NEURONES

CONSULTING - INTEGRATION - OUTSOURCING

ANNUAL REPORT 2012

Forward together...®


NEURONES
CONSEIL - INTÉGRATION - INFOGÉRANCE
205
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Forward together...®

€315.4m
2012 revenues

€17.2m
2012 net profit

8.9%
2012 operating margin

OVER 25 YEARS OF PROFITABLE GROWTH

1985

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

1994

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

1999

New business lines are added to the offering:
- Security,
- an Application development business.

With a staff of over 3,700 and revenues of 315 million in 2012, NEURONES boasts a prime position on the French market:

- in the top 15 IT services companies and,
- one of the six largest listed IT services company in terms of market capitalization.

Created from scratch in 1985 and listed since 2000, the Group has:

- experienced 25 years of rapid, profitable growth,
- formed a proven, solid core, mainly through organic growth,
- joined forces with about 10 companies with complementary core businesses through external growth,
- seen its size more than double over the past five years.

NEURONES has grounded its enduring success on a continually tailored service offering, a dynamic human resources policy and a novel, attractive organization of shareholder-entrepreneurs.

Depuis 2000

NEURONES is listed on the stock exchange. Ten significant external growth operations have expanded and strengthened our range of expertise.

2008

Continued strong organic growth. Significant development of the Management and organization consulting business. The Group launches private cloud hosting services.

2012

In five years, NEURONES has doubled in size. With over 3,700 employees the Group has worked its way up to become one of the 6 biggest IT services companies on the Paris stock exchange.

Chairman's message

Dear shareholders and prospective shareholders,

"You cannot imagine the sheer scale of the wave you are now surfing on…".

NEURONES was in its infancy at the time when the director of a fellow company, which had pioneered the business 20 years earlier, predicted this at a business meeting. With prospects like that, who wouldn't feel capable of moving mountains?

In any case, it proved accurate: 25 years down the road, your Group is keeping up the pace and in 2012 recorded:
- higher-than-predicted double-digit growth (11.3%),
- one of the best profit levels in the sector (with an operating profit of 8.9%),
- substantial cash generation (+ €12.7m).

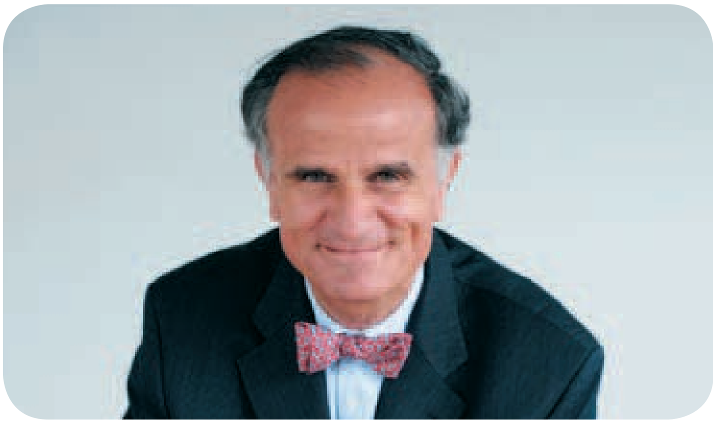
Achievements in 2012

A long-term buoyancy mainly accounts for the 9.3% internal growth recorded last year. It also follows the same organic growth curve plotted in previous financial years: +18.2% in 2011 and +10.3% in 2010.

Because these figures are in stark contrast to the virtually stagnant market, we should perhaps point out that:
- in the world of free enterprise, the growth trend in a given sector is only a statistic, not a benchmark (let alone a justification!);
- in principle, vigorous growth is driven by the "middleweights". And this is precisely the category to which your Group belongs: roughly 1% of the French market, a workforce set to hit 4,000 employees, and the sixth-ranking IT consulting and services company listed on the Paris stock exchange (in terms of capitalization);
- what's more, as with many of our counterparts, our revenues are generated by a range of entities: from "welterweights" to "bantamweights", some of them have been recording growth rates of close to 20%, and sometimes for several years;
- having a substantial proportion (around 50%) of multi-year contracts makes it possible to maintain overall brisk growth that is, to some extent, independent of the general economic situation;
- every year, in fact, we reap the benefits of investments made - sometimes a long time ago - by a stable Management Committee with a long-term vision. This attenuates the impact of annual market fluctuations;
- your Group's growth is not "weighed down" by the "capacity-building" acquisitions that were so common in the 2000s and which have often been hard for the acquirers to "digest". On the contrary, the 10 significant-sized entities that have joined NEURONES were chosen for their own specific growth dynamic and high-quality management team. This year again, they have made an undeniable contribution;
- lastly, a player that enters a sector nearly 20 years after its elders has to "work double time" if it wants to be seen one day as a benchmark player by major clients, the best employees and those who are considering setting up their own business with the backing of a group.

> "A player that enters a sector nearly 20 years after its elders has to 'work double time."

And, still on the subject of 2012, if we are to be perfectly honest we should also point out that:
- your company slipped from first place - briefly won in 2011 - to fourth place in the league table of the highest organic growth rates among the 36(!) players listed on the French market in the same segment;
- the overall 11.3% growth rate is the result of fair or outstanding growth on the part of some entities (between +10% and +30% in cloud computing, SAP integration, service desk and management consulting) and a decline in others, suggesting that we need to stay humble and combative, and address our "issues" for the years ahead;
- behind these figures, there are deals won and deals lost. Sometimes we are glad, in fact, that we turned down contracts where there was no money to be made. Often, though, business



relationships were not continued for the "wrong" reasons. For example, after letting the other party impose an organization or prices that were incompatible with a quality service;
- client settlement lead times have not improved;
- even if our operating profit is still one of the best in the sector, the rate is slipping again (10.2% in 2010, 9.3% in 2011 and 8.9% this year). If we apply the same method of calculation throughout, the rate is even towards the bottom of the historic range of these past 12 years.

To conclude this look back into the past, careful observers would do well to compare the competitors on the following criteria also:
- shareholders' equity: this has increased to 155.4 million, which should be compared with intangible assets worth €36.7 million;
- goodwill: this represents only around three years' cash flow for the companies that joined the Group about 12 years ago;
- tax rate: this has increased from 40.8% to 41.7% (including the "CVAE" corporate value-added tax;
- net cash (no financial debt): this amounted to 87.8 million at year end;
- use of the French research tax credit scheme: this was particularly reasonable (0.5m) by comparison with other industry players, which makes any comparisons of net profit misleading.

> "When we 'get the job done' to spec, growth and profits follow."

This review is an opportunity to say thank you to all those who contributed to the final outcome:
- our clients: they make it possible to continue business ventures like NEURONES. Their buoyancy, especially on the global market, pulls French services companies along in its wake. Their awareness of the importance of well-balanced relationships will consolidate our joint development;
- our employees: satisfied clients result from a blend of combativeness (in engineers, sales staff, after-sales staff and recruitment officers), knowledge (in consultants, engineers, project managers, technicians and production managers), professionalism and commitment (in support services);
- our managers: they firmly believe that, if everyone is on board, anything is possible. They know how to listen to constructive differences of opinion, explain the environment and channel efforts towards the goal. By giving fellow team members a good reason to get up in the morning, they help them take another step towards building their career and gaining a sense of self-fulfillment;
- the managers of the Group's specialized entities: as the heads of communities, they nurture motivation, seek to unleash potential, anticipate clients' expectations and organizational changes, fuel collective ambition by opening up opportunities and resolutely shoulder the difficulties. At the end of the day, they create the "invisible cement" that makes successful teams;
- technology vendors: their latest innovations, by adding to or supplanting earlier versions, create fresh opportunities for client touch-points, make engineers and technicians more productive and their work more interesting;
- all of the other participants in the eco-system, who have also done their bit to make the 2012 financial year a success.

In the final analysis, when we "get the job done" to spec, growth and profits follow. And there will be no shortage of work in the years to come...

Outlook for 2013

A lastingly buoyant market

From one annual report to the next, even if the form changes, we never tire of the rosy outlook for the IT consulting and services sector. This is fueled by:
- an economic, geopolitical and sociological context that is undergoing far-reaching changes. Six factors bear a relation to our businesses:
  - a profoundly changed relationship to time,
  - mounting uncertainty,

> "Your Group is keeping up the pace and in 2012 recorded double-digit growth, one of the best profit levels in the sector and substantial cash generation."

- the growing importance of the "knowledge economy",
- exponential growth in data (multi-valued, shared, transformed),
- increasingly "extended" and interdependent companies,
- ever-keener competition for a piece of the added-value cake, to the point of overturning some business models.

- sweeping trends that fuel the growth of consulting firms and IT services companies:
  - the need to speed up the transformation of major public and private organizations (in a bid to cut costs and become more efficient and effective, globalization, new regulations, deregulation, etc.),
  - growing demand for accurate measurement, risk prevention and data protection,
  - the growing need to sort, rank, archive and index information so that it is intelligent and available "at your fingertips",
  - the continual emergence of new technologies and architectures, as well as new devices,
  - the obligation to adopt them, or run the risk of less effective communication, diminished competitiveness and cutting ourselves off, at least partially, from the "global village",
  - a growing tendency to delegate to third parties what they can do better and at a lower cost.

"Providing consulting services, managing infrastructures and developing applications will continue to be buoyant businesses for a long time yet."

Yes, NEURONES continues to be buoyed up by this fertile environment of new opportunities, where technology fuels technology and, in so doing, change. Logically, IT accompanies information everywhere: at the office, in the factory, at home, at school, in your pocket, in public spaces, shops, vehicles and so on. When you think that "tomorrow", in 2016, there will be 10 billion devices connected to the Internet, and that data traffic through mobile devices will be multiplied by 16(!) in the next five years, you can see that providing consulting services, managing infrastructures and developing applications will continue to be buoyant businesses for a long time yet, with a range of products and services that will constantly evolve and expand.

And in a country with a shortage of IT specialists, some of the new ways of managing IT (virtualization, remote administration and support, off-shoring, cloud computing, etc.) actually free up resources for other purposes:

- in service providers' organizations: key technical staff, who are immediately reassigned to work on emerging technologies,
- in clients' organizations: financial resources, which can be devoted less to maintaining the existing facilities and more to new projects that will bolster their development.

Competition among service providers is so intense, though, that this constant increase in requirements is obviously no substitute for hard work. To give the reader some idea of this, here are a few figures:

- in no other sector of the French economy will you find at least 36 companies listed on the Paris stock exchange!
- key corporate accounts contract with tens and sometimes even hundreds of competitors at once in NEURONES' segment;
- there are nearly 4,000 consulting firms and IT services companies (with over 10 employees) vying with each other on the French market.

This "stimulating" environment encourages us to unflaggingly review our strategy and the way we implement it.

Unwavering strategy and execution

Ever since your Group started surfing on this wave - from its very inception - its strategy has remained the same. It simply shifts position regularly so that it stays in a good position on the wave and consolidates its place in the value chain. To do this, it:

- identifies new businesses and service lines that have potential and good profit margins,
- aims to upscale rather than increase volumes,
- remains open to business lines that complement its current operations,
- sets great store by the personality of its managers - an essential quality in service companies,
- maintains cost structures that are suited to the price clients are willing to pay,
- focuses on operating profits, which is the main yardstick for success in business.

There is nothing particularly new or original in the execution: it relies on "builders" who, whatever the general economic situation, like solid foundations and thick walls, and take the time to align and cement each building block in a bid to achieve a final outcome that is consistent and in the spirit of the Group's slogan *"Forward together...®"*. This is, literally, "sustainable development".

"NEURONES continues to be buoyed up by this fertile environment of new opportunities, where technology fuels technology and, in so doing, change."

It consists in:

- spotting the most promising entrepreneurs and senior executives, and showing them that NEURONES is a reliably dynamic springboard, both professionally and for their assets;
- combining the best of both worlds: that of the "big companies", whose name draws top talents and reassures prospective clients, and that of smaller-scale, "human" companies, which are flexible, quick to react, innovative, used to working within tight budgets, and which empower their people and are a "great place to work" (as one of the Group's companies was named in 2012 and 2013);
- tailoring service lines and structures to principals' requirements, even if the service provider has its own experience of what the right value for money should be;
- constantly "refining" costs and the type of revenues (by bringing in new business lines to replace segments that are on the decline and have to be let go, given that the market "knows best");
- trying to convince flourishing fellow companies that joining forces will not only bring them wealth but will also let them achieve, jointly, goals that they would never have considered alone;
- knowing how to say no (to contracts with meager margins, salaries that are incompatible with what clients are willing to pay, external growth operations in which the main value creators are planning to "jump ship", and, in general, any decision made on purely subjective grounds);
- listening, watching and, when the time comes to make a decision, making up our own mind from the viewpoint of long-term owners who will always be there to be accountable.

> "NEURONES is a reliably dynamic springboard, both professionally and for their assets."

This combination of strategy and execution should result in another year of significant, organic revenue growth in 2013 and profit levels on a par with those of previous years.

In 2012, the general economic situation and the opportunities were the same for every enterprise in the sector. The same will obviously hold for 2013 and subsequent financial years. Your company is like a boat on a vast ocean. When it encounters favorable currents, it trims its sails to make the most of its specific characteristics and strong points and relies on its increasingly experienced shareholder management team to set the heading.

In this first part of 2013, the situation can be summed up as follows for our long-standing shareholders:

- NEURONES' share price now seems to be oscillating around its initial level (9 on May 23, 2000). Even if this is not outstanding in itself, how many listed companies can say as much, given that the CAC 40 index was above 6000 at the time and is today closer to 3800?
- all together, the managers of Group entities hold as many shares as on the first day the company was listed. Since they are "in the same boat" as the third-party shareholders, this undeniable sign of trust might suggest that the best is yet to come, whatever macro-economic storms are raging.

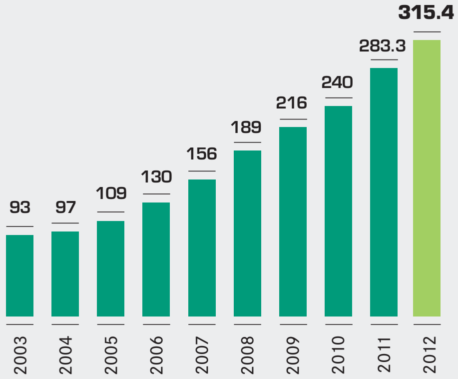
Year after year, a company's "long-distance race" is an adventure formed of joy, hope, sometimes renunciation and disappointment, along with, perhaps, the satisfaction of a job well done and certainly the feeling of being involved in something bigger than ourselves. It makes us want to press on ever further, bearing in mind André Malraux's observation that *"Man grows and develops only by pursuing what is beyond him"* !

Luc de CHAMMARD
Chairman and CEO

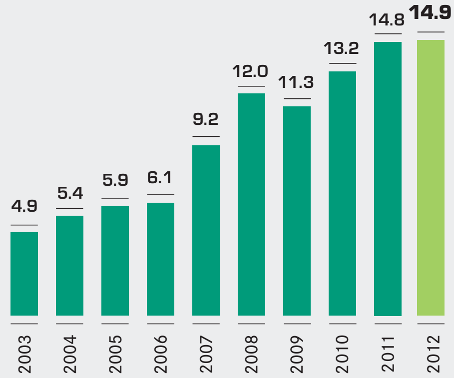
The Management Committee

2012 key figures

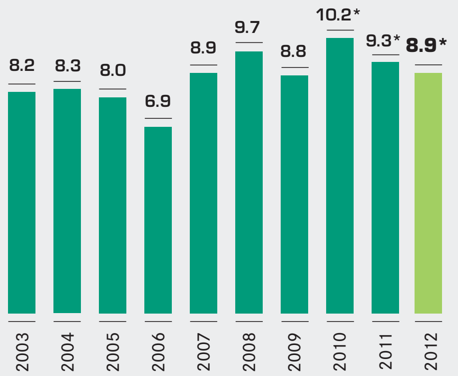
CONSOLIDATED REVENUES
(in € millions)



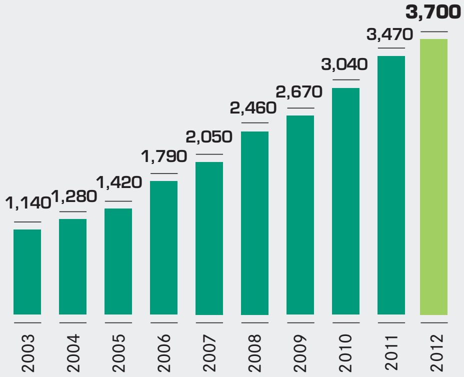
NET PROFIT - GROUP SHARE
(in € millions)



OPERATING MARGIN
(as a %)



STAFF
(at year end)



* the CVAE (Cotisation sur la Valeur Ajoutée des Entreprises, a contribution based on businesses' added value) totaling approximately 1% of revenues, is classified as a tax from 2010 onwards. IFRS accounting standards since 2004.

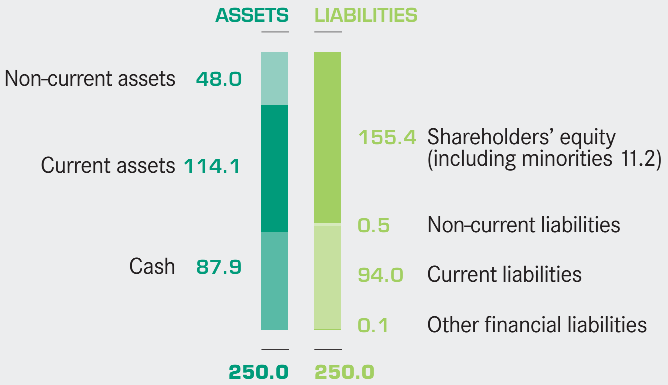
+11.3%

Revenue growth
between 2011 and 2012

+15%

Compound annual growth rate
over 5 years

CONSOLIDATED BALANCE SHEET AT 12/31/2012
(in € millions)

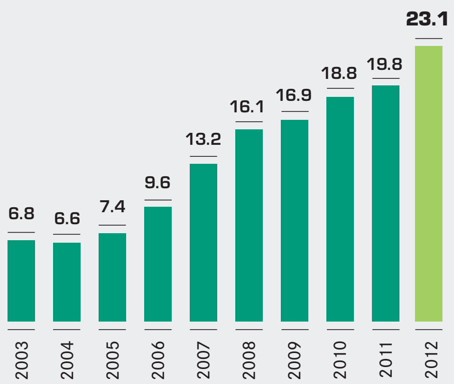


CONSOLIDATED INCOME STATEMENT
(in € millions)

	2011	2012
Revenues	283.3	315.4
Business operating profit*	**27.1**	**29.2**
% OF REVENUES	9.6 %	9.3 %
Operating profit	**26,3**	**28.1**
% OF REVENUES	9.3 %	8.9 %
Net financial income	2.5	1.4
Corporate income tax	(11.8)	(12.3)
Net profit for the period	**17.0**	**17.2**
% OF REVENUES	6.0 %	5.4 %
- of which net profit – group share	**14.8**	**14.9**
- of which minorities	2.2	2.3

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

CASH FLOW FROM OPERATING ACTIVITIES
(in € millions)



SIMPLIFIED CASH FLOW STATEMENT
(in € millions)

Cash flow	2011	2012
Net profit	17.0	17.2
Non-monetary items	2.8	5.9
Change in WCR (increase)/decrease	(10.0)	(2.5)
Net industrial investments	(4.7)	(4.4)
Free cash flow	5.1	16.2
Net financial investments	2.9	(1.9)
Net capital increase	1.1	0.4
Other (dividends, repayments, loan, etc.)	(2.4)	(2.0)
Change in cash and cash equivalents	+ 6.7	+ 12.7
Cash and cash equivalents at year-end	75.1	87.8

9.3%

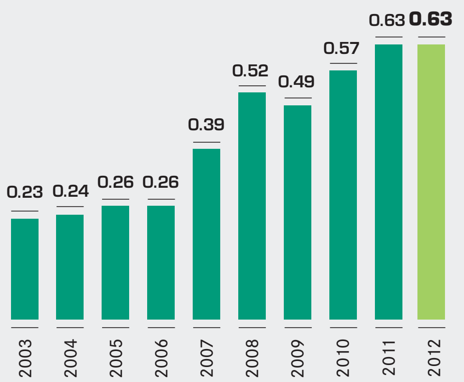
2012 operating margin

€87.8m

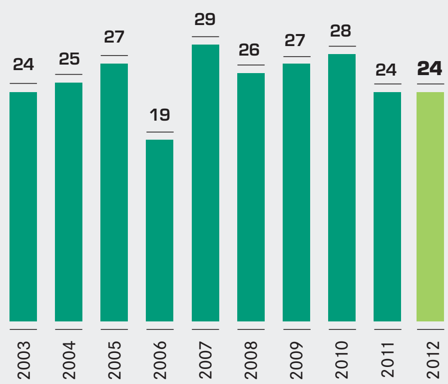
Net cash at December 31, 2012

Shareholder information

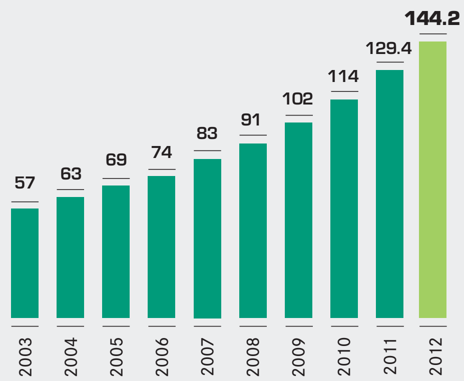
NET EARNINGS PER SHARE (GROUP SHARE) (in €)



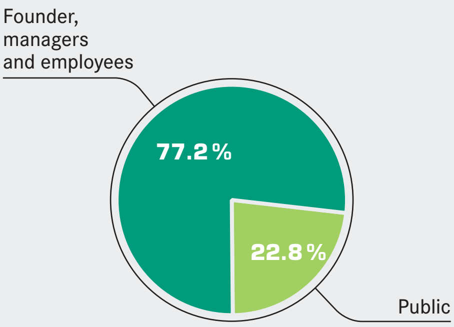
RETURN ON CAPITAL EMPLOYED (ROCE) (as a %)



CONSOLIDATED SHAREHOLDERS' EQUITY GROUP SHARE (in € millions)



SHAREHOLDING (breakdown of capital)



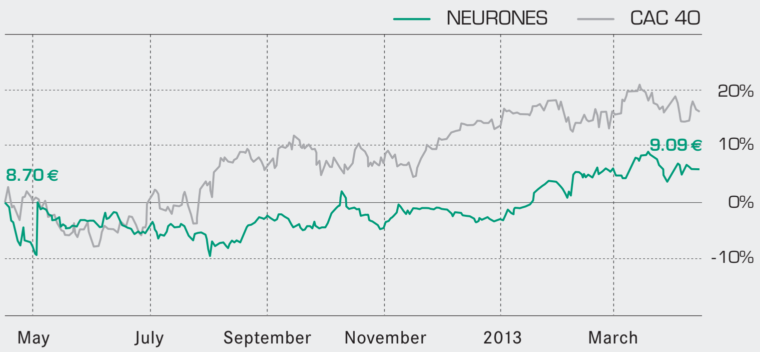
24 %

2012 return on capital employed

€0.06

Dividend per share for 2012 proposed at the Shareholders' Meeting on June 6, 2013

CHANGES IN NEURONES' SHARE PRICE OVER PAST YEAR
(from April 13, 2012 to April 12, 2013)



CALENDAR

Revenues 1st quarter 2013:
Wednesday May 15, 2013

Shareholders' Meeting:
Thursday June 6, 2013

Revenues 2nd quarter 2013:
Tuesday July 30, 2013

1st half 2013 profit:
Wednesday September 11, 2013

Revenues 3rd quarter 2013:
Wednesday November 13, 2013

CHANGES IN NEURONES' SHARE PRICE OVER THE PAST FIVE YEARS

	2008	2009	2010	2011	2012
Highest price (in €)	6.24	7.15	7.74	9.10	9.20
Lowest price (in €)	4.52	4.14	6.01	6.85	6.95
Closing price at December 31 (in €)	**4.60**	**6.06**	**6.88**	**7.30**	**8.33**
Stock market capitalization at December 31 (in € millions)	107.7	142.2	162.1	172.4	197.9
Number of shares at December 31 (in millions)	23.4	23.5	23.6	23.6	23.8

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NEURONES SHARE DATA SHEET

Average daily volume traded in 2012:	6,800 shares
Share price (at April 12, 2013):	€9.09
Market capitalization (at April 12, 2013):	€216m
Number of shares (at April 12, 2013):	23,763,378

NYSE Euronext Paris - Compartment B
ISIN Code: FR0004050250 (NRO)
Bloomberg: NEUR FP - Reuters: NEUR.LN
Index: CAC All tradable - CAC Small - CAC IT

The Group's core businesses

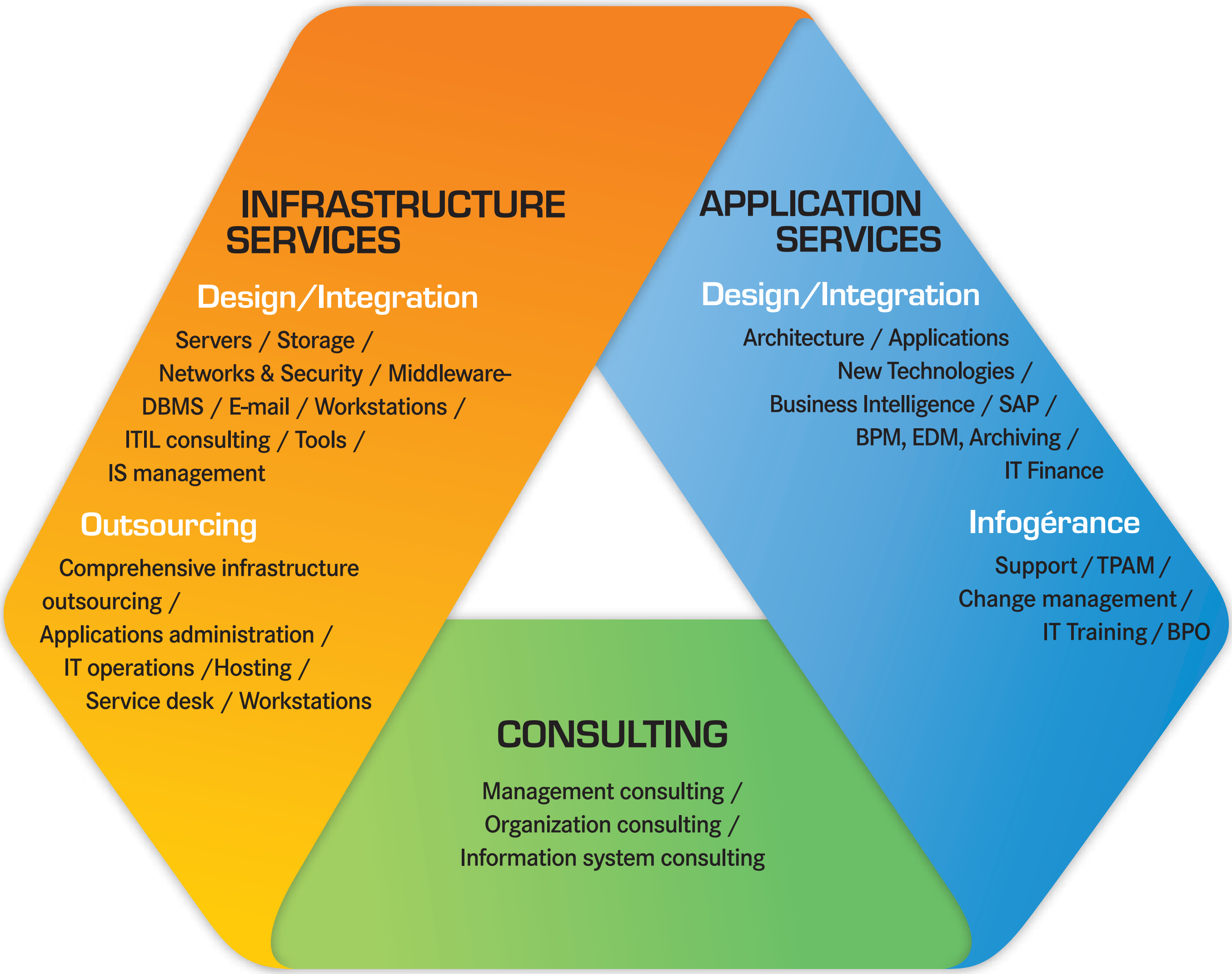
3,025
Employees in the Infrastructure Services business*

540
Employees in the Application Services business*

135
Employees in the Consulting business*

* At December 31, 2012.

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).



A CROSS-FUNCTIONAL MANAGEMENT STRUCTURE IS DEDICATED TO OUTSOURCING

The assignments of this structure include:

- drawing up end-to-end Outsourcing proposals and handling the pre-contractual phase,
- tracking the performance of 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 standards.

FOR SOME KEY ACCOUNTS, A CENTRAL TEAM HANDLES TOTAL CUSTOMER RELATIONSHIP MANAGEMENT

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

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

Infrastructure services

Core businesses

- Systems and networks
- Server and application outsourcing in cloud computing moden mode
- Workstation outsourcing
- Service desk
- IT production
- IT service management, IT governance

72%
Share of this segment in total business (2012 revenues)

8.6%
2012 operating margin

€228.2m
2012 revenues

Guaranteeing high availability and secure access to IT infrastructures, operating them, making them profitable and developing them is the task of this business line boasting over 3,000 employees.

DESIGN/INTEGRATION

Infrastructures are constantly evolving as new applications are brought into operation, volumes steadily grow and organizations merge and change. The Group undertakes not only major transformation projects but also more localized responses in a wide variety of fields. The majority of these are fixed-price projects.

Typical projects include:

- Server consolidation and virtualization
- Storage, set-up and management of private clouds
- Networks and e-mail systems (migration, administration, etc.)
- Workstation management
- Information system security

OUTSOURCING

Outsourcing services typically involve multi-year contracts (3 to 5 years), under which NEURONES provides project management and guaranteed service levels. For each contract, the sole person in charge of service delivery ensures ongoing compliance with the service level agreements and manages the improvement plan based on a benchmark and a catalog of standard actions.

In this line of business, it is crucial to rapidly capitalize on knowledge and best practices. The Group has introduced standard processes for all of its contracts, applying tried and tested ITIL practices. The drive to industrialize outsourcing services is leading to a marked increase in the volume of operations performed through service centers.

SELECTED 2012 PROJECTS

For a "sensitive" ministry: assessed the impact and risks of upgrading IP (Internet Protocol) addresses to the new IPv6 protocol. This entailed building a testing environment, mapping the IPv6 network, analyzing vulnerabilities, setting up methodologies and training for users.

For a dairy products manufacturer: cloud managed 120 servers used to run SAP and the software that manages the supply chain for the entire production and delivery process. Initial contract term: 3 years. A logical subsequent step might be to handle the servers that manage office software.

For a pharmaceutical laboratory: for easier management of the installed base and in-house requests, integrated the HP Service Manager suite, re-engineered the CMDB (Configuration Management DataBase), managed the reference bases and set up the new solution in the proprietary user interface. (The CMDB is the database that contains all of the information system's components.)

SELECTED 2012 PROJECTS

For a nuclear safety body: set up an IaaS (Infrastructure as a Service) solution as part of a new outsourcing contract: 50 dedicated servers are managed from a specialized service center and a specific telecom link is used to guarantee the confidentiality of data transfers and access to data.

For one of the top accounting audit firms: the company needed a bilingual French-English support team for the 7,500 French users of its SAP solution. To clinch the deal, NEURONES proposed an Outsourcing contract that did not bind the client to a specific term and could therefore be terminated at any time. 12 months later, the teams are resolving nearly 5,200 incidents per month.

For an aviation equipment manufacturer: took over the service desk, local support and management of the workstation inventory. Contract term: 4 years. A team of bilingual French-English hotline operators handles requests from 3,000 users in France and abroad.

HIGHLIGHTS

Strong organic growth (10.2%) in all infrastructure and outsourcing service lines.

Strong growth in private cloud services: 2,500 virtual machines (VMs) managed.

Stable margins, even though outsourcing operations are still under pressure. Outsourcing is becoming a renewal business, with steadily rising productivity.

OUTLOOK

Infrastructure outsourcing will be a buoyant market segment again in 2013.

Strong, steady growth in private cloud computing, backed by six years' experience.

Development of nearshore and offshore service centers.

Certified to ISO 9001: 2008 (outsourcing and three other businesses)

150 certified employees

Founding member

Sponsor member

150 outsourcing contracts:

Sites with over 1,000 people
80 contracts

Sites with 200 to 1,000 people
70 contracts

Another 100 contracts are carried out through the Group's service centers (cloud computing, service desk, etc.).

OUTSOURCING

150 outsourced customers
1,500 employees working on contracts
7,000 servers
130,000 workstations
480,000 calls per month to the service desk, including
220,000 calls to our support centers in Nanterre, Ivry-sur-Seine, Angers and Tunis

150 ITIL-certified consultants
1 NEURONES CMDB documentation system currently implemented on all contracts
400 packages managed
40,000 cloned workstations managed

Since 1995, NEURONES' infrastructure outsourcing business has been using pooled service centers: hosting, servers and applications, workstation management (from 200 to several thousand machines) and support.

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

4 SUPPORT CENTERS

- 720 people
- 24/7 availability
- Multilingual
- Nanterre, Ivry-sur-Seine, Angers and Tunis

5 HOSTING CENTERS

- Independent Internet service provider
- All operators
- Telecom infrastructure as failover
- Nanterre and Lyon (own facilities) +3 highly-certified partner hosting companies (Tier 3+)

2 SERVICE CENTERS FOR SERVERS AND APPLICATIONS

- 160 people
- 10,000 tickets per month
- Supervision, performance management
- Scheduling, operations plan

2 POOLED WORKSTATION MANAGEMENT CENTERS

- Cloning
- Packaging
- Remote software distribution

SUPERVISION, 24/7 MANAGEMENT, APPLICATION DEVELOPMENT

100 contracts
160 people (managers, administrators, DBAs, system and network engineers, operations analysts, operations engineers)
6,500 devices supervised
2,500 servers administered
Operations processing (supervision, application of instructions). Application integration, release management

HOSTING

2,500 servers hosted
600 useful terabits
3 backup robots
3 Cisco 7204 VXR routers as failover
1 Gbits/s per telecom operator

Air-conditioned, secure-access, fire-proof datacenters with backup electrical generators

Application services

Core businesses

- SAP
- ECM, EDM, BPM
- IT consulting for finance
- Web and BI
- IT training, change management

20%
Share of this segment in total business (2012 revenues)

8.5%
2012 operating margin

€63.4m
2012 revenues

The Application Services business and its 500+ team members are backed by 15 years' experience in applications projects, supporting clients through successive transformations of their information system.

DESIGN/ARCHITECTURE/INTEGRATION

Neurones is active in both software integration (ERP/CRM, BPM and EDM) and custom application development (on Java, .Net platforms, etc.), including open-source software. The consultants work either at customer sites or on the Group's premises, where teams involved in fixed-price projects work alongside their counterparts from third-party application maintenance (TPAM) service centers.

The emphasis is on the preliminary functional analysis phases and on project development methodology (standard documentation, software engineering, standards, etc.), areas for which training and inspection are pooled.

SELECTED 2012 PROJECTS

For a B-to-B logistics company: adapted an e-commerce application previously developed by the Group for use on mobile devices (smartphones, tablets, etc.), implemented "Flex" technology so that the solution could be used on devices operating under either Android or iOS (Apple's operating system).

For one of the world's top television networks: implemented a NEURONES content management and process automation software solution based on a SOA architecture. The solution is used to supply media programs and content, including their transformation, broadcasting over 15 different channels around the world, and archiving.

For a humanitarian association: when the association's workstations were migrated from Windows 2003 to the 2010 version, implemented an "on-demand training" solution as a flexible, fast way to train the 18,000 employees on the new operating system.

OUTSOURCING

This business line includes support services and application maintenance, corrective maintenance and upgrading. The 50 or so contracts cover batches of several applications, interfaces or even entire application asset bases.

The TPAM centers for SAP, BPM/EDM applications and web applications use common tools and methods.
Some of the teams are assigned to combined infrastructure and application maintenance contracts.
Training includes the "user support" component, in particular during ERP deployments.

SELECTED 2012 PROJECTS

For a company in the oil industry: to meet the need for a robust, efficient solution to manage the oil stocks defined by the authorities, implemented a comprehensive SAP solution including assistance to the contracting authority for the changeover to a new interface, and management of third-party application maintenance (initial term: 3 years).

For an insurance group: following on from many other assignments, handled third-party application maintenance for six different projects. The projects included interfacing a new front office with an ancillary accounting module, and migrating the insurer's entire technical platform.

For the leading horse racing bookmaker: in connection with the management of the website's "infocenter" (a database containing all of the races run since 2000), from which data flows are integrated and distributed, set up a Java J2EE solution, defined the technical architecture of the 34 servers and handled the 200,000 daily flows of information.

Dedicated applications service center:

THIRD PARTY APPLICATIONS MAINTENANCE

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

HIGHLIGHTS

Promising reinforcement of the ECM, BPM and EDM businesses with the arrival in the Group of an IBM FileNet integrator.

Increased market share in the major banking sector (after a decrease in listings at the beginning of the year).

Organic growth driven by SAP and the market finance businesses.

OUTLOOK

Bright outlook for multi-technology shared service centers in banking.

Brisk business in SAP, ECM/BPM/EDM (dematerialization) and market finance.

Upturn in Web/BI businesses to be confirmed.

Management
and organization consulting

Core businesses

- Management consulting
- Organization consulting
- Information system consulting

8%
Share of this segment in total business (2012 revenues)

13.2%
2012 operating margin

€23.8m
2012 revenues

Managed by consultants with previous experience in major international firms, this 130-strong business segment mainly provides consulting services in management and organization.

The business consists in supporting complex projects for groups that are currently engaged in transformation, and helping them incorporate new regulations and generally become more efficient and effective. Management consulting services are provided to the operational or functional divisions of corporate accounts. Projects sometimes include a component that requires competencies in information systems.

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

SELECTED 2012 PROJECTS

For a leading global insurance company: to optimize external expenditure (several hundred million euros at stake internationally!), created a methodology for identifying ways to cut spending, produced a data base for entities located in seven countries, and promoted the project to managers and teams in each country.

For a French regional council: in connection with setting up a telemedecine program, drew up the action flowchart, defined the project's organizational, economic and legal framework, and implemented the deployment strategy.

For an industrial equipment manufacturer: gave the marketing team support for planning future developments in the product line designed for electricity grid managers, organized and coordinated a customer survey to collect their expectations, drew up a plan to put the ideas collected into practice.

For a Franco-British rail carrier: as part of the complete re-engineering of its website, the company needed to improve communication between around 100 employees in London and Paris. A dedicated team was formed to streamline links between the agencies and, in so doing, help make sure the project was completed on time.

For a major audiovisual player: ensure the smooth deployment of a new accounting suite. To do this, we formed a team of specialists in the solution to scope the requirements, run tests, lead the change and correct all of the functional problems. Streamlined upskilling was key to the project's successful and timely completion.

For a government ministry: as part of government policy to deploy digital workspaces in regional higher-education establishments, provided support and guidance for the entire project: from defining the requirements through to setting up the support system in the establishments for a diverse group of users (students, parents, teachers, local authorities, etc.).

HIGHLIGHTS

Steep increase in business as a result of signing some major projects.

Development of a partnership system.

The “Consulting” and “IT Services” segments have been kept quite distinct.

OUTLOOK

We are expecting a growth plateau, now that some major projects conducted in 2012 have come to an end.

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

Despite the inherent lack of visibility in the Consulting business, the Group intends to develop this segment.

Strategy
and line of services

Over **25%**
of contracts involve several Group entities

64%
Share of guaranteed-performance service contracts in total business volume

46%
of revenues is generated by outsourcing

Based on an unwavering strategy and a comprehensive line of services, the Group estimates its recurring revenues at 70%.

An unwavering strategy

Strategic policy directions

- Steadily increase the proportion of structured offers by regularly industrializing services;
- Make timely investments in new, budding business areas;
- Stay diversified by keeping a sound balance between the various businesses: consulting, design, build and run.

The Group's growth model is driven by entity managers who are company officers and hold stakes in its share capital.

Great care is taken to ensure that their assets and financial interests converge with those of NEURONES' other shareholders.

A quality system

Two processes have been governed by quality assurance since 1996:

- recruitment;
- fixed-price projects: bid reviews, contract reviews.

NEURONES is ISO 9001:2008 certified for its outsourcing, service desk, IT operations and technical support businesses.

A comprehensive line of services

Infrastructure services

Infrastructure-related project activities (system and network integration, private cloud construction, security) are an essential building block for an outsourcer. The project teams ensure that Group technical guidelines are applied correctly. They are involved in outsourcing contracts during the initial takeover phase. Throughout the contract period, they also provide a solid technical rear base for team support. Lastly, they design and upgrade the Group's service centers (application and network servers, and workstations) and hosting centers.

NEURONE's leadership position in service desk services is also a major advantage for the outsourcing business.

The Group is careful to maintain a sound balance between its technical support services and outsourcing contracts: a substantial technical assistance business means teams can be deployed rapidly on major outsourcing contracts.

Application services

For an overall understanding of an organization's information system, we need to know the different applications making up its asset base and control how they are designed, integrated or developed, then supported and maintained.

The Group is involved in combined outsourcing contracts covering both infrastructures and application maintenance.

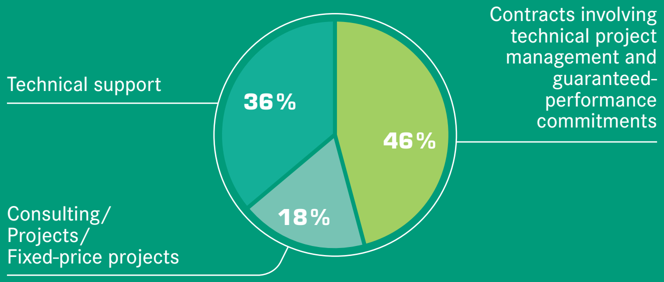
Successfully bringing applications from the design environment to the operational environment is a key stake, as are changes in general.

Consulting

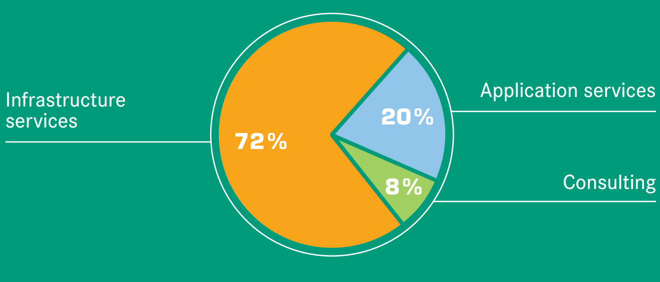
Fast-paced enterprise transformation, the implementation of new regulations and the drive for increased efficiency are prompting companies to make growing use of management and organization consulting services.

This business line, though situated upstream and quite separate from IT services, is nevertheless related and complementary to them. It also embraces sales processes (specialization by industry segment or by type of issue, listing, etc.), operating processes (audits, recommendations, guidance and support) and skills-management processes that are similar to those in IT services.

2012 SERVICE REVENUE BREAKDOWN BY TYPE OF SERVICE



2012 PROFORMA REVENUE BREAKDOWN BY BUSINESS SEGMENT

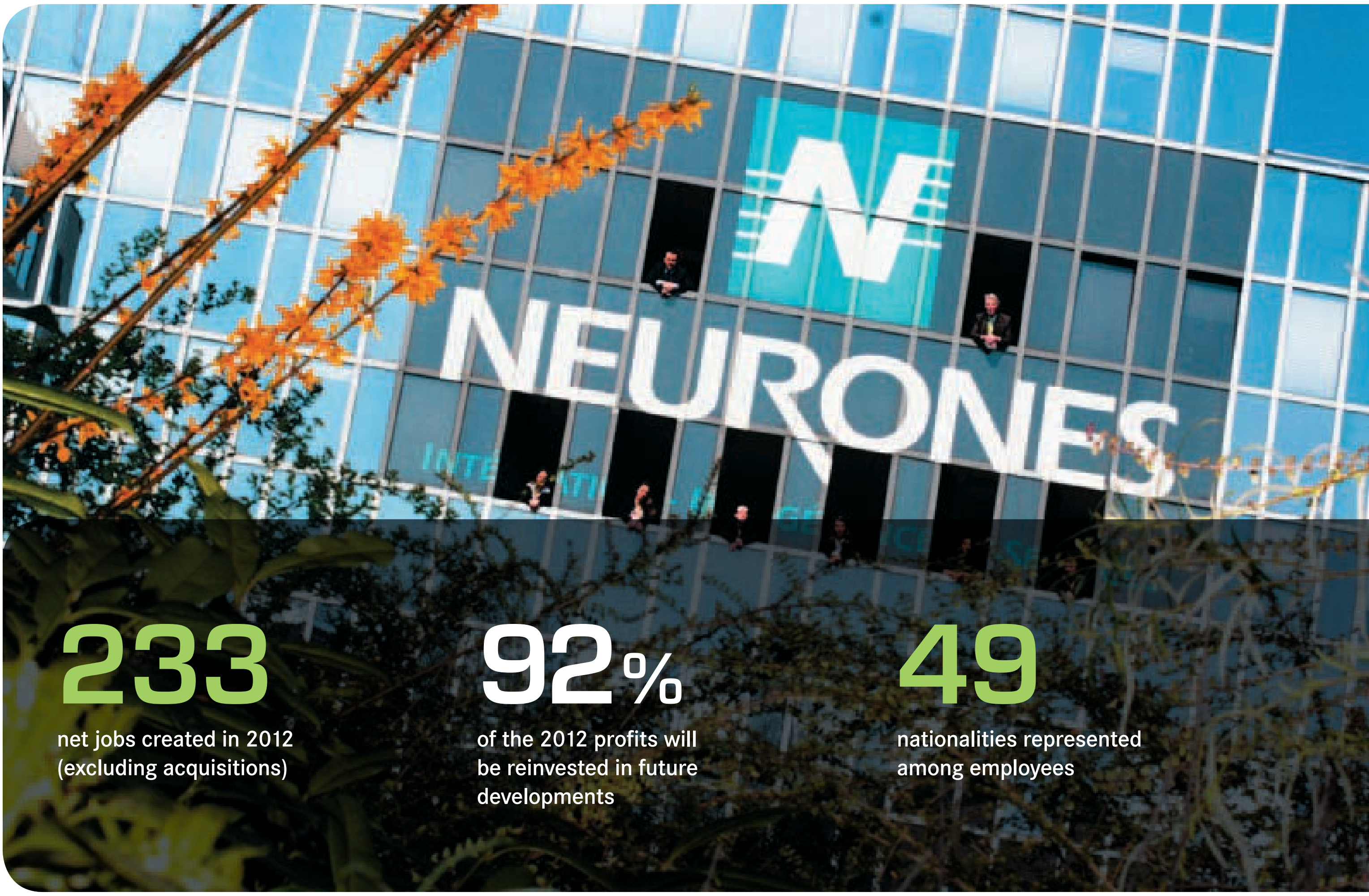


Responsible and sustainable development









233
net jobs created in 2012 (excluding acquisitions)

92%
of the 2012 profits will be reinvested in future developments

49
nationalities represented among employees

Our number 1 asset: human resources

Right from the outset, the Group has pursued an ambitious, innovative HR policy that fosters a diverse workforce (49 different nationalities represented, a variety of academic backgrounds, both novices and experienced workers, 130 apprentices, interns and employees on professional-qualification contracts in 2012, over 96% on permanent contracts, etc.).

Numerous job creations:

- net creation of jobs each year (over 1,000 in the past three years),
- company growth and acquisitions are handled without using redundancy plans,
- an IT retraining program helps young graduates to find a job.

Longstanding capital sharing scheme:

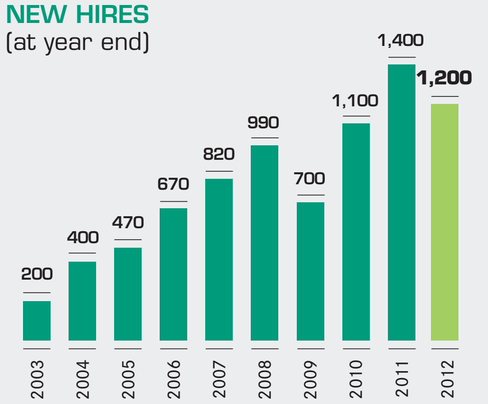
- around 30 company managers and executives hold stakes in the capital of the companies they are developing,
- free Group shares are distributed to a wider circle of high-potential employees,
- new key executives are regularly given the opportunity to acquire stakes in the capital of the companies and/or the Group.

Ongoing career management:

- lateral moves encouraged between different job fields and different functions, preference for internal promotion (especially for managerial and executive positions),
- annual performance reviews and interviews every few years are standard practice.

Long-term training policy:

- we do significantly more training than is legally required,
- training plans are easier to carry out because they use the Group's own training centers,



"After an initial experience in outsourcing pre-sales, then a few years in Russia on a personal project, I joined the Group again in 2011. My vision of international development coincided with the Group's desire to expand its service lines outside France, so I'm now working as Pre-Sales Manager Europe for the Service Desk & End-user Support business.

Trust and autonomy are key to success in my pre-sales and business development roles abroad. These are also fundamental factors to actively lead a worldwide alliance of partners, and define, establish and possibly open new service centers outside France.

NEURONES offers motivated employees an effective process for building a career. So why not consider one day becoming one of the Group's entrepreneurs, when everything has yet to be done on the international market?"

"NEURONES offers motivated employees an effective process for building a career."

Hervé
EMEA Pre-Sales Manager | *Service desk*
With NEURONES since 2011

A number of NEURONES business entities have signed the Charter.

Two Group entities have signed the United Nations Global Compact.

A NEURONES entity obtained this label in 2012.

"I joined the Group in 1995, when it had a staff of 70 and a booming integration business, to provide support services to network administrators and users. I am now Technical Sales Manager for the Cloud Computing and Security entity.

What motivates me most on the job is providing a solution that meets the client's objectives. The various assignments I've been given in 18 years have confirmed this: they include support, team leadership, network support contract management, among others. In 2005, I joined the Security business to develop their fixed-price contracts. Today, with my management's backing, I've added a sales component to my technical grounding.

The variety of business lines at NEURONES and the Group's strong growth have enabled me to build a rich, long-term career. With a receptive management team, bridges between different job fields, quality of service, solidity and reputation, this is a company that helps you grow in the wake of its success and gives you confidence in the future."

- employees encouraged to obtain qualifying certifications (ITIL and the main market players: Microsoft, VMware, SAP, HP, IBM, etc.).

Motivating working environment:

- an environment that empowers people and lets them build their own future,
- recurrent distribution of free shares and stock options: nine successive plans since 1999 representing over 5% of the capital,
- Group management holds a majority shareholding, which rules out takeover bids and decisions made by financiers or uninvolved shareholders.

Clients

The Group applies a continuous improvement policies to its service lines in a bid to constantly adapt its solutions to IT decision-makers' needs.

Pooled services on an industrial scale:

- in 2012, the Group invested €4.4 million in its industrial facilities, mainly in its service centers and the cloud computing offer. It invested in the datacenters in Nanterre and Lyon, reserved additional dedicated space with two third-party hosting companies, and expanded the service centers in Nanterre and Angers,

Active quality development:

- ISO 9001:2008 certification for its outsourcing, service desk, IT operations and technical support businesses,
- 150 employees are ITIL certified (Information Technology Infrastructure Library).

Constant tailoring to needs:

- mergers with around 10 significant-sized companies since NEURONES became a listed company have expanded and

"The variety of business lines at NEURONES and the Group's strong growth have enabled me to build a rich, long-term career."

Frédéric
Technical Sales Manager |
Outsourcing for Cloud Computing and Security
With NEURONES since 1995

enhanced the range of services and expertise available for its clients.

Markets and shareholders

Profit reinvestment:

- for a long time (before the company was listed), profits were reinvested in full. Today, a large percentage of the profits is set aside to enable the Group to achieve its ambitions, irrespective of trends in the financial markets, the economic situation or bank policy.

Regular, transparent communications:

- the annual (audited) results are published within two months of the financial year end. The (unaudited) results are published every quarter. The Group has also issued a twice-yearly Shareholders' Newsletter since 2000.

Proven resistance to cyclical uncertainties:

- the diversified business portfolio and the recurrent nature of certain core businesses have allowed the company to come through the years of market contraction without too great an impact on profitability and without having to resort to staff cuts.

The environment

Given the nature of its core businesses, NEURONES has only marginal impact on the environment. However, the Group:

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

NEURONES was rated in 2012 on the basis of the EcoVadis questionnaire.

The Group has been part of the Gaïa Index (the CSR index for listed companies) since 2011.

Group literature is printed by eco-friendly printers.

"After starting out as an IT Consultant then a Service Line Director, I joined the Group in 2006 as Development Director in the entity specialized in IT infrastructures. My job was to structure the service lines in this business (300 employees at the time) to create its "Consulting and Projects" Segment.

Two years later, on top of being Director of this segment, I was made Sales Director then Operations Director. The role was rather like that of an "orchestra conductor" and prepared me, six years after my arrival, to take up the position of Deputy Managing Director of this entity (which now has over 770 employees).

Belonging to a Group like NEURONES, which stimulates its employees' creativity and invests in new projects, gives you ambitious hopes for the future. In the entity to which I belong, our goal for 2016 is to reach 1,000 employees - all with recognized ability in outsourcing for infrastructure and applications production!"

"Belonging to a Group like NEURONES, which stimulates its employees' creativity and invests in new projects, gives you ambitious hopes for the future."

Jérôme
Deputy Managing Director | *Systems and Networks*
With NEURONES since 2006

References
(extract)

Banking - Insurance

AVIVA
AXA
BNP-PARIBAS
BPCE
CRÉDIT AGRICOLE
EULER HERMES
GENERALI
GROUPAMA
GROUPE MONTEPASCHI
HSBC
MALAKOFF-MÉDÉRIC
NYSE-EURONEXT
SOCIÉTÉ GÉNÉRALE
SWISSLIFE
TEXA SERVICES

Services - Consumer Goods

ACCOR
DANONE
EDENRED
GROUPE BEL
GROUPE ID
HEINEKEN
HERMES
KPMG
L'ORÉAL
LVMH
NESTLÉ
OPCALIA
PAGES JAUNES
PRICEWATERHOUSECOOPERS
SHISEIDO

Public sector

ANR
BANQUE DE FRANCE
CAISSE DES DÉPÔTS
CARIF
CEA
CONSEIL GÉNÉRAL DES HAUTS-DE-SEINE
EDF
IRSN
LA POSTE
MAIRIE DE PARIS
MINISTÈRE DU TRAVAIL
PARIS HABITAT-OPH
PMU
RFF
SNCF

Energy - Utilities - Healthcare

APTAR PHARMA
BAYER
DELPHARM
GDF-SUEZ
JOHNSON & JOHNSON
LABORATOIRES ROCHE
LFB
OCP
SAGESS
SANOFI-AVENTIS
SERVIER
SUEZ ENVIRONNEMENT
TOTAL
UGI CORPORATION
VEOLIA ENVIRONNEMENT

Industry - Public works & civil engineering

ALBEA
BOUYGUES
DAHER
EIFFAGE
ERAMET
JC DECAUX
LAFARGE
MICHELIN
NEXANS
PLASTIC OMNIUM
RENAULT
SAFRAN
SAINT-GOBAIN
TRÈVES
VINCI

Technology - Media - Telecoms

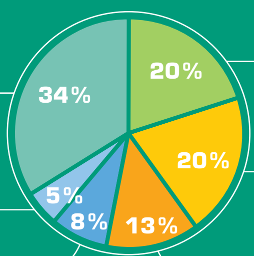
DASSAULT SYSTÈMES
FLAMMARION
GENERALE DE TÉLÉPHONE
IBM
MÉTROPOLE TÉLÉVISION
MICROSOFT
NUMÉRICABLE-COMPLETEL
OCE
ORANGE
TF1
THE NEW-YORK TIMES COMPANY
TÉLÉVISION SUISSE-ROMANDE
TV5 MONDE
VIVENDI
VODAFONE

In addition to some 1,000 groups, companies and public bodies of all sizes.

78%

of CAC 40 companies place their trust in NEURONES

2012 REVENUE BREAKDOWN BY SECTOR



NEURONES

CONSULTING - INTEGRATION - OUTSOURCING

2012 REFERENCE DOCUMENT

Forward together...®

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1 GROUP BUSINESSES

1.1. GENERAL PRESENTATION

Identity and background

With a staff of over 3,700 and revenues of €315.4 million at the end of 2012, NEURONES is one of the top 15 IT services companies in the French market. In terms of market capitalization, it is one of the top 10 players listed on the Paris stock exchange:

	at December 31, 2012	Capitalization (€ millions)*	Year-on-year change
1	Capgemini	5,316	+41%
2	Atos	4,498	+59%
3	Sopra Group	581	+37%
4	Steria	438	+10%
5	Bull	374	+8%
6	**NEURONES**	198	+15%
7	GFI Informatique	148	+20%
8	Sword Group	116	+4%
9	Devoteam	99	-7%
10	Osiatis	90	+13%

* Excluding technology consulting companies: Alten (€846m), Altran (€832m), Akka Technologies (€332m) and Assystem (€304m).

Created from scratch in 1985, the Group has experienced steady growth (averaging +15% per year over the last five years). Today two-thirds of its revenues stem from internal growth.

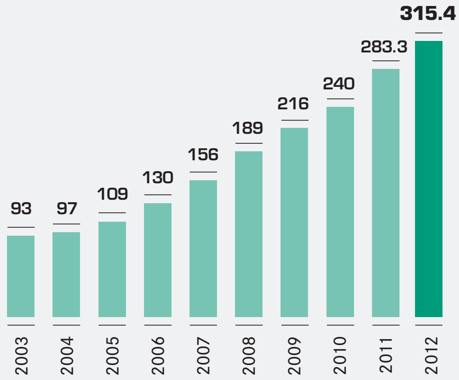
The Group was built by setting up dedicated subsidiaries for each business segment, with their own technical know-how and their own commercial brand. These entities were given the task of rapidly attaining a significant size in their field so that they could provide the best level of services at controlled structural costs. A cross-functional team coordinates the different entities working on contracts involving several complementary businesses.

NEURONES has thus based its business on proven, sound foundations to further its internal development, and grow through acquisitions of companies with the same or complementary core businesses.

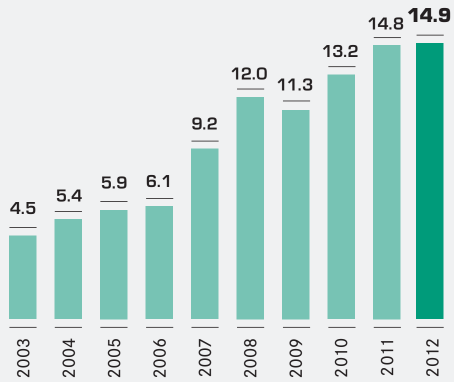
Since floating on the Stock Exchange in May 2000, the Group has made around ten significant acquisitions, which now account for roughly a third of its business.

Key figures

CONSOLIDATED REVENUES
(€ millions)



NET PROFIT - GROUP SHARE
(€ millions)



Trends in the key figures *(in € millions)*	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues	92.7	97.1	108.9	130.0	156.0	189.3	216.4	239.6	283.3	314.4
Operating profit *	7.6	8.0	8.7	9.0	13.8	18.4	19.1	24.5	26.3	28.1
Operating margin	8.2%	8.3%	8.0%	6.9%	8.9%	9.7%	8.8%	10.2%	9.3%	**8.9%**
Net profit	4.8	5.7	6.3	6.6	9.9	13.0	12.8	14.9	17.0	**17.2**
Net margin	5.2%	5.9%	5.8%	5.1%	6.3%	6.9%	5.9%,	6.2%	6.0%	**5.4%**
Net profit – Group share	4.5	5.4	5.9	6.1	9.2	12.0	11.3	13.2	14.8	14.9
Staff at year-end	1,141	1,284	1,424	1,787	2,054	2,455	2,665,	3,036	3,471	3,704

* IFRS accounting standards since 2004. For the 2003 financial year (using 99-02 accounting standards): The CVAE (Cotisation sur la Valeur Ajoutée des Entreprises – a contribution based on businesses' added value and equal to 1% of revenues) has been classified as a tax since (and including) 2010. To obtain a comparable series of operating margins, the figures for 2010 to 2012 should be reduced by approximately 1% (to 9.2%, 8.3% and 7.9%).

1.2. BUSINESS OVERVIEW

Business segments

The revenue breakdown is as follows:
- IT services:
  - Infrastructure (72%*),
  - Applications (20%*),
- Management consulting (8%*).

* 2012-related revenues

There are three different types of service delivery:
- Fixed-price projects: 18%
- Technical support (on a time basis): 36%
- Outsourcing (multi-year contracts with guaranteed performance commitments): 46%

It has been agreed to consider all consulting work as a project activity. The activity's overall recurrence rate is estimated at around 70%.

The Group's long-established IT services activities (92% of its revenues) can be broken down as follows:

Type of activity carried out	Information system domain	
	Infrastructures	Applications
Design/build	Network projects, consolidation, virtualization, storage, backups, packaging, tool integration, security projects, ITIL process implementation, migrations, deployments	E-business Web (Java, .Net, open-source), e-business, Intranets, portals, enterprise application integration (EAI), business intelligence (BI), SAP, enterprise content management (ECM), business process management (BPM), service-oriented architecture (SOA), third-party software testing, integration, training
Run	Outsourced networks, servers and applications, hosting, cloud computing, service desk (24/7, multilingual), workstation management	Support and third-party application maintenance (TPAM) for entire application asset bases, SAP support and TPAM, business process outsourcing (BPO)

Change (by business segment) *(in € millions)*	2011	% Total revenues	2012	% Total revenues	% total growth	% organic growth
Infrastructure services	207.1	73%	228.2	72%	+10.2%	+10.2%
Application Services	55.4	20%	63.4	20%	+14.4%	+4.2%
Consulting	20.8	7%	23.8	8%	+14.4%	+14.4%
TOTAL REVENUES	283.3	100 %	315.4	100 %	+ 11.3 %	+ 9.3 %

The workforce is based in France (3,643 employees at end-2012), except for a small number of employees in Tunisia (57 at end-2012) and Singapore (4 at end-2012). In France, 87% of the workforce is based in the Ile-de-France region and 13% in the rest of France.

NEURONES' business is conducted in France, with occasional assignments abroad. The service centers in Tunis and Singapore provide services for a client base located in France.

Cross-functional offers, total customer relationship management of corporate accounts

A cross-functional department has been set up to fulfill the following two roles:
- total customer relationship management of selected corporate accounts: an account manager coordinates the action of the entities' sales engineers, who are specialized by type of service and by sector. The account manager also does the reporting for the business at the desired intervals ;
- direction and management of multi-entity projects and in particular outsourcing: the central team then takes charge of the whole pre-contractual phase: organization and coordination of the submission (presentations, references, formation of the expected team, etc.).

Once the project has been launched, the central team monitors progress during the probationary phase, then the routine operation phase. For projects involving several entities, the central team makes the Group's commitments to the clients.

The rules governing relations between entities are set out in a regularly updated Group document.

1.3. THE CORE BUSINESSES IN DETAIL

Core businesses making up the various segments

Each business segment comprises one or more core businesses, addressing both design/build phases and recurrent phases. Each core business is housed in a dedicated company, which enables the Group to have a simple legal structure that reflects its organization. Minority interests are held exclusively by the directors and executives of the subsidiaries, who accordingly act as shareholder-entrepreneurs.

Segment	Core businesses
Infrastructure services	- Systems and networks - Service desk, workstation outsourcing - Server and application outsourcing in cloud computing mode, IT security - IT operations - IT service management, IT governance
Application Services	- SAP - Content management (ECM, EDM), business process management (BPM) - IT consulting for finance - Web (Java, .Net, open-source) and decision-support (BI) - IT training and working with change
Consulting	- Management and organization consulting

The key figures shown in this paragraph are the contributions to the Group's consolidated revenues, after restatement of the intra-group transactions (i.e. they are not the company revenues of the enterprises in which these businesses are housed).

Core businesses of the Infrastructure Services segment

Systems and Networks

The design/build business consists in designing and implementing all or part of the computer systems and networks (local and remote) requiring the integration of disparate elements: Unix and Microsoft servers, active and passive components, workstations, etc.

This is a project business, often carried out in the context of fixed-price "turnkey" projects.

The upstream expertise consists in identifying the solutions that are long-lasting, productive and robust in operation. Given the great diversity of the products and their rapid development, costing often involves a number of technical experts. They are coordinated by a project manager, who is solely responsible for the undertaking made by NEURONES. The entire process of responding to a client request has been covered by quality assurance since 1995.

The assignments typically carried out are as follows:

- prepare servers, design model workstations, carry out migrations and deployments,
- Lan/Wan architecture, server and workstation virtualization (VDI), set up networked storage solutions (San), backup solutions and "thin client" solutions,
- audit and redesign directory services, e-mail services,
- handle mobility, firewalls, remote access.

The technical specializations mentioned above are used in combination to help clients carry out virtualization projects and set up private cloud computing (see glossary at the end of this document). The Systems and Networks entity, for instance, has invested in a private cloud solution, which it manages.

For comprehensive projects, the Group provides software (system, antivirus, e-mail, backup, etc.) and hardware (servers, storage, network equipment, etc.). This business accounts for a marginal share of revenues.

The fixed-price integration department provides project management services on major projects. This is an appreciable differentiating factor.

System and network operations includes all assignments related to IT infrastructure management: stand-alone technical support, service outsourcing (on client sites and remotely from the Group's service centers), full operation with NEURONES project management and service level agreements (managed services, outsourcing). In technical terms, the scope of service is typically as follows: workstations, local and remote servers (proxy servers and enterprise servers) and networks.

The two activities, consulting and integration, on one hand, and operations, on the other, draw on the same technical profiles: project managers, administrators, systems and network engineers and technicians.

KEY FIGURES

(in € millions)	2011	2012	12/11
REVENUES	67.7	71.3	+5%

Service desk, workstation outsourcing

A service desk is a structure (using telephone, IT and human resources) that receives and handles information system user requests, and either resolves them or passes them to other entities for resolution ("escalation"). Service desks can be located on an organization's site or remotely outsourced in a service provider's service centers.

The use of specialized structures of this sort is common practice in large organizations. They provide full tracking of operations, professional response times, a high rate of immediate handling or handling by remote control, thorough investigation of the cause of incidents then the introduction of action plans to reduce the number of incidents on a long-term basis.

The service desk is, first and foremost, a support and customer relations business, for which a sense of service is just as important as technical knowledge. Maintaining the quality of service over a period of time (several years) is a key success factor. For this reason, service desk staff are given regular training and practice in customer service techniques. Half of the services are delivered on site and half in the Group's four multilingual, 24/7 service centers, which are all interconnected.

Support for business applications is rocketing. The teams who provide it have a combination of technical and functional expertise (with industry professionals). The software they support is specific to different professions (the hotel industry, car dealerships, the travel industry, laboratory sales representatives, etc.). It may also be human resources applications or applications related to ERP. Applications support is sometimes coupled with a contract for the Group to provide TPAM.

To achieve a lasting reduction in the number of incidents, the service desk uses the Experteam® workstation industrialization solution. This includes upstream consulting (needs, life cycle, optimization strategies), use of model workstations and recurrent operations (packaging, cloning, remote software distribution) through a specific service center.

NEURONES' service desk business holds a recognized leadership position in France.

KEY FIGURES

(in € millions)	2011	2012	12/11
REVENUES	81.6	93.6	+15%

Server and application outsourcing in cloud computing mode, IT security

The remote server and application operation center (Osmose® solution) is a service center that provides shared remote management of client organizations' servers, networks and applications. The Group's teams handle alert reports transmitted by supervision tools (reactive mode), take preventive action (proactive mode), perform tasks planned using a scheduler, manage releases and changes.

The remote-operation center runs on a 24/7 basis. It has been able to increase productivity by pooling certain resources, such as supervision, database administrators, specialist ERP operators (SAP's BC profiles), on-call security experts, etc.

A clear distinction is made between Tier 1 operations (where incidents are handled according to a predefined set of instructions in a highly industrialized process) and Tier 2 operations (search for the root cause of the incidents, analysis and preventive measures, capacity review, technical office, preparation for implementations).

The main supervision tool used by the server service center was developed internally. It gives the Group a substantial competitive - and in particular financial - advantage. The Group also has a new-generation configuration management database (CMDB), which is systematically used for contracts.

At the same time, the infrastructure service line, which includes infrastructure hosting - now entirely in private cloud mode (Iode®) - is experiencing strong growth. The old physical servers have been virtualized and installed on high-performance sets of blade servers. Data storage and backups are pooled and centralized. Invoices are calculated on a pay-per-use basis (processor power and memory capacity, terabits of storage, Internet megabytes, etc.). This "private cloud" offer has been adopted by around 100 clients, and represents a volume of 2,000 servers and 450 terabits of storage. The center in Paris is backed up by, and interconnected with, the center in Lyon. Together they serve as a basis for disaster recovery plans.

Virtually all of the private cloud hardware and software is owned by NEURONES (Capex); the client pays a lease that covers the supply and hosting of the hardware (Opex). The Group's private cloud also includes servers that manage virtualized workstations (Virtual Desktop Infrastructure, VDI).

The Group has several years' experience and feedback in private cloud computing with a large number of clients, which gives it a competitive edge in this sector.

The security business, which is a key success factor for outsourcing in cloud computing mode, is also growing in a market that remains fundamentally buoyant. Information systems are now more open and readily accessible - and hence more vulnerable - than ever before, with e-mail, systematic Internet connections, interconnections between a company's headquarters, its agencies, clients, suppliers and partners, and the widespread practice of remote access from portable computers or devices (staff who work off site or from home, etc.).

The security business embraces two complementary missions:
- qualification: audits and intrusion testing,
- consulting: i.e. defining security policy and plans.

KEY FIGURES

(in € millions)	2011	2012	12/11
REVENUES	20.8	25.7	+24%

IT production

IT operations consists in managing the processing operations of business applications installed on enterprise servers and using database management systems (DBMS such as Oracle, SQL Server, Sybase, etc.). IT operations draws on a variety of profiles: operators, operations analysts (support, operation, preparation), operations engineers, systems engineers and operations project managers, along with datacenter architects and PMO (Project Management Office) profiles.

The IT operations business has changed considerably and now deals primarily with real-time applications, along with the methods and software tools it uses. The IT operations business requires proficiency in Unix, the main schedulers on the market ($Universe and Control M), the main supervision (HP-OV) and alert tools (Patrol), and the main backup tools (Netbackup, Networker). For many clients, it is also necessary to have a good grasp of Internet architectures (e.g. Websphere).

Proper integration of the applications in operation (adjusting processing and controls, documentation) and efficient management of changes and releases remain key success factors, together with competent completion of the operations plan.

The client base of this business segment is essentially made up of corporate accounts in the banking and insurance sector, and outsourced clients.

KEY FIGURES

(in € millions)	2011	2012	12/11
REVENUES	28.4	30.4	+7%

IT service management, IT governance

The areas covered include managing services and assets for an IT department (IT Service Management, ITSM, see Glossary), managing software acceptance testing and software quality (Software Quality Management - SQM) and managing project portfolios (Project Portfolio Management, PPM).

There are various types of missions:
- consulting and assistance to contracting authority (defining projects, drafting specifications, auditing processes, analyzing ROI, coaching, etc.),
- certificate training courses and support for implementing ITIL (EXIN accreditation),
- introduction of ITSM software packages, software qualification and project portfolio management (partnerships with HP Software, CA, etc.),
- Third-Party Application Maintenance and Third-Party Software Testing on client premises or through the Group's service center.

KEY FIGURES

(in € millions)	2011	2012	12/11
REVENUES	8.6	7.2	-16%

This project-based business line, with very few recurrent services, had grown by 59% in 2011.

Core businesses of the Application Services segment

SAP integration and outsourcing

ERP (see Glossary) is the main software package used by major organizations. SAP is the leader on the ERP market.

SAP activities can be broken down as follows:
- Integration: project managers and consultants (functional and technical) implement a pre-configured SAP solution for service companies and the retailing sector. They also produce extensions to existing facilities for corporate accounts (new modules, new site, etc.).
- Expertise: work on the key points of projects (data transfer, structural changes, non-regression testing, BI, etc.),
- Outsourcing (support and TPAM), sometimes combined with broader outsourcing contracts.

NEURONES carries out the following types of assignment:
- fixed-price, turnkey SAP integration projects, with a commitment to a specific start date,
- country roll-out: a core model is rolled out in France, then extended to other European countries,
- expertise in a SAP competency center: new modules, re-engineering, optimization, upgrades,
- SAP administration,
- support and TPAM, "ABAP factory",
- documentation and user training.

KEY FIGURES

(in € millions)	2011	2012	12/11
REVENUES	10.3	12.9	+25%

Content management (ECM, EDM), business process management (BPM)

Content management (ECM: enterprise content management) consists in managing unstructured information in electronic form (letters, contracts, invoices, e-mail, miscellaneous electronic documents, photos, films, etc.) as opposed to information that is already structured in databases.

It includes all of the management and formatting of content published on large-scale enterprise websites (Intranets, Extranets and the Internet), which is known as web content management (WCM).

ECM also includes electronic document management (EDM) applications, which acquire, classify, store, archive and distribute scanned documents such as bank statements, telephone or electricity bills, etc.

Business process management (BPM) is a set of methods and applications that optimize and automate a company's workflows.

ECM and BPM (see Glossary) converge when the workflows concern case Handling (insurance claims, subscriptions, etc.) and document circulation.

As a result of the steep increase in paperless mail, both incoming (letters) and outgoing (statements and invoices),and the proliferation of unstructured data, these ECM/BPM applications today make up a sizable application family, on a par with ERP, CRM or SCM applications.

This business segment is made up of two entities:
- an ECM specialist that joined the group at the end of 2011 and is a major partner of IBM Filenet in France,
- a BPM specialist that is a partner of Tibco Software, Software AG, EMC Documentum, Microsoft Sharepoint and Alfresco, among others.

KEY FIGURES

(in € millions)	2011	2012*	12/11
REVENUES	8.8	15.2	+73%

* The 2012 revenue figure includes the revenues of the entity that joined the group on December 31, 2011.

IT consulting for finance

This "market finance" entity advises corporate and investment banks for what is commonly referred to as their trading activity (shares and derivatives, rates, credit, exchange and raw materials). It provides expertise in assistance to contracting authority, architecture and project management for information system projects in the different business segments of the finance industry:

- Front Office: pricing, position management, negotiation, risk management, liquidity forecasts,
- Middle Office: control, validation, enrichment,
- Back Office: confirmation, settlement and delivery, cash flow, accounting.

It is also involved in Asset Management and Services (Securities).

KEY FIGURES

(in € millions)	2011	2012	12/11
REVENUES	13.6	15.3	+13%

Web and BI

New-technology application development can be broken down into five areas:

- consulting,
- Internet applications: Intranets, Extranets, portal sites, groupware,
- and web integration projects with application servers: Java, Websphere (IBM), .Net (Microsoft),
- decision support (Business Intelligence): data warehousing, decision support systems, requesters, etc.,
- support and TPAM.

The application support and TPAM activities have been grouped together with those of the ERP entity (Proxima® offer) in order to continue industrialization and to standardize the methods and tools: track requests and set up development and testing environments with the help of virtual machines (VMs), testing tools, and versioning and documentation tools, etc. Support is both technical and functional, thanks to the recruitment of line-of-business profiles. Support and TPAM can be included in combined outsourcing contracts (infrastructures and applications).

KEY FIGURES

(in € millions)	2011	2012	12/11
REVENUES	12.7	11.2	-12%

IT training and change management

This business segment encompasses consulting in the organization of training plans (educational engineering, management of training plans and courses), the actual delivery of training (traditional training sessions, distance training, e-learning, etc.), the design and management of "IT stores" or "IT counters" on client premises, and support and assistance with rolling out office software (such as Windows 7) or ERP software.

One of the most buoyant segments in this business is providing support for the installation of new ERP or line-of-business software packages. These are tailored training courses related to deployment projects. They include an upstream phase of consultancy and design of learning and documentary tools (e-learning, instructions for use) and a downstream support phase. Learning tools are disseminated through LMS (Learning Management Systems) platforms.

In 2012, the unit as a whole delivered roughly 90,000 trainee days.

KEY FIGURES

(in € millions)	2011	2012	12/11
REVENUES	10.0	8.8	-12%

Outsourcing

For recurrent operations, the business entities have two distinct types of response: stand-alone Technical Support, with no project supervision, and outsourcing. This second type of service typically involves multi-year contracts (3 to 5 years), NEURONES in the role of prime contractor, and guaranteed performance commitments in terms of service levels (with related penalties).

When a client signs up for just one service, the contract is handled by just one entity. When the contract includes a number of services, a single dedicated service delivery manager is appointed. The latter belongs to the Group's cross-functional team and ensures long-term compliance with the service level agreements. The service delivery manager also manages the improvement plan, based on a benchmark and a service request catalog.

A concerted effort is made to rapidly capitalize on knowledge and best practices: this is vitally important for the service line's development. Proven ITIL practices have been used to set up consistent processes. A methods and tools team consolidates data about the asset base and productivity (benchmark), as well as enhancement projects carried out on contracts and their metrics. It maintains documentation on the methods (takeover, recurrent operations, reversibility). It develops and disseminates outsourcing tools.

Where improvement plans are concerned, the Group has 10 years' experience and feedback, with concrete, significant gains. The unit has routinely cut the number of tickets by 20% to 25% in three years. The productivity gains are split evenly between the client and its outsourcer in the form of a lower fee or a rise in the level of service.

At end-2012, there were 150 active outsourcing contracts (as well as 100 cloud computing contracts and 50 contracts for TPAM alone). Around 1,500 people - nearly half of the Group's billable staff - are engaged in carrying them out.

In a bid to industrialize operations, an ever-growing percentage of the business is generated by the five types of shared service centers:

- four support centers (service desks) for 700 people in Nanterre, Ivry-sur-Seine, Angers and Tunis,
- two remote workstation management platforms (Experteam® and CSP) for 20 people: cloning, packaging, remote software distribution,
- two remote operation centers for servers and applications (Osmose® and CSI) for 150 people,
- five private cloud" hosting centers (Iode®) in Nanterre and Lyon, and reserved areas with three third-party partner hosters,
- service center for application support and TPAM (Proxima®).

In order to set up the service centers, the Group had to first develop rigorous processes and sophisticated interfaces between the service centers and the onsite teams.

When used for an Outsourcing contract, the service centers become part of comprehensive, cross-functional, "internal client"-focused processes. The crucial goal for the Outsourcer is to achieve consistent user satisfaction by ensuring that the different technology "silos" harnessed to work on the contract (service desk, server remote operation center, support center and TPAM, onsite teams) interact correctly with each other. The service centers have been set up to achieve productivity gains. They must be combined with sound management of cross-functional aspects so that the outsourcer's internal organization is "transparent" for the client.

There is a very real entrance barrier here, as a competitor must possess the following competencies:

- ability to provide project management,
- possession of different service centers (which entails substantial financial investment),
- technical expertise in systems and networks,
- sufficient know-how to rapidly assign a suitable team to the project.

As a result, NEURONES is regularly confronted with the same handful of competitors in RFP processes. The Outsourcing sales cycle spans approximately six months. Relatively large teams are required during the pre-contractual phase and project ramp-up.

Whereas stand-alone technical support assignments are often subject to listing by the purchasing department, outsourcing contracts are also negotiated, then signed, by general management or IT departments.

Apart from the growth of remotely-delivered services, the main trends in this business segment are as follows:

- third-generation "consolidated outsourcing", which merges several already-outsourced domains (as opposed to second-generation "selective outsourcing", which is split up into batches, and first-generation "end-to-end outsourcing", which often involves transferring staff,
- outsourcing, which generally goes hand-in-hand with major projects in information-system transformation and often server virtualization,
- a maturing market, with a trend towards opening ongoing outsourcing contracts to tendering - possibly with an extended scope - rather than launching totally new projects.

Outsourcing revenues are recorded for each entity in proportion to its contribution to the contract.

Consulting business

Management and organization consulting

The management and organization consulting segment is directed by partners drawn from major international firms. At end-2012, it employed 130 consultants.

Management consulting services are provided to the operational or functional divisions of corporate accounts. Projects sometimes include a component that requires competencies in information systems.

The management and organization consulting services provided include:

- corporate strategic plans,
- organizational audits,
- design, implementation and optimization of organizations (re-engineering, restructuring operations),
- transformation, change management,
- audits, master plans, project management.

(in € millions)	2011	2012	12/11
TOTAL REVENUES	20.8	23.8	+14%

Financial information per business segment

To form the operating profit (shown as OpP in the table below) of €28.1 million in 2012, the various business segments made the following contributions:

(in € millions)	OpP 2011	OpP as % of revenues	OpP 2012	OpP as % of revenues
Infrastructure services	17.4	8.4 %	19.6	8.6%
Application Services	6.2	11.3 %	5.4	8.5%
Management consulting	2.7	12.9 %	3.1	13.2%
TOTAL	26.3	9.3 %	28.1	8.9%

As of 2010, the CVAE is classified as a tax.

Activity rate

The operating rate is defined as the ratio between the time allocated to clients' projects and the time the technical resources are available (number of working days less leave, sick leave and miscellaneous absences). This indicator is not defined the same way by all IT consulting and service companies.

Moreover, standard operating rates vary greatly from one line of business to another: consulting (around 70%), projects (around 80%), technical support (around 90%) and outsourcing (not applicable).

For projects, it is more meaningful to look at the operating rate and the average selling price per day together, rather than the operating rate in isolation. In entities with a high proportion of technical support, the operating rate is a key management indicator and monitored on a weekly basis.

In outsourcing, on the other hand, it is the margin made on contracts that is monitored, not the operating rates, which are inherently the highest in the Group. The main factor that determines how much profit is made on a contract is the productivity rate.

Likewise, the service desk's operating rate (which can top 95%) is meaningless. It should be analyzed in combination with productivity indicators (the number of calls handled per day per support technician).

Similarly, for training, the occupancy rate (number of participants per room, number of rooms occupied) should be analyzed at the same time as the operating rate to see whether good use is being made of the technical resources.

Partners

An impartial specifying policy

From the outset, NEURONES has remained strictly independent of any vendor, services company or manufacturer. This complete impartiality is vital for supporting its clients and nurturing their trust on a long-term basis.

The main partners and certifications

This has not stopped the Group from being recognized, for many years now in some cases, as a technology partner in its various business lines.

Methods (NEURONES' service desk subsidiary is a founding member of the itSMF):
150 ITIL-certified staff.

Systems and network integration:
Microsoft Gold Partner - IBM Advanced Business partner - HP Software Gold Business Partner - VMware Service Provider - Barracuda Diamond Partner - CA Gold Partner - Centreon Silver Partner - Cisco Partner Silver Certified - Citrix Gold Partner Solution - Fortinet Silver Partner - IP Label Gold Certified Partner - Kaspersky Certified Partner - LANDesk Silver Certified - Oracle Gold Partner - PaloAlto Networks Silver Partner - Prim'X Partner - Riverbed Gold Partner - Wyse Premier Partner.

Server and application outsourcing in cloud computing mode, IT security:
VMware Service Provider Program (niveau 3) - VMware vCloud Powered - Citrix Gold Partner Solution Advisor - Microsoft Gold Partner Hosting - Oracle Gold Partner - IBM Business Partner - Qualys Value Added Services Program - Checkpoint - Cisco - Fortigate.

Service desk/Telephony/CTI:
Microsoft Gold Certified Partner - BMC Software Premier Solution Partner - 1E - Altiris - Cisco - Citrix - Easyvista - Frontrange - HP - Ibelem - IBM Software Lotus - Igel - Isilog - Knowesia - Kroll Ontrack - Landesk - Nagios - Nagovis - Nortel Networks - Remedy - Sungard - Vytalink - Weelog.

ERP, CRM, BPM, EDM:
SAP Partner - Alfresco - Avid - BonitaSoft Open Solution - Convertigo - EZ - IBM FileNet/CMOD/Content Manager - Microsoft BizTalk - Microsoft Dynamics CRM - Open Text Global 360- Oracle/Siebel/PeopleSoft - Sony - Tessi Groupe - Tibco Software Open Solution.

Internet consulting & development, Portals:
Microsoft Silver Partner Software Development - IBM WebSphere Portal - J2EE - LAMP - Liferay.

Decision-making tools:
SAP Business Objects Partner - Cognos - Datastage - Informatica - Microsoft SQL Server.

Groupware – Unified communications:
Microsoft Silver Partner Portal & Collaboration - Microsoft Office Sharepoint Server.

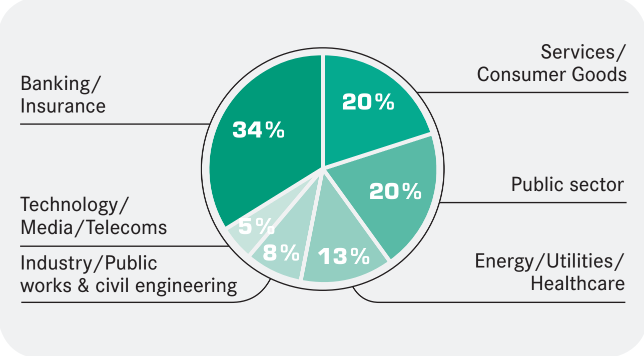
Mobility:
Multi-platform HTML5 development (Apple iPhone, Google Androïd, Microsoft Windows Phone...).

Training:
Microsoft Gold Learning Partner - IBM Training Partner - Oracle Training Partner - SAP End-user Education - AutoDesk Training Center - Prometric test center - Cisco - Citrix - IBM - Lotus - Oracle - VMware.

Clients

NEURONES' client base is made up of medium and large-sized organizations (generally 200+ workstations), for whom the Group carries out mid-size projects (up to €8 million per year).

In 2012, the revenue breakdown by industry is similar to that observed in 2011:



In 2012, for the first time in several years, a slight turnaround in the revenue concentration can be observed:

Sales breakdown *(in € millions)*	2008	2009	2010	2011	2012
Top 20 clients					
- Value	96.2	109.3	128.9	160.6	174.0
- As % of consolidated revenues	50.8%	50.5%	53.8%	56.7%	55.2%
Top 10 clients					
- Value	67.2	77.7	96.3	119.3	129.1
- As % of consolidated revenues	35.5%	35.9%	40.2%	42.1%	40.9%
Top 5 clients					
- Value	46.9	55.4	70.0	86.4	89.3
- As % of consolidated revenues	24.8%	25.6%	29.2%	30.5%	28.3%
Share of the no. 1 client					
- Value	17.9	19.9	25.9	30.8	30.6
- As % of consolidated revenues	9.4%	9.2%	10.8%	10.9%	9.7%

In 2012, as in previous years, the number one client is a major group whose many decision centers order services independently of each other and from different Group entities.

All told, 78% of NEURONES' client base (i.e. 31 of the 40 clients) are CAC 40 groups.

In 2012, the top 20 clients were (in alphabetical order): Accor, Axa, BNP-Paribas, BPCE, Crédit Agricole, Bouygues, Caisse des Dépôts et Consignations, CEA, Danone, EDF, Fromageries Bel, GDF Suez, L'Oréal, LVMH, RFF, Safran, Saint-Gobain, Sanofi, Société Générale and Veolia Environnement.

At December 31, 2012, after the temporary improvement brought by the French "LME" act of August 2008 (designed to modernize the French economy), customer receivables have remained steady at last year's level - 87 days' revenue - which is still too high:

2008	2009	2010	2011	2012
78 days	73 days	75 days	87 days	87 days

The Group uses neither factoring nor the exchange of securities for debt.

Subcontracting

Upstream subcontracting

A small portion of the revenues, roughly 2% in 2012 (compared to 2.5% in 2011) is generated by acting as a subcontractor for a manufacturer, vendor or fellow company.

Downstream subcontracting

Occasional use is made of independent subcontractors, who are incorporated into NEURONES teams. No projects whatsoever are subcontracted, either partially or in full, to fellow companies. Heavy use is made of independent subcontractors in three business segments: training, systems and network integration, and IT operations. The value of subcontracting purchases, as a percentage of the Group's revenues, is as follows:

2008	2009	2010	2011	2012
13.3%	11.6%	14.2%	14.4%	14.7%

Trademarks and patents - Industrial and intellectual property

Software

The Group has developed and is the owner of various software building blocks, which it uses for its own requirements or those of its clients.

Patents

By law, software cannot be patented as such, so there are no patent license agreements.

Trademarks

The Group owns or uses, free of charge, the trademarks used for the business names of its entities, websites and offers.

1.4. MARKET AND COMPETITION

The IT services market: size and trends

The digital sector, in the broad sense of the term, is reported to employ around €380,000 people out of a total of nearly €600,000 IT specialists in France (2.5% of salaried employment). It is expected to generate revenues of around €49 billion. After growing fivefold in 20 years, it generates twice the revenue of the pharmaceutical industry and employs twice as many people as the aviation and aerospace sector. It can be broken down as follows:

French market	Revenues
IT consulting and services	€30 billion
Technology consulting	€9 billion
Software publishing	€10 billion
TOTAL	€49 billion

(Source: Syntec Numérique & IDC).

In 25 years, the sector is understood to have grown 4.5 times faster than the GDP. Since 1999, the compound annual growth rate of investments in IT services is reported to be 2.8 times higher than that of investment as a whole.

According to various analysts and forecasters, the French consulting and IT services market, in the strict sense, was stable in 2012 (according to the November 2012 estimate), though slight growth had initially been forecast at the beginning of the year. It is expected to decline by 0.3% in 2013, even though there are still solid growth drivers. If the overall market remains stable, it will only be thanks to rosier forecasts for software publishing and technology consulting:

French market	Growth 2012	Growth 2013(e)
IT consulting and services	+0%	-0.3%
Technology consulting	+2.0%	+0.5%
Software publishing	+1.9%	+1.6%
TOTAL	+0.8%	+0.3%

(Source : estimates by Syntec Numérique - April 2013).

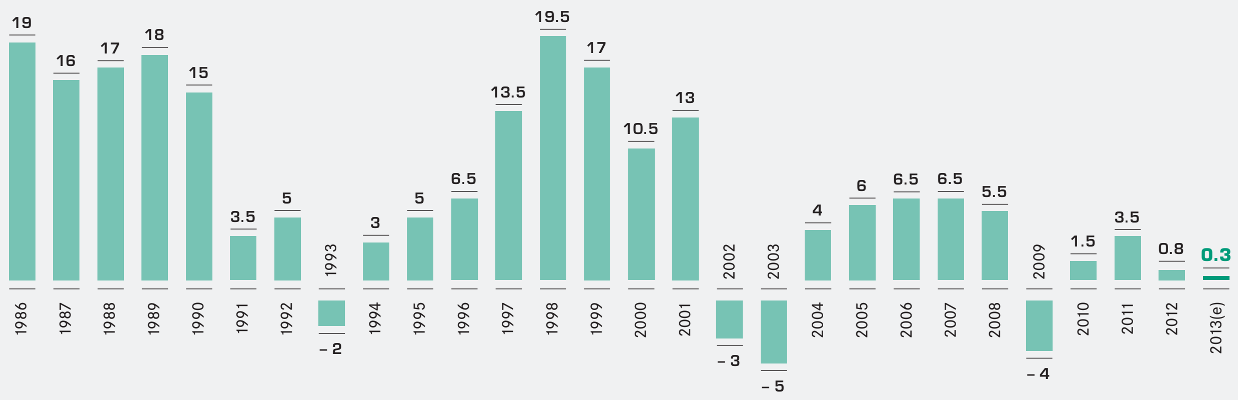
Currently, the most buoyant client sectors are: utilities, corporate services and healthcare, Whilst the least dynamic sectors are: telecoms/media, banking and insurance, the public sector and the automobile industry.

The offshore segment accounts for 7% of the IT services market in France.

The main growth drivers in 2013 are expected to be the following: outsourcing and rationalization to meet cost-cutting requirements, regulatory compliance (Solvency II, Basle 3, carbon accounting), IS re-engineering (reconfiguration of banks, far-reaching changes in telecoms), innovation (e-health, personalized medical records, paperless offices, e-commerce, online betting, mobile banking, virtualization) cloud computing and infrastructure rationalization (IT on demand, concentration and optimization of IT resources).

IT service companies and software vendors are continuing to upgrade their service lines (cloud computing, IaaS, PaaS, SaaS, etc.) and their service delivery models (shared service centers, etc.).

Annual growth (in %) of the software and IT services market in France (1990-2013) – Source: Syntec Numérique



Competition

NEURONES encounters a wide range of IT services companies and management consulting firms of all sizes on its various markets. As a multi-specialist, the Group tends to find itself up against different competitors in each of its business lines, rather than overall competitors.

Design, integration and operation of systems and networks

This is a highly fragmented market made up of departments of some larger IT services companies, divisions of manufacturers, dedicated companies of various sizes (pure-play remote network integrators, or specialists in supervision or virtualization tools, for example) and distributors.

Service desk

The Group's specialized entity is the leader on its market. Its main competitors are outsourcers' support centers, a handful of small or medium-sized IT services companies, and enterprises' in-house solutions.

Server outsourcing in cloud computing mode, and IT security

The players are small and the competition is still fragmented, especially in the security business (the Group is not involved in public cloud computing).

Infrastructure outsourcing

Given the "entrance barrier" in this business, the Group encounters competition from only a dozen players, which are either comprehensive outsourcers or outsourcers specialized in distributed systems.

Application development, SAP integration and outsourcing, ECM and BPM

The competitors here are either specialized IT services companies in the small to mid-size range, or specialized departments of large IT services companies.

IT consulting for finance

The challengers in this business tend to be relatively recently-established specialized IT services companies in the small to mid-size range.

IT training and change management

The unit formed by the Group's two dedicated subsidiaries is one of the top five specialized IT-training players in France (apart from manufacturers' and vendors' training departments). The competitors are mainly independent subcontractors, followed by the subsidiaries of major IT services companies or manufacturers.

Management and organization consulting

The competition is extremely varied, including both the "top players" and numerous large, medium and small-sized consulting firms (between 200 and 300 of them in all).

1.5. ORGANIZATION

Operational organization chart

The following functions are centralized:
- Group senior management,
- finance (cash position, consolidation, management control coordination, legal),
- external growth,
- Group marketing and communications,
- cross-functional outsourcing management and total corporate-customer relationship management,
- quality (coordination).

The operational subsidiaries perform the following functions:
- senior management,
- sales,
- service delivery (team allocation, contract performance and monitoring),
- marketing,
- recruitment, human resources management and payroll,
- quality (certification, monitoring, improvement plans),
- accounting and management control,
- IT and support services.

At December 31, 2012, the billable (or "productive") workforce made up 90% of the total headcount:

2008	2009	2010	2011	2012
87.8%	89.6%	90.6%	90.1%	90.0%

The Group is organized into highly independent profit centers, with the central functions kept to a strict minimum. Each subsidiary communicates in its business line under its own name.

The Group-wide central management handles relations with certain corporate accounts, organizes submissions for projects that involve several entities, especially in outsourcing, and coordinates work on these same projects.

The management committee is composed of around fifteen senior managers, most of whom are shareholders in the entity they manage or which they set up, and also hold shares in the Group.

Sales organization

The sales organization has two levels:
- the sales forces, specialized by type of service and by the business sector, are divided up among the entities, business by business,
- on top of which sits a cross-functional Group department for certain corporate accounts. In the Group-wide department, the overall account manager coordinates the work of the different entities' sales engineers and carries out consolidated reporting for the clients.

Marketing and communication organization

The marketing and communication cell reports to the general management. It designs and deploys operational marketing initiatives to support the sales forces, as well as notoriety and image-building initiatives. The team handles both external communication (clients, recruitment, shareholders and investors) and in-house communication. Its annual budget is stable at around 1% of revenues.

As soon as an entity attains a sufficient size, a local marketing team is formed to handle its own marketing for service lines and clients, in coordination with the Group-wide marketing team.

Technical organization

The technical departments are distributed in the business entities. The Group-wide department studies the major Outsourcing projects. Each subsidiary manages its technical knowledge in its Intranets.

For projects involving several lines of business, quality processes ensure the technical project managers meet during the pre-contractual phase, and for the bid review and the contract review.

Human resources organization

Each subsidiary handles its own recruitment, training plan and compensation policy. Payroll management is pooled in several processing centers, as are relations with higher-education establishments and participation in selected career fairs.

Administrative and financial organization

The following functions are centralized:
- the budgeting process,
- management of the Group's cash position and cash pooling,
- monthly consolidation and statutory half-yearly consolidations,
- support for external growth,
- the legal function, in liaison with the Group's legal advisors.

Each subsidiary is responsible for its accounting, management control and cash management.

Internal control

Internal control focuses on two processes:
- the forecasting process: annual budget in November of year N-1, sometimes followed by another forecast in September of year N,
- the progress tracking process: monthly financial reporting (month-end consolidated statement, available on 25th of the following month), with full application of the consolidation rules each month.

Operational activity is also tracked by a staffing-levels dashboard and relevant indicators for each business (number of job applications received, operating rate, average selling price per day, occupancy rate, etc.).

NEURONES also has a regularly-updated "Group Management Rules" handbook that sets out the procedures and management rules to be applied by all of its subsidiaries.

Quality system

The three main entities in the Infrastructures business are ISO 9001 certified, along with the training operations, which together represent 80% of the Group. The certified activities include systems and network design/build and operation, IT operations, the service desk and workstation remote management.

For its other businesses, NEURONES generally has a quality manual and a set of documented procedures.

1.6. RISK FACTORS

Financial risk

Financial risk under IFRS 7

Financial risk management (IFRS 7) is described in the appendix to the consolidated financial statements. It covers:
• credit risk,
• liquidity risk,
• market risk,
• capital management.

Country risks

Because NEURONES generates 98.5% of its revenues in France, it does not carry any particular country risk.

Off balance sheet commitments

There are no significant off-balance sheet commitments. The commitments include:
• office rentals: standard 3, 6 or 9-year commercial leases,
• standard office equipment rentals and maintenance contracts (3-year photocopier servicing, etc.).

There are no other off-balance sheet commitments, such as: unmatured discounted bills, contingent commitments, financial guarantees, holdings, etc.

Minority interest repurchase agreements

Repurchase agreements were signed with the minority shareholders of three Group companies. The repurchase prices are indexed on the operating profits of the companies concerned. These commitments therefore do not represent any significant risk, especially given the Group's financial situation.

Business risks

Risks associated with recruiting and retaining staff

The Group cannot guarantee that it will be able to recruit and retain the consultants, engineers and technicians it needs to achieve its objectives, especially when the predicted shortage of executives occurs. Despite continuing high turnover in the Paris region, NEURONES has always been able to recruit sufficient staff to date (without lowering its recruitment criteria), even in very tight periods. For key staff, the risk of a senior manager leaving the company is attenuated by the Group's very decentralized management and involvement in capital-sharing and bonus share schemes.

Risks associated with the competition

On the whole, the information technology market has very few entrance barriers likely to curb the emergence of new competitors, which is a threat for certain Group businesses.

The businesses least at risk are:
• the service desk: the initial investment required acts as an entrance barrier,
• Outsourcing: the entrance barrier in this case is the long sales cycle of at least six months, and above all the need for all the necessary skills and service centers: project management, service desk, remote device management center, hosting, systems and network technical expertise, ability to deploy large teams, etc.

Technological risks

The environment in which NEURONES operates is characterized by advanced technology, changing industrial standards, the arrival of new competitors and the rapid emergence of new services, software and products. The Group's success in the future will depend in part on its ability to immediately adapt its offers to meet clients' changing needs, at the best possible price.

Client risks

The largest client represented 9.7% of the 2012 revenues. Its total volume of orders corresponds to a variety of deals concluded between several NEURONES business entities and different decision-making centers within the client's group.

When appropriate, the risk of non-payment is covered by a credit insurer.

Risks associated with failure to meet guaranteed-performance commitments

Apart from the Consulting business, which is deemed to be a 100% project activity, fixed-price project activities for the IT services business account for 10% of revenues.

For infrastructure fixed-price projects (including Outsourcing contracts), the risks of off-target performance are limited. They stem from a mismatch between the different hardware and software items to be integrated. Occasionally an item of hardware or software cannot finally be installed to fulfill its intended purpose. In this rare case, NEURONES complains to the manufacturer or vendor, assisted by its insurer if legal action has to be taken.

For application development fixed-price projects, the number of days actually worked is seldom equal to the number of days initially calculated. There is a real risk of overshooting the target, which can become quite significant. For this reason, a maximum commitment is set for each lot. When a project is too big, it is broken down into lots.

Stringent technical and legal checks are made during the pre-sale phase (and must be approved by an authorized person). In all of the entities concerned, the list of projects in progress is reviewed at the end of each month and a fresh estimate of the advance or delay is made for each project. Any sudden change in the estimated "still to do" triggers a review of the contract in question.

On the whole, even though the risk of off-target performance on fixed-price projects cannot be eliminated, experience shows that it remains limited. In the event of an accident, the civil and professional liability insurance comes into play.

Offshore risks

Though rapidly expanding, offshoring is a risk that the Group wants to anticipate so that it can take advantage of it. Offshoring is thought to represent 10% of the IT services market in the United States and 6% of the IT services business in France in 2012 (40% of the offshore services delivered by French IT service companies are reported to be produced in India). Application development and TPMA, which represent only a small percentage of the Group's revenues, are the businesses most affected by this trend. Certain phases of projects are said to be easier to offshore than others (detailed design, module development, unit tests). The upstream phases (functional specifications, overall design) and downstream phases (integration tests, acceptance testing), on the other hand, require staff to work close to clients' sites.

After developing a regional service center in Angers, the Group has established a nearshore presence in Tunis and is currently exploring possibilities in other countries.

Risks associated with external growth operations

In its future external growth operations, as in the past, the Group will select medium-sized enterprises whose teams can be easily integrated, with a culture similar to that of its current management team. Most of the time, this will allow these fellow companies to remain autonomous and keep their directors at the helm as they take advantage of synergies with the other companies in the Group. Great attention will be paid to ensuring that the owners and senior/key executives that join or become partners with NEURONES have a capitalist interest in maintaining their previous situation.

Environmental risks

The Group's operations as a provider of IT services and consulting do not represent any particular risk for the environment.

Exceptional events, ongoing litigation and law suits

As far as the senior executives are aware, there are no exceptional events or litigation that have had or are likely to have any significant repercussions on the Group's operations, assets or financial situation.

Insurance

The Group insurance policies provide the following cover and offer the following main features:
- professional civil liability: €10 million per year (all damages combined, including non-consequential bodily injury and immaterial damage),
- operational liability: €10 million per claim (all damages combined: bodily injury, material and immaterial damage),
- company officers' civil liability: €3.1 million per year (all damages combined),
- property damage and business interruption: general contractual indemnity limitof €35 million per claim, with a contractual indemnity limitof €10 million for buildings and/or lease risks, general and technical facilities and a limit of €13 million for business interruption and additional expenses,
- credit insurance (except for entities that deliver recurrent services, for which it is deemed that discontinuing the services is sufficient cover)

Total premiums (excluding vehicle insurance) stand at approximately 0.07% of consolidated revenues.

1.7. DEVELOPMENT STRATEGY AND INVESTMENT POLICY

Development strategy

To move significantly faster than the market, NEURONES applies a strategy that revolves around the following:
- take advantage of the major trend towards outsourcing IT services to acquire a leadership position;
- extend its relations with corporate accounts and increase the size of the projects the Group handles;
- work with innovative or complementary consulting firms and IT services companies. Being organized into autonomous profit centers, with their own operating statements and resources, has accustomed NEURONES to dealing with partner companies. The Group makes available its tools, structure, databases and dense sales network. Providing it respects the personality of the directors and the distinctive strong points of the independent consulting firms and IT services companies that join the Group, these partnerships have great potential;
- play an active role in the slow but steady concentration of the sectors in which the Group operates. The main criteria for partnerships are as follows:
  - profitable companies (or subsets of companies),
  - management has a proven track record,
  - operation increases earnings per share;
- opportunity to expand by extending geographical coverage (regions, nearshore, international). To date, the Group has channeled its efforts into attaining a significant size in its businesses. It is still essentially based in Paris and the Paris region (87% of employees), and has not yet looked into other geographical zones, which represent potential growth areas. In time, there are plans for the Group to extend beyond its current zone of influence, depending on demand from clients, the entrepreneurs it meets and the opportunities for external growth that arise.

Core principles

In keeping with its strategic development priorities, NEURONES bases its operations on core principles that, according to its management, correspond to the deep-seated demand of its corporate accounts and will guarantee its medium and long-term presence on the market:
- recruit, train and develop its consultants: the Group makes a point of recruiting the most highly-qualified consultants, offering them an environment and culture that is rich and dynamic, along with stimulating remuneration and career prospects in a group with solid growth. They are given the opportunity to boost their professional development by working on complex projects, in which they can provide real project management;
- maintain a sufficient number of fixed-price teams: to be able to provide a relevant, rapid technical opinion on increasingly complex problems, the Group needs to maintain and retain a strong technical core group of expert engineers who work exclusively on fixed-price projects - a prerequisite for providing project management. This core group also forges a deep-seated technical bond among the teams, alongside the essential knowledge-management tools, Intranets and other formal, cross-functional technical meetings;
- maintain quality assurance on two fundamental processes for guaranteeing medium-term growth:
  - recruitment: provide mandatory multiple-choice questionnaires and personality interviews, and manage job applications in collaborative working tools;
  - the pre-contractual phase of responding to a client request: "go/no go" procedures and risk assessment, mandatory formal description of the services, systematic appointment of a single account manager to handle all replies to client requests.

Investment policy

Research and development

R&D investments are not centralized, but planned and carried out in each entity. Days spent on technology watches and R&D are not immobilized on the balance sheet.

Since 2009, the Group has conducted a group-wide review of its R&D activities. Research tax credits were introduced in 2012, for an overall amount of €0.5 million.

Financial investments

Over the 13 financial years since it was listed on the stock exchange in May 2000, the Group has made a number of acquisitions, of which ten were of a significant size, for a total disbursement of €42.1 million at December 31, 2012 (net of the acquired companies' cash and cash equivalents). To date, these investments have been almost entirely financed by free cash flows generated by the Group's operations over the same period (€110.3 million), as shown in the simplified cash flow statement below:

(€ millions)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	TOTAL
Net profit	3.7	5.4	5.9	4.9	5	6.3	6.6	9.9	13	12.8	14.9	17.0	17.2	122.6
Amortization and provisions	1.1	1.3	1.9	1.9	1.6	1.1	3	3.3	3.1	4.1	3.9	2.8	5.9	35.0
CASH FLOW	4.8	6.7	7.8	6.8	6.6	7.4	9.6	13.2	16.1	16.9	18.8	19.8	23.1	157.6
Change in WCR (increase)/ decrease	(1.4)	2.5	(1.7)	1.3	0.9	(1.9)	(5.3)	2.1	0.6	(1.3)	(3.3)	(10.0)	(2.5)	(20.0)
Net industrial investments	(1.0)	(1.2)	(0.9)	(1.1)	(1.0)	(0.9)	(2.2)	(2.6)	(2.3)	(2.2)	(2.8)	(4.7)	(4.4)	(27.3)
FREE CASH FLOW	2.4	8.0	5.2	7.0	6.5	4.6	2.1	12.7	14.4	13.4	12.7	5.1	16.2	110.3
Net financial investments	(8.8)	-	(3.8)	(2.1)	(0.8)	(1.0)	(2.9)	(2.8)	(14.2)	(3.9)	(2.8)	2.9	(1.9)	(42.1)
Capital increase	29.9	-	-	-	0.2	0.8	0.3	0.5	0.1	0.3	0.4	1.1	0.4	34.0
Other items	(0.1)	(0.2)	-	-	-	(1.2)	(1.5)	(1.5)	(4.4)	(2.6)	(1.7)	(2.4)	(2.0)	(17.6)
CHANGE IN CASH AND CASH EQUIVALENTS	+23.4	+7.8	+1.4	+4.9	+5.9	+3.2	(2.0)	+8.9	(4.1)	+7.2	+8.6	+6.7	+12.7	+84.6
Cash and cash equivalents at year-end	26.6	34.4	35.8	40.7	46.6	49.8	47.8	56.7	52.6	59.8	68.4	75.1	87.8	-

Net industrial investments

Industrial investments stood at €4.3 million (as against €4.7 million in 2011). This year again, they were channeled into developing data centers and service centers, including computer hardware and software, fittings and company cars.

In 2012, these investments were financed by the available cash and cash equivalents.

The Group leases all of the premises used (16,400 sq. m at January 1, 2013) from external owners who have no connection whatsoever with NEURONES shareholders or subsidiaries.

1.8. RECENT DEVELOPMENTS AND OUTLOOK

Quarterly growth and operating profit

NEURONES recorded 9.3% internal growth in 2012, broken down as follows:

(€ millions)	Q1	Q2	Q3	Q4	2012
2012 revenues	78.1	77.3	75.4	84.6	315.4
Year-on-year change	+16.7%	+5.6%	+12.9%	+10.7%	+11.3%
of which % organic growth (like-for-like basis)	*+15.0%*	*+3.7%*	*+11.0%*	*+8.3%*	*+9.3%*
Operating profit (*)	8.8%	7.6%	9.4%	9.8%	8.9%

* The CVAE has been classified as a tax since 2010.

2013 forecasts

When it met with financial analysts on February 28, 2013, NEURONES said that the macro-economic climate was unfavorable, despite the existence of growth drivers such as virtualization, cloud computing and mobility. Outsourcing prices will remain under pressure. It was also pointed out that, for 2013, the Group had enjoyed "embedded" growth and the positive effect of the CICE (Crédit d'Impôt Compétitivité Emploi) tax credit.

During this presentation, it reported the favorable and unfavorable factors that might affect the market and the company in 2013.

Favorable factors:
- the market is expected to remain propitious for outsourcing and transformation projects,
- the arrival of new technologies is "reshuffling" the market,
- revenues are spread over a number of specialized, mobile entities with controlled costs and operating in a variety of sectors,
- the context may be favorable for mergers and partnerships (3,800 IT services companies with 10+ employees, 600 outsourced R&D companies).

Unfavorable factors:
- the macro-economic climate is not good for business,
- clients are taking longer to make decisions,
- the business has become more industrial and more buyer-focused,
- "embedded" low prices and difficulty raising outsourcing prices,
- few quality "targets" that create value and have a system of succession management.

NEURONES' estimates for 2013 will be announced, as usual, when it posts its first-quarter revenues (May 15, 2013).

Provisional calendar of financial events

Shareholders' Meeting:
- Thursday June 6, 2013.

Revenue announcements*:
- Wednesday May 15, 2013 (1st quarter 2013),
- Tuesday July 30, 2013 (1st half 2013),
- Wednesday November 13, 2013 (3rd quarter 2013).

Profit announcements*:
- Wednesday September 11, 2013 (1st half 2013).

* after the close of trading

2 CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT

2.1. MESSAGE FROM THE GENERAL MANAGER

A consulting and IT services group owes its existence to its clients and employees. It has a patent social responsibility to the latter.

NEURONES' managers have made it a priority to provide good working conditions for their employees, improve each person's well-being, avert risks, train, build loyalty, motivate, promote, share the Group's capital, anticipate expectations and engage in dialog. This is what is commonly called the employer's social responsibility, but it is obviously in the interests of both the company and its clients!

Success is not solely dependent on the three-part unit formed by the client, the service provider and the employee. It also hinges on being able to factor in all of the stakeholders and the ecosystem, including the environment, in which any business player operates.

At first sight, service businesses would appear to have little impact on nature. On closer examination, though, when the headcount mounts into the thousands, the carbon footprint becomes a tangible reality. The challenge then is to analyze, challenge habits, anticipate, innovate and factor in the new environmental dimension, list avenues for improvement and rally the Group's people to an issue that concerns all citizens. After taking on a social dimension, the economy is now environmental too.

Publishing this initial Corporate Social and Environmental Responsibility Report 2012 is the first step in a proactive drive for continuous improvement.

Bertrand Ducurtil

2.2. THE GROUP'S COMMITMENT

Governance

The Group has set up a system of corporate social responsibility (CSR)management: it entails a commitment on the part of senior management and addresses the distribution of roles and responsibilities, the introduction of indicators, the definition of action plans, the measurement of progress, and evaluation.

The Group's CSR initiative is led by a Sustainable Development Committee. This nine-member committee reports to the administrative and financial director and has the following responsibilities:
- pass on ideas for projects,
- select programs,
- for each of the projects selected: choose indicators and define their initial and target values,
- regularly review the progress made (continuous improvement),
- monitor developments in CSR,
- manage mandatory indicators over time.

Timeline

2010 : four Group entities sign the Diversity Charter and two sign the United Nations Global Compact.

2011 : NEURONES is included in the Gaïa Index. Launched in 2009 with the backing of the SFAF (French financial analysts society) and Middlenext, this index ranks the 70 listed French companies that obtained the best non-financial ratings out of a panel of 230 listed companies.

2012 : the Sustainable Development Committee is set up.

2.3. SOCIAL POLICY

To enable its 3,700 employees (at end-2012) to enjoy a stimulating environment, NEURONES endeavors to apply the best practices of sound HR policy and measure the effects.

Active recruitment policy

Over 96% of the staff have an open-ended work contract. The remaining employees have fixed-term contracts, primarily professionalization and apprenticeship contracts.

At end-2012, 50 young people were working under a professionalization contract and 22 were doing an apprenticeship. In the course of 2012, we received 54 people doing internships.

The number of new recruits has evolved as follows:

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
200	400	470	670	820	990	700	1,100	1,400	1,240

The quality-assured recruitment procedures provide for the following, for example:
- technical multiple-choice questions for each specialization,
- at least one technical interview,
- at least one personality interview.

Staffing levels and turnover

The following trend has been observed in year-end staffing levels over the past 10 financial years:

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1,141	1,284	1,424	1,787	2,054	2,455	2,665	3,036	3,471	3,704

Turnover (the number of voluntary staff departures during the year compared with the average number of employees for the year) was half the 2012 figure (Q1: 17.5%, Q2: 13.5%, Q3: 14.5% and Q4: 11%, yielding an annual average of 14%):

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
11%	10%	15%	18%	20%	21%	10%	12%	16%	14%

It should be pointed out that the bulk of the Group's operations are in the Paris region, where turnover is traditionally higher than in other parts of France.

In 2012, staff arrivals and departures can be broken down as follows:

Arrivals	1,240
Departures:	
Resignations	513
End of trial periods	194
Redundancies	115
End of fixed-term contracts, internships and apprenticeship contracts	93
Mutual-agreement terminations	55
Transfers and others	32
Total departures	1 002
NET INCREASE IN HEADCOUNT	238

Remuneration

Remuneration is calculated on employees' profile and experience. It can be supplemented by optional and statutory profit sharing schemes.

Six stock option plans and five bonus share plans were conducted between 1999 and 2012. Those that reached maturity were heavily subscribed. Contrary to the situation at most of its counterparts, all NEURONES employees involved in the stock option plans conducted since 1999 have been able to exercise their options at a profit and are currently enjoying capital gains. The plans that have yet to mature concern approximately 3% of the Group's staff.

Careers

The following concrete measures have been taken to facilitate mobility:
• for 97% of the workforce, their personnel records and in particular their annual performance appraisals are kept in a common computer system (Zadig Hypervision) that can be viewed selectively by HR managers and certain authorized managers,
• a statement of staff transfers between Group entities is drawn up each year.

Sustained, innovative in-house training

The presence of a training business - one of the leading French players in its field - within the Group is a major asset. A large part of the training plan is delivered in its own training premises. This simplifies enrolment and cancellation procedures and allows us to provide training material and in-house certification (the Group is certified to conduct technical certifications). Staff are encouraged to sit for these qualifying exams.

Training plan (days x participants)

2008	2009	2010	2011	2012
5,000	6,700	6,900	7,000	9,600

Active in-house communications

Each line-of-business subsidiary has its own in-house communication tools (Intranet and in-house newsletters), in addition to which there is the Group's in-house magazine. There is a significant number of fun, non-technical events, necessary - though not sufficient - in the life of any IT services company.

Well-balanced average age

The average age of our team members worked out at 34.3 years at end-2012 (compared with 33.9 years at end-2011).

Company-wide agreements and action plans for employees over the age of 50 were introduced at the end of 2009. At end-2012, over 50-year-olds represented 3.93% of the workforce.

Diversity

NEURONES is actively involved in an initiative to promote diversity in all its forms - gender, age, background, disability, etc. - to make its teams more innovative, more productive and more competitive.

In all, 8.5% of the staff are non-French nationals from 49 different nationalities.

Gender equality

Although women are not well represented in engineering schools' IT courses, they make up 17% of the Group's workforce. The salaries earned by men and women in the Group's two largest entities were compared by level of qualification in preparation for the mandatory annual negotiations. It showed that, on the whole, the mean salaries of men and women were on a par. These comparisons may also be extended to other NEURONES entities.

Disability

The Group strives to be "disabled-friendly" and raise the percentage of disabled people in its workforce. For instance, the Group entity with the largest headcount takes an active part in the disabled employment week.

Purchases from businesses and establishments specifically set up to work with disabled staff came to a total of €28,000 in 2012, compared with €14,000 in 2011.

Labor-management relations

There is regular dialog with the employee representative bodies (union representatives, works council members, employee representatives) and a Group works council is being set up.

"GREAT PLACE TO WORK"

In 2012, one of the Group's companies obtained the "Great Place to Work" rating ("A great place to work is one in which you trust the people you work for, have pride in what you do, and enjoy the people you work with." – Robert Levering, Co-Founder, Great Place to Work).

Health and safety at work

The workplace health, safety and welfare committees (CHSCT) in the various Group entities meet at regular intervals as required by law. They map the risks and take preventive measures (information, signage and drills) in close cooperation with the occupational medicine department.

In tertiary businesses, the main known risk remains road accidents (especially for employees riding two-wheeled vehicles) with private or company vehicles (commuting or business travel). Financial incentives (such as a bonus for keeping company vehicles in good working order, or a bonus for driving without incurring any sort of fine, etc.) help make drivers more careful.

Indicators	2012
Absenteeism (*)	3.49%
Lost-time injury frequency rate *(number of accidents at work resulting in lost time per million hours worked)*	4.85
Lost-time injury severity rate *(number of days of paid sick leave per thousand hours worked)*	0.17

* number of days absent: sickness, accidents at work, commuting accidents as a ratio of the theoretical number of days of work.

In-house communication

A substantial in-house communication system is designed to inform employees and facilitate dialog. The main features are a Group in-house magazine (“Talents”), Intranets for each line-of-business entity, a half-day induction program for all new hires, information meetings and recreational gatherings.

2.4. EXTERNAL STAKEHOLDERS - COMMUNITY POLICY

NEURONES is keenly aware of being part of an ecosystem of stakeholders with whom it is duty-bound to establish balanced, ethical, law-abiding and motivating relations. The Group owes its past and future achievements to its staff, clients, subcontractors and other suppliers, editors, manufacturers, schools, the French government and local authorities, civil society and shareholders.

CSR service lines

Since 2007, the Group has offered training in making the most efficient use of enterprise printing systems, with a view to cutting costs and protecting the environment. The aim is to make users aware that printing has not only financial repercussions but also an impact on the environment.

The Group’s specialized entities also carry out various projects to make incoming and outgoing documents paperless, thereby cutting down on the use of paper.

EcoVadis score

EcoVadis is a French SME set up in 2007 to develop responsible purchasing solutions. It helps purchasing departments assess their suppliers’ “sustainable development” performance.

At the request of several of its clients, NEURONES regularly responds to the EcoVadis questionnaire and obtained the score of 5/10 in September 2012. The average score of all of the enterprises rated is 4.2. The top score is 7/10.

Subcontractors and suppliers

The Group cares about the issue of purchasing and sustainable development and is at pains to make responsible purchases. Outsourcers who join NEURONES’ project teams are treated and assessed in the same way as in-house staff. Self-employed contractors enjoy special payment terms: their invoices are paid at the end of the month, 30 days after receipt.

Relations with educational establishments

Attracting talent for the future is a key issue for NEURONES, which continues to invest in building its notoriety and becoming an employer of choice. Against this backdrop, a core part of its strategy consists in developing relations with a group of schools and universities:
- the Group uses the apprenticeship tax to finance target schools,
- it runs various initiatives to support students and recent graduates (seminars, forums, job interview practice sessions, resume workshops, sponsorship, etc.),
- it spots and hires interns, apprentices and recent graduates.

NEURONES channels its apprenticeship tax into the following establishments: Esiea, Epita, Esial, Ensiee, Efrei, Esigetel, Ece, Esiee, Centrale Lille, Supinfo and Utc Compiègne.

Indicator	2011	2012
Number of school forums attended	16	14

This should be compared with the number of new hires, which went from 1,400 (2011) to 1,240 (2012).

Volunteering with civil society

The Group performs services free of charge for UNICEF and Croix Rouge (the French Red Cross). It has signed a “Town Council-Company” charter with the municipality of Nanterre and the Mont-Valérian group of municipalities. It also encourages initiatives by staff who wish to get involved in their local community or the voluntary sector, giving of their time or creativity.

Indicator (€000s)	2011	2012
Budget devoted to partnerships and sponsorships	35	44

HUMANITARIAN PROJECT

A consultant conducted a three-week study in Kenya on how to make buildings more energy efficient. The project was co-financed by one of the Group’s companies.

2.5. ENVIRONMENTAL POLICY

The Western world has realized that it is absolutely vital to reduce carbon emissions and take greater care of the environment.

As part of its corporate social and environmental responsibility approach, NEURONES has thought about its impact on the environment and the best ways to reduce it. It must first measure, then take action.

A carbon audit, which combines all greenhouse gas emissions on the same scale, shows that the emissions generated by a company such as NEURONES come from the following sources:
- over 70% come from travel (commuting and business travel),
- 10% come from energy consumption (at client sites and the company’s sites),
- 10% come from using durable goods (IT and non-IT goods),
- 8% come from eating meals (food production, etc.).

Reducing travel costs (business travel and commuting)

On a common scale (MWh), the Group’s fuel consumption is five times higher than the electricity consumption in its buildings (excluding data centers).

NEURONES has therefore:
- started systematically using “place of residence” data in its project resource allocation systems. This means that, as far as possible, it recruits in labor market areas close to its service centers to limit daily commuting times,
- since 2007, bought Eco2 company cars, which emit less than 120g of CO_2 per kilometer,
- run awareness-raising initiatives to encourage its staff to buy cars with smaller engines and use public transport,
- set up a car-sharing system (at the Angers service center).

Indicators	2011	2012
% of employees using public transport to commute to work	54.2%	53.3%

A study of where employees live in the Paris region (87% of the total headcount) shows that they are almost evenly distributed among the six departments 92, 75, 93, 95, 78 and 94, with 10-15% of the headcount in each. The density is only 5% in the 91 and 77 departments. The Group took the following initiatives: it takes employees’ place of residence into consideration when it allocates assignments, it encourages car-sharing, it buys company cars with smaller engines, and it has bought video conferencing equipment.

It has found that it is more efficient to site its business premises close to employees' homes and public transport than to make its buildings more energy efficient, even if these two approaches are not mutually exclusive. It was decided to base the service centers in Nanterre and Ivry-sur-Seine so that employees could be assigned to either the west or the east of Paris, depending on where they lived.

CAR-SHARING PROJECT

The Angers facility brought in a system to encourage car sharing. Parking spaces in the vicinity of the offices are reserved for employees who undertake to use this type of transport. After an initial test phase, the system might be extended to other sites.

Energy efficient buildings

Low-energy systems have been installed, such as lighting and air conditioning with an efficient energy output for the electricity used.

Indicators	2011	2012	GRI*
Energy consumption per m^2 and per year (excluding datacenters)	130 kWh/m^2	157 kWh/m^2	EN3

*GRI (Global Reporting Initiative): international reference base

The average energy consumption for tertiary buildings in France stands at 211 kWh/m (source: Club des Acteurs du Développement Durable). Work is in progress to make the measurement of this indicator more accurate.

Green IT datacenters

It should be borne in mind that electricity consumption per m in a datacenter is 40 times higher than in traditional offices.

The Group is using "Green IT" technologies in its datacenters: this means blade servers, HVAC systems that use internal gas rather than recycled water, Argogene firefighting systems, and alternating hot and cold aisles.

Recycling: paper, computer workstations, ink cartridges

Consumables (printer toners, electric batteries, etc.) are systematically recycled. In compliance with the current regulations on waste electrical and electronic equipment (WEEE), end-of-life computer hardware is sold to approved brokers.

Indicator	2011	2012
Quantity of paper used per m^2 and per year	710 g/m^2	862 g/m^2

An analysis of consumption is in progress (an increase in the per-m^2 figure does not necessarily imply an increase in the volumes consumed).

Reduction in the meal-related carbon footprint

This topic, though significant, is seldom documented in corporate social and environmental responsibility reports. The Group has scheduled an awareness-raising initiative to encourage employees to adopt a diet that entails fewer CO_2 emissions (by eating less meat, for example). It will be included in a handbook of eco-friendly initiatives.

3 CONSOLIDATED FINANCIAL STATEMENTS

3.1. CONSOLIDATED FINANCIAL SITUATION (AT DECEMBER 31, 2012)

ASSETS (€000s)	Notes	12/31/2011	12/31/2012
NON-CURRENT ASSETS			
Intangible fixed assets	*Note 1 / Note 2*	36,626	36,748
Tangible assets	*Note 3*	5,649	6,279
Financial assets	*Note 4*	2,070	2,609
Other financial assets valued at fair value	*Note 4*	-	-
Deferred tax credits	*Note 5*	1,929	2,403
TOTAL NON-CURRENT ASSETS		46,274	48,039
CURRENT ASSETS			
Inventory	*Note 6*	379	200
Deferred tax credits due		2,444	1,957
Trade accounts and notes receivable	*Note 7*	100,876	111,943
Cash and cash equivalents	*Note 8*	75,493	87,858
TOTAL CURRENT ASSETS		179,192	201,958
TOTAL ASSETS		225,466	249,997

SHAREHOLDERS' EQUITY AND LIABILITIES (€000s)	Notes	12/31/2011	12/31/2012
SHAREHOLDERS' EQUITY			
Capital		9,449	9,504
Additional paid-in capital		30,986	31,071
Consolidated reserves and profits		88,971	103,645
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	*Note 9*	129,406	144,220
Minority equity investments		9,721	11,198
SHAREHOLDERS' EQUITY		139,127	155,418
NON-CURRENT LIABILITIES			
Non-current provisions	*Note 10*	309	441
Non-current financial liabilities		-	-
Other non-current liabilities		-	-
Deferred tax liabilities		-	-
TOTAL NON-CURRENT LIABILITIES		309	441
CURRENT LIABILITIES			
Current provisions	*Note 11*	694	1,509
Taxes due		1,822	1,321
Trade and other accounts payable	*Note 12*	83,068	91,190
Current financial liabilities and bank overdrafts	*Note 13*	446	118
TOTAL CURRENT LIABILITIES		86,030	94,138
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		225,466	249,997

3.2. Consolidated income statement (for the year ended December 31, 2012)

(€000s)	Notes	2011	2012
Sales of goods		13 177	11 069
Sales of services		270 134	304 333
REVENUES		283 311	315 402
Purchases consumed		(11 229)	(9 023)
Salaries and related expenses	*Note 14*	(179 211)	(201 583)
External expenses	*Note 15*	(58 883)	(67 720)
Taxes and duties		(5 296)	(6 272)
Allocations to amortization and depreciation	*Note 16*	(3 069)	(3 627)
Allocations to provisions	*Note 16*	(120)	(991)
Impairment of assets	*Note 16*	(14)	234
Other income	*Note 17*	771	1 091
Other expenses	*Note 17*	(158)	(103)
Other operating income	*Note 18*	12	939
Other operating expenses	*Note 18*	180	(282)
OPERATING PROFIT		26 294	28 065
% OF REVENUES		9.3%	8.9%
Financial income		2 556	1 582
Financial expenses		(64)	(189)
Net Financial profit (loss)	*Note 19*	2 492	1 393
PRETAX PROFIT		28 786	29 458
% OF REVENUES		10.2%	9.3%
Corporate income tax	*Notes 20/21*	(11 747)	(12 281)
PROFIT FOR THE PERIOD FROM ONGOING ACTIVITIES		17 039	17 177
% OF REVENUES		6.0%	5.4%
PROFIT FOR THE YEAR		**17 039**	**17 177**
Including:			
Profit attributable to parent company shareholders (Group share)		**14 799**	**14 849**
Profit attributable to minority equity investments		**2 240**	**2 328**
Diluted earnings per share (Group share) – in euros		*0,63*	*0.63*
Number of shares*		*23 606 046*	*23 682 864*
Diluted earnings per share (Group share) – in euros		*0.62*	*0,62*
Number of shares*, stock options & exercisable bonus shares allocated		*23 999 249*	*24 024 325*

* Number of shares weighted over the period.

3.3. OTHER CONSOLIDATED FINANCIAL ITEMS

Statement of consolidated comprehensive income for the year ended December 31, 2012

(€000s)	12/31/2011	12/31/2012
Profit for the year	**17,039**	**17,177**
Translation adjustments – activities abroad	1	(5)
Other items in comprehensive income	1	(5)
Comprehensive income	17,040	17,172
Including:		
• share attributable to parent company shareholders (Group share)	14,800	14,846
• share attributable to minority equity investments	2,240	2,326

Consolidated statement of cash flows for the year ending December 31, 2012

(€000s)	12/31/2011	12/31/2012
Consolidated profit before minority interests	**17,039**	**17,177**
Elimination of non-monetary items:		
• Net allocations to amortization, depreciation and provisions	2,728	4,329
• Expenses / (Income) related to stock options and similar items	802	1,133
• Effect of discounting receivables and debts maturing in more than one year	194	245
• Capital losses / (gains) from disposals, net of tax	(961)	238
• Capital losses / (gains) from disposals of consolidated securities, net of tax	-	-
Cash flows from operating activities before net financial income and tax	**19,802**	**23,122**
• Net financial income	(1,543)	(1,393)
• Impôt	11,747	12,281
Cash flows from operating activities before net financial income and tax	**30,006**	**34,010**
Cash variation in:		
• Working capital requirement for operations	(8,499)	(2,063)
• Corporate tax	(13,210)	(12,707)
CASH FLOW FROM OPERATIONAL ACTIVITIES	8,297	19,240
Acquisitions of intangible and tangible assets	(4,889)	(4,497)
Disposals of fixed assets, net of tax	149	74
Revenue from sales of financial assets	3,802	45
Acquisition of financial assets	(646)	(833)
Acquisition of companies, net of the acquired cash	(298)	(714)
Securities bought from minority shareholders of subsidiaries	-	(410)
Subscriptions to capital increases by minority interests of subsidiaries	794	130
Disposal of consolidated securities, net of tax	48	113
CASH FLOW FROM INVESTMENT ACTIVITIES	(1,040)	(6,092)
Capital increase – sums received from the exercise of stock options	278	141
Company buy-back and sale of its own securities	-	-
Dividends paid to parent company shareholders	(1,417)	(1,418)
Dividends paid to minorities of subsidiaries	(869)	(561)
New loans	1	13
Loan repayments	(157)	(1)
Net financial interest	1,543	1,393
CASH FLOW FROM FINANCING ACTIVITIES	(621)	(433)
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,636	12,715
CASH AND CASH EQUIVALENTS AT OPENING	68,417	75,051
EFFECT OF FOREIGN EXCHANGE VARIATIONS ON THE CASH HELD	(2)	(10)
CASH AND CASH EQUIVALENTS AT CLOSING	75,051	87,756

The item “Acquisition of companies, net of the acquired cash” includes primarily the amounts paid out in 2012 for earn-outs for Arondor (see Significant events) and Novactor companies for €612,000 and €100,000 respectively.

Statement of changes in consolidated shareholders' equity (for the year ended December 31, 2012)

SHAREHOLDERS' EQUITY (€000s)	Capital	Additional paid-in capital	Consolidated reserves***	Share-based compensation reserve	Treasury shares	Profit for the year	Total shareholders' equity (group share)*	Minority equity investments**	Total shareholders' equity
SHAREHOLDERS' EQUITY AT 31/12/2010	9,424	30,732	61,010	847	(990)	13,192	114,215	7,111	121,327
Movements for FY 2011									
• Consolidated profit for the year	-	-	-	-	-	14,799	14,799	2,240	17,039
Translation adjustment	-	-	1	-	-	-	1	-	1
• Total of other items in comprehensive income	-	-	1	-	-	-	1	-	1
Comprehensive income	-	-	*1*	-	-	*14,799*	*14,800*	*2,240*	*17,040*
• IFRS 2 restatements - stock options & bonus shares	-	-	-	802	-	-	802	-	802
• Capital transactions (Exercise of stock options)	25	254	-	-	-	-	279	-	279
• Sale of treasury shares	-	-	(649)	-	990	-	341	-	341
• Allocation of 2010 profit	-	-	14,039	(847)	-	(13,192)	-	-	-
• Dividends paid by the parent company (€0.06 per share)	-	-	(1,417)	-	-	-	(1,417)	-	(1,417)
• Change in scope	-	-	386	-	-	-	386	1,198	1,584
Total transactions with shareholders recognized directly in shareholders' equity	*25*	*254*	*12,359*	*45*	*990*	*(13,192)*	*391*	*1,198*	*1,589*
• Minorities' share in subsidiaries' dividend distributions	-	-	-	-	-	-	-	(828)	(828)
SHAREHOLDERS' EQUITY AT 12/31/2011	9,449	30,986	73,370	802	0	14,799	129,406	9,721	139,127
Movements for FY 2012									
• Consolidated profit for the year	-	-	-	-	-	14,849	14,849	2,328	17,177
Translation adjustment	-	-	(3)	-	-	-	(3)	(2)	(5)
• Total of other items in comprehensive income	-	-	(3)	-	-	-	(3)	(2)	(5)
Comprehensive income	-	-	*(3)*	-	-	*14,849*	*14,846*	*2,326*	*17,172*
• IFRS 2 restatements - stock options & bonus shares	-	-	-	1,133	-	-	1,133	-	1,133
• Capital transactions (Exercise of stock options)	12	128	-	-	-	-	140	-	140
• Bonus shares delivered	43	(43)	-	-	-	-	-	-	-
• Treasury share purchases	-	-	-	-	(246)	-	(246)	(108)	(354)
• Allocation of 2011 profit	-	-	15,601	(802)	-	(14,799)	-	-	-
• Dividends paid by the parent company (€0.06 per share)	-	-	(1,418)	-	-	-	(1,418)	-	(1,418)
• Change in scope	-	-	359	-	-	-	359	(180)	179
Total transactions with shareholders recognized directly in shareholders' equity	*55*	*85*	*14,542*	*331*	*(246)*	*(14,799)*	*(32)*	*(288)*	*(320)*
• Minorities' share in subsidiaries' dividend distributions	-	-	-	-	-	-	-	(561)	(561)
SHAREHOLDERS' EQUITY AT 12/31/2012	9,504	31,071	87,909	1,133	(246)	14,849	144,220	11,198	155,418

* Share of shareholders' equity attributable to parent company shareholders.

** Share of shareholders' equity attributable to minority equity investments corresponding to the shares held by subsidiaries' managers.

*** Including currency translation reserve (€1,000 in 2012)

3.4. NOTES TO 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 CONSOLIDATED FINANCIAL STATEMENTS

In its meeting held February 5, 2013, the Board of Directors closed the 2012 consolidated financial statements presented in this document, to be presented for approval at the Shareholders Meeting of June 6, 2013.

NEURONES' consolidated financial statements for the year ended December 31, 2012 include the company and its subsidiaries (together referred to as the "Group") and the share in Affiliates 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. They differ in some aspects from the IFRS published by 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.

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, 2011.

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.

They were prepared based on historical cost except for short-term cash investments, share-based compensation 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 cannot 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 does 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, pension liabilities, 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 influences 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.

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, 2012, 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 chapter 5 hereafter, "Scope of Consolidation."

4.4. Intangible fixed assets

Business combinations and goodwill

For the acquisitions completed since January 1, 2010, the Group values the goodwill as:
- the fair value of the consideration transferred,
- plus the amount recognized for any non-controlling investment in the acquired company,
- plus, if the business combination is done in phases, the fair value of any prior investment held in the acquired company,
- less the net amount recognized (generally at fair value) for identifiable acquired assets and assumed liabilities.

When the difference is negative, a bargain purchase profit is recognized immediately in income.

Since January 1, 2010, the following method is used to determine the fair value of the consideration transferred:
- the consideration transferred excludes the amounts related to the payment of pre-existing relationships and compensation for employees or former owners for future services,
- the costs related to the acquisition that the Group incurs, other than those related to a debt or share issue, are expensed when they are incurred,
- any potential consideration due is recognized at its fair value at the acquisition date. The potential consideration that was recorded in shareholders' equity is not restated and its payment is recognized in shareholders' equity. On the other hand, for potential consideration recorded as debt, subsequent variations in its fair value are recognized in profit or loss.

For the acquisitions completed between January 1, 2004 and January 1, 2010, the goodwill represents the difference between the acquisition cost and the Group's interest in the identifiable assets, liabilities and contingent liabilities acquired. 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.

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 annual impairment test or more frequently in case there are signs of impairment (see the paragraph, "Impairment of fixed asset items").

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 these 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 depreciated and are subject to an annual impairment test or whenever there is a sign of impairment (see note 4.7 hereafter: "Impairment of fixed assets").

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 leases 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 carrying amounts of these assets are examined at each closing to assess whether there is a 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. Each subsidiary corresponds to a CGU (see Note 4.23 hereafter: "Operational sectors").

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 6.90% after tax compared to 7.87% at December 31, 2011 based on the risk-free rate, the risk premium and the beta,
- the length of the explicit period is 5 years,
- the growth assumptions retained for revenues, operating margin, working capital requirements and capital expenditures are specific to each company, 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

The other financial assets that mature in more than one year and don't earn interest are initially recognized at fair value, plus the directly attributable transaction costs. After the initial recognition, they are valued at amortized cost calculated according to the effective interest rate less any impairment.

The interest rate used was 5%.

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

4.9. Deferred income 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 will not 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.

Since the year ended December 31, 2010, the Contribution to Companies' Value Added falls within the scope of IAS 12.

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 carrying amount.

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).

4.12. Cash and cash equivalents

Short-term investments are valued at their fair value (as counterparty through the income statement).

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

The Black & Scholes valuation model was used 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 standard personnel turnover rate plus salary revision and discounting assumptions.

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

Rewards for long service

The collective bargaining agreements in force in Group companies do not make any special provisions for rewards for long service. 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.

Non-current 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.

4.19. Other non-current liabilities

No non-current liabilities were identified at December 31, 2012.

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.

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 in contingency and loss provisions.

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. 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:
- number of shares at the beginning of the year,
- plus the weighted average number of bonus shares delivered during the year,
- plus the weighted average number of stock options exercised during the year,
- plus the weighted average number of other dilutive share subscription options (stock options and bonus shares) allocated and not exercised or not delivered during the year, calculated according to the provisions of IAS 33,
- less the weighted average number of treasury shares during the year.

Earnings per share was calculated in accordance with IAS 33.

4.23. Operating segments (IFRS 8)

According to IFRS 8, an operating segment is a distinct component of the Group, which is either involved in providing specific services (business segment) or in providing services in an environment (geographic segment) that is exposed to risks and generates different profitability than the profitability in other sectors. It is identified and managed separately by senior management, in that it requires a specific strategy, resources and technologies.

The information transmitted internally to the CEO and Executive Vice-President is presented by legal entity, since line management's performance is assessed at this level. In this context, each of these entities would correspond to an operating segment. NEURONES does not consider this highly detailed level of information is necessary for the reader to have a better understanding of the Group's performance. All of the legal entities operate in the Consulting and IT Services market for companies and present marketing methods and cost structures that are often comparable. Consequently, the Group has not identified operating segments to present in the context of IFRS 8.

4.24. Management of financial risk (IFRS 7)

Exposure to the following risks has been identified:
- credit risk,
- liquidity risk,
- market risk,
- 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, 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.

Concerning receivables, the credit risk exposure depends on the individual characteristics of the legal entities invoiced. The Group has a very broad spectrum of uniformly distributed customers in multiple business sectors, with the largest customer not accounting for more than 9.7% of the consolidated revenues. This customer is a major group whose multiple decision centers order services independently from each other. Moreover, Group companies took out a Coface credit insurance policy when their customer portfolio justified taking specific coverage guarantees.

Regarding cash and cash equivalents, the credit risk exposure is limited by only investing excess cash in money market type funds and certificates of deposit issued by the Group's banking partners.

Liquidity risk

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

This risk is theoretical in light of a surplus cash position.

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 since virtually all transactions are conducted in euros and no equity instruments have been issued.

Moreover, the Group is not in debt.

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

Capital management

By design, managers and employees hold 77% of the capital, which constitutes a block that by nature gives 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.

4.25. New standards and interpretations

IFRS measures, mandatory as of January 1, 2012, applied without impact on the Group's financial statements at December 31, 2012

- amendments to IFRS 7: Information to provide regarding financial asset transfers.

Mandatory implementation provisions after December 31, 2012, not applied in advance

- IFRS 10: Consolidation ;
- IFRS 11: Partnerships;
- IFRS 12: Information to provide on involvement with other entities;
- IFRS 13: Valuation at fair value;
- Amendment to IAS 1: Presentation of other items in comprehensive income;
- Amendments to IAS 12: Deferred tax liabilities/credits – Recovery of underlying assets;
- amendments to IAS 19: Post-employment benefits;
- amendments to IAS 32: Netting of financial assets and liabilities;
- amendments to IFRS 1: Severe hyperinflation and elimination of fixed dates for first time adopters,
- amendments to IFRS 7: Information to provide on the netting of financial assets and liabilities;
- Amendments to IAS 27 and IAS 28 subsequent to IFRS 10, 11 and 12;
- Amendments to IFRS 10, 11, 12: Transitional provisions;
- IFRIC 20: Hedging costs;
- Annual improvements 2009-2011.

5. SCOPE OF CONSOLIDATION

5.1. List of consolidated companies

Companies consolidated by full consolidation	Registered head office	Commercial Register No.	12/31/2011			12/31/2012		
			% Stake	% Control	Consolidation Method	% Stake	% Control	Consolidation Method
Parent								
NEURONES	205, av. Georges Clemenceau 92024 NANTERRE	331,408,336	-	-	-	-	-	-
Subsidiaries								
Arondor	22, rue de la Pépinière 75008 PARIS	444,720,460	51%	51%	FC	51%	51%	FC
AS Delivery	26, rue N.-D. des Victoires 75002 PARIS	538,868,001	99%	100%	FC	98%	100%	FC
AS International	26, rue N.-D. des Victoires 75002 PARIS	349,528,356	99%	100%	FC	98%	100%	FC
AS International Group	26, rue N.-D. des Victoires 75002 PARIS	421,255,829	99%	99%	FC	98%	98%	FC
AS Production	26, rue N.-D. des Victoires 75002 PARIS	451,310,502	99%	100%	FC	98%	100%	FC
AS Synergie	26, rue N.-D. des Victoires 75002 PARIS	493,513,014	99%	100%	FC	98%	100%	FC
AS Technologie	26, rue N.-D. des Victoires 75002 PARIS	417,586,609	99%	100%	FC	98%	100%	FC
AS Telecom & Réseaux	26, rue N.-D. des Victoires 75002 PARIS	400,332,524	99%	100%	FC	98%	100%	FC
Axones	205, av. Georges Clemenceau 92024 NANTERRE	443,739,693	96%	96%	FC	100%	100%	FC
Axones Tunisie	21, rue de Jérusalem 1002 Belvédère - TUNIS	N/A	96%	100%	FC	99%	100%	FC
Codilog Eliance	205, av. Georges Clemenceau 92024 NANTERRE	432,673,838	76%	76%	FC	76%	76%	FC
Colombus Consulting	38, avenue Hoche 75008 PARIS	422,993,154	71%	71%	FC	70%	70%	FC
Colombus Consulting Tunisie	A.M1.2 Immeuble Emeraude Palace, rue du Lac Windermere 1053 Les berges du lac - TUNIS	N/A	-	-	-	36%	51%	FC
Deodis IMS	171, av. Georges Clemenceau 92024 NANTERRE	439,832,353	92%	99%	FC	92%	99%	FC
Edugroupe	205, av. Georges Clemenceau 92024 NANTERRE	415,149,830	98%	98%	FC	98%	98%	FC
Edugroupe MP	205, av. Georges Clemenceau 92024 NANTERRE	494,800,121	98%	100%	FC	98%	100%	FC
Eliance	26, rue de la Pépinière 75008 PARIS	451,720,700	76%	100%	FC	-	-	-
Finaxys	27, rue des Poissonniers 92200 NEUILLY-SUR-SEINE	450,758,040	53%	53%	FC	53%	53%	FC
Helpline	171, av. Georges Clemenceau 92024 NANTERRE	381,983,568	94%	94%	FC	94%	94%	FC
Helpline Tunisia	21, rue de Jérusalem 1002 Belvédère - TUNIS	N/A	93%	100%	FC	93%	100%	FC
Intrinsec	215, av. Georges Clemenceau 92024 NANTERRE	402,336,085	78%	78%	FC	77%	77%	FC
Neurones Consulting	205, av. Georges Clemenceau 92024 NANTERRE	509,152,468	100%	100%	FC	100%	100%	FC
Neurones IT	205, av. Georges Clemenceau 92024 NANTERRE	428,210,140	99%	99%	FC	99%	99%	FC
Neurones IT Asia Pte Ltd	541 Orchard Road #09-01 Liat Towers SINGAPORE 238881	N/A	-	-	-	99%	100%	FC
Novactor	22, av. J-J Rousseau 78800 HOUILLES	494,513,815	32%	60%	FC	43%	81%	FC
Pragmateam	205, av. Georges Clemenceau 92024 NANTERRE	411,264,641	56%	56%	FC	56%	56%	FC
RS2i	121-123, rue Edouard Vaillant 92300 LEVALLOIS-PERRET	385,166,640	85%	85%	FC	85%	85%	FC
Viaduc	205, av. Georges Clemenceau 92024 NANTERRE	432,104,503	98%	100%	FC	98%	100%	FC

FC = Consolidation by full consolidation

5.2. Significant events

Impact of variations in scope on shareholders' equity

(in € thousands)	% Stake at 12/31/2011	% Stake at 12/31/2012	Variation (%)	Impact on shareholders' equity attributable to parent company shareholders	Impact on minority equity investments
Colombus Consulting SAS	71.1	69.6	(1.5)	223	59
Axones SAS	96.2	99.5	3.3	(54)	(200)
Arondor	51.0	51.0	0.0	0	(34)
Others (< +/- €100,000)	-	-	-	190	(5)
TOTAL	-	-	-	359	(180)

Changes in percentage stakes

During FY2012 various transactions were carried out with certain minority partners in subsidiaries. They resulted in slight changes in percentage stakes and are described in the management report – chapter 5.1 – Consolidated financial statements – Change in equity investments.

New companies acquired

No significant equity investments were made during FY2012.

Monitoring the impact of the Arondor acquisition on the Group's consolidated financial statements

The two earn-outs provided for in the acquisition contract were recognized when the company was consolidated in 2011 in accordance with IFRS 3 revised. The first earn-out of €612,000, indexed on the 2011 results, was paid in 2012. The results objectives for the second earn-out of €918,000 were not achieved. Consequently, the second earn-out was written back to operating profit, in accordance with IFRS 3 revised.

In the same way, part of the acquisition price was conditional on the presence of the senior executives for 3 years. In accordance with IFRS 3 revised, this part of the acquisition price was considered as remuneration and spread over a period of 3 years. Given that the senior executives remained, €465,000 was expensed in FY2012.

Consequently, in 2012, the impact of the Arondor acquisition on operating profit was net revenue of €453,000.

6. NOTES TO THE BALANCE SHEET

Note 1 – Intangible assets

(in € thousands)	12/31/10	↗	Reclass.	↘	12/31/11	Change in Scope	↗	Reclass.	↘	12/31/12
Goodwill (details in Note 2)	34,831	1,585	-	-	36,416	8	36	-	-	36,460
Patents and licenses	1,674	663	657	36	2,958	-	538	-	205	3,291
Contracts and contractual relationships	575	-	-	-	575	-	-	-	234	341
GROSS TOTAL	37,080	2,248	657	36	39,949	8	574	-	439	40,092
Amortization and depreciation	(1,417)	(423)	(657)	(36)	(2,461)	-	(460)	-	(205)	(2,716)
Impairment	(848)	(14)	-	-	(862)	-	-	-	(234)	(628)
NET TOTAL	34,815	1,811	-	-	36,626	8	114	-	-	36,748

The acquisitions primarily correspond to computer software for the "cloud computing" activity, service centers, outsourcing contracts and finally internal use.

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). The cumulative depreciation for these assets stands at €341,000. No intangible assets have been pledged as security.

The reclassifications reflect adjustments to variations in prior years.

Note 2 – Goodwill

(in € thousands)	12/31/10	↗	Reclass.	↘	12/31/11	↗	Reclass.	↘	12/31/12
Companies concerned:									
Colombus Consulting	10,386	-	-	-	10,386	-	-	-	10,386
AS International Group	8,874	-	-	-	8,874	-	-	-	8,874
Helpline	5,179	-	-	-	5,179	-	-	-	5,179
RS2I	3,460	-	-	-	3,460	-	-	-	3,460
Axones	3,238	-	-	-	3,237	-	-	-	3,237
Codilog Eliance	2,179	-	-	-	2,179	-	408	-	2,587
Arondor	-	1,444	-	-	1,444	36	-	-	1,480
Others (< €1 million)	1,515	141	-	-	1,656	8	(408)	-	1,256
GROSS TOTAL	34,831	1,585	-	-	36,416	44	-	-	36,460
Impairment	(287)	-	-	-	(287)	-	-	-	(287)
NET TOTAL	34,544	1,585	-	-	36,129	44	-	-	36,173

The reclassification corresponds to Codilog Eliance's merger by takeover of Elliance.

Method and key assumptions used for impairment tests

Impairment tests are performed once a year at closing on December 31. Based on these tests, there was no impairment to recognize.

The sensitivity analysis did not reveal a likely scenario by which the recoverable value of the CGUs would fall below the net carrying amount.

Note 3 – Tangible assets

(in € thousands)	12/31/10	↗	Reclass.	↘	12/31/11	Change in Scope	↗	Reclass.	↘	12/31/12
Fixtures and installations	4,274	1,138	(33)	28	5,352	-	317	-	42	5,627
Transportation equipment	1,331	326	25	243	1,439	-	506	-	187	1,758
IT and office equipment	7,138	2,849	1,111	372	10,725	2	2,934	-	570	13,091
Leased fixtures	-	-	-	-	-	-	-	-	-	-
Leased IT equipment	130	-	-	130	-	-	-	-	-	-
Fixed assets under construction	-	-	-	-	-	-	112	-	-	112
GROSS TOTAL	12,873	4,314	1,102	773	17,516	2	3,869	-	799	20,588
Amortization and depreciation	(8,711)	(2,712)	(1,102)	(658)	(11,867)	(1)	(3,162)	-	(721)	(14,309)
NET TOTAL	4,162	1,602	-	115	5,649	1	707	-	78	6,279

The investments correspond to:
- computer hardware used for the "cloud computing" activity,
- computer hardware used in our service centers or at customer sites, as part of outsourcing contracts or for internal uses,
- fixtures used to furnish new premises,
- and service vehicles.

As in 2011, the bulk of the increase in FY2012 comes from the investments in "cloud computing."

No tangible asset has been pledged as security.

The reclassifications reflect adjustments to variations in prior years.

Note 4 –Financial assets

(in € thousands)	12/31/10	↗	Reclass.	↘	12/31/11	Change in Scope	↗	Reclass.	↘	12/31/12
Non-consolidated securities	13	10	-	-	23	-	105	-	-	128
Loans	1,062	415	-	323	1,154	-	239	-	-	1,393
Other financial assets	690	396	-	186	900	-	243	-	45	1,098
GROSS TOTAL	1,765	821	-	509	2,077	-	587	-	45	2,619
Impairment	-	(7)	-	-	(7)	-	(3)	-	-	(10)
NET TOTAL	1,765	814	-	509	2,070	-	584	-	45	2,609

The increase in non-consolidated securities corresponds to a subsidiary created at the end of FY2012. This company was not active in 2012.

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

The present value of these loans and in particular the reimbursement due date were calculated based on the reimbursement date provided for in the contract (20 year timeframe).

In accordance with IFRS 7.8, it is noted that all of the financial assets mentioned above correspond to investments held to maturity.

Note 5 – Deferred tax credits

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

(in € thousands)	12/31/11	12/31/12
Employee statutory profit sharing	753	1,052
Other temporary differences	527	605
Provision for retirement benefits	106	151
Present value of receivables maturing in more than one year	452	536
Tax losses deferrable indefinitely	91	59
Provision to neutralize social security costs related to servicing bonus share plans	-	-
DEFERRED TAXES CALCULATED	1,929	2,403
Compensation by tax entity	-	-
TOTAL DEFERRED TAXES	1,929	2,403

Note 6 – Inventory

(in € thousands)	12/31/11	12/31/12
Goods	403	224
GROSS TOTAL	403	224
Impairment	(24)	(24)
NET TOTAL	379	200

No inventory has been pledged as security.

Note 7 – Trade accounts and notes receivable

(in € thousands)	12/31/11	12/31/12
Trade receivables	76,737	84,982
Invoices to be issued	11,655	12,339
Payables: credit notes receivable	170	80
VAT and other taxes	10,233	12,048
Other receivables	143	165
Prepaid expenses	2,702	3,282
GROSS TOTAL	101,640	112,896
Impairment	(764)	(953)
NET TOTAL	100,876	111,943

The due date for these items is less than one year, except for some trade receivables. These items concern primarily certain financial arrangements granted to a few customers as part of outsourcing contracts. In this case, since the amount recognized as a receivable on the balance sheet bears interest, the receivable was not discounted for present value.

Trade receivables aging

	Due				Not due	Total
(in € thousands)	<3/month	< 6/month	< 1 year	> 1 year		
Trade receivables	24,636	2,230	2,292	1,210	54,614	84,982
Impairment	0	0	232	435	0	667
Net value	24,636	2,230	2,060	775	54,614	84,315
TOTAL	29.2%	2.6%	2.4%	0.9%	64.9%	100%

Note 8 – Cash and cash equivalents

(in € thousands)	12/31/11	12/31/12
Term deposits	44,770	61,345
Monetary funds	14,138	5,243
Available funds	15,192	20,565
Accrued interest on commercial paper	1,393	705
GROSS TOTAL	75,493	87,858
Bank overdrafts	(442)	(102)
NET TOTAL	75,051	87,756

Given the type of funds and supports selected to invest excess cash, no adjustment in the fair value or the future yield is anticipated.

Details of term deposits

Financial institutions *(€000s)*	Rate*	Amount	Maturities			
			< 1 year	1 to 2 years	2 to 3 years	> 3 years
Term deposits						
Crédit Agricole	2.5% - 3.8%	25,100	1,000	15,100	6,000	3,000
Société Générale	3.1%	9,000	1,000	8,000		
LCL	2.0% - 2.4%	7,200	5,200		2,000	
ABN AMRO	1.7%	4,000	4,000			
GE	3.5%	4,000			4,000	
Crédit coopératif	2.3% - 3.2%	3,000			3,000	
BPCE	3.0%	2,400			2,400	
Crédit du Nord	1.4%	2,250		2,250		
BNP	2.4%	2,000			2,000	
Banque Palatine	4.1%	2,000				2,000
Others < €2 million		395	150	190	55	-
TOTAL		61,345	11,350	25,540	19,455	5,000

* The rates shown correspond to the yields at maturity. The yields for these deposits (based on progressive rate scales) were valued in the financial statements at the yield for these scales at 12/31/2012.

These term deposits can be mobilized anytime.

Note 9 – Shareholders' equity

Note 9.1 – Capital

At December 31, 2012, the share capital amounted to €9,503,865.60; comprised of 23,759,664 fully paid-up shares of the same class with a face value of €0.40.

During FY 2012, 28,905 stock options were exercised, which resulted in the creation of 28,905 new shares:
- 1,905 options were exercised at a price of €7.50, including a face value of €0.40 and €7.10 of additional paid-in capital (Plan No. 2),
- 500 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),
- 12,000 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),
- 14,500 options were exercised at a price of €5.10, including a face value of €0.40 and €4.70 of additional paid-in capital (Plan No. 6),

These new shares increased the share capital by €11,562 and the additional paid-in capital by €128,975.50.

In addition, the delivery on August 1, 2012 of shares to the beneficiaries of the bonus share allocation Plan C resulted in 108,000 new shares being created, which increased the share capital by €43,200, by incorporating reserves written back from the "additional paid-in capital" item.

At December 31, 2012, the Company didn't hold any treasury shares.

The variation in the number of shares in circulation during FY 2012 breaks down as follows:

Number of shares in circulation at 01/01/2012	Increase*	Decrease	Number of shares in circulation at 12/31/2012
23,622,759	136,905	-	23,759,664

* Including 28,905 stock options exercised and 108,000 newly created shares delivered to the beneficiaries of the bonus share allocation Plan C

The Company has been listed on the Paris stock exchange since May 23, 2000 (regulated market – Eurolist Compartment B).

Note 9.2 – Share based compensation

Stock option plans

All authorizations given by Shareholders' Meetings to the Board of Directors for stock option plans were wound up during prior years.
It is noted that plan No. 4 expired February 28, 2011.

Rules of the stock option plans

	Stock option plan No. 2	Stock option plan No. 3	Stock option plan No. 5	Stock option plan No. 6
Shareholders' Meeting:	11/29/99 & 06/09/11	11/29/99 & 06/09/11	25/06/03 & 06/25/04	06/25/04
Board of Directors meeting:	07/27/00 & 03/31/11	07/11/01 & 03/31/11	15/10/04	06/28/06
Maturity date of the plans	07/27/05	07/11/06	10/15/08	07/01/10
Expiry date of the plans	07/26/15	07/11/16	10/14/12	06/30/14
Number of beneficiaries	171	238	60	39
- including managers	-	-	-	-
Number of shares granted	304,363	320,210	257,000	93,000
Number of expired options at 12/31/2011	(247,682)	(144,364)	(109,000)	(25,500)
Number of shares already subscribed at 12/31/2011	(4,763)	(151,684)	(130,000)	(35,000)
Number of options that expired during the period	-	-	(6,000)	-
Number of shares subscribed during the period	(1,905)	(500)	(12,000)	(14,500)
Number of options in circulation at 12/31/2012	50,013	23,662	-	18,000
Number of exercisable options at 12/31/2012	50,013	23,662	-	18,000
Subscription price (in euros)	7.5	3.8	4.2	5.1
Potential dilution (excluding cancelled options): % of capital at 12/31/2012	0.21%	0.10%	0%	0.08%
TOTAL POTENTIAL DILUTION	-	-	-	0.39%

Readers are reminded that plan No. 4 ended on February 28, 2011 and all options (less cancelled ones) were exercised.

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.

Bonus share allocation plan

The Shareholders' meeting of June 9, 2011 authorized the Board of Directors to allocate up to 235,000 bonus shares in the form of common shares. Readers are reminded that during FY2011, the Board of Directors did not use this authorization, valid for a period of twenty-four months. During FY2012, the Board of Directors used part of this authorization by allocating 221,000 bonus shares (Plan E). This authorization is the only one on the subject not wound up and still valid during FY2012.

The different bonus share plans approved by the Board of Directors, and in an acquisition or vesting period in 2012, have the following characteristics:

	Bonus share plan B	Bonus share plan C	Bonus share plan D	Bonus share plan E
Shareholders' Meeting:	06/14/07	06/11/09	06/10/10	06/09/11
Board of Directors meeting:	12/21/07	07/24/09	12/14/10	06/07/12
End of acquisition period	01/01/11	08/01/12	12/15/13	06/08/15
End of retention period	01/01/13	08/01/14	12/15/15	06/08/17
Number of beneficiaries	44	44	68	61
- including managers	*1*	-	-	-
Number of free shares allocated	230,000	167,000	230,000	221,000
Number of cancelled shares at 12/31/2011	(30,000)	(55,000)	(21,500)	-
Number of shares in an acquisition period at 01/01/2012	-	112,000	208,500	-
Number of shares cancelled during the acquisition period throughout the year	-	(4,000)	(4,000)	-
Number of shares in an acquisition period at 12/31/2012	-	-	204,500	221,000
Number of shares in a vesting period at 01/01/2012	200,000	-	-	-
Number of shares in a vesting period at 12/31/2012	200,000	108,000	-	-
Potential dilution (excluding cancellations) - % of current capital at 12/31/2012	-	-	0.86%	0.93%
TOTAL POTENTIAL DILUTION	-	-	-	1.79%

Readers are reminded that the vesting period for plan A ended on July 1, 2011.

No performance conditions have been established for the plans allocated and described above. No corporate officer has received bonus shares since plan B approved by the Board of Directors on 21 December 2007.

The main criteria retained for the fair value valuation of the options and bonus shares for the plans attributed after November 7, 2002 (date when a new accounting standard applicable to stock options and other share-based payments took effect) are as follows:

	Plan No. 5	Plan No. n°6	Plan B	Plan C	Plan D	Plan E
Life	4 years	4 years	3 years	3 years	3 years	3 years
Volatility	35%	35%	35%	35%	21%	25%
Risk-free rate	4.50%	4.50%	4.50%	4.44%	4.33%	4.21%
Dividend payout rate	0%	1%	1%	1%	1%	1%

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

Based on the Black & Scholes model, the options' unit fair values are as follows:

Plan *(euros)*	Date of definitive allocation	Exercise price	Fair value	Price at the allocation date (euros)
October 2004 (plan No. 5) – Stock Options	-	4.2	1.434	-
June 2006 (plan No. 6) – Stock Options	-	5.1	1.597	-
December 2007 (plan B) – Bonus shares	01/01/11	-	7.889	6.88
July 2009 (plan C) – Bonus shares	08/01/12	-	7.508	7.51
December 2010 (plan D) – Bonus shares	12/15/13	-	8.748	-
June 2012 (plan E) – Bonus shares	06/08/15	-	10.208	-

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

Note 9.3 – Earnings per share

	2011	2012
Number of shares at the beginning of the year	23,561,093	23,622,759
Average number of shares issued	44,953	60,105
Average number of treasury shares	-	-
Average number of shares in circulation during the year	23,606,046	23,682,864
Dilutive instruments	393,203	341,461
Average number of shares in circulation after dilution	23,999,249	24,024,325
Earnings – Group share (€000s)	14,799	14,849
Earnings per share (group share) – undiluted	**0.63**	**0.63**
Earnings per share (group share) – diluted	**0.62**	**0.62**

Note 10 – Non-current provisions

(in € thousands)	12/31/10	Allocation for the year	Write-backs for the year (provision used)	12/31/11	Change in scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/12
Provision for retirement benefits	406	98	194	309	-	132	-	-	441
TOTAL	406	98	194	309	-	132	-	-	441
Impact (net of expenses incurred)	-	-	-	-	-	-	-	-	-
Operating profit	-	98	194	-	-	132	-	-	-
Net cost of financial debt	-	-	-	-	-	-	-	-	-

Note 11 – Current provisions

(in € thousands)	12/31/10	Change in scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/11	Change in Scope	Allocation for the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/12
Provisions	945	6	440	658	39	694	13	1,257	455		1,509
TOTAL	945	6	440	658	39	694	13	1,257	455		1,509
Impact (net of expenses incurred)	-	-	-	-	-	-	-	-	-	-	-
Operating profit	-	-	440	-	39	-	-	1,257	455	-	-
Net cost of financial debt	-	-	-	-	-	-	-	-	-	-	-

The current provisions correspond primarily to employer social security contribution risks and losses on contracts, where the expected date when resources will be expended is less than 12 months.

The allocations correspond primarily to employer social security contribution risks and write-backs used primarily for fiscal risks and losses on contracts.

Note 12 – Trade and other accounts payable

(in € thousands)	12/31/2011	12/31/2012
Trade and other accounts payable	14,529	16,286
Employee statutory profit sharing and optional profit sharing	4,356	3,075
Taxes and employer social security contributions	57,256	66,005
Other debts	3,199	1,550
Prepaid income	3,728	4,274
TOTAL	83,068	91,190

Prepaid income corresponds to annual contracts invoiced in advance, “check books” for services sold that haven’t been consumed and the variance between revenues invoiced and revenues recognized based on stage of completion as part of fixed-rate projects.

All operating debts are due in less than one year.

Note 13 – Other financial liabilities

(in € thousands)	12/31/2011	12/31/2012
Bank overdrafts	442	102
Medium-term loan: portion less than 1 year	-	-
Subtotal of bank overdrafts, loans and finance leases	**442**	**102**
Security deposits received	4	16
Subtotal security deposits received	**4**	**16**
TOTAL	446	118

All other financial liabilities are due in less than one year.

7. OPERATING SEGMENTS

The Group has not identified any operating segments (see Note 4.23 “Operating segments” on page 55).

8. NOTES TO THE INCOME STATEMENT

Note 14 – Salaries and related expenses

(in € thousands)	2011	2012
Salaries and related costs	120,474	134,994
Employer Social Security contributions	55,603	61,787
Employee statutory profit sharing	2,429	3,286
Stock options & bonus shares	802	1,384
Provision for retirement benefits	(97)	132
TOTAL	179,211	201,583

Note 15 – External expenses

(in € thousands)	2011	2012
Subcontracting purchases	40,776	46,528
Purchases of materials and supplies not stored	388	430
Outside personnel	800	861
Other outside services	16,823	19,812
Rents and finance leases	96	89
TOTAL	58,883	67,720

Note 16 – Allocations to depreciation, provisions and impairment of assets

(in € thousands)	2011	2012
Amortization of intangible assets	423	460
Depreciation of tangible assets	2,646	3,167
Allocations to amortization and depreciation	**3,069**	**3,627**
Net contingency provisions	(257)	802
Net provisions for current assets	377	189
Net allocations to provisions	**120**	**991**
Impairment of “Contracts and contractual customer relationships”	14	(234)
Impairment of assets	**14**	**(234)**

Note 17 – Other income and expenses

(in € thousands)	2011	2012
Operating subsidies	362	768
Miscellaneous income	409	323
Other income	**771**	**1 091**
Miscellaneous expenses	158	(103)
Other expenses	**158**	**(103)**
Net Other income / Other expenses	613	988

Operating subsidies include research tax credits of €498,000 (see Note 20 hereafter).

Note 18 – Other operating income and expenses

(in € thousands)	2011	2012
Capital gain/(loss) on disposal of assets	12	(238)
Impairment of goodwill	-	-
Other	180	895
TOTAL	192	657

The “Others” item includes the second Arondor earn-out of €918,000 (see above, sub-chapter 5.2 “Significant events” in the notes to the consolidated financial statements).

Note 19 – Analysis of the net cost of financial debt

(in € thousands)	2011	2012
Dividends received (non-consolidated equity investments)	-	-
Other interest and similar income	1,405	1,468
Capital gains on disposal of cash equivalents	202	114
Capital gain on disposal of financial assets	949	-
Write-backs of provisions	-	-
TOTAL FINANCIAL INCOME	2,556	1,582
Interest and similar expenses	64	186
Allocations to provisions	-	3
TOTAL FINANCIAL EXPENSES	64	189
FINANCIAL PROFIT (LOSS)	2,492	1,393

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

Note 20 – Income tax

(in € thousands)	2011	2012
Corporate tax	8,770	9,306
Contribution to the value added	3,031	3,450
Taxes due	**11,801**	**12,756**
Deferred income taxes	**(54)**	**(475)**
TOTAL	11,747	12,281

In 2012 various Group companies recognized, after review, a research tax credit for a total of €498,000. These tax credits were recorded as other income (see Note 17 above), given that they were considered as a subsidy offsetting related costs incurred by the companies concerned.

Note 21 – Proof of tax

	2011			2012		
(in € thousands)	Base	Rate	Tax	Base	Rate	Tax
Pre-tax income, capital gain on sale of consolidated shares	28,786	34.43%	9,912	29,469	34.43%	10,146
Non-deductible calculated expenses	689	34.43%	237	680	34.43%	234
Impact of definitively non-deductible expenses	133	34.43%	46	273	34.43%	94
Social security contribution on profits (3.3% of the amount exceeding €763,000 of corporate income tax)		-	(101)	-	-	(101)
Generation/(Use) of tax losses not activated	(128)	34.43%	(44)	(15)	34.43%	(5)
Tax credits	-	-	(178)	-	-	(165)
CVAE impact on tax	-	-	1,989	-	-	2,262
Rate difference between Parent company and subsidiaries	-	-	(114)	-	-	(184)
EFFECTIVE TAX EXPENSE	-	-	11,747	-	-	12,281
Average tax rate	-	-	40.8%	-	-	41.7%

Note 22 – Information about related parties

Legal entities

NEURONES has no sister company.

There are no economic transactions with Host Développement, a 46.2% shareholder in NEURONES, other than the payment of dividends, when applicable.

Directors

Directors' gross remuneration due during FY2012 is shown below:

	2011 Gross remuneration due				Cumulative RB* provision end 2011	2012 Gross remuneration due				Cumulative PDR* provision end 2012	Number of bonus shares allocated
(in €)	Fixed	Variable	In kind	Total		Fixed	Variable	In kind	Total		
Luc de Chammard	162,000	10,000	6,960	178,960	29,761	172,000	21,000	6,960	199,960	40,796	-
Bertrand Ducurtil	135,000	55,000	-	190,000	6,276	135,000	65,000	-	200,000	8,662	18,000 (Plan B)

* Payments due on retirement

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

9. MISCELLANEOUS INFORMATION

9.1. Security given

No guarantees were given at December 31, 2012.

9.2. Off balance sheet commitments

There are no off balance sheet commitments.

9.3. Auditors' Fees

	Bellot Mullenbach & Associés				KPMG				M. Roussel			
	Amount		%		Amount		%		Amount		%	
(in € thousands)	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Audit												
Auditorship, examination of separate and consolidated financial statements												
- At the parent company	24	24	100%	100%	24	24	100%	100%	0	0	0	100%
- At subsidiaries	81	77	100%	100%	67	77	100%	100%	0	5	0	100%
Accessory assignments (due diligence, etc.)		0				0			0	0	0	
Subtotal	105	101	100%	100%	91	101	100%	100%	0	5	0	100%
Other services	0	0			0	0			0	0	0	
TOTAL	105	101	100%	100%	91	101	100%	100%	0	5	0	100%

9.4. Average number of employees

	2011	2012
Managers	1,657	1,890
Employees	1,558	1,718
TOTAL	3,215	3,608

9.5. Subsequent events after the closing at December 31, 2012

No event known at February 28, 2013, date when the financial statements were published, has a significant impact on the Group's financial structure.

9.6. Dividend distribution

In its meeting on February 5, 2013, the Board of Directors decided to propose to the Ordinary Shareholders' meeting called to approve the financial statements for the year ended December 31, 2012, to pay a dividend of €0.06 per share.

3.5. AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

To the shareholders:

In accordance with the terms of our appointment at your ordinary Shareholders' meeting, we hereby submit our report for the year ended December 31, 2012, regarding:
- the audit of the accompanying consolidated financial statements of NEURONES S.A.,
- the basis of our assessments,
- specific procedures and disclosures required by law.

Your Board of Directors has approved the consolidated financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our work in accordance with the professional standards applicable in France. These standards require that we plan and perform our audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis or by other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the significant estimates made and the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities and financial position of the group at December 31, 2012 and of the results of its operations for the year then ended in accordance with IFRS as adopted for use in the European Union.

2. Basis of our assessments

Pursuant to the provisions of article L.823-9 of the French Commercial Code regarding the basis of our assessments, we bring to your attention the following matter:

- note "4. Accounting Principles" discloses the accounting methods used to recognize revenues and value the accounts receivable plus those related to cash and cash equivalents (respectively paragraphs 4.21, 4.11 and 4.12).

As part of our assessment of the accounting rules and principles applied by your group, we verified the appropriateness of the accounting methods specified above and the disclosures provided in the notes to the financial statements and verified that they were applied correctly.

- Note 4.7. "Impairment of fixed assets" specifies that the group performs an impairment test on:
  - goodwill and intangible assets with an indefinite life every time there is a sign of impairment and at least once a year;
  - tangible and intangible assets with a defined life as soon as there is a sign of impairment.

We have examined how these impairment tests are performed as well as the cash flow forecasts and assumptions used and we have verified that the notes to the financial statements disclose appropriate information.

As part of our assessments, we have ensured that these estimates are reasonable.

The assessments on these matters were made in the context of our audit of the consolidated financial statements taken as a whole and therefore helped us form our opinion expressed in the first part of this report.

3. Specific procedures and disclosures

In accordance with professional standards applicable in France, we have also performed the specific procedures required by law regarding the group information given in the management report.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Paris, April 12, 2013
The Auditors

KPMG Audit Department of KPMG S.A.	Bellot Mullenbach & Associés
Jean-Marc Laborie Partner	Thierry Bellot Partner

4 GENERAL INFORMATION CONCERNING THE COMPANY, ITS CAPITAL AND ITS ADMINISTRATION

4.1. DATA SHEET

Company name

NEURONES.

Trading name

NEURONES.

Registered head office

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

Legal form

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

Nationality

French.

Date of incorporation and duration of the company

The company was set up for a term of 99 years, as of its registration in the French Registre du Commerce et des Sociétés (Company Trade Register) on January 15, 1985.

It will end on January 15, 2084, unless an extraordinary shareholders' meeting decides to extend the term or disband the company early.

Corporate charter (article 3 of the by-laws)

The purpose of the company, in France, the French overseas departments and abroad, is to carry out directly or indirectly all transactions directly or indirectly concerning: consulting, design, production, development, deployment, installation, support, operation and distribution of any IT and electronic systems, both for services or software, applications and hardware, and generally any operation related to information, communication and training processes.

To achieve its purpose, the company may:
- do business, subcontract, represent and commission,
- import and export,
- own, acquire, lease, fit out, equip or convert any building, work site, store or warehouse,
- take out interests or holdings, by any means or methods, in any similar company or company likely to promote the development of its business,
- and generally carry out any commercial, industrial and financial operations pertaining directly or indirectly to its purpose.

Company Trade Register

331 408 336 R.C.S. Nanterre.

Fiscal year

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

Place where documents and information concerning the company may be consulted

The company by-laws, financial statements and reports, and the minutes of Shareholders' Meetings, can be consulted at its head office.

Shareholders' Meetings

Shareholders' Meetings are convened and deliberate in the conditions laid down by law.

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

Attendance at the meeting is open to any shareholder who can furnish evidence of shares registered in his name, or in the name of the intermediary duly registered on his behalf, three working days before the meeting, either in the registered share accounts or the bearer share accounts held by his authorized intermediary.

Shareholders may also vote by correspondence or by proxy in the conditions laid down by law. To be counted in the ballot, the form for postal or proxy votes, accompanied by share-holding certificates for bearer shareholders, must have been received by the company or by the establishment holding the registered share accounts at least three days prior 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 appointed for the purpose by the Board. Failing that, the meeting elects its Chairman.

Minutes of the meeting are taken; copies are certified and issued as required by law.

Disposal and transmission of shares

There are no statutory provisions restricting share transfers.

Double voting right

Shareholders have as many voting rights as they have shares, or as the shares they represent, with no restrictions other than those laid down by law.

However, a double voting right is granted 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 shareholder 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.

Thresholds and crossing of thresholds

Under Article L.233-7 of the French Commercial Code, every natural person or legal entity, acting alone or in concert, has the obligation to inform the company if they end up holding or no longer holding more than one twentieth (5%), one tenth (10%), three twentieth (15%), one fifth (20%), one quarter (25%), three tenths (30%), one third (33.3%), one half (50%), two thirds (66.6%), nine tenths (90%) or nineteen twentieths (95%) of the capital or voting rights.

The information should be sent to the company and to the Autorité des Marchés Financiers (French financial markets authority) no later than before the close of trade on the fourth trading day following the day the threshold was crossed upwards or downwards. The procedure for notifying the Autorité des Marchés Financiers that certain thresholds have been crossed is set out in its general regulations. The Autorité des Marchés Financiers makes the information public within three trading days following receipt of the full declaration.

When the thresholds of one tenth, three twentieths, one fifth and one quarter of the capital or voting rights are crossed, the person required to report the fact must also declare to the company and to the AMF the objectives it intends to pursue over the six months to come, at least five stock exchange trading days before closure.

In addition, pursuant to Article 16 of the by-laws, every shareholder, acting alone or in concert, has an additional obligation to inform the company when he ends up directly or indirectly holding shares representing 2% of the capital or voting rights. This additional duty of disclosure applies to every 2% fraction of the capital or voting rights.

Company buy-back of its own shares

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

During the 2012 financial year, the company did not buy back any of its own shares. Accordingly, at December 31, 2012, it did not possess any of its shares.

The Ordinary Shareholders' Meeting held on June 7, 2012 authorized the Company to buy-back its own shares subject to the main terms below:
- duration of the scheme: 18 months with effect from the date of the meeting (i.e. up until December 6, 2013),
- maximum share of the capital to be acquired: 10%,
- maximum purchase price: €11 per share,
- maximum share acquired with a view to the subsequent delivery of shares in exchange or as payment: 5% of the capital.

This authorization replaces the one given by the Combined Shareholders' Meeting of June 9, 2011, which the Board of Directors had not used.

A motion will be put to the Combined Shareholders' Meeting on June 6, 2013 to renew the authorization given to the company to buy back its own shares. The main terms and conditions would be as follows:
- duration of the scheme: 18 months with effect from the date of the meeting (i.e. up until December 7, 2014),
- maximum share of the capital to be acquired: 10%,
- maximum purchase price: €15 per share,
- maximum share acquired with a view to the subsequent delivery of shares in exchange or as payment: 5% of the capital.

This authorization will replace the unused portion of the authorization given by the Ordinary Shareholders' Meeting of June 7, 2012.

The actual launch of this scheme will be subject to a decision by the Board of Directors.

If necessary, after the Board of Directors' decision, the company shall have the Autorité des Marchés Financiers validate a memorandum concerning the program and publish it within the time frame stipulated by law and the regulations. The buy-back scheme could then be launched.

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

The profit or loss for the financial year consists of the difference between the income and expense for the financial year, after deducting amortization and provisions, as calculated from the income statement.

Any earlier losses are deducted from the year's profit, then at least 5% is deducted and allocated to a reserve fund known as "legal reserves".

This deduction ceases to be mandatory when the legal reserves amount to one tenth of the share capital.

If there is an outstanding balance available, the Shareholders' Meeting decides to either distribute it, carry it over again, or enter it under one or more reserve items, which it decides how to allocate and use.

Once it has noted the existence of reserves at its disposal, the Shareholders' Meeting can decide to distribute sums deducted from these reserves. If so, the decision must clearly state from which reserves the sums are to be deducted.

For all or part of the dividend or interim dividend to be distributed, the Shareholders' Meeting is entitled to give shareholders the choice of whether the dividend, or interim dividend, is to be paid in cash or shares.

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

The company is entitled, at any time and at its own expense, to ask the institution in charge of paying compensation for the shares to identify the shareholders giving proxy votes for its shareholder meetings, either immediately or in the future, as well as the number of shares held by each of them and, if applicable, the restrictions on the shares.

4.2. CAPITAL AND SHARES

Share capital

At December 31, 2012, the Company's share capital amounted to €9,503,865.60 divided into 23,759,664 fully paid-up shares with a face value of €0.40.

Other securities providing access to the capital

All of the stock option and bonus share plans are set out in Note 9.2 below (Sub-chapter 6 "Notes to the balance sheet" in Chapter 3 "Consolidated financial statements").

The Combined Shareholders Meeting of June 9, 2011 authorized the Board of Directors to allocate a bonus share plan for up to 235,000 common shares (valid 24 months). The Board of Directors made partial use of this authorization by approving, on June 7, 2012, a plan to allocate 221,000 bonus shares.

After deducting the options and bonus shares that had expired and the options already exercised, at 12/31/2012 there were still 517,175 allocated options or bonus shares in circulation for the same number of NEURONES shares, as shown in the table below:

	Number of shares in circulation (at 12/31/2012)	% of capital
Exercisable stock options (Plans No. 2, 3 and 6, less expired and already exercised options)	91,675	0.39%
Bonus shares during the acquisition period (Plans D and E, less expired bonus shares)	425,500	1.79%
TOTAL IN CIRCULATION	**517,175**	**2.18%**

Authorized capital

The Combined Shareholders' Meeting of June 9, 2011, authorized the Board of Directors, including the possibility for the Chairman to delegate, to issue in France or on international markets during the subsequent 26 months (or until August 8, 2013), shares or securities giving access, immediately or at term, to company capital (fifteenth, sixteenth, seventeenth and eighteenth resolutions).

These issues can be realized with or without the maintenance of pre-emptive subscription rights and cannot give rise to an increase in share capital greater than €10 million (other than adjustments related in particular to the incorporation of earnings, reserves or additional paid-in capital or the maintenance of rights of the holders of securities).

Furthermore, the gross proceeds from issues of securities representing claims giving access to the capital cannot exceed €80 million.

A motion will be put to the Combined Shareholders' Meeting on June 6, 2013 to renew these delegations. The main terms and conditions would be as follows:

- validity: 26 months with effect from the date of the meeting (i.e. up until August 5, 2015),
- maximum total face value of the shares issued: €11 million,
- maximum total face value of the securities representing claims: €90 million.

These delegations will replace those given by the Combined Shareholders Meeting on June 9, 2011.

Change in share capital since the company's founding

Date	Type of operation	Capital increase	Additional paid-in capital and contribution	Number of shares issued	Cumulative amount of share capital	
					Number of shares	Capital
December 1984	Company formed	-	-	-	8,000	F800,000
08/15/1985	Capital increase	F210,000	-	2,100	10,100	F1,010,000
06/30/1993	Company buy-back of its own securities and capital reduction	-	-	(4,954)	5,146	F514,600
06/30/1993	Capital increase by incorporating reserves and raising the share face value from 100 to 200 francs	F514,600	-	-	5,146	F1,029,200
12/30/1997	Capital increase by incorporating reserves and raising the share face value from 200 to 4,000 francs	F19,554,800	-	-	5,146	F20,584,000
11/29/1999	Capital increase by incorporating reserves, converting capital into euros and raising the share face value to €1,500	F30,049,320.83	-	-	5,146	€7,719,000
11/29/1999	Share face value divided from €1,500 to €2	-	-	-	3,859,500	€7,719,000
04/05/2000	Share face value divided from €2 to €0.40	-	-	-	19,297,500	€7,719,000
05/23/2000	Capital increase during the listing on the Nouveau Marché (New Market)	€1,389,420	€29,872,530	3,473,550	22,771,050	€9,108,420
12/31/2004	Capital increase following the exercise of BSPCE (company creator stock options)	€30,488	€213,416	76,220	22,847,270	€9,138,908
12/31/2005	Capital increase following the exercise of BSPCE (company creator stock options) / stock options	€166,260	€1,163,820	415,650	23,262,920	€9,305,168
12/31/2005	Decrease in capital following the cancellation of a repurchased block of shares	-	-	(98,000)	23,164,920	€9,265,968
12/31/2006	Capital increase following the exercise of stock options	€33,353.60	€276,359.60	83,384	23,248,304	€9,299,321.60
12/31/2007	Capital increase following the exercise of stock options	€53,809.20	€402,778.20	134,523	23,382,827	€9,353,130.80
12/31/2008	Capital increase following the exercise of stock options	€10,916.40	€89,871.40	27,291	23,410,118	€9,364,047.20
12/31/2009	Capital increase following the exercise of stock options	€25,708	€238,298	64,270	23,474,388	€9,389,755.20
12/31/2010	Capital increase following the exercise of stock options	€34,682	€329,517	86,705	23,561,093	€9,424,437.20
12/31/2011	Capital increase following the exercise of stock options	€24,666.40	€253,087.50	61,666	23,622,759	€9,449,103.60
12/31/2012	Capital increase following the exercise of stock options and new share issueds for delivery to the beneficiaries of the Plan C bonus share allocation	€54,762,	€85,775.50*	136,905	23,759,664	€9,503,865.60

* €128,975.50 of additional paid-in capital (in relation to the capital increase following the exercise of stock options, less €43,200 deducted from the "additional paid-in capital" item for the capital increase arising from the issue of new shares in connection with the delivery of bonus shares)

Changes in the distribution of capital and voting rights during the past three years

	Situation at December 31, 2010				Situation at December 31, 2011				Situation at December 31, 2012			
	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights
Directors												
Host Développement	10,790,444	45.8%	21,419,531	52.0%	10,790,444	45.7%	21,419,531	52.2%	10,968,683	46.2%	21,759,127	53.2%
Luc de Chammard and children	6,210,000	26.4%	12,420,000	30.1%	5,927,500	25.1%	11,855,000	28.8%	5,487,526	23.1%	10,975,052	26.9%
SUBTOTAL	17,000,444	72.2%	33,839,531	82.1%	16,717,944	70.8%	33,274,531	81%	16,456,209	69.3%	32,734,179	80.1%
Bertrand Ducurtil	836,167	3.5%	1,607,334	3.9%	804,167	3.4%	1,485,334	3.6%	769,167	3.2%	1,375,334	3.4%
Other officers (managers) with registered shares	311,014	1.3%	311,014	0.8%	577,686	2.4%	577,686	1.4%	785,186	3.3%	785,186	1.9%
SUBTOTAL OFFICERS (MANAGERS)	18,147,625	77.0%	35,757,879	86.8%	18,099,797	76.6%	35,337,551	86%	18,010,562	75.8%	34,894,699	85.4%
Employees with registered shares	90,052	0.4%	93,802	0.2%	197,752	0.8%	201,502	0.5%	341,752	1.4%	345,502	0.8%
Treasury shares	200,000	0.9%	-	-	-	-	-	-	-	-	-	-
Public*	5,123,416	21.7%	5,353,088	13.0%	5,325,210	22.6%	5,531,091	13.5%	5,407,350	22.8%	5,638,228	13.8%
TOTAL	23,561,093	100%	41,204,769	100%	23,622,759	100%	41,070,144	100%	23,759,664	100%	40,878,429	100%

* registered shares (other than Group officers and employees) and bearer shares.

Threshold crossings

No threshold crossings were declared during the 2012 financial year.

Securities transactions carried out by officers (Article L.621-18-2 of the French Monetary and Financial Code)

Group officers carried out the following transactions on company securities during the 2012 financial year:

Between January 2 and January 23, 2012, Host Développement S.A.S. (which is wholly owned by Luc de Chammard) acquired on the market 10,561 shares for €74,859.72 and a block of 9,965 shares for €81,214.75 on the market.

On May 29, 2012, Bertrand Ducurtil sold on the market 75,000 registered shares for €615,000 on the market.

On June 25, 2012, Luc de Chammard sold to Host Développement S.A.S. 147,512 shares for €1,202,222.80.

Share lock-up undertakings / Shareholder agreements / Actions in concert

Lock-up undertakings

In the context of article 885 I bis of the French General Tax Code, a collective lock-up agreement was concluded between Luc de Chammard, Host Développement S.A.S. and Bertrand Ducurtil in November 2010 for a period of two years. This agreement replaces the previous agreement concluded on December 15, 2003 between NEURONES' Chairman and CEO and its Executive Vice-President on the same basis.

In the context of Article 885 I bis of the French General Tax Code, two collective lock-up agreements were concluded in December 2010 between Luc de Chammard, Host Développement S.A.S. and a company officer of two Group entities, for a period of two years. On the same basis, a collective lock-up agreement was concluded between the same shareholders in December 2011 for a period of two years.

In the context of article 787 B of the French General Tax Code, collective share lock-up undertakings were renewed in May 2008 between Luc de Chammard, Bertrand Ducurtil, their families and Host Développement S.A.S.

In the context of article 787 B of the French General Tax Code, collective share lock-up undertakings were concluded in November 2009 between Luc de Chammard, Bertrand Ducurtil and 13 officers at the head of Group entities. On the same basis, a new collective undertaking was concluded in March 2011 between Luc de Chammard, Bertrand Ducurtil and 16 company officers managing Group entities.

Shareholder agreements

None.

Actions in concert

Luc de Chammard, his children and Host Développement S.A.S. (which is wholly owned by Luc de Chammard) act in concert. On the other hand, they do not act in concert with Bertrand Ducurtil.

Pledged shares

None.

4.3. THE MARKET FOR COMPANY SHARES

NEURONES' shares are listed in compartment "B" of the only list (Eurolist) on the Paris Stock Exchange (ISIN code: FR0004050250 – Bloomberg code: NEUR FP – Reuters code: NEUR.LN). The shares have been quoted continuously since the Group was listed (on May 23, 2000). NEURONES is included in the CAC All Tradable, CAC Small and CAC IT indices.

The trends in the share price and the volumes traded in 2012 were as follows:

Month	Highest Price *(in €)*	Lowest price *(in €)*	Average closing price *(n €)*	Number of shares traded *(000s)*	Number of trading sessions
January 2012	7.49	6.95	7.21	123	22
February 2012	8.82	7.35	8.29	218	21
March 2012	9.20	8.44	8.87	188	22
April 2012	9.10	7.85	8.47	147	19
May 2012	8.80	7.76	8.30	211	22
June 2012	8.50	7.74	8.24	245	21
July 2012	8.35	7.86	8.14	77	22
August 2012	8.38	7.70	8.09	90	23
September 2012	8.40	8.10	8.26	94	20
October 2012	8.77	8.17	8.41	132	23
November 2012	8.60	8.20	8.46	119	22
December 2012	8.49	8.25	8.36	94	19
Highest, lowest and average for 2012	**9.20**	**6.95**	**8.25**	**145**	**256**

Source : NYSE Euronext.

The average volume traded daily during 2012 was approximately 6,800 shares.

4.4. CORPORATE GOVERNANCE

Board of Directors

Members

The Board of Directors is comprised of four directors, whose other offices (Group and non-Group), age and main position occupied are specified in the management report:

Director	Position	Number of offices held within the Group	Number of offices held outside the Group
Luc de Chammard	Chairman of the Board of Directors	NEURONES + 1 office	1 office
Bertrand Ducurtil	Director	NEURONES + 7 offices	1 office
Marie-Françoise Jaubert	Director	NEURONES	None
Jean-Louis Pacquement	Director	NEURONES	None
Hervé Pichard	Director	NEURONES	4 offices

Seniority in the position

Director	Date of first appointment	Date appointment expires
Luc de Chammard	December 5, 1984*	AGM on June 6, 2013
Bertrand Ducurtil	June 30, 1999	AGM on June 6, 2013
Jean-Louis Pacquement	December 5, 1984*	AGM on June 6, 2013
Hervé Pichard	October 15, 2004	AGM on June 6, 2013
Marie-Françoise Jaubert	June 9, 2011	AGM on June 6, 2013

* NEURONES' founding date

Jean-Louis Pacquement is a director who has more than 13 full years of seniority. Hervé Pichard is also the Group's legal advisor. They have good knowledge of NEURONES' organization and its businesses, and have never exercised executive functions in the Group. Jean-Louis Pacquement, in addition to his finance and merger-acquisition skills, has the detachment and the perspective of a "historical" director. He has never had business relations with the company. Hervé Pichard brings his legal and business administration expertise. He is one of the company's advisors, which gives him excellent knowledge, early on, of the main strategic files and their background. The latest director appointed, Marie-Françoise Jaubert, has proven experience in Law and more specifically in Private Law.

Marie-Françoise Jaubert and Jean-Louis Pacquement are independent directors as defined by the Middlenext Corporate Governance Code. They meet the criteria for independence defined by this Code: they do not have any significant financial, contractual or family relation likely to affect their ability to make independent judgments.

No specific rule has been established (common law applies) concerning restrictions or bans on Directors participating in operations involving NEURONES' shares if they have inside information.

Nearly 70% of the capital is represented on the Board by just one of the five directors. To date, the direct and indirect holder of this majority share of the capital, who is also the company Chairman and CEO, has not deemed it necessary to be more fully represented on the Board, to ensure a broad distribution of authority in the Board of Directors. Logically, therefore, no specific provision has been established to ensure that control of the Group is not misused.

Operation

The Board of Directors met 5 times in 2012. 5. The attendance rate of members of the Board of Directors in 2012 was 85: 68%.

Renewal of directors' appointment

The directors' term of office expires annually. Accordingly, a motion will be submitted to approve the renewal of their term of office for one year at the

Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2012.

Remuneration of directors

No directors' fees have been paid since the company began.

Compliance with the governance rules of the MiddleNext Code for mid-cap and small-cap stock

As a medium-sized group, with a majority shareholder among the managers, NEURONES has chosen to refer to the MiddleNext Code of December 2009 for corporate governance.

NEURONES' governance complies on the whole with the recommendations of this Code. The manager compensation issue, on which the company made a decision in 2008 in reference to the Afep-Medef code, is discussed in the Management Report (Paragraph 13).

In particular, the company is especially concerned about protecting the interests of minority shareholders since they include some of the managers of the parent company or its subsidiaries.

Accordingly:
- all major decisions are taken in collegial discussions among managers and then in the Board of Directors,
- arrangements are made for the Chairman's succession,
- supervisory authority is exercised as described in this paragraph,
- the Board adopted a set of by-laws at its meeting on June 10, 2010.

The Board's by-laws set out the Directors' legal and ethical obligations. They clearly establish the Board's missions and operating procedures in accordance with the principles of good governance.

Two points, among the most significant ones mentioned in the MiddleNext Code, call for the following explanations:
- there is no self-assessment of the Board's work,
- there are no specialized Committees (audit, compensation, strategy).

There are no plans to establish such bodies. In view of the Group's size and its highly decentralized operations, these bodies do not seem to be the most appropriate way to achieve the desired outcomes. Additionally, as pointed out in Chapter 1 of the Chairman's Special Report, the auditors are present at both of the board meetings held to approve the financial statements. Among other things, these meetings play the role expected of an audit committee meeting.

Managers' interests

The total gross amounts of remuneration and fringe benefits attributed to members of NEURONES' Board of Directors for FY2011 and FY2012 are set out in the management report. The report also specifies how the Afep-Medef Code recommendations on officers' remuneration are to be applied.

No NEURONES managers or members of their families hold, directly or indirectly, assets used by the Group, especially real estate.

They have no holdings in the capital of NEURONES subsidiaries, nor in the Group's customers or suppliers, except for a long-standing stake in a one-man business that is an occasional and very marginal supplier of the Group.

No loans or collateral have been granted or formed in favor of members of administrative and management bodies.

4.5. EMPLOYEE PROFIT SHARING

Stock options and bonus shares

The stock option and bonus share allocation plans are described in the notes to the consolidated financial statements (Note 9).

For all of these plans, there were still 517,175 options or bonus shares in circulation at December 31, 2012 as indicated in detail in this same note.

For the NEURONES officers and 10 Group employees who received the most options (for each plan), the history of the stock option allocations is shown below:

	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
Shareholders' Meeting:	11/29/99 & 06/09/11	11/29/99 & 06/09/11	11/29/99	06/25/03 & 06/25/04	06/25/04
Board of Directors meeting:	07/27/00 & 03/31/11	07/11/01 & 03/31/11	01/23/03	10/15/04	06/28/06
Maturity date of the plans	07/27/05	07/11/06	03/01/07	10/15/08	07/01/10
Expiry date of the plans	07/26/15	07/11/16	02/28/11	10/14/12	06/30/14
Number of beneficiaries	10	10	10	10	10
- including officers	-	-	-	-	-
Number of shares granted	34,298	81,000	67,000	92,000	33,000
- including officers	-	-	-	-	-
Number of expired options at 12/31/2011	(27,629)	(16,000)	(10,000)	(22,000)	(4,000)
Number of shares already subscribed at 12/31/2011	-	(65,000)	(57,000)	(70,000)	(22,000)
Number of options that expired during the period	-	-	-	-	-
Number of shares subscribed during the period	-	-	-	-	(4,000)
- including officers	-	-	-	-	-
- including employees	-	-	-	-	*(4,000)*
Subscription price (in euros)	7.5	3.8	3.2	4.2	5.1
Number of options in circulation at 12/31/2012	6,669	-	-	-	3,000
Number of exercisable options at 12/31/2012	6,669	-	-	-	3,000

For the NEURONES officers and 10 Group employees who received the most bonus shares (for each plan), the history of the bonus share allocations is shown below:

	Bonus share plan A	Bonus share plan B	Bonus share plan C	Bonus share plan C	Bonus share plan E
Shareholders' Meeting:	06/24/05	06/14/07	06/11/09	06/10/10	06/09/11
Board of Directors meeting:	06/28/06	12/21/07	07/24/09	12/14/10	06/07/12
End of acquisition period	07/01/09	01/01/11	08/01/12	12/15/13	06/08/15
End of retention period	07/01/11	01/01/13	08/01/14	12/15/15	06/08/17
Number of beneficiaries	11	11	10	10	10
- including officers	*1*	*1*	-	-	-
Number of free shares allocated	175,000	123,000	72,000	68,000	75,000
- including officers	*25,000*	*18,000*	-	-	-
- including the first 10 employee beneficiaries	*150,000*	*105,000*	*72,000*	*68,000*	*75,000*
Number of expired shares at 12/31/2011	(17,000)	(24,000)	(27,000)	(5,000)	-
Number of shares in the acquisition period at 12/31/2011	-	-	45,000	63,000	-
Number of shares that expired during the acquisition period in the fiscal year	-	-	-	-	-
Number of shares in the acquisition period at 12/31/2012	-	-	-	63,000	75,000
Number of shares in the retention period at 01/01/2012	-	99,000	-	-	-
Number of shares in the retention period at 12/31/2012	-	99,000	45,000	-	-

Statutory profit sharing and optional profit sharing

In addition to the potential advantages of stock option and bonus share plans, employees are entitled to statutory profit sharing when their business entity satisfies the required conditions. During the past five years, the total amounts allocated to statutory profit sharing and optional profit sharing for employees were as follows:

(in € thousands)	2008	2009	2010	2011	2012
Statutory profit sharing	2,007	1,912	2,708	2,283	3,206
Optional profit sharing	147	95	76	146	80
TOTAL (statutory + optional profit sharing)	2,154	2,007	2,784	2,429	3,286

4.6. PERSONS IN CHARGE OF AUDITING THE FINANCIAL STATEMENTS

Statutory Auditors

KPMG S.A.
Immeuble Le Palatin – 3, cours du Triangle – 92939 Paris La Défense cedex
Represented by Mr Jean-Marc Laborie.
Date of first appointment: appointed during the Combined Shareholders' Meeting of June 25, 2004.
Date of current appointment: renewed during the Combined Shareholders' Meeting of June 9, 2011.
End of appointment: appointment expires at the Ordinary Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2016.

Bellot Mullenbach & Associés
11, rue Laborde – 75008 Paris
Represented by Mr Thierry Bellot.
Date of first appointment: appointed during the Ordinary Shareholders' Meeting of June 30, 1997.
Date of current appointment: renewed during the Combined Shareholders' Meeting of June 11, 2009.
End of appointment: appointment expires at the Ordinary Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2014.

Alternate Auditors

KPMG Audit IS
Immeuble Le Palatin – 3, cours du Triangle – 92939 Paris La Défense cedex
Represented by Mr Jay Nirsimloo.
Date of first appointment: appointed during the Combined Shareholders' Meeting of June 9, 2011.
Date of current appointment: appointed during the Combined Shareholders' Meeting of June 9, 2011
End of appointment: appointment expires at the Ordinary Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2016.

Mr Éric Blache
11, rue Laborde – 75008 Paris
Date of first appointment: appointed during the Combined Shareholders' Meeting of June 24, 2005.
Date of current appointment: renewed during the Combined Shareholders' Meeting of June 11, 2009.
End of appointment: appointment expires at the Ordinary Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2014.

Person in charge of information

Luc de Chammard – NEURONES – Immeuble "Le Clemenceau 1"
205, avenue Georges Clemenceau – 92024 Nanterre Cedex
Tel.: +33 (0)1 41 37 41 37 – Fax.: +33 (0)1 47 24 40 46

Affidavit of the person responsible for the reference document

I certify, after having taken all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this reference document truly and fairly reflects the existing situation and contains no omissions that could impair its full meaning.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and earnings of the company and all of its consolidated subsidiaries, and further that the management report, included in this document, presents a true and fair view of the ongoing development and performance of the business, earnings and financial position of the company and all of its consolidated subsidiaries as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained from the Statutory Auditors a certificate of completion of audit affirming that they have verified the information related to the financial position and financial statements presented in this reference document. They also affirm that they have read this document in its entirety. The auditors' certificate of completion of audit does not contain any observations.

Luc de Chammard
Chairman and CEO

4.7. RELATED INFORMATION

Information included for reference purposes

The following information is included in this reference document for reference purposes:
- the consolidated financial statements for FY 2009 established in accordance with the French accounting standards, plus the related statutory auditors' report, shown on pages 60 to 82 of the 2009 annual report filed with the AMF on April 14, 2010 under number D.10-0261.
- the consolidated financial statements for FY 2010 established in accordance with the French accounting standards, plus the related statutory auditors' report, shown on pages 43 to 64 of the 2010 annual report filed with the AMF on April 21, 2011 under number D.11-0348.
- the consolidated financial statements for FY 2011 established in accordance with the French accounting standards, plus the related statutory auditors' report, shown on pages 45 to 66 of the 2011 annual report filed with the AMF on April 12, 2012 under number D.12-0333.

Publicly available documents

The following documents in particular are available on the company website (www.neurones.net):
- this Reference Document 2012,
- the Reference Documents 2009, 2010 and 2011.

The company Articles can be consulted at NEURONES' headquarters: 205, avenue Georges Clemenceau – 92024 Nanterre Cedex.

The Reference Documents 2009, 2010 and 2011, and this Reference Document 2012, are also available on the AMF website (www.amf-france.org).

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

2012 REFERENCE DOCUMENT

This reference document was filed with the Autorité des Marchés Financiers on April 17, 2013 under Article 212-13 of its general regulations. It may be used as support for a financial transaction if it is accompanied by an offering memorandum certified by the AMF. This document was drawn up by the issuer and incurs its signatories' liability.

This reference document is available at www.neurones.net – Investors – Regulated information.

Printed by Optimum (Steenvoorde, France), an Imprim'Vert-certified printer. This label is awarded to printers that have introduced industrial strategies designed to protect their environment (waste management, ban on toxic products, etc.). The paper used to print this Annual Report was produced in a paper mill certified to ISO 9001, ISO 14001, OHSAS 18001 and EMAS (Eco-Management and Audit Scheme). It holds FSC and PEFC certifications (the origin of the paper pulp can be traced back to sustainably managed forests) and was bleached using the ECF (Elementary Chlorine Free) process.

Graphics design and production: t a m a t a

A number of staff members kindly allowed us to take photos of them at work for this annual report. We would like to thank them. This report presents a glimpse of our 16,400 sq. m of infrastructure and the 3,700 people behind the Group's past and future achievements.

Forward together...®

NEURONES

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