charges de personnel

(In euro thousand)	2007	2006
Salaries and related expenses	63,991	54,604
Employer Social Security contributions	29,712	25,267
Employee statutory profit sharing	581	697
Stocks options & free shares (IFRS 2)	493	358
Provision for retirement benefits	27	26
TOTAL	**94,804**	**80,952**

Note 16 – External expenses

(In euro thousand)	2007	2006
Subcontracting purchases	21,590	19,484
Purchases of materials and supplies not stored	477	396
Outside personnel	2,192	1,498
Other outside services	9,055	7,566
Rents and finance leases	-	14
TOTAL	**33,314**	**28,958**

Note 17 – Net allocations to amortization, depreciation, provisions and impairment of assets

(In euro thousand)	2007	2006
Amortization of intangible assets	224	198
Depreciation of tangible assets	1,180	976
Amortization of finance leases	-	14
Allocations to amortization and depreciation	**1,404**	**1,188**
Contingency provisions	78	149
Net provisions for current assets	87	(114)
Net allocations to provisions	**165**	**35**
Impairment of “Contracts and contractual customer relationships”	93	264
Impairment of assets	**93**	**264**

Note 18 – Other income and expenses

(In euro thousand)	2007	2006
Operating subsidies	356	338
Other income	344	557
Other income	**700**	**895**
Other expenses	238	138
Other expenses	**238**	**138**
Net Other income/Other expenses	**462**	**757**

Note 19 – Other operating income and expenses

(In euro thousand)	2007	2006
Capital gain on disposal of consolidated securities	-	50
Capital gain on disposal of tangible assets	(7)	-
TOTAL	**(7)**	**50**

Note 20 – Analysis of the net cost of financial debt

(In euro thousand)	2007	2006
Dividends received (non-consolidated investments)	-	8
Other interest and similar income	1,158	805
Capital gains on monetary funds	1,006	698
Write-backs of provisions	2	-
TOTAL FINANCIAL INCOME	**2,166**	**1,511**
Interest and similar expenses	678	351
Financial costs on finance leases	-	-
Allocations to provisions	-	2
TOTAL FINANCIAL EXPENSES	**678**	**353**
Financial profit (loss)	**1,488**	**1,158**

Financial interest corresponds to expenses deducted directly by the bank as part of cash centralization systems established between NEURONES and its subsidiaries.

Note 21 – Income tax

(In euro thousand)	2007	2006
Taxes due	4,051	2,449
Deferred taxes	1,330	1,089
TOTAL	**5,381**	**3,538**

Note 22 – Proof of tax

(In euro thousand)	2007 Base	2007 Rate	2007 Tax	2006 Base	2006 Rate	2006 Tax
Pre-tax income, capital gain on sale of consolidated shares	15,327	33.33%	5,108	10,083	33.33%	3,361
Non-deductible expenses – Stock Options (IFRS 2)	493	33.33%	164	358	33.33%	119
Impact of definitively non-deductible expenses	126	33.33%	42	39	33.33%	13
Social security contribution on profits (3.33% of the amount exceeding €763,000 of corporate tax)	-	-	48	-	-	4
Generation/(Use) of tax losses not activated	57	33.33%	19	(91)	33.33%	(30)
Restatements not subject to tax	-	-	-	186	33.33%	62
Consolidated capital gain on securities sold (*)	-	-	-	50	-	9
Effective tax expense			**5,381**			**3,538**
Average tax rate			35.10%			34.90%

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

Note 23 – Information about related parties

Legal entities

NEURONES has no sister company.

There are no economic transactions with HOST Développement, a 46% shareholder in NEURONES, other than the payment of dividends, when applicable.

Directors

Directors were remunerated as follows during FY 2007:

Director	Gross annual remuneration (including bonuses and fringe benefits)	Provision for retirement benefits (including social security contributions)	Number of free shares allocated
Luc de Chammard	154,571 6,960	12,397	-
Bertrand Ducurtil	146,800	2,329	25,000 (Plan No. A) 18,000 (Plan No. B)

The remuneration details for NEURONES' directors are limited to the above information.

MISCELLANEOUS INFORMATION

Security given

NEURONES SA has posted security of €1,944 million with the Trésor Public as part of establishing a VAT moratorium for companies in the Victoria group.

Off balance sheet commitments

There are no unrecognized off-balance sheet commitments.

Tax scheme for Group companies

Since January 1, 2000, the NEURONES Group has opted for tax consolidation for the years 2000 to 2004.

The tax consolidation option was renewed for the years 2005 to 2009.

For 2007, the scope of tax consolidation includes NEURONES, Neurones IT, Edugroupe, Axones (formerly Inexware Services), AS International Group, AS International, AS Telecom & Réseaux and AS Technologie.

Average number of employees

	2007	2006
Managers	930	812
Employees	984	855
TOTAL	1,914	1,667

Events after the year-end closure at December 31, 2007

No significant event occurred between December 31, 2007 and the date the present document was prepared.

Dividend distribution

In its meeting on February 8, 2008, the Board of Directors decided to propose to the Ordinary Shareholders' meeting called to approve the financial statements for the year ended December 31, 2007, to approve a dividend of €0.07 per share.

Summary annual financial statements of the parent company at December 31, 2007

BALANCE SHEET

ASSETS (In euro)	12/31/07 Gross	Amortissements et provisions	Net	12/31/06 Net
Concessions, patents and similar rights	51,785	35,194	16,592	17,789
Goodwill	-	-	-	-
INTANGIBLE ASSETS	**51,785**	**35,194**	**16,592**	**17,789**
Other tangible assets	64,551	50,270	14,281	8,550
TANGIBLE ASSETS	**64,551**	**50,270**	**14,281**	**8,550**
Equity investments	60,412,951		60,412,951	57,121,097
Loans	41,525		41,525	44,988
Other financial assets	2,459		2,459	2,459
FINANCIAL ASSETS	**60,456,935**	-	**60,456,935**	**57,168,544**
TOTAL FIXED ASSETS	**60,573,271**	**85,463**	**60,487,808**	**57,194,883**
Trade accounts and notes receivable	6,555,474		6,555,474	5,291,021
Other receivables	2,220,268		2,220,268	1,730,507
Marketable securities	23,053,812		23,053,812	20,862,794
Available funds	2,507,425		2,507,425	1,442,613
TOTAL CURRENT ASSETS	**34,336,979**	-	**34,336,979**	**29,326,935**
Prepaid expenses	37,270		37,270	22,700
TOTAL ASSETS	**94,947,520**	**85,463**	**94,862,057**	**86,544,518**

LIABILITIES (In euro)	12/31/2007	12/31/2006
Share capital	9,353,131	9,299,322
Additional paid-in capital	29,285,838	28,883,060
Legal reserve	912,543	912,543
Retained earnings	25,112,998	27,899,862
PROFIT FOR THE YEAR	116,594	(1,390,031)
TOTAL SHAREHOLDERS' EQUITY	**64,781,103**	**65,604,755**
Contingency provisions	8,264	15,000
TOTAL CONTINGENCY AND LOSS PROVISIONS	**8,264**	**15,000**
Loans and debts with lending institutions	125,376	
Trade and other accounts payable	7,524,294	5,947,429
Taxes and employer social security contributions	3,560,827	1,184,931
Other debts	18,862,193	13,792,403
TOTAL DEBTS	**30,072,690**	**20,924,763**
TOTAL LIABILITIES	**94,862,057**	**86,544,518**

INCOME STATEMENT

INCOME STATEMENT *(In euro)*	2007	2006
Sale of goods	148,073	147,345
Sale of services	25,008,255	19,176,286
NET REVENUES	25,156,328	19,323,631
including exports	*775*	-
Operating subsidies	2,777	-
Write-backs on provisions, amortization and depreciation, expense transfers	21,960	6,960
Other income	4,407	193,960
OPERATING INCOME	**25,185,472**	**19,524,551**
Goods purchased	148,073	147,345
Variation in inventory	-	-
Other purchases and external expenses	24,139,293	18,306,186
Taxes, duties and similar payments	107,009	77,103
Salaries and wages	797,641	777,680
Employer Social Security contributions	467,885	320,313
Allocations to amortization and depreciation on fixed assets	9,606	10,019
Provisions for current assets	-	-
Contingency and loss provisions	8,264	15,000
Other expenses	13,076	126,760
OPERATING EXPENSES	**25,690,846**	**19,780,406**
OPERATING PROFIT	**(505,374)**	**(255,855)**
Financial income from equity investments	302,180	260,500
Other interest and similar income	545,108	468,877
Net income from the sale of marketable securities	247,532	167,406
Write-back of provisions on financial assets	-	-
FINANCIAL INCOME	**1,094,820**	**896,783**
Interest and similar expenses	539,750	247,365
Other financial expenses	-	2,750,000
FINANCIAL EXPENSES	**539,750**	**2,997,365**
FINANCIAL PROFIT (LOSS)	**555,070**	**(2,100,582)**
PRETAX INCOME FROM ORDINARY BUSINESS	**49,696**	**(2,356,437)**
Extraordinary income from management operations	-	-
Extraordinary income from capital operations	22,287	124,318
Write-backs on provisions and expense transfers		
EXTRAORDINARY INCOME	**22,287**	**124,318**
Extraordinary expenses on management operations	-	-
Extraordinary expenses on capital operations	1,114	13,867
EXTRAORDINARY EXPENSES	**1,114**	**13,867**
EXTRAORDINARY PROFIT/(LOSS)	**21,173**	**110,451**
Statutory employee profit sharing	-	-
Corporate income tax	(45,725)	(855,955)
TOTAL INCOME	26,302,579	20,545,652
TOTAL EXPENSES	26,185,986	21,935,683
PROFIT / (LOSS)	**116,594**	**(1,390,031)**

TABLE OF SUBSIDIARIES AND EQUITY INVESTMENTS

Company (In euro thousand)	Capital	Other shareholders' equity (*)	Share of capital held (%)	Book value of securities held		Loans & advances granted	Security and guarantees given	Revenues (ex. VAT)	2007 profit	Dividends received
				Gross	Net					
I – SUBSIDIARIES (More than 50% owned)										
• Neurones IT	32,443	14,881	98.88%	29,873	29,873	-	-	44,910	2,481	-
• Intrinsec	480	2,521	82.07%	435	435	-	-	9,950	856	-
• AS International Group	555	2,580	100.00%	12,196	12,196	-	-	2,916	134	-
• Victoria	1,510	2,212	93.48%	3,387	3,387	-	-	222	261	-
• BrainSoft	480	1,661	100.00%	1,370	1,370	-	-	8,860	233	-
• Axones (formerly Inexware Services)	2,250	1,239	100.00%	2,250	2,250	-	-	7,103	124	-
• ID-Factory	134	572	84.97%	2,201	2,201	-	-	3,262	102	-
• EduGroupe	4,175	1,582	95.99%	4,756	4,756	-	-	6,500	270	-
• Codilog-Knowledge	5,460	1,647	71.57%	3,307	3,307	-	-	6,719	954	302
• Finaxys	500	(61)	54.84%	274	274	-	-	128	(57)	-
• PragmaTeam	55	271	50.09%	363	363	-	-	758	83	-
II – EQUITY INVESTMENTS (10 to 50% held)	-	-	-	-	-	-	-	-	-	-
III – OTHER SECURITIES										
• Help-Line - Victoria	1,080	10,333	0.03%	0	0	-	-	53,253	4,351	-
TOTAL	-	-	-	**60,413**	**60,413**	-	-	-	-	**302**

(*) Before distribution.

General information concerning the company, its capital, its administration

1. GENERAL INFORMATION CONCERNING THE COMPANY

1.1. Company name

NEURONES.

1.2. Trading name

NEURONES.

1.3. Registered head office

Immeuble "le Clemenceau 1" – 205, avenue Georges Clemenceau
92024 Nanterre Cedex (France).

1.4. Legal form

The company was set up as a French société anonyme with a Board of directors governed by the new Code of Commerce and the decree of 23 March 1967 on commercial companies.

1.5. Nationality

Française.

1.6. Date of incorporation and duration of the company

The company was set up for a duration of 99 years, as of its registration in the Company Register on 15 January 1985.

It shall end on 15 January 2084, unless extended or early ending decided by an Extraordinary General Meeting.

1.7. Corporate charter (article 3 of the by-laws)

The purpose of the company in France, overseas territories and abroad: all transaction directly or indirectly concerning: consulting, design, manufacture, development, deployment, installation, support, operation, distribution of IT and electronic systems, both for services and software, applications and equipment, and generally any operation related to information, communication and training processes.

To achieve its purpose, the company may:
- process, sub-contract, represent and commission,
- import and export,
- possess, acquire, rent, outfit, equip, transform buildings, worksites, warehouses, stores,
- take interests and controlling interests by any method or intervention in any similar company or likely to enhance development of its business,
- and, in general perform all commercial, industrial, financial, security operations directly or indirectly attached to its purpose.

1.8. Company Register

331 408 336 R.C.S. Nanterre

1.9. Financial year

The financial year starts on 1 January and ends on 31 December of each year.

1.10. Place where documents and information concerning the company may be consulted

By-laws, accounts and reports, minutes of General Meetings may be consulted at the NEURONES head office

1.11. General Meetings

General Meetings of shareholders are called and convened under conditions set by the law.

Meetings take place at the head office or any other place specified in the notice of convocation.

Any owner of shares, dating from at least three days prior to the meeting, may attend or be represented at the meeting on simple justification of their identity and an inscription in the share account at least three days before the General Meeting is held, either in the form of a nominative inscription, or the deposit within the same time limit of the certificate of an authorized intermediary at the place mentioned in the notice of convocation stating the non-availability of shares registered till the date of the meeting.

The meetings are chaired by the Chairman of the Board of directors or, in his absence, by a director specially delegated to that effect by the Board. By default, the meetings elects a Chairman.

Minutes of the meeting are drawn up and their copies certified and issued according to the law.

Subject to legal requirements, postal vote can also be used by shareholders. To be taken into account, the company must receive postal voting forms at least three days before the date of the meeting.

1.12. Disposal and transmission of shares

No clause in the by-laws restricts the transfer of shares.

1.13. Double voting right

A shareholder has as many votes as they own shares or represent, without any limit except those provided by law.

Nevertheless, a double voting right is attributed to all fully paid shares so long as they have been owned by the same shareholder in nominative form for at least four years. This right is granted from the time of issue to nominative shares freely attributed to a share- holder holding old shares entitled to this right. Shares changing owner lose this double voting right: Nevertheless, transfer of ownership following inheritance, settling of communal estate between spouses on behalf of one spouse or relation entitled to inherit is not a reason to lose this acquired right and does not interrupt the four-year period so long as it is underway. The merger of the company has no effect on the double voting right that may be exercised within the absorbing company if the by-laws so provide.

1.14. Thresholds and crossing of thresholds

Every shareholder has the obligation to inform the company if holding or no longer holding directly, indirectly or jointly one of the legal thresholds of 5%, 10%, 20%, 25%, one third, 50%, two thirds, 90% and 95% of the company capital or voting rights.

Moreover, every shareholder has an additional obligation to inform the company if holding directly, indirectly or jointly 2% of the company capital or voting rights.

1.15. Purchase by the company of its own shares

Deployment of this program fits into the context of article L.225-209 of the new Code of Commerce.

The Combined General Meeting held on 14 June 2007 approved that the company purchases its own shares subject to the main guidelines below:
- duration of the program: eighteen months as of the date of the meeting (until 13 December 2008),
- maximum amount of the capital to be acquired: 10% of the capital,
- maximum purchase price: 12 euros per share,
- maximum percentage acquired with a view to the subsequent delivery of shares in exchange or as payment: 5% of the capital.

It was proposed to the Combined General Meeting on 12 June 2008 to authorize the company to buy its own shares subject to the main guidelines below:
- duration of the program: eighteen months as of the date of the meeting (until 11 December 2009),
- maximum amount of the capital to be acquired: 10% of the capital,
- maximum purchase price: 10 euros per share,
- maximum percentage acquired with a view to the subsequent delivery of shares in exchange or as payment: 5% of the capital.

This cancels and replaces that authorized by the Combined General Meeting of 14 June 2007.

The effective launch of this second program is subject to a decision of the Board of directors.

If necessary and after decision of the Board of directors, the company shall have the AMF endorse a memorandum concerning the program and publish it within the statutory period. The purchase program can then be effectively launched.

During 2007, the Company did not buy-back shares under the current program.

The Board of Directors meeting on February 8, 2008, authorized the effective launch of the share buy-back program authorized by the Combined Shareholders' meeting on June 14, 2007.

1.16. Statutory distribution of profits (article 19 of the by-laws)

The profit or loss for the year is formed by the difference between income and charges for the year, after deduction of depreciation and provisions, as reported in the income statement.

From the profit for the year, with prior losses deducted if necessary, a minimum five percent is first deducted and allocated to the legal reserve. This deduction is no longer mandatory once the legal reserve has achieved one tenth of the company capital.

If there are sums outstanding, the General Meeting decides, either to distribute or carry them over, or to allocate them to one or several reserves of which it controls the allocation and use.

After acknowledging the existence of reserves that it provides, the General Meeting may decide to distribute the sums taken from these reserves. In this case, the decision specifies from which reserves the amounts are to be taken.

The General Meeting can grant shareholders, all or part of the dividend or partial payment of distributed dividends, with the option to pay the dividend or part thereof in cash or in shares.

1.17. Identifiable bearer shares (article 7 of the by-laws)

The company has the right to ask the organization responsible for custody of shares, at any time and for a fee, the identity of shareholders bearing the immediate or future right to vote in its own shareholder meetings, as also the quantity of shares held by each person and whatever restrictions, such shares may be subject to, if any.

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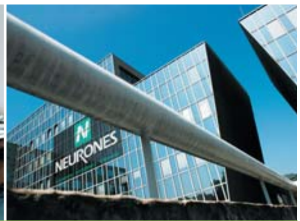

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