NEURONES

CONSULTING - INTEGRATION - OUTSOURCING

2008 ANNUAL REPORT

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With more than 2,500 employees (at the beginning of 2009), NEURONES is one of the 30 leading IT engineering and services companies in the French market and one of the 10 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 +17% 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 fifteen acquisitions that now account for roughly a third of its business.

€189.3 million
2008 revenues

€12 million
2008 net profit (group share)

9.7%
2008 operating margin

Interview with the Chairman

Interviews conducted by Edouard Ballot on 22 December 2008 and 5 March 2009 for La Lettre des Placements (Groupe Le Particulier).

With revenues up 21.4% to 189.3 million euros, of which 16.4% is not attributable to acquisitions, NEURONES was anything but idle in 2008. How would you describe the end of the year and the beginning of 2009?

The year finished at a brisk pace with a number of major deals signed. I think you'll agree there's nothing to complain about, with double-digit growth! On the IT services market, which is up nearly 6%, the group will once again have grown three times faster (+21.4%) than the industry average.

The 2 500 staff members responsible for this achievement can be very proud of the 2008 results, which have hit a ten-year high, especially for operating and net profits. To be frank, though, it should be said that the pressure on prices has never been so strong. But customers are trying to push down prices that are already very low and cannot go much lower, given the scarcity of the skills involved (due to demographic factors).

For 2009, we can reasonably assume that the slow-down observed among our key accounts will result in a two- or three-fold decrease in the growth rates mentioned above.

At the end of 2008, you announced that a management and organization consulting company had joined the NEURONES group. IT people and consultants do not have the same culture or the same business models. How do you see NEURONES' IT and consulting divisions working together?

The advantage of making such a move 20 years after our longer-standing peers is that we can learn from their experience, applying what worked and avoiding what didn't.

Moving up the value chain should be a constant, overriding concern for any IT services company. But, right from the beginning of our talks with the directors of the firm, we announced that there would never be the slightest attempt within the group to merge the two businesses of organization and management consulting and IT services. In people-centred businesses, everyone must keep their specific professional bearings. And besides, even in IT services, with a wide array of ancillary businesses, NEURONES has made a name for itself as a platform of entrepreneurs, not intent, at any cost, on "integrating" the service companies that joined the group. Because "integrating", in this sense, would necessarily imply "dismantling" to some extent.

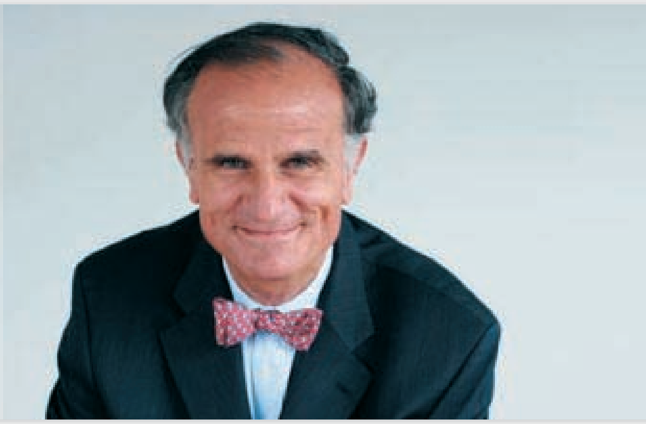
Why did you decide to acquire this company at the end of 2008, just when the general economic situation was entering a nosedive?

Whatever the overall context, investing in quality is always a good move. We work on a 15-year outlook: whether the ground is rough or smooth, the important thing is to keep forging ahead – preferably at the brisk 20% annual growth rate we've seen over the last few years, because "time waits for no man"!

Analysts and stock exchange investors think in terms of finding the right moment. Entrepreneurs, on the other hand, think that there is no right or wrong time for the spirit of enterprise. The best time for a merger - like a marriage, for that matter - is when both parties stand to gain by it. That was the case, for example, with the director of a company that joined the group in May 2008, when we had already known each other for over 10 years!

If we put off acquisitions when economic forecasts were gloomy, or when the economy was booming and prices were too high, there would never be a "right time"!

"We work on a 15-year outlook: whether the ground is rough or smooth, the important thing is to keep forging ahead – preferably at the brisk 20% annual growth rate we've seen over the last few years, because "time waits for no man"!"



> *"The group sees itself more as a platform of independent entrepreneurs who have complementary interests to combine."*

Are you going to continue making acquisitions despite the crisis?

The word "acquisitions", with its connotation of "take-over" and "possession", is a bit out of touch with what actually happens in consulting and IT services companies. In a service company, you cannot simply "acquire" the support of the directors and their teams by handing over a cheque, the way you acquire goods or property.

The group sees itself more as a platform of independent entrepreneurs who have complementary interests to combine. If both parties firmly believe that they will be stronger by combining their talents than by continuing as separate businesses, they will create lasting value. This is what we are aiming for because, in 15 years time, barring the vagaries of life, we will still be here and accountable to our shareholders, which is more than can be said for some in today's capitalist system.

The directors of the first company that joined us, just after we became a listed company in 2000, are still with us today. They have played a very significant role in their company's ongoing growth and the extension of NEURONES' reach. Without them - and those who succeeded them - the group would not be what it is today.

Regardless of the general economic situation, whenever we come across a shared, mutually-beneficial interest in better serving customers, the group will try to forge partnerships through capital holdings.

So, yes, we are going to continue merging with ambitious entrepreneurs, whatever the economic and financial climate!

In the acquisitions made to date, what percentage of the companies' capital did NEURONES acquire?

The group has consistently acquired majority holdings, but has always been careful to leave significant scope for our recent and future associates, so that those who are creating tomorrow's value can increase their stake in the company today.

In our people-centred businesses, a majority or minority holding does not change the way a company is run. Moreover, we make a principal of laying the capital of all group entities open to those executives who already, instinctively, behave as if the company was their "baby". The resulting dilutions are amply offset by the increased involvement and commitment of these new shareholders.

How are NEURONES' businesses different now to what they were in 2002 and 2003, which were also difficult years for the IT industry?

The group's distributed IT outsourcing business has grown considerably. This is mainly because, right from the outset – and this is what sets us apart - NEURONES made distributed IT its sole speciality, with the very limited cost structure that entails. It has always been easier to do business if you are a specialist, especially a cheaper one, and that is even more so today.

It follows that our businesses are more intertwined and more indispensable for customers, whose core businesses are increasingly reliant on their IT systems. There is a steady, inevitable shift towards outsourcing facilities management, because both customers and service providers stand to gain by it.

Another point is that, since the last economic slump, the group has branched out into a number of ancillary businesses revolv-

ing around market-leading ERP solutions - SAP integration, information system architecture, change coaching and training – as well as highly-specialised expertise in business process management and EDM. There is strong demand here and this wide range of complementary technical fields equip us to meet it. We have also built up our systems and networks and service desk businesses, which are also doing very well.

How much of your business is repeat business and therefore crisis-proof?

About 70%. I dream of the day when IT will be as indispensable as electricity. It's just a shame there are far more IT companies than electricity companies!

Outsourced facilities management is said to be a very competitive industry, with low margins as a result. Is that true?

The word "outsourcing" is used to refer to quite different things. In the IT services industry, which, on the whole, is highly competitive, true outsourcing is a specialised field that is not easy to enter. Companies that specialise in outsourcing know that customers are always ready to pay a fair price for a true service level agreement. You always get what you pay for in life, whether it's in terms of security, suitable contact people or compliance with the specifications. Moreover, the relatively low average age of NEURONES' people and its cost structure help keep production costs and therefore prices competitive by comparison with those of longer-standing peers, so we can maintain our profit margins.

Can you tell us what NEURONES is doing for the financial sector?

The financial sector, or at least the major banks, is one of the sectors that makes the most use of IT service providers.

There is still revenue potential to be tapped among these major customers, by pursuing or accelerating the outsourcing of some of their services. This sort of move makes it possible to accurately gauge external costs, as against internal costs, which are often indistinguishable in overall figures. Speeding up the migration to open-source environments is another way of cutting costs in the future, on the maintenance of what is a particularly rich array of legacy applications. The group handles a wide variety of tasks assigned by a large number of decision-makers located in the numerous subsidiaries and operational divisions of the major banks. Some of the tasks we perform include: outsourced facilities management for bank subsidiaries; participation in the production of central IT systems, with network supervision and the provision of Unix and database experts; assistance to the contracting authority; acceptance testing of applications developed offshore; service-desk services for line-of-business or office applications; work on workstations; heightened data-access security; the integration of supervision tools; information system auditing and mapping; architectural consulting services, etc.

Have your key accounts started consulting you about offshore products, or renegotiating contracts to include offshore products?

They have started doing so, but not to the same extent as the media buzz would have us believe. There are a number of reasons for this. First, about 71% of the group's business has to do with facilities and only 21% concerns applications development, which is the area most affected by offshore offers. We are not yet involved in any very large projects in this segment. What we do is provide assistance to the prime contractor, third-party applications maintenance, acceptance testing, consulting, technical assistance and fixed-price developments, mainly in Java and .Net, which are too small to warrant offshoring and the associated constraints. Second, for the type of services NEURONES provides, offshore service centres are still at the beginning of their learning curve, with setbacks we sometimes read about in

The Management Committee

the press. It's hardly surprising: there are limits to what you can do with Taylorism.

It is highly likely, though, that, as it matures, offshoring will become an important part of the IT services offering, if only to overcome the deep-seated recruitment problems in our profession. Offshoring is an opportunity we will take advantage of when the time comes.

Do you apply the recommendations on senior executives' pay packages made by the AFEP-MEDEF?

Yes, especially as we are light years away from the sort of practices these recommendations have set out to redress!

The majority of NEURONES' and its subsidiaries' capital is held by the people who run the business. So the idea of awarding top executives oversized pay packages and golden parachutes at the expense of shareholders like us has never even occurred to us! And it is precisely because most of the senior executives in the group's companies are corporate officers with no work contract that there is strong managerial loyalty. Lastly, because we are all a long way from retirement, we do not have any general retirement scheme. On the other hand, it would be a good idea to protect freedom of enterprise, and in particular the faculty of proposing that the board of directors distribute capital, in the form of free stock options, to those people, and only those people, deemed to have made the most significant contribution.

NEURONES' shares underperformed those of other IT services companies between 2003 and 2007, then outperformed them in 2008. How would you account for the fact that your stock performs contrary to expectations?

There are two types of performance, which, since the spread of economic globalisation and especially the go-it-alone path taken by finance, have been increasingly independent of each other:

> "*The main way to come out on top, apart from creating and innovating, is to devise ever better and ever faster ways of sorting, enhancing, sharing, disseminating, using and transforming information.*"

- the first of these is economic performance: since the company's floatation in May 2000, NEURONES' revenue has increased almost threefold and the group's share of net profit has been multiplied by four
- the second type of performance is that of share prices, shaped by specific factors such as breaking news, the state of the US and Chinese economies, fashions and moods, commodity prices, the odd scandal and goodness knows what else.

These two types of performances can normally be expected to correspond in the long run, which is reassuring for us, as long-term entrepreneurs.

What is the point of remaining a listed company when you have self-financed the acquisitions made since going public and hold net cash of over 50 million euros, i.e. nearly 45% of your market capitalisation and twice your float?

Because one day we'll need shareholders' confidence again. And confidence has to be earned, especially when you have a sufficiently long track record as a public company. Having a

Aussi loin que vous voudrez®... (As far as you like...)

1985

NEURONES is founded and rapidly becomes one of the leading local network integrators.

1994

NEURONES' service offering is expanded to include training and help-desk services, and the outsourcing business gains momentum.

1999

New business lines are added to the offering:
- security,
- an application development business.

10 to 15-year continuous, transparent track record of profitable growth and cash growth that keeps step with revenue growth is more convincing, we think, than switching from listed to unlisted and back again.

How do you see the IT services market developing over the next ten years?

For a variety of structural and fundamental reasons, the period ahead should be plain sailing for the profession in market terms.

In a modern economy, where nearly 80% of GDP comes from the tertiary sector, the main way to come out on top, apart from creating and innovating, is to devise ever better and ever faster ways of sorting, enhancing, sharing, disseminating, using and transforming information. And that, precisely, is what IT services are all about.

Not only that, but technology is becoming obsolescent and new IT solutions are arriving on the enterprise market almost as quickly as digital products are being released on the consumer market. So there is a pressing, constantly renewed demand for the integration of new, ever more efficient solutions and new support services. Practically no other sector of the economy can make the same claim.

Even the most elementary office tasks are becoming more complex as technology brings continual enhancements. This complexity fuels the support and guidance services that are part of our core businesses.

This is why IT services have grown two or three times as fast as GDP over the last 10 to 15 years. And given that the growth drivers are still present, we can expect to see similar growth in the next 20 years!

So what bottlenecks subsist?

Apart from the shortage of qualified personnel, there is a lack of entrepreneurs willing to take over the management of an IT services company with our financial support and their own savings. In an increasing unpredictable world, being the owner of your own professional future is a nice luxury, don't you think? In any case, it has been a wonderful springboard to success for those who decided to take the plunge and join us, and who are now creating a lasting, collective success.

In the final analysis, do you consider yourself equipped to weather the crisis, and are you confident about the financial year underway?

Nothing can ever be taken for granted, especially in intangible businesses like ours and in a world where the pace of change is gathering speed. Of course there are ups and downs. But in what is a lastingly buoyant market, NEURONES enjoys a very robust combination of assets. For one thing, it has a plentiful cash flow, which is regenerated each year we make a profit and, along with the absence of debt, is a vital fuel. But there are other key success factors too, including an ever-growing group of associate directors (still as ambitious as ever), managers and teams, whose well-above-average motivation, involvement and efficiency is often commended by customers. There is also NEURONES' freedom to invest as it sees fit, without being tied to factors other than common sense and pragmatism; businesses that are increasingly embedded in the economic fabric; a stable share ownership and the absence of constraints (no remote businesses, no risky commitments with regard to financial markets; no banking constraints). All this makes me very confident that the group will continue to create value and develop in coming years, at a far more lively pace than its market.

So for 2009, as in previous years and years to come, it is not "Yes, we can" but "Yes, we must"! !

Luc de CHAMMARD
Chairman and CEO
Shareholder

2000

Listing on the Paris Stock Exchange and beginning of external growth. Organization of the group into line-of-business entities.

Since 2002

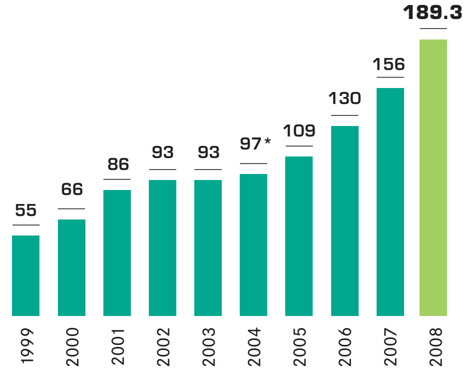
Ongoing sustained internal growth and 15 acquisitions, to round out and build up areas of expertise.

2009

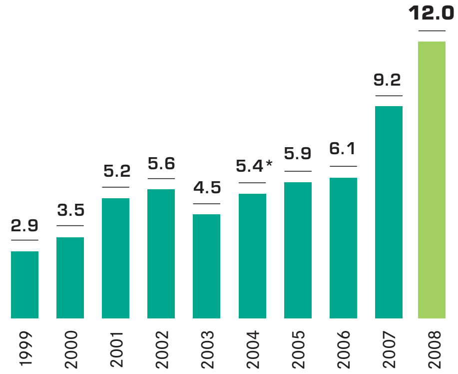
NEURONES tops the 2,500 employee mark and is in the top 10 IT services companies listed on the Paris Stock Exchange.

2008 key figures

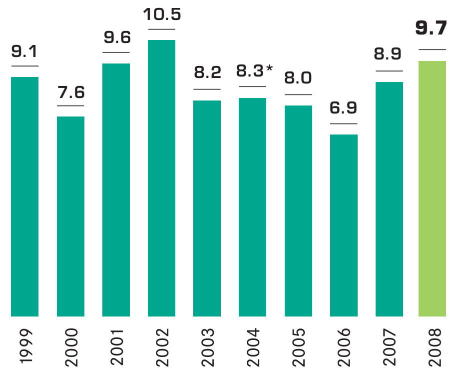
CONSOLIDATED REVENUES
(in €millions)



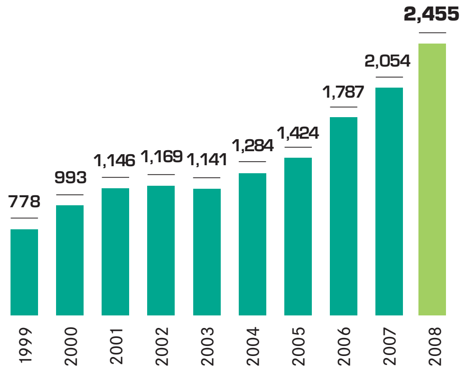
NET PROFIT - GROUP SHARE
(in €millions)



OPERATING MARGIN
(as %)



NUMBER OF EMPLOYEES
(year end)



* IFRS since 2004

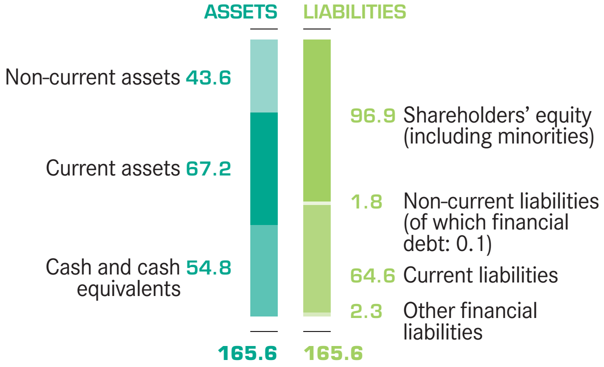
+21.4%

Revenue growth between 2007 and 2008

+31%

Growth in net profit between 2007 and 2008

CONSOLIDATED BALANCE SHEET AT 31/12/2008
(in €millions)

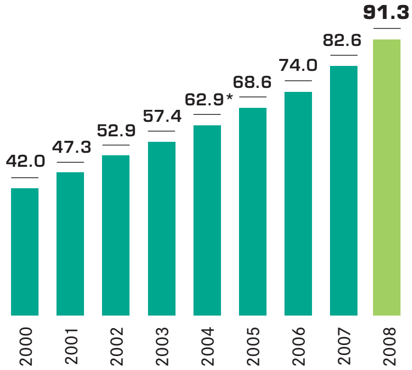


CONSOLIDATED INCOME STATEMENT
(in €millions)

	2008	2007
Revenues	**189.3**	156.0
EBIT**	**19.5**	14.4
% of revenues	10.3%	9.2%
Operating profit	**18.4**	13.8
% of revenues	9.%	8.9%
Net financial income	**1.8**	1.5
Corporate income tax	**(7.2)**	(5.4)
Net profit for the period	**13.0**	9.9
% of revenues	6.9%	6,4%
- of which net profit – group share	**12.0**	9.2
- of which minorities	**1.0**	0.7

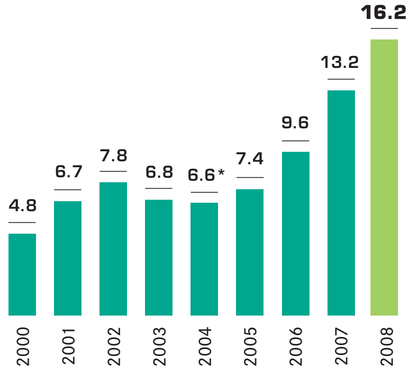
** Prior to cost of stock options, free shares and impairment of assets.

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



* IFRS since 2004

CASH FLOW FROM OPERATING ACTIVITIES
(in €millions)



+19.5%

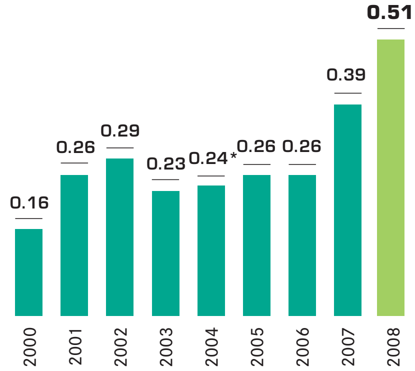
Increase in the number of employees between the start and end of FY 2008

€52.4 million

Net cash at 31/12/2008

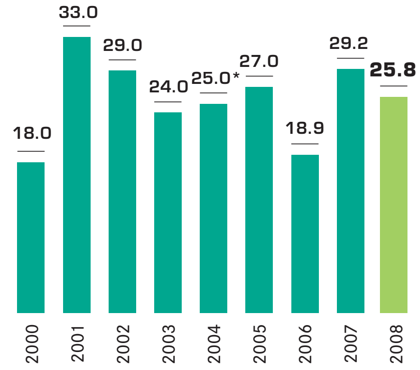
Shareholder information

Net earnings per share – group share
(in €)



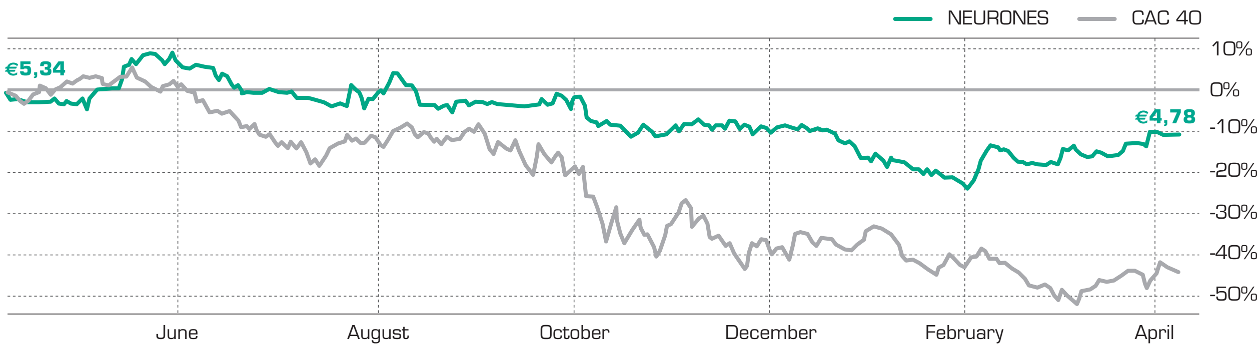
* IFRS since 2004

RETURN ON CAPITAL EMPLOYED (ROCE)
(as %)



* IFRS since 2004

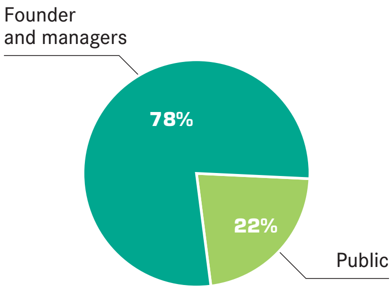
CHANGE IN NEURONES' SHARE PRICE OVER THE PAST YEAR: -10%
(from 09/04/08 to 08/04/09)



25.8%
2008 return on capital employed

€0.07
Dividend per share for 2008 proposed
at the Shareholders' Meeting on 11 June 2009

SHAREHOLDING
(breakdown of capital)



CALENDAR

1st quarter 2009 Revenues:
Thursday 7 May 2009

Shareholders' Meeting:
Thursday 11 June 2009

2nd quarter 2009 Revenues:
Thursday 30 July 2009

1st half 2009 Profit:
Thursday 24 September 2009

3rd quarter 2009 Revenues:
Thursday 5 November 2009

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NEURONES SHARE DATA SHEET

Average volume traded in 2008:	7,600 shares per day
Price (on 8 April 2009):	€4.78
Market capitalization (at 8 April 2009):	€111.9 million
Number of shares (at 8 April 2009):	23,410,118
NYSE Euronext Paris - Compartment C	
ISIN Code: FR0004050250 (NRO)	
Bloomberg: NEUR FP, Reuters: NEUR.LN	

NRO
LISTED
NYSE
EURONEXT

The group's core businesses

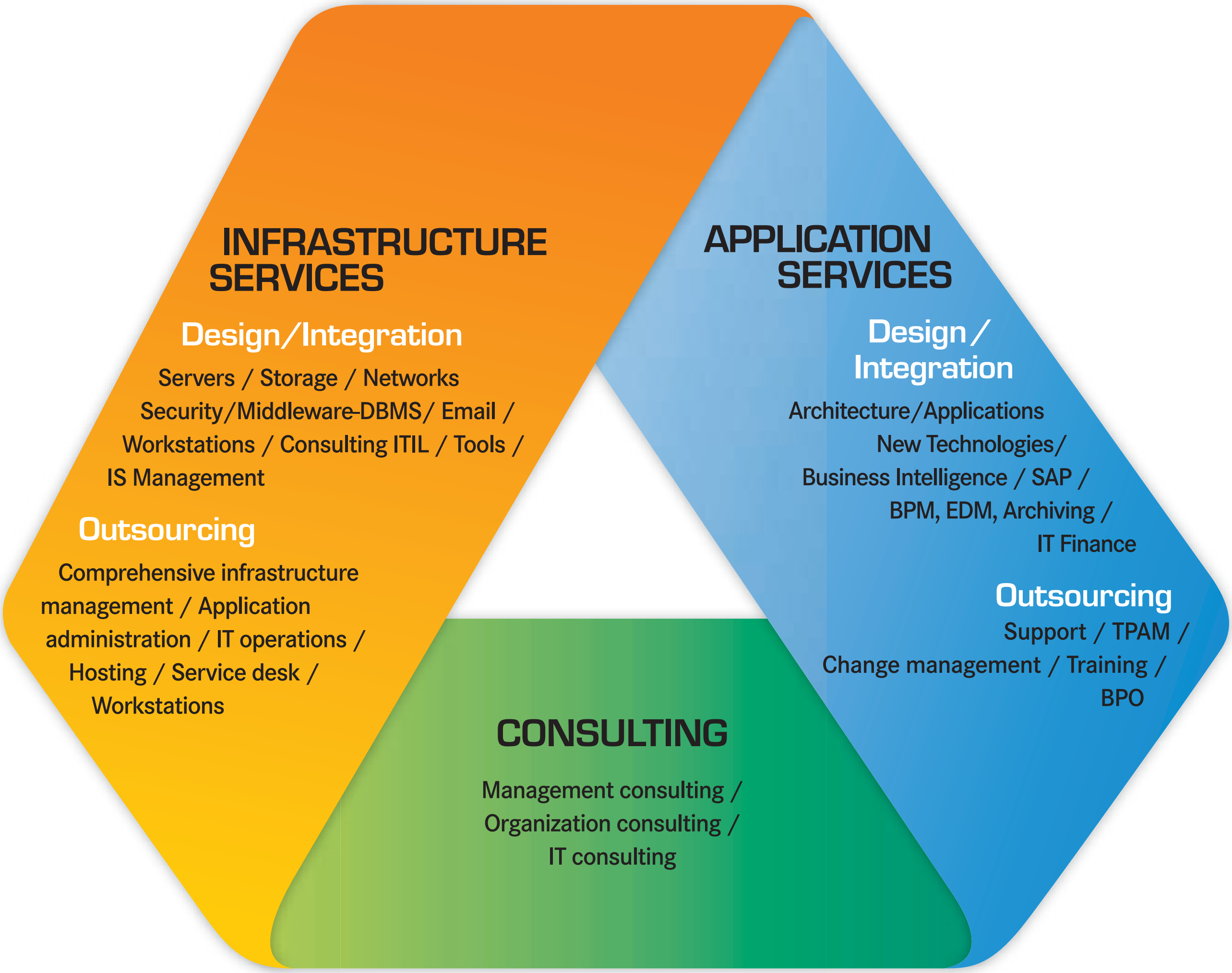
2,015
Segment workforce Infrastructure services*

340
Workforce of the applications business*

100
Workforce of the consulting business*

* At 31/12/2008.

NEURONES is active in both IT services and management consulting. Implemented by entities with specific areas of expertise, NEURONES' core IT services business combines Consulting, Integration of state-of-the-art technological solutions and Outsourcing of information systems (design/build/run).



An integrated group

A SINGLE MANAGEMENT STRUCTURE IS DEDICATED TO OUTSOURCING

The assignments of this structure include:

- preparing offers 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 industrializing and regularly updating the Group's Outsourcing standards.

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 corporate customers.

Infrastructure services

Dedicated infrastructure service centers

- Service desk
- Remote systems and network services
- Hosting
- Workstation management

71%
Share of this segment in total business (proforma 2008 revenues)

9.8%
2008 operating margin

€147.3 million
2008 revenues

Backed up by 10 years of experience in applications projects, this business line boasting nearly 350 employees is committed to helping our clients in the successive changes in their information systems.

Design/Integration

Infrastructures are constantly evolving as new applications are brought into operation, volumes are regularly stepped up and organisations merge and change. The group undertakes not only major transformation projects but also more localised projects in a wide variety of fields. The majority of these are turnkey projects.

Typical projects include:

- Server consolidation and virtualization
- Storage
- Networks and email systems
- Workstations
- Tools: schedulers, supervision, capacity planning and performance

Achievements in 2008 (extract)

- **For a global luxury group:** project to secure the 28,000 workstations. Performed audits, defined architecture, installed LanDesk servers, deployed client agents, assisted with use and operation, provided documentation, monitored overall usage, performed reporting, etc.
- **For a nationwide supermarket chain:** replaced all central servers and deployed an ERP solution in over 400 stores. Installed and connected HP SuperDome servers, installed, tested and commissioned the ERP solution, took charge of database storage, installed associated applications, provided training and knowledge transfer, drafted procedures.
- **For a leading international communications company:** project to deploy Microsoft Windows Vista on 1,200 workstations. Applied integration process optimisation techniques, planned and replaced user workstations nationwide. Helped users learn how to use Windows Vista and handled problems arising from the changeover.

Outsourcing

Repeat business consists in straightforward technical support and outsourcing contracts in the strict sense. 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 contract, the person designated to take charge of service delivery ensures that the service level agreements are complied with over time and manages the continuous improvement plan, using a benchmark and a catalogue of typical actions. Swift capitalization of knowledge and best practices is crucial in this business. NEURONES has introduced standard processes for all of its contracts, 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.

Achievements in 2008 (extract)

- **For a global compliance and certification player:** establishment of a user hotline as part of a line-of-business application rollout. Production, introduction and operation of an efficient and comprehensive solution (staff, premises, IT equipment, telephony) for handling requests for support and assistance from users of the solution. 1,600 users across 25 sites.
- **For a group of local authorities in the Ile-de-France region:** renewal of a multi-year contract for comprehensive outsourcing, with guaranteed performance commitments. Service desk and hands-on user support, installed-base management and inventory, management of third-party contracts, routine workstation operation, hosting, supervision, remote operation and administration of the servers, LAN and WAN, manage the security and backup policy, supply equipment, follow-up and manage documentation, technology consulting and monitoring.

KEY EVENTS

Uniform organic growth in all business lines.

High success rates for renewals of outsourcing contracts and extensions of scope.

Major transformation projects (primarily server virtualization and consolidation) as part of outsourcing contracts.

OUTLOOK

With analysts forecasting 5% growth, outsourcing will be the only segment of IT services to experience growth in 2009.

Priority will be given to projects with a quick return on investment. There will be opportunities in certain medium-size outsourcing contracts if certain major players refocus on comprehensive contracts.

NEURONES' infrastructure outsourcing business uses pooled service centers.

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

Over 1,000 work-stations
– 60 contracts

From 200 to 1,000 workstations
– 60 contracts

OUTSOURCING

120 outsourced customers

1,100 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, Ivey-sur-Seine and Angers

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

NEURONES is certified ISO 9001:2000 for its outsourcing, service desk, IT operations, technical assistance and training businesses

ITIL® — 110 certified employees

itSMF — Founding member

4 types of service center dedicated to infrastructures: a line of services developed on an industrial scale

3 SUPPORT CENTERS

- 450 positions
- 24/7 availability
- Multilingual
- Nanterre, Ivry-sur-Seine and Angers

2 HOSTING CENTERS

- Capacity of more than 1,500 servers
- Independent Internet service provider
- All operators
- Telecom infrastructure as failover
- Electric generator, air conditioned
- Secure access

SYSTEMS AND NETWORKS REMOTE SERVICES CENTER

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

POOLED WORKSTATION MANAGEMENT CENTER

- Mastering
- Packaging
- Remote distribution

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

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

2,300 supervised servers

1,600 remote-administered servers

HOSTING

120 bays (capacity)

150 useful terabits

3 backup robots

3 Cisco 7204 VXR routers as failover

1 Gbits/s per telecom operator

480 servers hosted

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

Application services

Dedicated applications service centers

- **third-party applications maintenance**
  - All ERP and applications
  - KM base, testing tools, versioning

21%
Share of this segment in total business (proforma 2008 revenues)

9.3%
2008 operating margin

€39.9 million
2008 revenues

Backed up by 10 years of experience in applications projects, this business line boasting nearly 350 employees is committed to helping our clients in the successive changes in their information systems.

Design/Architecture/Integration

NEURONES is active in both software integration (SAP, BPM) and custom application development (on Java, .Net platforms, etc.), including open-source software. The teams are based either on customer sites or on our own premises, where teams involved in turnkey projects work alongside teams from third-party application maintenance (TPAM) service centers.

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.

Achievements in 2008 (extract)

- **For an economic interest group of insurance companies offering human services:** analysed and implemented an extranet to market its line of services. Turnkey project representing 450 man-days over eight months, based on J2EE technology and using iterative and incremental development.
- **For the asset-management subsidiary of a major banking group:** organization consulting and technical audit of fund counter-valuation applications, using structured management Code audit/profiling, diagnosis, recommendations for methods and techniques, analysis of existing processes, definition of a target organization, and change management.
- **For a world-leading electrical apparatus company:** management of all projects to interconnect SAP and the group's different IS and reporting tools, supervision of the world user support cell, overhaul of maintenance processes, deployment of new entities (USA) and management of upgrades.
- **For a world-leading manufacturer of pharmaceuticals:** training mission on the migration to Office 2007, for 4,500 people in mainland and overseas France. One-day training session conducted by 30 trainers as part of a seminar attended by over 650 pharmaceutical sales reps.

Outsourcing

This business line includes application support, corrective maintenance and upgrades. Contracts generally cover several applications or interfaces, or whole sets of legacy applications.

TPAM centres for SAP, BPM applications and web applications use common tools and methods.

Some of the teams work on combined maintenance contracts for infrastructures and applications.

Achievements in 2008 (extract)

- **For a manufacturer in the pharmaceutical and beauty-care sector:** SAP third-party application maintenance on FI, CO, MM, SD, PP, WM, HUM, PS, QM and PM modules and on the e-business portal. Support for 1,300 users across 10 sites, corrective maintenance and upgrades.
- **For an upmarket ready-to-wear company of international standing:** for the finance department, the accountants and the area manager, third-party application maintenance of an Extranet site (for viewing and entering accounting data), the database input system and the reporting system. Services delivered from a pooled platform, with remote control.
- **For a global cosmetic company:** third-party application maintenance for eight applications (packaging, purchasing, marketing, etc.), with remote control for 250,000 users in over 20 countries. Maintenance through a pooled platform.
- **For an international civil engineering group:** coaching by a dedicated team of 25 consultants/trainers for over 5,000 SAP users. Introduction of a long-term training plan for all French and international subsidiaries.

KEY EVENTS

Acquisition of an entity specialized in BPM.

Steep increase in revenues and profits generated by the "change management" business.

Merger of three Web & BI entities.

OUTLOOK

Integration and change-management projects will weather out the crisis.

The technical support market is gloomy and some projects have been pushed back.

Significant drop in turnover as a result.

Management and organization consulting

- A new, complementary business line
- Decision-makers: senior general and operational management
- A promising service sector

8%
Share of this segment in total business (proforma 2008 revenues)

15%
2008 operating margin

€17.1 million
2008 revenues

Managed by consultants with previous experience in major international consulting firms, this 100-strong business segment provides consulting services in management and organization.

Its services consist in guiding and supporting complex projects for groups undertaking business transformation. Management consulting services are provided to the operational or functional divisions of key accounts. Such projects sometimes include a component that calls for expertise in information systems.

Typical missions include:
- Guidance and support for complex projects
- Impact studies on regulatory or technology changes
- Change management
- Operational coordination and management
- Implementation

Achievements in 2008 (extract)

- **For a stock exchange body:** designed, integrated and commissioned systems and tools for streamlining order placement, increasing the volume per second and catering for a wider variety of orders. Defined project governance, ranked objectives, provided monitoring and coordination, deliverables.
- **For a hospital:** drew up a financing plan as part of the “Hôpital 2012” plan. Severn major projects, each of which involved: producing a description using an urbanisation approach, drawing up nomographs to estimate loading and resources, analysing the value, sizing (schedule, cost, etc.).
- **For a manufacturer of sustainable development products :** assistance to contracting authorities so that they can acquire, disseminate and maintain functional knowledge of the legacy retail information system. Updated documentation and produced a manual of working procedures aimed at optimizing sales management.
- **For a leading energy and services company:** produced a report on industrial-scale sustainable development for one of its customers. Defined a prototype, produced an initial report after feedback from the customer, put forward a plan for widespread introduction.

- **For a factoring company:** opportunity study on the switch to paperless processes. Analysed the existing situation, examined competing offers, identified potential benefits, benchmarked other industries, made detailed recommendations for each offer proposed (SWOT analysis), analysed the process savings generated by paperless processes, analysed the indicators of savings and costs for each offer and calculated the ROI.
- **For a large private equity company:** strategic audit of an information system in the context of a company takeover transaction. Interviewed the IT department and general management, identified the risks and assessed risk control, validated the appropriateness of the actions undertaken to address the flaws revealed by an ITIL audit carried out six months earlier, reviewed the portfolio of projects, wrote a report for the buyers.

KEY EVENTS

Stong growth in the business segment as a result of external growth. Development of a partnership system. Maintenance of a clear distinction between the consulting business and the IT services business.

OUTLOOK

A large number of missions in progress, in what is expected to be a difficult market for consulting in 2009.

The portfolio includes missions with a rapid return on investment, a buoyant market sub-segment.

The turnover remains low.

Strategy and line of services

- An unwavering strategy
- A comprehensive line of services
- 70% of the revenues generated is repeat business

More than **25%**
of contracts concern several group entities

58%
Share of guaranteed performance service contracts in total outsourcing business volume

45%
of revenues generated from outsourcing business

An unwavering strategy

The strategic paths

- Steadily increase the share of structured offers 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: consulting, 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: bid reviews and contract reviews.

NEURONES is certified ISO 9001:2000 for its outsourcing, service desk, IT operations, technical assistance and training businesses.

A comprehensive line of services

Infrastructure services

Infrastructure-based projects (system and network integration, security) are necessary for the outsourcing business. This is because the project teams represent the group's technical doctrine. They are called on for outsourcing contracts during the initial handling phase. Throughout the entire contract period, they also provide a solid technical rear base for 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 line of services.

The group strives to maintain a good balance between simple technical assistance and outsourcing contracts.

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

Application services

A knowledge of the organization's different legacy applications and how they are designed, integrated or developed, and then supported and maintained is necessary for an overall understanding of the information system.

The group is involved in a number of contracts that combine infrastructure outsourcing and application maintenance.

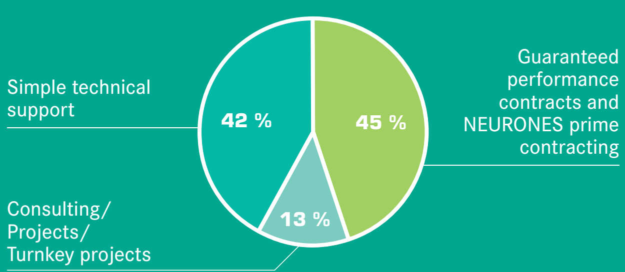
The transition from the design environment to the operating environment, like any change, is a key move for applications.

Consulting

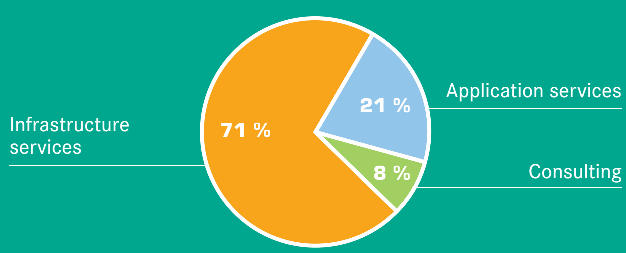
Management consulting is promising new service.

Management consulting services are provided to the operational or functional divisions of key accounts. However, such projects sometimes include a component that calls for expertise in information systems.

BREAKDOWN OF 2008 REVENUES BY TYPE OF SEVICE



BREAKDOWN OF 2008 REVENUES BY BUSINESS SEGMENT



Responsible and sustainable development

260
Net jobs created in 2008 (excluding acquisitions)

86%
of 2008 profits reinvested in the company's future development

36
different nationalities represented in the workforce

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, significant job creations:

- net creation of jobs each year (260 in 2008),
- 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 twenty company managers and executives holding interests in the capital of the companies they manage,
- free group shares distributed to a wider circle of high-potential employees,
- company/group capital regularly shared with new key managers.

Monitored career management:

- gateways encouraged between different job fields and different functions, internal promotion encouraged (especially for managerial and executive positions),
- a widespread procedure of annual performance reviews 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.).

NUMBER OF CERTIFICATIONS

Microsoft	720
ITIL	110
IBM/Lotus	45
Other (VMware…)	25
Novell	20
Citrix	20
Cisco	20
HP Services - BMC/Remedy	20
HP	20
Oracle	10
Unix/RedHat	10
Apple	10
SAP	5
Business Objects	5
TOTAL	**1,040**

"I joined NEURONES in 1992 - when there were only 46 people on the staff! - to develop a new line of services.Today I am general manager of one of the group's entities.

After starting 17 years ago, in 1997 I moved from a job as sales manager to a support function with a strong focus on recruitment and career management, then became NEURONES' Human Resources Manager in 2000. From 2006 onwards, I was given the opportunity to become involved in the merger of three group entities in application services. That was the beginning of a company with a workforce of 170, of which I took over the management at the beginning of 2008.

NEURONES' strongest assets are its respect for individual differences and the fact that it empowers people, gives them freedom to create and the possibility for everyone to succeed. It is a company that wants above all to grow and develop with the people who are building it on a day-to-day basis: that is the secret of enduring success!"

"NEURONES' strongest assets are its respect for individual differences and the fact that it gives people the possibility to succeed."

Sandrine
General Manager
Applications Development
With NEURONES since 1992

A motivating work environment:

- majority managerial shareholding, sheltered from takeover bids and decisions made by financiers or distant shareholders,
- 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.

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:

- four of today's five service centers were developed over the past five years (remote server operation, hosting, workstation management and TPAM).

Proactive development of Quality:

- NEURONES is certified ISO 9001:2000 for its outsourcing, service desk, IT operations, technical assistance and training businesses
- 10 employees are ITIL-certified (Information Technology Infrastructure Library).

Constant tailoring to needs:

- mergers with some fifteen companies since it became a listed company have added to and enhanced the quality of the services and expertise it provides to its customers.

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 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;

"After graduating from Ecole Centrale d'Electronique, I acquired a solid 10-year experience in the IT services and customer service business. What I like about NEURONES is that everyone is free to express themselves and make their way within the group.

I am currently in charge of developing server infrastructure service lines and project pre-sales. Being able to listen and talk to people, and adapt to a whole range of different situations is vital for successful leadership of a team and the company's projects.

The close-knit atmosphere at NEURONES is a source of positive energy that helps each one of us achieve self-fulfilment in this world of constantly-evolving technology. Not to mention that, in our businesses, success is the result of both collective and close-range work, not only in-house but also with the customers who place their trust in us."

"The close-knit atmosphere at NEURONES is a source of positive energy that helps each one of us achieve self-fulfilment."

Xavier
Head of project pre-sales
Systems and networks
With NEURONES since 1997

Proven resistance to cyclical uncertainties:

- the portfolio of diversified activities and the recurrence of some core businesses have allowed the Company to get through years of market contraction (e.g.; 2002-2003) without too pronounced of an impact on profitability and without having to resort to redundancy plans.

Regarding the environment:

Given the nature of its core businesses, NEURONES' activities have a marginal impact on the environment. Nevertheless, the group:

- systematically recycles consumables (paper, printer toners, electric batteries, etc.),
- has implemented low energy consumption systems (lighting, HVAC, etc.),
- recruits as much as possible in job market areas close to its service centers to limit daily commutes.

"In 2001, I was given the opportunity to join NEURONES' service desk organization as a sales engineer.

My aim, in changing company, was to change job fields and move into project management.

It worked! Three years later, I was promoted to project manager. After completing a "Prince 2®" training course, I received support and guidance from seasoned consultants. The variety of missions and customers means I am constantly developing and learning new things.

Since 2008, on top of my job as consultant/manager for one of the group's consulting entities, I have been leading ITIL® training courses... and equipping trainees for EXIN® certification!

The job I'm in now gives me an opportunity to work with other NEURONES entities and come into contact with its different businesses."

"The variety of missions and customers means I am constantly developing and learning new things."

Sylvie
Consultant/Manager
ITIL consulting
With NEURONES since 2001

References
(extract)

Banking/Insurance
AVIVA
AXA
BARCLAYS
BNP-PARIBAS
CAISSES D'ÉPARGNE
CRÉDIT AGRICOLE
EULER HERMÈS
GENERALI
GRAS SAVOYE
GROUPAMA
HSBC
IMA
NATIXIS
SOCIÉTÉ GÉNÉRALE
SWISSLIFE

Industry
ALTADIS
BOUYGUES
DASSAULT
EIFFAGE
JC DECAUX
LAFARGE
NEXANS
RICOH
SAFRAN
SAINT-GOBAIN
THALES
TREVES
VALEO
VINCI
ZODIAC

Energy/Utilities/Healthcare
AIR LIQUIDE
BAYER
BRISTOL-MYERS SQUIBB
DELPHARM
EIFFAGE
ENI
FONDATION HOPITAL ST JOSEPH
GDF-SUEZ
GIVAUDAN
JOHNSON & JOHNSON
SANOFI-AVENTIS
TOTAL
UCB
VALOIS
VEOLIA ENVIRONNEMENT

Public sector
BANQUE DE FRANCE
CAISSE DES DÉPÔTS
CARIF
CEA
CCIP
DÉPARTEMENT DES HAUTS-DE-SEINE
INA
IRD
IRSN
LA POSTE
MAIRIE DE PARIS
MINISTÈRE DE L'ÉDUCATION
MINISTÈRE DE LA DÉFENSE
MINISTÈRE DU TRAVAIL
RFF

Retail/Services/ Consumer goods
ACCOR
AIR FRANCE-KLM
AUCHAN
COMITÉ INTERNATIONAL OLYMPIQUE
DANONE
ELIOR
GROUPE BEL
HEINEKEN
HERMÈS-SELLIER
INEUM CONSULTING
L'ORÉAL
LVMH
PMU
SODEXO
VIVENDI-UNIVERSAL

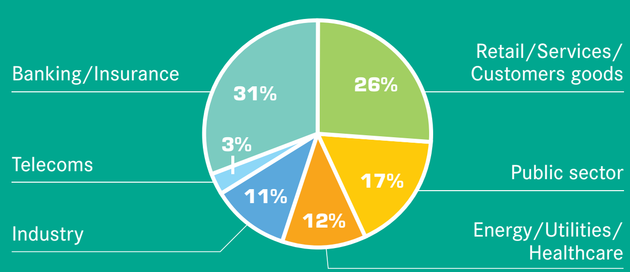
Telecoms
ALCATEL
BOUYGUES TELECOM
BRITISH TELECOM
CLUB INTERNET
FRANCE TELECOM
NEUF CEGETEL
NTT
ORANGE BUSINESS SERVICES
PAGES JAUNES
SFR
TELECOM ITALIA

In addition to some 1,500 companies and public bodies of all sizes.

85%
of CAC 40 companies place their trust in NEURONES

1,600
active customers

INDUSTRY BREAKDOWN OF 2008 REVENUES



NEURONES

CONSULTING - INTEGRATION - OUTSOURCING

2008 REFERENCE DOCUMENT

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Main financial items

(euro millions)	2008	2007	2006	2005	2004
Revenues	189.3	156.0	130.0	108.9	97.1
Operating profit	18.4	13.8	9.0	8.7	8.0
Operating margin *(as a percentage)*	9.7%	8.9%	6.9%	8.0%	8.3%
Net profit	13.0	9.9	6.6	6.3	5.7
Net profit *(as a percentage)*	6.8%	6.4%	5.1%	5.8%	5.9%
Net profit (Group share)	12.0	9.2	6.1	5.9	5.4
Earnings per share *(euro per share)*	0.51	0.39	0.26	0.26	0.24
Diluted earnings per share *(euro per share)*	0.50	0.38	0.26	0.26	0.24
Net cash and cash equivalents *(at December 31))*	52.4	56.7	47.8	49.8	46.6
Number of employees *(at December 31)*	2,455	2,054	1,787	1,420	1,284

Consolidated financial statements

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2008

ASSETS (€000s)	Notes	31/12/2008 IFRS	31/12/2007 IFRS
NON-CURRENT ASSETS			
Intangible assets	*Note 1 / Note 2*	35,181	21,198
Tangible assets	*Note 3*	3,652	2,963
Financial assets	*Note 4*	1,189	944
Other financial assets valued at fair value	*Note 4*	2,479	-
Deferred tax credits	*Note 5*	1,126	604
TOTAL NON-CURRENT ASSETS		**43,627**	**25,709**
CURRENT ASSETS			
Inventory	*Note 6*	270	247
Deferred tax credits due		229	582
Trade accounts and notes receivable	*Note 7*	66,734	51,916
Cash and cash equivalents	*Note 8*	54,777	57,022
TOTAL CURRENT ASSETS		**122,010**	**109,768**
TOTAL ASSETS		**165,637**	**135,477**

SHAREHOLDERS' EQUITY AND LIABILITIES (€000s)	Notes	31/12/2008 IFRS	31/12/2007 IFRS
SHAREHOLDERS' EQUITY			
Capital		9,191	9,353
Additional paid-in capital		28,189	30,075
Consolidated reserves and profits		53,911	43,207
TOTAL SHAREHOLDERS' EQUITY (GROUP SHARE)	*Note 9*	**91,290**	**82,635**
Minority interests		**5,621**	**3,255**
SHAREHOLDERS' EQUITY		**96,912**	**85,890**
NON-CURRENT LIABILITIES			
Long-term provisions	*Note 10*	282	122
Long-term financial liabilities	*Note 11*	95	-
Other non-current liabilities	*Note 12*	1,409	1,921
CURRENT LIABILITIES			
Short-term provisions	*Note 13*	285	335
Taxes due		3,869	2,805
Trade and other accounts payable	*Note 14*	60,534	44,076
Other financial liabilities	*Note 15*	2,252	328
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**165,637**	**135,477**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2008

(€000s)	Notes	2008 IFRS	2007 IFRS
Sale of goods		10,670	10,381
Sale of services		178,657	145,596
REVENUES		**189,328**	**155,977**
Purchases consumed		(9,137)	(8,945)
Salaries and related expenses	*Note 16*	(116,386)	(94,804)
External expenses	*Note 17*	(39,135)	(33,314)
Taxes and duties		(4,884)	(3,868)
Allocations to amortization and depreciation	*Note 18*	(1,892)	(1,404)
Allocations to provisions	*Note 18*	(0)	(165)
Asset impairment	*Note 18*	(6)	(93)
Other income	*Note 19*	893	700
Other expenses	*Note 19*	(328)	(238)
Other operating income	*Note 20*	0	5
Other operating expenses	*Note 20*	(41)	(12)
OPERATING PROFIT		**18,411**	**13,838**
% OF REVENUES		**9.7%**	**8.9%**
Financial income		2,562	2,166
Financial expenses		(769)	(678)
Net cost of financial debt	*Note 21*	**1,793**	**1,488**
PRETAX PROFIT		**20,204**	**15,327**
% OF REVENUES		**10.7%**	**9.8%**
Income tax	*Notes 22 / 23*	(7,228)	(5,381)
PROFIT FOR THE PERIOD FROM ONGOING ACTIVITIES		**12,976**	**9,946**
% OF REVENUES		**6.9%**	**6.4%**
PROFIT FOR THE YEAR Including:		**12,976**	**9,946**
• Profit (group share)		**12,045**	**9,210**
• Profit attributable to minority interests		**931**	**736**
Earnings per share (group share) – in euros		0.51	0.39
Number of shares*		23,397,425	23,321,446
Diluted earnings per share (group share) – in euros		0,50	0.38
Number of shares*, stock options & exercisable free shares allocated		24,197,934	24,207,844

* Number of shares weighted over the period.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING DECEMBER 31, 2008

(€000s)	Notes	2008	2007
Consolidated profit before minority interests [(1)]		**12,976**	**9,946**
Elimination of non-monetary items:			
• Net allocations to amortization, depreciation and provisions		2,048	1,219
• Expenses/(Income) related to stock options and similar items		1,070	493
• Effect of discounting receivables and debts maturing in more than one year		225	205
• Variation in deferred taxes		(219)	1,330
• Capital losses/(gains) from disposals, net of tax		41	5
• Capital losses/(gains) from disposals of consolidated securities, net of tax		-	-
Cash flow from consolidated companies		**16,141**	**13,198**
Cash variation in:			
• Working capital requirement for operations		(224)	(727)
• Corporate tax		793	2,874
CASH FLOW FROM OPERATIONAL ACTIVITIES [(2)]		**16,710**	**15,345**
Acquisitions of intangible and tangible assets		(2,317)	(2,368)
Disposals of fixed assets, net of tax		-	3
Payments for long-term investments		(2,927)	(210)
Payments of acquisition price for acquired companies		(15,193)	(2,687)
Available cash from subsidiaries acquired during the year		4,799	(2)
Payments on acquisitions of contracts and customer contractual relationships		-	(75)
Securities bought from minority shareholders of subsidiaries		(1,135)	(280)
Subscriptions to capital increases by minority interests of subsidiaries		-	226
Disposal of consolidated securities, net of tax		290	20
CASH FLOW FROM INVESTMENT ACTIVITIES		**(16,483)**	**(5,373)**
Capital increase – sums received from the exercise of stock options		101	457
Company buy-back of its own securities		(2,149)	-
Dividends paid to parent company shareholders		(1,636)	(1,397)
Dividends paid to minorities		(217)	(120)
Loan repayments		(425)	-
CASH FLOW FROM FINANCING ACTIVITIES		**(4,326)**	**(1,060)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(4,099)**	**8,912**
CASH AND CASH EQUIVALENTS AT OPENING		**56,702**	**47,790**
CASH AND CASH EQUIVALENTS AT CLOSING		**52,603**	**56,702**
(1) including:			
• interest received		**2,562**	**2,166**
• interest paid		**(769)**	**(678)**
(2) including:			
• tax due on the income statement		**7,787**	**4,051**
• change in taxes receivable and payable		**(1,756)**	**(2,920)**
– income tax paid		**6,031**	**1,131**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY *(€000s)*	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 12/31/2006	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 12/31/2007	9,353	30,075	33,504	493	9,210	82,635	3,255	85,890
Movements for FY 2008								
• Consolidated profit for the year					12,045	12,045	931	12,976
• IFRS 2 restatements				1,070		1,070		1,070
Expenses and Income for the period				1,070	12,045	13,115	931	14,046
• Capital transactions (Exercise of stock options)	11	90				101		101
• Company buy-back of its own securities	(173)	(1,976)				(2,149)		(2,149)
• Allocation of 2007 profit			9,703	(493)	(9,210)	-		-
• Dividends paid (€0.07 per share)			(1,636)			(1,636)		(1,636)
• Dividends paid to minority interests						-	(217)	(217)
• Change in scope			(775)			(775)	1,652	877
SHAREHOLDERS' EQUITY AT 12/31/2008	**9,191**	**28,189**	**40,796**	**1,070**	**12,045**	**91,291**	**5,621**	**96,912**

* Minority interests correspond to the shares held by subsidiaries' managers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY IDENTIFICATION

NEURONES is a public limited company, whose head office is located at 205, Georges Clemenceau, 92024 Nanterre Cedex, France. It is a consulting and IT services company.

2. DISTRIBUTION OF FINANCIAL STATEMENTS

In its meeting held February 12, 2009, the Board of Directors closed the 2008 consolidated financial statements presented in this document, which are subject to approval by the Shareholders Meeting of June 11, 2009.

NEURONES' consolidated financial statements for the year ended December 31, 2008 include the company and its subsidiaries (together referred to as the "Group") and the share in Affiliates and associates or companies under joint control.

3. DECLARATION OF COMPLIANCE

The consolidated financial statements were prepared in compliance with the IFRS as adopted in the European Union. The IFRS as adopted by the European Union differ in some respects from the IFRS published by the IASB. Nevertheless, the Group has made sure that the financial information for the periods presented would not be substantially different if it had applied the IFRS as published by the IASB. This compliance covers the definitions, accounting methods, valuation and presentation recommended by IFRS plus all information required by the standards. The financial statements comply with all of the mandatory IFRS provisions at December 31, 2008. The application of new standards or interpretations, the IAS 39 – IFRS 7 amendment regarding reclassifications of financial instruments plus IFRIC 11 and IFRIC 14 have no impact on the Group's financial statements.

4. ACCOUNTING PRINCIPLES

The accounting methods presented below have been applied consistently for all periods shown in the consolidated financial statements. They are identical to the accounting principles used in the financial statements at December 31, 2007.

The accounting methods were applied uniformly by Group entities.

4.1. 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, share-based payments and some non-current financial assets, valued at fair value.

4.2. 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 leading to 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, retirement commitments, the valuation of share-based compensation and provisions. The assumptions used are specified in the corresponding notes to the financial statements.

4.3. Consolidation methods

Subsidiaries

A subsidiary is an entity the Company controls. Control 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, voting rights that are potentially 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.

As part of the revised IFRS 3 "Business combinations," published January 10, 2008, the IASB considers acquisitions or disposals of minority interests as transactions with Group shareholders. Under the terms of this approach, the difference between the price paid to increase the percentage stake in entities already controlled and the additional share of shareholders' equity thus acquired is recorded as Group shareholders' equity. In the same way, a decrease in the Group's percentage stake in an entity that continues to be controlled is treated for accounting purposes as a shareholders' equity transaction, without any impact on profit.

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, 2008, 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 chapter below, "Scope of Consolidation."

4.4. Intangible assets

Business combinations and goodwill

When a company enters the scope of consolidation, its assets, liabilities and identifiable potential 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 potential liabilities acquired constitutes the goodwill.

For goodwill prior to January 1, 2004, the Group has chosen, according to the provisions of IFRS 3, not to restate goodwill from business combinations. Consequently, this goodwill is maintained at its assumed cost, 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 impairment test annually 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 depreciation 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. They are subject to an annual impairment test plus each time there is a sign of impairment (see the paragraph, "Impairment of fixed asset items").

4.5. 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 depreciation of intangible assets are recorded in operating income on the line, "Depreciation."

4.6. 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.

Tangible assets are depreciated over their useful life, according to 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 business leasing and long-term finance leases

Assets acquired in the form of a business 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.

4.7. Impairment of fixed assets

The book values of these assets are examined at each closing to assess whether there is any sign that an asset has sustained impairment. If there is such a sign, the asset's recoverable value is estimated. For goodwill and intangible assets with an indefinite useful life or that aren't yet ready to be commissioned, the recoverable value is estimated every year at December 31.

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 a sign of impairment and at least once a year. To conduct these tests, goodwill is broken down into Cash Generating Units (CGU) corresponding to homogenous groups that jointly generate identifiable cash flows. The division into CGUs is done by legal entity, where each subsidiary corresponds to a CGU.

An 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 flow method.

In case of impairment, it is recorded on the "Asset impairment" line in operating profit. 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, which are reviewed at each annual closing.

To perform this test, the tangible assets are grouped into Cash Generating Units (CGU). The CGUs constitute 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, where 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 cash flow method. When the book value is less than the recoverable value, impairment is recorded in operating profit, on the "Asset impairment" line.

Main criteria used to apply the DCF method of valuation

- the discount rate used is 11.5% after tax, based on the risk-free rate, the risk premium and ß,
- 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, Axones, G3PI and Columbus), 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.

4.8. 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.

Financial assets at fair value through the income statement

A financial asset is classified as a financial asset at fair value through the income statement if it is held for trading purposes or designated as such when it is initially recognized. Financial instruments are designated this way if the Group manages investments and makes purchase or sale decisions based on their fair value consistent with the risk management or investment strategy policy.

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.

4.9. 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.

4.10. 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.

4.11. 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.

4.12. Cash and cash equivalents

Short-term investments are valued at their fair value (as counterparty 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.

4.13. 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 profit/(loss) and any corresponding tax effects are recorded as a variation in consolidated shareholders' equity.

4.14. Share-based compensation

Plans granted after November 7, 2002 whose rights still hadn't been acquired at December 31, 2008 are subject to a 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.

4.15. 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 projected unit credit method, which takes into account seniority, life expectancy and the personnel turnover rate plus salary revision and discounting assumptions.

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 old
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/(loss).

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

4.16. 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.

4.17. 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.

4.18. 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.

4.19. 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%.

4.20. 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.

4.21. 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,
- operational contract: the invoicing terms generally involve 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.

4.22. 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 bonus shares allocated.

Earnings per share was calculated in accordance with IAS 33.

4.23. 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.

4.24. Management of financial risk (IFRS 7)

The Group has identified that it is exposed to the following risks:

- credit risk,
- liquidity risk,
- market risk, and
- capital management risk.

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 most 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 not accounting for more than 10% of the consolidated revenues. Moreover, Group companies took out a Coface credit insurance policy when their customer portfolio justified taking specific coverage guarantees.

Cash

The exposure to credit risk is limited by investing excess cash only 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 Group's substantial surplus cash position as well as the surplus position of all of the Group's legal companies.

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

- €6.2 million that, when used, bear interest at EONIA +0.6%, and
- €1 million that, when used, bear interest at EONIA +0.75%.

Market risk

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

NEURONES is not really exposed to these risks at present since virtually all transactions are conducted in euros and no equity instruments have been issued for now.

Moreover, the Group is not in debt.

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 in order to avoid being penalized by a long-term commitment that would be out of phase with current market conditions.

Capital management

By design, managers hold 78% of the capital 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, which began on October 8 and ended on November 20, 2008.

4.25. New standards and interpretations not yet applied

New standards, amendments and interpretations are not yet in force for fiscal periods ending December 31, 2008 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 have to be applied in the 2009 consolidated financial statements, should not have a significant impact on the presentation of financial statements since no distinct sectors have been identified to date;
- IAS 23 revised, "Loan costs," 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. IAS 23 revised, which will have to be applied in the 2009 consolidated financial statements, should not have an impact;
- 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 pursuant to which the customer can use attributed credits for products or services, free of charge or with a discount. IFRIC 13, which will have to be applied in the Group's 2009 consolidated financial statements, should not have an impact on the financial statements.
- IAS 1 revised, "Presentation of Financial Statements" (2007), introduces the concept of comprehensive income, which presents changes in shareholders' equity during the period, other than changes resulting from transactions with owners acting in their capacity as owners. The statement of comprehensive income can either be presented in a single statement (including both the income statement and all changes in shareholders' equity not involving owners) or in two statements including an income statement and a separate statement with profit/(loss) and other items of comprehensive income. IAS 1 will have to be applied in the Group's 2009 financial statements;
- the amendments to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements – puttable instruments and obligations arising on liquidation" provide that financial instruments with a sales option at fair value and instruments that require that an entity remit to a third party a portion of the entity's net assets only during liquidation, are classified as shareholders' equity, if certain conditions are met. These amendments, which will have to be applied retrospectively in the Group's 2009 consolidated financial statements, should not have an impact on these statements;
- IFRS 3 revised (2008) "Business combinations" includes the following changes that will probably have an impact on the Group's operations:
  - the definition of a company has been expanded, which will probably increase the number of acquisitions treated as business combinations,
  - the potential counterparty must be valued at fair value, with subsequent variations recognized as profit/(loss).
  - acquisition expenses, other than share or debt issue expenses, are recognized as expenses when they are incurred,
  - any prior stake held in the acquired company is valued at its fair value, with the resulting gain or loss recognized as profit/(loss).
  - any (minority) stake that doesn't confer control is valued either at fair value or based on its proportional share in the fair value of the acquired company's identifiable assets and liabilities, with the choice made on a transaction-by-transaction basis. IFRS 3 revised, which will have to be applied in the group's 2010 consolidated financial statements, will be applied on a prospective basis and therefore won't have an impact on the prior periods in the Group's 2010 consolidated financial statements;
- IAS 27 amended "Consolidated and separate financial statements" (2008) provides that changes in the Group's interest in a subsidiary that result in maintaining control are recognized as transactions affecting shareholders' equity. When the Group loses control of a subsidiary, any interest retained in this former subsidiary is valued at its fair value and any gain or loss is recognized as profit/(loss). The amendments to IAS 27, which will have to be applied in the Group's 2010 consolidated financial statements, should not have significant impacts on these statements;
- the amendments to IFRS 2 "Share-based payment – Vesting Conditions and Cancellations" clarify the definition of vesting conditions, introduce the concept of conditions other than vesting conditions, require that these other conditions be reflected in the grant date fair value and indicate the accounting treatment for the other conditions and cancellations. The amendments to IFRS 2, which will have to be applied retrospectively in the Group's 2009 consolidated financial statements, should not have an impact.

5. SCOPE OF CONSOLIDATION

5.1. List of consolidated companies

Companies consolidated by full consolidation	Head office	Commercial Register No.	31/12/2008			31/12/2007		
			% Stake	% Control	Consolidation Method	% Stake	% Control	Consolidation Method
Parent								
NEURONES	205, av. Georges Clemenceau 92024 NANTERRE	331 408 336	-	-	-	-	-	-
Subsidiaries								
Neurones-IT	205, av. Georges Clemenceau 92024 NANTERRE	428 210 140	99%	99%	C	99%	99%	C
Intrinsec	215, av. Georges Clemenceau 92024 NANTERRE	402 336 085	82%	82%	C	82%	82%	C
Victoria	171, av. Georges Clemenceau 92024 NANTERRE	403 609 092	92%	92%	C	93%	93%	C
Help-Line – Victoria	171, av. Georges Clemenceau 92024 NANTERRE	381 983 568	92%	100%	C	93%	100%	C
IMS	171, av. Georges Clemenceau 92024 NANTERRE	439 832 353	92%	100%	C	93%	100%	C
AS International Group	26, rue N.-D. des Victoires 75002 PARIS	421 255 829	99%	99%	C	100%	100%	C
AS International	26, rue N.-D. des Victoires 75002 PARIS	349 528 356	99%	100%	C	100%	100%	C
AS Telecom & Réseaux	26, rue N.-D. des Victoires 75002 PARIS	400 332 524	99%	100%	C	100%	100%	C
AS Technologie	26, rue N.-D. des Victoires 75002 PARIS	417 586 609	99%	100%	C	100%	100%	C
AS Synergie	26, rue N.-D. des Victoires 75002 PARIS	493 513 014	99%	100%	C	100%	100%	C
HPS Technologies	26, rue N.-D. des Victoires 75002 PARIS	451 310 502	65%	66%	C	66%	66%	C
BrainSoft *	205, av. Georges Clemenceau 92024 NANTERRE	410 219 943	-	-	-	100%	100%	C
Axones *	205, av. Georges Clemenceau 92024 NANTERRE	443 739 693	96%	96%	C	100%	100%	C
ID-Factory *	205, av. Georges Clemenceau 92024 NANTERRE	383 343 142	-	-	-	85%	85%	C
Edugroupe	205, av. Georges Clemenceau 92024 NANTERRE	415 149 830	96%	96%	C	96%	96%	C
Viaaduc	205, av. Georges Clemenceau 92024 NANTERRE	432 104 503	96%	100%	C	96%	100%	C
Edugroupe MP	205, av. Georges Clemenceau 92024 NANTERRE	494 800 121	96%	100%	C	96%	100%	C
Codilog-Knowledge	205, av. Georges Clemenceau 92024 NANTERRE	432 673 838	82%	82%	C	72%	72%	C
G3PI	121-123, rue Édouard Vaillant 92300 LEVALLOIS-PERRET	439 897 679	78%	78%	C	-	-	-
RS2I	121-123, rue Édouard Vaillant 92300 LEVALLOIS-PERRET	385 166 640	78%	100%	C	-	-	-
Finaxys	30, rue d'Orléans 92200 NEUILLY-SUR-SEINE	450 758 040	55%	55%	C	55%	55%	C
Neurones Consulting	205 av. Georges Clemenceau 92024 NANTERRE	509 152 468	100%	100%	C	-	-	-
Pragmateam	205, av. Georges Clemenceau 92024 NANTERRE	411 264 641	50%	50%	C	50%	50%	C
Colombus Consulting Holding	38, avenue Hoche 75008 PARIS	488 508 268	74%	74%	C	-	-	-
Colombus Consulting	38, avenue Hoche 75008 PARIS	422 993 154	70%	94%	C	-	-	-

C = Consolidation by full consolidation

* Axones absorbed Brainsoft and ID-Factory as part of a business combination on May 30, 2008, effective retroactively to January 1, 2008.

5.2. Changes in scope

Changes in percentage stakes

A business combination operation was carried out in 2008. In view of the exchange parities used, the percentage stakes were modified accordingly.

In addition, there were also changes in minority interests. As such NEURONES:

- bought back 10% of Codilog-Knowledge from the company's managers,
- sold 1.23% of Victoria SAS to a manager shareholder,
- sold 1.01% of AS International Group SAS to the company's officers and managers.

New companies formed

A new company was created in 2008, Neurones Consulting, whose purpose is to hold the stake in Colombus Consulting Holding and any future business in the Consulting field.

2008 Acquisitions

G3PI and its RS2I subsidiary

During the first half of 2008, NEURONES acquired 78% control of G3PI, which holds 100% of RS2I. RS2I's business involves integrating business process management (BPM), content management, Electronic Document Management (EDM), audiovisual document management and archiving systems.

Colombus Consulting Holding and its Colombus Consulting subsidiary

During the second half of 2008, NEURONES acquired 74% control of Colombus Consulting Holding, which holds 94% of Colombus Consulting. Colombus Consulting is involved in Management Consulting.

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

- G3PI/RS2I: price paid in cash, with an additional future price, indexed to operating profit in FY 2007 and FY 2008. This amount was incorporated into the goodwill value, based on its definite value. Fair value of shareholders' equity at the acquisition date: €2.953 million euros.
- Colombus Consulting Holding/Colombus Consulting: price paid in cash, with an additional future price indexed to operating profit in FY 2008. This amount was incorporated into the goodwill value, based on its definite value. Fair value of shareholders' equity at the acquisition date: €3.285 million euros.

The residual goodwill primarily represents human capital and expected revenue and market share synergies.

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

(€000s)	Amount
Non-current assets	
Intangible assets	20
Tangible assets	427
Financial assets	73
Deferred tax credits	303
Current Assets	
Deferred tax credits due	-
Trade accounts and notes receivable	9,514
Cash and cash equivalents	5,369
TOTAL ASSETS	**15,706**
Shareholders' equity restated at fair value	**6,238**
Minority interests	**147**
Non-current liabilities	
Long-term provisions	93
Long-term financial liabilities	97
Current liabilities	
Short-term provisions	10
Taxes due	624
Trade and other accounts payable	8,024
Other financial liabilities	473
TOTAL LIABILITIES	**15,706**

The primary contribution items during the 2008 consolidation period were:

Income statement items	Amount *(€000s)*
Revenues	6,202
Operating profit	949
Net profit	685

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

6. NOTES ANNEXES AU BILAN

Note 1 – Immobilisations incorporelles

(€000s)	31/12/07 IFRS	Change in Scope	↗	Reclass.	↘	31/12/08 IFRS
Goodwill (details in Note 2)	20,669	-	13,846	-	-	34,515
Patents and licenses	1,460	20	545	10	522	1,513
Contracts and contractual relationships	574	-	-	-	-	574
GROSS TOTAL	**22,703**	**20**	**14,391**	**10**	**522**	**36,602**
Amortization and depreciation	(1,012)	-	(432)	-	(522)	(922)
Impairment	(493)	-	(6)	-	-	(499)
NET TOTAL	**21,198**	**20**	**13,953**	**10**	**-**	**35,181**

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 6,000 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

(€000s)	31/12/07 IFRS	↗	↘	31/12/08 IFRS
Companies concerned:				
BrainSoft (merged into Axones)	89	-	-	89
AS International Group	8,874	-	-	8,874
Help-Line (merged into Help-Line – Victoria)	544	-	-	544
Codilog-Knowledge	20	-	-	20
Codilog (merged into Codilog-Knowledge)	2,159	-	-	2,159
IMS	30	-	-	30
Axones	1,345	-	-	1,345
Ged Systèmes (merged into Edugroupe)	510	-	-	510
Victoria	4,635	-	-	4,635
HPS Techonologies	287	-	-	287
ID Factory (merged into Axones)	1,804	-	-	1,804
Pragmateam	372	-	-	372
G3PI	-	3,460	-	3,460
Colombus Consulting Holding	-	10,386	-	10,386
NET TOTAL	**20,669**	**13,846**	**-**	**34,515**

The acquisition contracts for G3PI and Colombus Consulting Holding make provision to pay a price supplement, subject to achieving a level of operating profit in FY 2008. These price supplements were integrated in the goodwill calculation based on the amounts payable.

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 12%, depending on the CGU,
- the operating margin is between 5% and 27%, depending on the CGU.

Over the implicit period, revenue growth was set at 2% and the operating margin between 5% and 15%, depending on the CGU.

Note 3 – Tangible assets

(€000s)	31/12/07 IFRS	Change in Scope	↗	Reclass.	↘	31/12/08 IFRS
Fixtures and installations	2,995	196	441	-	251	3,381
Transportation equipment	756	74	210	-	35	1,005
IT and office equipment	5,268	105	1 121	-	1,498	4,996
Leased fixtures	-	-	-	-	-	-
Leased IT equipment	-	52	-	-	-	52
Fixed assets under construction	10	-	-	(10)	-	-
GROSS TOTAL	**9,029**	**427**	**1,772**	**(10)**	**1,784**	**9,434**
Amortization and depreciation	(6,066)	-	(1,459)	-	(1,743)	(5,782)
NET TOTAL	**2,963**	**427**	**313**	**(10)**	**41**	**3,652**

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

(€000s)	31/12/07 IFRS	Change in Scope	↗	↘	31/12/08 IFRS
Non-consolidated securities	28	-	-	-	28
Loans	456	-	100	-	556
Other financial assets	475	73	72	-	620
GROSS TOTAL	**959**	**73**	**172**	**-**	**1,204**
Impairment	(15)	-	-	-	(15)
NET TOTAL	**944**	**73**	**172**	**-**	**1,189**

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).

Moreover, NEURONES purchased financial assets on the market during FY 2008. Their variation amounts to:

(€000s)	31/12/07	Change in Scope	↗	↘	31/12/08
Other financial assets valued at fair value	-	-	2,619	-	2,619
GROSS TOTAL	**-**	**-**	**2,619**	**-**	**2,619**
Impairment	-	-	(140)	-	(140)
NET TOTAL	**-**	**-**	**2,479**	**-**	**2,479**

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

(€000s)	31/12/08	31/12/07
Held-to-maturity investments	13	13
Financial assets designated at fair value through the income statement	3,655	931
TOTAL FINANCIAL ASSETS	**3,688**	**944**

Note 5 – Deferred tax credits

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

(€000s)	31/12/08	31/12/07
Employee statutory profit sharing	833	154
Other temporary differences	223	120
Provision for retirement benefits	94	41
Present value of receivables maturing in more than one year	262	211
Tax losses deferrable indefinitely	119	136
Present value of outstanding taxes, employer social security contributions and other liabilities > 1 year	(23)	(58)
Provision to neutralize the fair value of treasury stock	(4)	-
(not allocated to bonus share allotments)	(378)	-
PROVISION TO NEUTRALIZE SOCIAL SECURITY COSTS RELATED TO SERVICING BONUS SHARE PLANS	**1,126**	**604**
TOTAL		

Note 6 – Inventory

(€000s)	31/12/07	↗	↘	31/12/08
Goods	284	35	22	297
GROSS TOTAL	**284**	**35**	**22**	**297**
Impairment	(37)	(12)	(22)	(27)
NET TOTAL	**247**	**23**	**-**	**270**

Fully depreciated inventory valued at €22,000 was scrapped.
No inventory has been pledged as security.

Note 7 – Trade accounts and notes receivable

(€000s)	31/12/08	31/12/07
Trade receivables	56,177	42,799
Invoices to be issued	3,262	3,619
Suppliers: credit notes receivable	227	54
VAT and other taxes	5,539	4,587
Other receivables	261	194
Prepaid expenses	1,657	995
GROSS TOTAL	**67,123**	**52,248**
Impairment	(389)	(332)
NET TOTAL	**66,734**	**51,916**

These items are due in less than one year, except for certain financial arrangements granted to some customers as part of outsourcing contracts. These financings are included in the invoices to be issued item. 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

(€000s)	31/12/08	31/12/07
Commercial paper	-	9,395
Capital guaranteed structured fund	-	2,000
Term deposits	21,402	20,300
Monetary funds	17,103	10,708
Available funds	15,946	14,397
Accrued interest on commercial paper	326	222
TOTAL CASH AND CASH EQUIVALENTS	**54,777**	**57,022**
Bank overdrafts	(2,174)	(320)
TOTAL NET CASH	**52,603**	**56,702**

Details of term deposits

Type	Amount (€000s)	Due date	Fixed rate
Term deposits			
Crédit Agricole certificate of deposit	2,500	12/01/09	4.97%
Crédit Agricole certificate of deposit	7,700	9/01/09	5.00%
HSBC certificate of deposit	7,000	30/03/09	3.15%
HSBC certificate of deposit	2,000	12/01/09	5.20%
Banque Palatine certificate of deposit	1,202	19/01/09	4.80%
Banque Palatine certificate of deposit	1,000	20/02/09	3.90%

Note 9 – Shareholders' equity

Note 9.1 – Capital

At December 31, 2008, the share capital amounted to €9,364,047,20, comprised of 23,410,118 fully paid-up shares of the same class with a face value of €0,40.

During FY 2008, 27,291 stock options were exercised, which resulted in the creation of 27,291 new shares:
- 9,530 options 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. 1),
- 10,761 options 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),
- 7,000 options were exercised at a price of €4.20, including a face value of €0.40 and €3.80 of additional paid-in capital (Plan No. 5).

These new shares increased the share capital by €10,916.40 and the additional paid-in capital by €89,871.40.

During the second half of 2008, the company repurchased its own shares under the terms of the authorization given by the Shareholders' Meeting to the Board of Directors. As such, in the second half of 2008, the company acquired 433,000 shares at an average weighted unit price of €4.964. At December 31, 2008, the value of these shares was charged to consolidated shareholders' equity.

The variation in the number of shares in circulation during FY 2008 breaks down as follows:

Number of shares in circulation at 01/01/2008	Increase (Exercise of stock options)	Decrease	Number of shares in circulation at 31/12/2008
23,382,827	27,291	-	23,410,118

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 Shareholders' Meetings to the Board of Directors for stock option plans were wound up during prior years.

Bonus share allocation plan

All authorizations given by Shareholders' Meetings to the Board of Directors for bonus share allocation plans were wound up during prior years.

The various stock option plans and bonus share allocation plans decided 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	29/11/99	29/11/99	29/11/99	29/11/99	25/06/03 & 25/06/04	25/06/04
Date of the Board of Directors meeting	29/11/99	27/07/00	11/07/01	23/01/03	15/10/04	28/06/06
Maturity date of the plans	29/11/04	27/07/05	11/07/06	1/03/07	15/10/08	1/07/10
Expiry date of the plans	28/11/14	26/07/10	11/07/11	28/02/11	14/10/12	30/06/14
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
Total number of expired options at 12/31/2007	(72,650)	(216,246)	(131,462)	(56,000)	(96,000)	(6,000)
Number of shares already subscribed at 12/31/2007	(83,370)	-	(114,997)	(91,000)	-	-
Number of options in circulation at 01/01/2008	9,530	88,117	73,751	27,000	161,000	87,000
Number of options that expired during the year	-	(15,718)	(7,380)	-	(10,000)	(15,500)
Number of shares subscribed to during the year	(9,530)	-	(10,761)	-	(7,000)	-
including managers	-	-	-	-	-	-
Subscription price	€3.2	€7.5	€3.8	€3.2	€4.2	€5.1
Number of options in circulation at 31/12/2008	-	72,399	55,610	27,000	144,000	71,500
Potential dilution (excluding cancelled options): % of capital at 12/31/2008	-	0.31%	0.24%	0.11%	0.61%	0.31%
DILUTION POTENTIELLE TOTALE						**1.58%**

Rules of the bonus share plans

	Bonus share plan A	Bonus share plan B
Date of the Shareholders' meeting	24/06/05	14/06/07
Date of the Board of Directors meeting	28/06/06	21/12/07
Acquisition period term	1/07/09	1/01/11
Conservation period term	1/07/11	1/01/13
Number of beneficiaries *including managers*	22 *1*	44 *1*
Number of free shares allocated	230,000	230,000
Number of cancelled shares at 12/31/2007	(20,000)	-
Number of shares allocated during the acquisition period at 01/01/2008	210,000	230,000
Number of allocated shares that were cancelled during the acquisition period in the fiscal year	(4,000)	(6,000)
Number of shares allocated during the acquisition period at 31/12/2008	206,000	224,000
Potential dilution (excluding cancellations) – current% of capital at 12/31/2008	0.88%	0.96%
TOTAL POTENTIAL DILUTION		**1.84%**

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 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 euros	1.093 euros
October 2004 (plan No. 5) – Stock Options	4.20 euros	1.434 euros
June 2006 (plan No. 6) – Stock Options	5.10 euros	1.597 euros
June 2006 (plan A) – Bonus shares	-	6.490 euros
December 2007 (plan B) – Bonus shares	-	7.889 euros

The expenses related to the stock option plans are presented in note 16.

Note 9.3 – Earnings per share

	2008	2007
Average of shares issued	23,397,425	23,321,446
Average of treasury shares	80,806	-
Average of newly created shares (capital increase, etc.)	-	-
Weighted average of shares	23,478,231	23,321,446
Retained earnings (€000s)	12,034	9,210
Dilutive instruments	800,509	886,398
Diluted earnings per share (in euros)	0.50	0.38

Note 10 - Long-term provisions

(€000s)	31/12/07	Change in Scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	31/12/08
Provision for retirement benefits	122	93	73	6	-	282
TOTAL	122	93	73	6	-	282
Impact (net of expenses incurred)						
Operating profit			73		-	
Net cost of financial debt			-		-	

Note 11 – Long-term financial liabilities

Long-term liabilities correspond to a medium-term loan (€111,000 – fixed rate of 4.87% - matures in April 2012) plus the portion of the debt on leased goods greater than one year. At December 31, 2008, the aging for these liabilities was as follows:

(€000s)	TOTAL	À moins d'un an	de 1 à 2 ans	de 2 à 3 ans
Medium-term loan	55	-	23	32
Lease debt	40	-	22	18
TOTAL	95	-	45	50

Note 12 - Other non-current liabilities

(€000s)	31/12/08	31/12/07
Tax and employer social security contribution moratoriums (principal and penalties)	1,274	1,790
Security deposit collected	135	131
TOTAL	1,409	1,921

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, 2008, the aging for these liabilities was as follows:

(€000s)	TOTAL	less than 1 year	1 to 2 years	2 to 3 years
Moratoriums	1,274	-	1,274	-
Security deposit collected	135	-	135	-

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

(€000s)	31/12/08	31/12/07
Other non-current liabilities designated at fair value through the income statement	1,409	1,921
OTHER NON-CURRENT LIABILITIES	1,409	1,921

Note 13 – Short-term provisions

(€000s)	31/12/07	Change in Scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	31/12/08
Provisions	335	7	77	74	60	285
TOTAL	335	7	77	74	60	285
Impact (net of expenses incurred)						
Operating profit			77		60	
Net cost of financial debt			-		-	

Short-term provisions primarily correspond to employee relations risks, where the expected retirement date 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 14 – Trade and other accounts payable

(€000s)	31/12/08	31/12/07
Trade and other accounts payable	11,902	10,377
Subtotal trade payables	**11,902**	**10,377**
Employee statutory profit sharing and optional profit sharing	2,596	581
Taxes and employer social security contributions	38,051	29,532
Other debts	5,038	1,762
Prepaid income	2,947	1,824
Subtotal other debts and accruals	**48,632**	**33,699**
TOTAL	**60,534**	**44,076**

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.

Other debts include in particular the price supplements payable on share acquisitions and the buyback of minorities’ shares, for a total of 3.533 million at December 31, 2008.

All operating debts are due in less than one year.

Note 15 – Other financial liabilities

(€000s)	31/12/08	31/12/07
Bank overdrafts	2,174	320
Medium-term loan: portion less than 1 year	64	-
Subtotal bank overdrafts & finance leases	**2,238**	**320**
Deposits received	14	8
Subtotal deposits received	**14**	**8**
TOTAL	**2,252**	**328**

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.

7. SECTOR INFORMATION

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

8. NOTES TO THE INCOME STATEMENT

Note 16 – Salaries and related expenses

(€000s)	2008	2007
Salaries and related expenses	77,724	63,991
Employer Social Security contributions	35,371	29,712
Employee statutory profit sharing	2,154	581
Stocks options & bonus shares (IFRS 2)	1,070	493
Provision for retirement benefits	67	27
TOTAL	**116,386**	**94,804**

Note 17 – External expenses

(€000s)	2008	2007
Subcontracting purchases	25,201	21,590
Purchases of materials and supplies not stored	655	477
Outside personnel	2,351	2,192
Other outside services	10,905	9,055
Rents and finance leases	23	-
TOTAL	**39,135**	**33,314**

Note 18 – Allocations to amortization, depreciation, provisions and impairment of assets

(€000s)	2008	2007
Amortization of intangible assets	432	224
Depreciation of tangible assets	1,460	1,180
Allocations to amortization and depreciation	**1,892**	**1,404**
Contingency provisions	-	78
Net provisions for current assets	-	87
Net allocations to provisions	**-**	**165**
Impairment of “Contracts and contractual customer relationships”	6	93
Impairment of assets	**6**	**93**

Note 19 – Other income and expenses

(€000s)	2008	2007
Operating subsidies	419	356
Other income	399	344
Write-backs of provisions (not used)	75	-
Other income	**893**	**700**
Other expenses	328	238
Other expenses	**328**	**238**
NET OTHER INCOME / OTHER EXPENSES	**565**	**462**

Note 20 – Other operating income and expenses

(€000s)	2008	2007
Capital gain/(loss) on disposal of tangible assets	(41)	(7)
TOTAL	**(41)**	**(7)**

Note 21 – Analysis of the net cost of financial debt

(€000s)	2008	2007
Dividends received (non-consolidated investments)	7	-
Other interest and similar income	1 305	1 158
Capital gains on monetary funds	1 250	1 006
Write-backs of provisions	-	2
Total financial income	**2 562**	**2 166**
Interest and similar expenses	629	678
Allocations to provisions	140	-
Total financial expenses	**769**	**678**
FINANCIAL PROFIT/(LOSS)	**1 793**	**1 488**

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

Note 22 – Income tax

(€000s)	2008	2007
Taxes due	7,447	4,051
Deferred taxes	(219)	1,330
TOTAL	**7,228**	**5,381**

Note 23 – Proof of tax

	2008			2007		
(€000s)	Base	Rate	Tax	Base	Rate	Tax
Pre-tax income, capital gain on sale of consolidated shares	20,204	33.33%	6,734	15,327	33.33%	5,108
Non-deductible expenses – Stock Options (IFRS 2)	1,070	33.33%	357	493	33.33%	164
Impact of definitively non-deductible expenses	(22)	33.33%	(7)	126	33.33%	42
Social security contribution on profits (3.33% of the amount exceeding €763,000 of corporate income tax)	-	-	123	-	-	48
Generation / (Use) of tax losses not activated	84	33.33%	28	57	33.33%	19
Corporate income tax credit	-	-	(7)	-	-	-
Effective tax expense			**7,228**			**5,381**
Average tax rate			35.80%			35.10%

At December 31, 2008, there were tax losses of €141,000 that could be carried forward indefinitely, which were not activated as a safety precaution. The future tax savings related to the use of these tax losses amounts to €47,000.

Note 24 – 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 2008:

Director	Gross annual remuneration (including bonuses and fringe benefits)	Provision for retirement benefits (including social security contributions)	Number of bonus shares allocated
Luc de Chammard	153,623 6,960	15,192	-
Bertrand Ducurtil	171,800	3,248	25 000 (Plan A) 18 000 (Plan B)

The remuneration details for NEURONES' directors are limited to the above information. NEURONES' application of the Afep-Medef recommendations of October 6, 2008 is described in the management report.

9. MISCELLANEOUS INFORMATION

9.1. 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.

9.2. Off balance sheet commitments

There are no off balance sheet commitments.

9.3. Auditors' Fees

	2008								2007			
	Bellot Mullenbach & Associés		KPMG		BR Audit*		M. Feutry*		Bellot Mullenbach & Associés		KPMG	
(€000s)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Audit												
Auditorship, examination of separate and consolidated financial statements	84	77%	80	80%	29	100%	7	100%	79	93%	76	88%
Accessory missions (due diligence, etc.)	25	23%	20	20%	0	0%	0	0%	6	7%	10	12%
Subtotal	109	100%	100	100%	29	100%	7	100%	85	100%	86	100%
Other services												
Legal, fiscal and social	-	-	-	-	-	-	-	-	-	-	-	-
Information technologies	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**109**	**100%**	**100**	**100%**	**29**	**100%**	**7**	**100%**	**85**	**100%**	**86**	**100%**

* BR Audit and M. Feutry are the Auditors of companies acquired in 2008.

9.4. 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 2008, the scope of tax consolidation includes NEURONES, Neurones-IT, Edugroupe, Axones, AS International Group, AS International, AS Telecom & Réseaux and AS Technologie.

9.5. Average number of employees

	2008	2007
Managers	1,170	930
Employees	1,097	984
TOTAL	**2,267**	**1,914**

9.6. Subsequent events

No significant event occurred between December 31, 2008 and the date the present document was prepared.

9.7. Dividend distribution

In its meeting on February 12, 2009, the Board of Directors decided to propose to the Ordinary Shareholders' meeting called to approve the financial statements for the year ended December 31, 2008, to pay a dividend of €0.07 per share.

Company financial statements

BALANCE SHEET

ASSETS (euros)	31/12/08 Gross	31/12/08 Amortization, depreciation and provisions	31/12/08 Net	31/12/07 Net
Concessions, patents and similar rights	55,785	40,325	15,461	16,592
Intangible assets under construction	19,697	-	19,697	-
INTANGIBLE ASSETS	**75,482**	**40,325**	**35,158**	**16,592**
Other tangible assets	128,006	69,708	58,299	14,281
TANGIBLE ASSETS	**128,006**	**69,708**	**58,299**	**14,281**
Equity investments	67,048,724		67,048,724	60,412,951
Loans	39,734		39,734	41,525
Other financial assets	2,459		2,459	2,459
FINANCIAL ASSETS	**67,090,917**	**-**	**67,090,917**	**60,456,935**
TOTAL FIXED ASSETS	**67,294,406**	**110,032**	**67,184,374**	**60,487,808**
Trade accounts and notes receivable	10,129,398		10,129,398	6,555,474
Other receivables	12,737,152		12,737,152	2,220,268
Marketable securities	14,161,943	151,397	14,010,546	23,053,812
Available funds	3,455,941		3,455,941	2,507,425
TOTAL CURRENT ASSETS	**40,484,435**	**151,397**	**40,333,038**	**34,336,979**
Prepaid expenses	31,205		31,205	37,270
TOTAL ASSETS	**107,810,046**	**261,429**	**107,548,616**	**94,862,057**

LIABILITIES (euros)	31/12/2008	31/12/2007
Share capital	9,364,047	9,353,131
Additional paid-in capital	29,375,709	29,285,838
Legal reserve	918,373	912,543
Retained earnings	23,588,062	25,112,998
PROFIT FOR THE YEAR	10,580,666	116,594
TOTAL SHAREHOLDERS' EQUITY	**73,826,857**	**64,781,103**
Contingency provisions	8,264	8,264
TOTAL CONTINGENCY AND LOSS PROVISIONS	**8,264**	**8,264**
Loans and debts with lending institutions	291,984	125,376
Trade and other accounts payable	15,127,334	7,524,294
Taxes and employer social security contributions	3,950,504	3,560,827
Other debts	14,343,673	18,862,193
TOTAL DEBTS	**33,713,496**	**30,072,690**
TOTAL LIABILITIES	**107,548,616**	**94,862,057**

INCOME STATEMENT

INCOME STATEMENT *(euros)*	2008	2007
Sale of goods	71,299	148,073
Sale of services	39,463,192	25,008,255
NET REVENUES	39,534,492	25,156,328
including exports	-	*775*
Operating subsidies	-	2,777
Write-backs on provisions, amortization and depreciation, expense transfers	6,960	21,960
Other income	1	4,407
OPERATING INCOME	**39,541,453**	**25,185,472**
Goods purchased	71,299	148,073
Variation in inventory	-	-
Other purchases and external expenses	38,418,734	24,139,293
Taxes, duties and similar payments	153,578	107,009
Salaries and wages	1,897,900	797,641
Employer Social Security contributions	310,326	467,885
Allocations to amortization and depreciation on fixed assets	24,569	9,606
Provisions for current assets	-	-
Contingency and loss provisions	-	8,264
Other expenses	117,424	13,076
OPERATING EXPENSES	**40,993,830**	**25,690,846**
OPERATING PROFIT/(LOSS)	**(1,452,377)**	**(505,374)**
OPERATING PROFIT/(LOSS) (CARRIED FORWARD)	**(1,452,377)**	**(505,374)**
Financial income from equity investments	11,205,724	302,180
Other interest and similar income	285,752	545,108
Net income from the sale of marketable securities	510,431	247,532
Write-back of provisions on financial assets	-	-
FINANCIAL INCOME	**12,001,906**	**1,094,820**
Interest and similar expenses	487,490	539,750
Provisions for financial assets	151,397	-
FINANCIAL EXPENSES	**638,887**	**539,750**
FINANCIAL PROFIT/(LOSS)	**11,363,019**	**555,070**
PRETAX INCOME FROM ORDINARY BUSINESS	**9,910,642**	**49,696**
Extraordinary income from management operations	-	-
Extraordinary income from capital operations	289,734	22,287
Write-backs on provisions and expense transfers	-	-
EXTRAORDINARY INCOME	**289,734**	**22,287**
Extraordinary expenses on management operations	-	-
Extraordinary expenses on capital operations	129,027	1,114
EXTRAORDINARY EXPENSES	**129,027**	**1,114**
EXTRAORDINARY PROFIT/(LOSS)	**160,707**	**21,173**
Statutory employee profit sharing	-	-
Corporate income tax	(509,317)	(45,725)
TOTAL INCOME	51,833,093	26,302,579
TOTAL EXPENSES	41,252,427	26,185,986
PROFIT/(LOSS)	**10,580,666**	**116,594**

TABLE OF SUBSIDIARIES AND EQUITY INVESTMENTS

Company (€000s)	Capital	Other shareholders' equity*	Share of capital held (%)	Book value of securities held		Loans & advances granted	Security and guarantees given	Revenues	Net profit/ (loss)	Dividends received
				Gross	Net					
I – SUBSIDIARIES (More than 50% owned)										
• Neurones-IT	32,443	9,473	98.88%	29,873	29,873	-	-	52,981	3,101	8,414
• Intrinsec	480	3,412	82.07%	435	435	-	-	12,350	891	-
• AS International Group	555	8,345	98.99%	12,072	12,072	-	-	3,022	8,015	2,250
• Victoria	1,510	2 306	92.25%	3,382	3,382	-	-	-	95	-
• Axones	3,499	3,480	96.25%	5,821	5,821	-	-	17,111	644	-
• Edugroupe	4,175	1,811	95.99%	4,756	4,756	-	-	6,789	229	-
• Codilog-Knowledge	5,460	1,777	81.57%	4,357	4,357	-	-	6,308	784	534
• Finaxys	500	(145)	54.84%	274	274	-	-	2,320	(84)	-
• Pragmateam	55	259	50.09%	363	363	-	-	783	(12)	-
• G3PI	1,239	1,209	78.00%	5,674	5,674	-	-	20	3	-
• Neurones Consulting	40	(171)	100.00%	40	40	-	-	-	(171)	-
II – EQUITY I NVESTMENTS (10 to 50% held)	-	-	-	-	-	-	-	-	-	-
III – OTHER SECURITIES										
• Help-Line - Victoria	1,080	14,093	0.03%	0	0	-	-	61,088	3,760	-
TOTAL				**67,048**	**67,048**					**11,198**

* Before distribution.

General information concerning the company

1. Company name

NEURONES

2. Trading name

NEURONES

3. Registered head office

Immeuble "Le Clemenceau 1" - 205, avenue Georges Clemenceau 92024 Nanterre Cedex (France)

4. Legal form

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

5. Nationality

French

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 Trade Register on January 15, 1985.

It shall end on January 15, 2084, unless an Extraordinary General Meeting decides to extend the duration or disband the company early.

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

The company's purpose in France, overseas territories and abroad is to carry out all transactions directly or indirectly concerning: consulting, design, manufacture, development, deployment, installation, support, operation, distribution of any 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 and transform all buildings, worksites, warehouses and stores,
- take any interests and controlling stakes by any method of participation or intervention in any similar companies or companies likely to enhance the development of its business, and
- in general perform any commercial, industrial and financial operations.

8. Company Trade Register

331 408 336 R.C.S. Nanterre

9. Fiscal year

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

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

By-laws, accounts, reports and minutes of Shareholders' Meetings may be consulted at NEURONES' head office.

11. Shareholders' Meetings

Shareholders' meetings 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 meeting.

Anyone owning shares at least three working days prior to the meeting, Paris time, may attend or be represented at the meeting on simple proof of his identity and the registration of his shares within the same time limit, either as a nominative registration or as the deposit, at the place mentioned in the notice of meeting, of the certificate of an authorized intermediary certifying the unavailability of the shares registered up to 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. Failing which, the meeting elects its Chairman.

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

Shareholders can also cast absentee votes, subject to legal requirements. To be taken into account, the company must receive absentee voting forms at least three days before the date of the meeting.

12. Disposal and transmission of shares

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

13. Double voting right

Every shareholder has as many votes as he owns shares or represents, without any limit except those provided by law. Nevertheless, a double voting right is attributed to all fully paid shares provided the shares have been registered in the same shareholder's name 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. Every share that changes ownership loses this double voting right: nevertheless, the transfer of ownership due to inheritance, the settling of communal estate between spouses or the donation inter vivos on behalf of a spouse or relation entitled to inherit does not cause the acquired right to be lost and does not interrupt the four-year period, if it is underway. The merger of the company has no effect on the double voting right, which may be exercised in the absorbing company, if the by-laws so provide.

14. Thresholds and crossing of thresholds

Every shareholder has the obligation to inform the company if he ends up 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 authorized share capital or voting rights.

Moreover, every shareholder has an additional obligation to inform the company when he holds directly, indirectly or jointly 2% of the authorized share capital or voting rights.

15. Company buy-back of its own shares

Implementation of this program falls within the scope of article L.225-209 of the new French Commercial Code.

The Board of Directors meeting of February 8, 2008 authorized the effective launch of the share buy-back program authorized by the Combined Shareholders' meeting of June 14, 2007. Consequently, the Company repurchased 433,000 shares during FY 2008.

The Combined Shareholders' Meeting held on June 12, 2008 renewed the Company's authorization to repurchase its own shares subject to the main guidelines below:
- program duration: 18 months as of the date of the meeting (i.e.; until December 11, 2009),
- maximum share of the capital to be acquired: 10% of the capital,
- maximum purchase price: 10 per share,
- maximum share acquired with a view to the subsequent delivery of shares in exchange or as payment: 5% of the capital,

The Board of Directors meeting of February 12, 2009 authorized the effective launch of the share buy-back program authorized by the Combined Shareholders' meeting of June 12, 2008.

It will be proposed to the Combined Shareholders' Meeting on June 11, 2009 to renew the Company's authorization to repurchase its own shares subject to the main guidelines below:
- program duration: 18 months as of the date of the meeting (i.e.; until December 10, 2010),
- maximum share of the capital to be acquired: 10% of the capital,
- maximum purchase price: 10 per share,
- maximum share acquired with a view to the subsequent delivery of shares in exchange or as payment: 5% of the capital,

This program will replace the unused part of the program authorized by the Combined Shareholders' Meeting of June 12, 2008.

This program's actual launch will be subject to a decision of the Board of directors.

If necessary and after the Board of Directors' decision, 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 launched in fact.

16. Statutory distribution of profits

(article 19 of the by-laws)

The profit or loss for the year is comprised of the difference between income and expenses for the year, after deducting amortization, depreciation and provisions, as reported in the income statement.

From the profit for the year, less prior losses if necessary, at least 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 is an outstanding balance available, the Shareholders' Meeting decides either to distribute it, carry it forward or to allocate it to one or more reserves that it controls the allocation and use of.

After establishing there are reserves that it can use, the Shareholders' Meeting may decide to distribute the sums taken from these reserves. In this case, the decision expressly specifies from which reserves the amounts are to be taken. The Shareholders' Meeting can grant shareholders, for all or part of the dividend or interim dividend, the option of paying the dividend or interim dividend in cash or in shares.

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 shareholder meetings, as well as the quantity of shares held by each of them and any restrictions such shares may be subject to.

Printed on Optimum presses (Steenvoorde, France) by a printer listed in Imprim'Vert. This label recognizes printers that have implemented industrial strategies to protect their environment (waste management, exclusion of toxic products, etc.). The paper selected for this Annual Report was produced in a plant certifi ed ISO 9001, ISO 14001, OHSAS 18001 and EMAS (environmental management). It is certifi ed FSC and PEFC (traceability of the wood pulp source from managed forests) and was bleached using the ECF (elemental chlorine free) process.

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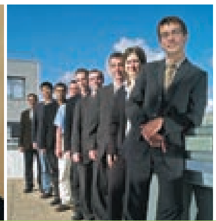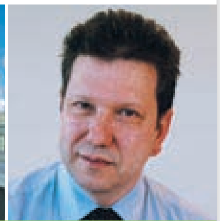

NEURONES

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